

**SECTION J
APPENDIX M - LABOR MANAGEMENT PLAN**

**Labor Management Relations Plan
Advanced Mixed Waste Treatment Project**

**BNFL Inc.
September 16, 1996**

Labor Relations Management Plan

Table of Contents

Introduction	J-M-3
I. Equal Employment Opportunity	J-M-3
II. Management Philosophy	J-M-3
III. Compliance with 3161 Workforce Restructuring Plan	J-M-4
IV. H26 Worker Protection Requirements	J-M-7
1. Competency Program Phases	J-M-9
2. Competency Program System	J-M-10
V. Construction Labor Force	J-M-12
VI. Employee Concerns Program	J-M-13

Labor Management Relations Plan

Introduction

Our team is committed to working in partnership with employees, the unions, the community, and DOE to jointly design and implement an efficient labor management system that satisfies the needs of the business, the employees, DOE, and community stakeholders.

BNFL and its partners have a long history of an open, empowering, and trusting management style. People skills and knowledge are used and encouraged to the maximum extent possible through flexible working, participation in work groups and improvement teams. A consistent approach to the development of people is everyone's goal in the organization. Additional skilling and teamwork training are seen as ways to optimize the benefits of the investment in people.

BNFL has been involved in business-driven change programs in both the U.K. and the U. S. since 1989. One example of implementing such programs was demonstrated at the BNFL's Fuels Division Springfields Plant. The programs were primarily people-focused, in addition to continuing focus on technology excellence. In particular, a competence program designed to cope with an uncertain business future, called the Additional Skilling Project, involved a form of multi-craft work. The Additional Skilling Project dealt with the many difficult cultural and competence gap issues that are being faced by the DOE today as its mission changes.

I. Equal Employment Opportunity

BNFL supports and encourages the culture of equal opportunities for everyone where personal success depends on personal performance and merit. Our equal opportunities policy is supported by affirmative action and monitoring procedures. Areas covered are employment benefits, appraisals, selection and personal development. BNFL operates with family-friendly policies and also positively supports employment of physically challenged staff. Our policies are constantly reinforced by management action and example with the support of the trade unions.

II. Management Philosophy

BNFL will administer a comprehensive labor relations program that ensures fair and equitable treatment for all employees. Major program elements will include consultation and planning, contract negotiations, contract administration, work force adjustments, and retraining for displaced workers.

- A. Consultation and planning will form the foundation of our labor relations programs. Senior BNFL representatives have held consultation meetings with both national and Local 2-652 leaders of the Oil, Chemical, and Atomic Workers International Union. Similar, consultation and coordination meetings are also planned with the representatives of the Building and Construction Trades Unions at the local level. Senior BNFL representatives have also consulted with the INEL Site Labor Coordinator and a prominent representative

of the Southeastern Idaho Contractor's Association who are familiar with construction contracting at the INEL. We believe that these discussions will serve as the basis for continual joint planning and potential problem resolution meetings with the various labor organizations to achieve cost-effective, productive, and flexible operations while maximizing job opportunities for employees.

- B. BNFL will maintain its responsibilities and prerogatives for management and success of the AMWTP, but careful consideration and deference will be given to the views and insights of organized labor in all BNFL management determinations. Our discussions include proposals that union representatives participate in management staff meetings and business planning and reviews. Further, BNFL plans for the active participation of organized labor as may be appropriate in the Davis Bacon Committee, the Benefits Committee, and the Investment Committee. Union input will also be continually sought through person-to-person meetings with the AMWTP Project Manager.
- C. BNFL will establish regular "open forum" meetings between union representatives and senior managers so that items can be discussed and relationships built before problems develop. We believe that these relationships will then allow early and constructive problem resolution. Workforce relationships at the operational level will be improved by unions participating in the development of procedures, participation in training and retraining, and in ESH&Q audit teams.
- D. BNFL will be candid in all dealings with labor organizations and will involve our employees in decisions affecting their work. Negotiations will be undertaken with vigor, and with win-win objectives.
- E. BNFL will train the management team to ensure consistent contract administration.
- F. BNFL will join with local unions in sponsoring and administering apprenticeship programs in the construction and industrial areas.

