



National Nuclear Security Administration

Sandia Site Office
P.O. Box 5400
Albuquerque, New Mexico 87185-5400



FEB 16 2006

MEMORANDUM FOR: Thomas D'Agostino, Assistant Deputy Administrator for
Program Integration, NA-10, HQ

FROM: Patty Wagner, Manager *Patty Wagner*

SUBJECT: Feedback and Improvement Assessments and Site Action Plans
for Defense Nuclear Facility Safety Board (DNFSB)
Recommendation 2004-1 Commitment 25

In response to your letter dated November 14, 2005, same subject, please find attached the Sandia National Laboratories (SNL) and Sandia Site Office (SSO) responses. The site assessment reports and site action plans were developed using the requested format and templates.

SSO is currently conducting a self-assessment prior to the Chief Defense of Nuclear Safety (CDNS) Review in June 2006. Feedback and Improvement is one of the functional areas undergoing a full scope review per the CDNS review criteria. Although the report is not finalized, I expect findings in the Feedback and Improvement area for SSO and SNL. Any findings will have corrective actions and be tracked to completion.

If you have any questions, please contact me on 505-845-6036 or Dan Pellegrino of my staff on 505-845-5398.

2 Attachments:

Memo, Stichman/Wagner, dated 2/10/05
(Assessment and SAP for PO1 & 2)
SSO Assessment and SAP for PO3

cc w/attachments:

C. Sykes, NNSA/NA-124/HQ
J. Stichman, SNL/NM
J. Polito, 10700, MS-0130, SNL/NM
S. Pickering, 10740, MS-0918, SNL/NM
M. Wood, SSO/CABM
J. Loftis, SSO/S&S
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February 10, 2006

Correspondence Control#: 06_251_SNL_02-10-2006

Ms. Patty Wagner
Manager, Sandia Site Office
National Nuclear Security Administration (NNSA)
U. S. Department of Energy (DOE)
P. O. Box 5400
Albuquerque, NM 87185-5400

Dear Ms. Wagner:

Subject: Feedback and Improvement and Site Action Plan for Defense Nuclear Facility Safety Board (DNFSB) Recommendation 2004-1 Commitment 25.

Ref: 1) Memo from Patty Wagner to John Stichman, dated December 14, 2005, same subject.
2) Memo from John Stichman to Patty Wagner, dated January 17, 2006, same subject.

Representatives of Sandia met with representatives of your office on February 8, 2006 to receive feedback on our DNFSB Commitment 25 Site Action Plan submittal of January 17, 2006. Per that conversation, the following revised Site Action Plan is submitted.

Within the response, Sandia has cited recent reviews (2005 Sandia Performance Evaluation Report (PER), the OA-40 Assessment, and SSO ISMS Institutional Assessments), and the respective corrective action plans. We have verified the dates and commitments within the referenced corrective action plans. We appreciate the opportunity to supply additional information in support of our action plan.



Exceptional Service in the National Interest



Ms. Patty Wagner

-2-

Attachments:

- 1) Sandia Site Assessment Report, F&I Commitment 25- DNFSB Recommendation 2004-1, Revised- dated February 9, 2006.
- 2) Sandia Site Action Plan, F&I Commitment 25- DNFSB Recommendation 2004-1, Revised- dated February 9, 2006.

ATTACHMENT

SNL RESPONSE

PERFORMANCE OBJECTIVE 1 & 2

RESPONSE & ACTION PLAN

Site Action Plan
F&I Commitment 25 – DNFSB Recommendation 2004-1

DNFSB Recommendation 2004-1 Implementation Plan

Site Action Plan

Commitment 25, Feedback and Improvement



Approved, Manager, Sandia Site Office

Note: Change Control for this Site Action Plan (SAP) resides with the Site Office Manager, with a cc to NA-10.

Site Action Plan
F&I Commitment 25 – DNFSB Recommendation 2004-1

Performance Objective F&I-1: Contractor Assurance Program Documentation

Judgment of Need #1: Contractor Assurance Program Documentation

The FY06 Performance Evaluation Plan (PEP) establishes expectations for further improvements to Sandia’s CAS.

Existing Corrective Actions:

Criterion	Source of Corrective Action / Identification Number	Corrective Action	Due Date	Action Owner / Organization
4	FY 06 Performance Evaluation Plan (PEP), PO11, addresses enhancements to the Contractor Assurance System.	<p>Sandia will provide evidence of the effectiveness, compliance and institutionalization of the Sandia Contractor Assurance System.</p> <ul style="list-style-type: none"> • Analysis of ILMS-related business rules • Create Enterprise Risk Management business rule • Revise Corrective Action business rule • Identify and develop tools to support the ILMS family of business rules 	<p>9/30/06</p> <p>12/05</p> <p>3/10/06</p> <p>3/31/06</p> <p>7/30/06</p>	S. Pickering/SNL

Site Action Plan
F&I Commitment 25 – DNFSB Recommendation 2004-1

Objective F&I-2: Contractor Program Implementation

Judgment of Need #2.1: Assessments & Performance Indicators

Sandia needs to mature the self-assessment program to encompass compliance as well as operating experience observations to reduce the number of external findings discovered.

