




**Department of Energy**  
**National Nuclear Security Administration**  
Washington, DC 20585

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MEMORANDUM TO Deputy Administrator for Defense Programs, NA-10  
Deputy Administrator for Defense Nuclear Nonproliferation, NA-20  
Deputy Administrator for Naval Reactors, NA-30  
Director, Office of Emergency Operations, NA-40  
Associate Administrator for Infrastructure and Security, NA-50

FROM Michael C. Kane   
Associate Administrator  
for Management and Administration

SUBJECT NNSA PPBE Evaluation Process – Revision 1

Since we issued the NNSA PPBE Evaluation guidance on April 9, 2003 we have received many constructive comments from program offices on how to improve and streamline the Evaluation process to better meet NNSA corporate needs. Attached you will find the revised NNSA PPBE Evaluation Process Business Operating Procedures (BOP). Key changes include:

- Performance Measurement Data
  - Eliminated references to quarterly targets. (Page 3)
  - Added requirement for streamlined goal and annual target text. (Pages 2, 3, and 9)
  - Clarified that the budget, FYNSP, APP, PART, and JOULE performance data are the same single set of data. (Pages 4 and 7)
  - Added OMB requirement for efficiency measures. (Page 3)
  - Added DOE requirements for improved accuracy and auditability of performance results. (Page 7)
  - Updated examples to reflect new guidance using a real NNSA program. (Pages 2, 3, 7, 9, and 11)
- PART
  - Included effective example answers for key PART questions. (Page 11)
  - Reflected current OMB guidance – programs will be reviewed by OMB once every 5 years versus annually unless there is a pressing reason, determined case-by-case, to do it sooner. (Page 6)
  - Clarified when the internal PART self-assessment updates are due (in time for NA-1 Program Review). (Pages 6 and 13) Note: programs being reviewed by OMB will need to be completed sooner – mid-April.
  - Added information on Mid-Year Financial and Performance Review. (Pages 6 and 13)
- General -- Reduced guidance text significantly.

Please direct any questions or comments on this memo or the attachments to Kathleen Foley at 301-903-0232 or Kenneth Sheely at 301-903-4131.

Attachment



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## **NNSA PPBE Evaluation Process Business Operating Procedures (BOP) Revision 1**

### **OBJECTIVE**

To institutionalize an annual NNSA Evaluation Process which complements the other phases of the Planning, Programming, Budgeting, and Evaluation (PPBE) process to ensure NNSA achieves and articulates results by establishing clear, concise, meaningful, and measurable performance baselines, and by conducting credible, tiered, and linked performance reviews against these baselines.

### **APPLICABILITY**

This BOP is applicable to all NNSA Headquarters elements. This BOP covers evaluation activities directly associated with PPBE and does not attempt to address the numerous other technical and contractual reviews such as those associated with the management of capital assets (DOE 413.3) or contractors performance evaluation plans (PEPs).

### **INTRODUCTION**

An effective NNSA PPBE Evaluation process will:

- Ensure corporate and individual discipline, integrity, accountability, and accuracy in planning and reporting annual targets and long-term goals;
- Measure corporate performance by tracking annual results towards achieving long-term goals; and
- Assure linkage and consistency in NNSA external and internal performance reporting through the NNSA performance cascade.

The NNSA PPBE Evaluation process is comprised of two elements:

- Performance Measurement Data
- Performance Reviews

### **ELEMENT 1 – PERFORMANCE MEASUREMENT DATA**

#### **Purpose**

Performance measurement data explains in clear, concise, meaningful, and measureable terms what a program<sup>1</sup> expects to accomplish for a specific funding profile over a fixed period of time. This data is used to inform resource decisions, improve management and delivery of products and services, justify budget requests, and establish performance commitments to ensure accountability of federal stewardship of taxpayer resources. The process provides information to assure that resource decisions are linked to results.

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<sup>1</sup> Throughout this document the term program is used to mean one of the 23 individual NNSA elements that appear separately in the budget (also known as GPRA Units).

