

**SECTION J – ATTACHMENT E**

**OFFICE OF ENVIRONMENTAL MANAGEMENT FY15/FY16 PERFORMANCE  
AGREEMENT**

# FY15/FY16 Performance Agreement

## Office of Environmental Management



U.S. Department of Energy  
Office of Environmental Management  
7/17/2015

## **Office of Environmental Management FY15/16 Performance Agreement**

The mission of the Office of Environmental Management (EM) is to complete the safe cleanup of the environmental legacy brought about by five decades of nuclear weapons development and government-sponsored nuclear energy research. In FY15/FY16, EM will focus efforts on becoming a more efficient and effective organization as detailed by the following goals and commitments of this FY15/FY16 Performance Agreement.

This Performance Agreement is the commitment by the EM leadership team to organizational improvements that will help us advance our mission in the most safe, efficient and effective manner possible.

### **Goals/Measuring Progress**

EM's primary responsibility is the safe cleanup of the environmental legacy of research and materials production by the Department of Energy (DOE) and its predecessor agencies for which Congress established the EM Program. Programmatic success will be measured by *what* is accomplished (i.e., the number of sites restored, quantities of waste treated and disposed of, number of waste storage tanks closed, amounts of soil and groundwater remediated, etc.). However, overall success will also be measured by *how* the program is managed (i.e., through critical management goals such as improvement of the safety and organizational culture, increasing overall efficiency with improved performance, achieving results from programs and projects and a focus on organizational excellence). The former is primarily captured in individual performance plans of the EM Field Managers and Deputy Assistant Secretaries and should cascade through employee performance plans throughout the organization. The latter is primarily the subject of this Performance Agreement, where broad programmatic goals are outlined as well as their supporting objectives. A review of the status of these objectives will be conducted throughout the fiscal year to ensure the organization is on-track to meet these higher level goals. Further, all EM personnel are challenged to develop and maintain a "product/outcome-oriented" mindset rather than function in a predominantly "process-oriented" environment.

EM's primary near-term priorities are: resumption of operations at the Waste Isolation Pilot Plant (WIPP); the tank waste clean-up missions at the Hanford site primarily the Secretary's initiative of beginning some treatment as soon as practical; liquid tank waste processing completion at the Idaho site; and the Savannah River tank waste mission primarily in support of the Salt Waste Processing Facility which will enable significant ramp-up of tank waste treatment.

### ***Goal 1: Improve Organizational Culture***

The safety of EM workers is a core value that is incorporated into every aspect of the EM program. To best protect our workers, EM has a goal of zero accidents or incidents in the work place and to date, has maintained a strong safety record. EM has established a strong quality culture and continues to utilize the Integrated Safety Management System to ensure that all work activities are appropriately scoped, analyzed for hazards, comprehensively planned to eliminate or mitigate those hazards, and effectively performed by trained employees. In addition, EM

follows DOE Order 226.1B; *Implementation of Department of Energy Oversight Policy* that establishes the philosophy that line management is responsible for ensuring safety when work is performed. EM seeks to continue safety improvements through first performing work safely and correctly; however, when necessary, EM will institute corrective actions, promote lessons learned, and develop new or improved processes to address safety concerns/incidents.

#### Objectives

- Complete the development of an EM Safety Culture Sustainment Plan based on input from the field, and implementation activities to address Defense Nuclear Facilities Safety Board (DNFSB) Recommendation 2011-1
- Complete the remaining DNFSB recommendation 2011-1 actions
- Reinvigorate and execute a robust EM Lessons Learned Program, to include findings of the Waste Isolation Pilot Plant (WIPP) Accident Investigation Board (AIB) reports, EM safety culture assessments and other relevant EM program reviews
- Finalize review of deferred maintenance reports and develop a corporate approach to ensuring deferred maintenance of safety-related systems and equipment as part of a larger Departmental effort
- Further the implementation of Safety Conscious Work Environment (SCWE) training to all EM staff; develop and implement ongoing safety culture sustainment actions based on the information from the safety culture extent of condition review and benchmarking data in accordance with DOE's Safety Culture Improvement Implementation Plan
- Develop a transparent relationship with the DNFSB that facilitates expeditious resolution of DNFSB concerns and issues maintaining a level of zero to 20 percent overdue action items resulting from DNFSB letters or recommendations, as identified in the DOE Safety Issues Management System

#### *Goal 2: Increase Efficiency/Improve Performance*

EM will seek opportunities to increase efficiency and improve performance to ensure the maximum cleanup value for every dollar appropriated and invested in the program. EM will also continue to identify opportunities to make strategic investments, including investments in technology development, that reduce the life-cycle cost of the cleanup program while shortening project and program schedules.

