
ENVIRONMENTAL, SAFETY AND OCCUPATIONAL HEALTH MANAGEMENT SYSTEM REVIEW

Minutes

Review Covering December 5, 2006 through May 14, 2007

Attendees: See accompanying sheet

Stephen Surface, Chief, Environmental Management, Safety and Occupational Health Division, and Environmental Management System Representative, opened the meeting at 2:45 PM, May 15 during the Spring Managers Meeting held at the Springfield Hilton Hotel. The summary is provided in the accompanying slides.

A copy of the environmental, safety and occupational health policy was distributed and all were asked to review as this policy reflects the manner in which DNSC conducts its business. This policy also mirrors that of the Defense Logistics Agency.

Frank Taylor discussed the last external conformance audit conducted by CHPPM in July/August 2006 that found 10 minor non-conformances and 13 observations. A side bar discussion was held with the Depot Managers later in the day and reviewed the status of each finding. Most have been corrected. The cycle for audits has changed and DNSC will begin using the Defense Logistics Agency external reviews that are on a triennial schedule. The first review will be scheduled in 2008. The protocol for internal audits was also changed from a contractor auditing select depots and our environmental protection specialists reviewing the other depots to a contractor auditing each staffed depot and headquarters once per year. The schedule for this year includes Somerville and Scotia during June 4-8, Warren and Point Pleasant June 25-29, Hammond and New Haven July 9-13, and headquarters July 24-26. These internal audits will follow the Defense Logistics Agency's external verification review protocol.

Compliance audits were discussed and the final reports by CHPPM done in September 2006 still have not been issued. The delay is caused by data loading issues into the Army's tracking system. The 2007 audit will be conducted at Hammond Depot in August 2007.

Objectives and targets were discussed. The sole issue was mercury transport to Hawthorne Army Ammunition Depot that has been delayed due to flask integrity concerns by the Nevada Division of Environmental Protection and endorsed by the Hawthorne Army Ammunition Depot. DNSC is working the issue.

For communications, the Community Relations Plan for Hammond Depot has been updated and the process refined. This plan will serve as the template for the remaining plans.

Changing circumstances identified were the decreasing number of staff and storage locations resulting in increased workload, the voluntary protection program endorsed by DES-E and duplication of effort in many areas in our management system, unfunded projects and the impact on execution of planned cleanups, and using the five documented processes developed in the Process Optimization project. All of these issues are being worked and none have caused any changes to the management system.

Following up the May 2006 minutes, we discussed our significantly diminished role with enterprise-wide EMS support that is resulting from our increased DNSC workload. The corrective actions from the last external conformance audit have been delayed in closing due to reorganization within DNSC as our Financial Integrity Office, responsible for the corrective actions, was closed, functions transferred, and the Chief named the Executive Officer. Frank Taylor will continue to track the corrective actions. Revisions to the manual are 80% complete. Many of the links still require updates. These changes were required due to re-structuring within DNSC.

In recommendations for improvement, three items were mentioned that included implementing the processes that have been optimized (five), reassigning responsibilities within the ME division, and consideration of contracting out environmental, safety and occupational health administrative recurring work such as manual revisions, training issues, etc.

The next management review will be scheduled in the fall of 2007.

List of Attendees at Management Review of ESOHMS

May 15, 2007

Watt Lough
Jack Pittano
Scott Romans
Frank Taylor
Essie Schloss
John Olszewski
Jim Farley
Cornel Holder
Ronnie Favors
Cheryl Kates
Cheryl Deister
Vickey Ellison
Paula Stead
Gary Porter
Dennis Wesolowski
Sharon Blue
John Eller
Bob Jones



Directorate of Material Management

DNM Manager's Meeting

May 15, 2007



Agenda

- ESOHMS Management Review
- Remediation Progress
- Installation Management
- Operations Inventory Project



ESOHMS Management Review

Policy Statement



ESOHMS Management Review Conformance Audits

- Audit Conducted (July/August 2006)
 - 10 Minor Non-conformances
 - 13 Observations
- Corrective Action Status



ESOHMS Management Review Conformance Audits

Tentative 2007 Conformance Audit Schedule

Somerville & Scotia	June 4-8
Warren & Point Pleasant	June 25-29
Hammond & New Haven	July 9-13
Headquarters	July 24-26



ESOHMS Management Review Compliance Audits

- FY 2006 Compliance Audit Reports not yet received from CHPPM
- Hammond Depot scheduled for audit in August 2007