Sandia needs to implement a comprehensive laboratory-wide (ES&H) performance measures process as part of achieving an effective continuous improvement process.

Sandia is working under a corrective action plan relating to self-assessment in response to the OA audit, and is addressing performance indicators in PO11 of the FY05 PEP.

Existing Corrective Actions:

Criterion	Source of Corrective Action / Identification Number	Corrective Action	Due Date	Action Owner / Organization
1	SNLNM-OA-2005-ES&H-14 "SNL has not established a program of effective assessment activities with sufficient scope and rigor to ensure that ES&H performance at all levels and in all organizations is consistently and accurately evaluated."	1. Identify root causes of SA. 2. Define expectations for SA program. 3. Perform Value Stream Analysis (VSA) on self assessment process. Define corporate processes for implementation. 4. Incorporation of new process in Chapter 22A. 5. Communicate new SA process and rollout dates for implementation. 6. Prototype process/tools.	Complete Complete Complete Complete Complete Complete	K. McCaughey/SNL

Site Action Plan
F&I Commitment 25 – DNFSB Recommendation 2004-1

		<p>web page with "one button" access from Techweb)</p> <p>5. Phase 1-Implementation: implement institutional ES&H leading and lagging indicators with management as the systems approach integrated with IES/ES&H Assurance Model & Plan. (Deliverables: Updated risk matrices posted on IES web page as well as 10312 web page, and deployment memo/email from LLT to all SNL management stressing expectations)</p> <p>6. Phase 2- Process Improvement: Evaluate Phase 1 success and refine process as needed. Use refined I&I leading/lagging indicators as a model to explore leading indicators for the remainder of the current ES&H Performance Targets (Haz Waste, Solid Waste, NOVs, Fines & Penalties). Use SPC methodology and charts as applicable. Develop recommendations and outline plan for continuous ES&H Performance Indicator process improvement. (Deliverables: Iterative (monthly?) updates to all elements of Phase 1 ES&H Performance Indicators & Final report with recommendations and plan outline for path forward)</p> <p>7. Validation: Self Assessment to validate effectiveness of corrective actions. (Deliverable: TBD)</p>	<p>3/31/06</p> <p>5/31/06</p> <p>7/31/06</p> <p>8/31/06</p>	
2	FY 06 Performance Evaluation Plan (PEP), PO11, addresses enhancements to the Contractor Assurance System.	Sandia will demonstrate that Sandia self-assessments comply with all applicable requirements and are robust, rigorous, risk-based, and effective, as	9/30/06	S. Pickering/SNL

Site Action Plan
F&I Commitment 25 – DNFSB Recommendation 2004-1

		<p>demonstrated through: independent assessments, performance metrics, and a reduction in externally identified findings and repeat findings.</p> <ul style="list-style-type: none"> • Sandia will establish schedules for self assessments in ES&H, S&S, and several policy areas • Sandia will provide quarterly updates to SSO on self assessment status and results. 	<p>2/28/06</p> <p>(quarterly)</p>	
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Judgment of Need 2.2: Operating Experience

Sandia needs to more thoroughly review and understand the opportunities for improvement to their corporate feedback and improvement systems. Preliminary review will be conducted by the Quality Assurance organization, with potential follow-up within the mechanism of the Corporate Issues Management system.

Action	Deliverable(s)	Due Date	Owner / Org
Sandia will conduct an analysis of reviews, assessments and audits, seeking opportunities for improvement to the Feedback and Improvement systems.	1. White paper analysis of prior audits, appraisals, reviews, and assessments that offer critique or comment of SNL feedback and improvement systems	5/1//06	B. Boyle/10743
	2. If warranted, submit potential corporate issue for consideration of the Corporate Issues Management Board regarding needed improvements to Feedback and Improvement system, and ensure coordination with actions taken towards implementation of DOE O 210.x	6/1/06	B. Boyle/10743

Site Action Plan
F&I Commitment 25 – DNFSB Recommendation 2004-1

Judgment of Need 2.4: Issues Management

Sandia needs to mature their Issues Management System over the next year, as required by the FY06 PEP. Sandia also needs to address the specific expectation of OA to rigorously categorize and evaluate safety deficiencies in a timely manner.

