

**Lawrence Berkeley National Laboratory  
Contract Assurance Council  
Minutes of the Monthly Meeting**

**Thursday August 14, 2008  
University of California—Office of the President  
Franklin 9204**

*CAC members or representatives present:*

Bob Foley	Patrick Reed	John Layton, by phone
Steve Beckwith	Anne Broome	Al Diaz
Bob Van Ness	Buck Koonce	Bill Eklund for Jeff Blair
John Birely	John Oakley, by phone	

*UCOP Staff:*

Ron Nelson	Sandy Vinson
Jim Hirahara	Gary Falle, by phone

*Guest participants:*

Jim Krupnick, LBNL	John Chernowski, LBNL	Howard Hatayama, LBNL
Anil More, LBNL		

**Welcome/Action Items**

VPLM Foley welcomed the Council members to the monthly meeting. Jim Hirahara reviewed the action items as follows:

- Item 39 – A brief report of measures, including a standard subcontract provision (Clause 8 – Indemnification) used with vendors to indemnify UC on work at LBNL, was provided. Item closed. However, in response to a question raised by Bill Eklund as to the appropriateness of the provision, a new Action Item 50 is established to address this issue.
- Item 40—Required report is included in the briefing on the Management Controls agenda topic presented at this CAC Monthly Meeting. Item closed.
- Item 47 – No Podonsky review scheduled. Rather than continuing to keep this action on “Hold” status, item will be closed until more is know about a possible review.
- Item 48—Action continues to be ongoing.
- Item 49—John Chernowski has agreed with Patrick Reed on appropriate ground rules for changing dates in CATS, i.e., medium and high risk CA’s require OCA approval to change due dates and high risk CA’s also require advance, 30-day notification of request. Item closed
- Item 50 – Bill Eklund and Jeffrey Fernandez need to discuss whether the standard subcontract provision covering indemnification is appropriate and determine whether any changes in Lab standard practices are needed.

The July 2008 minutes are considered final as distributed.

## **Management Controls**

Howard Hatayama provided an update on the status of the University's March 4, 2008 response to concerns raised by the DOE Berkeley Site Office Manager in her January 18, 2008 letter regarding Management Controls. In the March 24 response, the University identified compensatory measures and corrective actions addressing the DOE concerns. The Council was briefed on the status of efforts to complete the planned actions covering compensatory measures, ISM improvements, personnel policies, and subcontractor and other participants.

Howard reported that all compensatory measures, including communications to remind everyone of their safety responsibilities such as a letter co-signed by VPs Beckwith and Foley to campus Vice Chancellors for Research and various internal communications from Director Chu, were completed. ISM improvements are on track, but greater focus on demonstrating tangible results beyond putting paper processes in place, is needed. Personnel policies were critically reviewed and found to be sufficient, but an enhancement in the material provided in the employee/guest packet to include the Lab's stop work and ISM policy, ES&H Work Agreement, "Safety at LBNL" tri-fold brochure, and a memo from Dr. Chu emphasizing safety expectations. HR has begun distributing this enhance packet to new guests, contract labor and new employees as they come on site.

As noted in Action Item #40 above, corrective actions related to equipment owned by organizations other than LBNL were described. A review of the Lab's existing policies on property use and award of subcontracts for work on LBNL sites were reviewed and determined to be adequate. The same was found to be the case with regard to Work for Others, Cooperative R&D Agreements and User Agreements. With regard to responsibilities and accountabilities, the Lab embarked on a Subcontractor Safety Initiative to review policy, processes, and subcontracts related to subcontractor safety while performing on-site work. The primary focus was the Lab Regulations and Procedures Manual. Responsibilities and accountabilities related to property and subcontracting were adequate. Language in the ES&H section is being supplemented to reinforce that Lab employees are responsible for ensuring that hazards related to property brought on site must be analyzed and appropriately controlled regardless of whether it is LBNL property or property owned by non-Lab employees.

In a larger context, these corrective actions will be important for supporting an requirement to under-go an annual "certification" that the Laboratory's ISM System is effective. A first-time, certification/declaration letter is required from the Laboratory and will serve as the basis for the DOE Berkeley Site Office to make a certification as to the effectiveness of LBNL's ISM System. The letter from the Lab is due to DOE on September 30, 2008, and prior to submission, the Council will be provided a draft for review.

## PEMP Update

John Chernowski provided a copy of briefing used at the FY08 Third Quarter Review meeting with the DOE Berkeley Site Office, UCOP, and LBNL. Senior management from the three organizations, including Site Office Manager Richards, AVPs Van Ness and Bireley, and Director Chu, participated in the quarterly review.

Selected charts from the briefing were highlighted. The Council discussed risks related to (1) Measure 4.2, Responsive and Accountable Leadership, involving ISM implementation and the Lab's assurance system; (2) Measure 5, Environment, Safety and Health, including TRC/DART results and progress on use of Job Hazards Analysis; and (3) Measure 6.1, Financial Management, where an unallowable cost was discovered at the JGI during a division-requested institutional assurance review.

Overall, expected performance seemed to be going in a satisfactory direction toward year-end. ISM implementation poses the most significant risk of not meeting desired performance expectations in the annual performance appraisal and will require continued efforts and attention.

## Retreat with BSO

Jim Krupnick discussed a recent half-day retreat he had with BSO Site Manager Richards and UCOP Lab Management representatives Koonce and Nelson. There were candid discussions regarding each organization's perception of current working relationships, expectations of the new contract versus the prior contract, building trust, respect and transparency, improving communication, creating a strong safety culture, and the future of work smart standards. Jim felt it was a useful and necessary meeting that could become a foundation for improved relations and communications between BSO, UCOP and the Lab. Follow-on meetings are planned.

## Action Items:

#	Responsible Party	Action	Date Added	Status
48	Nelson UCOP	Report on review of adequacy of LBNL COI policies and processes	03/11/08	<b>OPEN</b>
50	Eklund UCOP/ Fernandez LBNL	Discuss Clause 8 - Indemnification and determine whether any changes in Lab standard practices are needed.	8/14/08	<b>OPEN</b>
51	Hatayama LBNL/ Koonce UCOP	Coordinate draft Lab ISM certification letter with the Council	8/14/08	<b>OPEN</b>

