



**Department of Energy**  
**National Nuclear Security Administration**  
Washington, DC 20585

18 December 09

OFFICE OF THE ADMINISTRATOR

MEMORANDUM FOR DISTRIBUTION

FROM:

THOMAS P. D'AGOSTINO  
ADMINISTRATOR

SUBJECT:

Six-Month Moratorium on NNSA Initiated Assessments

As we continue to move forward on NNSA's Enterprise Re-Engineering and Management Reform initiatives, I am placing a six-month moratorium on NNSA-initiated functional assessments, reviews, evaluations and inspections.

The purpose of the moratorium is to 1) free up resources to be redirected to higher mission direct work; and, 2) to allow NNSA to use available resources to develop an integrated, comprehensive, interdisciplinary oversight approach with an implementing plan consistent with the Secretarial objective to rely more on contractor assurance systems, reduce or eliminate requirements for transactional oversight where not required by law or regulations and rely on rigorous peer reviews. This moratorium is not intended to impact programmatic mission work. It is intended to redirect resources to further our programmatic mission by providing short-term relief to internally generated oversight requirements. This moratorium is in effect from January 1 through June 30, 2010.

Many of you have recently contributed to a call for data related to FY10 planned reviews/assessments. Based on the analysis of the data gathered, there are approximately 118 NNSA-initiated assessments planned for the first half of FY 2010. It should also be noted that of the 118 NNSA assessments, approximately 23 are categorized as "higher risk" by the Program/Functional Offices initiating the reviews. These higher risk reviews support operations and project/program requirements/schedules, such as Operational Readiness Reviews and Technical Independent Project Reviews, necessary for the startup/restart of facilities and they will continue. Thus, the six-month moratorium will apply to approximately 95 "lower risk" reviews identified on the attachment. This attachment also includes a list of the types of reviews that are exempted from the moratorium. The resulting FTE savings is estimated in the 50-70 FTE range.



Thus, by this memorandum and with my approval of the six-month moratorium, I direct the following to occur:

1) Direct Site Office Managers to have their respective contractor leaders accelerate their efforts to mature the Contractor Assurance Systems and make measurable progress by the end of FY 2010. Each Site Office Manager will be responsible to reach agreement with their Laboratory/Plant Director/Manager and document expectations, metrics and final year-end performance ratings consistent with FY10 Contractor Performance Evaluation Plans. NA-10 will provide corporate oversight and integration of site deliverables.

2) Direct the Chair of National Security Enterprise (NSE) Field Council to coordinate the development of a definition for Governance and for expectations and milestones for Contractor Assurance Systems (CAS) by March 15, 2010. The results of this deliverable will be used by NNSA to evaluate the maturity of contractor's CAS and their readiness to move to the KCP model for non-nuclear operations.

3) Direct the Chair of the NSE Field Council to organize an effort to develop an integrated/comprehensive assessment process/plan for NNSA reviews by May 2010 for implementation beginning in FY 2011. This plan will embody the Secretarial and the Administrator's principles of oversight and management reform and take into account lessons learned as a result of this moratorium. This plan will result in cessation of non-value added reviews and focus federal oversight on value-added, higher and/or unique risk operations.

4) Should there be an unanticipated need to conduct a review listed on the attachment, the functional organization managers and Site Office Manager will reach agreement on conduct and timing of the assessments. The agreement will consider impacts and risks to the programmatic mission as highest determining factor. If agreement can not be reached, the matter will be presented to NA-10. NA-10 will reach resolution of conflicts in consultation with the appropriate functional manager.

Should you have questions, please contact Camille Yuan-Soo Hoo at 925-422-2572.

Attachment

cc:

Camille Yuan-Soo Hoo

National Security Enterprise Integration Council Chair/Ted Sherry/Y-12

National Security Enterprise Field Council Chair/Charles McMillan/LANL

## **Summary of Types of Reviews Impacted by Moratorium**

The NNSA six-month assessment moratorium covers only those assessments that are “internal” to NNSA – meaning they are under the control of the NNSA Administrator. This includes all NNSA initiated or internal reviews, assessments, etc. conducted by the Site Office, NNSA-HQ or any other organization within NNSA.

The NNSA assessment moratorium does not cover assessments and reviews conducted by organizations outside of NNSA and these will continue during the moratorium as originally planned. This includes reviews by organizations such as Office of Engineering and Construction Management (OECM), Inspector General (IG), Government Accountability Office (GAO), State and local regulators, other Federal agencies, other DOE offices, Defense Nuclear Facilities Safety Board (DNFSB), contractor corporate parent companies and internal assessments by the M&O contractors.

Most importantly the moratorium does not affect the routine operational awareness that is conducted by Site Office personnel on a daily basis. This includes the operational awareness reviews conducted by Facility Representatives and Safety System Oversight personnel. These individuals are the “eyes and ears” of NNSA at the worksite and their function will not change.