## Requirements

Performance-based budgeting dates to the Truman administration's 1951 budget. With the Government Performance and Results Act of 1993 (GPRA), Congress directed the Executive Branch to improve the effectiveness, efficiency, and accountability of federal programs by having agencies focus on results. GPRA requires that all U.S. Government programs link their funding requirements to meaningful and measurable short-term and long-term performance expectations in order to justify their budget requests and to access their results. The GPRA has been strongly endorsed and reinforced by the fifth element of President Bush's Management Agenda – Budget and Performance Integration. Begun with the FY2003 budget, the President's Management Agenda is a major step toward making government more accountable to the American people by requiring that all U.S. Government programs integrate their budget and performance data using terms that are clear enough for the taxpayer to understand.

Performance-based budgeting is the process for requesting funding within NNSA, DOE, and the U.S. Government. Programs will use performance measurement data to justify their baseline budgets and any requests for additional funds. Programs that lack clear, concise, meaningful, and measurable performance measurement data will be at a strategic disadvantage during the PPBE Programming phase when funding vs. performance tradeoffs are analyzed and program allocations are made. The Office of Management and Budget (OMB) and the NNSA are both using the OMB-designed Program Assessment Rating Tool (PART) to assess the quality, clarity, and completeness of program performance measurement data. Performance data will also be used to assess each program's actual results against the planned baselines they used to justify budget allocations (see "Element 2 – Performance Review" section).

## Common Terms

Unfortunately, each of the above policy drivers uses slightly different terms to describe performance measurement data. However, they do share common principles regarding the types, quality, and requirements of what makes good performance data and that programs must be able to achieve and articulate results. Therefore, NNSA has established a standard set of common terms to improve internal communication, understanding, and consistency.

The term performance measurement data will be used as a generic term for the set of performance information that includes the Goal, Indicators, Annual Targets, and Endpoint Target. Performance measurement data explains in clear, concise, meaningful, and measurable terms what a program expects to accomplish for a specific funding profile over a fixed period of time. This data is used to justify budget requests, inform resource decisions, improve management and delivery of products and services, and establish performance commitments to ensure accountability of federal stewardship of taxpayer resources. Performance measurement data will be revised twice per year (August/September to support the OMB Budget Request and December/January to support the President's Budget Request).

- A goal is a clear, concise, ambitious, and long-term outcome oriented statement describing the unique contribution made by a program. Each program should only have one goal and it should be a brief but specific one-sentence statement. For example, "Reduce the threat of nuclear terrorism by facilitating the shutdown of the three remaining weapons-grade plutonium production reactors in Russia."
- Indicators are a set of generic but meaningful units by which progress towards the goal can be measured. Programs should have only 3-5 indicators and they should not change over the life of the goal. Some indicators may be completed before the goal is reached. Indicators should use common qualifying terms like "annual" or "cumulative" to

clarify the unit of measure. For example, “Cumulative percentage of progress in constructing a coal plant in Seversk facilitating the shutdown of two Russian weapons-grade plutonium production reactors.” Also, one indicator must be an efficiency measure that meets OMB standards to measure cost savings (in dollars or employee hours) per unit of output or outcome over time. For example, “Annual cost, in thousands of dollars, per Russian worker transitioned to non-weapons-grade plutonium production work.”

- Annual Targets are specific and auditable annual outputs towards the goal measured in terms of the indicators. Annual targets should be represented by a single number per indicator per year to streamline text and improve readability. Annual target numbers must be linked to and substantiated by the detailed internal technical milestones (validated baselines) contained in each program’s program plan and project documentation. For example (reference the coal plant construction indicator example above), “FY03-1%, FY04-16%, FY05-48%, FY06-75%, FY07-94%, and FY08-100%.”
- Endpoint Targets are when all the annual targets for a specific indicator are to be completed. Endpoint targets are especially useful when the completion date is beyond the five-year budget window. For example, “By 2008, construct a coal plant in Seversk facilitating the shutdown of two Russian weapons-grade plutonium production reactors.”

