

**SUBJECT: DEPARTMENT OF ENERGY OVERSIGHT POLICY**

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**PURPOSE AND SCOPE**

The purpose of this Policy is to establish the overarching principles for oversight and to identify Department of Energy (DOE) oversight activities that involve assessing Federal and contractor performance.

The scope of this Policy includes oversight and assurance activities performed by DOE site contractors,<sup>1</sup> DOE line management, and DOE independent oversight. This Policy covers such operational aspects as environment, safety, and health, safeguards and security, cyber security, emergency management, and business operations.

**POLICY**

DOE's oversight policy incorporates a philosophy that relies upon three important elements:

- a critical and honest self-assessment by Federal and contractor organizations;
- line management reviews, such as inspections, surveillances, surveys, and walkthroughs, that test systems and the validity of the self-assessment; and
- independent oversight reviews.

The keystone of this policy is the self-assessment, which puts accountability and responsibility at the appropriate organizational level (both Federal and contractor). Federal line management and independent oversight become the cornerstones upon which trust and credibility will be built throughout the system. These oversight activities will be tailored to meet the needs and unique differences of each site.

**OVERSIGHT PRINCIPLES**

DOE line management and independent oversight processes and contractor assurance systems are designed and implemented in accordance with the following principles.

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<sup>1</sup> Site contractors are those that operate under DOE site/facility management contracts governed by 48 CFR 970.5204-2, *Laws, Regulations, and DOE Directives*; 48 CFR 952.204-2, *Security Requirements*; 48 CFR 952.204-70, *Classification/Declassification*; and/or 48 CFR 952.223-71, *Integration of Environment, Safety, and Health into Work Planning and Execution*.

## **Continuous Improvement**

DOE's oversight processes will identify ways to make programs more effective and/or efficient and report such opportunities to line managers for their consideration. Line managers at all levels—from the Secretary of Energy to the responsible DOE program office to the responsible field element to the site contractor—are responsible for using the results of DOE line and independent oversight processes and contractor assurance systems to make informed decisions about corrective actions and the acceptability of residual risks and to improve the effectiveness and efficiency of their programs and site operations.

## **Requirements and Performance Objectives**

DOE oversight programs and contractor assurance programs will evaluate performance against understandable requirements, which may include rules, national standards, DOE directives, DOE-approved plans and program documents (e.g., security plans, authorization basis documents, and quality assurance plans), site-specific procedures/manuals, and other contractually mandated requirements. Requirements are established through approved processes (e.g., work smart standards) so that they are relevant to the site and mission.

## **Personnel Competence**

Personnel responsible for managing and performing oversight functions will possess experience, knowledge, skills, and abilities commensurate with their responsibilities. Responsible line managers will establish appropriate qualification standards for personnel with oversight responsibilities. Clear and unambiguous lines of authority and responsibility for performing oversight functions will be established and maintained.

## **Risk-Driven Processes**

DOE oversight processes will be tailored to be effective and efficient and will take into account hazards, risks, and past performance. Higher risk activities, facilities with a higher nuclear material attractiveness level, and less mature programs will be assessed more frequently and/or more in depth. Oversight priorities also are based on the past performance of organizations, programs, and facilities, including previous assessment results. The scope and results of reviews by external regulators (e.g., the Environmental Protection Agency) and external organizations (e.g., the Defense Nuclear Facilities Safety Board) are important factors in determining oversight priorities. DOE line management oversight and contractor assurance programs will coordinate activities to minimize duplication of effort. DOE line management and contractors may perform some assessments jointly to increase efficiency and promote common understanding of processes and results.

## **Performance Indicators and Measures**

Performance indicators and measures will be used to identify adverse trends and promote improvements. The data collected is considered in a variety of management decisions, such as

allocating resources, establishing goals, identifying performance trends, identifying potential problems, and applying lessons learned and good practices.

### **Effective Oversight**

DOE will ensure that contractors establish and implement effective contractor assurance programs and best-in-class contractor practices. The use of external, nationally recognized experts to carry out independent risk and vulnerability studies to validate and certify that contractor management systems meet applicable laws and regulations should be considered. To be effective, the oversight approach will enhance DOE's performance-based management system by moving from transactional oversight to a systems-based approach for contractor management. Contractor performance criteria will focus on results and system-based metrics to drive improved performance and to increase effective and efficient management of DOE sites.

BY ORDER OF THE SECRETARY OF ENERGY:

KYLE E. McSLARROW  
Deputy Secretary