

Fernald Work Force Transition Plan

Work Force Change

Number 01-004

*Prepared by the
U.S. Department of Energy
Ohio Field Office
for the
Contractor Work Force
Fernald Site*

Effective October 1, 2003

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FERNALD WORK FORCE TRANSITION PLAN
Number 01-004
08/12/2003

IMPORTANT NOTE

The Department of Energy (DOE or the Department) reserves the right to change the terms of this Work Force Transition Plan from time to time as it deems necessary. There is no guarantee that any future staffing reductions in the work force will provide for separation benefits as set forth herein. There is a very real possibility that implementation of future work force restructuring actions will not include the same type or level of benefits as may have been offered previously.

The Plan applies to restructuring activities designed to align the Fernald Closure Project (FCP) contractor skill mix and/or baseline projects with the approved scope of work. Provisions of this Plan are not intended to replace normal separation benefits to which eligible contractor employees would be entitled as set by Fernald plan documents, policies and procedures. This Plan is offered to supplement those benefits if available funds permit. It is not the intent of the Department of Energy in implementing this Work Force Restructuring Plan to create any private right of action or to create rights in any third parties.

This Plan applies to restructuring activities designed to align the FCP prime contractor's employee skill mix with the approved scope of work as defined by DOE. The scope of work has been defined in contract DE-AC24-01OH20115 between DOE and Fluor Fernald, Inc. The DOE-approved baseline defines the resources and skill mix necessary to complete the scope of work. This plan will support any work force transition necessary to implement the contract. ***This plan supersedes the portion of An End in Sight that deals with involuntary separations, as well as any other portions of that document or the previous version of this Fernald Work Force Transition Plan that may be in conflict with any requirements set forth in this Plan.***

Purpose

This Work Force Transition Plan has been prepared in accordance with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993, the Department's "Planning Guidance for Contractor Work Force Restructuring, December 1998" and DOE Order 350.1, Chapter III, Reduction in Contractor Employment and is intended to be a multi-year plan. The U.S. Department of Energy, Ohio Field Office (DOE-OH) prepared a Work Force Restructuring Plan (An End in Sight) for the Fernald and Miamisburg sites in 1997. An End in Sight described the Department's preferred strategy for work force changes at Fernald and Miamisburg at that time. A Fernald Work Force Transition Plan (effective October 1, 2001) described the plan for implementation of An End in Sight at Fernald.

This Plan extensively updates and supplements An End in Sight. As set forth in An End in Sight, as environmental cleanup projects are completed, the workers involved in those projects will lose their jobs if they cannot be retrained or reassigned to available positions in continuing site work. This Plan lays out the Department's strategy for implementation of future involuntary work force changes at the Fernald Closure Project. The final decisions on when work force changes are needed will be made by the Department, in consultation with the DOE prime contractor at the FCP, after considering a variety of factors such as worker skill mix, cleanup schedules, and cost. DOE is responsible for defining the scope of work and schedule for cleanup activities at the site and for providing the required funding. The prime contractor is responsible for determining the number and skill mix of employees needed to complete the work and for implementing work force restructuring, when necessary. Within these parameters, the decisions on separations of individual employees will be made by the prime contractor. Changes to this Plan may also result from future policy or program changes. As set forth

in Attachment A hereto, the Department has also determined to streamline the administrative procedures by which DOE will continue to oversee and manage Fluor Fernald's implementation of the objectives addressed in this Workforce Transition plan and An End in Sight. The Department reserves the right to modify the administrative process at any time without notice.

Work Force Restructuring Program

The work force at the Fernald Closure Project (the Site) has the unenviable challenge of closing the Site that many helped to build and operate. Now they are among the first in the country to cleanup and close a former nuclear weapons manufacturing plant. The major challenges are to retain needed or necessary employees until their job is finished and to assist them with transition outside of the Site. Aggressive skill mix and manpower planning by Fluor Fernald will provide each employee with very clear indicators, by skill category, about when and where future reductions are projected to take place as the project progresses toward completion.

Project closure, as described in the prime contract between Fluor Fernald and DOE, is the primary mission at Fernald. The project baseline delineates the planned cost and schedule for project closure performance. Fluor Fernald uses a Manpower Planning System (MPS) to project the number and skill mix of workers needed to complete project work on the time line set out in the baseline. As the site progresses toward closure, workers will leave the project voluntarily or involuntarily. If feasible based on closure schedule status, Fluor Fernald may reassign workers with needed skills to other site projects, or retrain workers where practical to obtain needed skills for other site work, so as to make beneficial use of the skills and experience of incumbent employees. Changes in the work force may also result from the redefinition of projects or the use of more effective ways to perform work, such as outsourcing or privatization.

