

U. S. Department of Energy
**STRATEGIC PETROLEUM RESERVE
PROJECT MANAGEMENT OFFICE**
New Orleans, La.

ORDER

SPRPMO O 220.1G

APPROVED: 9/17/2021

SUBJECT: ON-SITE MANAGEMENT APPRAISALS

1. PURPOSE. To establish an On-Site Management Appraisal process which will allow the Federal staff to perform contractor oversight of their program, as identified in each Assistant Project Manager's (APM's) oversight document and as directed by the most recent version of Strategic Petroleum Reserve Project Management Office (SPRPMO) Order 226.1, *Strategic Petroleum Reserve Project Management Office Oversight Policy*; ensure contractor compliance with requirements; ensure the adequacy of contractor assurance systems; evaluate contractor performance; and comply with appraisal and assessment requirements promulgated in the latest version of Department of Energy (DOE) O 226.1, *Implementation of Department of Energy Oversight Policy* and DOE O 414.1, *Quality Assurance*.
2. CANCELLATION. This order cancels SPRPMO O 220.1F, *On-Site Management Appraisals*, dated May 20, 2016. Cancellation of a Directive does not, by itself, modify or otherwise affect any contractual obligation to comply with the Directive. Contractor Requirements Documents (CRDs) that have been incorporated into or attached to a contract remain effective until the contract is modified to either eliminate requirements that are no longer applicable or substitute a new set of requirements.
3. APPLICABILITY.
 - a. SPRPMO Elements Except for the exclusions in Section 3c, this order applies to all SPRPMO organizational elements.
 - b. DOE Contractors Except for the exclusions in Section 3c, the CRDs set forth the requirements of this order that apply to the Management and Operating (M&O) contractor (Attachment 2).
 - c. Exclusions None.

DISTRIBUTION: All SPRPMO Personnel,
M&O Contractor

INITIATED BY: APM for Technical Assurance,
Quality and Performance Assurance Division

4. REQUIREMENTS.

a. Plan the Appraisal

- (1) Establish an annual schedule for On-Site Management Appraisals at each site based on a fiscal calendar.

- (2) Solicit names of proposed team members from each APM. Team membership is restricted to DOE SPRPMO employees.

Note: DOE team members identified by the APMs may serve as proxies for DOE HQ personnel. Identified team members may conduct topic appraisals with the APM's approval.

- (3) Solicit topics from the APMs, Division Directors, Life Extension 2 Federal Project Directors, and the DOE Senior Site Representative (SSR) for the site being appraised. Topics may come from the identified team members if those topics have been approved by the team member's Division Director or APM. Ensure topics provide a judicious balance among evaluation of management systems, processes, programs, specific work activities, and facilities per DOE directives. Where appropriate, select topics based on program area oversight Lines of Inquiry (LOIs); or validations of critical few performance measures (CFPM) or contractor assurance system (CAS) line items; or, using a graded approach based on risk, topics that are commensurate with the scope, complexity, risk, and importance of the program activity.

In the event the topic is to be appraised remotely, it is important for the assessor to confirm with the contractor point of contact (POC) that appropriate records are available for review electronically via methods including (but not limited to) emails and SharePoint; and that the POC is available for interview via methods including (but not limited to) telephone or on-line teleconferencing systems.

- (4) Perform all appraisals in accordance with a written appraisal plan which has been approved by the Project Manager. Valid plans will possess a current document control number. The plan will include at a minimum the following elements:

- (a) Scope and objective of the appraisal.

- (b) A list of team members and the topical areas that will be assessed during the appraisal.
 - (c) A description of the facility inspections to be accomplished.
 - (d) A list of topics that require a designated representative of the process owner to perform an effectiveness review during the appraisal.
 - (e) The appraisal team's administrative and logistical requirements.
 - (f) A proposed daily appraisal schedule.
 - (5) Obtain the Project Manager's approval of the topics list and team member responsibilities prior to the scheduled appraisal.
 - (6) Transmit the Appraisal Plan to the contractor (under Contracting Officer's signature) 5-10 working days prior to the first day of the appraisal.
 - (7) Provide orientation training for new assessors and any assessors who have not participated in an on-site assessment in the past 18 months. At a minimum, training should include the following:
 - (a) An overview of the on-site process.
 - (b) A discussion of on-site roles and responsibilities.
 - (c) An overview of the basics of quality auditing.
 - (d) The requirements for facility inspection.
 - (e) An overview of the Corrective Action Process.
- b. Perform the Appraisal
- (1) Conduct an in-briefing with the contractor and DOE site personnel on the opening day of the appraisal. During the in-brief, appraisal team members will be introduced to contractor POCs, and the contractors will be informed of the daily appraisal schedules, as well as their responsibilities in the processing of audit results. Assessors should

receive pertinent site safety information from the contractor during the in-briefing.

- (2) Conduct the On-Site Management Appraisal in accordance with the published On-Site Management Appraisal Plan.

Note: Appraisal team members may elect to run their topics remotely or perform their topic assessments at the site prior to the scheduled assessment with the approval of their supervisor, the Senior Site Representative (SSR), and the On-Site Management Appraisal Program Manager.