Existing Corrective Actions:

Criterion	Source of Corrective Action / Identification Number	Corrective Action	Due Date	Action Owner / Organization
1	FY 06 Performance Evaluation Plan (PEP), PO11, addresses enhancements to the Contractor Assurance System, including issues management.	<p>Issues and corrective action requirements are implemented and appropriate follow-up, trending, and tracking occurs; resulting in improved Sandia performance.</p> <ul style="list-style-type: none"> • Charter Corporate Issues Management Board and meet (nominally) monthly to consider issues, advise Chair, and review status of existing issues. • Refine and clarify the Issues Management process, and update associated business rule 	<p>9/30/06</p> <p>3/1/06</p> <p>4/1/06</p>	Pickering/SNL
2,4	<p>SNLNM-OA-2005-ES&H-15</p> <p>"SNL has not established an effective corrective actions program that ensures that safety deficiencies are appropriately documented, rigorously categorized, and evaluated in a timely manner, with root causes and extent of condition accurately identified, and appropriate recurrence controls identified."</p>	<ol style="list-style-type: none"> 1. Develop an institutional ES&H Corrective Action Management Program (CAMP). 2. Establish an institutional ES&H tracking process by using the Corporate Corrective Action Tracking System (CATS) for ES&H deficiencies. 3. Implement an institutional corporate 	<p>Complete</p> <p>Complete</p>	F. Alton/ SNL

Site Action Plan
F&I Commitment 25 – DNFSB Recommendation 2004-1

		document and a formal procedure to address corporate ES&H deficiencies.	Complete	
		4. Implement a change to the corporate CPR001.3.11 to require CAMP plan as the institutional document to be used to track and respond to ES&H deficiencies.	Complete	
		5. Provide managers and VPs monthly status reports on open/closed findings and quarterly metrics showing total number of corrective actions due and completed on time.	Complete	
		6. Verify effectiveness of the CAMP process by conducting a self assessment to ensure a robust, mature, institutional program exists and effectively deployed across the laboratory.	3/15/06	

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Results of Assessment of the
Effectiveness of Feedback & Improvement Processes
at *Sandia National Laboratories*

February 10, 2006

Performance Objective #F&I-1: Contractor Assurance Program Documentation

Evaluation: Performance Objective met, but judgment of need identified.

This objective was evaluated using the results of the NNSA FY2005 Performance Evaluation Report (PER). NNSA/SSO reported that PI-1, Contractor Assurance System, was “good”.

Results: The NNSA 2005 PER noted that “PI-1 was instituted to continue to provide an incentive to Sandia to continue deployment and implementation of a Contractor Assurance System (CAS) as a stretch goal.”¹ In summary, the PER notes that “the framework of Sandia’s CAS/ILMS presents a sound, systematic approach, and is responsive to the primary requirements presented in clause H-3 of the contract. No major gaps were found in the deployment of ILMS and its associated systems in the SMUs.”²

Discussion: Sandia National Laboratories’ Contractor Assurance System Description Document (required by Sandia’s prime contract, Contract No. DE-AC04-94AL85000, and controlled document number WFS092158) was approved by the Sandia Board of Directors on January 28, 2004. Sandia is in compliance with Clause H-3 of our contract with NNSA which specifies requirements regarding our Contractor Assurance System.

Sandia’s CAS requirements include self-assessment (process assessment and performance indicators, and management assessments and surveillances), independent assessment, and oversight and management. The Sandia business policies/rules address specific mechanisms such as occupational injury and illness reporting, accident investigations, issues management, and lessons learned.

Sandia’s process for investigating illnesses, injuries, and operational accidents is defined in Chapter 18 of the Sandia Environment, Safety, & Health (ES&H) Manual. Sandia uses Root Cause Analysis methodology as part of the investigation process. The RCA methodology is described in Chapter 22, Section B, of the ES&H Manual. Corrective action development, tracking, verification, and validation process is defined in Chapter 22, Section D, of the ES&H Manual.

Sandia’s Issues Management process is described in Corporate Issues Management Process (CPR001.3.9)

Sandia’s Lessons Learned program is described in a Lessons Learned program document (http://www-irm.sandia.gov/esh/lessonslearned_prgm/program_doc.htm) and in Chapter 22, Section C, of the ES&H Manual (<http://www-irm.sandia.gov/corpdata/esh-manuals/mn471001/s22c.htm>).

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Noteworthy Practices:

Judgment of Need: The FY06 Performance Evaluation Plan (PEP) establishes expectations for further improvements to Sandia's CAS.

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Performance Objective #F&I-2.1: Assessments & Performance Indicators

Evaluation: Performance Objective partially met.

This objective was evaluated using the results of the 2005 OA-40 Assessment of ES&H, the 2005 SSO Institutional Assessment of the Performance Indicator Program Process, and the NNSA FY2005 Performance Evaluation Report (PER).

Results: OA reported that Core Function #5, Feedback and Continuous Improvement, “needs improvement”. SSO’s assessment of ES&H Performance Indicators found deficiencies, and NNSA/SSO reported that PI-1, Contractor Assurance System, was “good”.

