



## Oversight

### **Theodore (Ted) Sherry**

*Manager Y-12 Site Office*

Ted Sherry serves as the Manager for the National Nuclear Security Administration's Y-12 Site Office. In this position, he assists in the management of national defense activities at the Y-12 National Security Complex, Oak Ridge, Tennessee. He previously served as YSO Deputy Site Manager and joined the YSO staff in 2002. Y-12 is a key facility in the U.S. Nuclear Weapons Complex and is responsible for ensuring the safety and reliability of the nation's nuclear weapons stockpile.

Previously, Sherry held several other positions at the NNSA Albuquerque office from 1995 to 2002. These include nuclear explosive safety engineer, Pantex Integrated Safety Process deputy team leader, and technical training program manager.

Before joining NNSA, Sherry was a senior engineer for a contractor supporting the Environment, Safety and Health Office at the U.S. Department of Energy Headquarters, Washington, D.C. He served in the U.S. Navy as a nuclear submarine officer and is a certified nuclear engineer. His tours included submarine duty in Groton, CT, as an undersea warfare analyst for the Chief of Naval Operations staff in Washington, and as a system engineer at the National Security Agency in Fort Meade, Maryland.

A native of Lutherville, Maryland, Sherry received a B.S. in electrical engineering from West Virginia University and a master's in business administration from the University of Maryland. He and his wife Angela have two children and live in Oak Ridge.

### **Johnny Moore**

*Assistant Manager for Science/ORNL Site Office Manager  
Oak Ridge Office*

Johnny Moore serves as the Assistant Manager for Science (AMS) and the ORNL Site Office Manager. In this position, he is responsible for the development and implementation of policies for the conduct of nuclear and non-nuclear energy R & D programs, providing programmatic direction, and performing contract administration for DOE contracts covering the development and/or operation of ORNL and Oak Ridge Associated Universities, including all phases of program management and the appraisal of overall contractor performance. He previously served as the Deputy Assistant Manager for Science. Moore joined the AMS organization in 2001 as the Director of the Operations Division.



Previously, Moore was in the Environmental Management program in Oak Ridge and served as Waste Operations and Technical Team Leader where he led waste operations and legacy waste disposition activities. He has also served as the acting Site Manager for the Portsmouth (Ohio) Site Office and the Environmental Technology Group Leader, as well as having served as the Technology Development and Transportation Team Leader. Moore also served in the Assistant Manager for Energy Research organization and previously was in the Enriching Operations Division initially supporting the gas centrifuge project and the ES&H and process and long-range technical support efforts at the gaseous diffusion plants.

Moore received a Bachelor's Degree in chemical engineering from the University of Tennessee, is a registered professional engineer in the state of Tennessee, and is a senior member of the American Institute of Chemical Engineers.



# Oversight

Ted Sherry  
Johnny Moore

August 4, 2010

## Objectives



At the Completion of the module the participants will:

- Have a basic understanding of the DOE oversight program and process.
- Describe the key elements of associated with:
  - assessment planning
  - conducting assessments
  - documenting assessment results
  - assessment activities and conduct.
- Gain an exposure to the activities, challenges and lessons learned from the NNSA and Office of Science governance initiatives.



## Overview of the Oversight Program/Process

## What is DOE Oversight?



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Activities by DOE organizations to determine the effectiveness of Federal and contractor programs and management systems, including assurance and oversight systems.

- Operational Awareness Activities
- Onsite Reviews
- Assessments
- Self-Assessments
- Performance Evaluations
- Other Evaluation Activities

*Source: DOE P 226.1A*

## 8 Attributes for Effective Oversight



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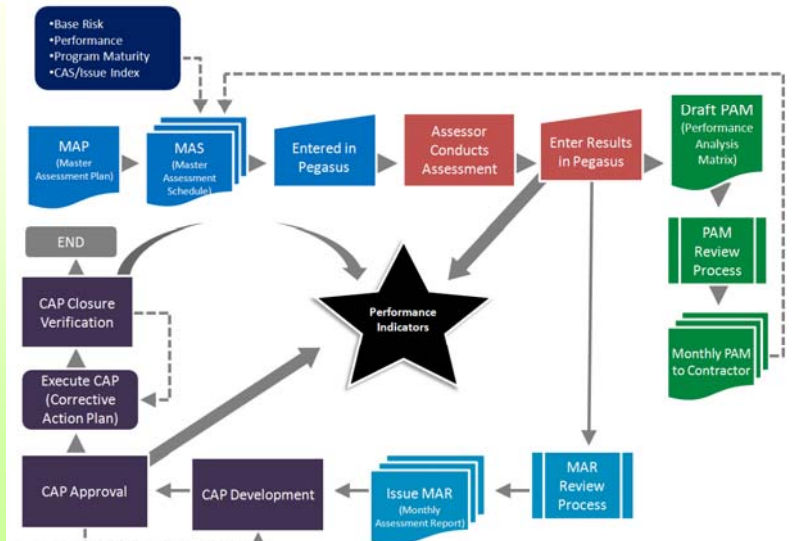
1. Documented Program Plan
2. Continuous Improvement
3. Requirements and Performance Objectives
4. Personnel Competence
5. Baseline Oversight Program and Priorities
6. Performance Indicators and Measures
7. Self-Assessments of Line Management Functions
8. Federal Responsibility and Accountability

