



U. S. Chemical Safety and Hazard Investigation Board RECOMMENDATIONS STATUS CHANGE SUMMARY

Report:	Donaldson Enterprises, Inc. Fatal Fireworks Disassembly Explosion and Fire
Recommendation Number(s):	2013-06-I-HI-R2 and R3
Date Issued:	January 17, 2013
Recipient:	Office of Procurement Executive (OPE), U.S. Department of the Treasury
New Status:	R2: Closed – Acceptable Action R3: Closed – Acceptable Action
Date of Status Change:	June 24, 2014

Recommendation Text(s):

CSB Recommendation No. 2011-06-I-HI-R2:

Establish formal policy requiring that:

- *Solicitations for contracts dealing with the storage, handling, and disposal of explosive hazardous materials, including fireworks, incorporate rigorous safety-related contractor selection provisions such as those provided in the DoD's Contractor's Safety Manual for Ammunition and Explosives, Section C1.5, "Pre-Award Safety Survey"; and*
- *Contracts dealing with the storage, handling, and disposal of explosive hazardous materials, including fireworks, include a provision requiring that any subcontract (regardless of tier) for the storage, handling, and disposal of explosives (including fireworks) be selected based on rigorous safety-related contractor selection provisions such as those provided in the DoD's Contractor's Safety Manual for Ammunition and Explosives, Section C1.5, "Pre-Award Safety Survey,"*

CSB Recommendation No. 2011-06-I-HI-R3:

Establish a formal policy requiring that contracts and subcontracts dealing with the storage, handling, and disposal of explosive hazardous materials, including fireworks, incorporate rigorous safety-related contractor oversight provisions such as those provided in the DoD's Contractor's Safety Manual for Ammunition and Explosives, Section C1.6, "Pre-Operational Safety Survey" and C1.7, "Post-Award Contractor Responsibilities" to provide effective oversight of subcontractors handling and disposing of explosives and hazardous materials.

Board Status Change Decision:

A. Rationale for Recommendation

On April 8, 2011, an explosion and fire occurred in a leased magazine at Waikele Self Storage in Waipahu, Hawaii that was being used by Donaldson Enterprises, Inc. (DEI) for seized fireworks storage and disposal-related activities. As a result of the explosion and fire, five DEI personnel were fatally injured and a sixth sustained minor injuries.

As part of its investigation, the CSB reviewed the U.S. Department of Treasury's federal forfeiture program and its associated contracts for storing, transporting and disposing of illegally imported and seized fireworks. The CSB determined that the Department of the Treasury Acquisition Regulation (DTAR), Treasury's supplement to the Federal Acquisition Regulations (FAR), did not impose sufficient requirements for safe practices and subcontractor selection and oversight with respect to the unique hazards associated with handling, storing and disposing of hazardous explosive materials such as fireworks. Therefore, the CSB issued recommendations to the Office of Procurement Executive (OPE) in the Treasury Department to correct these shortcomings.

B. Response to the Recommendation

In December 2013, the OPE advised the CSB that it had issued Acquisitions Procedures Update 13-05 which implemented Department of Treasury Acquisitions Procedures (DTAP) subparts 1014.201-6 and 1015.205. These new procedures require contracting officers to work with Environmental Health and Safety (EHS) professionals to incorporate rigorous contractor selection provisions (such as those found in the Department of Defense's Contractor Safety Manual for Ammunition and Explosives, Section C1.5, 'Pre-Award Safety Survey') for prime contractors and subcontractors. Additionally, per DTAP 1007.105, written acquisition plans must include EHS concerns in the source selection strategy. These updates ensure solicitations, contracts, and subcontracts will have the necessary provisions (as determined by EHS professionals) while citing specific regulations applicable to explosive hazards.

The new procedures also require that contracting officers incorporate rigorous contractor oversight provisions (such as those provided in the Department of Defense's Contractor Safety Manual, Section C1.6 'Pre-Operational Safety Survey' and C1.7 'Post-Award Contractor Responsibilities') as determined by EHS professionals based on the specific hazards of the procurement.

C. Board Analysis and Decision

As the response provided by the OPE satisfied the intent of CSB Recommendation Nos. 2013-06-I-HI-R2 and R3, the Board changed these recommendations' status designations to: "**Closed—Acceptable Action.**"