

**SUBJECT: POLICY FOR FEDERAL OVERSIGHT AND CONTRACTOR ASSURANCE SYSTEMS**

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**PURPOSE AND SCOPE**

This policy establishes the Department of Energy's (DOE) expectations for the implementation of a comprehensive and robust oversight process that enables the Department's mission to be accomplished effectively, efficiently, safely, and securely by utilizing and leveraging the outcomes and information from effective Contractor Assurance Systems (CAS) to inform the Government's oversight wherever appropriate.

This policy applies in lieu of DOE P 226.2 with respect to facilities and activities under the responsibility of the Office of Nuclear Energy (NE), including nuclear facilities and nuclear activities authorized by NE. Such nuclear activities include the design, construction, management, operation, decontamination, decommissioning, or demolition of nuclear facilities.

**POLICY**

Effective oversight of the DOE contractor complex should be integrated into all operations such that all personnel, Federal and contractor alike, are responsible and accountable for conducting their missions to the highest standard. CAS are applied to all operating and business functions that impact the protection of the worker, public, and environment. The principles of trust, accountability, integrity, and respect, along with frequent and open communication, must be the foundations upon which our mission is performed. Contractors should responsibly oversee their own work, identify concerns, and reliably report unexpected adverse outcomes to prevent recurrence.

CAS are designed and utilized by contractors to manage performance consistent with regulatory requirements. CAS enables assessment of performance, provides data to the contractor's management decision-making process, and allows the contractor to effectively manage safety management programs, problems, and corrective actions commensurate with the level of risk while ensuring compliance. CAS shall provide clear, risk-informed performance communication to DOE and contractor management. Under CAS, contractors provide reasonable assurance that their safety management program controls are effective and efficient. CAS are risk-based systems that focus on safe and compliant outcomes while minimizing performance risk.

CAS are an integral component of a contractor's management systems and DOE's oversight model. The Department integrates its oversight activities with CAS (both at individual sites and with the larger family of CAS for activities across the complex) to confirm the adequacy of the contractor's internal controls and integrated safety management programs.

Attributes of effective assurance and oversight processes include the following:

(1) Contractor Assurance Systems:

- are tailored to meet the needs and unique risks of each site or activity
- include methods to perform rigorous self-assessments
- conduct feedback and continuous improvement activities
- establish metrics to identify and correct negative performance trends
- include independent reviews
- assure that corrective actions implemented are effective
- share lessons learned.

(2) DOE oversight programs, including independent oversight, include the following:

- designed and conducted commensurate with the level of risk of the activities
- higher priority and greater emphasis are given to oversight of activities with potentially high consequences.<sup>1</sup>

DOE line management will assure contract compliance by monitoring planned, ongoing, and accomplished work and providing timely feedback to the contractor on matters deserving attention. In parallel, the contractor's assurance systems must be transparent and the contractor must continue to pursue mission excellence.

BY ORDER OF THE SECRETARY OF ENERGY:



JAMES P. DANLY  
Deputy Secretary

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<sup>1</sup> These activities include, but are not limited to, Hazard Category 1 and 2 nuclear facilities and activities to protect strategic quantities of special nuclear material and highly sensitive information assets.