FFRDC Contracts Community of Practice

Sandia's Governance Structure

March 19, 2015

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Sandia National Laboratories

Exceptional

service

in the

national

interest

U.S. DEPARTMENT OF **ENERGY**

NNSA
National Nuclear Security Administration
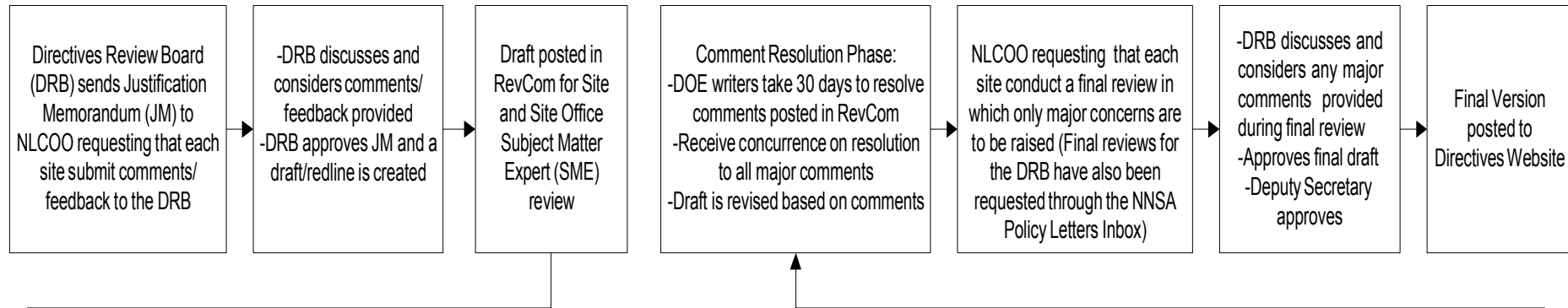
Sandia's governance structure

