

**Lawrence Berkeley National Laboratory  
Contract Assurance Council  
Quarterly Meeting Minutes**

**Wednesday, October 11, 2006  
University of California—Office of the President  
Franklin Building, Room 9024**

*CAC members or representatives present:*

Bob Foley	Susan Thomas for Jeff	Anne Broome
Bob Van Ness	Blair	Patrick Reed
John Birely	Judy Boyette	John Layton
Buck Koonce	Gary Falle for Bruce	Al Diaz
	Darling (by phone)	

*CAC members absent:*

Larry Coleman	John Oakley
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*UCOP Staff:*

Jim Hirahara	Sharon Eklund
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*Guest participants:*

Sandy Merola, LBNL	Jim Krupnick, LBNL
Howard Hatayama, LBNL	John Chernowski, LBNL
	Ron Nelson, UCOP

**Introductory Remarks/Action Item Review**

Bob Van Ness welcomed members and guests to the Contract Assurance Council (CAC) quarterly meeting. Jim Hirahara announced that Karen Clegg has resigned from the Council due to family and personal reasons, and he introduced Al Diaz, the UCR Vice Chancellor for Administration, who is joining the Council. Diaz has a broad range of experience applicable to the work of the Council, including his participation on a self-critical NASA agency-wide assessment of safety following the Columbia accident.

Hirahara reviewed the open Action Items (see end of minutes for detailed listing of Items):

- Items 12 and 13—These will remain open until discussion at a future meeting;
- Item 19—Sandy Merola reported that the Burnside Committee will meet soon, and LBNL will share the results of the meeting at a future CAC;
- Item 21—This will be on the agenda for next month;
- Item 22—Anne Broome expressed a desire that LBNL purchasing be more aligned with the UCOP strategic sourcing initiative. Jim Krupnick indicated that there might be times when LBNL is able to negotiate better pricing than is available to UCOP. Krupnick agreed that Jeffrey Fernandez and Broome need to discuss this topic and should report on this at the next meeting;

- Item 24—Krupnick explained that by operating ventures, the Advisory Board was referring to third-party-financed projects. He will provide the Council with a written response regarding the reference to operating ventures. The question regarding the potential for duplication in oversight activities will be answered at a future meeting by Ron Nelson;
- Item 25—This will be on the agenda for the next meeting; and
- Item 26—David McGraw will report on this topic at a future meeting (perhaps in December).

The Council members unanimously approved the minutes of the September 13, 2006, meeting as submitted.

### **McCallum Turner Review**

Howard Hatayama, LBNL EHS Division Director, reported that the Laboratory is awaiting receipt of the draft written McCallum-Turner (M-T) report for factual accuracy review. The M-T team will then issue the final report the following week. LBNL invited M-T to perform the review for a variety of reasons, including in order to address DOE Undersecretary for Science Orbach's concerns with LBNL recent safety performance and to gain time to improve prior to a DOE Office of Security and Safety Performance Assurance (SSA) inspection. Hatayama announced that LBNL was the only multi-program laboratory to meet and exceed their safety targets for FY06, but the new targets for FY07—Total Recordable Rate (TRR) of .65 and Days Away, Restricted, or Transferred (DART) rate of .25—will be very challenging for the Laboratory. Director Chu, McGraw, and Krupnick recently met with Glenn Podonsky, SSA Director, to discuss inspection expectations. LBNL is not on the FY07 schedule for Podonsky review. The M-T team included members from the Office of Science (SC) laboratories who understand and have experience with the types of activities in which LBNL is engaged. The team identified notable areas, including senior management commitment to safety, the EHS liaison program, and strong worker safety ethic—all observed as members of the team walked around the Laboratory and interviewed more than 200 employees. LBNL has not conducted an opinion survey *per se*, but the recent climate survey indicated that employees believe that senior management commitment to safety is strong.