Source: DOE P 226.1A

## YSO Oversight Process

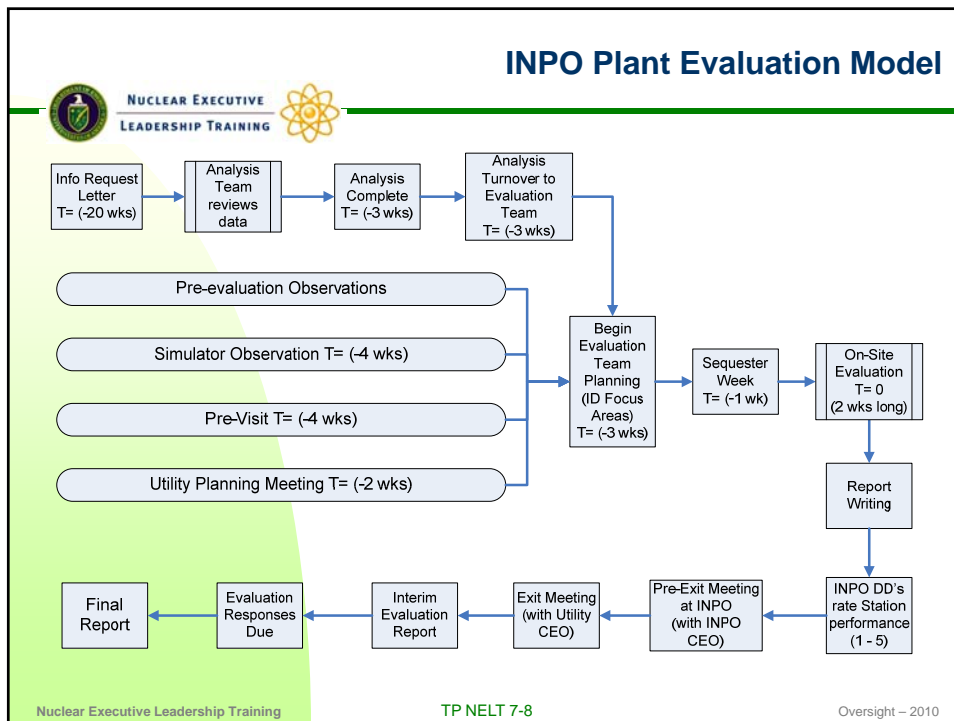


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# Assessment Planning



## Assessment Prioritization Considerations



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### Things to consider:

- Safety consequence of a failure in the system, activity, facility, etc.
- Time since the system, activity, facility, etc. was last looked at and results
- Past performance
- Areas with high risk should be balanced with areas of low risk
- The work schedule for the system, activity, facility, etc.

## Purpose of an Assessment Plan



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- Guides the assessment process and activities
- Establishes assessment scope and priorities
- Communicates with counterpart(s) and contacts at facility
- Communicates with other assessment team members
- Focuses the assessor's energy
- Serves as a task completion instrument
- Assists in writing the report

## Definition: **Criteria**



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**Specific programmatic and technical attributes that comprise successful program development or implementation in the subject-matter area.**

**Criteria are rooted in DOE requirements. They serve as the baseline for evaluating policies, programs, and actions.**

## Definition: **Lines of Inquiry**



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Series of connected questions leading to a conclusion about the acceptability of the area being evaluated (i.e., are the criteria being met?)

## Sample Lines of Inquiry



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### Sample Lines of Inquiry (not a complete list)

- How and by whom are activities authorized?
- How are training and pre-job briefings verified as complete?
- How are work activities scheduled on the plan of the day/week?
- Describe the supervision of work activities.
- How do work documents get changed?



## Conducting Assessments



## What Types of Facility Documents Would be of Interest for an Operational Review?



## What Do You Look For When Observing Work Activities?



## What Do You Look for in the Work Area?



## Class Exercise

### What are some attributes of a good interview?

Develop a list of interviewing **“DO’s”**

## Class Exercise



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### What are some attributes of a good interview?

Develop a list of interviewing **“DON'Ts”**

## Other Interviewing Considerations



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- Union representation for union workers
- Site management presence
- Number of people at the interview
- Classified or unclassified
- Where to conduct the interview
- Other?



