

“EFCOG’s Knowledge Portal Review” 2010 Waste Management Symposium

EFCOG Leading Indicators Initiative



Presented by

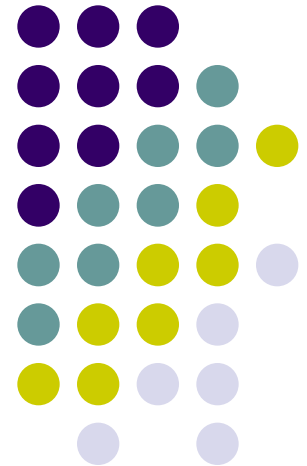
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Chair, Contractor Assurance Working Group

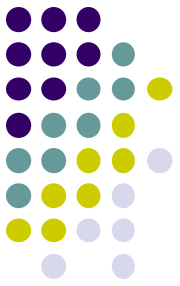
Los Alamos National Laboratory

Panel Session 39

March 9, 2010

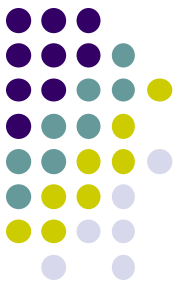


Purpose of EFCOG initiative



Formulate an approach for developing leading indicators that is

- broadly applicable across sites and
- helps managers to more effectively and efficiently manage their operations



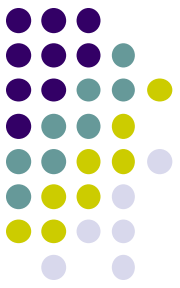
Why leading indicators?

- Identify and fix problems before people are hurt, milestones are missed, costs proliferate, etc.
- Help to drive performance
- Integrate various management perspectives through proper selection of mission, safety, security, environment, etc. metrics
- Ensure alignment with strategic and tactical goals
- Manage processes effectively

Why a common approach?



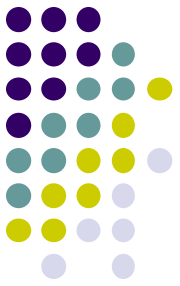
- Reduce the “confusion factor” that can surround discussions of leading indicators
- Ensure that best practices are shared across sites (even if metrics are different)
- Serve as an initial entry point for developing leading indicators, which can then be tailored for the individual site



Path forward

- Prepare initial EFCOG draft guidance (February through August 2010)
 - Small team from CAWG to draft guidance
- Present status update at April EFCOG meeting (Week of April 19, 2010)
- Solicit and incorporate input from EFCOG working groups and from full CAWG and ISM F&I subgroup (April through July 2010)
- Present draft EFCOG guidance (August 15, 2010)

Problems/Issues



- Achieving consensus on the “correct set” of key performance indicators – needs to be tailored to organization/application
- Scarcity of quantitative metrics in some areas
- Establishing a demonstrable and sustainable set of metrics that have a cause-and-effect relationship to desired outcomes
- Transitioning from reactionary management (i.e., responding to ORPS and IMI events) to proactive management (i.e., reviewing and adjusting based on predictive data, trends, and actionable metrics)
- Active and continual engagement by management and workforce in the metric process

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Elements of a Contractor Assurance System



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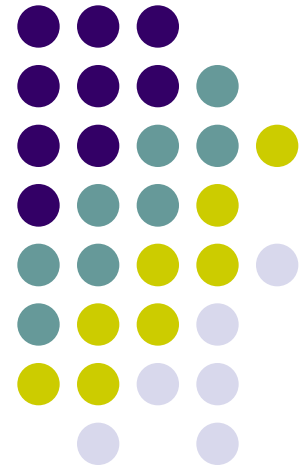
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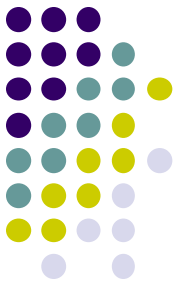
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Purpose of a Contractor Assurance System (CAS)

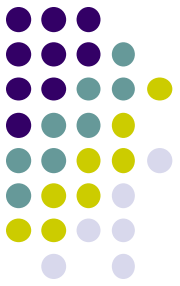


To be effective, a CAS must integrate:

1. contractor management,
2. contractor governance,
3. and DOE oversight systems

into a single comprehensive site performance management system

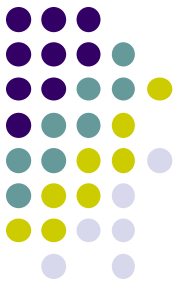
Contract Management



A CAS:

1. *enables contractor management to provide reasonable assurance that*
2. *mission objectives will be met*
3. *contract requirements fulfilled*
4. *that site workers, the public, and the environment are protected; and that*
5. *operations, facilities, and business systems are effectively run and continuously improved.*

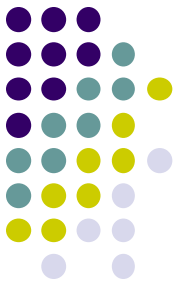
Contractor Governance



A CAS:

- 1. enables a contractor's governance system to provide DOE assurance that institutional strategy and acceptable performance outcome are defined;*
- 2. that risks to achieving these are identified and managed;*
- 3. and to hold contractor management accountable for these outcomes and expected overall performance.*

DOE Oversight Systems



A robust and effectively functioning CAS:

- 1. builds trust between DOE and its contractor,*
- 2. helps to ensure alignment between the DOE and contractors in accomplishing and addressing mission needs,*
- 3. and allows DOE to optimize its oversight function to leverage the processes and outcomes of its contractor(s).*

Recommended Elements *

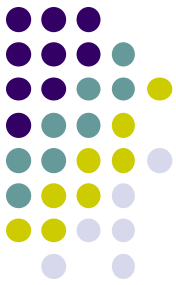


Element		Key Functions	Scope	Integration
Performance Feedback	Assessments	<ul style="list-style-type: none"> Used to collect actionable information associated with performance and risk management. Using a risk-based approach, selects, executes, and documents assessments to identify deficiencies, weaknesses, and opportunities for improvement for management. Includes self-assessments, independent assessments, operational awareness, peer-reviews, parent organization assessments, and third-party assessments as appropriate to ensure actionable feedback. 	<ul style="list-style-type: none"> Applied to performance uncertainties and risks relative to fulfillment of the contractor's mission and contract. 	<ul style="list-style-type: none"> Provides performance feedback information that is managed by the Issue and Corrective Action Management element and informs the Continuous Improvement element. Selection, execution, and results of assessments are transparent to DOE and integrated with the contractor's governance system. Integrated with the contractor's ISM, ISSM, and Quality Assurance approaches.
	Measures	<ul style="list-style-type: none"> Used to sustain and improve performance relative to defined targets. Selects organizational outcome measure and performance targets. Selects leading indicator measures needed to sustain or improve key outcome measure performance. Includes routine evaluation of performance by management and actions as attain performance targets. 	<ul style="list-style-type: none"> Applied to contractual deliverables and the systems, processes, and capabilities that are most essential for contract fulfillment. 	<ul style="list-style-type: none"> Integrated with contractor's strategic goals, and objectives, and its contract performance evaluation plan. Integrated with the contractor's ISM, ISSM, Quality Assurance, worker feedback approaches and with accident, event, and incident reporting processes. Informs Assessment and Continuous Improvement elements. Transparent to DOE and the contractor's governance system.
Performance Improvement	Issue and Corrective Action Management	<ul style="list-style-type: none"> Used to ensure that systems and processes perform as designed. Translates performance feedback information into issues that are risk-prioritized by management for resolution. Identifies actions required to resolve priority issues, using causal and other analysis methods. Addresses extent of condition across the contractor's activities and sub-units for priority issues. Applies resources to actions and then manages the actions to closure to ensure timely and effective issue resolution. 	<ul style="list-style-type: none"> Applied to performance feedback information important to assuring fulfillment of the contractor's mission and contract. Applied to non-compliances including, safety, security and safeguards, cyber-security, emergency management, and environmental management. 	<ul style="list-style-type: none"> Analysis of patterns and trends from issues is used to help identify performance uncertainties, risks, and emerging issues. Transparent to DOE and the contractor's governance system. Integrated with the contractor's ISM, ISSM, and Quality Assurance approaches. Integrated with the Assessments and Measures elements to evaluate the effectiveness of the corrective actions.
	Continuous Improvement	<ul style="list-style-type: none"> Used to drive step- or break-through changes in performance. Analyzes levels and trends in performance feedback information to identify opportunities for risk reduction and performance improvement that are prioritized by management. Collects, screens, and communicates applicable lessons learned to management from sources internal and external to the organization. Shares lessons learned with DOE as relevant to other sites. Uses systematic approaches to improve processes to realize priority opportunities for risk reduction and performance improvement. 	<ul style="list-style-type: none"> Applied to systems, processes, capabilities, and sub-units that are most essential for achievement of mission objectives and contract fulfillment. 	<ul style="list-style-type: none"> Integrated with the Issues and Corrective Action Management, Measures, and Assessment elements. Incorporates information from accident, event, and incident reporting and worker feedback processes associated with ISM, ISSM, and Quality Assurance. Incorporates information from organization's most important sub-reportable performance monitoring sources. Transparent to DOE.

