

SCHEDULING NOTE

Title: BRIEFING ON PROJECT AIM (Public Meeting)

Purpose: The purpose of this briefing is to update the Commission on the progress of Project Aim implementation.

Scheduled: July 21, 2016
9:30 am

Duration: Approximately 2 hours

Location: Commissioners' Conf. Room, 1st Fl., OWFN

Participants

Presentations

Victor McCree, Executive Director for Operations

50 mins*

Maureen Wylie, Chief Financial Officer

Dan Collins, Division Director, Nuclear Material Safety and Safeguards

Eleni Jernell, Deputy Division Director, Office of Administration

Robert Lewis, Assistant for Operations, OEDO

Miriam Cohen, Chief Human Capital Officer

Topics:

- Overview
- Status of Implementation of Project Aim Strategies
 - Evaluation of Consolidation of Regional Materials Program
 - Implementation Activities in ADM
 - Space Planning (Hoteling Pilot)
 - One Stop Shop (ADM Service Requests)
 - Contracting Officer's Representatives (COR) Standardization
 - Upcoming Activities
- Final Comments

Commission Q & A

30 mins.

Discussion – Wrap-up

5 mins.

*For presentation only and does not include time for Commission Q & A's.

Sheryl Burrows, President of the National Treasury Employees Union, will be invited to sit in the well. The Chairman will ask for union remarks, as permitted, under the formal meeting provision of the Collective Bargaining Agreement.



Briefing on Project Aim

Victor McCree

Executive Director for Operations

Maureen Wylie

Chief Financial Officer

July 21, 2016

Agenda

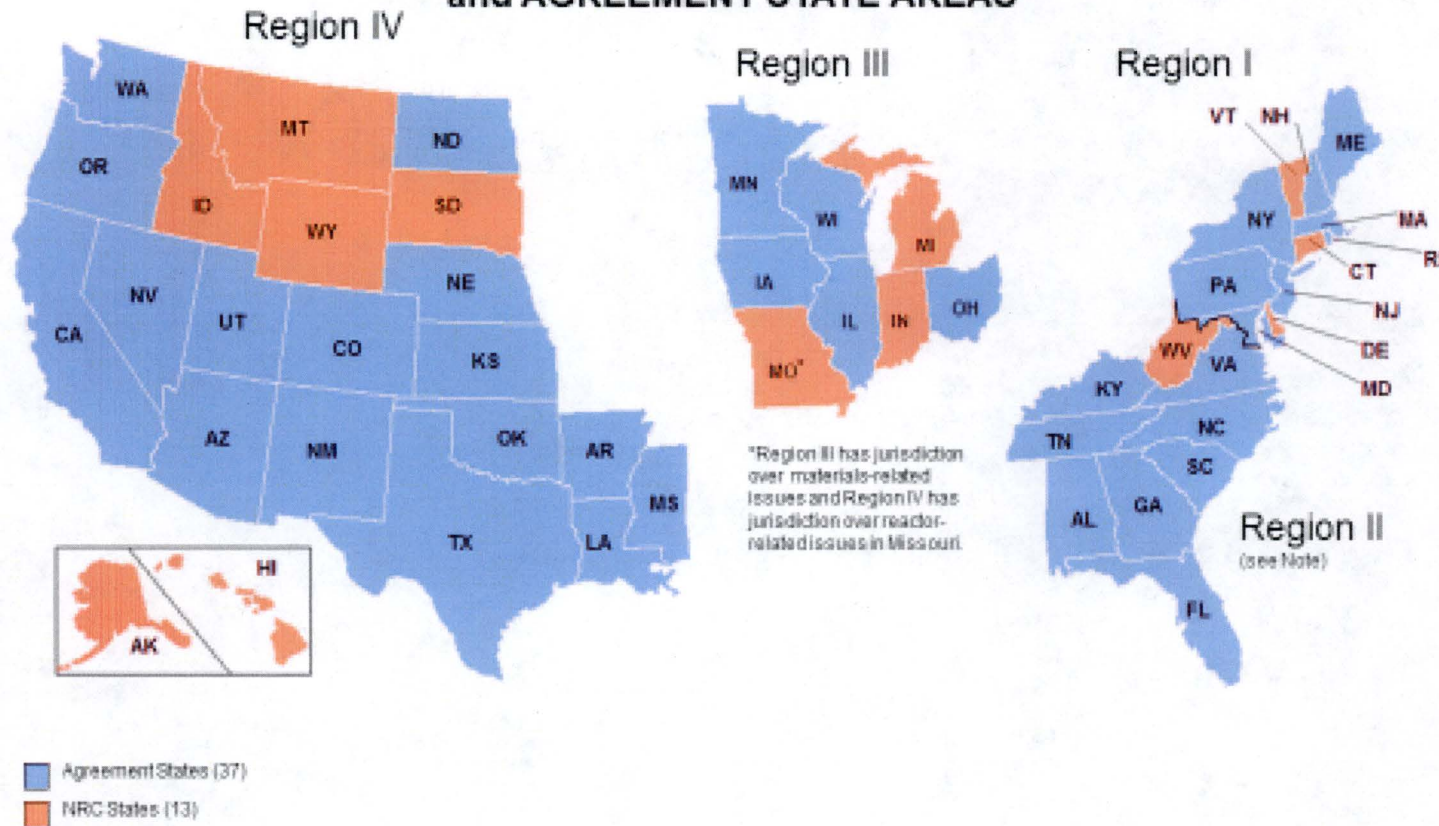
- Overview
- Status of Project Aim Implementation Strategies:
 - Evaluation of Consolidation of the Regional Materials Program
 - Implementation Activities in the Office of Administration
 - Fulfilling Project Aim Commitments
- Closing Remarks

