Department of Energy
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MEMORANDUM FOR: DISTRIBUTION

FROM: GEORGE MALOSH
DEPUTY DIRECTOR FOR FIELD OPERATIONS
OFFICE OF SCIENCE

SUBJECT: Annual Planning: Fiscal Year (FY) 2009 DDFO Goals, Objectives, Oversight Plan, and Guidance for Annual Performance Plans and Assessment Reports

Annual Performance Plans (APPs) and Assessment Reports (AARs) are essential elements of the Office of Science (SC) integrated management approach for performance and accountability in all aspects of SC operations reporting to the Deputy Director for Operations (DDFO). APPs and AARs are also key components in the implementation of the SC Integrated Safety Management System. Each Addressee to this memorandum is expected to develop a plan and report specific to the needs and goals of his/her organization and in support of the DDFO FY09 Performance Goals and Objectives listed below in Section I.A. The FY09 APP is due on October 15, 2008 and the FY08 AAR is due on November 15, 2008.

The objectives of the Annual Performance Plans are as follows:

- Establish clear performance goals, objectives and measures for each organization including those that address the DDFO's expectations for FY09;
- Communicate organizational goals and expectations to employees and provide linkages to individual performance plans;
- Communicate organizational planning priorities to headquarters;
- Create a basis for strengthening and evaluating performance, conducting self-assessments, and achieving continuous improvement; and
- Create the basis for the Annual Assessment Report.

This memorandum communicates the DDFO's FY09 performance goals, objectives, and oversight program focus areas and provides this year's guidance for APPs and AARs. With some changes, the general format and tools designed for the FY08 planning and assessment cycles will continue to be used for FY09.

I. Deputy Director for Operation's FY09 Organizational Performance Goals & Oversight Program

A. FY09 Performance Goals & Objectives

In FY09, the DDFO organization will continue to work toward the five high-level goals which we have used to focus our efforts since FY07. As in FY08, specific objectives within these goals have been set at the Organizational level. Each HQ and Field organizational element should determine which goals are applicable to its operation and how its organization can most effectively contribute to those goals. This should be included in Section 1 of your APP.

1. Improve our Operation

    a) Complete implementation of SCMS by 12/31/08.

    b) Improve selected areas in SCMS
        i. Human Resources
        ii. Budget and Finance

    c) Update SC-3 Staffing Analysis

    d) Create and fund a staff development and succession planning program

    e) Prepare for SC wide ISO 9001 Certification by piloting this activity through Certification of the ISC

    f) Transfer ownership of select Management Systems/Subject Areas to SC HQ elements and complete any necessary revisions to SCMS

    g) Reduce the SC-3 cost of doing business

2. Improve our Laboratories

    a) Sustain the investment in Laboratory infrastructure through continued SLI progress

    b) Implement the Mission Readiness Model at all of our Laboratories

    c) Hold Labs accountable for meeting the EO goals.

    d) Control/reduce of the cost of doing business at our Laboratories

e) Work to bring increased consistency to the decisions we make with respect to each lab, and in the context of all labs in the area of Human Resources. Subjects include:

   i. Pensions and Benefits
   ii. Workforce Restructuring
   iii. Contractor Compensation and Key Personnel
   iv. Contractor personnel in the DC area and costs of contractor operations in DC

f) Build a requirements-based Safeguards & Security budget.

3. Bring Order to Chaos

   a) Develop a set of Integrated Management Principles and a plan to incorporate these principles into SCMS.

   b) Implement and strengthen SCMS Requirements Management processes to ensure disciplined implementation of Order 251.1C.

4. Help our Laboratories be Successful

   a) Improve contractor assurance systems.

   b) Gain a better understanding of contractor safety performance and drive improvement through the implementation of periodic SC-wide safety evaluations.

   c) Continue improvements to the Annual Laboratory Plans by establishing a formal feedback loop.

5. Evaluate our Contractors Fairly

   a) Implement PEMP process improvements that will provide us a better understanding of our Goals and Objectives, strengthen our evaluation process and enhance interactions among all SC organizations.

B. SC-DDFO Oversight Program & Assessment Plan

The SC-DDFO Oversight Program focuses primarily on federal operations in the SC-DDFO organizational elements but also includes components to evaluate our effectiveness in contractor oversight. The program for DOE Headquarters line management oversight processes includes an SC-DDFO plan for management assessments, section 2.b), that flows from requirements described in DOE Order 226.1 and the implementing procedures in SCMS. Specific details on these assessments will be transmitted in a separate memorandum.

The elements of the SC-DDFO Oversight Program for FY09 are provided below.

2. Setting Expectations

    a) FY09 DDFO organizational goals and objectives have been established and were communicated in the previous section of this guidance document.

    b) The Annual Performance Plans by each SC-DDFO organizational element translate DDFO goals and organization specific goals into measurable objectives and targets. The DDFO reviews these plans to ensure that the organization's planning is adequate to meet SC mission needs for that fiscal year.

    c) SC-DDFO involvement in the contractor PEMP process ensures consistency in the performance expectations we set for our contractors.

    d) Management expectations for DDFO field managers and headquarters office directors are set through formal performance plans.

