

# Evolving the Enterprise: the Enhanced Mission Delivery Initiative

February 2023



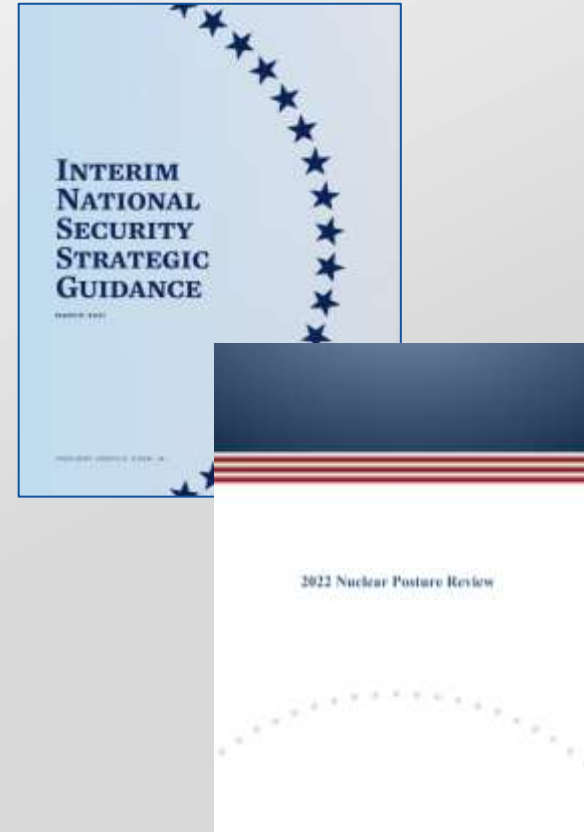
# Starting Point

INNOVATE. COLLABORATE. DELIVER.

- NNSA is central to delivering on the goals of the 2022 Nuclear Posture Review (NPR).
- NNSA is being asked to do more now than in the last 30 years:

Then	Now
1 LEP / 2 major construction projects	5 LEP / 6 major construction projects
Stable workforce for decades	Recruitment/retention are immediate problems
Sufficient funding versus sufficient time	
Infrastructure improvements needed throughout the enterprise	

- Our workforce (federal and M&O) is motivated and committed to the mission.
- Ensure the right tools and environment exist so we can deliver the national security objectives.



# Enhanced Mission Delivery Initiative (EMDI)

INNOVATE. COLLABORATE. DELIVER.

- In January 2022, the NNSA Administrator established a team to conduct a review on what's causing “friction in the system” and recommendations to evolve the nuclear security enterprise to better deliver its national and global security missions.
  - The team consisted of three senior executive and two senior procurement professionals.
  - Includes contracts, governance, policies, processes, and culture.
- Based on past external reviews and ~250 interviews of senior leaders and experts (federal, management & operating [M&O] leaders, and subject matter experts; Department of Defense)
- Report completed in September 2022 with nearly two dozen recommendations
  - Recommendations limited to actions NNSA can carry out under existing departmental authorities

**The challenges facing the enterprise are not “us versus them.”  
They are “us versus the challenges.”**

- First: Know what we know – reviewed major external assessments and reviews to determine common issues/themes that may remain.
- Second: Bin the major issues and develop a structured set of questions for experts to be asked uniformly
- Third: Site and Headquarters senior leaders and subject matter expert groups identified.
- Fourth: Data gathering - Site, HQ, and external interviews (February – June 2022)
- Fifth: Report Drafting – shared with key interviewees (July – August 2022)
- Sixth: Outreach, messaging, listening and task organizing – internal (September – October 2022)
- Seventh: Outreach, messaging and listening – external (November 2022 to present)
  - Initial Hill briefings were completed in January 2023.

# EMDI: Major Overarching Recommendations

INNOVATE. COLLABORATE. DELIVER.

## GOAL

## Recommendation

### Restore Stability

The FFRDC and M&O model was designed to sustain a long term and special relationship with the government. The contracting practice of “Five + One(s)” undermines this long-term relationship. Additionally, award fees are not a motivator for the workforce and should be dramatically reduced or eliminated.

To address destabilizing retention issues, NNSA should reduce controls of the M&O direct and indirect compensation, to allow greater latitude of the M&Os to recruit, manage, and retain the expert workforce.

### Risk Management vs. Aversion

Risk aversion has permeated both the federal and M&O structures. NNSA should lead a detailed review to clarify roles, responsibilities, and risk management with the goal of delegating such risk acceptance back to the Field Office Manager and the M&O. M&Os should also conduct such a delegation review.

### Priority Alignment

As part of the PEMP process, NNSA should deconflict program office priorities and better align to overarching NNSA mission priorities. The PEMP should be shared with the M&O partners before finalization to resolve known prioritization and resource conflicts. Cross site dependencies should be considered.

### Realign Roles and Responsibilities

Demographic changes and risk aversion have led to challenges in the relationship between the federal managers and the M&O workforce. While understandable, NNSA and M&O leadership should assess how to rebalance roles and processes between the federal and the M&O workforces.