#### Criteria

A good performance measurement system must focus on measuring meaningful activities that contribute to achieving long-term outcomes – not just things that are easy to measure. Without measurable, outcome oriented goals supported by data-driven indicators and targets, it will be impossible to achieve budget-performance integration. Performance data must:

- Use clear concise laymen terms – do not use acronyms or technical terms.
- Goals must be clear, concise, meaningful, outcome-oriented, and unique.
- Indicators must be in terms that measure progress over time towards achieving the goal.
- Annual targets must be a single number per indicator per year, and describe specific outputs that can be measured, audited, and substantiated by the detailed technical milestones (validated baselines) contained in published program documentation.
- Goals and indicators should not change from year to year – only the annual targets and endpoint targets might need updating based on actual vs. planned prior year results and actual vs. planned budget allocations – unless the program undergoes a major change in direction.
- Performance data must be linked in a cascade to show the specific contribution each element makes towards achieving overall objectives (allows roll-up and drill-down).
- Budgets must be linked to targets so the marginal impacts of funding decisions can be assessed.

In meeting these NNSA criteria, programs will meet DOE, GPRA, the President’s Management Agenda, and PART requirements. An example of effective performance measurement data is included in Attachment 1.

## NNSA Performance Cascade

NNSA systematically links detailed internal technical milestones (validated baselines) to external corporate performance data via a performance cascade. The cascade assures linkage and consistency in performance information and helps to articulate the unique contribution each NNSA effort makes towards achieving the DOE mission.

- External Management Focus
  - The DOE mission is documented in the DOE Strategic Plan.
  - NNSA contributes to the DOE mission via the Defense Strategic Goal (also called the NNSA mission as documented in the NNSA Strategic Plan).
  - The Defense Strategic Goal further cascades into three DOE General Goals.<sup>2</sup>
  - Each of NNSA's 23 programs has a unique Program Goal that contributes to achieving one of the three DOE General Goals.
  - NNSA Program Goals cascade into 3-5 Indicators with specific Annual and Endpoint Targets. This limited set of corporate NNSA performance data is in the budget, FYNSP, APP, PART and JOULE. These external measures are used by OMB, DOE, and the NNSA Administrator to assess NNSA performance. They are sometimes referred to as Level 0 measures.
  
- Internal Technical Focus (validated baselines)
  - The external NNSA corporate performance measures cascade into a limited number of critical technical milestones. As appropriate, these milestones are established by NNSA HQ program managers and agreed to by NNSA program performers in order to track progress towards successfully achieving the external measures. They are sometimes referred to as Level 1 milestones.
  - The detailed technical milestones that are two levels below the external performance data and, as appropriate, are established by the NNSA program performers and agreed to by NNSA HQ program managers to track progress towards successfully achieving Level 1 milestones. They are sometimes referred to as Level 2 milestones.
  - The comprehensive listing of tasks and deliverables that are three levels below the external performance data and, as appropriate, are developed and maintained by the NNSA program performer and used to manage their staff and sub-contractor efforts to ensure Level 2 milestones are met. They are sometimes referred to as Level 3 milestones.
  - As appropriate, Level 1, 2, and 3 milestones are incorporated into Work Authorizations, Project Work Plans, Program Implementation Plans, Execution Plans, Personnel Appraisals, and Contractor Performance Evaluation Plans. These documents are used by NNSA to obtain buy-in from program performers and federal managers in order to hold them accountable for achieving results. Incentives such as fees, awards, and promotions can be tied to these plans.

An illustrative diagram of the NNSA performance cascade is included in Attachment 2.

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<sup>2</sup> In all there are four DOE Strategic Goals (Defense, Energy, Science, and Environment) supported by seven DOE General Goals. However, NNSA only contributes to accomplishing the DOE mission via the Defense Strategic Goal and its three DOE General Goals (Nuclear Weapons Stewardship, Nuclear Nonproliferation, and Naval Reactors).

## **ELEMENT 2 – PERFORMANCE REVIEWS**

### **Purpose**

NNSA ensures planning integrity, informs funding allocations, and holds managers accountable for results by conducting credible, tiered, and linked performance reviews. These reviews include PART Reviews, Technical Program Reviews, and Performance Reports that examine program management, technical progress, and overall corporate performance.

