

Recent Successes in Streamlining Contract Management



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U.S. DEPARTMENT OF
ENERGY

Pacific Northwest
Site Office


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NATIONAL LABORATORY

Agenda

- PNSO Roles and Focus and Contract Background
- Success through partnership
- Manage to Requirements
- Monitor Performance
- What's Next



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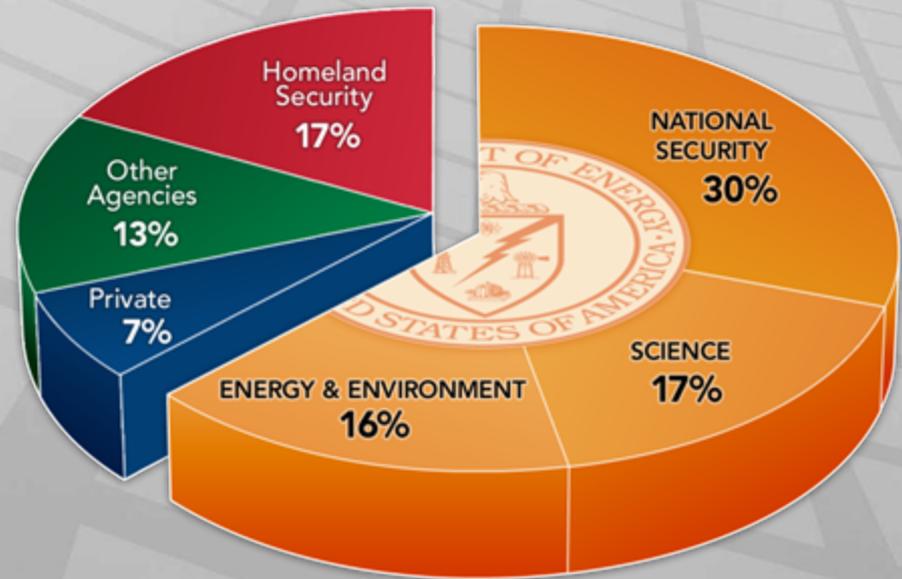

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Pacific Northwest National Laboratory

PNSO Role and Focus

- Ensuring Laboratory Stewardship
- Improving Contract Management
- Partnering with Battelle on initiatives for the future

- 45 year contract with Battelle
- \$1.1 billion in R&D expenditures
 - 63% of funding is from DOE
- More than 4,600 staff, including
 - 2800 technical staff
- 102 Buildings



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Success through Partnership

Laboratory Stewardship Approach

- Facilities, equipment, materials research staff are available – aligned with mission
- Actions today do not compromise ability to meet future needs
- Control administrative burden to maximize mission delivery
- Manage liability



- Disciplined Approach to Contract Management
- Manage to requirements
- Increase accountability through Contractor Assurance
- Risk Sharing
- Deliver on commitments
- Eliminate requirements/transactions that do not add value



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Recent Successes in Streamlining Contract Management

Manage to Contract Requirements

- Created joint process to track contract deliverables
- Reviewed all CO Letters for deliverables and incorporated into the Contract or rescinded if no longer required
- Eliminated requirements/deliverables that did not add value
- Streamlined Processes to eliminate transactions
- Continuously evaluate contract to reduce redundancy, eliminate unnecessary requirements and keep current
- Allow contractor to take risks and hold them accountable for the decisions and outcomes



Recent Successes in Streamlining Contract Management

Monitor PNSO/PNNL Performance

- Completed Contractor Assurance System Peer Review
- 28 out of 230 deliverables eliminated (Self-Evaluation Report)
- 113 transactions eliminated (quarterly reports, LDRD approvals)
- PNSO delivery on commitments
- Target: 30 days/90% on time, Actual: 31.5 days/73% on time
- WAS/WFO (Target: 5 days, Actual: 5.2 days)
- PNNL progress on deliverables (96% on time)



Streamlining Contract Management

What's Next

- Increased DOE and Contractor Accountability through contractor assurance
- Focus behavior on evaluation and acceptance of contract deliverables (Federal role in mission delivery) and deliver on contract commitments in a timely manner
- Identify efficient/effective ways of managing the contract - eliminating unnecessary requirements/transactions/assessments
- Maintain requirements/deliverables in the contract
- Build on performance measurement and monitoring performance



Background Slides



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Deliverables/Transactions Eliminated

(as of July 2010)

Item	Number
DELIVARABLES	
Quarterly Site Services Reports	4
Quarterly Infrastructure Reports	4
Annual Inventory Schedule	1
RPL Authorization Agreement	1
Monthly ILA reports replaced with one annual report	11
Balanced scorecard reporting reduced from quarterly to semi-annual	2
Annual financial management system status report	1
Semi-annual reports on equipment purchases funded by use at facility funds	2
Annual report on types of services provided to LSL II	1
Annual progress report on unneeded materials and chemicals	1
	28
TRANSACTIONS	
Individual notifications for LDRD carryover projects changed to submission of one list (averages 99 project carryovers per year)	98
New approach reduced submission of ILA's	15
	113



Laboratory Stewardship Approach

Principles

- Active partners in assuring laboratory is sustainable to meet future and current needs.
- Relationship between the Contractor, Laboratory Leadership Team, and Site Office is well understood by all parties.
- The contract adequately establishes expectations for stewardship of the laboratory by the Contractor, both locally and by the corporate parent.
- The Contractor and the Laboratory's Leadership Team have the ability and methods to meet contract expectations.
- Through sound partnership and transparent processes, DOE/Site Office have insight into results of the contractor's and Laboratory's Leadership Team's efforts



Laboratory Stewardship Approach

Outcomes

- Potential for government liability created by laboratory activities is well understood and managed to ensure continued program sponsorship and viability of the Laboratory.
- Actions taken by DOE/Site Office and Contractor meet the needs of the present without compromising the ability to meet future needs
- Administrative burden (costs) borne by current and future mission activities are controlled to maximize mission delivery (institutional liability)
- Laboratory resources (research staff, facilities, equipment, materials) are properly utilized, developed, renewed and enhanced to respond to national scientific needs.



Laboratory Stewardship Approach

Government Role

- Advocate for the Laboratory's mission outcomes and contributions to SC and other customers
- Confirm results of contractor and corporate parent stewardship efforts
- Provide resources to ensure government commitments are met
- Compare contractor performance to expected outcomes
- Work with contractor to improve performance
- Manage government liability created by Laboratory activities