Evaluation of Consolidation of Regional Materials Program

**Daniel S. Collins, Director
Division of Materials Safety, State, Tribal,
and Rulemaking Programs
Office of Nuclear Material Safety and
Safeguards**

Overview

U.S. NUCLEAR REGULATORY COMMISSION REGIONAL and AGREEMENT STATE AREAS



Multiple Options Evaluated

Option 1: Enhanced National Materials Program (no consolidation)

Option 2: Consolidation of Functions from Reactor Decommissioning

- a) everything to HQ
- b) inspection functions consolidated in a single region

Option 3: HQ Consolidation of NMU and DLLW BL Functions

Option 4: One Region Consolidation (current HQ functions remain in HQ)

Option 5: Two Region Consolidation (current HQ functions remain in HQ)

Recommendations Influenced by Qualitative Decision Criteria

- *Mission Effectiveness*

Maintain or improve mission accomplishment, considering the following:

- Oversight/Licensing
- Incident response
- External Stakeholder interactions

- *Employee Impact*

Minimize negative employee impacts, considering the following:

- Loss of experienced personnel
- Mentoring and career opportunities
- Morale

Recommendations Influenced by Qualitative Decision Criteria (cont'd)

- *Implementation Complexity*

Maximize probability of successful implementation, considering the following:

- Complexity
- Feasibility
- Program risk

Recommendations Considered

Quantitative Decision Criteria

Evaluated the potential savings or additional costs for each option, including the following:

- Travel
- Locality pay
- FTE
- Real Estate
- Relocation costs
- Survey/HP equipment

Qualitative Rankings Focus on Mission and People

- Relative Ranking of Options
 - Option 1
 - Option 2
 - Option 5
 - Option 4
 - Option 3

