

# EFCOG Best Practice #124

**Best Practice Title:** Risk-based Assessment

**Facility:** Nevada Site Office

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**Brief Description of Best Practice:** An important tenet of contractor assurance is an effective self assessment program. However, with limited resources one must use a graded approach to determine where to focus assessment efforts. Use of a risk-based/performance adjusted process ensures an effective and efficient assessment program.

**Why the best practice was used:** Under the transitional governance philosophy, the Nevada Site Office sought to incorporate an approach to oversight that relied less on rigid compliance measures and transactional oversight for lower risk and non-nuclear processes and programs. The use of a formula and critical variables, adapted from a Y12 Site model, allows contractors and federal staff to identify those functional areas that are high risk or poorly performed and to develop an annual assessment schedule based on a risk-informed approach.

**What are the benefits of the best practice:** Functions that had lower risk or where the contractor performed consistently well were monitored using a systems approach. This allowed limited staff resources to spend time conducting transactional assessments on areas of higher risk or poor contractor performance. WSI incorporated a parallel model at the contractor level to accomplish the same, pushing lower-scoring topics to management assessments and saving higher risk functions for independent assessment and allowing time for more in-depth assessments where appropriate.

**What problems/issues were associated with the best practice:** The initial year calculations were difficult because mechanisms were not in place to capture the needed data. Therefore, much of it required retrospective collection of the data, if available. However, the second year had an established baseline making the process simpler. Being a numerical-based system it is subject to manipulation if not executed honestly and consistently. Furthermore, some variable measures are subjective, relying on expertise to determine scores. Stakeholders must negotiate together to arrive at realistic results.

**How the success of the Best Practice was measured:** Since this was the second year for the site to use the process, it was much easier to analyze the data and compile more accurate risk scores. The contractor oversight office was better able to plan assessments for the fiscal year and eliminate wasteful routine transactional assessments and apply better quality on less, but more value-added, assessment topics.

**Description of process experience using the Best Practice:** The process uses a combination of risk scores for Environment, Safety and Health factors, then Safeguards and Security factors, then Mission, and finally Cost to determine the combined risk for any functional area. Other variables include assessment data and results, Contractor Assurance System measure scores, and Performance Evaluation Plan scores. The combination of these variables provides a comprehensive risk score to determine the most efficient assessment approach. This ranges from more transactional assessment efforts for those high risk and/or low performance areas to a systems type approach on the other end of the spectrum for lower risk or higher contractor performance. The process drives development of annual contractor assessment schedules, and subsequently, federal oversight assessments. As a result, non-value-added assessments are reduced or eliminated and resources are focused on higher priority functions and more depth. It also reduces the impact on contractors at the field level where they can be assessed only once in a joint endeavor, rather than twice (once by contractor self assessment and again separately by federal oversight staff). For more information, please refer to [presentation](#) given at the Contractor Assurance Working Group meeting, June 2011.