- Directives to Contract Process

- Assurance Process

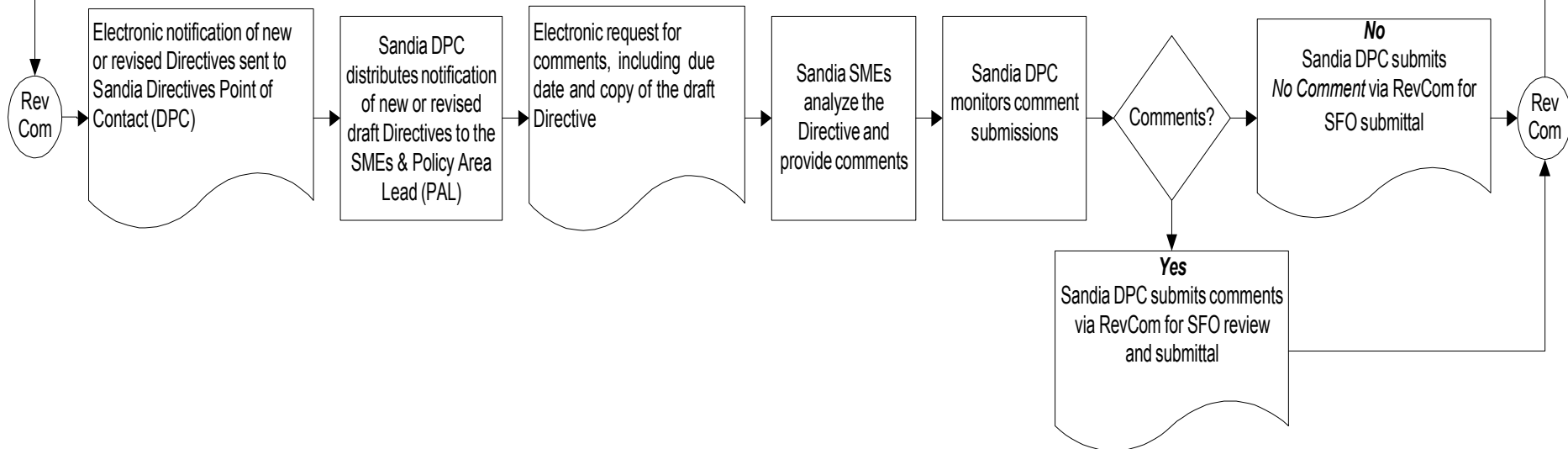- Management Review

Directives to Contract Process

- Directives Review Board Process (External)
    - Pre/Post RevCom
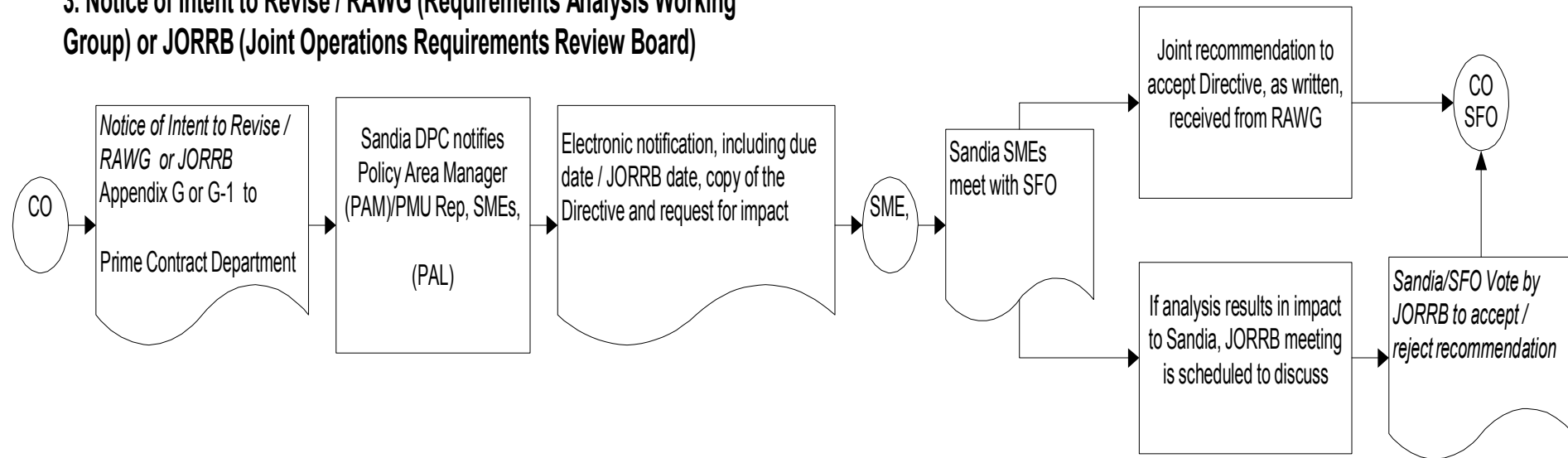   - Sandia Review and Comment for New and Revised Directives
- Directives to Revised Contract (Internal)
    - Notice of Intent to Revise/RAWG (Requirements Analysis Working Group) or JORRB (Joint Operations Requirements Review Board)
    - Notification of Contract Modification

Directives Review Board Process (External)

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1. Pre/Post RevCom

Directives Review Board (DRB) sends Justification Memorandum (JM) to NLCOO requesting that each site submit comments/ feedback to the DRB	-DRB discusses and considers comments/ feedback provided -DRB approves JM and a draft/redline is created	Draft posted in RevCom for Site and Site Office Subject Matter Expert (SME) review	Comment Resolution Phase: -DOE writers take 30 days to resolve comments posted in RevCom -Receive concurrence on resolution to all major comments -Draft is revised based on comments	NLCOO requesting that each site conduct a final review in which only major concerns are to be raised (Final reviews for the DRB have also been requested through the NNSA Policy Letters Inbox)	-DRB discusses and considers any major comments provided during final review -Approves final draft -Deputy Secretary approves	Final Version posted to Directives Website

2. Sandia Review and Comment for New and Revised Directives

RevCom → Electronic notification of new or revised Directives sent to Sandia Directives Point of Contact (DPC) → Sandia DPC distributes notification of new or revised draft Directives to the SMEs & Policy Area Lead (PAL) → Electronic request for comments, including due date and copy of the draft Directive → Sandia SMEs analyze the Directive and provide comments → Sandia DPC monitors comment submissions → Comments?

No — Sandia DPC submits *No Comment* via RevCom for SFO submittal → RevCom

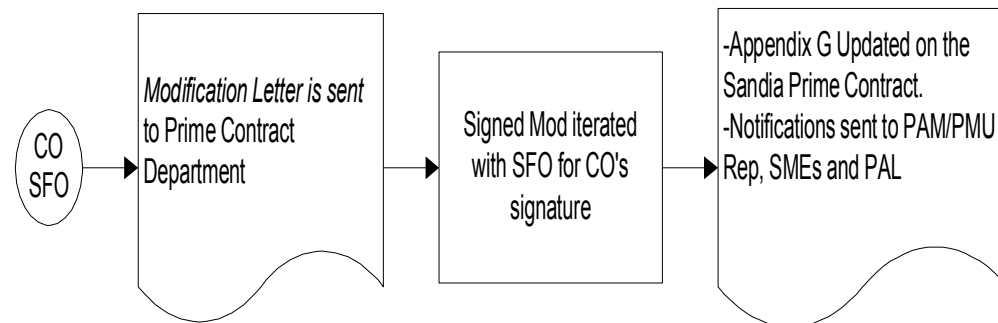**Yes** — Sandia DPC submits comments via RevCom for SFO review and submittal → RevCom