Quantitative Evaluation Summary

	Option 1	Option 1- with variation	Option 2	Option 3	Option 4	Option 5
Operating Costs -FTE -Travel -Real Estate -Locality Pay	\$0	(-) \$1.0 M/yr (6 FTE)	(-) \$0.16 to (-) \$0.19 M/yr (1 FTE)	(-) \$2.0 M/yr (10 FTE)	(-) \$1.8 to (-) \$2.0 M/yr (10 FTE)	(-) \$1.4 to (-) \$1.5 M/yr (8 FTE)
Implementation Costs -Relocation -Travel to New Hub for Counterpart Meeting	\$0	\$0	<u>One-Time:</u> (+) \$0.80 to (+) \$1.20 M <u>Annual:</u> (+) \$0.01 to (+) \$0.02 M/yr	<u>One-Time:</u> (+) \$7.0 M <u>Annual:</u> (+) \$0.14 M/yr	<u>One-Time:</u> (+) \$4.6 to (+) \$4.8 M <u>Annual:</u> (+) \$0.07 to (+) \$0.08 M/yr	<u>One-Time:</u> (+) \$2.2 to (+) \$2.4 M <u>Annual:</u> (+) \$0.03 to (+) \$0.04 M/yr

Recommendation for Improvement and Efficiency

- Option I with variation:
 - No further geographic consolidation
 - Continue ongoing efforts to achieve consistency and improve processes
 - Implement re-baselining
 - Each region to identify additional 2 FTE reduction in supervisory or non-technical staff
- 20 Total FTE saved:
 - 14 FTE from re-baselining and process enhancements
 - 6 FTE from regional reductions

Implementation Activities in the Office of Administration

**Eleni Jernell
Deputy Division Director
Acquisition Management Division**

Significant ADM Accomplishments

- Contracting Officer's Representative Process Standardization Initiative (CPSI)
- White Flint Campus (WFC) space consolidation
- One-Stop-Shop
- On-going opportunities for efficiencies and savings

Mission-Critical Function of Contracting Officer's Representatives (COR)

- Cross-cutting CPSI review
 - Standard set of COR roles and responsibilities through lifecycle
 - Workload and process management
 - Certification and training
 - Recognition and accountability

Opportunities for Enhancements

People - COR's responsibility often viewed as a "collateral duty"

Processes - Added intra-office steps over and above agency-required policy/guidance

Tools – Lack of Agency specific training and inconsistent use of enterprise, authoritative systems and data

Achieving Enhanced Contract Outcomes

Completed

- Improved tools for CORs
- COR FY 17 Performance Plan and Supervisors Guide

Next Steps

- Standardize COR mission-driven function
- NRC-specific COR training approach

Right-Sizing Agency Space Needs

- TWFN succeeding lease
- White Flint Campus consolidation
- Shared space pilot in the Office of Regulatory Research
- Strategy for continuous progress

Improving Efficiency Through One-Stop-Shop

- Joint project between OCIO and ADM
- NRC Service Catalog
- Reduces agency costs, expedites service initiation response times, eliminates paper forms/tracking systems, and reduces staff time processing requests

