

Elements of a Contractor Assurance System

Prepared by the Contractor Assurance Working Group of the Energy Facility Contractors Group

Introduction

Department of Energy contractors have acquired considerable experience in designing and implementing Contractor Assurance Systems (CAS) over the past several years. This paper attempts to distill that experience into a recommendation for the elements of a CAS.

Purpose of Contractor Assurance Systems

To be effective, a CAS must integrate contractor management, contractor governance, and DOE oversight systems into a single comprehensive site performance management system:

- *A CAS enables contractor management to provide reasonable assurance that mission objectives will be met and contract requirements fulfilled; that site workers, the public, and the environment are protected; and that operations, facilities, and business systems are effectively run and continuously improved.*
- *A CAS enables a contractor's governance system to define acceptable performance outcomes, to provide oversight of contract performance, and to hold contractor management accountable for these outcomes so that the contractor may provide assurance to DOE.*
- *Finally, a robust and effectively functioning CAS builds trust between DOE and its contractor, helps to ensure alignment between the DOE and contractors in accomplishing and addressing mission needs, and allows DOE to optimize its oversight function to leverage the processes and outcomes of its contractor(s).*

To achieve its purpose, a CAS and its elements should be formally described and documented with configuration controls that include notification of Contracting Officer of change. The CAS and its elements should be well implemented and used by contractor management and contractor governance to assure contract fulfillment in a manner that is transparent to the DOE. The CAS should be systematically and routinely evaluated and improved to ensure that it is consistently and reliably achieving its purpose.

Recommended Elements of a Contractor Assurance System

The table that follows summarizes the recommended elements including the key functions, scope of each element, and the integration points across the elements and other management system components. The basic recommended elements do not depend on contractor size or complexity. Differences arise, rather, in the complexity of the implementation approaches and the technology used.

The elements expressed here are designed to be used in conjunction with site specific tailoring as defined in the H-Clauses of a contractor's prime contract.

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Element		Key Functions	Scope	Integration
Performance Feedback	Assessments	<ul style="list-style-type: none"> Used to collect actionable information associated with performance and risk management. Using a risk-based approach, selects, executes, and documents assessments to identify deficiencies, weaknesses, and opportunities for improvement for management. Includes self-assessments, independent assessments, operational awareness, peer-reviews, parent organization assessments, and third-party assessments as appropriate to ensure actionable feedback. 	<ul style="list-style-type: none"> Applied to performance uncertainties and risks relative to fulfillment of the contractor's mission and contract. 	<ul style="list-style-type: none"> Provides performance feedback information that is managed by the Issue and Corrective Action Management element and informs the Continuous Improvement element. Selection, execution, and results of assessments are transparent to DOE and integrated with the contractor's governance system. Integrated with the contractor's ISM, ISSM, and Quality Assurance approaches.
	Measures	<ul style="list-style-type: none"> Used to sustain and improve performance relative to defined targets. Selects organizational outcome measure and performance targets. Selects leading indicator measures needed to sustain or improve key outcome measure performance. Includes routine evaluation of performance by management and actions as attain performance targets. 	<ul style="list-style-type: none"> Applied to contractual deliverables and the systems, processes, and capabilities that are most essential for contract fulfillment. 	<ul style="list-style-type: none"> Integrated with contractor's strategic goals, and objectives, and its contract performance evaluation plan. Integrated with the contractor's ISM, ISSM, Quality Assurance, worker feedback approaches and with accident, event, and incident reporting processes. Informs Assessment and Continuous Improvement elements. Transparent to DOE and the contractor's governance system.
Performance Improvement	Issue and Corrective Action Management	<ul style="list-style-type: none"> Used to ensure that systems and processes perform as designed. Translates performance feedback information into issues that are risk-prioritized by management for resolution. Identifies actions required to resolve priority issues, using causal and other analysis methods. Addresses extent of condition across the contractor's activities and sub-units for priority issues. Applies resources to actions and then manages the actions to closure to ensure timely and effective issue resolution. 	<ul style="list-style-type: none"> Applied to performance feedback information important to assuring fulfillment of the contractor's mission and contract. Applied to non-compliances including, safety, security and safeguards, cyber-security, emergency management, and environmental management. 	<ul style="list-style-type: none"> Analysis of patterns and trends from issues is used to help identify performance uncertainties, risks, and emerging issues. Transparent to DOE and the contractor's governance system. Integrated with the contractor's ISM, ISSM, and Quality Assurance approaches. Integrated with the Assessments and Measures elements to evaluate the effectiveness of the corrective actions.
	Continuous Improvement	<ul style="list-style-type: none"> Used to drive step- or break-through changes in performance. Analyzes levels and trends in performance feedback information to identify opportunities for risk reduction and performance improvement that are prioritized by management. Collects, screens, and communicates applicable lessons learned to management from sources internal and external to the organization. Shares lessons learned with DOE as relevant to other sites. Uses systematic approaches to improve processes to realize priority opportunities for risk reduction and performance improvement. 	<ul style="list-style-type: none"> Applied to systems, processes, capabilities, and sub-units that are most essential for achievement of mission objectives and contract fulfillment. 	<ul style="list-style-type: none"> Integrated with the Issues and Corrective Action Management, Measures, and Assessment elements. Incorporates information from accident, event, and incident reporting and worker feedback processes associated with ISM, ISSM, and Quality Assurance. Incorporates information from organization's most important sub-reportable performance monitoring sources. Transparent to DOE.