ESOHMS Management Review Objectives and Targets

- Lead transport no release
- Recycling toner & ink
- Storm water management
- Outloading chromite, Mn, ferromanganese
- Site closure SOP
- Mercury transport to HWAD



ESOHMS Management Review

- Communications
 - Updating Community Relations Plans



ESOHMS Management Review Changing Circumstances

- VPP effort by DES-E (duplication of effort)
- Increased workload
- Using new documented processes
- Unfunded projects



ESOHMS Management Review Follow-up Actions

- Our role with enterprise-wide EMS will be significantly diminished
- Continuing CARs from 2006 audits complicated by position changes
- Manual revisions 80% complete



ESOHMS Management Review

Recommendations for Improvement

- Implement process optimization
- Reassigning ESOH responsibilities
- Consider contracting out ESOH admin recurring work (e.g., manual revisions, training requirements)



Remediation Progress

FY07 ESOH Plan

- Sharonville
- Voorheesville
- Somerville
- New Haven
- Point Pleasant
- Marietta PA
- Moss Landing
- Shumaker
- Seneca



Installation Management



Installations Support

Program Assignments:

- Andrew Johnson (703) 767-7610 // (571) 238-5797
 - Real Property Maintenance
 - Real Property Restoration and Repair
- Ken Ference (703) 767-6526 // (571) 436-8224
 - Non-ADP Equipment (acquisition, operations & maintenance)
 - Installation Services (telecommunications, fuels, transportation, custodial & supplies)
 - Accountable Property Officer
- Gary Gulino (703) 767-7612 // (571) 436-8227
(With Tom Harman (703) 767-6536)
 - Rents & Leases
 - Utilities
 - Physical Security



DNOSC “Top Ten” FY 2007 Initiatives

Number 1 of 10: *“Effectively and Efficiently Implement Downsizing and Depot Closures”*

- Continue Site Closure Planning & Coordination Process
 - Reduce real property inventory from 28 to 18 sites by the end of FY 2007
 - Relocate all remaining indoor commodities to consolidation sites (Hammond, Scotia, Warren & Hawthorne)
 - Reduce Personal Property and supply inventories
- Achieve space utilization goal of 80% for indoor space



“Effectively and Efficiently Implement Downsizing and Depot Closures”

- Continue Site Closure Planning & Coordination Process
 - Currently at 26 sites
 - Status of the FY 2007 plan:
 - **Anniston, AL: Vacant – 6/30/2007**
 - **Belle Mead, NJ: Materials Sold – 5/31/2007**
 - *Eagle Pass, TX: Closed*
 - **Fort Worth, TX: Vacant – 9/30/2007**
 - **Large, PA: Vacant – 6/30/2007**
 - **Marietta, OH: Materials Sold – 5/31/2007**
 - **Moss Landing, CA: Vacant – 5/31/2007**
 - **Sharonville, OH: Vacant – 6/1/2007**
 - *Seneca, NY: Closed*
 - **Voorheesville, NY: Vacant – 6/30/2007**
 - Relocation of commodities to consolidation sites (Hammond, Scotia, Warren & Hawthorne) approximately 33% complete (pending mercury and ferro-alloys transfers)
 - Personal Property and supply inventory reductions are ongoing
 - Forklift fleet reduced by 37%
 - Excess drums reduced by 71%



“Effectively and Efficiently Implement Downsizing and Depot Closures”

- Achieve space utilization goal of 80% for indoor space
 - Utilization 66% through the 1st Quarter of FY 2007
 - Individual Site Utilization:
 - Hammond: 45% - Remediation of Whse 200E Pending
 - Hawthorne: 0% - Awaiting receipt of mercury
 - New Haven: 59% - Awaiting relocation of mercury
 - Pt. Pleasant: 45% - Unsold inventory being relocated
 - Scotia: 82% - Consolidation Site
 - Somerville: 55% - Awaiting relocation of mercury
 - Warren: 76% - Tannin repositioned in Whse 3



DNOSC “Top Ten” FY 2007 Initiatives

Number 6 of 10: *“Complete consolidated storage of the NDS Mercury inventory at the Hawthorne, NV Army Depot”*

- Upgrade 14 warehouses for mercury storage
- Transfer mercury to HWAD for consolidated long term storage



“Transfer DNSC Mercury to HWAD for Consolidated Long Term Storage”