Directives to Revised Contract (Internal)

3. Notice of Intent to Revise / RAWG (Requirements Analysis Working Group) or JORRB (Joint Operations Requirements Review Board)

CO → *Notice of Intent to Revise / RAWG or JORRB* Appendix G or G-1 to Prime Contract Department → Sandia DPC notifies Policy Area Manager (PAM)/PMU Rep, SMEs, (PAL) → Electronic notification, including due date / JORRB date, copy of the Directive and request for impact → SME, → Sandia SMEs meet with SFO

→ Joint recommendation to accept Directive, as written, received from RAWG → CO SFO

→ If analysis results in impact to Sandia, JORRB meeting is scheduled to discuss → *Sandia/SFO Vote by JORRB to accept / reject recommendation* → CO SFO

4. Notification of Contract Modification

CO SFO → *Modification Letter is sent* to Prime Contract Department → Signed Mod iterated with SFO for CO's signature → -Appendix G Updated on the Sandia Prime Contract. -Notifications sent to PAM/PMU Rep, SMEs and PAL

Assurance process
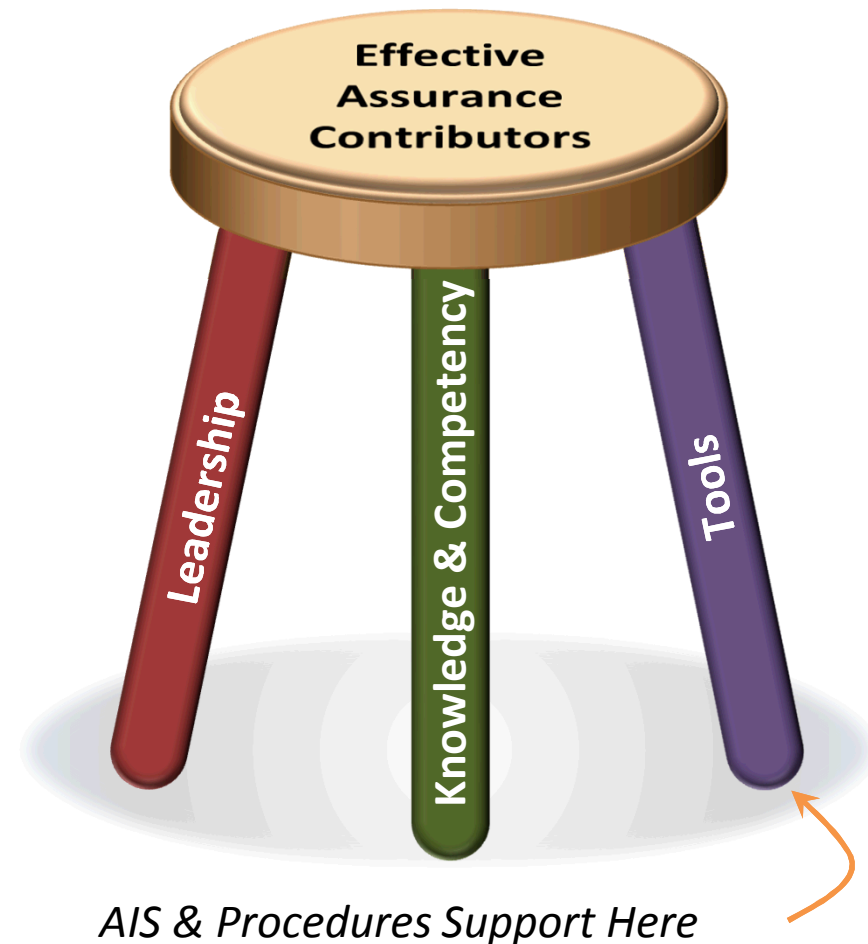
Assurance expectations of Sandia's workforce

Assurance: Behaviors, coordinated activities, and evidence to provide confidence that we meet mission commitments – including high-quality products and services, safe operations, information security, and environmental protection – in a consistent and predictable manner.