- (a) Conduct a facilities inspection, if applicable, documenting issues such as, but not limited to, leaks of any kind, status of fire extinguisher inspections, appropriate signage and condition, condition of containment areas, condition of piping and hoses, condition of equipment and fencing, condition of buildings and grounds, and safety issues of any kind. Care will be taken to ensure that mission critical areas of a site are reviewed by personnel cognizant of the equipment and function of those areas (Site Engineers if available). Site mission critical areas include, but are not limited to, the following:

- Raw Water Intake Structure
- Raw Water Injection Pump Pad
- Brine Disposal Pump Pad
- Fire Pumps and Foam Generator Buildings
- Meter Skid and Valve Manifolds
- Heat Exchangers
- Crude Oil Injection and Transfer Pump Pads
- Electrical Substation

Note: Personnel are not allowed to enter inside the fence of the electrical substation unless they are competent to do so safely and have been given approval to enter by the Site Director.

- (b) Interview contractor POCs on identified topics, as necessary, to fully assess assigned topics and corroborate information received.

Note: Information collected by interviewing personnel must be corroborated by the assessor. Corroboration may be obtained by reviewing other evidence which substantiates interview statements (this is the preferable corroboration method) or by interviewing other personnel in order to determine if the statements made by multiple individuals are consistent.

- (c) Provide a judicious balance between interviews, reviews of documentation (e.g., procedures and records), and observations of actual work activities.
- (d) Investigate topics thoroughly against established requirements. Determination of conformity or nonconformity should not be based on appraiser's opinion but rather upon objective evidence. Appraisers may identify observations based upon opinions (see accompanying note) as appropriate to their investigations.

Note: Observations typically identify one of two conditions: (1) a situation where the item or area technically meet requirements but could be improved (normally referred to as an "opportunity for improvement;" or (2) an item or area performing so well that it should be considered a "best practice."

- (e) Team members should discuss appraisal results with the Contractor POCs as soon as those results are known. When findings are discovered, define the risk parameters (likelihood and severity) for the finding. If the assessor considers a finding to have safety implications or it is rated as high-risk, immediately notify the Team Leader. The Team Leader will notify the SSR and Site director of safety related findings or high-risk findings immediately.
- (f) Ensure audit results do not contain sensitive information prior to entering data into an unsecured computer system. This is typically accomplished through discussions between the team member and a Derivative Classifier (DC) during the daily team meetings, before results are entered into the system via the electronic results form. Each on-site team will have an assigned DC (typically, the Team Lead).

- (g) Document requirements, observations, and findings using the On-Site Management Appraisal Results Front-End Workflow. Refer to document SPRPMO 0096, *SPR On-Site Support Workflows* for a description of the different levels of review and the requirements of each reviewer in the appraisal results review process. Refer to Section 7. Definitions, for definitions and disclaimers associated with findings and observations.
 - (h) Directors will designate an SME to support an effectiveness review of closed findings issued at the site during the prior year's assessments, provided the corrective action under review has been implemented for at least six months. If that organization is not represented at the On-Site, the Director will make other arrangements for an SME to conduct an effectiveness review.
 - (i) When available, team members will participate in team meetings including the in-briefing, daily status meetings, and both the informal and formal exit briefings.
 - (j) All non-conformances identified will be entered into the Assessment Tracking System (ATS) in draft status utilizing the ATS Front-End Workflow (reference, SPRPMO 0096).
- (3) Conduct Exit-Briefing (Site Level).
- (a) Provide an informal overview of appraisal results to date for the Site Director and the Site SSR prior to leaving the site the week of the appraisal. Conduct a formal exit-briefing by Microsoft Teams (or another approved on-line meeting platform) as soon after write-ups are completed, and it is practical to schedule (typically the following week). Refer to Section 7. Definitions, detailed explanations of formal and informal exit-briefings.
 - (b) Provide the M&O contractor Site Director or the Director of Contractor Assurance Systems with copies of write-ups for each topic that has been reviewed and approved by the DOE SME's Director. This will begin the review period in which the M&O contractor may develop challenges to findings submitted by the DOE appraiser. The contractor will have seven calendar days in which to provide DOE with additional information that may influence results from the appraisal. Information provided by the

contractor will be routed to the SME and other appropriate DOE personnel for analysis. The contractor will be notified of the results from the SME's analysis prior to the out-briefing. The out-briefing is a meeting conducted by the Team Lead to present final results of the on-site to DOE and FFPO senior management. Out-briefings are conducted at the request of the Project Manager and typically occur about six weeks after the team leaves the site.

c. Appraisal Follow-Up

- (1) Within 20 calendar days following all results being approved by the DOE Directors, the Team Leader will produce a draft appraisal report that contains or references sufficient information to provide a clear description of the appraisal findings and observations. All findings will remain in draft status within ATS until the appraisal report is published. Each appraisal report will be identified by a unique document control number.
- (2) The Team Leader will conduct an out-briefing to update senior DOE and contractor managers on appraisal results. At the conclusion of the out-brief, the DOE Project Manager will be asked to sign the final report. After obtaining appropriate signatures, the appraisal report will be forwarded through the DOE Contracting Officer to the contractor as notification of the formal On-Site results.

