



PanTEx Y-12

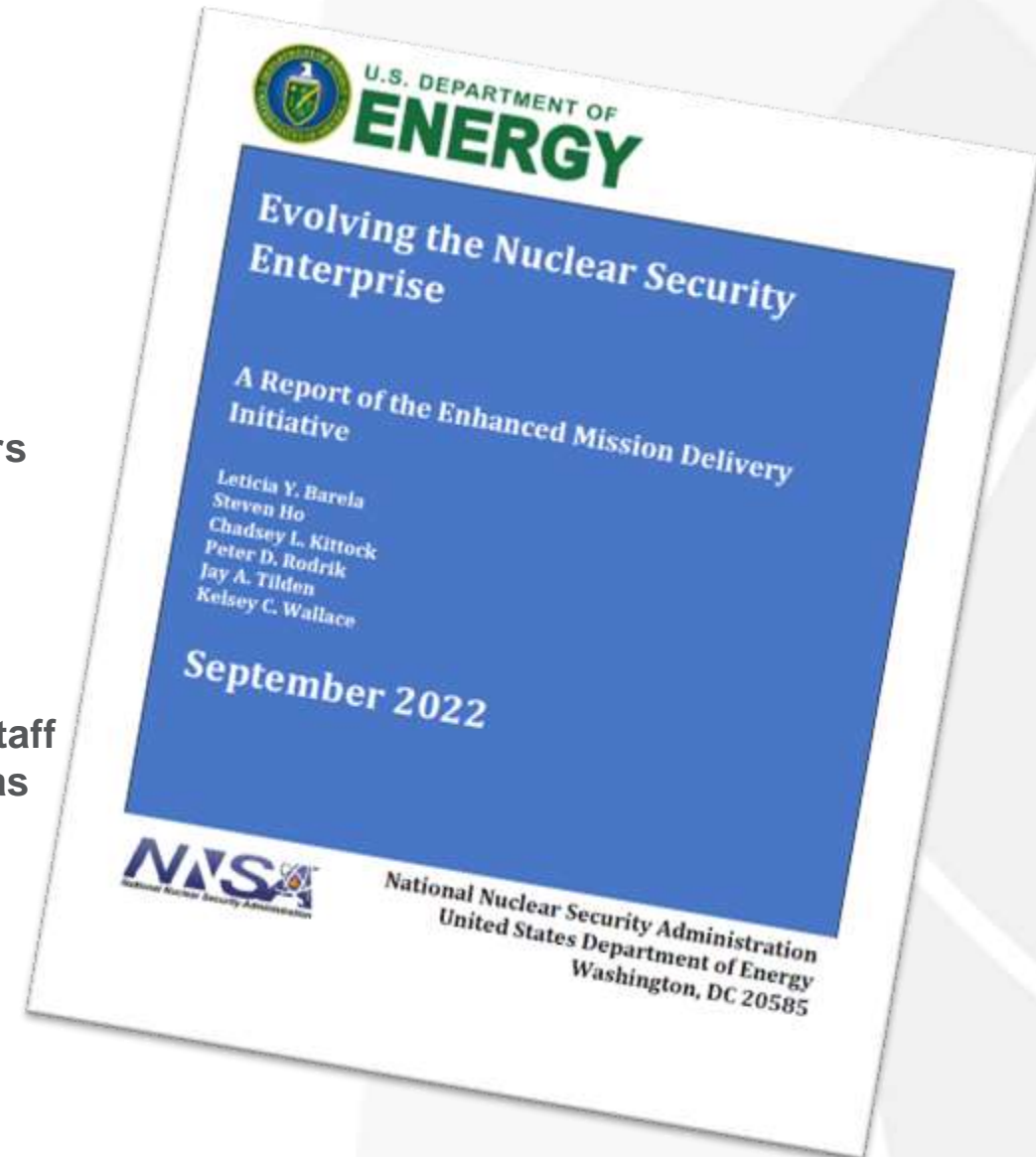
Pantex/Y-12 and the Enhanced Mission
Delivery Initiative in the field

Dave Beck, *Vice President, Program Integration*

Enabling the Mission!

The EMDI report provides a refreshing set of new ideas. In particular, the report highlighted several areas for improvement.

- NNSA recognizes the importance of salaries and benefits to help workforce recruitment and retention
- The report urges a proper balancing of risk instead of a largely/predominately compliance based approach at the headquarters level
- Better alignment of priorities between NNSA offices, which would streamline program execution requirements in the field
- The report recognizes a lack of experience among M&O and federal staff has unbalanced the relationship between headquarters and the field as well as between the design labs and production sites
- The importance and urgency to develop an integrated plan with time-phased investments to recapitalize facilities and create new capabilities and technologies while revitalizing the workforce



What if...