### **PART Reviews**

In January 2003, the NNSA Management Council endorsed the use of the OMB PART to conduct internal self-assessments of each NNSA program to determine its strengths and weaknesses in achieving and articulating results. Program managers must rate their programs and provide this data to the appropriate Deputy/Associate Administrator. This will let Deputy/Associate Administrators know which programs have the required management documentation and linkages; help programs defend their funding requests at the NNSA Programming meeting; and prepare programs to score well on the OMB PART reviews that are published with the President's Budget Request.

PART consists of 25-35 questions in four weighted sections. The first three sections follow a yes/no format. The fourth section uses a four-point scale to note partial achievement of goals (yes, large extent, small extent, and no). The four sections are:

- **Program Purpose and Design** (Weight 20%) Assesses if the program goal clear and focused on addressing a specific problem. Assesses if the program is optimally designed to make a unique contribution towards solving the problem.
- **Strategic Planning** (Weight 10%) Assesses if the program sets specific, clear, concise, meaningful, measurable, and ambitious performance targets.
- **Program Management** (Weight 20%) Rates the program's ability to manage its federal managers and contractors. Elements include financial oversight, accountability, and addressing deficiencies.
- **Program Results/Accountability** (Weight 50%) Rates program performance on achieving goal and annual targets.

The scoring is linked – a poor score on the early sections will limit the possible scoring in the following sections no matter how good the actual program results are.

The questions are also weighted. Their weighting can be altered to emphasize key factors. A “not applicable” response can be used, with an appropriate explanation. These two flexibilities should be used only in limited cases. In addition to the 25 questions that apply to all programs, a small number of additional questions have been tailored for specific types of program. These seven PART program categories are Competitive Grant Programs, Block/Formula Grant Programs, Regulatory-Based Programs, Capital Assets and Service Acquisition Programs, Credit Programs, Direct Federal Programs, and Research and Development Programs. PART instructions can be found at <http://www.whitehouse.gov/omb/part/index.html>. Examples of effective answers for key PART questions are included in Attachment 3.

Answers to the questions and the relative weighting of the questions and sections, result in a score between 0-100%. These scores are converted into a rating.

- Effective (85-100%)
- Moderately Effective (70-84%)
- Adequate (50-69%)
- Ineffective (0-49%)
- Results Not Demonstrated for programs that do not have good performance measurement data or could not document results.

OMB will conduct PART reviews each year on about 20% of NNSA programs resulting in NNSA programs being reviewed by OMB every five years unless there is a pressing reason, determined case-by-case, to do it sooner. PART self-assessments are to be updated annually and the results presented at each program's NA-1 Program Review. Programs are responsible for having an independent review of the PART completed prior to their NA-1 Program Review. If requested by programs, NA-62 can provide the independent review. Programs not selected by OMB for a PART review should forward their final PART self-assessment to NA-62 after their NA-1 Program Review. NA-62 will provide a copy of the self-assessment PARTs to DOE/ME for their records. Programs selected by OMB for a PART reviews will be on a fast track schedule for that year. These programs will need to complete their PART self-assessments by mid-April and submit them for DOE/ME and NA-62 review. Comments will be provided to programs in time to be incorporated into the final review by the Administrator to be conducted at the Mid-Year Financial and Performance Review in April. Final PARTs are due to OMB by the end of April. In early summer, OMB will provide PART ratings and feedback to the programs.

#### Technical Program Reviews

PART reviews are not intended to replace detailed technical reviews of program, project, and contractor performance that are conducted by program managers called Program Manager Reviews. The format and frequency of these reviews are the sole responsibility of NNSA program managers. However, NNSA PPBE requires that NNSA program managers annually document their detailed technical review process and results. This documentation is needed as evidence for PART answers. The quality and scope of these Program Manager Reviews should provide the status on all Level 0 measures, Level 1, 2, and as need Level 3 milestones. This performance results data is everything that is needed for JOULE and PART reporting.

