



**CONTRACTOR ASSURANCE WORKING GROUP
MEETING NOTES
Oak Ridge National Laboratory, Tennessee
May 6 and 7, 2009**

May 6, 2009: Joint session between the ISM/QA Feedback and Improvement (F&I) Subgroup and the Contractor Assurance Working Group (CAWG)

Note: Presentations can be found on the CAWG website:
<http://www.efcog.org/wg/ca/events/spring09mtg/CAWGspring09mtginfo.htm>

Introductions

The safety share included a reminder of how to take precautions not to attract the Swine Flu: wash hands frequently, cover your mouth if you cough, and stay at home if you feel sick.

Camilla Lopez, CAWG Secretary, asked for introductions around the room.

EFCOG Working Group Chair meeting highlights, Roland Knapp and Gary Grant

Roland Knapp, CAWG Chair, presented slides covering the Group's accomplishments since the last CAWG meeting and a look ahead at the focus and actions of the CAWG. These included the scope of the WG in the use of performance-based contracting tools and systems to promote more effective and efficient interfaces of federal oversight and performance management.

Knapp also discussed the idea of continuing cooperative meetings between the CAWG and F&I Subgroup.

Gary Grant, F&I Vice-Chair, spoke briefly to the Subgroup's accomplishments since the last meeting during November 2008 in Las Vegas, including a F&I white paper on assessments posted to the EFCOG site.

Metrics and leading indicators – introduction

Steve Prevette, Hanford, presented on Fluor Hanford's use of leading indicators, lessons from Hanford, the underlying theory, data quality, and trending.

Metrics reported to HQ via the LOCAS Portal for NNSA

Knapp discussed metrics reported to headquarters via the LOCAS portal. Five Performance Categories are populated with metrics:

- Credible Performance
- Integrated Management System
- Effective Resource Management
- Continuous Improvement
- Site Office Line Oversight



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Also discussed were LANL metrics, including Lean Six Sigma, Lessons Learned Indicators and CAS Performance Index, line oversight, and effective resource management.

Presentation and sharing of site-specific indicators:

- Facility status - interactive demonstration of facility status metrics – Scott Underwood, Tony Vermillion, and Garrett Cook B&W Y-12 (40 min.)
- Safety and Rad Con - Dexter Ray, WSRC (15 min.)
- Work environment forecast – Bob Dotson, B&W Pantex (15 min.)

Continuous improvement - Gregory Durfee, SNL (15 min.)

Conclusions and next steps

Lopez opened the discussion with the question: What were the differences and similarities across the sites?

Comments and ensuing discussion included:

- We need leading indicators so we can change direction *before* things go bad
- There are many tools out there to forecast trends, forecast events/injuries
- Discussion of forecasting tools vs. leading indicators
- Get people to improve processes is the best way to drive change
- Leadership needs to support the change from the top to drive change and improvement
- Focus on cycle time to improve production
- Ideally change should be owned by the top and driven by the bottom
- The ratio of “self reported” to “events” is a telling metric
- We need to concentrate on good questions, and on how to measure; this is more important than the statistics and theory
- You don’t need 6 million metrics to get your business done safely and securely
- The required metrics from DOE is not necessarily the information you would use to manage
- It was suggested to set up/develop a set of resources/workshops/guides on how to develop good metrics
- It was suggested to have trending and analysis as a cross-cutting EFCOG theme
- Martha Thomson, Office of Enforcement (HS-40), has added the following comments regarding performance indicators:



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At the recent EFCOG SSR WG meeting, on the subject of performance indicators, it was agreed that % self-identified non-compliances was a valid statistic to follow. Historically, this has been followed by the Office of PAAA (Nuclear Safety) Enforcement. At this EFCOG meeting, no specific goals were discussed - however based on where we collectively are now (at about 50% self-identified), the thought is to set a goal of 80% self-identified for NTS/SSIMS reports, with an expectation that we reach this goal in 3 years. It was also suggested that the percentages include all locally tracked non-compliances maintained on their site databases. Work will continue to define the performance indicator.

Integrated assessment planning

The afternoon session continued with presentations and discussions on integrated assessment planning

- Method for coupling required assessments with risk based assessments, Roland Knapp, LANL
- Developing a consolidated assessment schedule – presented by the Performance Assurance Organization, Milt Kreger, Y-12
- Consolidated assessment plan approach – Dexter Ray, WSRC
- Assessment integration at SRNS - Tim Bolen, SRNS
- WCH's integrated assessment plan – Ray Skwarek, WCH
- Performance oversight assessment program - Gary Grant, CH2M

Recap and open discussion

- Discussion of compliance based assessments versus performance based assessments – which ones provide most value?
- It is recommended to do the compliance based assessments first in your integrated assessment schedule.
- How do you strike the right balance between cost effectiveness and having the right number of assessments?
- Different approaches to integration were discussed, including how to develop lines of inquiry and how to cross-walk between ISMS verification.

EFCOG Collaboration

There was general consensus that the joint meetings between the CAWG and F&I Subgroup proved valuable. It was brought forward that there are significant similarities with other EFCOG groups in addition to the CAWG and F&I Subgroup and it was recommended that broader collaboration be further explored.



