



LOCAS Team 2

July 16 -17, 2008 Workshop



Line Oversight Contractor Assurance System



Frank Russo – Team Lead – NNSA HQ

Jane Fitzpatrick – KCP*
 Barbara Rich – KCP*
 Pat Hoopes – KCSO*
 Cathy Karney - KCSO*
 Elizabeth Hale – YSO
 Yvonne Bishop – Y-12

David Hebert, Contractor
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 Karey McAlhany – SRSO
 Terry Priestley – LANL*
 Jeff Eichorst – LASO*
 Jose Maisonet – NNSA HQ

*Pilot Team Members



Welcome

- Steve Lawrence, NSO Deputy Manager
- Frank Russo, NA-3.6



Remarks from the Principal Deputy Administrator

- **Bill Ostendorff**

Agenda

Wednesday, July 16

- Welcome
- Remarks from the Principal Deputy Administrator
- Introduction of Participants and Agenda
- LOCAS Performance Matrix Implementation / Roll-out
 - LOCAS Team 2 Charter
 - Benefits
 - Expectations
- LOCAS Performance Matrix
- LOCAS Portal – Access, Updating Data
- LOCAS Performance Matrix (Concept to Execution)
- Lessons Learned
- Performance Category Group Sessions
 - Line Oversight
 - Credible Performance
- Day 1 Debrief


It is expected that you will leave this workshop with a clear understanding of what is required to prepare the LOCAS Performance Matrix at your site

Agenda

Thursday, July 17

- Welcome
 - Integrated Management
 - Effective Resource Management
 - Continuous Improvement
- Site Report Out (all sites)
 - How confident are you that you have sufficient information to create, populate, and upload the LOCAS Performance Matrix? (on a scale of 1 to 5)
 - Anticipated Approach
 - Support Needed
- Next Steps and Closing Remarks

It is expected that you will leave this workshop with a clear understanding of what is required to prepare the LOCAS Performance Matrix at your site



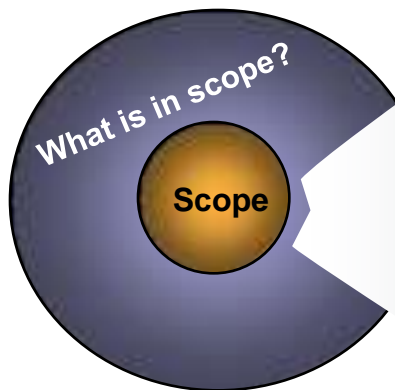
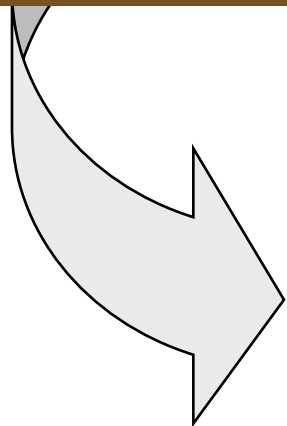
LOCAS Performance Matrix Implementation / Rollout

- LOCAS Team 2 Charter – Frank Russo
- Benefits of LOCAS Performance Matrix – Frank Russo
- Expectations – Ike White

Team 2 Charter

NNSA (federal and contractor staff and management) require a sound and reliable set of performance Measures [Performance Categories] to determine the effectiveness of the NNSA LOCAS and to identify areas that are working well or require additional attention

Scope



- **Applicable to a particular site or laboratory**
- **Provide meaningful information to the federal and contractor management at headquarters and the field**
- **Span the key functional and program areas including: ES&H, safeguards and security, cyber security, business operations, and emergency management**
- **An 80% solution**

What is out of scope?

- One size fits all
- NOT a comparison tool

Performance Categories must have applicability across NNSA sites

Guiding Principles

- A limited set of performance measures fitting into five “High Level” LOCAS Performance Categories with applicability across NNSA sites and functional programs that can be used.
- An enhanced Objectives Matrix Format (LOCAS Performance Matrix) will be used.
- Performance measures that exist and are being used today will populate the LOCAS Performance Matrix.
- The LOCAS Performance Matrix will provide increasing levels of detail (approximately 3 tiers).

Outcomes (Results/VISION)

- Makes available a consistent high level view of all NNSA sites
- Provides senior NNSA managers (e.g. NA-1, NA-2, NA-10, NA-20, and the like), Site Office management, and Contractor management confidence in the site's ability to deliver mission deliverables in a safe and secure manner
- Assists the NNSA's optimization of its oversight resources
- Demonstrates continuous improvement
- Preempts bigger problems
- Offers a single set of NNSA measures that represents the entire site
- Facilitates the shared responsibility for federal and contractor performance

Benefits to the NNSA

- Provides a consistent high level view of all NNSA sites
- DOES NOT replace other functional measures
- Applicable across NNSA sites and functional programs
- Organizes performance measures into five “High Level” LOCAS Performance Categories
- Provides increasing levels of detail
- Provides confidence in the site’s ability to deliver mission deliverables in a safe and secure manner