III. Compliance with 3161 Workforce Restructuring Plan

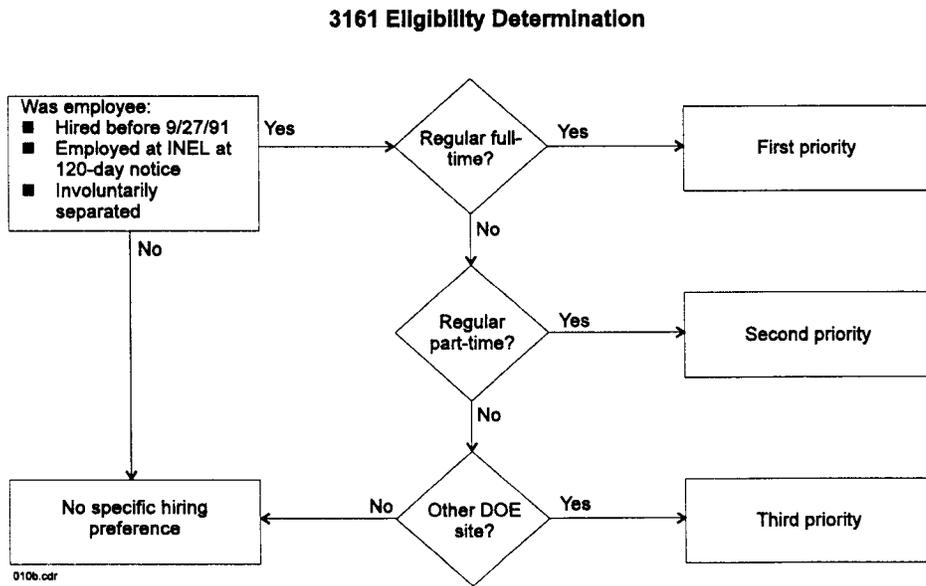
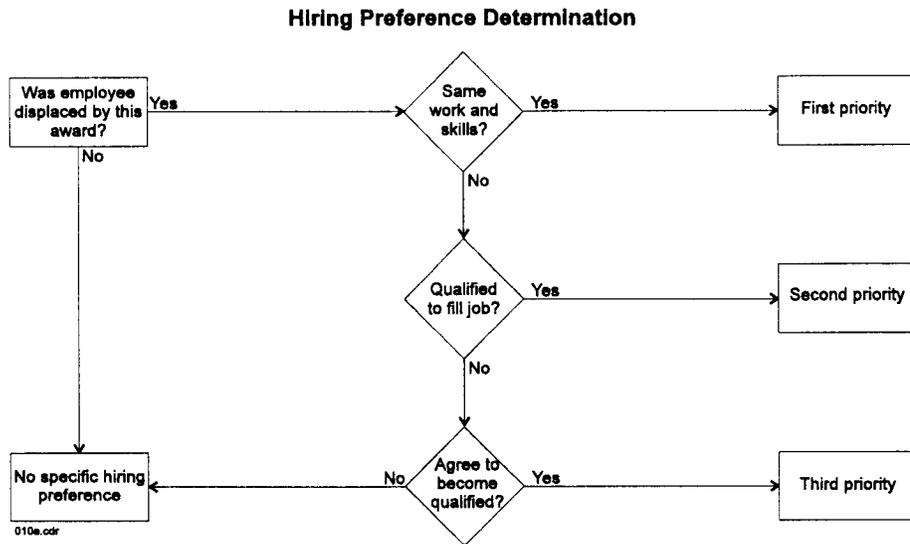
- A. BNFL is committed to complying with the overall spirit and specific requirements contained in the DOE-ID Workforce Restructuring Plan. BNFL pledges to proactively work with DOE-ID, INEL contractors, and local community organizations, such as the Eastern Idaho Economic Development Council, to assist in mitigating the impact on the community of DOE's workforce restructuring.
- B. BNFL proposes to become actively involved in the Eastern Idaho Community Reuse Organization (CRO) Board and assist in CRO's efforts to identify and resolve local economic development and community transition issues.
- C. BNFL also plans to become involved in the INEL Economic Development Volunteer Program by encouraging our employees to volunteer their talents and expertise to local economic development organizations. This would include organizations such as the Idaho Falls Chamber of Commerce and programs such as the Bonneville County Technology Park Project and the Export Trade Assistance Program.

