



U.S. DEPARTMENT OF
ENERGY

Office of Science

The Brookhaven Site Office Contractor Assurance Oversight Plan

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**Brookhaven Site Office
Contractor Assurance Oversight Plan**

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1.0 Introduction

This Plan summarizes the Brookhaven Site Office's (BHSO's) assurance oversight activities that provide the BHSO Manager sufficient assurance that mission objectives are met; workers, the public, and the environment are protected; operational, facility, and business systems are effectively and efficiently run; and contract requirements are met at Brookhaven National Laboratory (BNL) in Upton, NY. These activities are conducted under the Contractor's Management and Operating (M&O) contract. The Office of Science (SC) assurance approach relies on a close partnership among Laboratory management, Contractor corporate partners, and the local site office. As such, BHSO leverages the process and outcomes of the Contractor to adjust its assurance oversight function.

BHSO oversight goals include working toward the full development of Contractor Assurance Systems (CAS) at the Laboratory, improvement of the Department of Energy (DOE) performance management processes, development of stronger, more efficient partnerships with the Contractor, and ensuring mission objectives are met. The BHSO Site Manager is responsible to ensure BHSO oversight efforts by each division are in line with DOE goals, are balanced, coordinated, appropriately prioritized, and consider activity risk level and mission impact. To assure success, BHSO contract management and oversight processes are designed to reduce duplicative or burdensome processes that may exist and ensure efforts are prioritized in areas of higher risk and greater mission impact.

Assessment and oversight activities currently planned by BHSO take into consideration that Laboratory assurance systems have been established at BNL but their implementation is not fully mature and requires some attention. The approach incorporates an increasing number of collaborative oversight activities while retaining a degree of independence that is graded to the maturity level of the Contractor's self-assessment processes. BHSO will review the plan periodically and make modifications as necessary as the Laboratory's assurance processes mature.

2.0 Site Office Contract Management

Contract management includes a broad multidisciplinary approach to Contractor oversight and encompasses the technical and administrative responsibilities in managing the Contractor's performance. Contract management involves those activities performed by the entire Contract Management Team (project/program management, technical, legal, contracting and financial officials, federal safeguards and security directors, etc.) after a contract has been awarded to determine how well the Government and the Contractor perform the requirements of the contract.

Contract management includes those task or management actions not specifically called out in the Federal Acquisition Regulations (FAR) but that are necessary to carry out the Government's commitments under the contract. Of

major importance in contract management is the coordination and monitoring of the regulatory, technical, quality, safety, security, and business requirements to ensure that the Contractor performs to the requirements and the terms and conditions of the contract. Such actions are performed by the Contracting Officers, designated Contracting Officer's Representatives, and other Site Office staff.

BHSO Contractor management functions consist of:

- Setting Expectations: Establishing and communicating performance expectations and requirements to guide Contractor planning and conduct of work activities. One of the principal formal means for communicating expectations is through the contract Performance Management and Evaluation Plan (PEMP).
- Monitoring Performance: Monitoring Contractor operations, work activities, and deliverables to ensure that the Department and contract expectations and requirements, and Federal Stewardship responsibilities are met. Federal Stewardship consists of the obligation to maintain and protect Federal assets such as: appropriated funds; buildings, Contractor acquired property, infrastructure, and scientific facilities; intellectual resources; the Contractor and Federal workforce; and the habitat and ecological resources. Federal stewardship also includes ensuring long-term protection of people and the environment.
- Facilitating Performance: Engagement of DOE federal employees with Contractor staff to promote effective and efficient Contractor performance, through providing support, suggestions and guidance.
- Providing Feedback: Developing and communicating performance results from monitoring processes to the Contractor to continuously improve performance.

Within this framework, BHSO conducts oversight of the Laboratory's CAS by monitoring performance as describe in this plan and providing feedback on system effectiveness through existing contract management mechanisms (i.e., quarterly feedback report, management meetings, etc.).

3.0 Approach to Assurance Oversight

DOE establishes the work to be accomplished by the Contractor, identifies applicable operating requirements to be met by the Contractor, and provides program and performance direction. The Contractor shall determine how the program is executed and shall be accountable for performance in accordance with the terms and conditions of the M&O contract. The Contractor utilizes its expertise and ingenuity in determining how the work is to be accomplished in the most effective and efficient manner.