## Documenting Assessment Results

## Organize Your Observations



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### Topics to consider:

- **Scope**
  - Activities observed
  - Documents reviewed
  - Interviews conducted
- **Facts**
- **Analysis**
- **Conclusions**
  - Supported by facts
  - References requirements
  - Includes significance

## FACTS Examples



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Six of 10 personnel observed in posted high-noise areas, including supervisors, were not wearing hearing protection as required by the postings in these areas.

## FACTS Examples (cont.)



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The following examples of unsecured ladders used to support work activities were observed:

- 12-foot extension ladder in the heat exchanger room
- 20-foot extension ladder in the warehouse
- 20-foot extension ladder resting on a 1-inch instrument line outside the heat exchanger room



## Fact or Impression?



## Fact or Impression?

1. “The operator did not understand what was expected of him.”
2. “The supervisor provided poor direction to the electrician.”
3. “The chemistry technician did not inform his supervisor that the sample results were out of specification.”
4. “The radiation protection technician did not correct workers who demonstrated improper radiological practices.”
5. “Management had trouble communicating to site personnel.”

## Fact or Impression? (cont.)



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6. "The guidance contained in the procedure appeared to be inconsistent with the verbal direction provided by the supervisor."
7. "The operator attempted to start the pump with the suction valve closed."
8. "The mechanic did not adequately review the work package before starting work."
9. "The instrument and controls technician identified the wrong fuse on the drawing."
10. "The shift supervisor did not acknowledge an operator report of decreasing flow."

## Analysis



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- Analyze what you observed.
- Put the facts in context.
- Do you need additional information?
- Do you need further validation of the facts?
- Do the facts support the conclusion?

## Conclusions



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- **Conclusions** logically follow from itemized facts.
- **Conclusions are not:**
  - Repeated facts
  - Recommendations
  - Broader in scope than supported by facts
- **Be Conservative.** A few succinct conclusions supported by facts is the goal.

## Conclusion Examples



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- The site's LO/TO procedure does not support safe operation of the XYZ system.
- Inadequate lighting in the ABC work area presented a challenge to maintenance activities.
- The electrical maintenance morning brief effectively engaged the craft in "prevent events" discussions and lessons-learned opportunities.

## Factual Accuracy



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The process of ensuring the facts discovered during the assessment are technically accurate and complete by sharing the information with the site/contractor and getting their feedback.

### Discussion topic:

How do you assure factual accuracy at your site?

## Attributes of a Valid Deficiency



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- Communicates the problem in a clear, concise manner
- Clearly identifies:
  - What is deficient (broken)
  - What is required
  - The impact on safety, the environment, etc.
- Is supported by facts
- Is not derogatory
- Stands alone
- Is closable

## Clarity and Precision (cont.)



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**But Be Careful  
and Be Precise.**



## Assessment Activities and Conduct



## Management Expectations

- Behavior must be professional at all times.
- Avoid Conflict of Interest (perceived or actual).
- Dress appropriately for the situation.
- Minimize disrupting workers or their routines.
- Meet facility access requirements.
- Follow facility/area postings.
- Follow escort instructions.



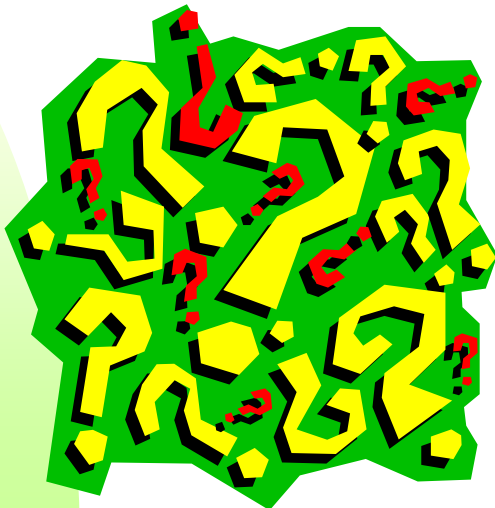
## Practical Exercise

### Difficult Situations

Questions?



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*NNSA Enterprise Reengineering and  
Governance Transformation*



## Background

### ***April 2009 – Administrator’s memo regarding:***

- *Advancing the NNSA’s Managerial and Cost Effectiveness*
- Responded to the President’s call to review every program and commit ourselves to making sure that they are required, cost effective, and deliver quality results.
- Chartered an Enterprise Reengineering Team (ERT) to deliver a focused, aggressive, complex-wide change to the way we do business.



## Why Management Transformation?

- **Out-year budget outlook**
- **Dilution of High Risk Oversight**
- **Cost of doing business outpace budget growth**
- **Excessive contractual requirements**
- **Direction/requirements prescribe the “how” and are inconsistently interpreted/applied**
- **Federal oversight model and authorities confusing and conflicting and not risk-informed**
- **Overly risk averse – “one size fits all”**
- **Inability to describe and incentivize strong contractor performance expectations and outcomes**
- **Excessive internal and external reviews**



## Desired End State of Transformation

- A smaller and less expensive enterprise that leverages the scientific and technical capabilities of the work force to meet nuclear security mission safely and securely.
- This is accomplished:
  - Through common understanding of the meaning of Governance and performing within NNSA's Operating Principles and,
  - By leveraging upon strong federal and contractor assurance systems that improve performance and accountability, reduce costs and utilize industry competitive standards.