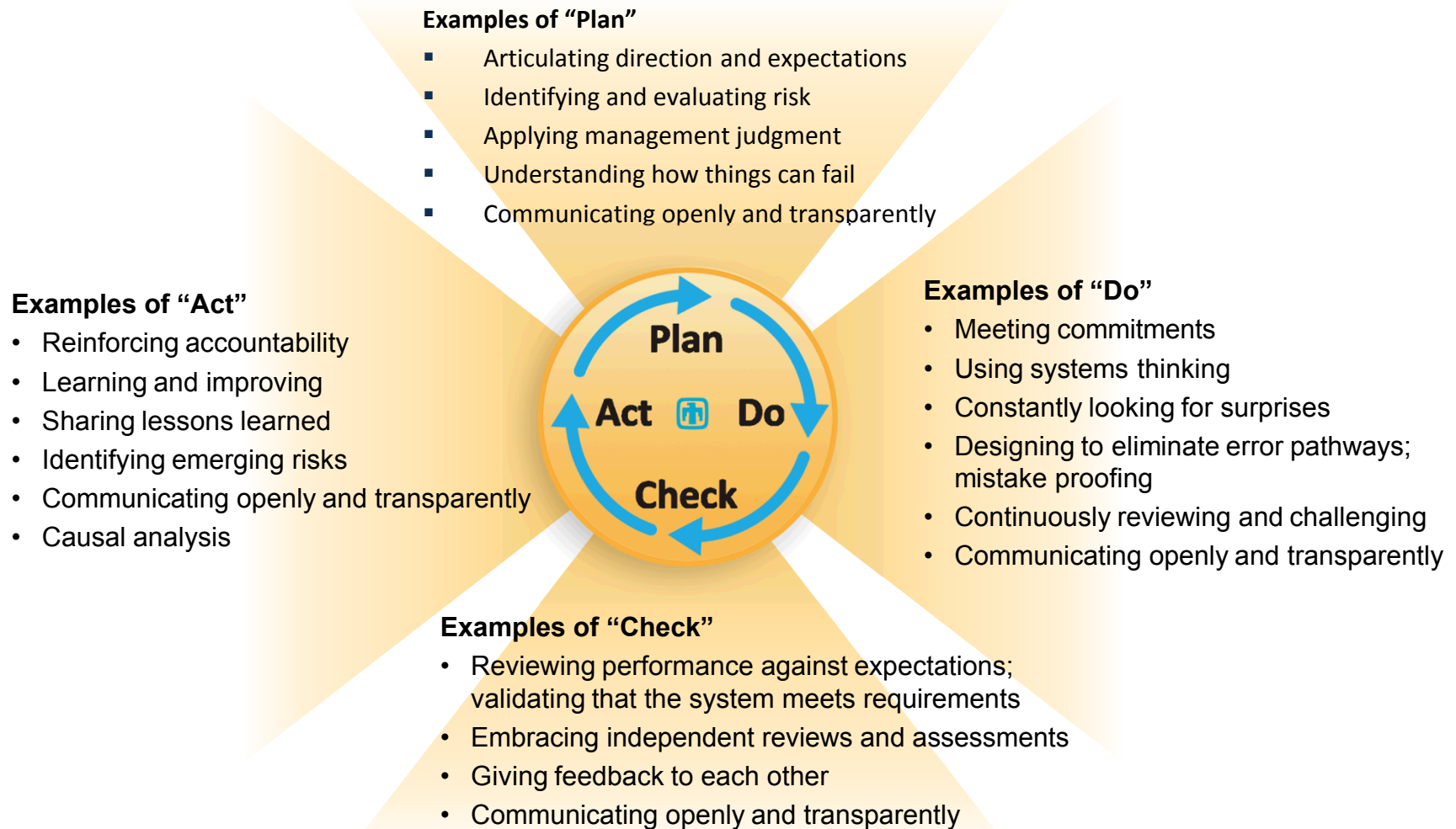10/10/11 Paul Hommert Briefing to all managers

"…The SFO is pleased to see evidence associated with maturation of the Sandia Assurance System, improvements in planning and conducting assessments, and systematically monitoring assurance aspect for sustainability… While AIS was brought online in 2012 and is being used across Sandia, the SFO recognizes that efforts are underway to address current limitations."