SC's operational principles are as follows:

- Line management is accountable for performance. Contractor and Federal line managers are fully responsible for achieving assigned objectives in a manner that is safe, secure, legally and ethically sound, as well as fiscally responsible.
- Assurance is reasonable, not absolute. The Contractor is accountable for providing *reasonable assurance* to DOE that the Laboratory's system of management controls when properly implemented provides an effective and efficient means of meeting all applicable requirements while accomplishing assigned missions.
- Assurance covers the full scope of Laboratory operations. To provide reasonable assurance, the Contractor must identify, monitor, and address existing and/or emerging risks important to the accomplishment of the Laboratory's mission and contract requirements.
- Assurance is provided by the Contractor. Laboratory management provides performance data to Governance processes, which ultimately provide assurance to DOE.
- Assurance is an outcome, not a process. Provisions of reasonable assurance are the result of properly functioning performance management and Governance processes, not a substitute for the processes themselves.
- Effective Assurance is built on mutual trust between DOE and the Contractor.
- Effective assurance and Governance are necessary for DOE to consider modification of its oversight model.

DOE emphasizes Contractor accountability as a result of implementation of the CAS to achieve improved Contractor performance on the contract. Parent Organization engagement and oversight shall be a key feature of the CAS. Generally, BHSO oversight will focus on evaluating systems and performance rather than transactions. BHSO will determine the level of its assurance oversight of all Contractor activities under the contract. Oversight will focus on the essential outcomes of the following core requirements: (1) meeting the PEMP goals and objectives; (2) meeting schedule; (3) cost management; (4) asset management; and (5) compliance to contract requirements and standards, including environmental, safety, health, security, accounting, human resources, property & project management, and other functional areas.

The CAS is considered effective when: (1) the CAS drives improvements; (2) the CAS self-identifies, corrects, and prevents issues; (3) CAS operational awareness demonstrates effectiveness, which allows BHSO assurance oversight activities to be revised; (4) the CAS uses third parties/independent reviews to demonstrate effectiveness of systems and processes; (5) performance metrics

demonstrate acceptable levels of performance and/or consistent improvement in performance is demonstrated; and (6) a climate of mutual trust, honesty, and accountability are exhibited by all three parties (i.e., DOE, Laboratory management and corporate management). Two elements that are considered instrumental in establishing confidence and trust in the CAS program are: (1) timely and transparent disclosure of conditions, assessment products, and events; and (2) alignment between the BHSO and the Contractor's functional area counterparts and management on the relative risk assignment to program areas.

The Contractor is encouraged to identify and evaluate best commercial standards and best business practices and to continuously pursue cost effective and efficient improvements in contract performance. The Contractor and its parent organization shall provide the functional leadership, core processes and policies, and best practices to be deployed under the contract. The Contractor shall use the private-sector expertise of its parent organization to improve contract performance as appropriate by: (1) maintaining and enhancing strong ties to the Contractor's parent organizations; (2) the exercise of parent accountability over contract operations; and (3) where applicable, maintaining and expanding the application of corporate systems, processes, and human resources to the contract.

The specific requirements for a CAS are contained in the H Clause of the BNL contract.

4.0 Conduct of Assurance Oversight

BHSO utilizes a wide variety of activities to carry out its Federal assurance oversight responsibilities. These include: (1) review and approval of Contractor systems, plans, and other submissions; (2) establishing the annual PEMP and conducting performance evaluations; (3) operational awareness; and (4) formal assessments. This section provides an executive summary of each assurance oversight activity. The relative mix of each oversight activity and the number of each activity performed by BHSO varies from year-to-year and even within a year depending upon Contractor performance, DOE and SC areas of performance emphasis, and other factors. Over time, it is envisioned that as the Contractor's CAS is fully deployed and the systems mature in terms of functionality, effectiveness, and efficiency, BHSO assurance oversight activities will diminish.

BHSO oversight will emphasize a systems based approach, with lesser emphasis on transactional review, and more reliance on the assurance programs of the Contractor and corporate owners as well as external assessments, and BNL internal assessments. The intent is to validate system effectiveness while still conducting all federally mandated oversight and reviews.

4.1 Approval of Contractor Systems, Plans and Other Submissions

BHSO's formal approval of Contractor's systems, plans, and submissions

are required to ensure compliance with laws, executive orders, regulations, policy issuances and procedures, and to protect the government interests. Examples of plans and submissions include, but are not limited to, those in Security, Worker Safety and Health Program Plan, Procurement, Property, Ten-Year Site Infrastructure Plan, Quality Assurance Plan, etc. Depending on the document or system, the BHSO approval might be at the Contracting Officer (CO), Contracting Officer's Representative (COR) or Site Office Manager level. Review and approval of Contractor supplied documents is a major source of information on Contractor systems and performance.

