

REPORT: Strategic Planning Impacts

September 30, 2009

Submitted by the EMAB ARRA Implementation and Oversight Subcommittee

Background:

EM plans to use the influx of stimulus funding from the American Recovery and Reinvestment Act (ARRA) to fulfill compliance agreements, complete construction projects, and address the program's lower-tier activities such as decontamination and decommissioning (D&D) and soil and groundwater remediation. Using the ARRA funds to reduce the physical size of the EM complex will also help to lower overall lifecycle costs, create jobs, and allow the program to capitalize on its past successes. Implementation of ARRA is a high-visibility endeavor that has the potential to impact the EM base program's day-to-day operations and processes.

EMAB discussed issues associated with the implementation and oversight of the Recovery Act Program during its public meetings and in teleconferences with EM senior managers. The ARRA Implementation and Oversight Subcommittee members are James Ajello (lead), Paul Dabbar, John Owsley, Willie Preacher, and David Swindle.

Findings and Observations:

In addition to looking for opportunities to reduce the EM footprint – using tools such as analytical building blocks, etc. – EM is looking for transformational changes that will dramatically improve the program's efficiency and operations. The accountability of the ARRA projects and how they will be funded and sequenced is particularly interesting. EM's approach to this effort is very different from its management of the base program. Essentially, funding is being provided on the basis of performance; if a contractor is not performing, funding is redirected somewhere else. Evaluating how this approach impacts EM's strategic planning and contracting practices going forward will be very useful. What are the lessons learned and how can they be applied to future projects in order to increase efficiency and accountability? Successful use of the ARRA funding will strengthen EM's credibility and perhaps help make the argument that its overall base budget should be increased. The ARRA projects can be used as case studies to demonstrate the value of accelerating cleanup. Being able to show how the ARRA funding will impact the base program by reducing long-term costs such as excess facility monitoring and maintenance, will help stakeholders and Congress understand the true value of EM's lifecycle.

EM is currently employing a number of different performance metrics that will be compiled and provided to the subcommittee for review. EM can use the performance measures to document its success and build the program's credibility with stakeholders, the Office of Management and Budget, and Congressional appropriators.

EM has assigned a number of its best employees to manage, execute, and oversee the ARRA work as part of matrixed organizations and through mobility agreements. The EM Recovery Act Program Office consists of an Integrated Project Team comprising individuals from both EM

Headquarters and every site. The shifting of these resources will impact the day-to-day operations of the base program.

Recommendations:

To further aid the Assistant Secretary in her efforts to implement the EM Recovery Act Program and improve EM's strategic planning efforts, the ARRA Implementation and Oversight Subcommittee offers the following recommendations:

Recommendation 2009-11: EM should establish a performance measure for compliance with regulatory agreements with a goal of 100% compliance.

Regulatory agreements are part of EM's annual budget requests. Focusing attention on meeting compliance milestones demonstrates EM's success in meeting the scope, schedule and cost of those activities. This effort will be beneficial in building a business case for the continuation of accelerated cleanup beyond the Recovery Act Program.

Recommendation 2009-12: EM should establish a human capital plan inclusive of both federal and contractor resources that provides for compliance with regulatory agreements.

Regulatory agreements articulate a scope, schedule and level of funding required to complete compliance milestones. A human capital plan that assures personnel resources are available to maintain compliance with existing regulatory agreements will avoid major disruptions in both DOE and contractor workforces. Given that EM has a cleanup program slated for the next couple of decades at their larger sites, planning for a stable work force over the life of the cleanup would be beneficial.

Recommendation 2009-13: The Office of Program Planning and Budget should conduct a review of projects completed under the Recovery Act Program, to benchmark progress against prior planning estimates.

EM has implemented strong strategic planning processes over the last few years, which include the development of verified project baselines. It would be helpful for EM to review project performance under the EM Recovery Program in comparison to the assumptions included in the program's baselines. This review will allow EM to identify best practices that are applicable to future strategic planning efforts.

Recommendation 2009-14: EM should develop and communicate a strategic plan for FY 2011 to address the implications of completing the Recovery Act Program for the continuing base program's operations and personnel.

EM needs to look beyond the Recovery Act Program and communicate its post-ARRA strategy for the base program operations and workforce to the Department's stakeholders and partners. Clear and concise communication of a path forward beyond FY 2011 is especially important with regard to human capital and workforce planning considerations.