

Approved: 1-17-17

PLANNING, PROGRAMMING, BUDGETING, AND EVALUATION (PPBE) PROCESS



NATIONAL NUCLEAR SECURITY ADMINISTRATION Management and Budget

CONTROLLED DOCUMENT

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OFFICE OF PRIMARY INTEREST (OPI):

Planning, Programming, Budget & Evaluation

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PLANNING, PROGRAMMING, BUDGETING, AND EVALUATION (PPBE) PROCESS

1. **PURPOSE**. Establish procedures to ensure that the planning, programming, budgeting, and financial activities of the National Nuclear Security Administration (NNSA) comply with sound financial and fiscal management principles.
2. **CANCELLATIONS**.
 - a. Business Operating Procedure (BOP) 001, *Planning, Programming, Budgeting, and Evaluation (PPBE) Process*, dated 11-8-11.
 - b. BOP 001.01, *Application of PPBE Process for Activities Funded by the Office of the Administrator Appropriation*, dated 11-8-11.
 - c. BOP 001.1, *PPBE Planning Process*, dated 11-8-11.
 - d. BOP 001.2, *PPBE Programming Process*, dated 11-8-11.
 - e. BOP 001.31, *PPBE Budget Formulation Process*, dated 11-8-11.
 - f. BOP 001.311, *Budget Validation Process*, dated 11-8-11.
 - g. BOP 001.331, *Budget Execution Headquarters Approved Funding Program (HQ AFP) and Work Authorization (WA) Business Operation Policy*, dated 2-15-08.
 - h. BOP 001.332, *PPBE Reprogramming/Appropriation Transfer/Notification Process*, dated 11-8-11.
 - i. BOP 001.333, *NNSA Operations Under a Continuing Resolution*, dated 2-15-08.
 - j. BOP 001.4, *PPBE Evaluation Process*, dated 10-05-12.
3. **APPLICABILITY**. Unless otherwise stated in the Appendixes, the applicability is the same for each appendix.
 - a. **Federal**. This policy applies to all NNSA elements.
 - b. **Contractors**. Does not apply to contractors.
 - c. **Equivalency**. In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 United States Code sections 2406 and 2511, and to ensure consistency through the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this Directive for activities under the Director's cognizance, as deemed appropriate.
4. **SUMMARY OF CHANGES**. This NNSA Policy Letter (NAP) updates the planning process to reflect the current planning documents, including the Planning, Programming,

and Fiscal Guidance (PPFG), removing references to legacy documents such as the NNSA Strategic Planning Guidance and NNSA Strategic Plan. This NAP revises the programming process to reflect the two-phased approach of integration and prioritization, and program review. Also, roles and responsibilities for all NNSA elements have been updated to address the PPBE process relative to the Federal Salaries and Expenses (FSE) appropriation.

This document also reflects the establishment of the Office of Cost Estimating and Program Evaluation (CEPE), which reports directly to the Administrator, and CEPE's role in the PPBE process. CEPE now leads the enterprise level planning phase and incorporates planning guidance into the PPFG document, eliminating the need for a separate issuance of the NNSA Strategic Planning Guidance. CEPE and Management and Budget (NA-MB) share responsibility for the programming phase; NA-MB leads the integration and prioritization activity while CEPE leads the program review activity.

This NAP consolidates all previous BOPs on PPBE.

5. BACKGROUND.

a. Section 3252 of the *NNSA Act* requires the Administrator to develop a planning, programming, and budgeting process that operates under sound financial and fiscal management principles. The *NNSA Act* also requires NNSA to annually provide to Congress a Future Years Nuclear Security Program (FYNSP) that details NNSA's planned expenditures and proposed appropriations for the next five fiscal years. This NAP describes the requirements, basic processes, and responsibilities for the conduct of each element of the PPBE process. The NNSA PPBE process is similar to PPBE processes in use across the United States Government and has four major phases for each budget cycle: Planning, Programming, Budgeting (includes formulation, execution, and validation), and Evaluation. At any particular point in time, multiple PPBE phases for different budget cycles will be ongoing.

- (1) Planning. The purpose of the Planning phase of the PPBE process is to gather or update all the information, cost data, and options necessary to prepare to make resource decisions based on priorities during programming. It constitutes a preparation phase for the conduct of programming. It considers the full range of work to be done against current plans and should be fiscally unconstrained to ensure that all requirements and other mission needs are considered. While planning is typically a year-round, continuous activity conducted by line organizations, a discrete Planning phase with stated objectives and guidance (provided by the NNSA Planning, Programming, and Fiscal Guidance (PPFG)) provides a specific corporate focus as preparations begin for Programming.