## NNSA Governance Board

- Established in August 2009 to develop policy input regarding decisions on governance for NNSA and to integrate with DOE transformation initiatives.
- Membership:
  - Tom D'Agostino (NNSA Administrator) – Chair
  - Dr. Michael Anastasio (LANL)
  - Darrel Kohlhorst (Y-12)
  - Steve Erhart (Pantex)
  - General Garrett Harencaak, acting (NA-10)
  - Gerald Talbot (NA-60)
  - Brad Peterson, Don Nichols, Frank Russo (Advisors)
- Uses the National Security Enterprise Field Council and Integration Council (NSE-FC/IC) to scope and prioritize issues, recommend a path forward, and develop implementation plans for Board approval.

## NSE-FC/IC



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- **Nuclear Security Enterprise – Field Council (NSE-FC)** consist of 8 SOMs and SC Director
  - Chair – Ted Sherry (Y-12)
- **NSE – Integration Council (NSE-IC)** consist of senior contractor managers from the labs, plants and test site.
  - Chair – Charlie McMillan (LANL)

## NSE-FC/IC Strategy for Governance Transformation



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The NSE Field and Integration Councils are pursuing three strategies for Governance Transformation:

1. Update and clarify NNSA Organizational Principles and Authorities.
2. Develop an integrated and comprehensive risk informed approach to NNSA oversight.
3. For non-nuclear operations, implement performance based oversight model at other NNSA sites similar to that used at the Kansas City Plant.

## Goals of Governance Transformation



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Federal and Contractor Partnership for Mission Success  
Guided by:

- Understanding of governance and NNSA's operational principles
- Clear roles, responsibilities and accountability
- Appropriate alignment of programmatic and operational risks to accomplish mission
- Strong Contractor Assurance System
- Balanced federal requirements and oversight
- Individual and contractual performance accountability
- Key performance metrics in place



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## Governance Definitions and Attributes (draft)



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- System of **management controls** implemented through a collaborative partnership
- Exercise of **independence in oversight** as needed to sustain a strong self-regulatory posture
- Implemented through **clear roles and responsibilities** and well **defined line management** that is accountable and responsible
- The **contract is the governance framework** that supports accomplishment of the mission in a safe, secure, effective and efficient manner.
- The **framework defines expectations and authorities** and verifies performance by utilizing objectives, requirements, assessments, metrics, rewards and penalties.
- **Governance invokes trust and confidence** between parties and fosters clear accountability and appropriate risk-based decision making.

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## NNSA Operating Principles



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- **Developed with significant input from NNSA-HQ, the field and the contractor community**
- **Based on Poneman Principles**
- **Approved by the Administrator on February 5, 2010**

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National Nuclear Security Administration (NNSA)  
Operating Principles

*Our mission is vital and urgent – we constantly focus on mission outcomes.*

- US nuclear security is the fundamental mission of the NNSA and its laboratories, plants, and test site.
- Mission managers bear responsibility for achieving mission outcomes.
- Support managers provide technical assistance and support to enable mission delivery.
- Our activities reflect a mission-focused, high performing, high reliability enterprise consistently delivering on its commitments and addressing national needs.
- We constantly strive to reduce barriers to effectively and collaboratively accomplish our mission.

*Science and technology lie at the heart of our mission.*

- The NNSA and its laboratories, plants, and test sites are resources to organizations in the US Government with national security missions.
- We manage our laboratories, production, and other facilities in a manner that sustains and leverages their formidable technical capabilities in response to the ever-expanding challenges to our Nation's security.
- The NNSA national laboratories mission is to provide premier science and technology support for the US national security mission.

*We succeed only through teamwork and continuous improvement.*

- The long-term strategic future of the National Security Enterprise is a shared responsibility of federal and contractor staff and leadership and requires a strong partnership and trust.
- Individual and contract performance evaluations reflect contributions to mission outcomes.
- We treat our people as our greatest asset.
- All functions within NNSA are periodically evaluated in relation to mission enablement.

*We pursue our mission in a manner that is safe; secure; legally and ethically sound; and fiscally and environmentally responsible.*

- The Administrator is ultimately responsible for ensuring the quality of the product/service, security of operations, the safety and health of employees and the public, and the protection of the environment.
- Mission and functional managers at the federal and contractor level bear full responsibility for achieving assigned objectives in a manner that is safe, environmentally responsible, secure, legally and ethically sound, and fiscally responsible.

*We manage risk across program objectives and operational performance to fulfill our mission.*

- Decision-makers balance programmatic and operational risks to accomplish mission requirements and meet national security needs.
- Authorities are aligned to accountability and are assigned to decision-makers that are closest to the work.
- Certain critical decisions are made at the highest levels of NNSA due to a unique risk or as driven by law; Federal regulations; or to balance risks and resources across the nuclear security enterprise.