The OA-40 Assessment of ES&H at Sandia notes that “line self-assessments of safety programs and performance are not rigorously planned or performed... and that most of the process and implementation deficiencies identified in prior OA inspections continue to exist.”³

The SSO ES&H Performance Indicator Assessment found that “at the time of this assessment, SNL has not implemented a comprehensive laboratory-wide (institutional) performance measures (indicator) process as part of achieving an effective continuous improvement process (e.g. within the self-assessment process).”⁴

The NNSA PER noted that “[c]ontinued improvement is needed in the systematic performance of self-assessments and self-identification of areas of non-compliance and poor performance...[a] more rigorous approach to assessing laboratory performance against applicable requirements is required to ensure that self-assessments are a good predictor of laboratory performance.”⁵ The PER makes note of “the lack of consistent performance and reliable performance data”⁶.

Discussion: Sandia’s CAS includes assurance models developed by executive management (Lab and SMU) and policy areas, as well as comprehensive internal, independent evaluations performed by the Audit Center. The annual audit calendar is developed according to a rigorous process within the Audit Center that is based on risk evaluation. The Charter of the Independent Audit Center is signed by Sandia's President and Executive Vice-President. This charter authorizes the audit organization full and unrestricted access to all personnel, records, properties and other information sources required to carry out their mission. The Center provides assurance to SNL management and Board of Directors by performing essential independent and objective audits, and advisory services.

The Director of the Independent Audit Center reports directly to the Executive Vice-President, and has full and private access to Sandia's Board of Directors, its Audit and Ethics Subcommittee, and senior management in order to ensure a climate in which audit issues are dealt with in a timely and effective manner.

The assurance models identify internal and external independent assessments, process assessments and performance indicators. Self-assessments are identified, planned and

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

performed within Sandia according to a risk evaluation. In FY06, Sandia has begun regular Policy Area Self Assessments to monitor both adequacy of policy and implementation.

Sandia management utilizes performance measures to keep informed. In addition to the Assurance Models and the activities described therein and posted on the AIS, “Vital Few” metrics are measured and reported monthly to senior management. The Vital Few Metrics are reviewed quarterly by the Lab Leadership Team (LLT).

Comprehensive corrective action plans were written to address the OA findings, and are being managed through the SSO and OA. Further improvements to Sandia’s CAS (particularly self-assessments and performance indicators) that are expected by NNSA/SSO are documented in PO11 in the FY06 PEP.

Noteworthy Practices:

Judgment of Need: Sandia needs to mature the self-assessment program to encompass compliance as well as operating experience observations to reduce the number of external findings discovered.

Sandia is working under a corrective action plan relating to self-assessment in response to the OA audit, and is addressing performance indicators in a CAP for the SSO audit of ES&H performance indicators.

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Performance Objective #F&I-2.2: Operating Experience

Evaluation: Performance Objective partially met.

This objective was evaluated using the results of the 2005 OA-40 Assessment of ES&H and the NNSA FY2005 Performance Evaluation Report (PER).

Results: OA reported that Core Function #5, Feedback and Continuous Improvement, “needs improvement”. NNSA/SSO reported that PI-1, Contractor Assurance System, was “good”. OA’s discussion of lessons learned is within their listing of “opportunities for improvement”, where they suggest that SNL should “clarify and establish at an institutional level the ownership of these feedback and improvement programs and the responsibility and accountability mechanisms for ensuring that these programs are effectively implemented by line and support organizations.”⁷

Discussion: Sandia maintains a Lessons Learned web site that presents users with many opportunities to obtain lessons learned information throughout Sandia, the DOE Complex, NASA, the US Armed Services, OSHA, NIOSH, and the Consumer Product Safety Commission. Sandia also publishes the “Porcelain Press” (PP) monthly which is an informational newsletter containing articles related to safety and security at home and work, and other topics of interest to Sandians. The Lessons Learned website provides instructions and a template for managers and staff to submit lessons learned.

In addition to Lessons Learned information available on the website, Lessons Learned within the DOE Complex are made available to Sandia workers and management via an email subscription service which allows subscribers to target Lessons Learned applicable to their work to be delivered to them via email.

Sandia has established formal programs and processes and multiple avenues to collect and respond to worker suggestions. These programs and processes are described in the Feedback and Improvement Program document and Chapter 18, Section A, of the ES&H Manual.

Sandia maintains a Corporate Ombuds Office, a Corporate Ethics Office and website, and a Diversity, EEO, and Affirmative Action Department and website. Sandia also maintains a Corporate Investigations Office which has as its mission to deter, detect, and investigate security concerns of waste, fraud, abuse, theft of property and information, other criminal activities, and violence or threat of violence in workplace associated with Sandia National Laboratories, to serve as conduit to DOE Personnel Security for documented derogatory information, and to inquire into generalized uncorroborated allegations to validate or invalidate the information and determine if further referral or action is warranted.