4.2 Performance Evaluation and Management Plan

Prior to each Fiscal Year (FY), BHSO in conjunction with sponsoring program offices and other SC and HQ elements, prepares a PEMP in coordination with the BNL M&O Contractor. The PEMP formally establishes outcome-based mission and overall Laboratory management performance goals, objectives, and notable outcomes. The M&O Contractor's performance is formally evaluated against performance targets set forth in the PEMP as well as other performance indicators. The BHSO, with input from the sponsoring program offices, completes a PEMP evaluation report at the end of each FY. The report is formally presented to the SC Fee Determining Official and staff at SC Headquarters (HQ) for formal fee determination and subsequently forwarded to the Contractor. The BHSO also prepares a quarterly PEMP status evaluation providing a "snapshot" evaluation of the Contractor performance against expectations. The BHSO uses the Contractor's self-assessment, CAS information, internal assessments, BHSO assessments, document review and approval, operational awareness, and independent assessments to prepare the performance evaluation. The Contractor's abilities to self-identify, correct, and improve performance, as well as report assurance information to the BHSO, are high valued and taken into consideration in the evaluation process.

4.3 Operational Awareness

Operational Awareness is the day-to-day interactions between DOE and its Contractors that enable DOE to determine how well the Contractor is performing to meet the requirements of the contract. The BHSO conducts day-to-day oversight that validates BNL self-assessments, third-party assessments, Contractor metrics, benchmarking, etc. BHSO Operational Awareness activities are documented in written logs or notes, minutes from meetings, and entries into an Issues Database. Identified weaknesses are handled by discussion with appropriate levels of management, referral to another BHSO Subject Matter Expert (SME), feedback to the Contractor, technical direction letters, directed corrective actions, and inclusion in the PEMP evaluation remarks. Feedback, whether positive or negative, from BHSO to the Contractor includes a

Contractor Assurance aspect as to the performance of the CAS.

BHSO's Operational Awareness activities include:

- 4.3.1 Oversight of Contractor Internal Assessments and Self-Assessments. BHSO reviews selected Contractor's internal assessments to ensure a thorough and comprehensive self-assessment. Internal audits include accounting, Contractor quality assurance audits, business, project, ES&H reviews, and security self-assessments. Functional areas with weak assessment or continuing program weaknesses, as well as higher risk activities, are appropriately scheduled for additional BHSO review. Whenever possible and feasible, BHSO is invited by the Contractor to participate as an observer to reviews or as a member of the Contractor-led review team.
- 4.3.2 Oversight of Corrective Actions. BHSO periodically selectively reviews the extent and effectiveness of the Contractor's corrective action system in responding to internal (self-assessments) or external assessments (third-party or federal oversight). The BHSO has access to the Contractor's Action Tracking System. BHSO's focus is less on validating and verifying a particular corrective action was completed, and is more focused on whether or not the corrective action(s) effectively and efficiently addressed the root cause of the issue/problem/concern. BHSO also observes and provided feedback to the Laboratory on causal analysis and corrective action development.
- 4.3.3 Walkthroughs. Walkthroughs are a key component of BHSO's operational awareness activities and oversight program. Observations are captured in the BHSO Issues Database and are analyzed for trends on a quarterly basis. The results of this analysis are incorporated in to the PEMP feedback provided to the Contractor.
- 4.3.4 External Assessment. Where appropriate, the site Contractor is expected to utilize national standards that can be validated by recognized authorities. BHSO works with the Contractor and corporate owners to ensure that corporate and third party independent reviews are scheduled and conducted in accordance with CAS to verify program effectiveness and to identify needed improvements. Contractor arranged third-party assessments are evaluated for value and depth of coverage. The BHSO reviews corrective actions generated from third-party assessment as well as from SC and DOE sponsored oversight to ensure timely and effective implementation. Effective valid third-party assessments are not duplicated. Additional BHSO reviews focus on areas under assessed and where uncorrected weaknesses are observed.

4.3.5 Issue Management. Both BHSO and BNL have individually developed and implemented databases for collecting assessment information and observations of operational performance. Both databases can be accessed by the BHSO. The BHSO Issues Database is used primarily to track the results of BHSO operational awareness activities and assessments (see BHSO-ADM-24). This database captures both positive and negative observations.