There are still some NNSA internal assessments that will still be conducted during the moratorium. These include activities such as Operational Readiness Reviews and Independent Technical Project Reviews. The Site Office Manager may request assist visits or reviews during the moratorium at their discretion. Additionally Functional Managers at NNSA-HQ may still conduct reviews on a ‘for-cause’ basis with the approval of the Site Office Manager. If there is a difference of opinion regarding the need for these reviews during the moratorium, the Deputy Administrator for Defense Programs (NA-10) will make the final determination in consultation with Site Managers and functional review entity.

Below are examples of the types of NNSA reviews that will and will not be conducted during the moratorium.

### **Examples of Internal NNSA Reviews That Will Not be Conducted During the Moratorium**

The following are examples of the reviews that will not be conducted during the moratorium. This is not intended to be an all inclusive list but a summary of the types of reviews covered by the moratorium.

#### Kansas City Plant

- KCSO Semi-Annual Purchasing Oversight
- NNSA CIO Program Review
- KCSO Transformation Savings
- NA-10 Weapon Quality Assurance Procedures Manual
- NA-17 Contractor Assurance System Assessment

#### Lawrence Livermore National Laboratory

- NA-17 (NNSA HQ) Baseline Validation of CAS

LSO 1<sup>st</sup> Quarter Assessment of LLNL CAS  
LSO 4th Quarter Assessment of LLNL CAS  
NA-1 (CDNS) Nuclear safety review of site office  
NA-52 Review and evaluate NNSA sites' energy and water management baseline data;  
progress-to-date; and plans, strategies and tools for meeting established DOE energy goals  
NA-63 Property System Review

Los Alamos National Laboratory

NA-70 Material Control and Accountability Special Review  
NNSA OCIO Cyber Security Red Team  
NA-1 (CDNS) Nuclear safety review of site office  
NA-52 Review and evaluate NNSA sites' energy and water management baseline data;  
progress-to-date; and plans, strategies and tools for meeting established DOE energy goals  
NA-63 Procurement Management Review

Nevada Test Site

NNSA/NA-17 Review of LO/CAS  
NA-52 Review and evaluate NNSA sites' energy and water management baseline data;  
progress-to-date; and plans, strategies and tools for meeting established DOE energy goals  
NNSA HQ Survey of Site Office Weapon Quality Assurance Program

Pantex

NA-17 Baseline Contractor Assurance System Self Assessment .  
NNSA HQ Certification of FY08 PDRD Costs  
NA-1 (CDNS) Nuclear safety review of site office  
NA-52 Review and evaluate NNSA sites' energy and water management baseline data;  
progress-to-date; and plans, strategies and tools for meeting established DOE energy goals  
NA-63 Property System Review  
NA-10 Weapon Quality Assurance Procedures Manual

Sandia National Laboratory

NA-121 Annual WFO Review  
NA-172.1 Review of management and maintenance practices by Systems Integration Team  
NA-711 Special Access Program Site Assistance Visit  
NA-58 Assist Visit  
NA-17 CAS Assessment  
NA-52 Review and evaluate NNSA sites' energy and water management baseline data;  
progress-to-date; and plans, strategies and tools for meeting established DOE energy goals  
NA-1 (CDNS) Nuclear safety review of site office  
NA-10 Weapon Quality Assurance Procedures Manual

Savannah River Site

NA-1 Cyber Security Program Review  
NA-1 (CDNS) Nuclear safety review of site office  
NA-63 Procurement Management Review

## Y-12

NNSA/Sandia Primary Standards Laboratory Technical Survey of the DOE/NNSA Standards and Calibration Program

NNSA Property Assessment by NNSA SC

NNSA Follow-up to FY 2009 Assessment of SACs

NA-1 (CDNS) Nuclear safety review of site office

NA-52 Review and evaluate NNSA sites' energy and water management baseline data; progress-to-date; and plans, strategies and tools for meeting established DOE energy goals

NA-63 Property System Review

NNSA HQ Survey of Site Office Weapon Quality Assurance Program

## **Examples of Internal NNSA Reviews That Will be Conducted During the Moratorium**

The following are examples of the reviews that will still be conducted during the moratorium. This is not intended to be an all inclusive list but a summary of the types of reviews still conducted during the moratorium.

### Los Alamos National Laboratory

NA-54 RLWTF-UP Technical Independent Project Review (TIPR)

NA-54 RLWTF-UP Independent Cost Estimate (ICE)

NA-54 TA-55 Reinvestment Project, Phase II CD-2A Independent Project Review (IPR)

NA-54 TA-55 Reinvestment Project, Phase II CD-2B Independent Project Review (IPR)

NA-54 Sanitary Effluent Reclamation Facility (SERF) CD-1 IPR

NA-72 GSP Implementation Validation

### Pantex

NA-17 Operational Readiness Review for 12-66

NA-72 GSP Implementation Validation

## Y-12

NNSA HEUMF – Operational Readiness Review

NNSA Independent Project Review CD2/3

NNSA Independent Review of the Planned Space Design for the Uranium Processing Facility

NNSA NFRR Independent Project Review CD-0

NNSA NFRR Independent Project Review CD-1

### General

For cause type reviews/investigations

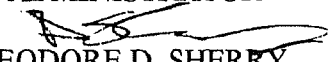
Program Management Reviews (i.e.: budget execution, program effectiveness, etc.)