Noteworthy Practices:

Judgment of Need: Sandia needs to more thoroughly review and understand the opportunities for improvement to their corporate feedback and improvement systems.

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Preliminary review will be conducted by the Quality Assurance organization, with potential follow-up within the mechanism of the Corporate Issues Management system.

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Performance Objective #F&I-2.3: Event Reporting

Evaluation: Performance Objective partially met.

This objective was evaluated using the results of the NNSA FY2005 Performance Evaluation Report (PER).

Results: NNSA/SSO reported that PI-1, Contractor Assurance System, was “good”. The PER discusses Sandia’s deficiencies in event reporting. “Sandia had difficulty meeting the 24-hour requirement for notification to SSO for ES&H related occurrences.”⁸

As a result, the FY06 PEP has a performance target (8.2.1) “Sandia will provide early notification to NNSA/Sandia Site Office (SSO) in the event of problems within business and operational areas that may affect mission success, NNSA reputation, or adversely affect protection of the worker, public, environment or national security assets, including timely notification of occurrences.”⁹

Discussion: Sandia maintains an occurrence reporting project office (http://www-irm.sandia.gov/esh/om_prgrm/) that is responsible for reporting occurrences in accordance with DOE requirements. Reporting requirements are defined in Chapter 18, Section C, of the ES&H Manual (<http://www-irm.sandia.gov/corpdata/esh-manuals/mn471001/s18c.htm>). Sandia and the NNSA/SSO office have established a joint committee that reviews and trends occurrences and lessons learned quarterly. Sandia has also established a peer review process that helps ensure the accuracy and validity of technical analyses (http://www-irm.sandia.gov/iss/depts/perfassurance/tech_analyses/prprocess.htm).

Noteworthy Practices: Sandia has established an integrated, comprehensive process to report, analyze, and address operational events, accidents, injuries, near misses, and risks to Sandia’s reputation in a timely manner (<http://oops.sandia.gov/>). This process includes root cause analysis and the creation and closure of corrective actions to issues that are identified from the analysis.

Judgment of Need: Sandia needs to continue to make improvements in the programs that provide early notification to NNSA/Sandia Site Office (SSO) in the event of problems within business and operational areas that may affect mission success, NNSA reputation, or adversely affect protection of the worker, public, environment or national security assets, including timely notification of occurrences. This year-long objective is included in the FY06 PEP.

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Performance Objective #F&I-2.4: Issues Management

Evaluation: Performance Objective partially met.

This objective was evaluated using the results of the 2005 OA-40 Assessment of ES&H and the NNSA FY2005 Performance Evaluation Report (PER).

Results: OA reported that Core Function #5, Feedback and Continuous Improvement, “needs improvement”. NNSA/SSO reported that PI-1, Contractor Assurance System, was “good”.

SSO states that “The Issues Management System (IMS) is not consistently being used to track “corporate wide” issues...SSO could not find empirical data to support a systematic trending and tracking of lower level findings.”¹⁰

The OA assessment noted that “SNL’s corrective action plan for the 2003 OA inspection finding regarding corrective action program deficiencies was limited to establishment of processes for conducting analyses to identify and address cross-cutting, systemic issues rather than addressing the broader processes for managing the resolution of identified safety deficiencies.”¹¹

Discussion: Sandia utilizes several complementary systems to ensure that deficiencies are identified and corrected. The OOPs process discussed above captures all items of potential concern. In addition, CPR001.3.9 Corporate Issues Management Process addresses systemic problems that cannot be resolved by local management. Corporate Issues and findings from external reviews are tracked and reviewed with executive management on a monthly basis. Through these processes, and with the assistance of subject matter experts in the ES&H and Corporate Quality offices, all the criteria are met, with some specific issues noted in the evaluations.

Sandia’s ES&H Assurance, Planning, and BBS Department (<http://www-irm.sandia.gov/iss/depts/perfassurance/>) has the responsibility to monitor, analyze, and report Sandia’s safety performance. A data warehouse is currently being developed by this department that will house all safety-related information concerning workers, operations, facilities, and activities at Sandia. The warehouse will allow more extensive and efficient analysis and trending of safety data. As a precursor to the warehouse, Sandia developed an injury and illness predictive model (IIPM) which was used to evaluate the possible correlation of some 240 factors to reported injury and illness (Presentation). The evaluation identified eight primary factors (for example, training currency) that correlated with reported injuries and illnesses. The results of the evaluation are being used to identify and improve organizations in which the actionable factors from the evaluation were identified as needing improvement. Similarly, the IIPM was used to identify 13 factors that correlated to repetitive motion injuries. These factors were then used in a Labs-wide screen of workers to identify workers that could be at risk of a repetitive motion injury, and to recommend actions to reduce that risk.