4.3.6 Meetings/Management Review. BHSO management meets twice weekly with Laboratory Management to discuss Contractor performance. Formal management reviews are conducted quarterly as part of the PEMP feedback process. Counterparts may meet on a more or less frequent basis to discuss and address issues pertaining to laboratory performance.

4.4 Formal Assessments

BHSO uses a risk-based assessment approach to perform its oversight function which considers the Contractor's self-assessment processes, third party assessments and day to day operational awareness. Annually BHSO develops an Integrated Assessment Schedule (IAS) which minimizes overlap of assessments, promotes cooperative assessments and addresses high risk areas. The parameters included in the risk based approach vary depending on the functional area.

BHSO assessments and surveillances are performed to verify the adequacy management systems and compliance of M&O Contractor operations with stated requirements. These activities are performed by the BHSO in all functional areas, including Quality Assurance, Budget, Business Management, ES&H, Security, Project Management, and Facilities, as appropriate. Assessments and surveillances are performed in accordance with a formal schedule of assessments and on an as-needed basis. Assessments include facility walk-throughs and work observations by BHSO SMEs and Facility Representatives. The reports issued correspond to the requirements of the particular functional area or program being addressed.

For Cause Reviews are conducted where major weaknesses are identified, or where complex or agency weaknesses might be expected. A team of subject matter experts from the BHSO, the SC Integrated Service Center (ISC), Consolidated Business Center, and the DOE HQ are assembled, as appropriate. The BHSO, in consultation with DOE HQ, develops the scope of the review and the criteria. Each For Cause Review will identify Contractor and, where appropriate, federal weaknesses.

All findings from assessments are reviewed by BHSO. Upon concurrence, the summary report is transmitted to the Contractor. Formal direction is provided by the BHSO, requiring Contractor corrective action on identified

weaknesses. The BHSO monitors corrective action plans and closure for the findings. While BHSO currently approves all corrective action plans and on a graded basis validates closure of Federal findings, the end-state vision is for BHSO to conduct appropriate plan reviews and approvals, and closure validations on an as-needed basis to assure that the Contractor's issues management systems remains strong and responsive to external and internal assessments.

Annually, the BHSO formally reviews the CAS effectiveness determination and Assurance Statement by the Contractor and directs corrective actions where necessary. The Contractor's CAS Description, implementing processes descriptions and work instructions are examined as well as evidence of self-assessment on the CAS. Management Reviews Summaries and Corrective Actions are evaluated for overall management involvement in performance improvement. More frequently, CAS effectiveness determinations are made through BHSO routine operational awareness activities.

5.0 Divisional Oversight Activities

The following provides a summary of division specific oversight activities based on Section 4.0 above.

5.1 Site Manager (SM)

The SM maintains ultimate responsibility for the planning, execution, and quality of BHSO's oversight activities. This includes ensuring oversight plans of each BHSO division are balanced and appropriately take into account mission-relevance, programmatic risk, and long-term cost to the Department. Each division is required to prepare and submit a 3-year assessment plan in support of the SC IAS. The SM is responsible to review the IAS and ensure the planned oversight activities by BHSO at BNL are appropriately aligned with mission priorities and address the highest risk areas.

Some of the key elements of the SM's oversight responsibilities are:

- Approval of the Contractor's CAS
- Communication with and feedback to the Contractor's Leadership Team on emerging issues and on the resolution of long-standing issues
- Interaction with the Contractor's Board Institutional Risk Committees

- Engagement with the Contractor and SC in Annual Laboratory Planning to assure BHSO activities are aligned with mission priorities
- Weekly reports to SC on current high-level BHSO and Contractor activities
- Quarterly reports to the Contractor against the PEMP goals and objectives
- Review and evaluation of the Contractor's self-assessments against PEMP expectations
- Quarterly Operations reports to SC-3 on the Contractor's performance highlights
- Oversight of BHSO's 3-year IAS to assure BHSO efforts are balanced with and reflective of DOE priorities and the quality of the Contractor's self-assessments
- Engagement with SC-3 and Site Managers to drive consistency in implementation of Site Office oversight processes and CAS expectations.