On-Going Opportunities for Efficiencies and Savings

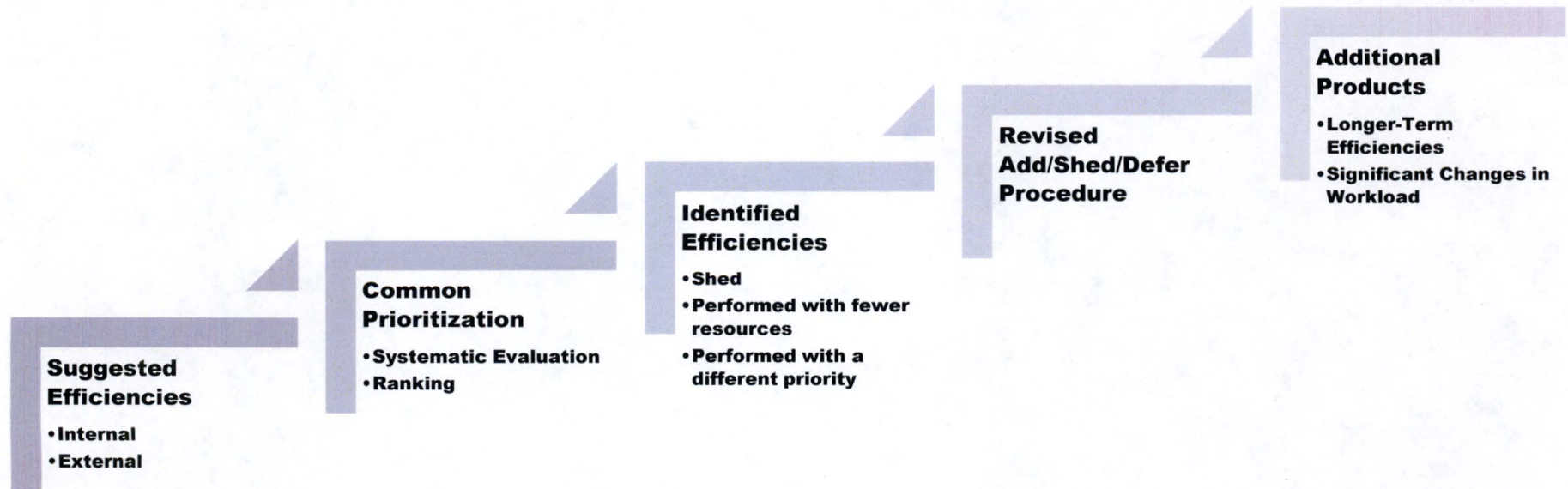
- Optimize services to align with mission needs and future workload
 - Agency changes are resulting in corresponding adjustments to services/service levels
 - Focus on higher priority work
 - Leverage core competencies early
 - Develop communication strategy

Fulfilling Project Aim Commitments

Robert J. Lewis
Assistant for Operations
Office of the Executive Director for
Operations

Project Aim Implementation Timeline															
Task #	Task Name	Start	Finish	Jul '15	Oct '15	Jan '16	Apr '16	Jul '16	Oct '16	Jan '17	Apr '17	Jul '17	Oct '17	Jan '18	Apr '18
1	Overall Implementation Plan	06/08/15	08/25/15	OEDO											
2	Project Aim Monthly Status Reporting	06/08/15	03/16/18												OEDO
3	Fees Transparency and Simplified Calculations	12/01/14	08/15/16	OCFO											
4	Staffing Ceiling for 2016	06/08/15	10/11/16	OEDO											
5	Common Prioritization and Re-baselining	07/08/15	04/06/16	OEDO											
6	Benchmark Overhead	02/11/15	08/30/15	OCFO											
7	NRC Assessment of the Risks IT Systems	06/24/15	12/31/15	OCIO											
8	Strategic Workforce Plan	06/08/15	02/08/16	OCHCO											
9	"One-Stop-Shop" for OCIO and ADM requests	07/08/15	04/08/16	OCIO											
10	Centers of Expertise (COE)	08/10/15	11/09/15	OEDO											
11	COR Process Standardization	04/29/15	09/30/16	ADM											
12	Expand the use of Mobile IT Solutions	09/08/15	09/08/16	OCIO											
13	Evaluate Consolidation of the Regional Materials Program	11/08/15	06/27/16	NMSS											
14	Evaluate the Consolidation of Regional Corporate Support Functions	07/20/15	05/31/16	OEDO											
15	Transitional Plan for the Merger of NRO and NRR	07/27/15	06/08/16	CEDO											
16	Identification of Mission Critical Positions	11/30/15	08/09/16	OCHCO											
17	Planning for Developing Competency Models* (Start date dependent on Item 16)			OCHCO											
18	Re-examine Leadership Model	06/08/16	03/09/17	OCHCO											
19	Operating Reactor Licensing Process Improvements	04/01/14	03/16/18												NRR