Note: In some cases, the Project Manager may approve publication of a finding prior to the out-briefing.

- (3) The Team Leader will authorize publication of approved findings in ATS and will post the report to the Quality and Performance Assurance Division's (QPAD) Independent Assessment SharePoint page.

5. RESPONSIBILITIES.

a. SPRPMO Project Manager

- (1) Ensures that an effective program for evaluating contractor performance is established and maintained.
- (2) Approves appraisal plans and the final appraisal report prior to publication.

- (3) Assigns a team that will address High-Risk findings and develop the prescribed schedule for completion of causal analysis and Corrective Action Plans (CAPs).
- b. Contracting Officer
- (1) Work with On-Site Management Appraisal Program Manager on the transmittal of appraisal plans and final reports to contractor counterparts.
 - (2) Forward to the On-Site Management Appraisal Program Manager any correspondence received from the contractor concerning the conductance of On-Site Appraisals, including comments resulting from the review of draft appraisal results or reports.
 - (3) Direct contractors to provide CAPs for all findings included in appraisal report in accordance with Section 7.e.(2) of this order.
- c. Assistant Project Managers (APMs)/Federal Project Director (FPD)
- (1) Support all On-Site Management Appraisals.
 - (2) Identify the functional SMEs who will serve as team members. Ensure selected team members are familiar with appraisal techniques and can support effectiveness reviews of prior findings as required.
 - (3) Ensure Directors perform Quality Control Checks as required to provide timely approval of findings and CAP verifications.
 - (4) The APM TA reviews and approves appraisal plans and reports prior to them being presented to the Project Manager.
- d. Division Directors/Deputy FPD
- (1) Ensure SMEs have current LOIs for appraisal and SMEs are scheduled for appraisal activities. Ensure topics are selected based on risk to the program; are not unnecessarily repetitive; and take into account recent contractor performance, management concerns, and mission priorities. Division Directors also coordinate or approve appraisal topics (including requirements) with identified team members and with the

appropriate APM. Topics should represent the activities as described in Section 4.a.(3) of this order.

- (2) Ensure team members prepare appraisal support materials (e.g., checklists, interview questions, process diagrams, etc.) in advance of the On-Site Management Appraisal.
 - (3) Ensure team members possess all required personal protection equipment (PPE) and have received the appropriate appraisal and site safety training.
 - (4) Coordinate with team member(s) on conclusions reached during the appraisal.
 - (5) Determine if the result(s) of their representative team member's appraisal constitutes a finding and that the risk assessment of the finding is accurate.
 - (6) Assign SMEs to assist with the effectiveness review of prior findings as requested by the Team Leader.
 - (7) The Director of Site Operations and Maintenance Division will assign Site Engineers (from sites other than the one being reviewed) to support on-site appraisals to the extent that it is practical to do so.
- e. On-Site Management Appraisal Program Manager
- (1) Ensures preparation of the On-Site Management Appraisal schedule prior to the beginning of the fiscal year.
 - (2) Ensures all findings are processed through the electronic submission process per SPRPMO 0096, *SPR On-Site Support Workflows*, and are entered into the ATS in draft status prior to completing the appraisal.
 - (3) Submits appraisal plans and reports to the Contracting Officer for transmittal to the contractor subject to the appraisal.
 - (4) Posts the completed appraisal plans and reports on the Independent Assessment SharePoint page within three working days of their transmittal to the contractor.

- (5) Publishes findings in ATS after the PM's approval of the On-Site Management Appraisal Report.
 - (6) Coordinates and tracks contractor CAPs and DOE responses quarterly until all outstanding issues are closed.
 - (7) Reviews and approves appraisal plans and reports prior to submitting them to the APM TA.
- f. On-Site Management Appraisal Team Leader
- (1) Issues a call for topics approximately six weeks prior to the scheduled on-site. Ensures topics submitted are associated with a valid requirement and the scope is appropriate for an on-site (refer to SPRPMO 0096, *SPR On-Site Support Workflows*).
 - (2) Coordinates with the SSR and Information Technology support services to ensure that contractor site personnel comply with the applicable provisions of the CRDs.
 - (3) Develops an appraisal plan in accordance with section 4.a of this Order.
 - (4) Conducts an in-briefing with contractor and DOE personnel.
 - (5) Conducts periodic team status meetings after the first day of the appraisal.
 - (6) Ensures team members are practicing sound auditing techniques.
 - (7) Reviews the information provided by team members in accordance with SPRPMO 0096, *SPR On-Site Support Workflows*. Ensures results collected are in accordance with good audit practice, adequately document the analysis of the topic, and support the conclusions drawn by the assessor. Works with the assessor to correct any deficiencies noted.
 - (8) Immediately notifies the SSR and Site Director of any potential High-Risk or safety-related findings as soon as they are identified.
 - (9) Conducts an informal exit-briefing with the SSR and Site Director to provide results captured to date prior to leaving the site. Conducts a

formal exit-briefing with contractors and DOE personnel using teleconferencing technology as soon as it is practical to do so after all topical results are submitted (typically, the week after the field work is conducted).

