



February 10, 2021

Acting Secretary Huizenga
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Acting Secretary Huizenga,

As organizations that represent residents and businesses in the Tri-Cities, Washington, this letter is to alert you to Department of Energy Office of Environmental Management (DOE-EM) actions that put a substantial number of local companies at risk of going out of business. We ask that DOE-EM take immediate action to mitigate these impacts which would be extremely detrimental to our community.

During the transitions of the Hanford Mission Essential Services Contract (HMESC) and the Central Plateau Cleanup Contract (CPCC), nearly all existing Professional and Technical Services (frequently called 'staff augmentation') subcontracts were eliminated. This change impacted dozens of local businesses and several hundred of their (now former) employees.

While we recognize and appreciate DOE-EM's intent to shift subcontracting at Hanford toward more Managed Tasks, we are deeply concerned with the abrupt nature of this change. Simply put, many small businesses cannot survive the stated six to nine-month wait before they will have another opportunity to compete for work.

We have repeatedly raised this issue with DOE and contractor staff in the preceding weeks and months, and reiterate now that these actions undercut DOE-EM's own objectives to support small businesses.

In order to resolve this issue, we request that DOE-EM immediately take the following actions to mitigate community and business impacts:

1. Develop a mitigation plan that addresses Tri-Cities community impacts, with measures that include:
 - a. Initiate a community dialogue that allows city governments to understand DOE's objectives and intentions for the next several months, and local businesses to prepare for future opportunities.
 - b. Expedite the release of new opportunities for local businesses to compete for work, either by reducing the six to nine-month timeline for new subcontracts, or identifying other service area subcontracting scopes that could quickly be released for competition.

- c. Revisit the decision to completely eliminate all Professional and Technical Services subcontracting. Although shifting subcontracting towards more managed tasks/meaningful work scopes is a good thing, there is an important role for appropriately administered Professional and Technical Services subcontracts as well.
2. Modify ongoing procurements and upcoming contract transitions to ensure that unintended consequences experienced here are not repeated in future transitions at Hanford or elsewhere in the DOE complex.

These new prime contracts at Hanford are a significant departure from previous contract models, so we request an active and ongoing dialogue between the DOE, prime contractors and the subcontracting community so that all parties are kept informed, and so unintended consequences like these can be avoided in the future.

Ultimately, it is in everyone's best interest for Hanford to have a strong local subcontracting community that has the diverse set of capabilities necessary to support federal and private-sector work. These businesses provide unique and important services to Hanford when needed, while also serving to strengthen the local economy. We believe the Department of Energy sees the value of a strong local business community as well, and we look forward to working with you to overcome this challenge as quickly as possible.

Sincerely,



Robert Thompson, Chairman
Hanford Communities



Karl Dye, President & CEO
Tri-City Development Council (TRIDEC)



Dave McCormack, Executive Director
Tri-Cities Local Business Association (TCLBA)

cc:
U.S. Senator Patty Murray
U.S. Senator Maria Cantwell
U.S. Representative Dan Newhouse