

UT-BATTELLE, LLC
OAK RIDGE NATIONAL LABORATORY
QUALITY SERVICES DIVISION

FISCAL YEAR 2005
PERFORMANCE BASED MANAGEMENT SYSTEM PLAN

QSD-PBMS-PL-500, Rev. 0
Issue Date: 8/20/04
Supercedes: NA

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Fiscal Year 2005 Performance Based Management System Plan

Section 1: High Level Expected Outcomes and Associated Measures

The expectation of ORNL management is to achieve simultaneous excellence in the areas of science and technology, laboratory operations, and community service. The Quality Service Division will meet this expectation through the implementation and management of the Performance Based Management System (PBMS).

The purpose of the PBMS is to direct the Laboratory activities by justifying budgetary expenditures, documenting progress towards established objectives, identifying areas of both strength and weakness, providing an on-going assessment of the organizational climate, and drive improvement.

Efficient utilization of the performance-based management process will guide line management and management system owners to monitor progress of objectives in support of business plans and will assist management system owners in the effective, efficient, and well-deployed delivery and continued improvement of ORNL management systems.

It is our goal to assist ORNL in understanding their PBM responsibilities so that we can work together to drive process improvement.

The outcomes we expect for PBMS include the following:

- A PBMS that enables world class research/operations by providing a structured approach for focusing on strategic planning, goals and performance to identify how well we are doing, if we are meeting our goals, are our customers satisfied, are our processes in control, and if and where improvements are necessary.
- An effective performance assessment program for determining and reporting on performance to management that demonstrates progress toward achieving the laboratories goals and identifying vulnerabilities in laboratory processes and operations.
- Effective and efficient feedback and improvement systems that identify areas of improvement and drive effective corrective actions.
- An effective and efficient support organization to facilitate the Laboratory PBMS.

Section 2: Situation Assessment

The results of FY04 self assessments included IO evaluations of the operational effectiveness of the ESH&Q performance assessment program in accordance with PBMS, and an DOE Corporate evaluation (OA-40). These assessments indicated that there were several major PBMS initiatives that will need to be carried over from FY2004 into FY2005. This includes:

- Significant progress was made in FY 2004 toward alignment of the strategic planning calendar. The result is an improvement in the understanding of Laboratory priorities that are used in constructing the Lab and Divisional Assessment Plans. The effect of these changes will be gauged in FY2005 and will drive any additional improvements.
- Improvement of ORNL input to the DOE ORP system. Management controls were implemented on the generation and review of the reports to ensure the accuracy and timeliness of the input as well as its completeness. This was done in conjunction with the transition to new reporting criteria. Performance under the controls has improved, the transition went very well, and the backlog of overdue ORPs reports (>100) has been eliminated. FY2005 objectives will be to relax the controls after the line authors of the reports demonstrate that the quality expectation can still be met. Additional performance metrics are being established to ensure the expected performance is maintained.
- The Critique process was placed under an interim procedure that established direct control through the PBMS Management System of all critiques. A Critiques Pilot was established who oversees and facilitates each critique. The effectiveness of the process has significantly improved. FY2005 objectives will be to publish a formal revision to the Critiques Subject area, identify, train, and qualify a cadre of Critique facilitators and sunset the Critique pilot position.
- Lessons Learned provides a great deal of information but it is difficult for users to identify issues that specifically affect them. The process will be improved to target specific areas or operations and develop metrics that identify the effectiveness of the LL program.
- Internal assessments of the P-AAA program have identified specific vulnerabilities that will be addressed in FY2004 and FY2005. These issues involve leadership and program implementation concerns. Specific areas include trending and issues management, and extent of condition reviews. These same issues exist at the broader Laboratory-wide level.
- In FY2004 significant improvements to the Assessment Tracking System have been made. The effectiveness of these changes will be monitored in FY2005 and additional modifications made as the Management System and users require.

Section 3: Objectives, Actions and Measures

Based on our situation assessment and the stated strategic intents of the Level 1 ESH and Q plan's, we have established three objectives for PBMS to be executed by the Quality Services Division.

Objective 1

Improve the Effectiveness of the Laboratory Performance Assessment Processes.

Actions and Measures:

- Ensure PBMS clearly communicates the expectations for an effective Performance assessment process through SBMS.
 - PBMS documentation will be revised and focused on the critical elements of laboratory mission and operations.
- Improve the integration of PBMS and the Management Systems.
 - Develop tools to assist MSOs/POCs with management systems performance assessments.
- Improve the effectiveness of division performance assessments.
 - Develop tools to assist Line managers with their directorate/division performance assessments.
 - Improve the knowledge and skills of Quality Support personnel, Quality Assurance Coordinators, and Assessment Coordinators by providing periodic training and feedback.
 - Improve the tools used to determine the effectiveness of division assessment processes.
- Establish a steering committee comprised of senior Leadership Team members to provide the vision and strategic guidance to the laboratory to ensure the process, procedures, and tools that support PBMS are effective and efficient.
- Develop corrective action plan and comprehensive Performance Assessment Plan in response to IO's FY04 review and the OA-40 assessment. This will be measured by the completion of a corrective action plan that is incorporated into the FY05 PAP.
- Initiate PBMS Workshops to engage the five Battelle laboratories to benchmark ways to improve the effectiveness of PBM and to find innovative and effective business planning and assessment processes Battelle-wide.
- Improve the tools and processes that support PBMS – Lessons Learned, Assessment Tracking System, Critique Process, and Occurrence Reporting Process. This will be measured by the reduction in repeat findings identified during internal and external assessments.

