

Environmental Management Advisory Board

**Metrics Team Report
Performance Measures**

November 2003



BACKGROUND

- October '02
 - The Assistant Secretary for Environmental Management (EM-1) established a new set of corporate performance measures
 - The new measures are reflected in the EM “Gold Chart.”
- Feb-June '03
 - EMAB reviewed the corporate performance measures strategy.

BACKGROUND (cont'd.)

EMAB Review

- EM “Gold Chart” Measures
- DOE/IG and OMB comments/ recommendations on prior EM performance measures:
 - DOE/IG commented that EM’s performance measures results did not capture overall program performance, nor did it address risk reduction attributes.
 - The OMB PART assessment for FY 2004 found that the program was generally effective in planning and managing cleanup, however, had difficulty in completing its work on time and within budget.

BACKGROUND (cont'd.)

- Recommended EM Actionable Items:
 - Develop and refine cost and schedule measures for the program
 - Provide a platform to measure and drive accelerated clean-up
 - Provide a systematic approach for driving the risk reduction
 - Review the measures and their respective connectivity to the cost and schedule incentives of EM contracts

BACKGROUND (cont'd.)

- EMAB Metrics Team
 - Reviewed the EM strategy
 - Reviewed the metrics including gold charts, earned value strategy, and performance measures
 - Reviewed the EM Program Directives and Organizational Approach

#1 - The FY 2004 measures are an improvement.

- This effort provides the tools for EM to better plan, track, and course-correct.
- The new Configuration Control process will help to define the program elements, insure accountability, and improve program performance.

#2 Efficiency Considerations

- The Gold Chart measures may sometimes indicate compliance when progress is not necessarily being totally achieved due to factors such as poor site characterization, volumetric package efficiency, and potential lack of packaging/disposal efficiencies.
- Lessons learned from site to site on waste handling, audit and quality controls could help to avoid this loss of efficiency.

#3 Risk Reduction Measurement

- EM should document “risk reduction” in a more definitive manner.
- By accelerating closure schedules, EM may be concurrently increasing short-term risk.
- It would be useful to measure the components of this short term risk so it can be managed and measured against longer-term (life cycle) gains.

#4 - Cost and Schedule Measures

- The DOE/IG and OMB have both commented that the lack of cost and schedule measures makes it difficult for the program to demonstrate success.
- EMAB applauds the EM in further drilling down on this issue by implementing an earned value management system with the 16 performance metrics to insure that cost, schedule and other aspects of the program are integrated. **Caution is noted concerning direct linkage of performance measures to cost schedule contracts being negotiated and awarded EM System Wide**

#5 Training

- Training of EM personnel throughout the complex in the management, monitoring and tracking requirements mandated by the new measures is essential.
- Reporting the rollup of project management activity may require modification of the current EM data systems.

Summary

- EMAB believes the new EM performance measures are an improvement over previous program management strategy.
- EMAB encourages the EM program to continually communicate lessons learned from these measures across the DOE complex.