- E. As employment opportunities become available within the AMWTP organization, BNFL is committed to working with DOE-ID and the local community in hiring and training displaced M&O employees. We will implement this process in accordance with the eligibility and priority framework specified in the DOE-ID Workforce Restructuring Plan and Worker Protection Requirements as outlined in BNFL's proposal.

Note: Exhibit 1 shows the decision analysis process that BNFL will use for determining the eligibility and priority for providing displaced INEL employees with hiring preferences.

- F. BNFL recognizes and appreciates the value of the DOE-ID Outplacement Center, Skills Inventory Data Base, and the Job Opportunities Bulletin Board System (JOBBS) as key resources for effectively and quickly identifying potentially qualified individuals for available employment opportunities.
- G. BNFL will utilize the above mentioned resources for posting and advertising available job openings, and for searching for qualified candidates for employment. BNFL will also work with other INEL contractors by considering employees that they have identified on their "at-risk for involuntary separation" list. These employees will be entitled to placement preference for vacant positions within AMWTP.
- H. As an ongoing effort to establish and maintain ourselves as "good neighbors" and desirable members of the local community, BNFL pledges to maintain timely, accurate, and informative communications with DOE-ID, INEL contractors, and the local community. This effort includes:
 - 1. Providing information on potential job opportunities within the AMWTP, and any other potential business developments that may have social or economic impact on the local community
 - 2. Publishing and distributing a project newsletter on a periodic basis
 - 3. Submitting articles and information for inclusion in the INEL News and the INEL Update.

