

Work Force Change

Number 97-001

***Prepared by the
U.S. Department of Energy
Ohio Field Office
for the
Contractor Work Force
Mound Site***

Effective September 1997

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FACTORS DRIVING WORK FORCE CHANGE

The Ohio Field Office *Work Force Restructuring Plan*, approved in July 1997, defines the process and strategies for reductions in the work force, and the eligibility and scope of benefits available to workers and communities affected by work force restructuring. When necessary, the *Plan* authorizes the preparation of a *Work Force Change* to implement the *Plan*. The *Work Force Change* discusses the basis for the action, the package of *Plan* benefits available to workers and communities, and any other site-specific considerations.

The basis for this Mound-specific *Work Force Change* is the expiration of EG&G Mound Applied Technologies, Inc. contract (DE-AC24-88DP43495) with the U.S. Department of Energy. A new contract (DE-AC24-97OH20044) was awarded on August 1, 1997, to The Babcock and Wilcox Company. Babcock and Wilcox of Ohio will use three integrated subcontractors, Morrison-Knudsen, Roy F. Weston, and Los Alamos Technical Associates, and pre-selected subcontractors, Unisys and several Babcock and Wilcox subsidiaries, to complete the project work. Collectively, those firms plan to employ about 900 workers in the first year of the project, with the skill mix reflected in Appendix A of this document.

Because of the change in the worker skill mix required by the new contractors, not all current EG&G Mound employees will be offered continuing employment. Those EG&G Mound employees not hired by either Babcock and Wilcox of Ohio or Unisys or the Babcock and Wilcox subsidiaries remain employees of EG&G Mound Applied Technologies, Inc. and are subject to involuntary termination by EG&G Mound prior to the expiration of EG&G's contract on September 30, 1997.

In addition, this *Work Force Change* identifies a variety of measures that Babcock and Wilcox of Ohio should accomplish over the next eight months in order to establish a firm foundation for future work force management, consistent with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993, Department of Energy Order 350.1, and other policy and program guidance of the Department of Energy.

PREFERRED STRATEGY FOR WORKER TRANSITION

Voluntary Transition of Workers: There are no enhanced severance pay or voluntary . . . transition incentives available under this Mound-specific *Work Force Change*.

Involuntary Separation of Workers: Involuntarily separated workers will receive normal contract separation allowances consistent with terms and conditions outlined in EG&G Mound Applied Technologies, Inc., Appendix A of EG&G prime contract, Summary Plans, and any applicable collective bargaining agreements. The contract states that "Separation allowances shall not be paid where employees are offered employment at comparable pay and benefits by a successor contractor." Comparable is defined as similar to, with some differences or changes, that may include tradeoffs. The Department of Energy has reviewed and approved Babcock and Wilcox of Ohio's total compensation package. It has

been determined that the overall total compensation plan is comparable to EG&G Mound's overall package of pay and benefits.

In order to assist individual EG&G Mound employees in making a decision regarding a specific job offer, the Department of Energy has determined, after consideration of the above, that as a general rule for guidance, comparability of pay and benefits is established when an EG&G Mound employee receives an offer that includes, but is not limited to, Babcock and Wilcox of Ohio's benefit package plus a gross salary that is equal to or higher than 90% of the EG&G Mound employee's current gross salary. When an EG&G Mound employee is offered less than the above and is deciding to not accept the offer, the EG&G Mound employee should simultaneously contact the EG&G Mound Human Resources Department and the Department of Energy's Contracting Officer for a review and determination that the pay and benefits are not comparable. This review will determine whether affected employees are eligible for severance and *Plan* benefits.

If an EG&G Mound employee does not receive an offer of employment, or if he or she turns down an offer of employment which does not have comparable pay and benefits, the employee will receive contract severance. If an EG&G Mound employee is offered a job with comparable pay and benefits by the successor contractor, Babcock and Wilcox of Ohio, or Unisys or other Babcock and Wilcox subsidiaries, but declines the offer, the employee will have to resign from EG&G Mound or the employee will be involuntarily separated with no payment of severance by EG&G Mound and will not be eligible for *Plan* benefits.