*We apply validated standards and rely on rigorous peer reviews.*

- Whenever possible and warranted, NNSA executes work in accordance with national standards; where national standards do not apply or are inadequate for NNSA needs, work processes are developed using a rigorous peer review process.
- Contractors are expected to employ best management practices.
- We constantly strive to reduce or eliminate requirements for transactional oversight where not required by statute or the Federal Acquisition Regulations.

*signed original on file*

Thomas P. D'Agostino  
Administrator

February 2, 2010



## Roles and Responsibilities

Roles and  
Responsibilities

- Integrated team of NNSA-HQ, the field and NNSA contractor representatives
- Team led by Kevin Smith (KCP) and David Chaney (NNSA-SC)
  - Significant input from NNSA-HQ, field and contractors
- Defining and clarifying high-level roles and responsibilities
  - NNSA-HQ
  - Site Offices
  - Service Center
  - Headquarters
- Used to help change behaviors to enable more effective mission execution



## Requirements Analysis

- Done on a site-by-site basis (in the early stages of implementation)
- Identifies the specific requirements unique to the site, facility, operation
- Eliminates non-value-added and redundant requirements
- Replaces DOE Directives with applicable industry standards where appropriate
- Uses a Joint Operating Requirements Review Board (JORRB)
  - One at each site
  - Enterprise JORRB at HQ



## Contractor Assurance Systems

- Joint NNSA/contractor team formed to define governance and identify attributes of CAS
- Will involve corporate parent(s) and two levels of validation (contractor and federal)
- Product developed and presented to Governance Board in early April
- Proposal submitted for approval and distribution
- The way NNSA (both field and HQ) oversight and assessment is performed will change

## Integrated Assessments and Line Oversight



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Integrated  
Assessments  
& Line Oversight

- Assessment moratorium memo issued on December 18, 2009 - moratorium goes through June 30, 2010
- Team lead by Al MacDougall (NNSA-SC) developed a process and schedule for integrated assessments – submitted for approval
- Doug Dearolph (SRSO) leading a team to establish process and requirements to validate that sites are prepared to implement –Line Oversight and Contractor Assurance System LOCAS

## Implementation Activities



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- Implementation of performance-based approach for non-nuclear operation – SNL and NTS leading
- Governance Workshop – Feb 23, 2010
- *“Re-forming Relationships: A Guide To Transformational Governance And Oversight”* in review/approval process
- NA-70 Zero-based Security Review and implementation of streamlined requirement set
- NNSA Senior Leadership Governance Offsite at LANL



# Governance Transformation Plan

## NNSA Governance Reform Plan

### 4<sup>th</sup> Quarter CY09

- Develop Governance Reform Plan
- Establish Assessment Moratorium
- Evaluate KCP Governance Model (SNL and NTS)

### 1<sup>st</sup> HalfCY10\*

- Establish NNSA First Principles
- Identify High Level R2A2 Expectations
- Develop Communication and Measurement Strategy
- Conduct NNSA Leadership Summit
- Implement KCP Governance Model (SNL and NTS)
- Develop Integrated NNSA Assessment Schedule
- Evaluate "KCP Governance Model" for Implementation (other sites)
- Define Governance and Establish LOCAS Expectations

### 2<sup>nd</sup> HalfCY10

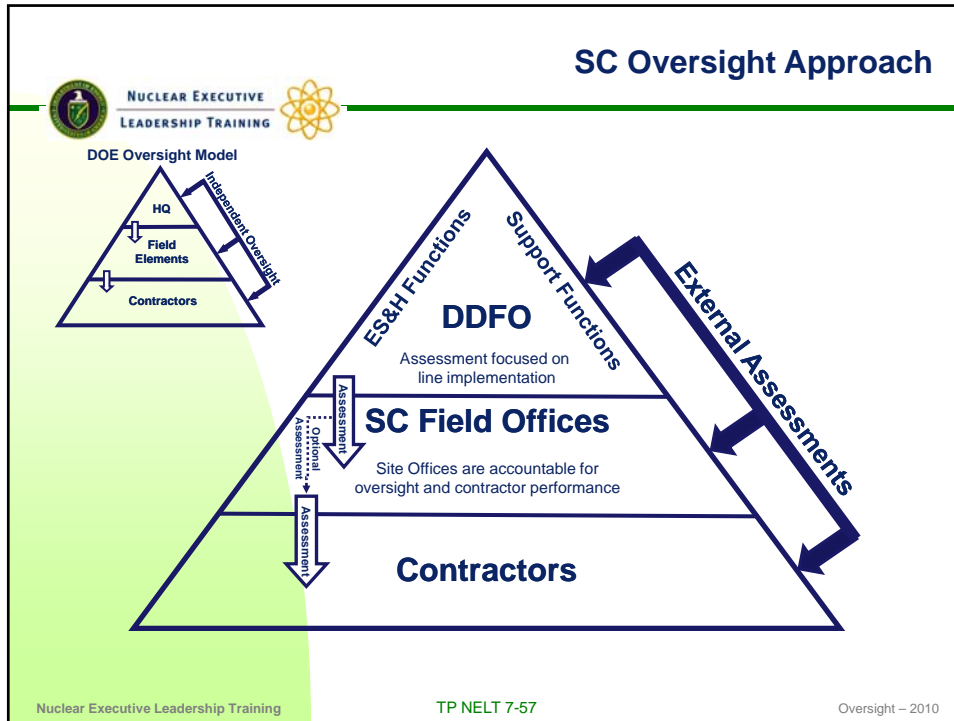
- Develop NNSA Governance Model
- Establish process and requirements to validate that sites are prepared to implement LOCAS
- Implement KCP Governance Model (other sites)

