



UPDATE...

A Word From the Chair...

EFCOG Chair, Billy Morrison
Veolia Nuclear Solutions

As we begin communicating with the new Administration and Secretary of Energy Rick Perry, our priority continues to be working in partnership with the Department of Energy to achieve excellence in operations across the complex.

I'm proud of the work we do, particularly the tireless efforts of our Working Groups, who continue to engage on issues of real importance to DOE and the contractors. In recent weeks, the Board of Directors has had a number of opportunities to engage with the 'Beach Head' team that was preparing for Perry's arrival at DOE prior to his confirmation, and I was pleased to see that our efforts appeared to be well-received.

Now that Perry and his team are getting more firmly in place, I look forward to further opportunities to engage with the new DOE leadership to collaborate on our key initiatives to support cost savings, operational efficiencies, improved performance and, above all, safe operations.

With specific regard to cost savings, EFCOG is working in partnership with the Office of Environmental Management to find and implement complex-wide actions that can significantly reduce operational costs so that more of EM's budget can be devoted to actual cleanup. Under the leadership of acting Assistant Secretary for Environmental Management Sue Cange, the cleanup program reduced costs by more than \$100 million in 2016—an incredible achievement.

This year, EFCOG will be working with EM to look for further opportunities for savings. We've already made a series of preliminary recommendations to EM at Sue's request and look forward to moving that initiative forward.

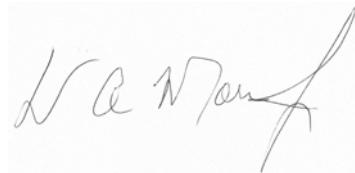
I would also like to make particular note of the upcoming EFCOG elections and the opportunity for Executive Council members to run for a spot on the Board of Directors. Nominations are due April 1. The polls will open April 14 and close May 19.

Additionally, award nominations are due April 12. Each year, EFCOG honors those individuals who have exhibited noteworthy contributions to EFCOG in three categories:

- **AWARD OF EXCELLENCE:** For a special accomplishment related to EFCOG by an individual that displays consistency of vision with EFCOG's goals and values; evidence of commitment; impact and scope of the actions which result from leadership.

- APPRECIATION AWARD: For exceptional performance by an individual as demonstrated by specific recent accomplishments related to an EFCOG event or by increased organizational productivity in meeting customer requirements as they relate to EFCOG.
- TEAMWORK AWARD: For exceptional performance by a group of individuals who were instrumental in addressing a key EFCOG issue.

Additional information including nomination forms is available on the EFCOG website at www.efcog.org. Thanks for all your hard work.



Billy Morrison
 Chair, EFCOG

WORKING GROUP REPORTS

Project Delivery Working Group

Chair – Bob Miklos, INL

Vice Chair – Rick Millikin, CH2M Hill Plateau Remediation Group

Co-Working Group Coordinators – Craig Hewitt, CH2MHill Plateau Remediation Company; Betsy Schmidt Chase, TwentyEighty Strategy Execution

DOE Liaison – Paul Bosco

EFCOG Board of Directors Sponsor – Lori Baker, Bechtel Waste Treatment & Immobilization Plant; Linda Kobel, Los Alamos Technical Associates, Susan Stiger, Bechtel National & LANL

The Energy Facility Contractors Group (EFCOG) Project Delivery Working Group (PDWG) is chartered to leverage the expertise and experience of U.S. Department of Energy contractors to address challenges and achieve improvements in project delivery across the DOE complex. The PDWG's purpose is to seek out, promote and share the best practices and processes for successful project delivery at DOE facilities. This is being achieved through contractor subject matter experts and professionals from across the DOE complex working together, and in partnership with DOE, to strengthen and advance the development, management and delivery of projects (and project-like activities) in support of DOE missions. The PDWG portfolio includes those broad-based, interrelated elements across the project lifecycle critical to successful delivery. Areas of focus and collaboration include:

PDWG Portfolio:

✓ <i>Project Management</i>	✓ <i>Earned Value Management</i>	✓ <i>Cost Estimating</i>	✓ <i>Scheduling</i>	✓ <i>Risk Management</i>
✓ <i>Acquisition Management</i>	✓ <i>Contract Management</i>	✓ <i>Project Peer Review support</i>	✓ <i>Start-up and commissioning</i>	✓ <i>Customer Interface</i>

The PDWG has continued to focus on practical and effective solutions to complex-wide challenges, promoting open communication and sharing of lessons learned and best practices, and leveraging inter-site and inter-contractor solutions to achieve enterprise-wide improvement while supporting cost-effective and efficient solutions. These goals are pursued in a manner that maintains priority on safety, compliance and cost-effectiveness.