Site Assessment Report
F&I Commitment 25 – DNFSB Recommendation 2004-1

Sandia utilizes the Corrective Action Tracking System (CATS) for most corrective action activities. Training in Causal Analysis and Mistake Proofing (CAMP) is recommended for managers and key individuals who facilitate the use of the database. Additionally, there is a business rule CPR001.3.11 Corporate Corrective Action Development and Tracking Process that provides guidance.

Noteworthy Practices:

Judgment of Need: Sandia needs to mature their Issues Management System over the next year, as required by the FY06 PEP. Sandia also needs to address the specific expectation of OA to rigorously categorize and evaluate safety deficiencies in a timely manner.

¹ NNSA Fiscal Year 2005 Performance Evaluation Report of Sandia Corporation for the Management and Operation of SANDIA NATIONAL LABORATORIES Contract No. DE-AC04-94-AL85000, December 8, 2005, pg. 76.

² Ibid, pg. 80.

³ Independent Oversight Inspection of Environment, Safety, and Health Programs at the Sandia National Laboratories, May 2005, Volume I, pg 12.

⁴ SSO Institutional Assessment of the Performance Indicator Program Process, Finding #4.1.1.

⁵ FY05 PER, pg. 78.

⁶ Ibid, pg. 80.

⁷ OA, Volume II, pg. 68.

⁸ PEP, pg. 57.

⁹ FY2006 Performance Evaluation Plan (PEP) for Sandia, pg. 25.

¹⁰ FY2005 PER, pg 79.

¹¹ OA, Volume I, pg. 8.

ATTACHMENT
SSO RESPONSE
PERFORMANCE OBJECTIVE 3
RESPONSE & ACTION PLAN

Performance Objective F&I-3: DOE Line Management Oversight

DOE line management have established and implemented effective oversight processes that evaluate the adequacy and effectiveness of contractor assurance systems and DOE oversight processes.

Evaluation: Performance Objective met, but two judgments of needs identified.

This objective was also evaluated using the results of the FY05 OA review, the FY05 NA121.3 QAS1.0 of SSO, and SSO self-assessments.

Criteria:

1. DOE line management has established a baseline line management oversight program that ensures that DOE line management maintains sufficient knowledge of site and contractor activities to make informed decisions concerning hazards, risks and resource allocation, provide direction to contractors, and evaluate contractor performance.
 - SSO maintains operational awareness and performs various types of assessments to maintain sufficient knowledge of SNL activities. SSO documents our evaluation of Sandia performance annually through the Performance Evaluation process. Additionally, SSO meets with Sandia on at least a quarterly basis to formally discuss Sandia performance through Joint Performance Review Teams and the Joint Performance Council. Other formal assessments contractor performance against the orders and directives in the SNL contract occur routinely in many areas (examples are safeguards and security (S&S), weapon quality, safety basis, and ES&H). SSO's Facility Representatives (FRs) and ES&H Subject Matter Experts collect information and conduct surveillances. Informal assessments occur through operational awareness activities to include processing of work authorizations, facility walkthroughs, review of work products, active participation in program meetings, and review of data. Key personnel within SSO have been trained as Senior Technical Safety Managers (STSM).
 - SSO is currently in the process of reviewing our oversight functions in light of DOE Order 226.1. SSO is working to develop a procedure in response to 226.1 that will include a risk based approach to oversight.
2. DOE line oversight program includes assessments, operational awareness activities, performance monitoring and improvement, and assessment of contractor assurance systems. Documented program plans have been established that define oversight program activities and annual schedules of planned assessments and focus areas for operational awareness. Operational awareness activities must be documented either individually or in periodic (e.g., weekly or monthly) summaries. Deficiencies in programs or performance identified during

operational awareness activities are communicated to the contractor for resolution through a structured issues management process.

SSO performs oversight functions as described in DOE Order 226.1. Oversight plans describing assessment frequency are done for S&S, Business, Weapon Quality, Documented Safety Analysis reviews, Project Management, FR surveillance, and ES&H. All SSO organizations perform operational awareness activities. Additionally, oversight and awareness is gained through the SSO validation of SNL corrective actions to formal recommendations. These activities are documented in many ways: monthly summary reports to the Manager; notes from key conference calls or meetings; or staff notebooks. Deficiencies, if warranted, are communicated to SNL through the SSO chain of command. If the deficiency has site-side implications then it would be entered into the SSO Corrective Action Tracking System (CATS) system. Review and closure of the issue by SSO would be done.

3. DOE line management monitors contractor performance and assesses whether performance expectations are met; that contractors are assessing site activities adequately; self-identifying deficiencies; and, taking timely and effective corrective actions. Responsibilities for line oversight and self-assessment are assigned and managers, supervisors, and workers are held accountable for performance assurance activities. Deficiencies must be brought to the attention of contractor management and addressed in a timely manner.