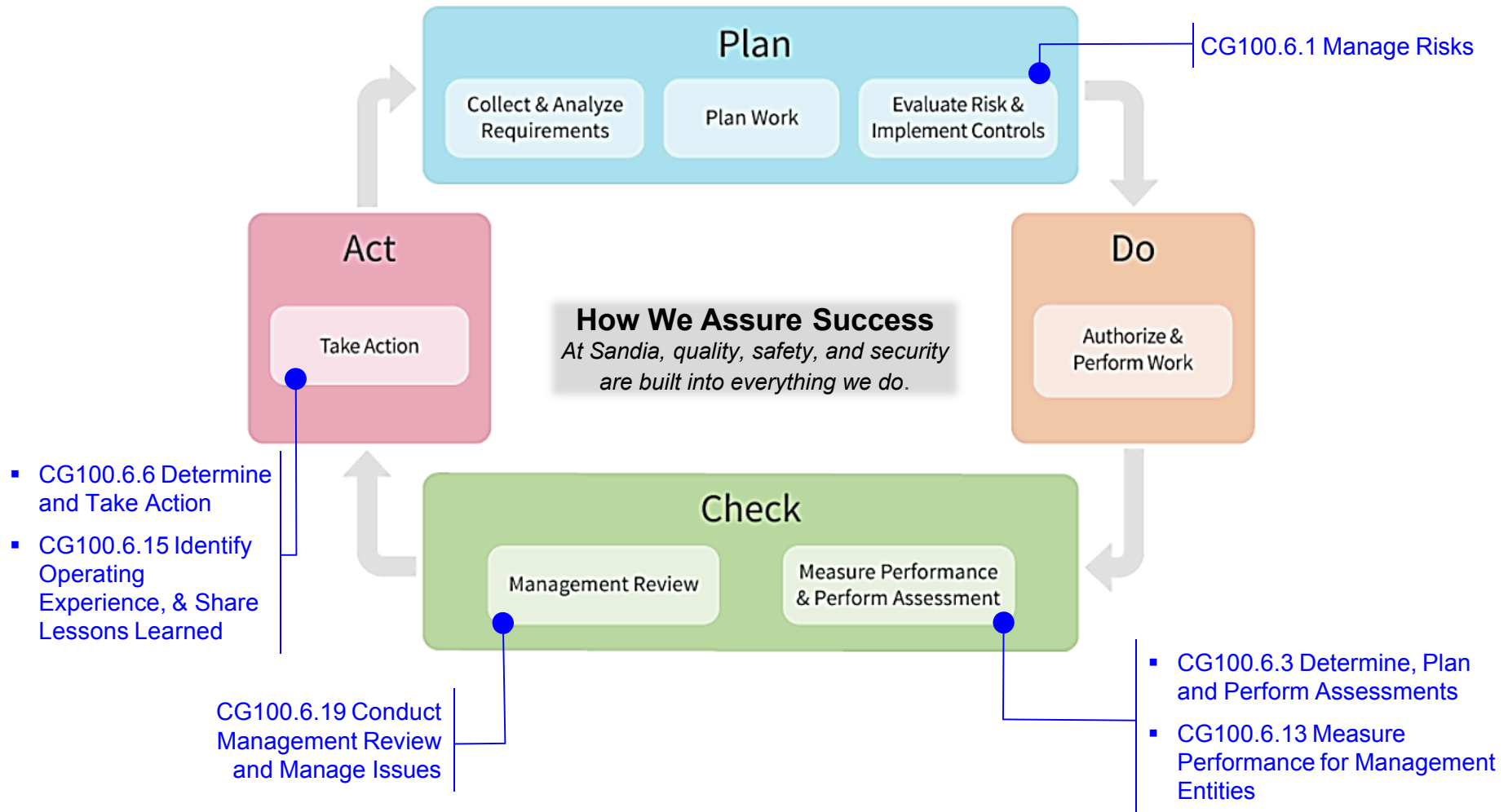*Dec. 19, 2014 HS-64 Closure of Findings memo – SFO to SNL*

AIS & Procedures Support Here

What does assurance entail?

Examples of "Plan"
- ▪ Articulating direction and expectations
- ▪ Identifying and evaluating risk
- ▪ Applying management judgment
- ▪ Understanding how things can fail
- ▪ Communicating openly and transparently

Examples of "Act"
- • Reinforcing accountability
- • Learning and improving
- • Sharing lessons learned
- • Identifying emerging risks
- • Communicating openly and transparently
- • Causal analysis

Examples of "Do"
- • Meeting commitments
- • Using systems thinking
- • Constantly looking for surprises
- • Designing to eliminate error pathways; mistake proofing
- • Continuously reviewing and challenging
- • Communicating openly and transparently

Examples of "Check"
- • Reviewing performance against expectations; validating that the system meets requirements
- • Embracing independent reviews and assessments
- • Giving feedback to each other
- • Communicating openly and transparently

Plan — Act — Do — Check

Performance Assurance System supports Plan-Check-Act

Plan

- Collect & Analyze Requirements
- Plan Work
- Evaluate Risk & Implement Controls

CG100.6.1 Manage Risks

Do

- Authorize & Perform Work

How We Assure Success
At Sandia, quality, safety, and security are built into everything we do.