Exhibit 1. Decision Analysis Process

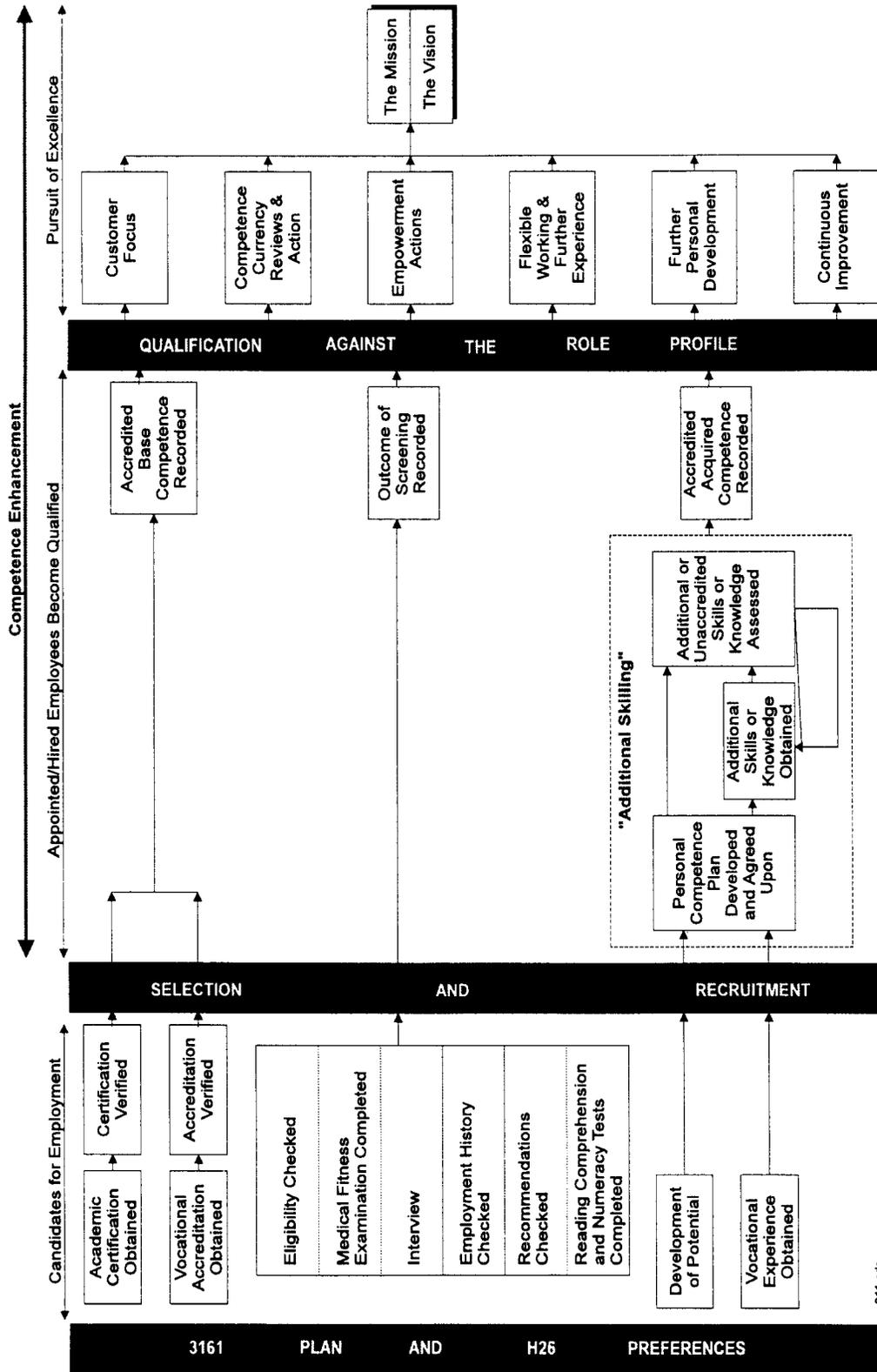


IV. H26 Worker Protection Requirements

- A. As job opportunities become available, BNFL will use the eligibility and priority process as shown in Exhibit 1 in recruiting, screening, selecting, and hiring new employees. We will then implement our Employee Competency Program that has been successfully implemented at the National Conversion Pilot Project (NCP). This model program was originally developed at BNFL's Fuels Division Springfields site in the U.K. and works equally well for union and non-union employees, addressing the needs of DOE, the employees, and stakeholders, as well as private business.
- B. Our approach to competence needs analysis, structured training delivery, competence assessment, and auditable evidence of competence will parallel that of the "best in class" organizations. The difference for the AMWTP is the *extra* features of the Competence Program. These will be a combination of:
1. A team competence approach
 2. Business-led ("flexible working") training perspective
 3. Emphasis on "cultural" competence as well as safety/technical competence
 4. Competence activities as an integral part of the project's master work schedule
 5. Speed of training design and delivery.
- C. The AMWTP training plan will lay out the scope, objectives, assumptions, qualification principles, schedule, resources, management systems and controls of the Competence Program. The program has three major stages:
1. Stage 1 - links to pre-AMWTP history of potential employees, employee selection and base competence verification
 2. Stage 2 - additional skilling
 3. Stage 3 - pursuit of excellence.

Stages 2 and 3 are collectively referred to as competence enhancement. Exhibit 2 shows the relationship between these stages. The whole process is guided by and will feed into the AMWTP mission, which will be written as the project evolves, reflecting DOE/INEL's vision.

Exhibit 2. Process for Employee Competence Qualifications and Beyond



011.cdr

1. Competency Program Phases

a. Base Competence

AMWTP employees will bring a spectrum of skills and knowledge to the project at the time of hiring (e.g., office, waste handling, engineering, managerial and specialist technical skills, health and safety, and regulatory knowledge of INEL and DOE systems). A key feature of the AMWTP competence program will be the recognition of these skills or “base competence.” Evidence of base competence will be collected and will be the baseline for the further training needs of the individual. “Taking credit” for the pre-hiring skills of a workforce is the smart thing to do from the business perspective. However, for quality assurance purposes, adequate objective evidence of base competence **MUST** exist. In other words, in the 1990s, “if you can’t prove it, then you haven’t done it.”

b. Additional Skilling

The term, additional skilling, is purposely chosen to convey several differences between traditional training (specifically perceived by the workers at most DOE sites) and the AMWTP competence program. Additional skilling will be designed with the comments of the workers in mind. Exhibit 3 lists some example comparisons between traditional training and additional skilling.