SSO monitors the SNL contract on a continual basis. This is addressed in our annual Performance Evaluation Plan (PEP), and SSO PEP/Performance Evaluation Report (PER) procedure. In support of the PEP/PER process, key SSO managers conduct Joint Performance Review Team meetings with Sandia on at least a quarterly basis to discuss Sandia's performance. The results of these meetings are presented to NNSA-HQs, SSO and SNL senior-level through the quarterly Joint Performance Council meetings. Additionally, SSO prepares an annual Performance Evaluation Report which is reviewed and approved by the NNSA Administrator. In accordance with the provisions of the SNL contract, Sandia is to develop and implement an effective Contractor Assurance System (CAS). One element of CAS is for SNL to conduct self-assessments. SSO also conducts other types of oversight in accordance with the responsibilities and requirements presented in the SSO FRAM. Deficiencies are communicated to SNL, and tracked mainly via SNL CATS. SNL has over 18 corrective action tracking systems – a problem that SNL is working in 2006.

4. DOE line management requires that findings must be tracked and resolved through structured and formal processes, including provisions for review of

corrective action plans.

The FY05 OA review identified corrective action tracking and issues management as an area needing attention.

The SSO procedure titled Corrective Action Management requires findings be tracked and validated for closure. The tool to capture the elements of a corrective action lifecycle is the SSO CATS for findings against SSO, and mainly the SNL CATS for SNL findings. The SSO CATS is expected to be operational by March 2006. SNL has over 18 corrective action tracking systems – a problem SNL is working in 2006.

5. DOE line management regularly assesses the effectiveness of contractor issues management and corrective action processes, lessons learned processes, and other feedback mechanisms (e.g., worker feedback). DOE line management must also evaluate contractor processes for communicating information, including dissenting opinions, up the management chain.

SSO recognizes the importance of driving continuous improvement and monitoring CAS performance through the performance evaluation plan. For FY06, CAS performance, including issues management and communicated lessons learned processes, will be monitored through Performance Objective (PO) 8 and PO-11 and the quarterly Joint Performance Review Team and Joint Performance Council meetings.

6. DOE line management must verify that corrective actions are complete and performed in accordance with requirements before findings identified by DOE assessments or reviews are closed, and requires that deficiencies are analyzed both individually and collectively to identify causes and prevent recurrences.

The FY05 OA review identified corrective action tracking and issues management as an area needing attention.

The SSO procedure titled Corrective Action Management requires findings be tracked and validated for closure. The tool which captures the elements of a corrective action lifecycle is the SSO CATS. SSO is populating the SSO CATS data base and conducting training. By March 2006 the SSO CATS will be operational.

7. DOE line management has established appropriate criteria for determining the effectiveness of site programs, management systems, and contractor assurance systems, and includes consideration of previous assessment results, effectiveness of corrective actions and self-assessments, and evidence of sustained management

support for site programs and management and assurance systems. Review criteria are based on requirements and performance objectives (e.g., laws, regulations, DOE directives), site-specific procedures/manuals, and other contractually mandated requirements and performance objectives.

SSO monitors the SNL contract on a continual basis. This is addressed in our annual Performance Evaluation Plan (PEP), and SSO PEP/PER procedure. In support of the PEP/PER process, key SSO managers conduct Joint Performance Review Team meetings with Sandia on at least a quarterly basis to discuss Sandia's performance. The results of these meetings are presented to NNSA-HQs, SSO and SNL senior-level through the quarterly Joint Performance Council meetings. Additionally, SSO prepares an annual PER which is reviewed and approved by the NNSA Administrator. Per the SNL contract, SNL is required to develop and implement an effective CAS. Through the Sandia CAS, they are to continually assess performance, implement appropriate corrective actions as required, and keep SSO informed of their actions. SSO also conducts other types of oversight with responsibilities presented in the FRAM. Assessments are based on requirements contained in SNL's contract that includes applicable DOE Orders that are presented in Appendix G. Deficiencies are communicated to SNL, and tracked via SNL CATS.

8. DOE line management has established and maintained appropriate qualification standards for personnel with oversight responsibilities, and a clear, unambiguous line of authority and responsibility for oversight.

SSO personnel in the Technical Qualification Program (TQP) are issued qualification standards. Many technical personnel that are required to be in the TQP are issued job-specific qualification standards. All individuals who are Contracting Officer Representatives and have the authority to direct Sandia performance within the parameters of the approved scope of work have been trained as Contracting Officer Representatives. Additionally, the SSO FRAM describes roles and responsibilities.

9. DOE Line management periodically reviews established performance measures to ensure performance objectives and criteria are challenging and focused on improving performance in known areas of weakness.

