



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

Report:	Donaldson Enterprises, Inc. Fatal Fireworks Disassembly Explosion and Fire
Recommendation Number:	2011-06-I-HI-R6
Date Issued:	January 17, 2013
Recipient:	VSE Corporation (VSE)
New Status:	Closed – Acceptable Action
Date of Status Change:	October 11, 2018

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, 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 (VSE), 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 a part of its investigation, the U.S. Chemical Safety and Hazard Investigation Board (CSB) reviewed 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 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

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."

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 such expertise.

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

B. Response to the Recommendation

In January of 2018, VSE advised the CSB that VSE no longer has a contract with the Treasury Executive Office for Asset Forfeiture. However, going forward, VSE will use an expert to conduct a technical evaluation to determine if a potential subcontractor is qualified to handle, store, and/or dispose of any hazardous explosive materials. Additionally, VSE will use an expert to assist in overseeing the work of any subcontractors that are ultimately selected to handle, store, and/or dispose of any hazardous explosive material to ensure the work is being conducted safely. To that end, VSE made changes to its internal procurement system to ensure that when hazardous explosive materials are selected, an alert is sent to the Director of Quality, Health, and Safety to ensure government rules and regulations are being followed and that third-party assessments by experts are being conducted.

C. Board Analysis and Decision

Based upon the above actions taken by VSE, the Board voted to change the status of CSB Recommendation No. 2011-06-I-HI-R6 to: "**Closed—Acceptable Action.**"