Many of the M-T report recommendations are focused on systems:

- Establish consistent incorporation of safety expectations into formal documents. For example, it is essential that everyone understands and acknowledges who is the safety-responsible manager when graduate students are working in a laboratory under the direction of a Principal Investigator (PI) and the PI is not present on a daily basis.
- Restructure policies, procedures, and related processes for better functionality. Judy Boyette commented that LBNL might want to review the UCSD system as a potential model of standardized policies and procedures. Pacific Northwest National Laboratory also has a best-in-class DOE system.
- Strengthen performance management processes. The team recommended establishing clear goals, measuring performance against goals, and performing trending and

analysis. In addition, the team identified consistent processes of flowing down EHS requirements to subcontractors as an area for improvement.

- Fully implement corrective action management, including employing a graded approach in performing root cause analysis, effectiveness reviews, and extent of condition reviews.
- Strengthen the Lab self-assessment process. Current self-assessment processes could be improved by developing better guidance for performing assessments and by performing some technical assessments across the institution based on a specific EHS aspect (i.e., laser safety).
- Improve work planning and work control processes. In research and development, management should re-examine the thresholds for formal work authorization. In facilities and operations, the hazard information upon which work is planned is only as good as the data that have been entered into the database, which are not sufficiently current. For example, the penetration permit process was characterized as being too cumbersome and complicated.
- Clarify the Laboratory relationship with the campus. The current memorandum of understanding is reasonable, but it is necessary to know who is subject to it and to assure that people on campus are working appropriately on DOE tasking. Boyette recommended that the Laboratory establish milestones for the LBNL and UCB actions.

### **FY06 PEMP Discussion**

John Chernowski explained that there are two components in the Performance Evaluation and Measurement Plan (PEMP): Mission and Management and Operations. This is the first full year for the new PEMP process. LBNL won't likely see the Mission evaluation for another six weeks; however, LBNL Science and Technology (S&T) Division Directors have held discussions with SC Program Managers over the course of the fiscal year and have requested that SC keep LBNL apprised of any perceived issues or problems. Director Chu has delegated responsibility for assuring that the sponsor relationships are maintained to Rob Johnson. The S&T staff is preparing the self-assessments now. Orbach determines whether contract renewal will take place, considering the recommendations of the Berkeley Site Office Manager.

For Management and Operations, the UC Functional Managers have reviewed their respective goal reports, and the LBNL Independent Evaluations of the reports are scheduled for next week. LBNL has been meeting quarterly with BSO on operations performance and has prepared the draft final assessment for sharing with the BSO counterparts in each goal area. UC and LBNL are trying to assure that the evaluation process is not unduly restrictive and allows for incorporating in the self-assessment consideration of issues that may not be included in the performance measures. The weakest area of the assessment at this point is the facilities goal, and the experience in this goal has indicated that there may be a need to put more effort into formulating measures in the future. Judy Boyette would like to look more closely at diversity activities and performance in FY07. She indicated that the climate survey results have not yet been released and may provide useful information regarding potential areas of performance improvement. (A consultant was hired to perform the survey.)

Al Diaz asked how data were being analyzed, especially for identifying predictive indicators of potential performance problems. The LBNL Office of Institutional Assurance is conducting an inventory of all current assessment and assurance processes and then is planning to perform a gap analysis. The Laboratory has self-identified a need to improve their skill in identifying leading indicators of potential performance issues. They have developed a Corrective Action Tracking System that currently has about 2500 entries, but they have not yet performed trending and analysis.

**Wrap Up**

Hirahara reviewed the actions and asked the Panel to send any concerns regarding the content of the PEMP report to Sharon Eklund or him.

**Executive Session**

This was a closed session for Council members and UC staff.

**Action Items:**

#	Responsible Party	Action	Date Added	Status
12	Hatayama LBNL	Personally review LBNL select agent processes and personnel to assure appropriate controls are in place—report back to CAC.	05/10/06	<b>OPEN</b>
13	Eklund UCOP	Add <i>Select Agents</i> as a topic to a future CAC agenda.	05/10/06	<b>OPEN</b>
19	Merola/ Burnside LBNL	<ul style="list-style-type: none"> <li>Define operational requirements and associated agreements in regard to LBNL research on UCB campus. This includes ES&amp;H and other operational requirements.</li> <li>Share results of the upcoming meeting of the Burnside Committee.</li> </ul>	06/14/06  (modified 10/13/06)	<b>OPEN</b>
21	McGraw/ Hatayama LBNL	Report on controlled substances process improvements.	06/14/06	<b>OPEN</b>