Key documents to be consulted during the Planning phase:

- (a) NNSA periodically issues the NNSA Enterprise Strategic Vision that provides clear direction and reflects the Administrator's goals and expectations for the NNSA. It cascades from the DOE Strategic Plan and establishes the Administrator's short and long-term vision, priorities, and issues; it also articulates goals, means, and strategies for the NNSA moving forward. The NNSA Enterprise Strategic Vision provides the framework for top to bottom linkages in PPBE activities.
 - (b) The PPFG updates the Administrator's vision and priorities for the current PPBE cycle. It also identifies emerging issues that might challenge the NNSA baseline program and directs some potential excursions for further study and exploration during the planning process. The PPFG will also define budget levels under various scenarios and describe the calendar for the planning, programming, and budget formulation cycles. The PPFG will include NNSA-wide programmatic and budgetary guidance and, as necessary, program-specific guidance for use during programming. It provides program elements with the context within which the Programming Phase will be conducted and, therefore, better inform their activities during the Planning phase.
 - (c) Program or project plans developed by NNSA's program managers to provide a roadmap of work activities, metrics and milestones derived from the NNSA Strategic Vision.
- (2) Programming. The purpose of the Programming phase of the PPBE process is to make decisions to align available program resources with priorities resulting in a balanced, integrated, executable NNSA FYNSP to be proposed to the Office of Management and Budget as the basis for that year's Congressional budget request. This is primarily an NNSA HQ-driven process that progressively allocates resources and integrates the program from the program office to DOE level. This process is fiscally conscious, allocating available resources against NNSA and DOE priorities.

The Programming process is guided by the PPFG:

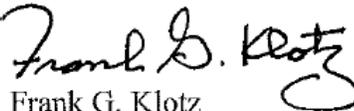
- (a) Each NNSA program element develops and provides programming deliverables required in the PPFG in accordance with their own internal processes for doing so;
- (b) Then NNSA conducts activities at the NNSA level within major appropriations focused on integration and prioritization of the programs that make up each major appropriation. Actions during this phase include review of program materials, cost review and validation of budget estimates, and holding integration meetings to

identify and resolve disconnects between program elements within major appropriations.

- (c) The process then shifts to program review activities to develop options and proposals for balancing resources across NNSA and the major appropriations. This may include standing up of issue teams to examine items requiring leadership decisions. The issue teams will be federally staffed and will collaboratively determine program alternatives, offsets, and programmatic and portfolio effects and risks.
 - (d) The Management Council adjudicates unresolved issues and makes recommendations for the overall NNSA program and resource allocations for the Administrator's approval and transmittal to the Department.
 - (e) The last step in determining NNSA's budget request to the Office of Management and Budget (OMB) is the Department's Programming process. Here, DOE organizations brief the Secretary on their proposed budget and reprioritize as necessary. The Secretary issues the program decision guidance completing the programming process for NNSA.
- (3) Budgeting. The Budgeting process includes development of the OMB and President's budget requests, budget execution, and the budget validation processes.
- (a) OMB budget justification materials, for the FYNSP, are developed articulating work scope and schedules commensurate with the funding request.
 - 1 NNSA, as part of the Department's budget request, transmits its budget requirements to OMB.
 - 2 After a review of the budget materials and a series of briefings, OMB issues policy and resource decisions to guide the formulation of the President's budget request back to the Department; this is also known as the pass back.
 - 3 The Department can choose to appeal these decisions, which may require additional integration meetings by the Management Council, the Administrator, and the Secretary. If the Department decides to appeal, documentation is sent to OMB identifying what is being appealed and the rationale for the appeal.

6. REQUIREMENTS. The identified organization must meet the requirements established in each appendix.
7. RESPONSIBILITIES. The defined responsible person must execute the responsibilities established in each appendix.
8. REFERENCES. References are listed in each appendix.
9. DEFINITIONS/ACRONYMS. Definitions and acronyms are listed in each appendix.
10. CONTACT. Associate Administrator for Management and Budget (NA-MB), 202-586-0101.

