

LANL CAS Parent Validation Lessons Learned

EFCOG CASWG

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Operated by Los Alamos National Security, LLC for DOE/NNSA
Contractor Assurance Office (CAO)



Background – NAP 21 Issued 2/28/2011

Part of Reform Initiatives – Governance/Getting Job Done

■ Transformational Governance and Oversight

- Goal of Governance Transformation
- NNSA Operating Principles
- Definitions
- Description of Governance
- NNSA and Contractor Roles and Responsibilities
- Framework for a Contractor Assurance System
- Requirements Analysis Process
- **Validating Line Oversight and Contractor Assurance Systems (LOCAS)**
- Integrated Oversight and Assessments
- Performance Evaluation Plan and Metrics

Two Phases

- I. **Validation:** Parent Validation of Contractor CAS; Site Office LO Self-Assessment
- II. **Affirmation:** Independent federal team affirms LO and CAS together for site

CAS Elements

1. Assessments
2. Operating Experience
3. Issues and Corrective Action Management
4. Performance Measures
5. Integrated Continuous Improvement

CAS Element 5 focuses on how CAS being used at the **Site**:

- By LANL management and governance to improve performance and reduce risk
- By the Site Office for oversight

LO Elements

1. Line Oversight Approach
2. Line Oversight Process
3. Oversight of CAS
4. Line Oversight Self-Assessment

Validation versus Affirmation in NAP-21

What's the Difference?

- **Validation is performed by the Contractor's Parent Organization(s) or an independent entity**
 - Evaluates Contractor (CAS)
 - NAP-21 suggests two stages:
 1. Review design for compliance with contract (LANL used POFMAs)
 2. Determine Readiness for Affirmation (LANL Parent Validation)
 - No federal involvement
 - NAP-21 does not specify criteria for Validation
 - Contractor's Governing Board Decides When and How

- **Affirmation is performed by independent federal team**
 - Affirmation performance after successful Validation
 - Evaluates Contractor and Site Office (LOCAS)
 - NAP-21 specifies criteria in Attachment 4
 - Site Manager Decides When