- (10) Coordinates with the SMEs and contractors until all issues with the assessment results raised through the appraisal process are satisfactorily addressed. Performs evaluation through follow-up appraisals, additional correspondence, or other methods to ensure that all planned and completed corrective actions have been implemented as scheduled.
- (11) Ensures that inexperienced appraisal team members receive orientation training per Section 4.a(7) of this Order and are assigned to an experienced appraiser for supervision during on-site field work until such time as they are adequately trained to perform On-Site Appraisals without assistance.
- (12) Conducts a formal Out-Briefing, (if requested by the Project Manager) with DOE management, DOE appraisers, contractor management, and interested site personnel to recap results of the On-Site Appraisal and receive final approval of the appraisal report from the Project Manager.
- (13) Publishes identified findings in ATS, after receiving approval of the appraisal report.
- (14) Oversees effectiveness review of prior findings that have been closed since the last on-site occurred. Ensures that closed findings are adequately investigated by assigned SMEs to ensure that CAPs have been implemented as planned and that the CAPs are effective to prevent recurrence of the finding issued. Reports the results of effectiveness review of each identified finding in the On-Site Management Appraisal Report.

g. On-Site Management Appraisal Team Members

- (1) Team members will develop appraisal support materials (e.g., LOIs, checklists, interview questions, process diagrams, etc.) for use during the appraisal, in advance of the scheduled appraisal.
- (2) Team members who have not participated in an On-Site Appraisal will receive an On-Site Appraisal Orientation Module and operate under a

“trainee” status during their first On-Site Appraisal. Team members in training can expect a degree of closer supervision by the Team Lead or a designated experienced SME until such time that they are familiar with the appraisal process.

- (3) Conduct appraisals during the scheduled period of each appraisal. Team members may conduct appraisals prior to the scheduled period with the approval of their supervisor, the SSR, and the On-Site Management Appraisal Program Manager. Team members should coordinate the timing of their appraisal with DOE and contractor site personnel to ensure availability of support and resources.
- (4) During On-Site Appraisals, team members will adhere to all safety requirements as briefed by the contractor, including the use of proper PPE as prescribed.
- (5) Conduct appraisals in accordance with Section 4.b.(2) of this Order.
- (6) Discuss all appraisal results with a contractor POC, including a thorough description of observed non-conformances (findings), if any.
- (7) Discuss appraisal results with their Director.
- (8) Discuss appraisal results with Derivative Classifier (typically the Team Leader) prior to entering information into an unsecure system to ensure information is not sensitive.
- (9) Document topic results in accordance with SPRPMO 0096, *SPR On-Site Support Workflows*. At a minimum, topic results must provide the following information:
 - (a) A concise description of the requirement(s) associated with the topic.
 - (b) The approach used to investigate the topic including sampling information.
 - (c) A description of the objective evidence collected.
 - (d) A rating (Effective Performance or Non-Conformance Risk Category).

- (e) For topics rated as non-conformances (findings), documentation of the risk associated with the finding (likelihood and severity) will be required.
 - (10) Review additional information provided by the contractor as a challenge to a finding. Provide an analysis of the information to the Team Leader and, if warranted, provide a re-write of the finding or observation for incorporation into the draft final report.
 - (11) Review and respond accordingly to contractor CAPs. Ensure CAPs are supported by a valid causal analysis (i.e., CAPs address the true cause of the non-conformance and are developed by some formal approach, such as Five Whys), are properly defined, achievable, provide appropriate remedial action, address effective correction of the identified deficiency, and are responded to within the time parameters programmed into the ATS and in accordance with the latest revision of SPRPMO G 220, *SPR Assessment Tracking System (ATS) User's Guide*.
 - (12) Maintain appraisal records supporting findings for subsequent review by the Team Lead during the validation process.
 - (13) Immediately notify the Team Leader in the event a finding is determined to be a high-risk item or a safety concern.
 - (14) Support effectiveness review of prior findings issued at the site as assigned by the Division Director and as required by this order. If a closed CAP is determined to be ineffective (i.e., that the original non-conformance has not been corrected), issue a repeat finding, documenting the non-conformance.
- h. Senior Site Representatives (SSRs)
- (1) Provide the On-Site Management Appraisal Program Manager, or designated SME team member with appropriate topics (including requirements). Topics should represent the activities as described in Section 4.a.(3) of this order.
 - (2) Provide or assign technical support to the Appraisal Team Lead as needed to explain or clarify site equipment, operations, or protocols.