### CY11

- Revise FRAM
- Full Implementation



# Office of Science Approach to Governance/Contractor Assurance



## Background

- The SC Deputy Director for Field Operations (DDFO) chartered a federal/contractor team to improve the execution of Contractor Assurance at SC National Laboratories considering reform initiatives. (July to December, 2009)
- The team established expectations:
  - ✓ Try to work within existing approaches as much as possible
  - ✓ Eliminate redundancy
  - ✓ Apply Contractor Assurance to all operating areas
  - ✓ Remove DOE O 226.1 to reduce confusion
  - ✓ Connect to the SC Performance Management process
  - ✓ Laboratory systems and processes should be transparent to SOM
  - ✓ Oversight can be modified as Assurance Systems mature

Department of Energy  
Office of Science  
Washington, DC 20585

January 6, 2010

MEMORANDUM FOR DISTRIBUTION:

FROM: GEORGE MALCOLM  
DEPUTY DIRECTOR FOR FIELD OPERATIONS  
OFFICE OF SCIENCE

SUBJECT: IMPLEMENTATION OF CONTRACTOR ASSURANCE PROCESSES AT OFFICE OF SCIENCE (SC) LABORATORIES

On July 23, 2009, as part of our reform discussions in the DDFO meeting, I discussed the need to focus on implementation of contractor assurance systems at our laboratories and chartered a team of Site Office Managers and contractor Chief Operating Officers to define contractor assurance, establish principles of operation, and identify contractual and director changes needed to implement contractor assurance at our laboratories. The team has completed their work and we are now ready to begin to implement our contractor assurance processes. Attached are the materials developed by the team: the SC contractor assurance description, the actual contract requirements (Section 16 Clause for the Management and Operating (M&O) contracts), the implementation schedule, and a set of questions and answers to aid in understanding our move to contractor assurance.

Implementation of contractor assurance at our laboratories will be accomplished over time, as outlined in the enclosed schedule. The steps to implementation include:

1. Identification of existing M&O contracts to incorporate the H Clause.
2. Approval of an opportunity determination by the Director of the Office of Science allowing removal of the DOE Order 226.1A Contract Requirements Document from our contracts.
3. Formalization of the contractor assurance process in the Office of Science Management System (OSMS). A team of OSMS Management System Owners, Site Office and RS staff has been formed to accomplish this step.
4. Development of a contractor assurance peer review process and the conduct of three peer reviews in 2010.

As the Head of the Contracting Activity, I direct you to implement the first step outlined above by working with your Contracting Officer and M&O contractor to incorporate the new Section 16 Clause into your laboratory's contract by January 31, 2010.

A portion of our February DDFO meeting will be dedicated to discussing our progress and implementation of the contractor assurance processes. I look forward to hearing from you.

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- H Clause

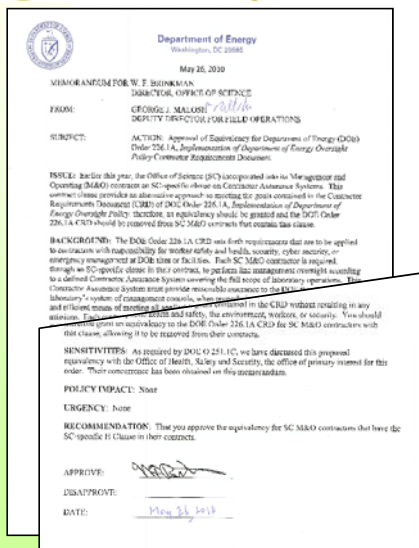
ELEMENTS IN CONTRACTUAL DOCUMENTS	
H Clause	DOE O 226.1A
• Comprehensive description	• Comprehensive description
• Validation method (ISO, etc)	• Program effectiveness certification process
• Rigorous self-assessment	• Self assessments (MA, OA, MWT, QAA, IIA)
• Feedback and improvement processes	• Worker feedback/lessons learned
• ID and correction of performance/trends	• Issues management
• Integration with ISM/MS	• Can integrated with existing MS/processes
• Metrics and targets	• Performance measures
• No scope limitations	• ES&H, S&S, CS,EM only
• Can modify oversight	• No provision to modify oversight

- Assurance Description

Used to describe the SC process. Includes Goals, Principles, Definitions, Process (Performance Management and Governance), Roles, Responsibilities and Accountabilities, and Outcomes.