24	Krupnick LBNL  Nelson UCOP	<ul style="list-style-type: none"> <li>• Provide further detail on LBNL Advisory Board report (independent operating ventures and need for review of oversight mechanisms references).</li> <li>• Provide written response regarding operating ventures.</li> <li>• Discuss UCOP plan for oversight</li> </ul>	08/09/06  (modified 10/13/16)	<b>OPEN</b>
25	McGraw LBNL	Provide Council members with the LBNL pie chart that indicates how many PIs are from various campuses and other universities.	09/13/06	<b>OPEN</b>
26	McGraw LBNL	Provide progress report on consolidation of authorities project and milestones for project completion.	09/13/06	<b>OPEN</b>
<i>On-going Actions</i>				
5	Eklund UCOP	Schedule a ten-minute Executive Session at the close of each CAC quarterly meeting.	04/12/06	Quarterly Action
6	Eklund UCOP	Schedule quarterly CAC meetings to be held at LBNL.	04/12/06	Quarterly Action
7	Hirahara UCOP	Implement a call for agenda topics prior to each meeting.	04/12/06	Monthly Action
22	Fernandez LBNL Broome UCOP	<ul style="list-style-type: none"> <li>• Report quarterly on supply chain initiative planned cost savings versus actual.</li> <li>• Report on discussion regarding LBNL and UCOP purchasing alignment and economies of scale</li> </ul>	06/14/06	Quarterly Action
<i>Completed or Cancelled Actions</i>				
1	Chernowski LBNL	Modify Risk Registry report to include a column in which BSO concurrence with the current status of the item can be indicated.	04/12/06	Cancelled
2	Chernowski LBNL	Plan C31 Risk Registry updates for the quarterly meetings and as-needed at the monthly meetings.	04/12/06	Done—next report at 07/12 meeting
3	Fernandez LBNL	Brief the Council on how LBNL is tracking cost savings and the current status.	04/12/06	Done—held on 6/14

4	Chernowski LBNL	Schedule a dry run of the presentation to senior LBNL and BSO management of second quarter performance. (UC-internal only).	04/12/06	Done—held on 05/02
8	Merola LBNL	Provide the Council with the number of LBNL PIs working with controlled substances.	05/10/06	Done—presented on 6/14
9	Merola LBNL	Provide the Council with the quantity of controlled substances ordered by LBNL annually.	05/10/06	Done—presented on 6/14
10	Merola LBNL	Provide the Council with the number of discrete locations where controlled substances are handled at LBNL.	05/10/06	Done—presented on 6/14
11	Hatayama LBNL	Personally review LBNL controlled substance and drug precursor processes and personnel to assure appropriate controls are in place—report back to CAC.	05/10/06	Done—presented on 6/14
14	Eklund UCOP	Add <i>Accounts payable</i> as a topic to a future CAC agenda.	05/10/06	Done—presented on 7/12
15	Krupnick LBNL	Provide CAC with further detail on the thorium inventory and reportability.	05/10/06	Done—presented on 7/12
16	Merola LBNL	Provide LBNL Advisory Board report to CAC when complete.	05/10/06	Done—presented on 8/9
17	Hirahara LBNL	Invite Aundra Richards to 07/12 Quarterly CAC Meeting.	05/10/06	Done—discussed on 6/14
18	Koonce LBNL	Identify the UCOP senior management “owner” of the LBNL bonding issue.	05/10/06	Done—presented on 6/14
20	Merola LBNL	Explain how LBNL manages Principal Investigators.	06/14/06	Done—presented on 9/13
23	Koonce/ Eklund UCOP	Provide Susan Thomas, UC-GC, a copy of the policy and procedures regarding who in Purchasing should have access to the vendor master.	07/12/06	Done—sent on 07/19
26	McGraw LBNL	Supply the Council members with a copy of the address Director Chu sent to LBNL PIs on the subject of their responsibilities.	09/13/06	Done—sent with September meeting minutes