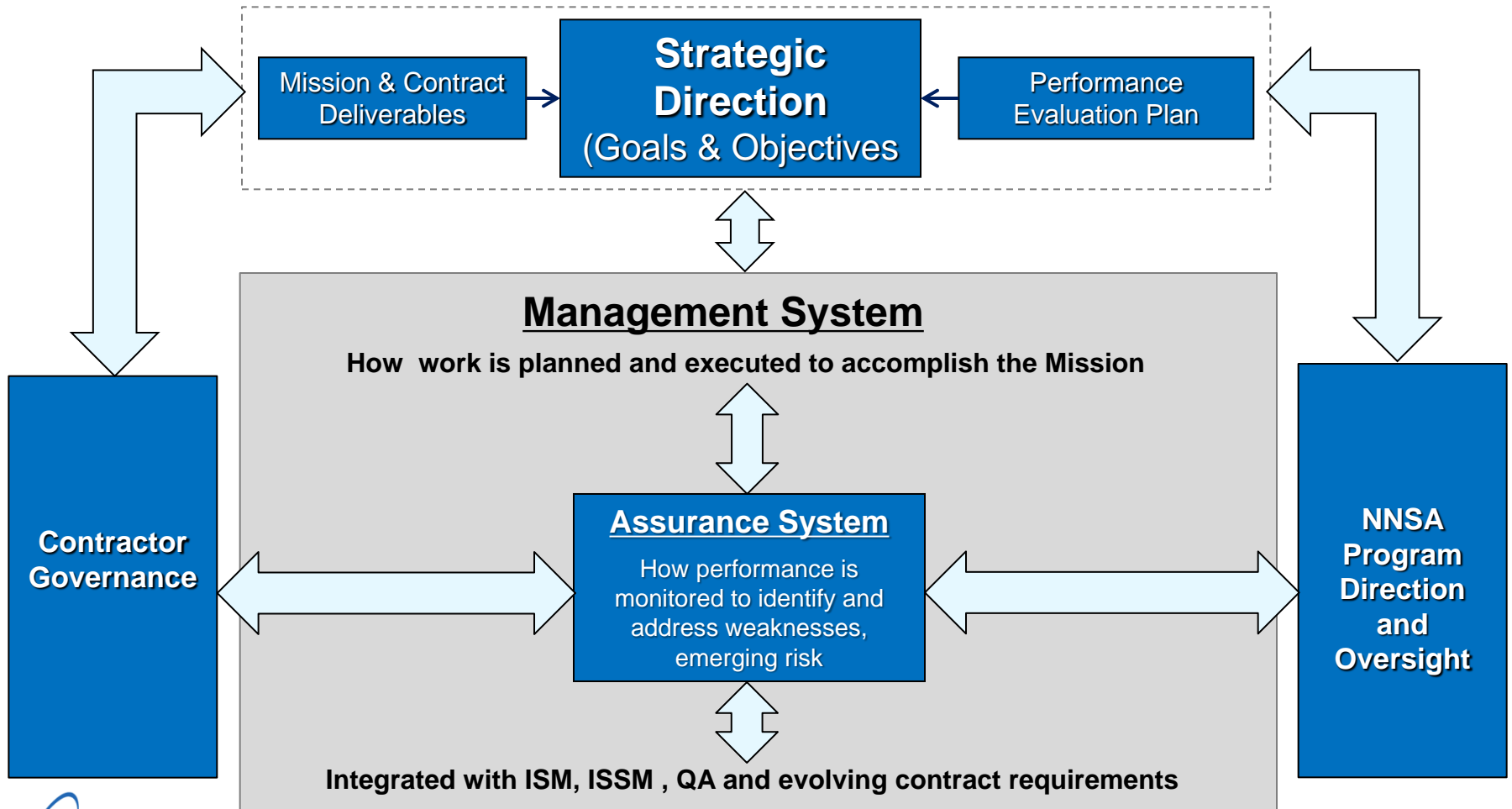
Validation and Affirmation

Performance-Based Not Compliance-Based

- **Are Contractor Management and Assurance, Contractor Governance, and NNSA Oversight working in an integrated manner?**
- **Do they provide an effective and efficient site management system which provides reasonable assurance that:**
 - Mission objectives are achieved
 - Contract requirements are met
 - Workers, the public, and the environment are protected
 - Operational, facility, business systems are effectively run
 - Productivity is enhanced
 - Costs are reduced

CAS Validation and Affirmation Scope

Management, Assurance, Governance, Oversight



LANL Parent Validation Timeline/Tasks

A Several Month Process – Some Tasks in Parallel

- **Define Validation (Stage II) Approach** (Contractor/Parent Office, 2-4 weeks)
- **Select and Form Team** (Parent Office, 4-8 weeks)
 - Experienced team leader, already led a validation
 - Experienced managers from across Parent Orgs
- **Self-Evaluation against NAP-21 Criteria** (Contractor, 4-6 weeks)
- **Validation Team Off-Site Preparation** (3-4 weeks)
 - Request documents, identify interviews, create Validation Plan
- **Organize to Support Validation Team** (Contractor, 4-5 weeks)
- **Validation Team On-Site Work** (4-5 days)
- **Validation Team Off-Site Report Preparation** (3-4 weeks)
 - Report presented to Board of Governors, LANL Executive Team

Self-Evaluation Against NAP-21 Criteria

Helps Validation Team See Whole Picture in Short Timeframe

- 1. Developed brief, high-level answers to the Lines of Inquiry (LOI) specified in Attachment 4 of the NAP-21 Policy Letter**
 - Used information collected from: institutional requirements documents, assessments, measures, deployed staff and management.
- 2. Developed statements that represent present state relative to the Implementation and Effectiveness Criteria for each CAS Element in Attachment 4 of the NAP-21 Policy Letter**
 - Rolls up results from LOI responses
- 3. Developed statements that represent present state relative to the Objectives for each CAS Element in Attachment 4 of the NAP-21 Policy Letter.**
 - Rolls up results from Implementation and Effectiveness Criteria responses

Validation Team On-Site Activities

Similar to Any Assessment

- **Overview briefings from LANL personnel** (13, first day)
 - Executives, Senior Managers, CAS process owners
- **Reviewed documents and records** (>150)
 - Procedures, assessment reports, meeting agendas and minutes, issues management records, lessons learned, improvement plans, web sites, etc.
- **Interviews guided by the Lines of Inquiry** (>60, mostly sample of management both horizontal and vertical, also process SMEs)
- **Direct observation of scheduled meetings** (app.15)
 - Senior Executive Team, issues management (MRBs), risk management (Emergent Issues), JORRB, etc.
- **System and process tools use and testing** (issues management, measures, databases, web-based tools, etc.)

Lessons Learned from Parent Validation

■ Team member selection is Critical

- Senior managers needed to focus on Performance rather than Compliance
- Must translate between CAS language and manager language

■ A Thorough, Fact-Based Self-Evaluation Helps

- Validation Team time is too short to build the picture from scratch
- Works best when combined with an associated improvement plan

■ NAP-21 Criteria approach Benefits outweigh Challenges

- Takes more time since criteria are different than O226, contract clauses
- Illuminates how management, assurance, oversight work together, or don't
- Sets stage for dialogue about NNSA expectations for CAS with Site Office
- Ultimately, clarifies what needs to be addressed to prepare for Affirmation

■ More Site Office Engagement in Self-Evaluation

- Most site offices are not yet experienced with NAP-21 Criteria (expectations)