Act

- Take Action

- CG100.6.6 Determine and Take Action
- CG100.6.15 Identify Operating Experience, & Share Lessons Learned

CG100.6.19 Conduct Management Review and Manage Issues

Check

- Management Review
- Measure Performance & Perform Assessment

- CG100.6.3 Determine, Plan and Perform Assessments
- CG100.6.13 Measure Performance for Management Entities

Quality is about doing the job well. Assurance is how you know you did the job well.

AIS & related procedures support a *portion* of Sandia's assurance expectations

How We Assure Success
At Sandia, quality, safety, and security are built into everything we do.

At Sandia, quality is not something we do at the end of a task or project. We apply Plan-Do-Check-Act (PDCA) quality principles and defect prevention methods at every stage of our work, from design to development to execution to delivery. And we incorporate safety and security in everything we do.

- **Plan**...what needs to be done to deliver results that meet our customers' expectations, and our own.
- **Do**...the work according to the plan.
- **Check**...the work against requirements, policies, and objectives, and report the results.
- **Act**...on the review results to continually improve the performance and quality of our work.

Plan
- Collect & Analyze Requirements
- Plan Work
- Evaluate Risk & Implement Controls — CG100.6.1

Do
- Authorize & Perform Work

Check
- Management Review
- Measure Performance & Perform Assessment — CG100.6.3

Act
- Take Action — CG100.6.6
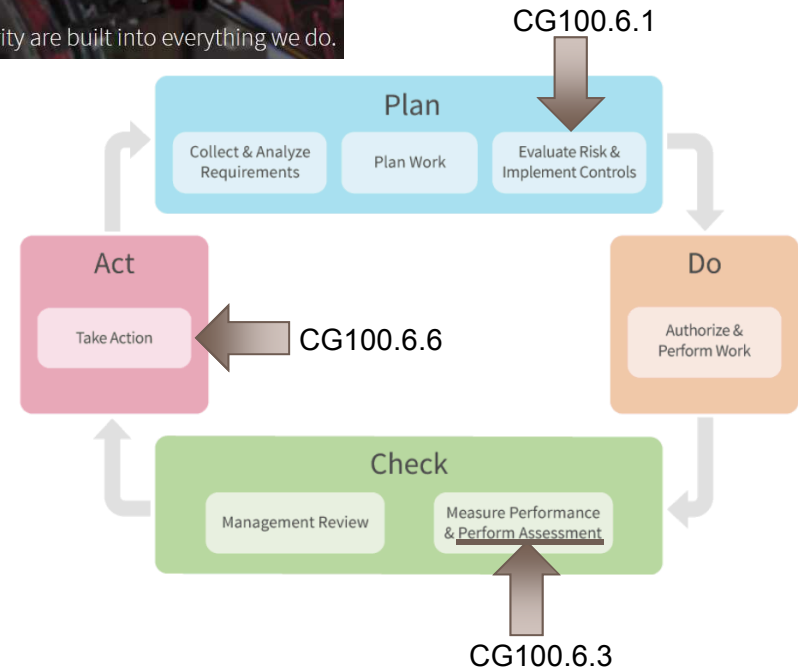
Related DOE O 226.1B, *Implementation of DOE Oversight Policy* elements that AIS supports:
- ➢ assurance system data documented & readily available to DOE
- ➢ credible risk informed self-assessment activities
- ➢ structured issues management system
- ➢ electronic access of assurance-related information
- ➢ causal analysis and corrective action tracking for higher significance findings in readily accessible system

What department managers typically focus on

But use of information systems may not always ensure the desired outcomes

Organizational Operations
• **ES&H and Security** – supported by various ES&H Systems, Engineered Safety, TEDS for awareness and compliance training • **Facilities** – supported by walkthroughs and local processes • **Acquiring resources & materials** – supported by Procurement & Property Management • **Capability** – supported locally

Projects
• **Cost** – supported by Financial System and tools (e.g., Reportville, ARC, etc.) • **Schedule** – supported by ePM, local use of MS Project, Primavera, Excel; implementation depends on size, visibility, risk of project • **Performance** – supported by local metrics, AIS, SPS • **Planning, Execution, & Process** – some support exists (e.g., CET, CEE); local processes prevail

People
• **Talent Acquisition & Retention** – supported by TAM, local recruiting and retention efforts, adequate compensation • **Training** – supported by adequate budget for training and talent management, and career development plans • **Challenging & Interesting Work** – supported by local talent management • **Capability & Capacity** – supported by local processes

Managers need systems that provide information that help identify gaps in their ability to predictably and consistently meet expectations (can be internal and/or external) —this is local *assurance*.