• Document the federal approach in the SC Management System

## DOE O 226.1 Equivalency



- Identified specific Contractor Assurance H Clause language
- Reviewed DOE O 226.1A CRD versus H Clause contents
- Finalized H Clause and incorporated into all SC Laboratory contracts
- SC HQ coordinated equivalency approach with HSS
- Requested and received approval for alternative approach to CRD
- DOE O 226.1A remains applicable to federal staff

**A New View of Assurance (Handout)**

**NUCLEAR EXECUTIVE LEADERSHIP TRAINING**

**Success depends on active engagement of three parties:**

**Key Elements**

- Assurance Description  
CONTRACTOR/PARENT & LABORATORY MGMT
- SCMS Revisions  
DOE
- H-Clause  
CONTRACTOR/PARENT & DOE
- Equivalency Determination  
ALL PARTIES
- Peer Review Scope  
DOE & LABORATORY MANAGEMENT

**What should be excluded?**

**OUTCOMES**

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- Processes drive improvements
- Emphasis on self-identification, correction and prevention
- Sustainable performance
- More efficient allocation of resources
- A climate of mutual trust

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**Non-contractual Guidance Provides Framework for Peer Reviews**

Peer Review Guide identifies roles and structure

LOI's focus on H-Clause attributes

Steering Committee provides consistency of approach

Teams evaluate assurance system development, deployment and maturity

**CONTRACTOR ASSURANCE AT OFFICE OF SCIENCE LABORATORIES**

**CONTRACTOR ASSURANCE SYSTEM PEER REVIEW GUIDE AND LINES OF INQUIRY**

Rev. 1

April 15, 2010

how

**Assurance System Inquiry**

CRS Description	Assurance Objective	Evaluation Questions
<b>A. A clear purpose</b> Description of the OSC to determine, verify activities and compliance requirements of all sites.	<b>A.1. A clear purpose</b> Description of the OSC	<b>A.1.1</b> WHEREAS, mission, processes, tools, or other capability exist <b>A.1.2</b> Are in compliance to applicable DOE Order?
<b>A.2. Data to be collected</b> What are the data to be collected, where, or how?	<b>A.2.1</b> Does the OSC have a process and plan to collect?	<b>A.2.2</b> What are the data to be collected, where, or how?
<b>B. Methods to verify/validate</b> What are the methods to verify/validate?	<b>B.1. Does the OSC have a process and plan to verify/validate?</b>	<b>B.1.1</b> Is there a process, approach or plan to verify the OSC?
<b>C. How to report</b> How to report the results of the inquiry?	<b>C.1. How to report the results of the inquiry?</b>	<b>C.1.1</b> The OSC has a process to report the results of the inquiry.

what

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## This is an Element of the Management Reform Initiative



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### The Office of Science Program Description establishes a consistent view of Assurance functions

 **The Deputy Secretary of Energy**  
Washington, DC 20585  
September 22, 2009

MEMORANDUM FOR KRISTINA M. JOHNSON  
UNDER SECRETARY OF ENERGY

THOMAS P. D'AGOSTINO  
UNDER SECRETARY FOR NUCLEAR SECURITY

STEVEN E. KOONIN  
UNDER SECRETARY FOR SCIENCE

SAMUEL ARONSON  
NATIONAL LABORATORY DIRECTORS' COUNCIL

MICHAEL WEIS  
FIELD MANAGEMENT COUNCIL

PAMELA E. HORNUNG  
ENERGY FACILITIES CONTRACTOR'S GROUP

FROM: DANIEL B. FINEMAN

SUBJECT: Principles for Management Reform

As we move forward in our management reform efforts, it is important that we put in place a set of guiding principles. The attached set of principles has been developed as part of the ongoing review of regulations, worker safety and security. These principles are intended to apply broadly to all aspects of managing the Department.

**Assurance Definition of Program Description**

The following summarizes the goals, principles, processes, roles and responsibilities and external and internal assurance functions in Office of Science (OS) programs. These functions include response, operations, assurance, and contract and SC line management. Because these functions are so interconnected, they actually form a single comprehensive assurance system that will be reflected throughout this descriptive summary of assurance.

Assurance is designed to ensure mission objectives are met; protect the public; and the environment are protected and operational, facility, and business systems are effectively run and common requirements are met. This comprehensive and integrated system applies to all Contractor performing goals and administrative and operations.