In certain circumstances it will be necessary to outsource work that may impact the workforce. Fluor Fernald's objectives for outsourcing work include providing avenues to move site employees for longer term employment opportunities after project completion, improving productivity, avoiding capital expenditure, or gaining expertise not available at the site.

Subject to any limitations set forth herein, short-term workload requirements may be met using augmented staffing arrangements, through subcontracts or teaming arrangements, regardless of whether or not the corresponding Fluor Fernald job classifications have been voluntarily or involuntarily reduced.

The project baseline required by the current prime contract between the DOE and Fluor Fernald addresses the scope of work required for closure of the Fernald project. However, changes can and do occur over time in priorities or projects. Any change may affect the size and skill mix of the work force. After analysis of the project schedules and budgets, Fluor Fernald will use the MPS as a tool to help identify necessary changes to the number and skill mix of the work force. Approximately every six months, Fluor Fernald will forecast changes to skill mix requirements and staffing levels, as well as the number of current employees in each skill mix category, in order to meet the performance requirements described in the baseline. Based on this projection, Fluor Fernald will determine the skill areas that need to decrease within the next six to twelve months to efficiently align work force requirements with the planned work. These skill areas will be designated as the targets for reduction in force. This information will be communicated to the work force so individual career planning can take place in advance of the need to reduce the work force or change the skill mix.

When it becomes necessary to adjust the size and skill mix of the workforce to be consistent with work scope completion and MPS planning projections, Fluor Fernald intends to authorize an involuntary reduction in force action.

Whenever the statutory requirements of the WARN Act are applicable, Fluor Fernald will provide employees a notice period of at least 60 calendar days before implementing any involuntary reduction in force action. Employees and stakeholders will be kept informed concerning work force restructuring activities through site announcements, bulletins and other acceptable and usual media. DOE approval will not be required for implementation of any work force restructuring program as long as: the threshold of 300 involuntary separations in a fiscal year is not exceeded; the restructuring can be accomplished within current funding allocations and within target cost consistent with the terms of the prime contract; and the action is carried out in accordance with this approved plan. Fluor Fernald will provide written advance notification to DOE-FCP and DOE-OH of its intent to conduct a work force reduction action, using a self-select system if practicable, and will provide in that notice the anticipated numbers within MPS classifications of the particular contractor employees involved along with an analysis of the diversity impact for any individual involuntary separation action that will affect more than fifty (50) employees at least ten (10) business days prior to the implementation of the action. If it is necessary to interrupt the implementation of the work force action, DOE will notify Fluor Fernald within five (5) business days after receipt of Fluor Fernald's notice. Fluor Fernald will work with DOE-OH to resolve the issues prior to resumption of work force change actions.

Involuntary Separation Implementation

Fluor Fernald will implement an involuntary separation consistent with its human resources policies, MPS planning, baseline schedules and actual completion of work. A 'self-select' option will be included if practicable. Fluor Fernald will prepare appropriate documentation and meet reporting requirements specified under applicable laws and regulations.

A "Self-Select" option will allow salaried employees in affected job classifications to "volunteer" for consideration under the involuntary separation program (ISP). A minimum 2-week window will be provided for volunteers to "self-select". Employees who want to take advantage of this option will be required to submit a *Self-Select Request for Involuntary Layoff form* (Attachment C) to the Fluor Fernald Workforce Transition Office verifying their voluntary decision to be separated from employment in conjunction with the involuntary program. Their acceptance under the "Self-Select" option will be at the discretion of Fluor Fernald management, who will base the decision on the ability of the organization to compensate for the loss of the individual's knowledge, skills and abilities. The form contains a release that is signed by the requesting employee releasing Fluor Fernald and the government of any liability resulting from their separation from employment. Employees who are accepted for the ISP under the "Self-Select" option will receive outplacement services, and Displaced Worker Medical Benefits as explained below. They may also receive a severance payment in accordance with the applicable severance schedule or, if eligible, elect Post Separation Medical Benefit. The Post Separation Medical Benefit (PSMB) election is available for those employees who would be at least age 54 with at least 9 years of service at the time of separation, and if PSMB is elected the employee would not receive the severance payment. PSMB would be medical coverage under the same terms and conditions as Fluor Fernald retiree medical coverage; however, this election does not grant the employee retiree status, does not initiate any change to the pension benefit or does not grant retiree life insurance. Any employee eligible to retire (at least age 55 with at least 10 years of service) at time of separation date, if accepted under the "Self-Select" option, will be eligible to receive their vested retirement benefits along with severance payment. The ground rules for the "Self-Select" option for employees in targeted job categories will be clearly defined and communicated to all employees throughout the duration of the project. Any employee whose request to "Self-Select" for the ISP is approved, will also be required to complete a *Self-Select Exit Interview Questionnaire* (Attachment E) verifying their voluntary decision to be separated from employment in conjunction with the involuntary program. If the "Self-Select" measures are not sufficient to achieve the necessary changes in the work force, Fluor Fernald will proceed with the normal ISP after revising the MPS to reflect the reductions through the self-select process.

