

SUBJECT: DEPARTMENT OF ENERGY (DOE) OCCUPATIONAL SAFETY AND HEALTH (OSH)
INCENTIVES PROGRAM

The purpose of this Notice is to establish new departmental incentives for DOE contractors operating or performing work at DOE government-owned contractor-operated (GOCO) facilities (hereinafter referred to as GOCO contractors) to enhance OSH performance. Incentives are proposed for DOE contractors similar to those existing for private sector employers using elements that acknowledge excellence in a contractor's OSH performance. It is essential that the Department ensure the existence of safe and healthy workplaces in GOCO facilities. This requires a commitment from DOE and GOCO contractor management to seek continuing improvement in worker safety and health programs. These incentives are offered to encourage DOE GOCO contractors to achieve this objective and to establish mechanisms to ensure adequate OSH performance in the face of competing priorities.

To accomplish this objective, I direct that the respective Program Secretarial Officers (PSOs) and the Office of Procurement, Assistance and Program Management (PR) work with the Assistant Secretary for Environment, Safety and Health (EH) to implement the following incentives: (1) a Safety and Health Awards Program and (2) an Occupational Safety and Health Administration (OSHA)-like Voluntary Protection Program (VPP) (hereinafter referred to as the DOE VPP).

- o Safety and Health Awards Program. The Safety and Health Awards Program will be available to the Department of Energy contractors at DOE GOCO facilities. The program consists of two parts, addressing (a) excellence in performance and (b) significant improvements in a contractor's safety performance.
 - (a) Excellence. The Secretary of Energy will present an award annually to GOCO contractors and contractor managers who meet criteria of safety and health excellence. This program, in some respects, will resemble the Malcolm Baldrige Quality Awards Program and will recognize those contractors and contractor managers who have achieved excellence and innovation in their safety and health programs and performance. The number of awards given would be restricted by appropriately stringent award criteria and performance history. Applications for the award will be evaluated by a panel of high-level officials in the Department appointed by the Secretary. The evaluation will examine aspects of OSH administration and management such as leadership, information and analysis, strategic safety planning, human resource utilization, and safety and health results. The application will also be subject to field verification. The contractor's overall performance in environment, safety, and health (ES&H) will be included in the scope of this award to assure overall consistency in the contractor's performance.
 - (b) Significant Improvement. Since only a limited number of contractors will be recognized under the first part of this program, certificates will be awarded to GOCO contractors that make significant improvements in their ES&H performance over a defined period. Specific performance indicators will be developed as a basis for measuring progress.

EH is directed to develop this program in cooperation with the Program Secretarial Officers for implementation by March 1, 1993.

- o DOE VPP -- The OSHA VPP is available for participation by employers in the private sector. It is designed to formally recognize those companies that have demonstrated excellence in their health and safety programs. The three current recognition programs under VPP include Star, Merit, and Demonstration. VPP participants in the private sector strive to maintain programs that incorporate six fundamental tenets of effective OSH management: (1) Management Commitment and Planning, (2) Employee Involvement, (3) Workplace Analysis, (4) Hazard Correction and

Control, (5) Safety and Health Training, and (6) Periodic Program Evaluation.

DOE will implement a similar program for its GOCO facility contractors using performance criteria and review processes similar to OSHA. The focus of the program will be to reduce OSH risks to the worker through the full involvement of contractor management and workers and to reduce reliance on external oversight to identify areas for OSH improvements. A presentation of the highest-level achievement, Star Award, will be made by the Secretary in a public ceremony at the GOCO facility. Contractors will submit applications through their cognizant PSO to EH for concurrence. These applications must be comprehensive and demonstrate that an effective safety and health program is in place.

Contractor applications that pass initial review will be subject to an evaluation by a team consisting of safety and health professionals. The team will recommend approval of the contractor or provide the contractor with information on how to proceed in remedying any identified deficiencies.

Contractors that are successful in meeting the DOE VPP criteria will realize specified benefits, such as fewer scheduled oversight reviews by DOE organizations or having an example of exemplary OSH performance for consideration in the award-fee determination process.

EH will develop this program for implementation in cooperation with the Program Secretarial Officers by March 1, 1993.

I am further directing that the Assistant Secretary for Environment, Safety and Health and the PSOs work together to ensure that other approaches to incentives for ES&H performance are identified and effectively implemented throughout the Department. Appropriate DOE Directives will be amended or created to fully document approved programs.

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Admiral, U.S. Navy (Retired)