- (3) Participate in the appraisal in-briefing, daily team status meetings, exit-briefings, and the out-briefing.
 - (4) Upon request assist in verifying that the contractor has implemented the CAP as documented in ATS.
- i. Derivative Classifiers (DCs)
- (1) Review preliminary appraisal results with team members prior to the team member documenting results in an unsecure system.
 - (2) Review documented appraisal results in accordance with SPRPMO 0096, *SPR On-Site Support Workflows*.
- j. Independent Verifiers
- (1) Perform Independent Verification (IV) after the finding CAP has been deemed closed by the Division Director. Verify the following:
 - (a) All approval steps have been completed and appropriate comments supporting approval are recorded in the finding package.
 - (b) A valid causal analysis (or apparent cause) was conducted and is documented in the finding package.
 - (c) Appropriate exhibits documenting the changes implemented by the CAP are documented in the finding package. Exhibits may include, but are not limited to updated procedures, pictures, records of performance, completed forms, meeting minutes, etc.
 - (2) Perform Effectiveness IV after the finding CAP has been deemed effective by the assigned assessor. Verify the following:
 - (a) The effectiveness review step has been completed and appropriate comments supporting approval are recorded in the finding package.
 - (b) Appropriate exhibits documenting the changes implemented by the CAP are documented in the finding package. Exhibits may include, but are not limited to, updated pictures, records of performance, completed forms, meeting minutes, etc.

6. REFERENCES. The latest revisions of the following references are applicable to this order:

- a. DOE O 226.1, *Implementation of DOE Oversight Policy.*
- b. DOE O 414.1, *Quality Assurance.*
- c. DOE P 450.4, *Integrated Safety Management Policy.*
- d. DOE O 470.4B, *Safeguards and Security Program.*
- e. DOE O 210.2A, *DOE Corporate Operating Experience Program*
- f. SPRPMO O 414.1, *Quality Assurance Program.*
- g. SPRPMO O 226.1, *Strategic Petroleum Reserve Project Management Office Oversight Policy.*
- h. SPRPMO M 210, *SPRPMO Performance Measurement Manual.*
- i. SPRPMO G 220, *Strategic Petroleum Reserve Assessment Tracking System (ATS) User's Guide.*
- j. SPRPMO 0096, *SPR On-Site Support Workflows.*
- k. DOE G 413.3-7A, *Risk Management Guide*

7. DEFINITIONS.

- a. Assessment Tracking System (ATS). An electronic issues management system in which all findings are listed and tracked. Findings are processed in accordance with SPRPMO G 220, *Strategic Petroleum Reserve Assessment Tracking System (ATS) User's Guide.*
- b. Critical Few Performance Measures. Reference latest revision of SPRPMO M 210, *SPRPMO Performance Measurement Manual*, to review the current definition for critical few performance measures.
- c. Effectiveness Review. An assessment performed after a non-conformance has been corrected to ensure the corrective action was effective and will prevent

the non-conformance from recurring. Effectiveness reviews will be conducted on all DOE-generated non-conformances issued at the site since the last On-Site Management Appraisal was performed— provided that the corrective action plan has been closed for at least six months prior to the appraisal. Items that have been closed for less than six months will be assessed at the next On-Site management Appraisal at the site.

Note: Due to the potentially sensitive nature of non-conformances issued as part of DOE Security Surveys, effectiveness reviews of security non-conformances will be addressed as part of the Security Survey process in accordance with DOE O 470.4B, Safeguards and Security Program.

- d. Exit Briefing. A meeting conducted with site personnel to provide a status of the topics investigated during the on-site. The two types of exit briefings are as follows:

- (1) Informal Exit Briefing. A briefing provided to DOE and FFPO site management that discusses the preliminary status of topics run. Informal exit briefings are conducted in person by the Team Leader.

Note: Assessors are given a few days after leaving the site to complete their write-ups, so the informal exit briefing provides the current status of topics when the team leaves the site. This status is subject to change as topics write-ups are completed.

- (2) Formal Exit Briefing. A briefing provided to DOE and site management that discusses the final status of topics run. Formal exit briefings are conducted by the Team Leader using a teleconferencing platform after all topic write-ups have been completed (typically, the week after the team leaves the site).

- e. Finding. A non-conformance. Any condition which does not meet requirements and is not mitigated by other controls causing degradation to the system. Please refer to Section 7.j below for a definition of finding categories based upon risk.
- f. Immediate Remedial Action. Steps taken immediately after discovery of a non-conforming condition that temporarily mitigate the effects of the condition.