When Fluor Fernald determines that it is necessary to reduce represented workforce positions, the terms and conditions of the applicable collective bargaining agreement(s) will be followed to identify the workers who will be affected.

Section 3161 Elements

DOE provides additional benefits for involuntarily separated employees who meet certain criteria under Section 3161 of the 1993 National Defense Authorization Act, as set out in this Plan.

Section 3161 was put in place to reduce the impact of work force change on workers employed at DOE defense nuclear facilities, such as Fernald. This provision allows DOE to provide additional benefits for eligible employees who are involuntarily separated, as set out in this Plan. Benefits under the Plan are intended to supplement other Federal, state, or local government assistance programs available to involuntarily separated workers. Workers separated “for cause” are not eligible for Plan benefits. All Plan benefits are administered by the Department through Fluor Fernald, and workers should apply for any Plan benefits through their contractor human resource program office.

Thus, after their separation dates, and in addition to their severance pay, workers will be eligible for certain Plan benefits, per the following chart:

*Eligibility and Scope of Plan Benefits
For Involuntarily Separated Workers*

	<u>All Workers</u>	<u>“Cold War Workers”</u>
<i>Displaced Worker Medical Benefits</i>	Yes	Yes
<i>Outplacement Services</i>	Yes	Yes
<i>Relocation Assistance</i>	No	Yes
<i>Education and Training Assistance</i>	No	Yes
<i>Preference-in-hiring</i>	No	Yes
<i>Construction Worker Benefit</i>	No	Yes

Some plan benefits are restricted in their availability to employees who worked at a defense nuclear facility on or before September 27, 1991, and continued to work full time or regular part-time at a defense nuclear facility from that date until being involuntarily separated without a break in service. Only such “Cold War Workers” are eligible for relocation assistance, education and training assistance, preference-in-hiring, and, where applicable, a construction worker benefit subject to the conditions outlined below.

The Displaced Worker Medical Benefit (DWMB) Program makes sure all former workers, who were eligible and enrolled for medical insurance coverage before their separation and do not otherwise qualify for medical insurance coverage, are eligible for continued medical plan coverage. In the first year after a worker’s separation, the contractor will continue to pay its share of the former worker’s medical premium costs at the active employee contribution rate. In the second year, the former worker will pay half of the Consolidated Omnibus Budget and Reconciliation Act (COBRA) rate. The COBRA rate is 102% of the full cost of coverage, including both employer and employee contributions. In the third and subsequent years, the former worker will pay the entire COBRA rate. If medical plan coverage is available through a new employer’s plan or a spouse’s plan (regardless if enrolled), former workers are not eligible for this benefit. If former workers are eligible for medical coverage through retirement programs or Medicare, they cannot receive this benefit. Former workers will be required to submit certification on non-coverage eligibility monthly.

Alternatively, a former worker may elect to continue medical coverage under COBRA provisions instead of the Displaced Worker Medical Benefit Program. If the employee chooses the Displaced Worker Medical Benefit Program, they will not be eligible to be offered COBRA continuation at the end

of DWMB coverage. A former employee who elects to continue medical coverage under COBRA provisions must pay the full COBRA rate immediately upon separation.

Outplacement services provide former employees with access to skill assessments, workshops, resource libraries, and automated job listings such as the Job Opportunity Bulletin Board System (JOBBS) of the Department of Energy. Such benefits are subject to the availability of special funding provided by DOE/WT.

Relocation Assistance reimburses some expenses when an employee obtains a new job at another Department of Energy site. This assistance is available only if an employee does not qualify for relocation assistance under the new hiring company's policies. He or she may file a reimbursement claim for actual and reasonable expenses, up to \$3,000. Such expenses include personal transportation to the new job site, movement of household goods, and temporary living accommodations. This assistance is available only to involuntary separated "Cold War Workers" for the first year after their separation date. Claims must meet the criteria under the Internal Revenue Service regulations concerning minimum moving and commuting distances to the new job. Such benefits are subject to the availability of DOE/WT funding.