The PDWG was partially re-tooled in FY2016 to focus key skill-sets on current needs in particular functional areas. Other resources were shifted to other EFCOG working groups to optimize their impact (e.g., Engineering). The PDWG also utilizes “Functional Subject Matter Experts” (SME’s) in a ‘reach-back’ capability to support the primary subgroup initiatives and/or emerging issues.

In addition to our participation and contribution at the EFCOG meetings in January and June of 2016, face-to-face offsite meetings were held to support our work plan deliverables. In addition, the Project Controls Subgroup partnered with the U.S Department of Energy Office of Project Management Oversight and Assessments (DOE PM-30) at the NDIA Integrated Program Management Division Meeting in Hartford CT in August, 2016 and at the Integrated Program Management Workshop (IPMW) in Bethesda Maryland in November, 2016. As a result of these efforts, our continued monthly meetings and ongoing interaction with the DOE Liaison, the PDWG is pursuing our 2017 Annual Plan goals, and demonstrating increased leadership through the Task Teams’ missions. The PDWG continues to make substantial progress on our chartered initiatives. Highlights include:

- Continued collaboration between EFCOG members and our DOE partners. DOE representatives, including our sponsor, Paul Bosco, have continued to support the PDWG, helping us further align our activities and deliverables to the client objectives.
- The PDWG structure now includes three (3) subgroups: the Project Controls Subgroup, the Project Management Subgroup and the new Startup and Commissioning Subgroup. The Project Controls and Project Management Subgroups each have subject matter task teams reporting up to them. The Subgroups and Task Teams interact with each other as part of the larger PDWG, which provides a “big picture” view of coordinated activities and recommendations that benefit those working in and throughout the complex.
- The Project Controls Subgroup, led by Amy Basche, continues to partner with the Office Project Management and Oversight and Assessments (DOE PM-30), providing support for the development and implementation of the Earned Value Management System Interpretation Handbook (EVMSIH), companion document, and its pilot program. In 2016, for example, the combined review by DOE and this EFCOG Subgroup of the EVMSIH resulted in a 40% reduction in lines of inquiry (EVMSIH Version 2.0). Through advancement of the data driven approach, the Project Controls Subgroup and DOE PM-30 intend to successfully perform routine EVMS self-governance and uniformly capture, record and evaluate those results. Those results in turn should provide meaningful and consistent assessment of the contractor’s EVMS.
- The Project Controls Subgroup also continued to utilize the Peer Review Process, and supported EVMS Internal Surveillances with EFCOG Contractor Members. The Subgroup’s participation in the Department of Energy’s certification review in Los Alamos, NM, in 2016 is just one example of the benefits gained through the collaboration of the DOE and the EFCOG Project Controls Subgroup.
- This joint partnership continues to be critical to the EVMS certification review process in both the DOE and contractor communities, and contractor involvement increased up-front understanding of the process and expectations, and provides valuable insight necessary with respect to additional future training and testing needs. These activities have and will continue to provide more efficient means to assess and analyze project health across the Complex.
- In 2016, the Project Management Subgroup, Co-Chaired by Rudy Jones and Greg McLellan, supported the review and roll-out of DOE Order 413.3B, page change 3, including preparation of

an impact evaluation. Line Item Capital Asset Projects also became a focus, with the completion of a “lessons learned” review, plus advice and commentary on potential project improvements.

- The Project Management Subgroup supported two (2) peer reviews in 2016, and the Subgroup also has implemented improvements in its management of the SME rolodex and recommendations. This Subgroup searches for the expertise needed to support projects across the Complex, including outreach to groups that may not yet have a large representation in the EFCOG PDWG. One example of this work is the Project Management Subgroup’s encouragement of the DOE’s Office of Science to have a larger role and voice in the PDWG. The Subgroup will continue to review and provide recommendations on reporting systems and tools, application of policy changes to the project lifecycle, and other project management process/step/deliverable changes to support consistent implementation by DOE contractors.
- The Cost Estimating Task Team plans to develop a framework and implementation matrix for common understanding and implementation improvements, such as DOE G 413.3B-21 in meeting the GAO 12-step process checklist for 413.3B Project Estimates. Leadership for this Task Team was elected in September.
- The Risk Management Task Team has been very active, issuing its Charter, holding monthly calls and working on a Phase I Report. More specifically, the Risk Management Task Team is gathering and analyzing PRM data, including that related to software suite(s) used, to develop a roadmap and, ultimately, recommendations for PRM improvements.
- The Risk Management Task Team also has included in its deliverables the preparation of a peer reviewed position paper on the use of premortems within the DOE complex to mitigate risk in the earlier project stages.
- The Startup and Commissioning Task Team has been initiated and will move forward with detailed plans for 2017.
- The Project Management Subgroup has been working closely with the Acquisition and Contracting Task Team, headed by Heidi Timmerman, to develop a Project Classification Guide (OPC, TEC and TPC) and to support DOE efforts to refine the Project Definition Rating Index (PDRI) assessment guide. The Acquisition Task Team has been responsible for past data calls and plans to increase the scope of those calls in the future to ensure input from all project areas. Through this work, the Project Management Subgroup seeks to identify best practices/examples relating to project cost categorization, funding and spend profiles, use of carry-over, and aligning funding to risk events.
- The PDWG continues its integration and cooperative efforts with the Field Management Council (FMC). The FMC is leading the effort to address the financial constraints and identify additional ways to add programmatic value.
- The PDWG leadership has bimonthly calls with our DOE Liaison, as well as monthly group meetings via conference call. The Group and, potentially Subgroups and/or Task Teams, also are planning face-to-face meetings in June, and September of 2017. For the September meeting, the PDWG is looking for a site EFCOG host with a Line Item Capital Asset Project to sponsor the meeting. The meeting would include a tour of the project. Finally, the PDWG continues its compilation and publication of SME lists to the EFCOG website.