- g. Likelihood. Based on concepts identified in DOE G 413.3-7A, *Risk Management Guide*, likelihood is the chance of an event occurring due to the existence of the non-conformance. Likelihood is assessed along with severity in order to determine risk. Please refer to Section 7.j below for an in-depth definition of risk categories and Section 7.k for a definition of severity.
- h. Observation. Typically offered as a program enhancement measure, an observation addresses areas and situations which are not in obvious non-compliance with documented requirements and the program posture has not been seriously degraded. Observations may be “positive” (i.e., best practice; industry standard) or “negative” (i.e., needs attention or monitoring to prevent further deterioration). Observations are documented in the final report and submitted to ATS by DOE as a Preventive Action (PV Assessment Type). The contractor will review and provide feedback on any actions to be taken or not taken, relative to the observation.
- i. Out-Briefing. A meeting conducted by the Team Lead to present final results of the on-site to DOE and FFPO senior management. Typically, DOE and FFPO site personnel attend this meeting by teleconference. Out-briefings are conducted at the request of the Project Manager and typically occur about six weeks after the team leaves the site.
- j. Rating System for Topics. Topic results are categorized based upon conformity. Topics judged by the assessor to be in conformance are listed as Effective Performance. Topic results judged to be non-conformances (findings) are rated according to risk to the program. Rating System categories are defined as follows:
 - (1) Effective Performance: The topic being appraised is rated Effective Performance if all applicable standards are met and are effectively implemented. A topic is also rated Effective Performance if, for all standards that are not met, other systems or compensatory measures exist that provide equivalent protection, or if the impact of failure to meet an applicable standard is minimal and does not significantly degrade the protection provided.

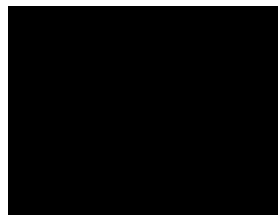
Note: Issues that are significant enough to be considered “findings” will negate the use of the Effective Performance rating. If the issue is significant enough to be called a “finding,” then the topic will be rated according to risk to the program (see Section 4.j(2)).

(2) Finding Risk Categories:

- (a) High-Risk findings present grave consequences to individuals, the environment, or the program. High-Risk findings must be addressed by investigation teams assigned by the Project Manager. Causal analysis and CAP development are conducted by the assigned investigation team. Identification of causal factors is required (causal factors are assigned through the Occurrence Reporting and Processing System (ORPS) and Integrated Safety Management (ISM)). ATS is used to status progress only. The schedule for addressing high-risk findings is established by the Project Manager on a case-by-case basis. High-risk items require immediate remedial action.
- (b) Medium-Risk non-conformances present moderate consequences to individuals, the environment or the program. Medium-Risk items are managed in ATS. They require causal analysis (typically, Five Whys), and identification of causal factors (causal factors are assigned through ORPS and ISM). Causal factors are identified by a committee as required in Attachment 1 of this order. CAPs for medium-risk items must be developed and approved by the contractor within 45 calendar days of issuance of the finding. Immediate remedial action may be required for medium-risk items.
- (c) Low-Risk non-conformances are those that must be corrected but do not pose significant consequences to individuals, the environment, or the program. Low-Risk items will be managed in ATS. They require causal analysis (typically, Five Whys), identification of causal factors (causal factors are assigned using those identified for the ORPS and ISM). Causal factors are reviewed by Quality Assurance management as required in Attachment 1 of this Order. CAPs for low-risk items must be developed and approved by the contractor within 45 calendar days of issuance of the finding. Immediate remedial action may be required for low-risk items.
- (d) Very Low-Risk findings are those that present minimal consequences to individuals, the environment or the program. Very Low-Risk items are managed in ATS. They only require an apparent cause (no causal analysis is required). Very low-risk

items must be closed within 15 calendar days. Immediate remedial action is not required for very low-risk items.

