



PROJECT AIM STATUS UPDATE July 1 – September 30, 2018

In the June 8, 2015, staff requirements memorandum (SRM) for SECY-15-0015, "Project Aim 2020 Report and Recommendations," the Commission directed Project Aim's 19 tasks to address the U.S. Nuclear Regulatory Commission's (NRC) need to improve efficiency and agility, as well as to right-size the agency, while retaining employees with the appropriate skills to accomplish its mission and streamline processes.

The most notable accomplishments for the period of July - Sept 2018 include: (a) completion of the one-year self-Assessment for Rulemaking COE closes Task 10, Center of Expertise, (b) completion of one longer-term efficiency, use of a Federal Shared Service Provider for Accounts Payable, identified in SECY-16-0035, "Additional Re-Baselining Products," and (c) completion of the Information Technology/Information Management Centralization and Standardization Task Force report with recommendations for consideration by the Executive Director for Operations.

Task 5. Common Prioritization and Re-baselining

Task 5 involved the integrated prioritization and re-baselining of 150 agency work activities to be shed, de-prioritized, or performed with fewer resources. The main deliverable for this task was provided to the Commission in SECY-16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities." The agency has completed 149 of the 150 specific Re-baselining activities. Implementation of the remaining re-baselining activity (Activity 94, described below) is delayed beyond the original target date. However, the 0.2 full-time equivalent (FTE) savings associated with this activity has already been reflected in the agency budget (work is proceeding by reprioritizing work). Completion of these actions realized savings of approximately \$48 million.

- Activity 94, updating the guidance for the process in Title 10, *Code of Federal Regulation*, Section 2.206 (10 CFR 2.206), for petitions to clarify the evaluation criteria for when to hold public meetings on petitions and allow the Petition Review Board to make an initial decision to accept the petition without a petitioner presentation, when appropriate. The NRC staff sought and received public feedback on proposed revisions to Management Directive (MD) 8.11, "Review Process for 10 CFR 2.206 Petitions," and the Commission held a meeting to receive views from external stakeholders and NRC staff on ways to improve the 10 CFR 2.206 petition process. NRC's current estimate is for issuance of MD 8.11 in the fall 2018.

Task 5 also involved providing the Commission with known changes in workload and longer-term efficiencies. This product was provided March 18, 2016, in SECY-16-0035, "Additional Re-Baselining Products." The staff continues to make progress on the longer-term efficiencies. During this quarter, one longer-term efficiency was completed.

- Item 8, use a Federal Shared Service Provider (FSSP) for Accounts Payable. On July 17, 2015, the Office of Management and Budget (OMB) released a memorandum directing Federal agencies to transition to electronic invoicing by the end of fiscal year (FY) 2018 to improve government effectiveness and transparency, while reducing administrative work and costs. The agency was an early adopter and implemented Invoice Processing Platform (IPP) in January 2018. The agency implemented the IPP

system 8 months ahead of the OMB mandated adoption schedule. To date, the agency is using the IPP system, as designed, with all firm-fixed-price contracts being processed through the IPP system. The initial agency implementation of IPP is complete. The agency will continue to work with Treasury to integrate future enhancements.

In addition, the agency completed its transition to a FSSP for financial services supporting functions in accounts payable, accounts receivable, and travel on April 2, 2018. This transition also completed the staff's activity for the use of shared services for administrative processes activity. Anticipated agency cost savings associated with this transition include \$250,000 annually and a decrease of 1 FTE in FY 2018.

Task 10. Centers of Expertise

Task 10 involved evaluating organizational Centers of Expertise (COE) for various technical disciplines as a possible tool for greater centralization and standardization which could increase effectiveness, efficiency, and agility in accomplishing the agency's mission.

The deliverable for Project Aim Task 10 was the November 19, 2015, delivery of SECY-15-0143, "Project Aim and Centers of Expertise." In that paper staff recommended pursuing COEs in four specific areas: rulemaking, allegations, external hazards evaluations, and technical specifications. In the SRM for SECY-15-0143, the Commission approved the formation of the four COEs, contingent upon completion of agency guidance on identifying, evaluating, and implementing COEs. The Commission also directed the assessment of successes and lessons learned from implementation of the approved COEs, and issue associated agency-wide communications within 1 year of their implementation.