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MEMORANDUM FOR THE ADMINISTRATOR

FROM:   
THEODORE D. SHERRY  
CHAIR, NATIONAL SECURITY ENTERPRISE  
FIELD COUNCIL

SUBJECT: **ACTION:** Approve Six-Month Moratorium on NNSA  
Initiated Assessments

**BACKGROUND:** As part of NNSA's Enterprise Re-Engineering and Management Reform initiatives, the Governance Board proposed to the NNSA Administrator on September 11, 2009, to place a short-term (six months) moratorium on NNSA initiated functional assessments, reviews, evaluations and inspections. The purpose of the moratorium is to 1) free up resources to be redirected to higher mission direct work and 2) to allow NNSA to use available resources to develop an integrated and comprehensive oversight approach with the objective to leverage contractor assurance systems, streamline multiple assessments, reduce or eliminate requirements for transactional oversight not required by law or regulations, and rely more on rigorous peer reviews.

**DISCUSSION:** During the September 11 meeting, additional information was requested before a decision would be made regarding the proposed moratorium. A data call was issued to the program and functional offices in Headquarters and the Service Center, as well as all NNSA field sites. The call requested information on all assessments performed in FY 2009 and those planned for the first six months of FY 2010. Based on an analysis of data gathered, approximately 118 NNSA initiated assessments are planned for the first half of FY 2010. The analysis estimated that approximately 100 FTE's (Federal and contractor employee) could be freed up to support other mission direct work during a six month moratorium of approximately 118 NNSA assessments. It should also be noted that of the 118 assessments, approximately 23 are categorized as "higher risk" by the program/functional offices. Some of these higher risk reviews support operations and project/program requirements/schedules, such as Operational Readiness Reviews and Technical Independent Project Reviews, necessary for the startup/restart of facilities. Thus higher risk reviews should be exempted from the moratorium. The types of reviews that are applicable to the proposed moratorium are reflected in Attachment 1. Based on these exemptions, there are approximately 95 lower risk reviews included in the moratorium resulting in approximately 50-70 FTE (Federal/Contractor) savings.



Attachment 2 is a memorandum for your signature implementing the moratorium and directs the following:

1) Direct Site Office Managers to have their respective contractor leaders accelerate their efforts to mature the Contractor Assurance Systems and make measurable progress by the end of FY 2010. Each Site Office Manager will be responsible to reach agreement with their Laboratory/Plant Director/Manager and document expectations, metrics and final year-end performance ratings consistent with FY10 Contractor Performance Evaluation Plans. NA-10 will provide corporate oversight and integration of site deliverables.

2) Direct the Chair of National Security Enterprise (NSE) Field Council to coordinate the development of a definition for Governance and for expectations and milestones for Contractor Assurance Systems (CAS) by March 15, 2010. The results of this deliverable will be used by NNSA to evaluate the maturity of contractor's CAS and their readiness to move to the KCP model for non-nuclear operations.

3) Direct the Chair of the NSE Field Council to organize an effort to develop an integrated/comprehensive assessment process/plan for NNSA reviews by May 2010 for implementation beginning in FY 2011. This plan will embody the Secretarial and the Administrator's principles of oversight and management reform and take into account lessons learned as a result of this moratorium. This plan will result in cessation of non-value added reviews and focus federal oversight on value-added, higher and/or unique risk operations.

4) Should there be an unanticipated need to conduct a review listed on Attachment 2, the functional organization managers and Site Office Manager will reach agreement on conduct and timing of the assessments. The agreement will consider impacts and risks to the programmatic mission as highest determining factor. If agreement can not be reached, the matter will be presented to NA-10. NA-10 will reach resolution of conflicts in consultation with the appropriate functional manager.

Finally, this proposed moratorium is in effect from January 1 through June 30, 2010.

**SENSITIVITIES:** This proposed moratorium is not intended to impact programmatic mission work. It is intended to redirect resources to further our programmatic mission by providing short-term relief to internally generated oversight requirements. In addition, this moratorium is limited to those assessments within NNSA's control, and therefore will not impact external audits and reviews (e.g., IG, GAO, DNFSB, etc.).

**POLICY IMPACT:** None.

**URGENCY:** Urgent to continue the momentum of the NNSA Reform Initiatives.

RECOMMENDATION: Approve a six-month Moratorium on NNSA Review via Attachments 1 and 2.

ADMINISTRATOR'S DECISION:

APPROVE: \_\_\_\_\_

DISAPPROVE: \_\_\_\_\_

DATE: \_\_\_\_\_

Attachments