

# Elements of a Sound Contractor Assurance System

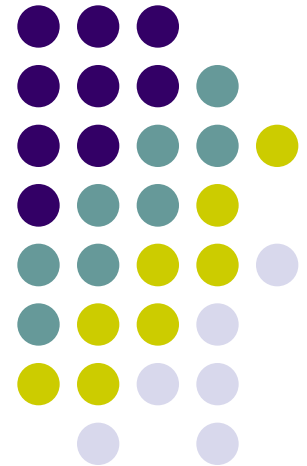
presentation to the EFCOG/CAWG  
Nov 4, 2009

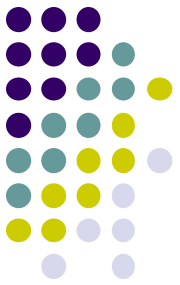
Roland B. Knapp

CAWG Chair

Contractor Assurance Officer

Los Alamos National Laboratory

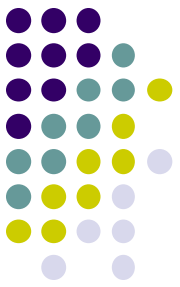




# Objectives

- Develop a generic profile of a basic contractor assurance system (CAS) including:
  - Expectations (underlying guidelines that we want to adhere to)
  - Elements of a fully functional CAS
- Consolidate our work in an EFCOG whitepaper or a best practice

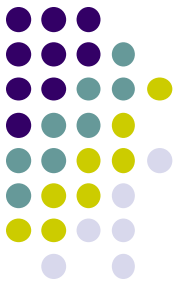
# D'Agostino's expectations for contractor assurance



- Single management system used by the leadership and workers
  - Integrates ISM, ISSM, QA with CAS
- Provides useful leading indicators and avoids bigger problems
  - Timely, accurate, complete information with meaningful data analysis
- Robust set of self-assessments & independent assessments
  - Parent boards of directors involved and contributing
  - More industry standards and third-party certifications
- Transparent to site offices & HQ
  - A constituent element of federal oversight
  - NNSA shift resources to more strategic matters & contract management

Success = as good or better performance for less cost  
and fewer human resources

# Are we getting the information we need to effectively manage and drive improvement?



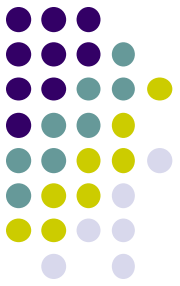
## Performance

- Delivery
- Execution
- Compliance

## Readiness

- Systems
- Processes
- Capabilities
- Infrastructure

**Effectively managing and continuously improving provides *assurance!***



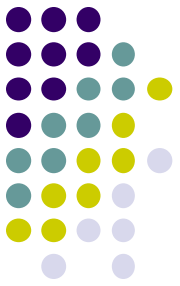
# DOE Reform Initiatives

- Quote:

**GOAL:** *EFCOG, with its member contractors, promotes excellence and continuous improvement in all aspects of the operation, management, and integration of DOE facilities in a safe, environmentally sound, efficient and cost-effective manner.....*

**APPROACH:** *EFCOG's approach for accomplishing this goal is founded on the following:*

- Organize the contracting community in developing robust contractor assurance processes across the enterprise.
- Analyze DOE orders and DOE/NNSA requirements, and apply those most appropriate to mission/work scope.
- Assist the Department and its contractors in defining the principles of regulation – focusing on “what”, not “who” or “how”.
- Promote the implementation of Single Interpretative Authority.
- Formalize and promote continuous contractor/DOE collaboration coupled with prompt decision making and judicious follow-up.
- Partner with the Department in developing coordinated, graded oversight focused on mission critical issues. ...



# DOE Reform Initiatives (cont)

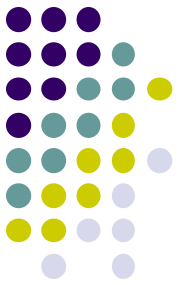
- Quote:

## **PROCESS:**

EFCOG is poised to take the following actions, with the concurrence of the Department, to ensure cross-cutting institutional and lasting implementation of a new model of operation and governance.

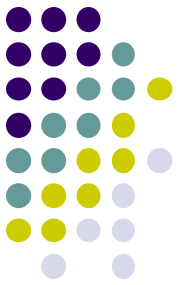
1. EFCOG will assist in the development and implementation of robust and comprehensive contractor assurance systems that are integrated in all aspects of operation essential to the success of the missions of the Department. We will:
  - Work collaboratively with DOE/NNSA program offices to develop and advance principles of contractor assurance to ensure they are comprehensive and integrated for all aspects of operations essential to mission success.
  - Promote transparency in all aspects of mission execution.
  - Strive for balanced federal and contractor oversight.
2. EFCOG will assist the Department in establishing appropriate requirements to execute the Mission working with the appropriate DOE/NNSA program offices. We will:
  - Provide input on the appropriate principles of regulation (focus placed on *what to regulate, not who regulates or how to regulate*).

# Expectations of a Fully Functional CAS



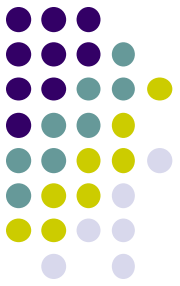
The single management system used by the contractor (i.e. built in, not bolted on)
Includes at a minimum all the elements of CAS as directed by the contract
Focused on customer deliverables and strategic objectives
Enables performance that is as good as or better than current performance, costs less, and requires fewer human resources
Self sufficient and facilitates transparency for federal line oversight
Enables NNSA to optimize its federal oversight resources
<b>The management system that enables safe, secure, effective, and efficient mission accomplishment</b>

# Elements of a Fully Functional CAS



Rigorous, risk-based self-assessments, including feedback and continuous improvement
Effective and efficient causal analysis, trending, corrective action, and risk management
Identification and correction of negative trends before they become issues.
Executive leadership uses the CAS/ management system to guide its actions, to include strategic performance targets and measures.
Substantive parent organization involvement and contributions to assuring mission success
3rd party certification, as appropriate, is achieved
Information is transparent—substantive insight supports effective oversight
Integrated, consistent application of the management system across all site activities
Integrates the elements of ISM, ISSM, and QA
Defines performance expectations and compares them with actual performance to guide improvements to the work process
Demonstrates continuous improvement and cycles of learning
...Please continue the list

# Facilitated group discussion



1. What contractor assurance elements do we have in common in EFCOG?
2. What are – in your mind – the most important contractor assurance elements ?
3. Looking into the future, what model and which elements are we going towards?