

DOCUMENT RESUME

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[Use of Job Shoppers at Fast Flux Test Facility]. EMD-7. 16;
B-164105. April 7, 1988. Released April 10, 1978. 4 pp.

Report to Rep. Mike McCormack; by Monte Canfield, Jr., Director,
Energy and Minerals Div.

Issue Area: Energy: Making Nuclear Fission a Substantial Energy
Source (1608).

Contact: Energy and Minerals Div.

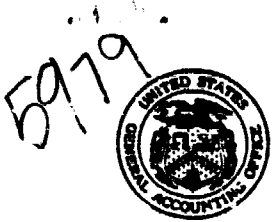
Budget Function: Natural Resources, Environment, and Energy:
Energy (305).

Organization Concerned: Department of Energy; Westinghouse
Hanford Co.

Congressional Relevance: Rep. Mike McCormack.

Concern was expressed over the use of independent onsite technical service personnel (job shoppers) by the Westinghouse Hanford Company for the Department of Energy's Fast Flux Test Facility at Richland, Washington. Specific allegations were that: individuals already employed by the Westinghouse Hanford Company are contracting with Westinghouse Hanford as independent onsite technical personnel or job shoppers, job shoppers hired by Westinghouse Hanford are creating their own job security by evaluating at their own discretion whether design engineering and installation are in compliance with criteria, and job shoppers receive inadequate supervision from Westinghouse Hanford managers. Job shoppers usually supply a highly specialized skill and use their expertise to determine if systems meet design criteria. Their recommendations are reviewed and approved by at least two levels of laboratory supervision and may require review and approval by the Department. Both the Department and the laboratory have specific procedures and controls for managing changes that job shoppers recommend. The Department's Audit Office issued a report which was critical of the laboratory's inconsistent timekeeping procedures and lack of a standard policy on hours of work for job shoppers. The audit report also found that the laboratory did not have adequate policies, procedures, practices, and internal controls to determine that it is in the Government's best interest to procure job shopper services, select individuals on a competitive or best qualified basis, and determine a reasonable rate. (RRS)

RELEASED 4/10/79



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

ENERGY AND MINERALS
DIVISION

B-164105

April 7, 1978

The Honorable Mike McCormack
House of Representatives

Dear Mr. McCormack:

We have inquired into the concerns of one of your constituents from Kennewick, Washington, regarding the use of independent onsite technical service personnel (job shoppers) by the Westinghouse Hanford Company for the Fast Flux Test Facility located at Richland, Washington. Specific concerns of your constituent were that:

- individuals already employed by the Westinghouse Hanford Company are contracting with Westinghouse Hanford as independent onsite technical personnel or job shoppers,
- job shoppers hired by Westinghouse Hanford are creating their own job security by evaluating at their discretion whether design engineering and field installation are in compliance with structural criteria, and
- job shoppers receive inadequate supervision from Westinghouse Hanford managers.

The following sections present (1) the results of our inquiry into these allegations and (2) information on a recent Department of Energy audit on the use of job shoppers.

BACKGROUND

The Hanford Engineering Development Laboratory is the national technological center for the liquid metal fast breeder reactor development program. It is operated for the Department of Energy by the Westinghouse Hanford Company, a subsidiary of Westinghouse Electric Corporation.

EMD-78-56
(990515)

The laboratory is responsible for the design, component installation, operation and maintenance plans, and supervision of the Fast Flux Test Facility construction. The laboratory contracts with independent job shoppers for various onsite technical services which cannot be supplied by permanent laboratory employees. According to laboratory officials, about 300 job shoppers were performing engineering, support, and administrative services in connection with the Fast Flux Test Facility at the beginning of calendar year 1978.

LABORATORY EMPLOYEES EMPLOYED
AS JOB SHOPPERS

None of the three job shoppers mentioned in the constituent's letter was a laboratory employee at the time they contracted with the laboratory as independent job shoppers. One, however, was employed by the laboratory for about a 3-month period about 2 years before his contract with the laboratory as a job shopper. The other two were never laboratory employees.

JOB SHOPPERS CREATE THEIR OWN JOB
SECURITY AND APPLY STANDARDS
IN EXCESS OF REQUIREMENTS

Job shoppers usually supply a highly specialized skill such as pipe design or pipe hanger stress engineering. Job shoppers have been hired to evaluate the installed piping systems of the Fast Flux Test Facility. They use their expertise to determine if the systems meet the design criteria for heat expansion and stress, including seismic stress. They can make recommendations for any changes they believe necessary for the piping systems to meet design criteria. They may also recommend changes to the design criteria. These recommendations are reviewed and approved by at least two levels of laboratory supervision, and may require review and approval by the Department.

The Department and laboratory have rather specific procedures and controls for managing changes that job shoppers recommend.

JOB SHOPPERS RECEIVE INADEQUATE
SUPERVISION

We did not evaluate the technical supervision of the job shoppers by laboratory management. We did find, however, that the Department's Audit Office at Richland issued a report in June 1977--discussed in more detail below--which was critical of the laboratory's inconsistent timekeeping procedures and

lack of a standard policy on hours of work for job shoppers. The laboratory, in response to the audit report, issued instructions on standard hours of work and timekeeping procedures for job shoppers.

DEPARTMENT OF ENERGY AUDIT
REPORT

The Department of Energy's Audit Office issued a report in June 1977 on the laboratory's use of job shoppers to perform onsite professional engineering, support, and administrative services. About 70 percent of the contracts for job shopper services at Richland were at the laboratory. The audit report disclosed that the laboratory did not have adequate policies, procedures, practices, and internal controls to (1) determine and assure that it is in the best interest of the Government to procure job shopper services, (2) select individuals on a competitive or best qualified basis, and (3) determine a reasonable rate. Failure to establish these controls resulted in:

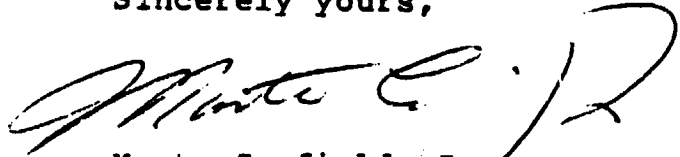
- inadequate documentation of procurement actions;
- short-term assignments (usually 6 months or less) becoming long-term assignments at a higher cost to the Government;
- greater rates of pay for job shoppers as compared to laboratory employees for the same type of job;
- inconsistent standards for payment of transportation, per diem, and actual expenses for job shoppers;
- a lack of a standard policy on hours of work for job shoppers;
- inconsistent timekeeping procedures; and
- use of job shoppers to bypass leadtime required to recruit a permanent laboratory employee.

The laboratory responded to the audit report and has indicated that actions have been or will be taken to correct the reported deficiencies. (A copy of the audit report is enclosed.) The Department's Audit Office at Richland has not yet issued any instructions to other Richland contractors to insure that they properly determine the need for job shoppers, adequately document the procurement action, and pay reasonable rates.

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We hope that the information in this letter meets your needs. Our inquiry raised other questions regarding job shoppers at Hanford and at other Department of Energy facilities. We plan to address these questions as part of other work we have underway and will communicate to you any significant findings that may result. Although we do not plan to send your constituent any information on this matter, we do not object to you sending him copies of this letter or the enclosure.

Sincerely yours,



Monte Canfield, Jr.
Director

Enclosure