Safety Working Group

Chair – John McDonald, WRPS

Vice Chair – Pat Padezanin, SRNS

Secretary – Alice Lewis, PNNL

DOE Liaison – Pat Worthington

EFCOG Board of Directors Sponsor – Linda Bauer, Consolidated Nuclear Security; Ray Skwarek, UCOR & WRPS

EFCOG CAS Effectiveness Validation Best Practice Summary

EFCOG's CAS Effectiveness Validation Best Practice provides a framework for validating CAS effectiveness that is intended for use by contractors, can be applied at all DOE programs and tailored for individual sites, and addresses inconsistencies in CAS effectiveness validation across the DOE complex. Key CAS attributes that should be used to plan and perform a CAS effectiveness validation were identified as follows:

- Leadership and employees are engaged, demonstrating ownership and accountability for using and getting results from CAS activities;
- Risks are identified and managed with decisions being risk-informed – what is important gets done;
- The organization learns from its successes and failures and from those of others;
- There is trust and transparency among the partners and the results of CAS are broadly shared both internal and external to the organization;
- CAS drives continuous feedback and performance improvement with identification and correction of negative performance/trends before they become significant issues.

The Best Practice includes key CAS effectiveness attributes which are defined in the document and listed below:

- Organizational Learning
- Management Leadership
- Employee Engagement
- Risk Informed
- Work Conducted by Others
- Governance Engagement
- Credible, Objective, and Transparent

Background:

DOE Policy 226.2 describes the role and importance of Contractor Assurance System (CAS) to mission success as follows:

- CAS are an integral component of a contractor's management systems and DOE's Enterprise Risk Management.
- CAS are applied to all operating and business functions including systems for the protection of the worker, public, environment, property, business, and financial matters
- CAS provide clear communication of the mission needs and goals and enable DOE to determine the necessary level of Federal oversight. Under CAS, contractors provide reasonable assurance that their

management controls are effective and efficient. CAS are risk-based systems that focus on outcomes and seek to minimize performance risk.

Given this importance, an EFCOG task was initiated to develop an EFCOG Best Practice that provides a framework for validating CAS effectiveness. A high level, diverse task team of EFCOG members and DOE was chartered (10/2016) with a clear deliverable (4/2017). With the premise that an effective CAS enables management to use CAS related information to optimize mission execution and performance this expert team identified and captured proven CAS effectiveness validation practices from around the DOE complex. Relevant DOE CAS program requirements include the recent revision to DOE P 226.2 (CAS Policy) which emphasizes the importance of establishing and maintaining productive relationships between contractor, Federal, and corporate parent personnel, and discusses corporate parent involvement with CAS, if applicable; and DOE O 226.1B, (CAS Order), Contractor Requirements Document (CRD), which states that a CAS must include a method for validating the effectiveness of assurance system processes.

UPCOMING EVENTS/DEADLINES

April 1, 2017	Nominations due for EFCOG Board members
April 5, 2017 – 5:30 – 7 PM	House Nuclear Cleanup Caucus Event – Capitol Hill
April 12, 2017	EFCOG Award nominations due
April 14, 2017	EFCOG Board elections open
May 19, 2017	EFCOG Board elections close
June 7, 2017 – 8 AM – 12 PM	Working Group Coordination Meeting – Forrestal 1E-245
June 7, 2017 – 5:30 – 7 PM	House Nuclear Cleanup Caucus Event – Capitol Hill
June 8, 2017 8 AM – 5 PM	Annual Meeting – DOE Forrestal Large Auditorium