### Recapitalize ST&E for Future National Security Challenges

Current planning and recapitalization efforts are focused on sustaining the current stockpile production goals. The underpinning ST&E infrastructure will need to be recapitalized to deliver the science and predictive capabilities needed for emerging and future nuclear deterrent needs and national security challenges.

- NNSA is working to address obstacles across the nuclear security enterprise that gave rise to these recommendations.
- NNSA is establishing integrated teams (HQ, field, federal, and M&O personnel) and developing plans to analyze and implement the recommendations.
- NNSA is hosting senior leadership-led workshops to disseminate information on EMDI, its recommendations, and next step regarding the implementation plans to the workforce.

# Specific Recommendations and Status

INNOVATE. COLLABORATE. DELIVER.

	Recommendation	Started?
1	<i>Develop a plan to discontinue the award fee contracting model, returning to intent of the FFRDC concept</i>	✓
2	<i>Transition all M&amp;O contracts ... to a five-year base option with at least one performance-based five-year extension</i>	✓
3	<i>Review the existing NNSA M&amp;O contracts using the Office of Science “Revolutionary Working Group” model to streamline the contracts and gain alignment on the contract scope and requirements</i>	✓
4	<i>Adjust the PEMP development and PER feedback process to be more transparent, allowing for meaningful feedback prior to finalization</i>	✓
5	<i>Reduce or remove internal controls governing M&amp;O employee direct and variable compensation and allow the M&amp;O to manage their workforce within a given budget</i>	✓
6	<i>Improve and modernize workforce offices, light laboratory, and light industrial spaces</i>	✓
7	<i>Develop a common plan to allow M&amp;O annuitants and retirees to be compensated fairly for post-retirement service that contributes to the delivery of the primary NNSA missions. Identify legal risks, internal M&amp;O policies, and any DOE/NNSA policies that restrict direct service of annuitants/retirees to the M&amp;O and avenues to address or accept the risk and any necessary policy changes.</i>	

# Specific Recommendations and Status

INNOVATE. COLLABORATE. DELIVER.

	Recommendation	Started?
8a	<i>Review major processes and procedures to reduce complexity and standardize implementation of requirements across sites. Develop the criteria, including the definition of roles and responsibilities, for delegation of approvals from the Headquarters program or functional offices heads to the cognizant Field Office Manager or lower level.</i>	✓
8b	<i>Explore giving M&amp;Os greater approval and decision authority for operations and programmatic execution without a priori federal review</i>	
8c	<i>Where such delegation is not feasible, establish suspense date timelines for approval requests at Headquarters, with the default being request approval at the end of the timeline.</i>	
8d	<i>Implement improvements in how new or changed directives/requirement sets are accepted by NNSA</i>	
9	<i>Developed and enforce a risk-based audit process for contracting actions and procurement packages based on an approved M&amp;O contracting system. Cease package approvals unless audits reveal a systematic issue. Uniformly raise procurement approval thresholds to a standard value, e.g., \$20-25 million, and apply it to subcontracts as well.</i>	✓



# Specific Recommendations and Status

INNOVATE. COLLABORATE. DELIVER.

	Recommendation	Started?
10	<i>Use existing exemption process to waive low risk commercial-like construction from DOE Order 413.3B requirements...Request Congressional approval to raise the threshold for minor construction/general plant projects from \$25 million to \$50 million or \$100 million.</i>	✓
11	<i>Develop improved training for federal and contractor program managers that defines the special FFRDC relationship, identifies the unique role each side plays, and encourages the assessment of risk. Reward risk taking and associated risk management by M&amp;O and federal staff that balances mission, security, safety, and other requirements.</i>	
12	<i>Develop and provide an integrated and prioritized NNSA mission deliverable list across all aspects of the NNSA portfolio to each operating location</i>	✓
13	<i>Rotate or send on regular/extended TDY headquarters program and functional staff with decision authority to the sites to work directly with the field office and M&amp;O workforces</i>	
14	<i>Develop a simplified approval process for IPAs and a financially neutral approach to extended TDY or rotations for M&amp;O employees to encourage effective interaction between HQ and the field expertise</i>	

# Specific Recommendations and Status

INNOVATE. COLLABORATE. DELIVER.

	Recommendation	Started?
15	<i>Rely upon a standard set of schedule and execution data that sites automatically generate and minimize specialized data calls requiring manual manipulation. The number of “Federal only” meetings should be held to a minimum and the M&amp;O technical leads should be incorporated, where possible, to brief directly to internal and external groups</i>	✓
16	<i>Review and reduce process and program controls through a joint HQ, field, and M&amp;O group with the goal of holding the sites accountable for technical execution of the program and incentivize cross-site team work while providing transparency and keeping federal managers informed of emergent issues with major cost and schedule impacts</i>	✓
17	<i>Review and rebalance the DA and PA relationship so there is more equal authority and accountability, including a risk-based process for design and production acceptance. This review should also clarify the technical, engineering, and programmatic integration role between NNSA, SNL, and the rest of the nuclear security enterprise.</i>	✓
18	<i>Develop an integrated strategic plan among NNSA and its M&amp;O partners to revitalize the science, technology, and engineering base</i>	✓