5.2 Operations Management Division (OMD)

OMD implements the BHSO *Environment, Safety, & Health Management (ESH) Plan* ("Plan") for ESH oversight of the Contractor. The Plan follows the guiding principles set forth in DOE Order 226.1A, *Implementation of Department of Energy Oversight Policy* and the *Implementation of Contractor Assurance Processes at SC Laboratories (Malosh, 1/2010)*. The Plan sets the following expectations for all activities conducted at BNL:

- Conduct operations in a safe and environmentally sound manner in order to protect the worker, public health and the environment.
- Compliance with all applicable ESH related federal and state laws, local ordinances, and with contractually agreed upon DOE Orders and Directives.
- Analyze ESH risks associated with Laboratory operations and implement appropriate risk reduction measures.
- Implementation of a CAS.
- Ensure that federal financial resources are being efficiently spent to reduce the greatest amount of imminent and potential risk.

OMD conducts planned and unplanned ESH operational awareness activities to provide a level of confidence that the Contractor is in compliance with DOE expectations and requirements. The selection and depth of review of these activities are based on a risk-based approach. Annually, OMD develops a risk matrix consisting of hazard levels, past performance, future operations/activities, BHSO Issues Database contents, and DOE-wide trends and patterns. The risk matrix also accounts for the Contractor's performance of the CAS's critical functions (Plan, Execute/Perform Work, Assess Performance, and Improve Performance). The risk matrix is updated during the year as needed. The Contractor's programs or functional areas that score higher in the matrix would receive increased attention (e.g., assessments, surveillances, etc.) than lower scored areas. ESH operational awareness activities include activities such as:

- Assessments;
- Surveillances;
- Readiness assessments and operational readiness reviews;
- Observation of Contractor event critiques and investigations;
- Review of Contractor occurrence reports;
- Review of Contractor self-assessment activities;
- Document reviews;
- Meetings; and
- Interviews.

OMD continues to work on improving partnering with the Contractor. The improvement efforts include performing collaborative assessments (i.e., performed by BHSO and Contractor staff) when feasible. Using the collaborative assessment approach enriches the communication pathway between BHSO and the Contractor. Additionally, collaborative assessments provide an opportunity for BHSO to determine the quality of the Contractor's assessment abilities to find and correct deficiencies. BHSO provides feedback to the Contractor on ways to improve assessment quality which, in turn, will improve the Contractor assurance process. Further, collaborative assessments provide a mechanism to increase efficiency for both BHSO and the Contractor by minimizing duplication of effort by performing separate assessments on the same topics. Performing collaborative assessments will require increased BHSO and Contractor involvement and integration in each organizations

assessment planning processes. This integration will provide BHSO additional data on the Contractor's CAS planning efforts and focus; as well as allowing BHSO to provide insight and advice on ways to improve the Contractor's assessment planning techniques.

OMD continues to shift its oversight emphasis more towards the effectiveness of corrective actions associated with higher risk and systemic Contractor issues (i.e., Level 1 Findings). Increasing the emphasis on ensuring the Contractor has developed and implemented adequate Level 1 Finding corrective actions will add value by assuring the corrective action fixes the issue and, most importantly, prevents recurrence. The corrective action effectiveness associates directly with the Contractor assurance improve performance critical functions.

Feedback provided by OMD to the Contractor includes elements describing the quality or level of implementation of the Contractor's assurance system. For example, when OMD identifies findings, feedback (verbal and/or written) will include information as to where the Contractor's assurance system needs improvement to prevent the finding from recurring. The feedback will attempt to use the Contractor's assurance system terminology of critical function parameters. In addition, noteworthy or positive observations concerning the Contractor's assurance system will also be included as feedback, as appropriate.

5.3 Business Management Division (BMD)

BMD within BHSO is specifically responsible for the oversight of the BNL M&O Contractor's business and specific program functions. BMD staff SME's cover a host of areas including accounting, finance, budget, procurement, property, human resources, Work for Others (WFO), technology transfer, cyber security, M&O Prime Contract, utility contracting administration and office administration.

BMD uses a risk-based assessment approach to perform its oversight function which relies on assessments, Contractor's self assessment processes, third party assessments, and day to day operational awareness. BMD develops this risk-based approach by considering specific guidance from the Office of Science Management Systems (SCMS), Office of Management and Budget (OMB), Government regulations (FAR, DEAR, Federal Management Regulations, DOE Directives, Financial Management Handbook), and DOE policy.

Because BMD is multi-faceted, guidance for the conduct of Contractor oversight is varied. While oversight for the procurement system is defined through the Department's Balanced Score Card (BSC) guidance and the Federal Acquisition Regulations, financial system oversight is guided by OMB letters, DOE Directives, and Office of Inspector General coordination. The major systems require certification on a cyclical basis and the various assessments, both internal and external serve as input to

the recertification decision by BHSO. BMD performs various assessments, based on emerging risk issues at the request of BHSO, ISC-CH and HQ personnel, of Contractor systems.