Education and training assistance for separated employees provides money for either job-specific training ("training programs") or degree programs ("education programs"). The assistance covers tuition, course materials, and other normal educational expenses. There is a limit of \$5,000 total for each worker from the two programs together. This assistance is available only to involuntarily separated "Cold War Workers", who may apply for this benefit up to one year after their actual separation date. The Department's financial assistance ends two years from the start of the worker's education or training program. Each worker is then responsible for the remaining costs of his or her program. Workers who used education and training assistance under previous Work Force Restructuring Plans may apply for additional assistance under this Plan as long as the total cost of the previous assistance and the new request does not exceed the \$5,000 limit of this Plan. Such benefits are subject to the availability of DOE/WT funding.

The Section 3161 Preference-in-hiring provision gives certain workers a preference in obtaining a new job with the Department's contractors at the current site or other sites across the country. The preference is a lifetime benefit for involuntarily separated "Cold War Workers". In order to be eligible for the preference, workers must complete the Preference-in-Hiring Eligibility form included in the ISP packet upon termination, and provide it to the Fluor Fernald human resources department. Fluor Fernald will assure that the preference and other information is kept on file. Those workers who want to maintain their preference must provide a new form every year to the site's contractor human resources department. The preference does not override other preferences provided under law, regulation, executive order, or collective bargaining agreements. Consistent with applicable Department guidance, DOE-OH oversees implementation of the Section 3161 Preference-in-Hiring. Fluor Fernald will maintain operating procedures ensuring the consistent use of the Section 3161 Preference-in-Hiring in its employment decisions, including policies dealing with multiple applications for the same job. The process of maintaining and exercising the rehiring preference will be thoroughly discussed during the employee's exit interview.

A construction worker benefit provides a one-time payment to certain construction workers who involuntarily lose their jobs on DOE work. Workers must qualify under the Job Attachment Test set out in Attachment B. If qualified, a worker may apply for a one-time payment, based on the former employer's established separation pay benefit. The payment will not exceed 6-weeks base pay. Workers who accept the payment may not work at a DOE facility for a period equal to the hours represented by the separation payment unless the worker receives explicit approval from the DOE FCP Contracting Officer and makes a pro-rated repayment of the new benefit. Such benefits are subject to the availability of DOE/WT funding.

Additionally, in some situations the contractor may request *expanded job placement services* to market the unique skills for “Cold War Workers” who lose their jobs and who elect to participate. The Department’s approval for such expanded job placement services for the individual “Cold War Worker” will depend on the skills of the workers involved and the local economic conditions at the time of actual work force change, including the prospects for reemployment in the local area. This additional benefit would be available until the “Cold War Worker” accepts a new job, but no longer than one year from his or her separation date.

Conclusion

This Plan is intended to be used as a framework for future work force restructuring activities. The Plan may be modified as needed, in accordance with departmental guidance on work force restructuring, as amended.

ATTACHMENT A

ADMINISTRATIVE PROCEDURES FOR FLUOR FERNALD ACCELERATED WFR IMPLEMENTATION

1. DOE approval will not be required for implementation of any work force restructuring program as long as the threshold of 300 involuntary separations in a fiscal year is not exceeded consistent with the terms of this Plan. As necessary, Fluor Fernald will notify DOE FCP and DOE-OH of its intent to open an ISP. Within two (2) business days, DOE-OH then will provide appropriate notification to DOE HQ of the pending work force restructuring action. This notification may be transmitted electronically or by telefax to the appropriate contact persons in the Office of Worker and Community Transition. If within ten (10) business days of receipt of notification, WT does not notify DOE-OH that it is necessary to interrupt the implementation of the work force restructuring action, the ISP will commence. If it is necessary to interrupt the implementation of the ISP, WT will notify DOE-OH of the interruption within the ten (10) business days, and DOE-OH will work with the appropriate HQ offices to resolve the problem prior to implementation of work force restructuring actions.
2. Fluor Fernald will be responsible for making all appropriate stakeholder and Congressional notifications regarding the proposed work force restructuring action and will notify DOE-OH when the Congressional notifications have been completed.
3. Approval of Work Force Change 004 constitutes approval for the implementation of the Plan elements whenever necessary so long as the following conditions apply:
 - a. Implementation of an ISP will conform in all respects to the Plan as set forth in this document and approved by the Secretary of Energy.
 - b. If DOE-OH believes changes to the Plan are necessary, changes will be reviewed in advance of the need for implementation, by DOE-FCP and DOE-OH, with concurrences from each of the appropriate HQ offices. Any subsequent ISP notices will be for the work force restructuring action discussed in the approved revised Plan.
 - c. Whenever the implementation of an ISP is interrupted as addressed in Item 2 above, DOE HQ and DOE-OH will work together to resolve the outstanding issues as expeditiously as possible prior to implementation of the affected Plan elements.