Exhibit 3. Traditional Training vs. Additional Skilling

Traditional Training	Additional Skilling
Sometimes workers have to requalify on skills they practice every day.	“Credit” is given for existing skills which are the foundation for future skill acquisition.
Workers suffers from “we always send people on that course, so you are going, too” syndrome.	Participatory relationships exist between trainees and managers in identifying <u>individual's</u> competence gaps.
There is sometimes a tendency to use the “sheep dip” or “spray and pray” methods.	New skills add to and complement existing ones by filling individual competence gaps.
Sometimes attending a class is confused with evidence of competence.	Competence is assessed (tested) against a work-place standard.
Often the “expert in your midst” is ignored in favor an “external theoretician”.	An extremely important feature is the use of in-house practitioners as trainers and assessors.
Tendency toward “the skills of the past are needed in the future”.	Focus on the immediate business or project needs.
Learning can often be strictly limited to a specific and technically detailed topic, losing transferable hands-on skills or mission awareness. Tends to inhibit rounding out worker knowledge.	Cultural change is an integral part of the skilling process (training is a vehicle for change). An overall approach to an individual's training applies.
Sometimes takes too long to develop training for changing business/ regulatory/ mission requirements.	Training courses can be quickly created/ modified to suit needs using internal resources.

The steps for implementing Additional Skilling are systematic. Human resource aspects and the applicable skill areas are also addressed. Unit Development Teams (UDT) will be assembled from the existing workforce and assist in reviewing and identifying the base competencies of the employees as a starting point. We will utilize

the skills and expertise of in-house practitioners (trainers) to train the new workforce in such areas as workplace culture, core safety (e.g., radiological protection), and HAZWOPER/ OSHA. Practitioner teams will also conduct needs analyses, set competency standards, and develop skill unit manuals. Managers and individual employees will work together to develop personal competency and development plans. Practitioners will function as primary trainers and assessors of employee competency.

c. Pursuit of Excellence.

The pursuit of excellence (pursuit of project-specific quality and value as perceived by the customer) will follow as the AMWTP gets under way -- probably the second year. The initial steps are:

- A small shift toward competence assessment (without training) as the norm;
- Scheduling the minimum training for the role up-front, then performing “just-in-time” training as an integral part of the project schedule;
- The introduction of participatory competence currency reviews;
- Two-way appraisal (upward as well as downward) with an emphasis on skills and personal performance; and
- Continuous improvement through quality improvement teams made up of practitioners (not theoreticians).

2. Competency Program System

a. Management Systems

AMWTP personnel will develop procedures covering: (a) employee selection and verification of base competence (Stage 1, above); (b) production of personal competence plans, competence record keeping, competence needs analysis, training package design, training delivery control and quality verification and competence assessment (Stage 2, above); and (c) training scheduling and competence currency (Stage 3, above). The net effect of these systems is a streamlining compared to prevailing DOE systems. The AMWTP systems will be inexpensive and productive in that they adequately improve workforce competence without major budgetary impact.

b. Organizational Structure

The AMWTP organization will be a teamwork structure and is best illustrated by discussing the work teams. Each work team is a “self sufficient work cell” in a network of such “cells”. The teams support each other and it is common for some members of one team to temporarily transfer to another team. Each work team has the personnel/skills mix to fulfill *its* team mission. In addition, other (small) teams will

be formed as needed within the whole AMWTP network to deal with specific issues such as technical problems or procedural blockages.

c. Resources And Schedule

The competence program is a major integral part of the schedule. This is because the competence program will be resourced from within the project, and because it will be seen as a critical path enabling activity (not an after thought). In particular, key personnel who are also practitioners or experts (such as team leaders and other managers/technical staff) with several facets to their role, are utilized as skill unit (training module) writers, trainers or competence assessors. This results in workplace "ownership" of the competence program. But, to make it credible, the program must be workable, i.e., well managed with the use of good scheduling tools. Also, most importantly, utilizing work team members as instruction/procedure writers and skill unit developers has been a major success and one of the best examples of continuous improvement that BNFL has experienced at its U.K. sites.

d. Skill Unit (Training Module) Manuals

Skill unit manuals will be developed typically by two practitioners or experts and the competence or training manager on a "lifeboat" basis in a UDT. The UDT will utilize procedures and the real workplace to create the skill unit manual. The authority to approve the skill unit lies with the UDT. This approach gives fit-for-purpose, workplace credible training. Speed of response is rapid. A typical skill unit can be developed within the project by one full-time competence program person within two to three weeks using the UDT approach. This speed of response has served our projects well when faced with changing regulatory requirements or work scope.