In addition, programs are required to provide reviews to the Administrator called NA-1 Program Reviews. Each program will conduct at least one NA-1 Program Review per year lasting about two hours. The format and schedule of the NA-1 Program Reviews are established by the Administrator's Office. The focus of these reviews is to validate the progress programs are making towards achieving annual and endpoint targets by highlighting progress on key technical milestones and to identify any issues that might prevent programs from achieving their targets. Programs must also present their most recent annual PART self-assessment. NA-62 will track actions resulting from these reviews. An approximate annual schedule for these reviews is included in Attachment 4. In addition, a Mid-Year Financial and Performance Review will be held each April to check how each program is progressing in the current year of execution.

#### Performance Reports

DOE established the JOULE system for DOE-wide external tracking, on a quarterly basis, of progress in achieving annual targets. NA-62 will e-mail reminders to NNSA points of contract to provide JOULE quarterly update information. The updates are due by the 10<sup>th</sup> of January, April, July, and October. These quarterly progress updates must be confirmed by the responsible



federal program manager and approved by the appropriate Deputy/Associate Administrator. Programs should enter one of three quarterly progress ratings for each annual target:

- Green – progress is on schedule to fully meet the annual target – score 1.0
- Yellow – progress is behind schedule but there is only a low risk that the annual target will not be fully met – score 0.85
- Red – progress is behind schedule and there is a high risk that the annual target will not be fully met – score 0.40
- For the first three quarters, NNSA managers will use expert judgment and Level 1, 2, and 3 milestones to assess progress as red, yellow, or green and the score behind each measure will be entered into JOULE. However, for the fourth quarter (final score), ratings will be determined by the DOE scale of actual result divided by annual target. The DOE scale requires 100% or higher for green, 80-99% for yellow, and below 80% will be rated as red. Managers should keep the DOE scale in mind when providing their ratings for the first three quarters.

In addition, managers must provide a short 1 or 2 sentence statement of progress for each target each quarter regardless of rating. Keep this as informative but as concise as possible. For example, "NNSA provided voluntary separation incentives during FY04/1Q resulting in 67 employees taking the buyout. There are currently 1,701 NNSA federal employees." For all annual targets that receive a yellow or red rating, managers must include a brief 1 or 2 sentence action plan in addition to the statement of progress. For example, "Currently, of 9 milestones needed to achieve this annual target, 6 are green, 2 are yellow, and 1 is red resulting in an overall rating of yellow. ACTION PLAN: Yellow/red milestones will be re-scheduled for FY04/2Q based on operational status of Weapons Experimental Tritium Facility (WETF) to be determined after WETF crude test (12/03) and Operational Readiness Review (1/26/04), and WETF support priorities are set." At year-end, a statement of achievement must also be included to describe the significance this annual target has in terms of accomplishing the program's goal. NA-62 will enter the data into the JOULE system before the DOE deadline of the 15<sup>th</sup>.<sup>3</sup>

At year-end, DOE's auditor, KPMG, will randomly select annual targets to independently validate reported results. To ensure the accuracy of reported results and the availability of specific documentation that KPMG can use to substantiate the results, DOE/ME requires each program to (1) document their internal control process to describe how they ensure accuracy in reporting results, (2) include the name(s) of supporting documentation that can substantiate the results reported in JOULE, and (3) include a brief statement confirming the completion of previous missed milestones in JOULE. Results that cannot be verified because of incomplete or unavailable data will be identified as "undetermined results" and coded red in JOULE. Deadlines require KPMG to complete most of its review using 3<sup>rd</sup> quarter progress/results data.

The NNSA corporate PPBE evaluation cycle will culminate each year with the Administrator's Annual Performance Report in January/February. This report compares annual results vs. planned annual targets; highlight revisions to future annual targets/endpoint target dates; summarize OMB PARTs; and report status of NA-1 Program Review Actions. The report helps the Administrator ensure that programs are on-track to successfully achieve endpoint target dates and goals. This report will be compiled by NA-62 using information already provide by the programs throughout the year.