The Rulemaking COE 1-year self-assessment was issued on September 17, 2018. The overall conclusion deriving from the assessment results is that Division of Rulemaking (DRM) has met, or is in the process of successfully implementing appropriate activities to meet, all of the objectives in the Program Plan and has, in large part, realized the benefits identified in the Rulemaking COE Business Case. While some tasks related to implementation of the rulemaking COE remain and some challenges were identified, the rulemaking COE has operated successfully this first year, and partner organizations have recognized its outstanding technical and process expertise, excellent communication, high quality products, and timely project completion. For example, the COE completed creation of a detailed project-management tracking system to support the rulemaking process and report on metrics, led the agency in conducting a Retrospective Review of Administrative Regulations, a potential burden-reduction effort. Accomplishments on this project included a Commission paper outlining the strategy and criteria for the review, public notice of the draft criteria including a public meeting to discuss the project, adopted innovative approaches that advanced several rulemaking projects, including (1) preparing a COMSECY to request conversion of the Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50 Appendix H (vessel material surveillance) rulemaking to a direct final rule, accelerating the process to enhance the benefits of the rule; (2) championing conversion of the APR1400 design certification rulemaking to the accelerated schedule of a direct final rule, the first of its kind; (3) preparing a COMSECY to request clarification on the 10 CFR Part 61 (low-level waste disposal) supplemental proposed rule, to ensure it will meet Commission expectations; and (4) leading interoffice strategic discussions on the path forward for the access authorization and fitness for duty rulemaking, leading to a staff decision to recommend discontinuation of the rulemaking, and the reassessment of the timeline for rulemaking product development.

DRM will continue to assess and improve its organizational performance to ensure it meets the goals identified in SRM-SECY-15-0143, OEDO Procedure 0940, and the objectives listed in the Rulemaking COE Program Plan. Based on the insights discussed in the self-assessment, DRM identified several key actions to be pursued over the coming year, including reinforcing

expectations for various working groups, further engagement with management in partner organizations, and additional coordination on guidance documents. DRM will complete these actions and continue to seek and incorporate best practices through future self-assessments.

Task 14. Evaluate Consolidation of Regional Corporate Support Functions

In Task 14, the staff completed an evaluation of the support functions (Agencywide Documents Access and Management System (ADAMS) Accession Number ML16131A064) in the Division of Resource Management and Administration (DRMA) in each NRC region and identified process efficiencies that will yield savings through standardization or centralization of specific support functions over time. The deliverable completing this task was provided to the Commission offices by a Commissioners' Assistants Note on June 6, 2016.

Though completed, the work on Project Aim Task 14 inspired a broader, follow-on effort to standardize and centralize mission support activities performed by DRMA and Program Management, Policy Development, and Analysis (PMDA) divisions in program offices and regions across the agency (ADAMS Accession Number ML17040A349). On May 11, 2017, the mission support standardization and centralization working group provided an agency wide implementation plan (ADAMS Accession Number ML17121A431) for 28 projects to centralize and standardize financial management, human resource, information technology/information management, and administrative functions. This period staff has closed 2 of the remaining 13 mission Support standardization and centralization tasks.

1. Define consistent, well- defined processes and reporting to calculate and explain 10 CFR Part 170 full cost estimates.
2. Standardize and streamline the process and procedures for site access authorization for nuclear facilities across the regional offices to put in place a single more effective and efficient process and procedure.

Task 15. Transitional Plan for the Merger of the Office of Nuclear Reactor Regulation and Office of New Reactors

In Task 15, the Commission directed the staff to develop a plan to merge the Office of New Reactors (NRO) and the Office of Nuclear Reactor Regulation (NRR) at the appropriate time. A working group developed a business case for a merger, which included a description of projected efficiencies and challenges, and plans for the staff to address those challenges. The assessment also included an evaluation of leading resource drivers and proposed timing for a merger. The Project Aim deliverable was provided in SECY-16-0075 on June 8, 2016. In SRM-SECY-16-0075 the Commission approved the merger of NRR and NRO and directed the staff to complete the consolidation of the two offices by September 30, 2020. Subsequently, in SRM-COMKLS-18-0003, "Fiscal Year 2020 Budget to the Commission," the staff was directed to phase-in the NRR/NRO merger with the goal of completing it by mid-fiscal year (FY) 2020.

Implementation activities are ongoing. The NRR/NRO merger team has completed a series of activities focused on creating an organizational structure based on the needs of the agency, feedback from the staff, and flexibility to organize around future work. This included: conducting listening sessions with staff to gain insights on merging the organizations; developing combined high-level workload projections for operating reactor and new reactor work through FY 2021; creating several potential eight and nine division organizational models for consideration; and conducting targeted staff and management meetings, four office town hall meetings, and numerous specific functional area focus group meetings.

Pre-merger consolidations (PMCs) are tactical opportunities to consolidate staffing from NRR and NRO at the branch level, that match the necessary work with the onboard staff and/or supervision.

PMCs also provide early opportunities to identify and combine best practices. In addition, PMCs provide a motivation to both cross-train staff on the regulatory processes and update procedures where appropriate, laying the foundation for enhanced agility and flexibility in future staffing decisions. The PMCs for Instrumentation and Controls and Operator Licensing/Human Factors Engineering are expected to be implemented in October 2018.

As workload has and is projected to continue to decrease in NRO, management will continue to appropriately consolidate branches and divisions, and will also consider future PMCs to proactively manage staffing plans on an ongoing basis. Other functional areas have been identified as candidates for PMCs including materials, environmental technical staff, plant systems, and program management. These PMCs have been discussed at the branch and division level. Division level meetings were held in August 2018 to discuss the factors and considerations involved in any potential PMC. Additionally, NRR and NRO are working with the Office of the Chief Information Officer (OCIO) to centralize the information technology functions in OCIO in FY 2019.