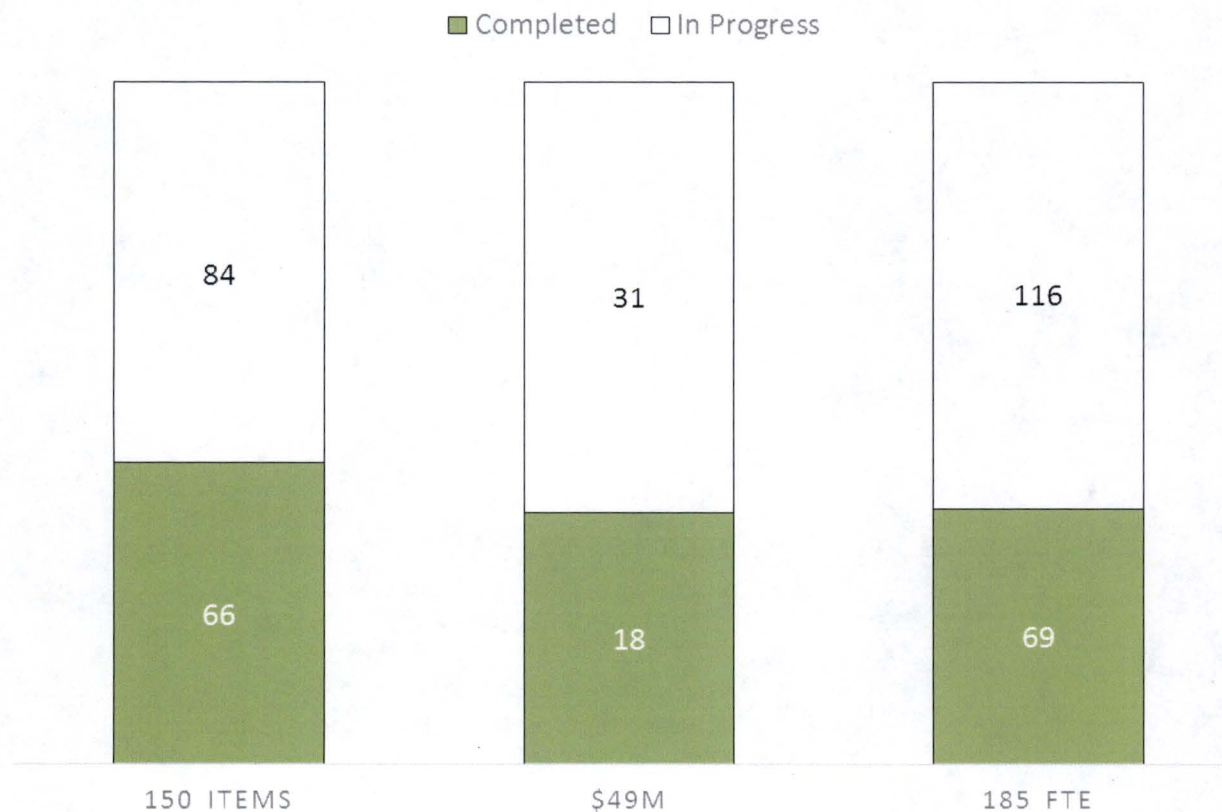
Re-baselining Agency Work



Re-baselining will reduce the Agency's budget by approximately \$48M over 2 years

Re-baselining of Agency Activities

- Commission approved 150 activities in SECY-16-0009 to be shed, deferred, or performed with fewer resources.



Looking Forward

- Maintain momentum on 9 remaining Aim tasks and implementation
- Seek additional opportunities beyond Project Aim
- Maintain effective communications to ensure staff is fully informed and engaged
- Focus on strategic workforce planning and aligning people and work
- Systematically enable innovation to leverage employee creativity

Closing Remarks

Maureen Wylie
Chief Financial Officer

Final Comments:

- Accelerating pace of change, and keeping pace and focus
- Continue to embrace this dynamic environment
- Aim beyond what is required
- Focus efforts to prepare supervisors and staff for future landscape
- Cultivate successful outcomes through organizational and cultural change management
- Mission driven, people centric, performance based regulator