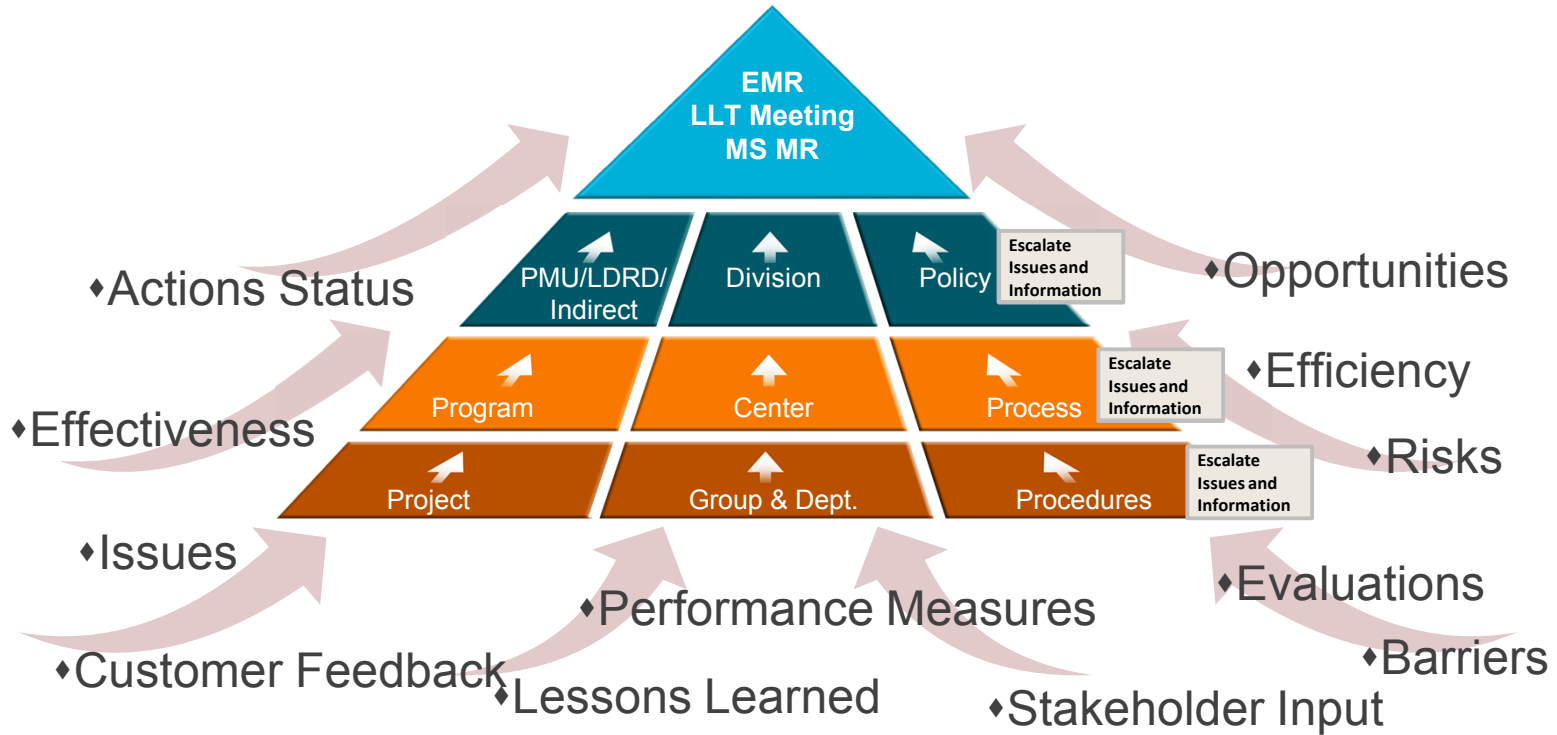# Management review is where assurance activities of Department Managers are accounted for

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CG00.6.1 - Manage Risk	CG100.6.3 - Assessments	CG100.6.6 - Take Action
Conditions, events, or actions that might prevent achieving corporate and local OGMs or work scope	Monitor if local controls effectively mitigate risks and discover potential problems	▪ Findings (written requirements) ▪ Observations (improvement opportunities) ▪ Continuous improvements and learning