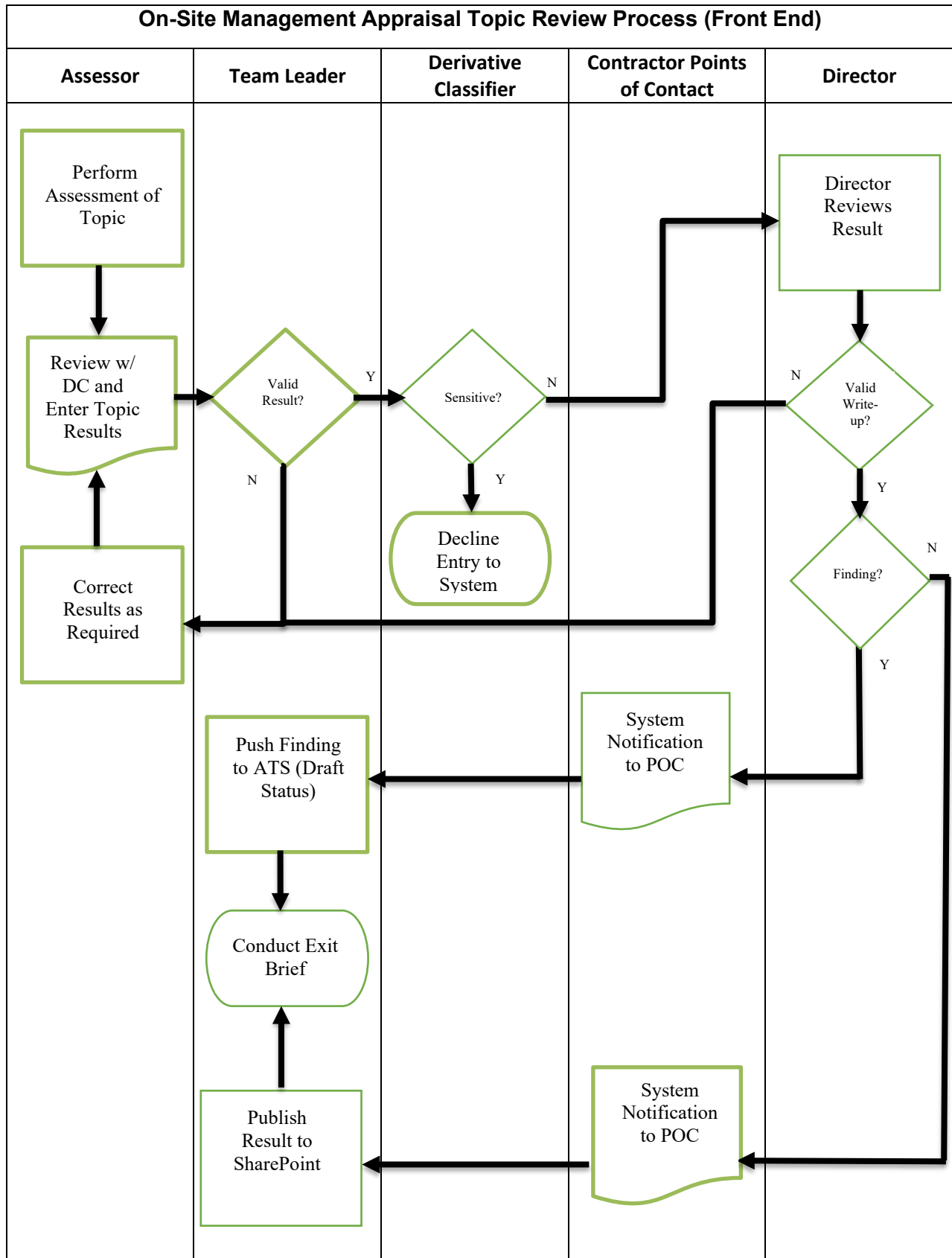
- k. Severity. Based on concepts identified in DOE G 413.3-7A, *Risk Management Guide*, severity is the level of the outcome of an event that can occur as a result of the non-conformance. Severity is assessed along with likelihood to determine the overall risk of a non-conformance. Please refer to section 7.j above for an in-depth definition of risk categories and Section 7.g above for a definition of likelihood.
 - l. Topic. A subject or area to be appraised during the On-Site Management Appraisal. Topics are based on established, documented requirements and are identified by the APMs, the Division Directors and the SSRs. Topics are approved by the Program Manager prior to each On-Site Appraisal.
8. CONTACT. Address all questions concerning this order to the Office of the Assistant Project Manager, Technical Assurance, Quality and Performance Assurance Division, at [REDACTED].



Project Manager
Strategic Petroleum Reserve

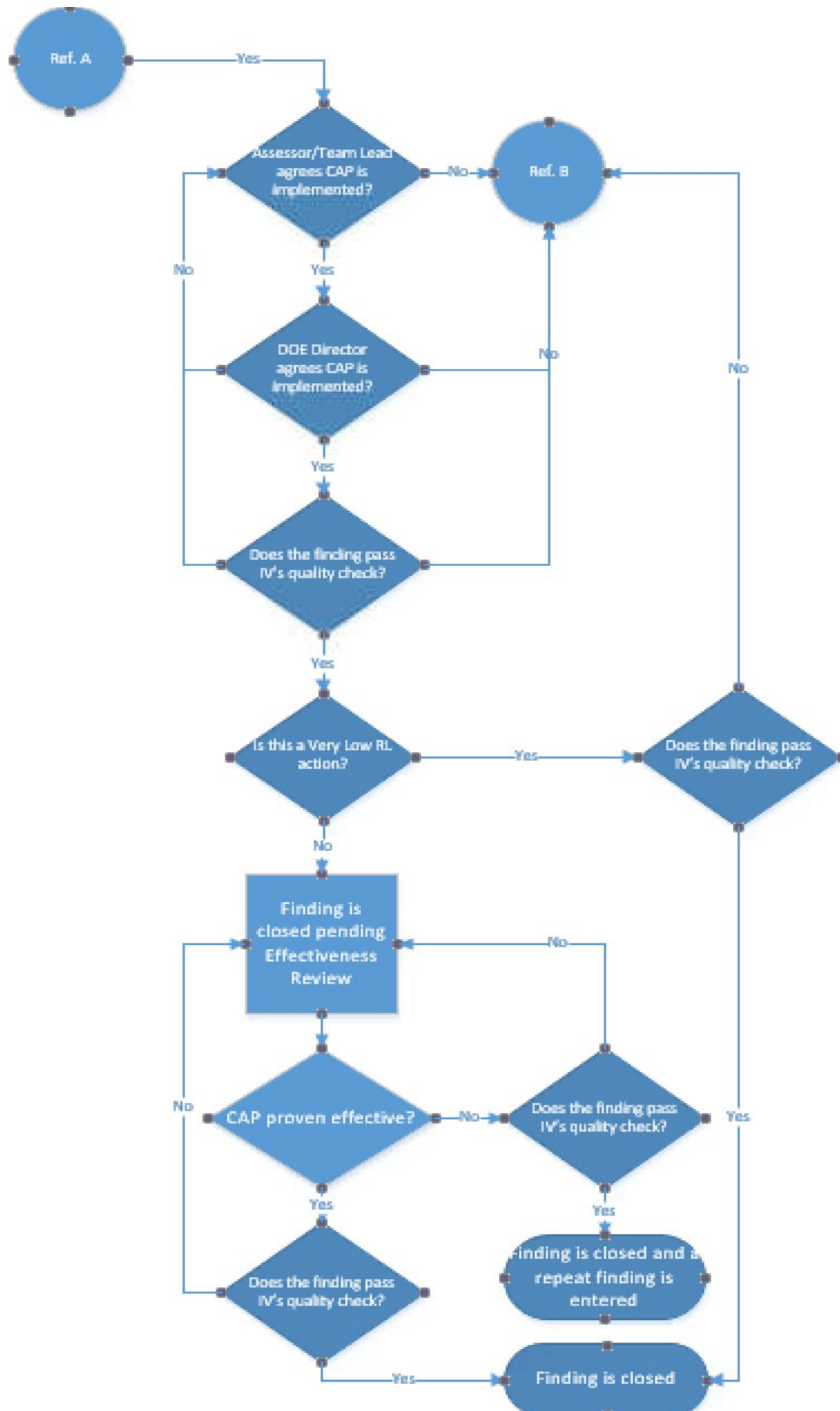
2 Attachments:

- Attachment 1 – On-Site Management Appraisal Topic Review (Front End) and Issues Management (ATS) Processes
- Attachment 2 – M&O Contractor Requirements Document



Issues Management (ATS) Process





**CONTRACTOR REQUIREMENTS DOCUMENT
FOR MANAGEMENT AND OPERATING CONTRACTOR
SPRPMO O 220.1G, ON-SITE MANAGEMENT APPRAISALS**

Regardless of who performs the work, the contractor is responsible for complying with the requirements of this Contractor Requirements Document (CRD). The contractor is responsible for cascading the requirements of this CRD to subcontractors at any tier necessary, to ensure the contractor's compliance with the requirements.

The Management and Operating (M&O) contractor shall:

1. Provide an on-site conference room appropriate to the size of the appraisal team for the exclusive use of the team during the appraisal.
2. Provide IT infrastructure as requested by the Team Leader.
3. The Site Director will ensure supervisory personnel and points of contact (POCs) are available on-site during the appraisal.
4. The Site Director will ensure supervisory personnel (or their representatives) attend the appraisal in-briefing and Microsoft Teams (or another approved on-line meeting platform) exit-briefing.
5. During the appraisal in-briefing, introduce contractor POCs to team members, and inform team members about site safety rules, evacuation procedures, and known hazards related to physical processes and ongoing work activities, which may be encountered during the On-Site Management Appraisal.
6. Provide support to the appraisal team as follows:
 - a. Arrange for transportation and escort to geographically separated areas of the site (raw water intake structures, for example), if requested.
 - b. Arrange for entry and escort into any controlled areas, as required.
 - c. Accompany team members during inspections, if requested.
 - d. Provide appropriate personal protective equipment to team members, if requested and if available.

- e. For each topic, assign a POC who will receive a copy of the results issued by DOE appraisers within the electronic On-Site Management Appraisal Workflow system. POCs may communicate findings, if any, to appropriate contractor personnel or management.
 - f. Provide documents, records, drawings, and other exhibits to team members, if requested. Mission permitting, make appropriate site personnel available for interviews as requested. Operate processes at assessor's request if it is safe to do so.
 - g. Provide other support as requested by the DOE Team Leader.
- 7. Attempt to resolve all issues, prior to the out-briefing, by providing additional information that may have a bearing on the results of the On-Site Management Appraisal. All communications will be sent through proper contracting channels. Additional information must be new and previously unknown to the On-Site Management Appraisal Team Member, or it must clarify previously disclosed data.
 - 8. Senior managers will attend the scheduled out-briefing (may be attended by teleconferencing technology).
 - 9. Provide corrective action plans (CAPs) and root-cause analysis for findings identified in the appraisal reports within the timelines established in Section 7.e(2) of this order. Use a committee of trained personnel to conduct causal analysis and develop CAPs for medium-risk findings; the committee shall consist of the Director of Contractor and Quality Assurance (DCQA) or a delegate, the First Responsible Person (FRP), and such SMEs as the DCQA feels are necessary. For low-risk findings, the committee shall consist of the DCQA or a delegate and the FRP.
 - 10. Support investigation teams for high-risk items as required by the DOE Project Manager.
 - 11. Once approved by DOE, work CAPs to completion within established, estimated completion date and request closure in ATS.
 - 12. The Lessons Learned Coordinator and the Operating Experience Coordinator will review all findings and observations resulting from the On-Site process for possible submission to the Lessons Learned Program or the Operating Experience

Program. The submission process will follow program guidance as directed in DOE O 210.2A, *DOE Corporate Operating Experience Program*.