Training and/or competence assessment then follows. These activities will be conducted by in-house practitioners or experts, usually by one of the UDT members. The use of the classroom environment is minimized in favor of the real workplace. A major emphasis of the program is proving competence in the same circumstances under which real work will be done.

e. Cultural Change And Vehicles For Change

The cultural change issue at INEL will be a highly significant feature of the AMWTP. There is potential for a perceived lack of purpose to influence the day-by-day workplace behavior of project personnel at all levels. This can be due to "old habits" resurfacing, enthusiastic ex-INEL AMWTP workers being further frustrated, or people new to AMWTP becoming "infected."

For the reasons above, the AMWTP competence program is designed to be an integral part of the project's cultural change initiatives from the start. Specific education on cultural change will be given to employees which covers the AMWTP mission, why success and mission are interdependent, the change process and how people cope with it, teamwork, team responsibilities toward safety, quality and continuous improvement, and how day-to-day activities such as a training course or a waste treatment task further the mission. However, it would be naive to believe that this up-front education is a one-shot panacea.

Moreover, ongoing and positive cultural change depends on planning and managing that change. The AMWTP will have an annual Cultural Action Plan (CAP). Commitment to cultural change by the workforce is not automatic, but is vital, and is recognized in the CAP. The CAP has an emphasis on participatory change. It is our experience that participatory change is much less difficult/“painful” than enforced change (and enforced change rarely works). Cultural change takes time, the implementation process must be monitored constantly, and the “tools” used to steer the change vary and need to be prepared in anticipation. One of the most effective means of converting plans for change into actual change in the workplace is through a network of work teams and short-lived quality improvement teams tackling real workplace problems. We will use this approach on the AMWTP.

V. Construction Labor Force

- A. BNFL’s approach to construction labor force management will be based on MK’s past experience at INEL, dating back to 1969. MK was one of the original negotiators and signatory contractors to the Site Construction Jurisdictional Procedural Agreement (SCJPA), dated November 15, 1978, as well as an original negotiator and signatory contractor to the INEL Site Stabilization Agreement (SSA), dated November 1, 1984. Both of these agreements resulted in a fair and stable labor management relations program that ensured a continuity of work with an adequate construction workforce, resulting in meeting construction schedules and timely completion.

MK will reaffirm its signatures on both the SCJPA and SSA (including Appendix A) and abide by all of their provisions. This follows with previous management commitments of being signatory to national labor agreements for construction work. Signing these agreements and requiring subcontractors of every tier to be signatory to the SSA and all of its provisions, results in compliance with Public Law 85-804, thereby implementing its provisions for construction contracts/subcontracts which are subject to the provisions of the Davis-Bacon Act.

- B. Our labor management plan is implemented through the INEL SSA. This agreement standardizes work rules, holidays, shift provisions, and start time for fourteen 14 individual international unions affiliated with the Building and Construction Trades Department, AFL/CIO. Wage rates and fringe benefit contributions are adjusted on a yearly basis utilizing the Construction Labor Research Council Survey as a guide.
- C. A most significant procedure contained in the SSA is the establishment of a Standing Board of Adjustment, composed of signatory contractors and unions who meet not less than once a month. At these meetings, any alleged violations, as well as interpretations and administrative procedures are addressed, to resolve misunderstandings and/ or disputes between the parties.

Another important function of the Standing Board of Adjustment is addressing the construction schedule and forecasting future manning requirements. Ample notice is given to respective unions for any possible shortage of skilled crafts. In order to fulfill these needs the local unions contact surrounding areas, their international offices and the Building and

Construction Trades Department to ensure the construction workforce availability. MK has not experienced any lack of skilled craft persons at INEL in its many years of site activity.

VI. Employee Concerns Program

- A. BNFL will establish an Employee Concerns Program that will permit protected communications from both represented and non-represented employees who wish to express concerns about environmental protection, safety, or operational efficiency. BNFL will follow the grievance resolution process of any applicable Collective Bargaining Agreement for the represented employees; and BNFL, as may be appropriate, will establish an Equity Procedure for the resolution of grievances by non-represented employees. Further, personal development plans, disciplinary procedures, and performance appraisals will be implemented as part of BNFL's comprehensive Human Resources policies.