#### Objectives

- Complete in-depth analysis of work being performed by EM across the complex for other programs/organizations to ensure full cost recovery
- Complete development of a 5-year planning case to better plan for and utilize appropriated funds to more efficiently execute cleanup
- Work with stakeholders and regulators to identify risk-based priorities and achievable cleanup milestones tied to subsequent budget documents (e.g., Environmental Protection Agency dialogue/summit with regulators)

- Develop common understanding/definition of Operational Costs in the EM Program by July 31, 2015, and develop a plan by September 30, 2015, with a target for reducing overall FY16 EM Program Operational costs by 5%
- Conduct system analyses to implement efficient and integrated liquid waste operations, and to establish long-term strategic plans for tank waste construction, treatment and closure activities
- Develop an integrated optimization plan for different base operations scenarios (facility turnover, surveillance and maintenance, deactivation and demolition) to minimize overall cost and schedule
- Develop a plan to characterize the infrastructure needs, facilities and human capital required to maintain the capabilities of EM's Savannah River National Laboratory. The plan will include strategies to enable the laboratory mission to continue technical support for the EM program and the Nation
- Work with other program offices to document a strategy by July 31, 2015, for establishing a sustainable capability to accomplish the administration's nuclear mission objectives, including capabilities at Idaho and the Savannah River Site to safely store and prepare repatriated nuclear materials for disposition

### *Goal 3: Achieve Program/Project Results*

To ensure that EM delivers the best value for the American taxpayers, the FY16 budget request reflects continued commitment to improve acquisition, contract, and project management. EM will further improve acquisition processes by obtaining early involvement and approvals on various acquisition approaches from DOE senior management, including the Office of Acquisition and Project Management, the Office of the General Counsel, and the Office of Small and Disadvantaged Business Utilization.

#### Objectives

- Building on the Deferred Maintenance initiative, develop capital asset upgrades/replacement priority investment program to enhance operational efficiency and reliability for critical site infrastructure systems:
  - Identify critical site infrastructure systems at field sites to include components, age, design life, and replacement costs
  - Develop prioritization evaluation criteria and funding goals
  - Develop a funding approach for incorporation in the FY18 budget guidance
- Successfully complete at least 90% of capital asset projects at the baseline Total Project Costs and Critical Decision 4 dates, that established their original performance baseline (CD-2) or a first-time revised performance baseline after FY10
- Draft a separate appendix to DOE Order 413.3B; *Program and Project Management for the Acquisition of Capital Assets*, that applies to the management of all EM program scope, except construction line-item projects and takes into consideration the equivalency of the current Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act, and the National Environmental Policy Act requirements

### Goal 4: Organizational Excellence

EM's success will require a sustained commitment to management excellence from Headquarters and every site office. Management principles will be translated into action by focusing on operational and technical excellence. That excellence requires developing the most highly qualified, capable, and flexible federal workforce. Additionally, our management principles require implementation of a performance-based culture that clearly links work to agency goals, holds employees accountable for meeting our mission, and appropriately recognizes employees for their efforts.

#### Objectives

- Implement the plan to improve headquarters/field alignment on program and policy issues and clarify roles and responsibilities
- Establish an Organizational Culture Integrated Project Team to develop and implement strategies to strengthen the EM organization
- Develop a strategy to enhance operational efficiency for headquarters and the field by regularly assessing the number of Headquarters assessments and other activities, and determining if those activities should continue or can be executed more efficiently and effectively
- Identify opportunities to enhance relationships with EM customers and stakeholders and implement improvements through more direct communication and transparent actions

#### EM Assistant Secretary Support

In order to accomplish the goals herein described, EM leadership will *provide visible, high profile support to:*

- Advocate for the resources necessary to achieve these objectives
- Communicate goal achievement and progress periodically through EM Updates, Reports and other media
- Formally recognize superior efforts in achieving goals through incentive awards
- Coordinate with senior Department and private sector officials and advocate for the EM program

## Terms of Agreement

This Agreement is intended to improve the management and performance of the U.S. Department of Energy's Office of Environmental Management. It represents EM's commitment to operate efficiently, effectively, with a primary focus on safety, and fulfills our duties to the American people.

(b) (6)

Acting Assistant Secretary

7/7/2015  
Date

(b) (6)

Associate Principal Deputy Assistant Secretary

7/6/15  
Date

(b) (6)

6/30/2015  
Date

(b) (6)

Manager,  
Carlsbad Field Office

7/1/15  
Date

(b) (6)

7/7/15  
Date

(b) (6)

Manager,  
Consolidated Business Center

6/29/15  
Date

(b) (6)

7/7/15  
Date

(b) (6)

Deputy Manager,  
Idaho Operations Office

6/29/15  
Date

(b) (6)

7/1/15  
Date

Tank Waste & Nuclear Material

(b) (6)

Manager,  
Oak Ridge Office of Environmental Management

Date

(b) (6)

6/30/15  
Date

Deputy Assistant Secretary,  
Waste Management

(b) (6)

Manager,  
Office of River Protection

6/30/15  
Date

(b) (6)

7/6/15  
Date

Deputy Assistant Secretary,  
Safety, Security & Quality Programs

(b) (6)

Portsmouth/Paducah Project Office

7/13/15  
Date

(b) (6)

7/6/2015  
Date

Deputy Assistant Secretary,  
Acquisition & Project Management

(b) (6)

Manager,  
Richland Operations Office

7/1/15  
Date

(b) (6)

7/1/15  
Date

Deputy Assistant Secretary,  
Program Planning & Budget

(b) (6)

Manager,  
Savannah River Site

7/17/15  
Date

(b) (6)

6/30/15  
Date

Deputy Assistant Secretary,  
Human Capital & Corporate Services

(b) (6)

Manager,  
EM Los Alamos Field Office

29 June 2015  
Date