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<sup>3</sup> Data within PART reviews, Administrator's Annual Performance Reports, and JOULE must be identical with the performance data in the budget and must be at the unclassified level. Classified data might be needed to address specific details of the unclassified data for these reviews but it must be kept separate and to a minimum. NA-1 Program Reviews can and should cover classified information when appropriate for the assessment of performance.

## **RESPONSIBILITIES**

The Administrator, NNSA, is responsible for:

- Overall NNSA corporate performance/performance measurement data
- Conducting NA-1 Program Reviews
- Approving PARTs prior to their submission to OMB

The Director, Planning, Programming, Budgeting, and Evaluation is responsible for:

- Managing the Evaluation process
- Keeping Evaluation process documentation current and posting it on the NNSA intranet at <http://nnsaweb.na.gov>
- Coordinating and issuing the annual Evaluation process information update requests (semi-annual performance measurement data, annual PART reviews, and quarterly JOULE updates)
- Maintaining NNSA integrated performance cascade
- Maintaining configuration control over NNSA corporate performance measurement data and publish them in the budget
- Providing PART feedback advice to Headquarters NNSA elements
- Tracking Administrator actions resulting from the NA-1 Program Reviews
- Entering data into the JOULE system
- Developing, coordinating, and issuing the Administrator's Annual Performance Report
- Providing training to NNSA staff on the elements of the Evaluation process

Headquarters NNSA elements will be responsible for:

- Being familiar with requirements of Evaluation process document located on the NNSA intranet at <http://nnsaweb.na.gov>
- Generating Evaluation products that fulfill Evaluation process requirements (quality performance measurement data, credible PART self-assessments and Program Managers Reviews, and timely and accurate JOULE quarterly updates)

Other NNSA entities:

- The Service Center and Site Offices may also be asked to participate at various stages of the process as specified in the Evaluation process document

Department of Energy Office of Management Budget and Evaluation

- The Chief Financial Officer and his representatives will be invited to observe and/or participate in the evaluation process as specified in the Evaluation process document (JOULE quarterly updates)
- Act as the official interface with OMB on the official OMB PART submissions
- Serve as DOE repository for all official OMB and self-assessment PARTs

An annual schedule for these NNSA PPBE Evaluation deliverables is included in Attachment 5.