- Administration:
 - MOA signed 5/31/06
 - Storage SOW pending award (March 2007)
 - Training Complete
- Construction:
 - 8 of 14 Warehouses are complete (less the fire suppression systems)
 - All construction on target to be complete by July 13, 2007
 - Fire suppression will be installed once the buildings are loaded
- Installations:
 - Three new forklifts delivered
 - Two new Lumex RA 915 Analyzers Delivered
 - 42 10 lb. ABC Fire Extinguishers Purchased
- Transportation:
 - On hold pending resolution of pre-shipment testing
- Post Occupancy Remediation:
 - Planned to begin at New Haven, Somerville & Warren within 30 days after mercury is removed



DNOSC “Top Ten” FY 2007 Initiatives

Number 9 of 10: *“Review and Revise Physical Security Requirements and Related Cost by 50% by Years End.”*

- Assess merits and risks of transitioning from “Secure Perimeters” to “Secure Buildings”
- Assess liability at each storage location, coordinate with Counsel
- Assess requirements for guard services at staffed locations
- Evaluate use of Intrusion Detection Systems (IDS) to secure spaces during duty and non-duty hours



Installations Projects Status

- Joint Report has been Established:
 - “Projects Status”
- Identifies Active & Planned Support Actions
 - Includes: Local PR’s, MIPR’s, RWA’s & SWA’s
- Five Pages
 - Requirements sorted FY (2007 – 2009) (pages 1-3)
 - Requirements sorted by sites within each FY
 - Active Requests sorted by Program Manager (Page 4)
 - Program assignments (Page 5)
- Point & Click access to Contract Documents



Personal Property Management

Accountable Property Officer (APO):

- Ft Belvoir — Ken Ference, Program Manager

Hand Receipt Holders for Personal Property:

- Curtis Bay — Frank Day
- Hammond — Eric Deal
- New Haven — Eric Deal
- Point Pleasant — John Eller
- Scotia — Frank Day
- Somerville — Donnie Reed
- Warren — Ken Mayle
- Hawthorne — Kelly King



Share Drive Addresses

- Acquisitions Status:
 - Q:/DNSC/Projects Status/Projects Status
- Non-Labor Acquisition Program Status:
 - Q:/DNSC/Facilities/Program Tracking/2007 MMR Reports
- Site Closure Process Status:
 - Q:/DNSC/Facilities/Site Closure/Weekly Site Closure Status
- Ore Pile Characterization Reports:
 - Q:/DNSC/Ore Pile Characterization Reports
- Process Optimization:
 - Q:/DNSC/Process Optimization



Operations Inventory Project

- Reason for the development of the Inventory Project (Initiative 3)
- Two reasons we need to reconcile our inventory
 - 1st - We are required by DLA to be **Auditable**
 - 2nd - We need to prepare for transition from DWAS to EOAS/SAP
- Problems with current Inventory records
 - Inaccurate reporting of Quantity and Weights, not Auditable
 - Currently maintaining three accounting records
 - Depot 46 cards
 - DWAS 46 cards
 - Commodity Specialists Inventory spreadsheet



Operations Inventory Project

Objectives:

Select a team to analyze the current DNSC inventory, apply recommendations from the Kearney & Company findings, and develop internal control procedures to conduct a physical count, document and reconcile the inventory records.

(Initiative 3: Improve the Documentation of Standard Operation Procedures for Financial Reporting and Reconciliation)



Operations Inventory Project

Inventory Project Team

Matthew Gurrola — DNSC-RF

Diahann Arzu — DNSC-RF

Gary Porter — DNSC-MO

Charles Harder — DNSC-MO



Operations Inventory Project

Goals of the Inventory Project

- Establish responsibilities for control of physical inventory records
- Document process for physical counts and reconciliation to the system balances and determine count frequency
- Develop and Implement a plan to physically count 20% of current inventory by the end of FY07
- Develop plan to expand inventory count to 50% by the end of FY08
 - Due to the implementation of EOAS/SAP program the inventory it is likely that the final date to have 100% of the inventory counted and reconciled will be moved forward to May 1st 2008
- Use prioritization of inventory items to eliminate those items that will be off the records by FY07 and into FY08
- Create tracking sheet of commodities counted and delegate assignments to HQ and Depot personnel



Operations Inventory Project

Discovery Steps

- Developing an SOP for counting and documentation procedures
- Results will be documented on DNSC Form 30 as outlined in our Storage Manual DNSCM 4155.1 and according to SOP
- Once a physical count is confirmed it will be the overriding number to adjust DWAS 46 cards and Depot 46 cards
- Determine quantity of ore piles or conduct pile surveys?



Other Operations Issues

- Please remove all Social Security Numbers from Leave Slips and Overtime Requests
- What systems or processes do we have that could use to be Optimized?



Questions?