
Evolution of Line Oversight and Contractor Assurance System (LOCAS) Metrics in the National Nuclear Security Administration (NNSA)

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Agenda

- Update on LOCAS Implementation at NNSA
- Development of Performance Matrix
 - Evolution
 - Current Status
 - Path Forward
- Lessons Learned

LOCAS Implementation Update

- NNSA is making progress on LOCAS implementation
 - Issued Supplemental Directive in October 2008 which broadens scope of DOE O226.1A, Implementation of DOE Oversight Policy, to include business systems
 - Issued HQ Functional Management Plans in December 2008
 - Working with LOCAS Points of Contact on implementation
 - CAS Implementation Reviews
 - Development of a Performance Matrix (system for reporting site metrics)

Evolution of Performance Matrix

- NNSA established Working Team to develop initial Performance Matrix – February 2007
- Working Team developed initial LOCAS Performance Matrix – July 2008
- Sites began monthly reporting on LOCAS Performance Matrix under pilot program – October 2008
- Pilot Evaluation – Initially planned for January 2009 but initiated in March 2009
- Revised Performance Categories in May 2009
- Currently piloting with 3rd and 4th Quarter FY09 data

Initial Performance Matrix

Performance Categories	Focus Areas
Credible Performance (outcome measures)	PEP Performance, ES&H, Product Quality & Mission Deliverables, Performance to Schedule, Security, Emergency Management
Integrated Management System (in-process measures)	Integrated System Certification or Assessment, Baseline Change Management, In-process System Effectiveness Measures (e.g., Issues Management and Corrective Actions)
Effective Resource Management	Human Resources Management, Budget Management, Cost Efficiencies, Property Management
Continuous Improvement	Cost Savings, Productivity and Performance Enhancement
Line Oversight	Line Oversight Effectiveness, Training and Qualification, Formal Assessment, Operational Awareness, Performance Evaluation Plans

Initial Performance Matrix

- LOCAS Performance Categories were populated using performance measures already in use at the NNSA sites
- Weighting and ranges were established at each site to display quarterly performance in each category

	Q1FY07	Q2FY07	Q3FY07	Q4FY07	Weights
Credible Performance	▶	▶	▼		20%
Integrated Management System	▶	▼	▲		20%
Effective Resource Management	▶	▼	▲		20%
Continuous Improvement	▶	▲	▶		20%
Line Oversight			▲		20%
Overall Summary			▲		

Legend	
Green	>80%
Yellow	≥60% and ≤ 80%
Red	<60%
Data Not Available	
▲	Increased Performance
▼	Decreased Performance
▶	Maintained Performance

Evaluation of Initial Performance Matrix

- No clear Headquarters customers identified
- System is not user friendly
 - Difficult to access
 - Difficult to find specific information
- Information is not being used effectively by Headquarters organizations
- Some site data doesn't seem to reflect an approach to continuous improvement

Revised Performance Matrix

- Revised framework for LOCAS performance matrix to reflect customer information drivers
- Maintained 3 tiered Performance Matrix structure from initial pilot and revised categories and focus areas
 - Tier 1 performance categories (Six functional areas plus 2-3 areas of interest)
 - Tier 2 focus area important to functional area managers and other HQ customers
 - Tier 3 metrics from site offices and M&O contractors (use existing site metrics)

Revised Performance Matrix

- Tier 1 Performance Categories
 - Nuclear Safety
 - ES&H
 - Cyber Security
 - Safeguards and Security
 - Business Management
 - Emergency Management
 - Line Oversight
 - Contractor Assurance System
 - Mission Performance

Revised Performance Matrix

- Tier 1 Performance Categories

- Nuclear Safety
- ES&H
- Cyber Security
- Safeguards and Security
- Business Management
- Emergency Management
- Line Oversight
- Contractor Assurance System
- Mission Performance

Revised Performance Matrix

- Nuclear Safety Focus Areas
 - 10 CFR 830, Subpart A
 - 10 CFR 830, Subpart B
 - Safety in Design / Construction
 - Fire Protection Systems

Revised Performance Matrix

Tier 2 Focus Area: 10 CFR 830, Subpart A, Quality Assurance

Performance Goal: Provide an index that measures the health of the site nuclear quality assurance program and drives improvement across the program.

Example Tier 3 Metrics

- Qualified Cognizant System Engineers
- Significant deficiencies associated with nuclear Safety Class/Safety Significant Systems, Structures, or Components (SSCs)
- Nuclear facility lessons learned
- Nuclear SSC maintenance/operations procedural violations
- Nuclear “basic component” procurement receipt inspection success
- Nuclear “basic component” item control
- Nuclear “basic component” acceptance testing/inspection success
- Nuclear facility SSC assessment results
- Suspect/Counterfeit Items associated with nuclear SSCs
- Safety software configuration management

Revised Performance Matrix

- ES&H Focus Areas
 - Worker Safety
 - Occupational Health
 - Radiation Protection
 - Environment
 - Activity Level Work Planning

- Cyber Security Focus Areas
 - Cyber Security Incident Response Effectiveness
 - NAP C Series Implementation
 - FISMA Compliance

Revised Performance Matrix

- Emergency Management Focus Areas
 - Emergency Planning
 - Emergency Preparedness
 - Readiness Assurance
 - Emergency Response

- Business Management Focus Areas
 - Procurement
 - Finance
 - Property
 - Small Business
 - Contractor Human Resources
 - Contract Administration

Revised Performance Matrix

- Safeguards and Security Focus Areas
 - Provide Assurance of Effective and Sustained Performance
- Line Oversight, Contractor Assurance, Mission Performance Focus Areas
 - Under development

Path Forward

- LOCAS Points of Contact Submit 4th Quarter FY09 Metrics by November 13, 2009
- Evaluate Metrics and Revise/Finalize Tier 2 Focus Areas and Tier 3 Guidance as Needed
- Continue to Refine and Evaluate Performance Matrix Pilot
 - December 2009 Working Meeting
- Training on Use of Performance Measures

Lessons Learned

- Identify and involve stakeholders (people who will use metrics) in developing and refining meaningful performance measures
- Actively evaluate progress, work the issues, and communicate results
- Be prepared to revise performance metrics over time
- Continue to challenge ourselves to develop metrics that can be used to improve performance