... the entire Nuclear Security Enterprise could move to **commercial standards for non-nuclear infrastructure** modernization, modification and maintenance scope?

... **enabling the mission** could be the objective of every organization and individual?

... **contractor risk aversion** in response to the government's requirements could be eliminated, or at least reduced?

A tale of two approaches

MOVE TO COMMERCIAL STANDARDS

A case study for enhanced commercial standards



Acquisition Type:	M&O contractor lease
Mission need determined:	January 2015
Beneficial Occupancy:	April 2018
Size:	342,800 sf ²
Cost:	\$109.1 million
Cost per sf²:	\$318.40

Line item
September 2011
July 2022
333,000 sf ²
\$167.9 million
\$504.20

A second case study for enhanced commercial standards

Emergency Response Training Facility



Simulated Nuclear and Radiological Facility



Acquisition Type: M&O contractor lease
Mission need determined: September 2018
Beneficial Occupancy: October 2022
Size: 43,630 sf²
Cost per sf²: \$343.78

Federal construction project
September 2018
TBD
34,335 sf²
\$713.55 (from initial RFP)

The Enhanced Management Construction-Commercial Pilot (EMC²)

- CNS completed the Y-12 Fire Station and Emergency Operations Center projects under budget, which included sunk costs related to the failed traditional approach.
- NNSA's Office of Acquisition and Project Management initially selected an acquisition strategy involving the U.S. Army Corp of Engineers.
- CNS proposed an alternative commercial approach which became part of the EMC² process.



What steps can be taken to improve?

1. Use commercial standards through the use of ground leases and or quit claim deeds
2. Fund capital leases up front to minimize long term financial burdens
3. Take the Nuclear Security Enterprise-wide Enhanced Management Construction-Commercial Pilot (EMC²) to the next level by:

Utilize the existing provisions of ground leases and/or quit claim deeds in a capital lease strategy to build non-nuclear facilities, relying on commercial standards and local inspectors

“My job is to keep nuclear safety off the critical path of your mission.”
John Conway, DNFSB chairman 1989-2005



ENABLE THE MISSION



Sub-optimized solutions

1. Support service decisions

- Security
- Waste management and sustainability
- Project management requirements
- Procurement
- Environment, Safety, and Health requirements
- Cyber controls
- Design code implementation
- Benefits
- Pensions
- Quality
- Many others ...



What can be done?

1. Education of all functions/stakeholders on the mission and their role to enable it
2. Interfaces/integration understanding of how their role impacts the mission
3. Reward individuals and organizations for enabling the mission (federal and contractor performance plans, promotions, awards etc.)
4. Be willing to say yes
 - Sometimes the overarching risk of not executing the mission is greater than the sub-element risk; understanding that balance is essential.

Think: My job is to keep (put your function here) off the critical path of the mission.

Contractors have a tendency to drive more restrictive regulations just to ensure the federal threshold is not ever approached

REDUCE CONTRACTOR RISK AVERSION

What can be done?

- Clearly identify to the federal customer requirements that are above and beyond commercial standards for their accomplishment and the potential impacts to the project or adjust requirements
- Evaluate requirements for value added at a low level, rather than accepting generations of “this one thing will make it better”
- Create a streamline design criteria starting with commercial standards to eliminate generations of “this will make it better”
- Work to the level of risk the federal customer has communicated is acceptable to them
- Apply the right level of subcontractor oversight based on their performance
- Trust and shift more responsibility to subcontractor to minimize contractor involvement
- Evaluate site procedures and work practices and adjust if they are one size fits all

The biggest challenge is to change the individual and organization reward system for both the federal and contractor workforce

1. Moving to commercial construction standards has the potential to:

- Cut schedules in half
- Significantly reduce costs
- Lessen mission risk
- Create effective and timely decision making processes not governed by committee

2. Enable the mission

- Eliminate 'stove pipe' decision making and unify the NSE team in support of the mission
- Understand the system in which we work

3. Reduce contractor risk aversion

- Identify essential requirements and standards in which to work
- Be realistic regarding risk; the model of risk-free execution is costly and not realistic and introduces more problems than it eliminates
- Tailor risk to accepted consequences – balance risk!

We must 'simplify' to bring the NNSA into a new operating era that is more agile and adaptable in a mission-enabled, risk balanced environment