SSO monitors the SNL contract on a continual basis. This is addressed in the annual PEP, and SSO PEP/PER procedure. In support of the PEP/PER process, key SSO managers conduct Joint Performance Review Team meetings with Sandia on at least a quarterly basis to discuss Sandia's performance. The results of these meetings are presented to NNSA-HQs, SSO and SNL senior-level through the quarterly Joint

Performance Council meetings. Additionally, SSO prepares an annual PER which is reviewed and approved by the NNSA Administrator.

10. DOE line management has established effective processes for communicating line oversight results and other issues up the DOE line management chain, using a graded approach based on the hazards and risks. Established processes include provisions for communicating and documenting dissenting opinions. Formal structured processes for resolving disputes for oversight findings and other significant issues have been implemented, and include provisions for independent technical reviews for significant findings.

SSO maintains operational awareness and performs various types of assessments to maintain sufficient knowledge of SNL activities. SSO evaluates contract performance annually through the Performance Evaluation process. Assessments of contractor performance against the orders and directives and other requirements in the SNL contract occur routinely in many areas (examples are safeguards and security, weapon quality, safety basis, and ES&H).

The SSO and SNL Issues Management program required findings generated against SSO or SNL to be tracked and validated to closure.

SSO is currently in the process of reviewing our oversight functions in light of DOE Order 226.1. SSO is working to develop a procedure in response to 226.1 that will incorporate risk based approaches.

10. An effective employee concerns program been established and implemented in accordance with DOE Directives that encourages the reporting of employee concerns and provides thorough investigations and effective corrective actions and recurrence controls.

SSO has an employee concern program and procedure. Also the NNSA Employee Concerns BOP is out for comment and is expected to be issued by the end of February 2006.

DNSFB Recommendation 2004-1 Implementation Plan

Site Action Plan

Commitment 25, Feedback and Improvement

Performance Object 3 – SSO Line Management Oversight



Approved, Manager, Sandia Site Office

Note: Change Control for this Site Action Plan (SAP) resides with the Site Office Manager, with a cc to NA-10.

Objective 3: DOE Line Management Oversight. DOE line management have established and implemented effective oversight processes that evaluate the adequacy and effectiveness of contractor assurance systems and DOE oversight processes

Judgment of Need #1

Action	Deliverable(s)	Due Date	Owner / Org
Develop an SSO procedure in response to DOE Order 226.1 that incorporates risk based approaches.	1. Review Idaho and other sites approaches	1/31/06 (Idaho Completed on 1/12)	SSO AM's.
	2. Draft SSO procedure	1/13 (Rough cut completed 1/06)	Dan Pellegrino, AM/DPQA
	3. Revise SSO procedure	3/06	Dan Pellegrino
	4. Issue procedure	5/06	Patty Wagner, SSO Mgr

Responsible Manager: Dan Pellegrino, Assistant Manager, Defense Programs and Quality Assurance

Judgment of Need 2:

For existing corrective actions/ initiatives:

Existing Corrective Actions:

Criterion	Source of Corrective Action / Identification Number	Corrective Action	Due Date	Action Owner / Organization
4.6	<p><u>OA Report:</u> <u>Finding Number: SNLNM-06-06/28/05-0012</u> Finding Description: SSO has made limited progress in establishing an effective issues management and commitment tracking system, and not conducted adequate reviews of contractor corrective actions to verify closure and effectiveness in ensuring resolution of OA findings and preventing recurrence, as required by DOE Order 414.B and DOE Order 470.2B. CAP Owner: Patty Wagner CAP POC: Dan Pellegrino</p> <p><u>QAS 1.0 of SSO, Conducted by NA121.3 in April 2005: Two F&I related Findings</u> 3.1 Quality Improvement The Sandia Site Office acknowledged during their initial presentation that the infrastructure for continuous improvement is not in place. QC-1 requires that the continuous improvement process included correction of problems including "...identifying the causes or problems and working to prevent recurrence." The</p>	<p>Both the OA finding and the two QAS1 findings are being addressed via the response to the OA Finding:</p> <p>SSO will use the same process/software that SNL uses for ensuring corrective actions to Findings are appropriately developing using causal factor analysis.</p> <p>In the CAP for <u>SNLNM-06-06/28/05-0012</u>, key steps are:</p> <ol style="list-style-type: none"> 1) Finalize SSO CATS software (completed 10/27/05) 2) Develop procedures (by 1/31/06) 3) Train personnel (by 3/06) 	3/06	Dan Pellegrino, AM/DPQA

	<p>existing procedure for Issues Management and the interim database do not implement the requirements for causal analysis or prevention of recurrence.</p> <p><u>3.13 Corrective Action</u> As acknowledged by the Site Office in interviews, the corrective action program is in transition and does not meet QC-1 requirements.</p>			
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