
Risk Informed Decision-Making (RIDM) in Contract Management

Objectives

- Provide overview of the Be riskSMART framework
- Apply the framework to COR responsibilities

NRC Uses Its MATERIAL SAFETY Guidance and Tools to *Be riskSMART*



Key Principles of Risk-Informed Integrated Decisionmaking	Regulations Met					
	Defense-in-Depth Consistency					
	Maintenance of Safety Margins					
	Risk Insights – Operational Experience					
	Performance Monitoring					
Guidance or Processes	Risk Informed Standard Review Plans	S	M	A	R	
	Integrated Acceptance Reviews	S	M	A	R	T
	Pre Licensing Interaction Enhancement	S	M	A	R	
	Graded Approach to Licensing	S	M	A	R	
	Graded Approach to Rulemaking	S	M	A	R	T
	Assignment and Alignment Process	S	M	A		
	Low Safety Significance Guidance	S	M	A	R	T
	Fuel Management Licensing Risk Tool	S	M	A		

Be ... clear about the problem

Problem- Excessive carry over at the end of the fiscal year can prevent me/agency from meeting goals related to:

- Future budget planning for my contract
- Meeting office metrics on burn rates
- Requesting incremental or forwarding funding

So what do I do?



S

SPOT

...what can go right or wrong?

...what are the consequences?

...how likely is it?

Let's start with the first step in the framework, ***SPOT***, and work through each of the questions.



S

SPOT

...what can go right or wrong?

...what are the consequences?

...how likely is it?

What could happen?

- (1) If I carry over funding without adjusting my budget for the coming Fiscal Year, I may over-commit funds to the contract.
- (2) If I over-commit funds, I may not meet the metric to expend 99% of the prior year funds by the end of March of the current Fiscal Year.
- (3) I may not have a solid justification for incremental funding during a continuing resolution (CR).
- (4) The likelihood of running out of funding during a CR is low, but the consequence is high since the requirement to operate this contract is rooted in regulations.



M

MANAGE

...what you can

Now let's look at the second step in the framework, ***MANAGE***.



M

MANAGE

...what you can

What can I manage?

- 1) I can update the MLSR and future projected spending data in BFS to demonstrate when carry over will be expended.
- 2) I can modify the amount of incremental funding that will be needed over the fiscal year to burn out the carryover first and reduce forward funding into the future.



A

ACT

...on a decision

Now let's look at the third step in the framework...it's time to **ACT** on a decision.



A

ACT

...on a decision

What actions will I take?

- 1) Review the spend plan with contractor and make adjustments in BFS.
- 2) Inform PMDA of fact of life changes to contract to determine if funding can be reprogrammed or returned.
- 3) Notify Contracting Officer of a problem with delays in MLSRs and invoicing from the contractor that contributed to the history of high carry over.



R

REALIZE

...the result

Now let's look at the fourth step in the framework...it's time to **REALIZE** the result of our decision.



R

REALIZE

...the result

What happened when I acted?

- 1) Upon informing PMDA, contract funding needs were reduced to account for high carry-over.
- 2) COR, PMDA, and NMSS management agreed that incremental funding will be requested in January to fund contract through the rest of the Calendar Year (CY).



T

TEACH

...others what
you learned

Now let's look at the fifth step in the framework...it's time to **TEACH** others what we learned throughout this process.



T

TEACH

...others what
you learned

How can I teach others?

- 1) Share strategies in meetings with other CORs
- 2) Summarize lessons learned for article in newsletter (NMSS or COR conversations)
- 3) Seminars, such as these