For all BMD activities below, when deficiencies are identified, BMD makes recommendations to the Contractor for improvements. These recommendations also include improvements needed for the CAS.

Financial System Oversight

As required by the Government Management Reform Act of 1994, Federal agencies are required to prepare and maintain audited consolidated financial statements for each FY. In order to formulate an opinion on the Department's financial statements, auditing standards require the Office of Inspector General to obtain certain representations from senior Department of Energy management. As part of this process, BMD requests and assesses representations from the Director of the BNL. BMD creates a Management Representation Letter that is signed by the Brookhaven Site Manager, over areas in which he has knowledge and authority, which is sent to the Director of the SC and to the Department's Chief Financial Officer.

BMD performs an objective assessment of BHSO's and BNL's system of Management control. The process requires BMD to perform a Summary Management Review to provide assurance that the balance of program and administrative functions are performed in an economical and efficient manner consistent with the applicable laws and regulations, and that government assets are safeguarded against potential waste, loss, unauthorized use, or misappropriation. In addition, BMD reviews the Contractor's self-assessment of its management control system and its conformance to applicable DOE requirements. BMD ensures that the Contractor's assessment assertions are accurate and adequately documented. As required by the Federal Managers Financial Integrity Act, BMD creates an Internal Control assurance letter that is signed by the Brookhaven Site Manager and sent to the Deputy Director of Field Operations, SC.

BMD reviews, approves and monitors BNL's Annual Internal Audit Plan. BMD ensures Internal Audit activities provide adequate audit coverage of the Laboratory processes and addresses DOE's issues and concerns. BMD assesses Internal Audit Reports to ensure the objective of the audit was accomplished and recommendations are adequate. BMD verifies recommendations are implemented and closed timely.

BMD is the audit liaison for all external audit and reviews; BMD develops departmental positions on audit findings and recommendations; requests, reviews and approves Contractor corrective action plans and perform effectiveness reviews to ensure that corrective actions mitigate the finding.

Procurement and Property

BMD has the responsibility for approval and oversight of the Contractor's purchasing and property systems as outlined in federal regulation and DOE guidance. BMD reviews and validates the required BSC self-assessment report annually which provides the results of agreed upon outcome oriented performance objectives and measures. The measures are good indicators of the health of the systems and the report is also used to identify needed corrective actions. Every three years, independent assessments of the Contractor's purchasing and property systems are conducted to evaluate the effectiveness of the systems. The results of those external reviews are used by BHSO as input for the recertification decision.

American Reinvestment and Recovery Act (ARRA)

BMD provides day to day oversight to administer the Recovery Act programs. BMD creates procedures and performs compliance reviews to ensure BNL compliance with federal regulations. BMD certifies and approves BNL quarterly reports on federalreporting.gov.

Work for Others (WFO)

BHSO serves as the Program Manager for the WFO program. DOE Directive 481.1C (and the accompanying Manual 481.1, Guide 481.1 and Pricing Order), delineates the transactional and system obligations of BHSO. The program is highly regulated and prescriptive regarding the Department's oversight expectations. BHSO is integral in the transactional processing of WFO work, reviews the M&O's annual self-assessment, approves the M&O's policies and procedures and prepares annual reports for both the SC and the Office of Management and Administration.

Cyber Security

BHSO oversight of cyber security is highly regulated through DOE Directives and DOE Policy. BHSO performs system assessments which rely on operational awareness and M&O submitted self-assessments. Based on the results of the assessments and awareness activities, BHSO provides system approvals that remain in effect for some defined period of time.

Human Resources

BHSO Oversight of Human Resources is highly regulated through DOE Directives and DOE Policy. BHSO performs system assessments which rely on operational awareness, transactional approvals and M&O submitted self assessments. Based on the results of the assessments and awareness activities, BHSO provides system approvals that remain in effect for some defined period of time.

5.4 Project Management Division (PMD)

PMD performs oversight of projects and assigned programs such as those associated with Real Property Asset Management (DOE Order 430.1B) and Energy Management (DOE Order 430.2B implementation).