BY ORDER OF THE ADMINISTRATOR:


Frank G. Klotz
Administrator

Appendixes:

1. Planning and Programming Process
2. Budgeting- Formulation Process
3. Budgeting- Execution Process (Reserved)
4. Evaluation Process

APPENDIX 1: PLANNING AND PROGRAMMING PROCESS

This Appendix describes the process for conducting the planning and programming phases of the annual Planning, Programming, Budgeting, and Evaluation (PPBE) process.

1. REQUIREMENTS. The processes described for the Planning and Programming phases of the PPBE process must be followed.
 - a. During the Planning phase, the Administrator's Planning, Programming, and Fiscal Guidance (PPFG) must:
 - (1) Express the Department and Administrator's priorities and define budget levels under various funding scenarios;
 - (2) Describe the calendar for the planning, programming, and budget formulation cycle;
 - (3) Include National Nuclear Security Administration (NNSA)-wide programmatic and budgetary guidance and, as necessary, program-specific guidance; and
 - (4) Be signed by the Administrator.
 - b. During the Programming phase, NNSA elements must transmit programming deliverables and supporting documents detailing program work scope and risk to NNSA's Management and Budget (NA-MB) and Office of Cost Estimating and Program Evaluation (CEPE). The programming phase includes two major actions:
 - (1) The integration and prioritization phase:
 - (a) Reviewing program materials; conducting a series of integration meetings; and updating Integrated Priority Lists (IPLs) for Administrator approval.
 - (b) Reviewing costs and validating budget estimates to ensure they are reasonable.
 - (2) The program review phase:
 - (a) Establishing issue teams to determine program alternatives, offsets, and programmatic and portfolio effects and risks, requiring leadership decisions during the current budget cycle. Specific guidance on potential issue team topics and schedules must be provided following the release of the PPFG.
 - (b) Adjudicating issues identified during program review by the Management Council.

- (a) Updating IPL's to reflect Management Council decisions.
- (b) Documenting final disposition of all issues in the Administrator's Preliminary Decision Memorandum (APDM).

2. PROCESS.

- a. The PPBE planning and programming process consists of several major actions: guidance, integration and prioritization, and program review. NA-MB and CEPE direct the PPBE planning and programming process by leading or supporting each phase.
 - (1) Planning: The planning process is essential for the organization to understand how their individual efforts contribute to mission success.
 - (a) CEPE will initiate the planning phase by developing the PPFG with support from NA-MB and coordination from all NNSA elements. The Administrator signs the PPFG.
 - (b) NA-MB will issue supplementary guidance regarding formats for programming materials (e.g., IPLs, supporting budget documentation). CEPE will issue supplementary guidance on issue teams and the program review calendar.
 - (2) Programming: The Programming process updates the NNSA's resource strategy to reflect the current Administrator's priorities and fiscal environment.
 - (a) NNSA elements develop IPLs and supporting programming materials to transmit to NA-MB and CEPE by the dates specified in the PPFG. Elements will also provide senior representation at the integration meetings and communicate work scope, risks, and issues they see in the initial budget cases. All NNSA elements will support cost validation efforts by providing appropriate documentation and expertise.
 - (b) NA-MB will lead the integration and prioritization actions through the collection of program deliverables, and will lead a series of integration meetings. These budget meetings will facilitate the integration of the NNSA portfolio and updated IPLs.
 - (c) CEPE will support programming through cost validation of budget estimates to ensure they are reasonable and executable.
 - (d) CEPE will lead program review; conduct analyses of the IPLs; and lead issue teams comprised of federal staff from the programs. Issue teams determine program options, offsets, programmatic and portfolio effects, and risks for adjudication by the Management

Council. NNSA elements are responsible for informing the issue teams of the effects of the options identified during program review.

- (e) CEPE and NA-MB will coordinate the communication of Management Council decisions to the Administrator for review and approval. CEPE will record final decisions in the APDM.

The diagram below illustrates the interface between NA-MB and CEPE as well as NNSA elements, field offices and M&O partners.