3. Oversight Program

    a) Awareness

        i. Monitoring the Integrated Assessment Schedule
        ii. Participation of SC-3 HQ elements in selected field assessments
        iii. Quarterly Safety Evaluations
        iv. Routine communication with & feedback to SC-3 managers
        v. Notification of events and corrective action response

b) Assessment

i. DDFO Management Assessments for FY09 will focus primarily on elements of SCMS in order to evaluate SCMS implementation across SC-3. Tentative areas for assessment are:

- Implementation of the Accelerator Safety Order
- Implementation of SCMS in a some Organizational Elements
- Service Contracting
- Nuclear Safety – specific subject(s)/site(s) – TBD

4. Feedback and Continuous Improvement

a) Annual Assessment Reports are written by each SC element reporting to the DDFO. These document organizational self-assessments against pre-determined criteria and the organization's annual goals.

b) Periodic DDFO Organizational Meetings with structured agendas focus on issue identification and organizational improvement.

c) Formal performance feedback is provided to DDFO direct reports through the mid-year and annual Performance Evaluations.

II. Guidance for the Annual Performance Plan & Annual Assessment Report:

A. All SC-3 Organizations are required to submit an FY09 APP. APPs should be linked to the DDFO FY09 objectives where applicable. FY09 Plans are due to SC-3 by October 15, 2008. Please send your plans electronically to the Deputy DDFO and Field Coordinator. I encourage you to copy your colleagues, both here in Headquarters and in the Field on your submittal.

B. The Plans will be divided into three sections. The first section will identify your specific measures and targets associated with the SC-3 FY 2009 objectives. This section should be formatted in accordance with the attached template. It is recognized that you may not have a measure for every SC-3 objective and you may have additional measures that do not line up with a specific objective.

C. The second section of the APP will comprise those additional objectives, measures and targets that are specific to your organization and do not fall within any SC-3 FY09 Objective.

D. The third section of the Plan will be your FY09 Oversight Plan. Each organization reporting to the DDFO will develop a plan. The plan should cover all areas of SC-3 responsibility. Plans will consist of the following:

1. For all organizational elements, include a description of the processes and activities used to assess yourself and ensure that you are meeting the expectations for your organization. This would include formal assessments that would be reflected in the Integrated Assessment Schedule (IAS).

2. For the ISC and HQ elements this would include ensuring that the oversight support needs for those elements receiving support are being met.

3. For organizational elements involved in contractor oversight, include a description of your contractor oversight plan. The plan should cover and integrate all of your contractor oversight activities with your contractor's assurance system activities. Specifically, the plan should include the following elements: day-to-day operational awareness activities, issues management, Integrated Assessment Schedule (IAS) activities and the development and evaluation of the PEMP. Include descriptions of your oversight data collection and feedback mechanisms.

E. Your FY09 IAS should be included as an attachment to the APP

1. FY 2008 Annual Assessment Report

The Annual Assessment Report (AAR) provides an assessment of each organization's performance against objectives outlined in the Annual Performance Plan. Your AAR should identify any noteworthy accomplishments or results, challenges, and/or major concerns as well as actions taken to mitigate vulnerabilities or improve performance. In addition, your AAR should include your support to SC initiatives, participation in SCMS development, and support provided to SC-HQ, SC Field Elements, and other SC Offices. You should also use this information to support performance evaluations for your staff.

- Please include your Field Office Annual ISM declarations as an attachment to your AAR. The Field Office Annual ISM Declaration includes the evaluation of the Field Office and the status of your contractor's (if applicable) ISM Program. (i.e., date of last contractor declaration, date and method of DOE verification, FY09 schedule for contractor declaration and DOE verification)

The AAR for FY08 should be provided to this office no later than November 15, 2008.

APP Section I Template

NOTE: Measures and Targets are provided as examples and are not suggestions for inclusion in your plans. Measures and Targets may be formatted in the style that works for you (i.e., as shown below; or as a table identifying specific measure owner).

1.a. Complete full implementation of SCMS and initiate continuous improvement activities.

Measure:
Demonstrate full compliance with SCMS by 1/1/09.

Target:
Complete a gap analysis of SCMS requirements with site office procedures and processes by 10/15/08.

Target:
Amend site office procedures to incorporate identified SCMS requirement gaps by 12/20/08.

Target:
Perform an effectiveness review to assess compliance performance with SCMS and to identify potential SCMS improvements by 8/30/09.

1.b. Initiate an enhanced SC-3 Staffing Analysis and Development Plan that incorporates succession planning.

Measure:
Implement improvements in staff development

Target:
Complete an FY09 Training Plan by 10/30/08.

1.c. Explore SC-3 wide ISO 9001 Certification through an FY09 ISC Pilot

No Measures/Targets for this Objective

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