For projects over a certain dollar threshold (currently \$20M but a higher value is proposed in the current draft of the updated Order), federal management and oversight responsibilities are contained in DOE Order 413.3A, *Program and Project Management for the Acquisition of Capital Assets*, and in a series of guides on specific topical areas. The requirements of the order are applied to projects of greater than \$10M and less than \$20M on a graded approach based on SCMS and the HQ program expectations and practices.

Project specific management and oversight requirements are detailed in the approved Project Execution Plan (PEP) and consider the complexity and dollar value of the project. The PEP specifies the parameters of the project deliverables in terms of scope, cost, schedule and Key Performance Parameters (KPP's) and roles and responsibilities of the various project participants. The Federal Project Director within PMD is responsible for leading the Integrated Project Team (IPT) of federal and Contractor staff, setting the Department's expectations in coordination with the HQ program; providing performance feedback both via the PEMP processes and through routine project communications; and facilitating performance by ensuring that federal responsibilities are timely and appropriately performed. The Federal Project Director is expected to partner with Contractor staff to ensure successful project execution. Contractor performance on Science Laboratories Infrastructure (SLI) projects are provided directly through the Goal 7 evaluation while feedback on the science program projects is provided to HQ for inclusion in the Goal 2 evaluations.

The PEP also specifies the management systems that will be used by DOE to oversee the project and assure the deliverable parameters are achieved. For projects with a Total Project Cost (TPC) of greater than \$20M, the Contractor's Earned Value Management System (EVMS) is used to monitor and formally report progress to DOE on a monthly basis. Other methods for communicating progress and feedback include IPT meetings, calls with the program office, monthly meetings, quarterly project reviews with the Acquisition Executive, and meetings associated with PEMP Goal 7 oversight.

Various peer reviews, depending upon the project size, are performed throughout the life of the project to evaluate performance. These reviews are organized and lead by the SC Office of Project Assessment for projects over \$20M. For projects under \$20M, these reviews can be organized by program office or site office. DOE Order 413.3A provides specific hold points, or Critical Decisions (CD's), where projects are

reviewed, and it is determined by the Acquisition Executive (AE) whether or not the project will move forward. At a minimum, independent project reviews are performed in support of the CD approvals however may be more often depending upon the complexity and value of the project. For example, the SC Office of Basic Energy Sciences (BES) tasks the SC Office of Project Assessment to perform a formal project status review at least annually on the NSLS-II, which has a TPC of \$912M. Projects are also evaluated during science program reviews.

DOE requirements for facilities, real property and infrastructure management are outlined in DOE Order 430.1B, *Real Property Asset Management*. The objective of this Order is to establish a corporate, holistic, and performance-based approach to real property life-cycle asset management. PMD oversight and assurance activities include:

- Conducting oversight of the implementation of the Mission Readiness approach, annual Ten Year Site Plan (TYSP) preparation, and the associated risk ranking process (i.e. the Contractor's Project, Planning, Programming and Budgeting Process (3PBP)). The TYSP is integrated into the BNL Annual Laboratory Plan. Note: An independent Peer Review on BNL's implementation was conducted in FY 2009 and was very successful.
- Coordinating BHSO's participation on the various committees that implement the 3PBP. BHSO also participates on BNL's Master Site Master Planning Committee.
- Ensuring that Facility Information Management System (FIMS) data is accurate by conducting the annual FIMS Validation. This activity is performed by the Chicago (CH) ISC for BHSO.
- Reviewing and certifying the annual Active Facilities Data Collection System (AFDCS) data collection.
- Conducting oversight of the Maintenance and Deferred Maintenance program and expenditure reporting.
- Coordinating the authorization and certification of the Institutional General Plant Project (IGPP) Program and overseeing implementation.
- Oversight of excess facilities to ensure that real property is appropriately dispositioned; that contaminated facilities are stabilized, monitored and maintained; and that the transfer to the Office of Environmental Management is facilitated.

PMD performs oversight of the Energy Management Program and implementation of the Transformational Energy Action Management (TEAM) initiative required by Executive Order 13423 and DOE Order 430.2B, *Departmental Energy, Renewable Energy and Transportation Management* and implementation of the new Executive Order 13514, *Federal Leadership in Environmental, Energy, and Economic Performance*. In FY 2011, PMD will oversee the implementation of the new Utility Energy Savings Contract (UESC) in coordination with BMD and the Contractor.