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The point of view was brought forward that EFCOG is here to support member organizations and that EFCOG therefore, could benefit from changing its organizational structure into a more topical (as opposed to functional) focus. A topical focus could prove to be very beneficial for cross-cutting learning and sharing. A variation of the topical orientation could be to structure EFCOG's organizational orientation more towards mission and to cover cross-cutting topics like laboratory closure, weapons manufacturing, etc.



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May 7, 2009: Working session for CAWG

HSS Directive status and updates to DOE O 226.1 A: Contractor Assurance Systems, Ali Ghovanlou (HS-10 HQ) presented on behalf of Pat Worthington.

The presentation emphasized that it is HQ's intent to make the review process as interactive as possible and that feedback from the working groups is encouraged and appreciated. An integration team is ensuring that the different sub-directives are interrelated. A roster with team members is provided.

Comments:

- You cannot have an integrated system unless you start at the Directive level.
- Integration takes place at the sites.

Questions:

- How is 226.1A progressing towards focusing on *what* as opposed to *how*?
- Are you looking at performance or oversight in 226.1A?

In conclusion: there are many opportunities for input and for coordination.

NNSA's assessment and the Assist Team's conclusions regarding CAS at Los Alamos National Laboratory, Roland Knapp, LANL

Highlights from the presentation:

- CRAD apply to any of the sites in DOE.
- The assessment provides a baseline as to where the different sites are.
- The NNSA assessment was focused on 226.1A components.
- The following attachments are provided for further reading:
 - The Final Report of the Pilot Assessment of the Los Alamos National Laboratory Contractor Assurance System
 - CRAD 1: Contractor Assurance System Process Description
 - CRAD 2: Contractor Assurance System Assessments
 - CRAD 3: Contractor Assurance System Operational Awareness
 - CRAD 4: Contractor Assurance System Issues Integration and Management

Please direct comments and questions to Camilla Lopez, Secretary for the EFCOG Contractor Assurance Group: Camilla@lanl.gov, (505) 665-2503



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In conclusion: It has proven beneficial to continuously evaluate ourselves ahead of external evaluator coming in.

Six Sigma Process Management – Leading Indicators, Marke Lane, KCP

The presentation showcased how leading indicators (metrics) around Six Sigma efforts can help focus the organization on continuous improvement, cost savings, and maintaining a Six Sigma culture.

Issues Management - CSI : Continuous Systemic Improvement, Marke Lane, KCP

The presentation showcased an issues management approach that has shifted the C/A driver from individual events to system level performance.

Corrective action plans and effectiveness evaluation: improving field verifications through training, Susan Donnelly, Y-12

The presentation shared a case study where awareness and usefulness of field verifications were raised by an order of magnitude through a successful training program.

How do you define an issue in your issues management system? CAWG members will bring their definitions to the meeting

Ahead of the meeting, Lopez had asked the members to please bring the *definition of an issue* that their organizations use in their issues management system. The result of this data call is consolidated in a presentation.

Knapp led a discussion of the pros and cons of a narrow versus a broader issue definition in the CAWG's members' issue management systems. Highlights from the discussion:

- To build an effective issues management system, we need to be able to answer these questions:
 - How can we assure that the issues get the appropriate level of attention and rigor in the issues management system?
 - What are the appropriate threshold levels?
 - What is the right balance between risk management and cost (we want to reduce both)?
- We need to build a system that allows us to worry about the most significant issues.

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- The entry system needs to be easy to use; there needs to be an easy way to raise a concern.
- There is not a one size fits all; the system has to be tailored to the organization.
- It has to work in the environment and you have to understand the human performance aspects associated with your system.
- Some sites are moving towards more inclusive systems; other towards less inclusive systems.
- At some sites, Order 414.1C (Quality Assurance) functions as the funnel - determining what goes into the contractor assurance system.
- If you work the issues at the lower levels, they will not turn into higher level issues.
- There needs to be a defined threshold and a way to triage what does not make the threshold.
- You need to clearly define your graded approach if your issues management system includes a range of sub-systems.
- Your less rigorous systems still need to be able to identify trends.
- From an oversight perspective, the problem with multiple systems is that we sometimes lose the ability to identify trends.

Feedback and Ideas for next WG meeting

Collaboration: There was strong consensus that it makes a lot of sense to join effort with other EFCOG working groups, such as F&I, QA, and other of the ISM&QA subgroups. It makes practical sense to co-schedule working group meetings in order to facilitate easier sharing and better networking opportunities.

Meeting format: The meeting format that we followed this time was well received: one joint day (F&I Subgroup and CAWG together) followed by one individual day where the working groups worked by themselves. The preferred format has fewer theoretical presentations and more emphasis on practical application in the field (like we did this time with a suite of presentations from the sites).

When: We are looking at our next CAWG meeting in late October or early November 2009. More information will be forthcoming.

Where: The following sites were suggested as suitable potential hosts for future meetings: ORNL, Las Vegas Site Office, or Albuquerque Site Office.



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Topics: Suggested topics that would lend themselves well as “joint topics”:

- Performance Analysis (INPO 07-007 Best Practice)
- Benchmarking
- Trending
- Risk management or how to determine the significance of an issue
- Worker involvement/worker feedback
- Directive updates
- Assessments (the specific suggestion was to ask HQ to talk about how they do an assessment: what are they looking for, where are people struggling, and what are the top 10 things you should do?)