

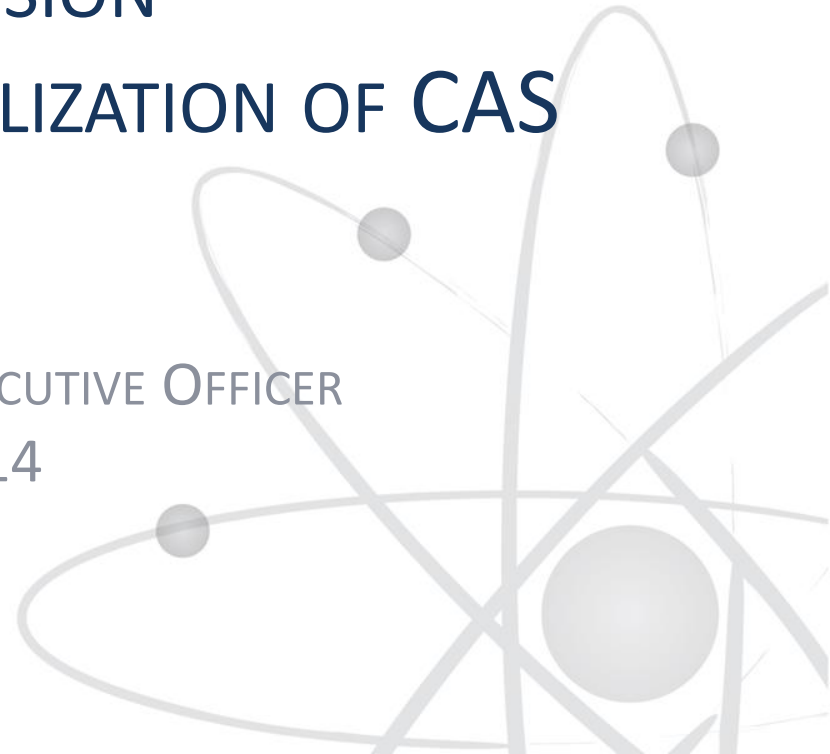


U.S. DEPARTMENT OF
ENERGY



NNSA's VISION LINE OVERSIGHT & UTILIZATION OF CAS

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- Line Oversight & Contractor Assurance (LOCAS)
 - Codified CAS use in NAP-21 dated 2/2011
- LOCAS Affirmation Process
 - Affirmation's of Nevada, Y-12, and Sandia in 2011
- ***Y-12 Security Incident of July 28, 2012***
- Multiple Re-Organizations
 - Lessons Learned
 - Affirmations “re-tooled” but not continued
 - Significant ongoing Federal improvement efforts
- Two ongoing and closely related GAO Audits
- NDAA report on “Kansas City Pilot” extension

- LOCAS badly misunderstood
 - Internal and External
 - Y-12 anonymous comment – “CAS caused the problem”
 - GAO initial Audit objective
 - Assess how NNSA manages “IT’S CAS”
- DNFSB Strong Negative Reaction
 - S-2 and NA-1 commitment to continued transactional Oversight of “High Risk” Activities
- Affirmation
 - Also not understood
 - Affirmed “a system in place”
 - Did not ask (by design) “Does it work”
- Kansas City Plant unique in NNSA complex

From Jim McConnell to all Queries

- **What is a Contractor Assurance System (CAS)?**
 - A CAS is a primary tool used by Contractor management to measure, improve, and demonstrate performance and ensure that mission objectives and contract requirements are achieved. CAS is the same as basic concepts of successful industry quality management systems such as ISO 9000/9001.
- **How do we intend to use the information coming from the CAS?**
 - A robust and effectively functioning CAS provides transparency and builds trust between NNSA and its Contractor Partners and helps to ensure alignment across the NNSA Enterprise to accomplish and address mission needs.
- **What did we learn from early CAS affirmations and the performance failure at Y-12?**
 - The early affirmations were challenged to actually confirm demonstrated performance improvements that directly linked to the contractor's use of the CAS.
- **How will we be utilizing CAS as a part of our oversight responsibilities going forward?**
 - We will continue to require CAS for our M&O contracts and will use the transparency of data associated with these systems to increase the data available to us for our oversight.

- Weaknesses in Federal Oversight:
 - Performance Testing
 - CAS Data – Pull string on selected data
 - Consistency of application in Field oversight
 - Consistency in HQ oversight of Field data
 - Beyond Integrated Assessment Planning
 - Provide “Forest from the Trees” view
- Significant effort underway to address all processes within NNSA
 - Piloting in NA-00 with Field Office participation

IMPROVING INTEGRATION, TRANSPARENCY, AND EFFICIENCY

STEP 1: STRATEGIC (July – Aug '13)

MISSION ALIGNMENT

- ✓ Mission and Vision
- ✓ Primary Customers & Stakeholders
- ✓ Business Lines & Goals
- ✓ Crosswalk Offices and Business Lines
- ✓ Begin Identifying Functional Areas
- ✓ Begin Identifying Key Services
- ✓ Begin Documenting Roles and Responsibilities

STEP 2: OPERATIONAL (Sept '13 – Feb '14)

BUSINESS LINE DESCRIPTION *

- Complete Identification of Functional Areas
- Complete Identification of Key Services
- Identify Major Products*
- Identify Customer Requirements
- Identify Business Line Metrics
- Identify Key Processes
- Identify Hand-Off Points
- Begin Process Mapping
- Continue flushing Roles and Resp.

*Phased implementation

STEP 3: TACTICAL (Jan '14 – Jan '15)

PROCESS STANDARDIZATION*

- Complete Process Mapping
- Identify Milestones
- Identify Q/A Standards
- Develop Key Procedures
- Develop Hand-off Procedures
- Develop Plans
- Complete Roles and Responsibilities

How We Do Our Business is clearly articulated and available on the Business Model



EMPOWERED INTERDEPENDENCE



INTEGRATED AND EFFECTIVE ENTERPRISE



REPEATABLE, PREDICTABLE, TRANSPARENT CYCLICAL, AND EFFICIENT PROCESSES

- S-1 Actions for Security and Safety
 - New Under Secretary for “Management and Performance”
 - Department’s key support functions for security, health and safety, as well as the security policy team which provides support to the Security Committee, with that Under Secretary.
 - Created position of Chief Security Officer for each Under Secretary
 - Form Security Committee reporting to the Associate Deputy Secretary
- Acting Administrator of NNSA
 - Solidifying the role of the Office of the Chief, Defense Nuclear Security, headed by the NNSA CSO
 - The CSO will participate in the development of Departmental security policy
- The “likely parallels” with other critical functional areas leading to oversight are clear*

**Personal Opinion*

- Transparent, reliable, verifiable CAS data will remain, and may become a more important, data source enabling efficient and effective Federal Oversight
- The Department including the NNSA is working from the highest levels to the “boots on the ground” level to develop clear and consistent guidance and consistent and repeatable processes

- As Federal Oversight is improved the expectations of the Contractor Partners CAS will increase
 - Robust
 - No area gaps
 - Transparency
 - Consistency in formats
 - More easily integrated with federal systems
 - Verifiable
 - Test any portion any time – easily
 - Clear Metrics
 - Allow federal “risk informed” oversight