Other PMD oversight required by the Executive and DOE Orders include:

- Contractor preparation and BHSO approval of the annual Exclusion Self-Certification Report which lists buildings that are excluded from certain Order requirements for submittal to Federal Energy Management Program (FEMP).
- Assessing Contractor performance against the Executable Plan implementation and including a notable outcome for the FY 2011 PEMP in accordance with the Strategic Sustainability Performance Plan requirements.
- Contractor preparation of and submittal of the annual energy management plan/report to FEMP.
- Ensuring that projects incorporate sustainable design elements as appropriate such as implementing the Guiding Principles of the Executive Order and attaining U.S. Green Building Council LEED Gold Certification for new construction.

For all PMD activities above, when deficiencies are identified, PMD makes recommendations to the Contractor for improvements. These recommendations also include improvements needed for the CAS.

5.5 Environmental Management (EM) Project Division

EM has seven Full-Time Employee's (FTE's) at BHSO to manage its work scope under the M&O contract at BNL. EM scope involves Decontamination & Decommissioning (D&D) of the High Flux Beam Reactor and the Brookhaven Graphite Research Reactor as well as environmental remediation work to accomplish site completion in FY 2011 and transfer of Long Term Stewardship activities to SC. The EM Federal Project Director reports directly to EM HQ but integrates his oversight of the BNL EM with the Site Office Manager and SC-BHSO personnel. EM project (e.g., cost and schedule) performance is evaluated as part of PEMP Goal 7 using the processes described in the PMD and OMD sections tailored to the programmatic needs of EM. Significant management and ES&H issues can also be evaluated as part of Goals 4 and 5. SC, EM, Contractor management and staff personnel coordinate

and resolve issues, involving site completion and transition via the Site Transition Team, which meets monthly.

EM performs similar oversight activities as OMD by implementing the EM-BHSO Oversight Plan which incorporates the same responsibilities delineated in the *Environment, Safety, & Health Management (ESH) Plan* ("Plan") for ESH oversight of the Contractor. The Plan follows the guiding principles set forth in DOE Order 226.1A, *Implementation of Department of Energy Oversight Policy*. The Plan sets the following expectations for all activities conducted at BNL:

- Conduct EM operations in a safe and environmentally sound manner in order to protect the worker, public health and the environment.
- Compliance with all applicable ESH related federal and state laws, local ordinances, and with contractually agreed upon DOE Orders and Directives.
- Analyze ESH risks associated with Laboratory operations and implement appropriate risk reduction measures.
- Implementation of a CAS.
- Ensure that Federal financial resources are being efficiently spent to reduce the greatest amount of imminent and potential risk.

EM conducts planned and unplanned ESH operational awareness activities to provide a level of confidence that the Contractor is in compliance with DOE expectations and requirements. The selection and depth of review of these activities are based on a risk-based approach. The risks are identified in the projects risk registry and work packages for each activity. EM operational awareness includes activities such as:

- Assessments;
- Surveillances;
- Readiness assessments and operational readiness reviews;
- Observation of Contractor event critiques and investigations;
- Review of Contractor occurrence reports and Condition Reports;
- Review of Contractor self-assessment activities;
- Review and participation in Contractor assessments;

- Document reviews;
- Meetings; and
- Interviews.

EM BHSO also performs project oversight associated with DOE Orders 430.1B (Real Property Asset Management) and DOE Order 413.3A, (Program and Project Management for the Acquisition of Capital Assets).

Project specific management and oversight requirements are detailed in the approved PEP and EM BHSO Oversight Plan. The PEP specifies the parameters of the project deliverables in terms of scope, cost, schedule and roles and responsibilities of the various project participants. The Federal Project Director within EM is responsible for leading the IPT of federal and Contractor staff, working within the Department's expectations in coordination with the HQ program; provides EM assessment of Contractor performance in the PEMP processes through routine project communications; and facilitating performance by ensuring that federal responsibilities are timely and appropriately performed.

The PEP also specifies the management systems that will be used by DOE to oversee the project and assure the deliverable parameters are achieved. The Contractor's EVMS is used to monitor and formally report progress to DOE on a monthly basis. Other methods for communicating progress and feedback include IPT meetings, calls with the program office, monthly meetings, quarterly project reviews with the Acquisition Executive.

DOE requirements for facilities, real property and infrastructure management are outlined in DOE Order 430.1B, *Real Property Asset Management*. The objective of this Order is to establish a corporate, holistic, and performance-based approach to real property life-cycle asset management. Oversight of EM Project facilities is performed to ensure that real property is appropriately dispositioned and that contaminated facilities are stabilized, monitored and maintained; and that the transfer to SC is facilitated.