EMR
LLT Meeting
MS MR

PMU/LDRD/Indirect	Division	Policy	Escalate Issues and Information
Program	Center	Process	Escalate Issues and Information
Project	Group & Dept.	Procedures	Escalate Issues and Information

♦Actions Status
♦Effectiveness
♦Issues
♦Customer Feedback
♦Performance Measures
♦Lessons Learned
♦Stakeholder Input
♦Opportunities
♦Efficiency
♦Risks
♦Evaluations
♦Barriers

Department Managers

Manage risks (local department data not required in AIS; managers specify what is in AIS based on their managements' expectations)	Manage assessments to mitigate risks and prevent problems (managers specify what is required to be in AIS based on their managements' expectations)	Local actions based on judgment guided by their managements' expectations; document resolution to findings/observations to continuously improve (managers required to approve CAPs in AIS)

Local performance assurance expectations are influenced by entire management chain and customers

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NNSA Assurance System Accountabilities of Sandia

Have a transparent, readily available Management System that includes:
- Identifying deficiencies & opportunities for improvements
- Implementing corrective actions
- A risk management process & an issues management system
- Rigorous, risk-based, credible assessments
- Identification & correction of negative performance trends

Exec. Leadership's Assurance Expectations of All Managers

Ensure that work is executed safely, that information is protected, and that the quality of performance and product is at the appropriate level, and set expectations for evidence.

Sr. Management Assurance Expectations of Dept. Managers

Apply judgment in alignment with group expectations and objectives to thoughtfully provide yourself, your customer, and others confidence (and evidence) that desired outcomes are being safely achieved, consistently ,and predictably. Set expectations for evidence.

Typical Dept. Manager's Daily Focus

Organizational Operations — **Projects** — **People**
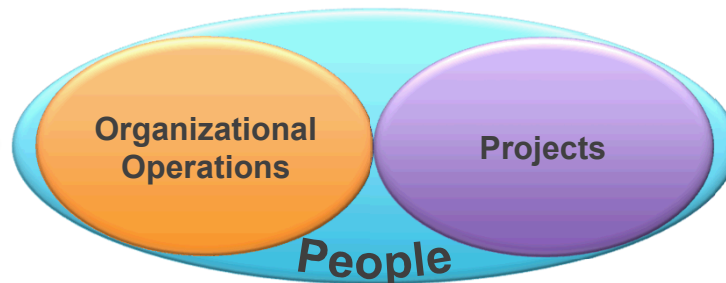
Expectations of Dept. Managers
- Prevent issues/problems (ID & manage risks)
- Monitor performance in local areas of responsibilities
- Find problems & issues
- Fix issues found, or that found you, and improve/learn
- Ensure *certain* assurance activities are captured in AIS:
  - Self-assessments & appropriate surveillances
  - Observation and finding actions from self-assessments, audits, & key ESH/security events

Management review

Division Overview Template

Color Rating	Policy Area	Affected PMU	Rating Explanation
	CG		*Required info:* A brief statement regarding any issues in Mission Execution
	ES&H		*Required info:* TRCR/DART-CR target/actuals, and Status update for the Site-Wide Strategy for Safety Improvement (SWSSI) actions *[Added FY15 Q1]*
	Facilities		
	Finance		
	HR		*Required info:* Workforce plan target/actuals and a brief qualitative assessment of hires
	IM&CS		
	IS&S		*Required info:* 10CFR824 incidents
	SCM		
	Summary		*Required info:* Emerging critical risks

- *Division ratings must be based on the Division's performance to adequately implement objectives in each Policy Area. If the Policy Area is not providing sufficient support or tools for the Division to meet its goals, it should be noted in the rating explanation.*
- *Color ratings must be based on current performance and risks. Future FY risks (e.g. FY16 and out years budget concerns, etc.) should be captured in the rating explanation but clearly identified as a future FY risk.*

Policy Area Overview TEMPLATE

Issues	Analysis	Action Plan
		Include issues related to:
		• *MS Policy Area objectives*
		• *MS Policy Area activities which support the Lab*
		• *PEP feedback (include issues identified in the Quarterly Form Report)*
		• *List any analysis activities completed thus far for each issue*
		• *Describe how each issue will be managed.*
PEP Issues	**Analysis**	*Include emerging critical risks, lean six sigma activities, and a link to the MS Policy Area's critical performance measures in the other noteworthy information section.*
		List significant accomplishments

Other noteworthy items:

Significant Accomplishments:

PMU Overview Template

- Performance Evaluation Plan (PEP) Issues

- Program Development Issues

- Other Issues

- Emerging Critical Risks

Questions?