**ATTACHMENT 1**

**EXAMPLE OF EFFECTIVE PERFORMANCE MEASUREMENT DATA**

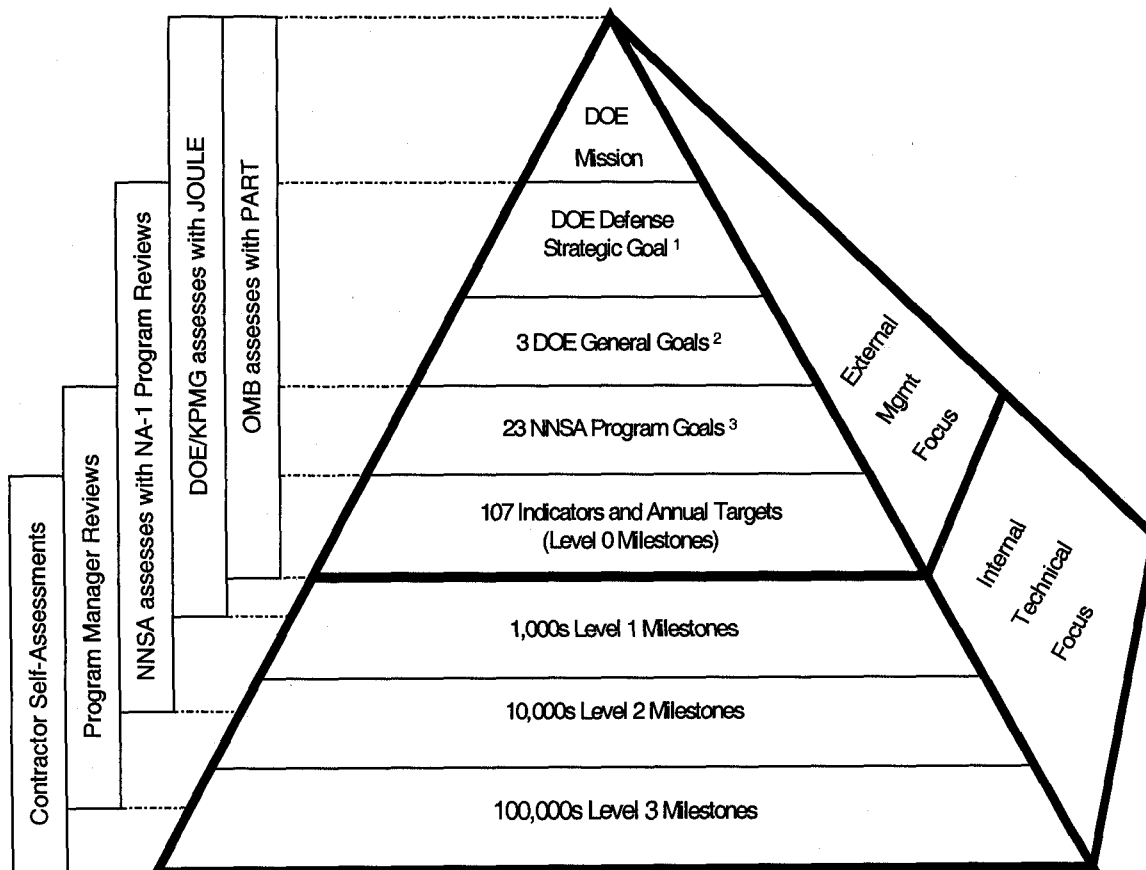
**THIS IS NOT OFFICIAL BUDGET DATA – IT IS ONLY AN EXAMPLE**

<b>ELIMINATION OF WEAPONS-GRADE PLUTONIUM PRODUCTION</b>									
<b>GOAL:</b> Reduce the threat of nuclear terrorism by facilitating the shutdown of the three remaining weapons-grade plutonium production reactors in Russia.									
<b>INDICATORS</b>	<b>ANNUAL TARGETS</b>								<b>ENDPOINT TARGET</b>
	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	
Cumulative percentage of progress in constructing a coal plant in Seversk facilitating the shutdown of two Russian weapons-grade plutonium production reactors. <b>(OUTPUT)</b>	1%	16%	48%	75%	94%	100%	–	–	By 2008, construct a coal plant in Seversk facilitating the shutdown of two Russian weapons-grade plutonium production reactors.
Cumulative percentage of progress in constructing a coal plant in Zheleznogorsk facilitating the shutdown of one Russian weapons-grade plutonium production reactor. <b>(OUTPUT)</b>	0.5%	3%	13%	27%	44%	62%	82%	95%	By 2011, construct a coal plant in Zheleznogorsk facilitating the shutdown of one Russian weapons-grade plutonium production reactor.
Annual cost, in thousands of dollars, per Russian worker transitioned to non-weapons-grade plutonium production work. <b>(EFFICIENCY)</b>	--	--	25.5	21.6	19.5	18.6	18.1	17.8	By 2012, reduce the annual cost per Russian worker transitioned to non-weapons-grade plutonium production work by 32.5% over 2005 baseline to \$17.2 thousand per worker.
Annual metric tons of Russian weapons-grade plutonium production eliminated from the 1.2 MT per year baseline. <b>(OUTCOME)</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	By 2012, eliminate all Russian weapons-grade plutonium production.

**THIS IS NOT OFFICIAL BUDGET DATA – IT IS ONLY AN EXAMPLE**

## ATTACHMENT 2

### NNSA PERFORMANCE CASCADE



1 The DOE Mission is supported by four Strategic Goals (Defense, Energy, Science, and Environment). However, NNSA only contributes to the Defense Strategic Goal (which is the NNSA Mission).

2 Seven DOE General Goals support the four Strategic Goals, however, only three DOE General Goals (Nuclear Weapons Stewardship, Nuclear Nonproliferation, and Naval Reactors) support the Defense Strategic Goal.

3 Also known as GPRA Units

## ATTACHMENT 3

### EXAMPLES OF EFFECTIVE ANSWERS FOR KEY PART QUESTIONS

PART Question 1.1: Is the program purpose clear?