**1. Goals**

A Contractor Assurance System (CAS) is effective when:

- CAS processes drive improvements.
- CAS activities, events, and performance.
- CAS operational activities include **documented effectiveness** that allow DOE to verify activities in the field.
- **Clear, easy-to-use, independent, transparent** metrics indicate the system and processes are working.
- Performance metrics demonstrate acceptable levels and/or consistent improvement of performance.
- **Processes are appropriate to verify** to identify issues and solve problems that cause performance requirements, and
- A climate or culture that exists both on DOE and the contractor.

Revision 7 2

## What Should We Commit To?



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- Reestablishing line/mission management responsibilities.
- Holding the contractor accountable when event occurs instead of proliferating changes and new requirements broadly.
- Effective assurance can only happen in a trusting environment.
- Modifying behaviors to enhance trust from contractor to site office to HQ.
- Balancing risk avoidance/mitigation with mission accomplishment.
- The approvals for different activities should be as close to the accomplishment of work as appropriate.
- Execution is done in the field and transactions/approvals/acceptance are between contractor and site office.

## Challenges



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- All agreeing to same methodology/approach
- Staying the course if bad things happen
- Modifying our oversight as contractor exhibits CAS performance
- All parties commitment to behavior changes
- Getting peer process going so that, in the journey for continuous improvement, SC sites can help each other

## The Site Office is accountable for mission accomplishment and contractor performance

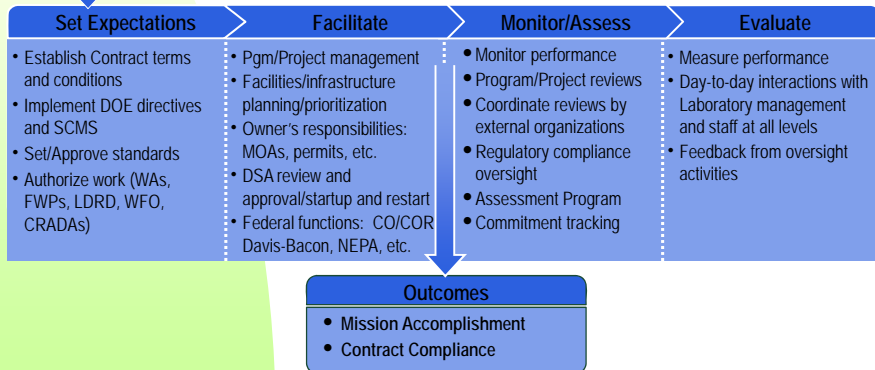


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### Performance Management

- Goals/Notable Outcomes Established in PEMP
- Formal Progress monitoring at mid & end of year
- Informal monitoring throughout FY
- DOE Conduct Annual Appraisal



## Define Oversight Process & Deliverables



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### Assessment Planning Tool Part I: Oversight Approach

Safety/Business Management Program	Specific DOE Driver (V/N)	DOE Driver Required Frequency	AMS Primary Assessment Method and Frequency			Comments
			Program Assessment	Retention Topic	Surveillance	
Nuclear and Facility Safety						
Ins. Protection (ISMI)	A	1 year	1 year			
Fire and Safety	N	1 year	1 year			
Nuclear and Facility Safety	N	1 year	1 year			
Radioactive Safety	N	1 year	1 year			
Environmental Protection	N	1 year	1 year			

- Annually develop assessment topics, objectives, and schedules based on current performance evaluations, risk evaluation, and management feedbacks
- Use Assessment Planning Tool (APT) to facilitate the planning process
- Translate APT planning results into resource-loaded schedules and communicate to ORNL
- Deploy assessment resources as planned and prepare and issue reports
- Perform routine self-evaluation of oversight process for effectiveness, and provide management feedback

## Assessment Planning



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### Assessment Planning Tool Part 2 - Selecting Assessment Topics - Management and Assurance System (EM-Q)

Safety/Business Management Program	Subtopic/Driver (if applicable)	PREVIOUS ASSESSMENTS EVALUATION						THREE YEAR PLANNING			Rationale for Inclusion in TAP
		Assessment		Contractor		External		DOE AAS			
		Scope/Date	Scope/Date	Scope/Date	Scope/Date	Comments	FY 2010	FY 2011	FY 2012		
EM-Q	Program for the Management and Assurance System (EM-Q) per DOE 10-014	10-014	10-014								10-014 is a high priority program for the DOE AAS. It is a key component of the DOE AAS and is critical to the success of the DOE AAS. It is a key component of the DOE AAS and is critical to the success of the DOE AAS.
		10-014	10-014								
		10-014	10-014								
		10-014	10-014								

- Systematic planning enhances the consistency of the overall assessment process.
- Use of a tool in the systematic planning provides the structure and documentation necessary for program enhancement.
- Assessment Program planning should be conducted as an ongoing process.
- Staff input should be considered and documented in the tool throughout the year.

# Questions/Discussion on NNSA and SC Governance



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