Plan Benefits: In addition to normal contract severance, the following *Plan* benefits are available to workers who meet the eligibility requirements and other criteria defined in the *Work Force Restructuring Plan*. The EG&G Mound human resources department will provide each affected worker with a thorough explanation of the requirements and criteria, and other limitations, for any of these *Plan* benefits. After September 30, 1997, those EG&G Mound workers who were involuntarily separated should apply for any *Plan* benefits through the human resources program office of Babcock and Wilcox of Ohio.

- ***Displaced Worker Medical Benefit*** program coverage is available to all involuntarily separated workers who were eligible for medical benefits before their separation. In the first year after a worker's separation, the contractor will continue to pay its share of the former worker's medical premium costs. In the second year, the former worker will pay half of the COBRA rate. The COBRA rate is 102% of the full cost of coverage, including both employer and employee contributions. In the third and future years, the former worker will pay the entire COBRA rate. If medical plan coverage is available through a new employer's plan or a spouse's plan, former workers are not eligible for this benefit. If former workers are eligible for medical coverage through retirement programs or Medicare, they cannot receive this benefit. Former employees may be able to continue coverage under the Department of Energy Displaced Worker program for preexisting conditions, if such conditions are excluded from coverage for some period of time under another plan for which the individual becomes eligible.
- ***Outplacement services*** are available to all involuntarily separated workers, for up to one year after a worker's separation date. The Mound Transition Center will provide access to skill assessments, workshops, resource libraries, and automated job listings such as the Job Opportunity Bulletin Board System (JOBBS) of the Department of Energy.

- **Relocation assistance** is available only to involuntarily separated "Cold War" workers, up to one year after the worker's separation date, and only when the worker obtains a new job at another Department of Energy site. The Department will reimburse up-to-\$3,000 of approved expenses, if the new company does not offer relocation assistance to the individual worker.
- **Education and retraining assistance** is available only to involuntarily separated "Cold War" workers, who may apply for this assistance up to one year after their separation date. The Department will provide up to \$5,000 for each worker for either a training program or a degree program.
- The Section 3161 **Preference-in-Hiring** is available only to involuntarily separated "Cold War" workers. Affected workers will receive a thorough explanation of eligibility and certification requirements during the checkout process conducted by EG&G Mound.
- A **construction worker benefit** is not available under this Mound-specific *Work Force Change* because EG&G Mound Applied Technologies, Inc. had no continuing contractual relationship with such firms.

PREFERRED STRATEGY FOR COMMUNITY TRANSITION

There are no specific community transition activities associated with this *Work Force Change*.

MOUND-SPECIFIC DELIVERABLES

Preference-in-Hiring: By October 31, 1997, Babcock and Wilcox of Ohio will define a policy and process on the consistent application of the Section 3161 Preference-in-Hiring benefit. Policies must define how to deal with multiple applications for the same job where workers are exercising this benefit. The administrative process should assure that involuntarily separated workers have their preference maintained current in the Department of Energy's Job Opportunity Bulletin Board System (JOBBS) and that JOBBS information is routinely reviewed for new hiring opportunities if the existing work force, first, does not possess the necessary skills to do the work.

Work Force Planning Process: By November 30, 1997, Babcock and Wilcox of Ohio will define and propose a disciplined work force planning process, using a process similar to the model outlined in Appendix B of the Ohio Field Office *Work Force Restructuring Plan*. The Ohio Field Office will review and comment on the process. Upon approval by the Department of Energy, Babcock and Wilcox of Ohio will use the process to manage the work force.