Objective 2

Improve the analysis and trending of feedback data received from external assessment, performance assessment, critique, occurrence reporting, non-compliance reporting and other feedback systems.

Actions and Measures:

- Clarify the requirement for centralized reporting of assessment and performance assessment results in the Assessment Tracking System (ATS). Metrics will be established that track the entry of results.
- Establish and publish monthly an ORNL Experience Analysis that identifies potential negative trends in operational performance.
- Establish clear guidance for determining “extent of condition” as part of the causal analysis process.
 - Include the guidance in the SBMS documentation.
 - Initiate reviews that determine the effectiveness of “extent of condition” reviews.
- Improve the PBMS Causal Analysis process.
 - Identify and train a cadre of Causal Analysis Subject Matter Experts.
 - Identify appropriate causal analysis tools for general laboratory use and train general lab population as appropriate.
 - Improve the guidance for and effectiveness of “extent of condition” reviews.
- Improve the process for determining the effectiveness of laboratory corrective actions.
 - Clarify the expectation for effectiveness reviews in the PBMS documents.
 - Develop tools to assist line managers in effectiveness reviews.
 - Develop measures for identifying repetitive performance issues lab-wide.

Objective 3

Operate the QSD in a manner that provides high quality services and is responsive to internal and external customer’s expectations in effectively implementing the PBMS.

Actions and Measures:

- Provide leadership and direction to our customers in the effective and efficient implementation of the PBMS to provide continual improvement in our ability to conduct our Science and Technology Mission and maintain a safe, efficient infrastructure.

- Improve the competency and effectiveness of the QSD support services through the addition of new staff, better communication, standardization of staff qualifications, skill enhancement, and redefinition of expectations to provide a consistent and valuable set of staff skills, resulting in superior delivery of service to customers. This will be measured through internal and external assessment activities demonstrating an improvement in their customers operations.
 - Ensure personnel have the appropriate baseline training to perform their jobs. The measurement for this will be the tracking of the percent of personnel that complete baseline training.
 - Promote diversity within the division as specified in the ORNL EEO/WFD Performance Measures.
- Operate the QSD within the established budget for FY 05.
 - Maintain a positive or "0" variance in the overhead and org burden accounts for the FY 05 budget year.
 - Increase the number of direct charge personnel in the division.
 - Ensure that QSD internal operating documents such as business plans, and assessment schedules are well linked and clearly understood by QSD staff.

Section 4: Issues and Support Needs

This Plan assumes some work at risk and has no contingency or ability to withstand mid-year cuts.

1. FY2005 improvements in the PBMS will depend on continued support in senior management and the line organizations. Support and involvement of Senior Management improved significantly in FY2004 as issues were identified but continued focus must be applied. The PBMS Steering Committee will be a critical part of the continued support for improvements in the implementation of PBMS
2. The importance of an effective performance assessment program must be a continued high priority for the Laboratory Senior Leadership Team to achieve the necessary amount of progress scheduled this year. There must be a clear expectation that the line management is accountable for the effectiveness of the PBMS as well as the Quality Services Division.
3. Additional resources may be required in FY2005 to enhance the skills and competency levels in the QSD field deployed staff and in the Programs area. There may be a need to supplement the purchase service funding with overhead funds as assignment and organizational changes are made.
4. The transfer of inspection personnel to the Fabrication Division, although the correct thing to do has driven up the QSD Org Burden rate. This may correct itself as more Lab customers request QSD purchased service support. As efforts are made to increase line ownership of the PBMS and decrease the overall cost of QSD support,

the overall effect may be that under the current budget model QSD org burden rates will continue to increase.

5. Implementation of the changes to the Critique process needs to be supported by line organizations for the program to be successful. Significant is the expectation that individuals will be nominated and supported for the Critique Facilitator roles.

Section 6: Budget Submissions

Assessment Tracking System (ATS)	\$121K
Performance Based Assessment	\$140K
PBViews Deployment and Implementation	\$106K
Occurrence and Non-Routine Event Reporting	\$ 92K
Performance Based Management System Maintenance	\$495K
Operating Experience Analysis	\$165K
<u>Operational Awareness Program (New)</u>	<u>\$255K</u>
Total	\$1,374K