The program has a clear purpose, to reduce the threat of nuclear terrorism by facilitating the shutdown of the three remaining weapons-grade plutonium production reactors in Russia. (Goal)

PART Question 2.1: Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?

The program has a limited number of specific long-term measures to meaningfully assess progress in achieving the program purpose. They are (1) by 2008, construct a coal plant in Serversk; (2) by 2011, construct a coal plant in Zheleznogorsk; (3) by 2012, reduce the annual cost per Russian worker transitioned to non-weapons-grade plutonium production work by 32.5% over 2005 baseline to \$17.2 thousand per worker; and (4) by 2012, eliminate all Russian weapons-grade plutonium production. (Endpoint Targets)

PART Question 2.2: Does the program have ambitious targets and timeframes for its long-term measures?

Given the difficulty in obtaining timely U.S. access to Russian sites, the delays in Russian economic recovery, and the unprecedented nature of this U.S.-Russian nuclear nonproliferation cooperation, these long-term measures are extremely ambitious. However, comprehensive reviews and detailed planning show that although very challenging these targets are realistic and achievable.

PART Question 2.3: Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?

The program has a limited number of specific annual measures to meaningfully assess program progress in achieving the program's long-term measures. For FY2006, they are (1) complete 75% of the Serversk coal plant; (2) complete 27% of the Zheleznogorsk coal plant; and (3) reduce annual costs per Russian worker transitioned to non-weapons-grade plutonium production work to \$21.6 thousand per worker. See PART Performance Measures Tab for additional annual targets. (Indicators and Annual Targets)

## ATTACHMENT 4

### ANNUAL NA-1 PROGRAM REVIEWS SCHEDULE (APPROXIMATE)

#### March and April

- Naval Reactors
- Directed Stockpile Work – Surveillance, Maintenance, and WARTS
- Directed Stockpile Work – LEP Session 1
- Directed Stockpile Work – LEP Session 2
- Directed Stockpile Work – Advanced Concepts
- Elimination of Weapons-Grade Plutonium Production
- Safeguards and Security

#### May and June

- Emergency Operations (including COG/COOP)
- Secure Transportation Assets
- Facility and Infrastructure Recapitalization Program
- Readiness in Technical Base – Operations and Maintenance
- Readiness in Technical Base – Construction
- Fissile Material Disposition (Plutonium only)

#### July and August

- Engineering Campaign
- Readiness Campaign
- Science Campaign
- Nonproliferation and Verification Research and Development
- International Material Protection and Cooperation

#### September and October

- ASCI Campaign
- Pit Manufacturing Campaign
- ICF/NIF Campaign
- Nonproliferation and International Security (w/o HEU efforts) and Russian Transition Initiative

#### November and December

- Joint HEU Nonproliferation Efforts
- Directed Stockpile Work – Budgeting by Tail Number
- Program Direction – Procurement and Information Technologies
- Program Direction – Human Resources, PPBE, and PART

## ATTACHMENT 5

### NNSA PPBE EVALUATION SCHEDULE

- November JOULE performance data finalized – tentative – 30-days after the budget is enacted
- January 10 JOULE 1<sup>st</sup> quarter progress reports due
- March OMB PART guidance and workbooks available
- April 10 JOULE 2<sup>nd</sup> quarter progress reports due
- Mid April Draft OMB PART due to DOE/ME and NA-62 for review
- End April PARTs selected for OMB review are briefed to Administrator at Mid-Year Financial and Performance Review (Note: non-OMB selected PART self-assessments will be briefed to the Administrator during each program's annual NA-1 Program Review)
- End April PART due to OMB
- May OMB reviews PART recommendations with programs
- End June OMB PARTs finalized
- July 10 JOULE 3<sup>rd</sup> quarter progress reports due
- August/September Performance data updated for OMB budget
- October 10 JOULE 4<sup>th</sup> quarter progress reports due
- October/November KPMG audits reported results for selected targets
- December/January Performance data updated for President's budget
- January/February Administrator's Annual Performance Report issued by NA-62