"Make or Buy" Decision Process: Consistent with Department of Energy policies and procedures and collective bargaining agreements, a "make-or-buy" decision process, which includes cost evaluation tools and models, will be used to determine the cost/benefit ratio of any proposed outsourcing action. Other factors in addition to cost, such as safety, skill mix and other items, will be considered in the outsourcing decision process. Any proposed subcontracting or privatization actions of work covered by the collective bargaining agreement will provide for a transition for represented workers. The process will be submitted by Babcock and Wilcox of Ohio to the Department of Energy for review and comment no later than December 31, 1997. A separate *Work Force Change* will identify terms and conditions for any benefits provided to affected workers.

Work Force Arrangements: By January 31, 1998, Babcock and Wilcox of Ohio will identify to the Department of Energy appropriate measures to assure the effective use of the Mound represented work force to complete the continuing work at the Mound site. Certain site represented activities may require fluctuating staffing levels in certain labor classifications. In those cases, measures include arrangements such as project labor agreements, employee leasing, or other vehicles to provide improvements in operations and productivity to promote work force stability.

Voluntary Transition Programs: Babcock and Wilcox of Ohio is encouraged to develop a program for workers to begin to plan for future careers, once their positions are identified for reduction within a two-year period through the Work Force Planning Process. Any proposed program must be at the least cost to the government when compared to normal contract severance. The Miamisburg Environmental Management Project and the Ohio Field Office Human Resources Division will review any proposed program. Upon approval, Babcock and Wilcox of Ohio will implement the program through its human resource policies and procedures.

APPENDIX A

**Worker Skills Analysis Plan
Contractor Work Force
Miamisburg Environmental Management Project**

COCS Code	EG&G Mound Applied Technologies	Babcock & Wilcox Team	
		Project Year 1	Project Year 2
General Managers, Executives, First Line Supervisors (M)	115	85	79
General Administrators, and other professionals (P)	162	189	167
Administrative assistants, secretaries, and clerical (G)	87	68	65
Engineers (E)	91	122	101
Scientists (S)	23	34	32
Technicians (T)	176	106	100
Crafts (C)	74	160	194
Laborers and General workers (L)	127	116	114
Operators (R)	14	30	20
Total	869	909	873

Of the approximate 900 employees associated with the new contractor team in Project Year 1, the Babcock and Wilcox team plans to interview and provide hiring preference to about 800 current EG&G Mound employees.

Note: The Babcock and Wilcox team numbers reflect staffing levels presented in the accepted proposal. Some changes to these numbers are anticipated, reflecting actual site conditions.

APPENDIX B

Ohio Strategic Plan Master Schedule Miamisburg Environmental Management Project

Activity Description	Start	Finish	1997	1998	1999	2000	2001	2002	2003	
Trillium Operations	30SEP97*	22MAY98	[Gantt bar from 30SEP97 to 22MAY98]							
Main Hill Trillium	30SEP97*	15JUN01	[Gantt bar from 30SEP97 to 15JUN01]							
Main Hill Rad	30SEP97*	20DEC01	[Gantt bar from 30SEP97 to 20DEC01]							
Main Hill Non-Rad	30SEP97*	01JAN03	[Gantt bar from 30SEP97 to 01JAN03]							
SM/PP Hill	30SEP97	26AUG02	[Gantt bar from 30SEP97 to 26AUG02]							
Test Fire Valley	30SEP97*	03FEB03	[Gantt bar from 30SEP97 to 03FEB03]							
Soils	30SEP97	26NOV02	[Gantt bar from 30SEP97 to 26NOV02]							
Legacy Waste	30SEP97	08AUG01	[Gantt bar from 30SEP97 to 08AUG01]							
Isotope Power Systems	30SEP97	03FEB03	[Gantt bar from 30SEP97 to 03FEB03]							

Project Start	04SEP97	Early	Rebeck & Wilson	Break List	04 Sep 97 017 30
Project Finish	01FEB03	Program Rev	Rebeck & Wilson	Revisions	Checked/Approval
Baseline	05SEP97	Calculated	Moved List Plan		
Run Date	05SEP97		Close Projects		

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