



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):	2011-06-I-HI-R6
Date Issued:	January 17, 2013
Recipient:	VSE Corporation (VSE)
New Status:	R6: Open – Unacceptable Response
Date of Status Change:	June 24, 2014

Recommendation Text:

Use experts to:

- Assist VSE procurement in selecting vendors to properly handle, store, and dispose of explosive hazardous materials, including fireworks, pursuant to prime contract requirements; and,
- Assist VSE personnel in overseeing the work to ensure it is being conducted safely.

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.

DEI was selected as a subcontractor for this work by the prime contractor, VSE Corporation, under a federal seized property management contract administered by the Treasury Executive Office of Asset Forfeiture. VSE's responsibility under the federal prime contract was to secure services for receipt, storage, handling, transportation, consignment, or disposal of all seized, blocked or forfeited tangible property¹ through the subcontracting of vendors. Among other things, the federal prime contract required VSE, as the contractor, to ensure the safety of the public, workers, and property of others.

As part of its investigation, the CSB reviewed the VSE Corporation's procurement and oversight practices pertaining to its selection of DEI as a subcontractor. The CSB determined that VSE's procurement office conducted a non-technical review of DEI's offer and a competing offer for the fireworks disposal subcontract without consideration of their health and safety records. Also, VSE did not use personnel with the appropriate technical background and expertise to properly select and oversee vendors handling, storing, or disposing of hazardous materials such as fireworks, nor did the company contract with or hire anyone to provide those expertise.

¹ The federal contract defined seized, blocked or forfeited tangible property as: "seized, blocked, or forfeited tangible property that is not real property, money or investments, including: aircraft, vehicles, vessels, machinery and equipment, antiques and collectibles and livestock."

Based on these findings, the Board voted on January 17, 2013 to issue a recommendation to VSE Corporation to address these shortcomings in the company's subcontractor procurement and oversight practices.

B. Response to the Recommendation

To date, the CSB has received no response from this recipient.

C. Board Analysis and Decision

In accordance with the policies elaborated in CSB Board Order 22, the Board changed the status of CSB Recommendation No. 2011-06-I-HI-R6 to: "**Open—Unacceptable Response.**"