Assists the NNSA’s optimization of its oversight resources

Benefits to the Contractors

- Performance measures that exist and are being used today will populate the LOCAS Performance Matrix unless none exist
- Provides senior NNSA managers, Site Office management, and Contractor management confidence in the site's ability to deliver mission deliverables in a safe and secure manner
- Demonstrates continuous improvement
- Preempts bigger problems
- Offers a single set of Performance Categories consistent across the NNSA
- Facilitates the shared responsibility for federal and contractor performance



Provides confidence to the NNSA

Performance Categories

Credible Performance	Credible Performance is fulfilling contractor and federal obligations and established commitments. Setting of realistic and challenging targets and gauging progress toward achievement of these deliverables are critical to demonstrating success.
Integrated Management System	Integrated Management System incorporates an aggregation of the “big picture” from all aspects of the contractor and federal feedback mechanisms (including, but not limited to, internal audits, assessments, validations, certifications). The system measures the health of the site’s business and provides sufficient information for continued improvement.
Effective Resource Management	Effective Resource Management is utilizing available contractor and federal resources (e.g. personnel, budget, property, etc.) at the right time, at the right place and in a cost effective manner.
Continuous Improvement	Continuous Improvement is the execution of improvement opportunities in response to information assembled from federal and contractor feedback and improvement cycles.
Line Oversight	Line Oversight manages contracts by systemically evaluating performance through CAS products. Oversight activities are conducted based on risk (systems vs. transactional) and evaluations use an approved set of requirements. Includes Federal oversight processes and validates contractor performance.

Performance Categories/Focus Areas

Performance Categories	Focus Areas
Credible Performance (outcome measures)	<ul style="list-style-type: none"> ■ PEP Performance ■ ES&H ■ Product Quality & Mission Deliverables ■ Performance to Schedule ■ Security ■ Emergency Management
Integrated Management System (in-process measures)	<ul style="list-style-type: none"> ■ Integrated System Certification or Assessment (validates feedback and improvement systems) ■ In-process system effectiveness measures (examples: Issues Management and Corrective Actions)
Effective Resource Management	<ul style="list-style-type: none"> ■ Human Resources Management ■ Budget Management ■ Cost Efficiencies ■ Property Management
Continuous Improvement	<ul style="list-style-type: none"> ■ Cost savings, productivity and performance enhancement resulting from continuous improvement ■ Measurement, Analysis and Improvement Mechanisms (Measure of the Impact from Feedback and Improvement Activities) ■ CAS systematically evaluated and improved
Line Oversight	<ul style="list-style-type: none"> ■ Redirection of Oversight Resources based on performance and risk ■ LO systematically evaluated and improved ■ Training and Qualification ■ Formal Assessment ■ Operational Awareness ■ Performance Evaluation Plans

Expectations prior to October

- Determine which site specific measures will be in which LOCAS Performance Category
- Complete and upload LOCAS Performance Measures definitions template for each measure
- Populate and upload LOCAS Performance Measure template with title, goal, and weight information.
- Coordinate (contractor a & site office) LOCAS Performance Matrix information at each site – site office needs to have confidence in the information provided

NA-17 Goals for Working Meeting

- Improve Everyone's Understanding of NWC Metrics Systems
- Finalize Schedule for Reporting to NA-1
- Get Feedback on Use of Performance Metrics by NA-17

Improve Understanding of Site

Metrics

- What is the maturity of underlying metrics?
- How does Contractor use metrics?
- How does Site Office use metrics?
- What are the sources of data for the metrics?



Use of LOCAS Performance Matrix

- Each HQ customer may use data differently
- NA-2.1, 3.6 and 171 will focus on ES&H related metrics (including nuclear safety)
- NA-17 will prepare and share summary report



LOCAS Performance Matrix Implementation

- LOCAS Performance Matrix and Definitions Templates uploaded to LOCAS Portal - **October 1, 2008**
- Month end September data - **October 20, 2008**
- Re-evaluate LOCAS Performance Matrix used and reporting periodicity in December/January
- Re-evaluate use of data by HQ customers
- Revise LOCAS Performance Matrix (and possibly reporting periodicity for CY09)

Recommended Interim Implementation Milestones

- **Early August** – prepare initial draft of LOCAS Performance Matrix to be used by each site
- **Mid August** – prepare final draft of LOCAS Performance Matrix and share with HQ / site office customers
- **September** – incorporate feedback and prepare final LOCAS Performance Matrix, share lessons learned in NWC-wide VTC
- **October 1** – Upload LOCAS Performance Matrix on LOCAS Portal

LOCAS Performance Matrix

At the highest conceptual level,
the LOCAS Performance Matrix is a **framework** that helps
organizations **translate strategy** into operational
objectives that drive
positive **behavior** and **performance**

Performance Categories

Focus Areas Site Specific Measures

Credible Performance Integrated Management System Effective Resource Management Line Oversight Continuous Improvement

Training & Qualification PEP/PER Plans Redirection of Resources Formal Assessment Self Assessment

PEP Schedule (% on time) PEP Customer Feedback (% responsiveness) PER Schedule (% on time) Incentive Validation (% on time)

Line Oversight Example

**LOCAS Performance Matrix is
NOT
for comparisons**