* The elements expressed here are designed to be used in conjunction with site specific tailoring as defined in the H-Clauses of a contractor's prime contract.

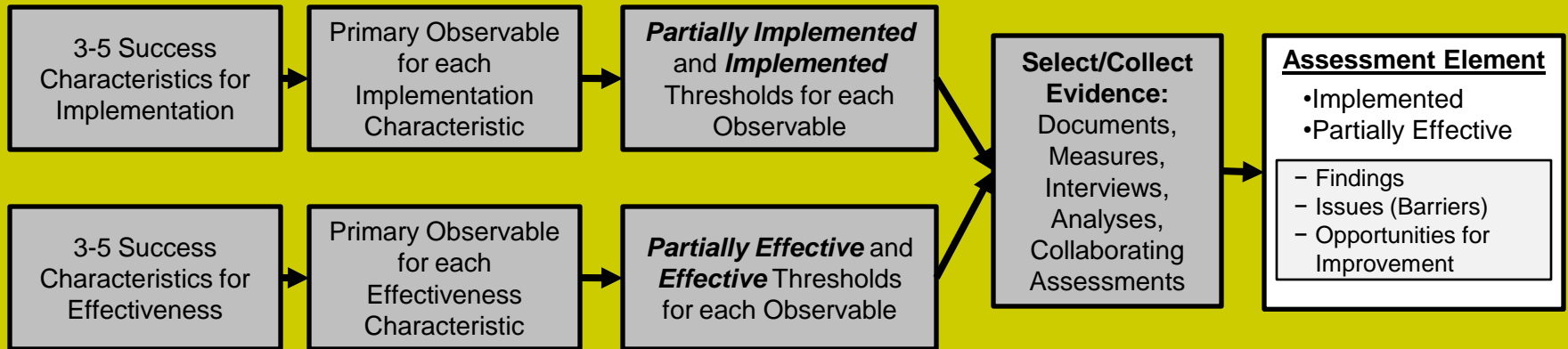
CAS Self-Assessment Model

(Assessment Element Example)



Leading Questions that may help define Implementation Characteristics and Observables for Assessments

- How do you know that assessments will be planned and performed in a reliable and predictable manner across the organization?
- How do you know that assessments will be planned and performed in a manner that is consistent with the risks and performance uncertainties related to the organization’s mission objectives and contractual requirements?
- How do you know that the assessment planning and performance processes are maintained consistent with changing organizational needs?



Leading Questions that may help define Effectiveness Characteristics and Observables for Assessments

- Are assessments being planned as expected? How do you know?
- Are there frequency, cycle time, or quality expectations that apply to assessment planning or performance? If so, how do you know how well you are performing against them?
- Is assessment data reliably translated into actionable information? How do you know?.
- Are assessments reliably finding issues before they are identified by external assessors and before they become problems? How do you know?.....

CAS Self-Assessment Model

(Overall Determination)