ATTACHMENT B

JOB ATTACHMENT TEST

In implementing the objectives of Section 3161, the Department recognizes a special responsibility to minimize the impact of work force restructuring on employees who maintained the Nation's nuclear deterrent during the Cold War. The Department recognizes September 27, 1991, the day the President announced the first unilateral reduction of the Nation's stockpile, as the end of the Cold War.

To identify employees who helped maintain our nuclear deterrent during the Cold War, and to determine eligibility for several of this Plan's benefits, workers should review the following criteria:

A. Regular Full-time and Regular Part-time Employees

1. Worked at a defense nuclear facility on or before September 27, 1991; and,
2. Worked full-time or regular part-time at a defense nuclear facility from that date through the date of separation.

B. Construction Workers

1. Worked at a defense nuclear facility on or before September 27, 1991; and,
2. Worked at a defense nuclear facility within 180 days preceding the announced work force restructuring notification; and,
3. Worked at a defense nuclear facility a total time, including time worked prior to September 27, 1991, equivalent to an employee having worked full-time from September 27, 1991 to the date of separation, or have actually worked the industry standard for full time from September 27, 1991, through the date of separation; and,
4. Affected by the announced restructuring within a one-year period. For an intermittent worker, this includes the interruption of a project before its anticipated completion, or the completion of the assignment or project without prospect for a follow-on assignment at the site where the employee had a reasonable expectation of a follow-on assignment.

ATTACHMENT C
SELF-SELECT REQUEST FOR INVOLUNTARY SEPARATION

FLUOR FERNALD, INC.
SELF-SELECT REQUEST FOR INVOLUNTARY SEPARATION

SECTION 1 - SELF-SELECT REQUEST

I hereby voluntarily request to separate from employment with Fluor Fernald, Inc. in conjunction with the involuntary separation program. I am in a declining Manpower Planning Category. I am selecting this option of my own free will after having had an opportunity to review the terms, conditions and consequences of designating myself for the "self-select" process. The Involuntary Separation Salaried Employee Information Package has been explained to my satisfaction. **I understand that this request cannot be revoked after the Fluor Fernald Senior Management Team has accepted it.**

Employees at least 54 years of age and at least 9 years of service as of separation date may choose either Post Separation Medical Benefit or Severance in accordance with Fluor Fernald policy. Post Separation Medical Benefit would be medical coverage under same terms and conditions as retiree medical coverage. This election does not grant employee retiree status, does not initiate any change to pension benefit or does not grant retiree life insurance.

If no election is made, severance will be granted and Post Separation Medical Benefit will be forfeited.

Severance

Post Separation Medical Benefit

_____	_____	_____
Requestor Name (please print)	Badge Number	Phone Number
_____	_____	
Manpower Planning Category	Job Title	
_____	_____	_____
Division	Department Manager	Mgr. Phone #
_____		_____
Requestor Signature		Date

SECTION 2 – SENIOR MANAGEMENT TEAM APPROVALS

This Self-Select request for involuntary separation is:

ACCEPTED - Acceptance of this request may save the job of someone on the current reduction list.

REJECTED – Justification for Rejection: _____

_____ **Print Name** _____ **Signature** _____ **Date**

_____ **Print Name** _____ **Signature** _____ **Date**

_____ **Print Name** _____ **Signature** _____ **Date**

_____ **Print Name** _____ **Signature** _____ **Date**

_____ **Print Name** _____ **Signature** _____ **Date**

ATTACHMENT D

SELF-SELECT EXIT INTERVIEW QUESTIONNAIRE

SELF-SELECT EXIT INTERVIEW QUESTIONNAIRE

Employee's Name (Print Legibly): _____ Badge #: _____

Department: _____ Manager: _____

THE FOLLOWING TWO QUESTIONS MUST BE ANSWERED PRIOR TO EXITING

1. Aside from the written information provided to you in the Involuntary Separation Salaried Employee Information package and the Company's communications, what were you told about the Self-Select process, and by whom?

2. Explain the circumstances leading up to your decision to Self-Select. Did you make the decision freely yourself without pressure or influence from others?

Employee's Signature: _____ Date: _____

Interviewer's Name (Print Legibly): _____

Interviewer's Job Title: _____

Interviewer's Signature: _____ Date: _____