PPBE Interface & Responsibilities

MB

Budget Execution/Statistical Table
Evaluation - Performance Measures

PPBE Phase	Planning	Programming		Budgeting
Major Activities	Guidance	Integration & Prioritization	Program Review	Formulation & Execution
Lead (Support)	CEPE (MB Support)	MB (CEPE Support)	CEPE (MB Support)	MB (CEPE Support)
Deliverables & Sub-activities	Planning, Programming, & Fiscal Guidance	Integration by appropriation; IPLs; Stat table; Proposed budget; Cost validation Program evaluation; Issue teams; Options, alternatives & trades; APDM		Justification & Tables OMB Interface with OCFO President's Budget Budget process validation Funds Distribution



NNSA Elements - Implement all phases of PPBE
Corporate Integration - Involves input and participation from all NNSA Elements, field offices, and M&O partners

3. RESPONSIBILITIES.

a. Administrator:

- (1) Approves the Enterprise Strategic Vision;
- (2) Signs the PPF;G;
- (3) Adjudicates issues identified during program review by the Principal Deputy; and

- (4) Makes final resource allocation recommendations to the Department by signing the APDM.

b. Principal Deputy Administrator:

- (1) Chairs Management Council programming discussions in preparation for the Administrator's approval of the APDM;
- (2) Leads a consensus-orientated decision process in the Management Council to:
 - (a) Integrate and prioritize the IPL;
 - (b) Review the validation of the reasonableness of budget estimates; and
 - (c) Adjudicate program options, offsets, programmatic and portfolio effects and risks identified by the issue teams.

c. Associate Administrator of NA-MB, with support from CEPE:

- (1) Leads the integration and prioritization portion of the programming phase;
- (2) Coordinates the preparation of programming deliverables with all NNSA elements;
- (3) In coordination with NNSA elements, updates the IPL by integrating NNSA element inputs;
- (4) Maintains NNSA statistical tables;
- (5) Consolidates and synthesizes program direction requirements and funding by object class and full time equivalents (FTE) levels for all organizational elements under the Federal Salaries and Expenses (FSE) appropriation;
- (6) Leads the development of materials for the Department's Programming process; and
- (7) Maintains all PPBE policy and guidance documents on NNSA SharePoint or other similar sites as necessary.

d. Director of CEPE, with support from NA-MB:

- (1) Leads the PPBE planning phase by developing the PPF;G;
- (2) Leads the program review portion of the programming phase;
- (3) Provides cost validation in support of the programming phase;

- (4) Leads issue teams to develop program alternatives and trades, and presents these alternatives to the Management Council; and
- (5) Develops the APDM in coordination with NA-MB.

e. NNSA Elements:

- (1) Incorporate the PPFG into their respective multiyear program planning and project planning functions; update schedules and cost estimates, evaluate options and alternatives and consider excursions from current plans.
- (2) Incorporate inputs from other elements into multiyear program and project plans;
- (3) Conduct appropriate internal processes to ensure that the best data is available to develop an integrated, updated, executable program at all levels specified in the PPFG, and provide information that meets the requirements of the guidance for the programming phase (integration, prioritization, and program review) instructions;
- (4) Develop IPLs to include capital asset construction projects and supporting documentation as called for in the PPFG; and
- (5) Support CEPE and NA-MB by participating in the integration and prioritization, and program review activities.

4. REFERENCES.

Executive Order 13450 *Improving Government Program Performance.*

5. DEFINITIONS.

NNSA Management Council: The NNSA Management Council is NNSA's highest-level forum for decision making regarding strategy, policy, planning, practices, priorities, and proposed initiatives. The Management Council also provides guidance on NNSA program integration and dispute resolution. The Management Council is comprised of Deputy Administrators, Associate Administrators, Field Office Managers, Chief of Staff, Associate Principal Deputy Administrator, and General Counsel. The NNSA Chief Scientist is an advisor to the Management Council. The Administrator chairs the Management Council and the Principal Deputy Administrator serves as the Alternate Chair. As needed, other NNSA senior officials may be called upon to participate in Management Council activities as advisors. Further details can be found in BOP-100.1, *Senior Leadership Councils.*

6. CONTACT. Management and Budget (NA-MB), 202-586-0101 or Office of Cost Estimating and Program Evaluation (CEPE), 202-586-6910.

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APPENDIX 2: BUDGETING - FORMULATION PROCESS

This appendix describes the procedures for developing the annual NNSA budget transmissions as required by the Planning, Programming, Budgeting, and Evaluation (PPBE) process.

1. REQUIREMENTS. National Nuclear Security Administration (NNSA) participates in the Department's budget formulation process, which includes the Office of Management and Budget (OMB) and Congressional budget review processes. Budget justifications include the Future Years Nuclear Security Program (FYNSP) and performance data.
 - a. NNSA must prepare and transmit the OMB and President's budget request to Congress through the Department's Chief Financial Officer (CFO) in accordance with guidance and the OMB pass back process.
 - b. Budget justifications and ancillary materials such as Construction Project Datasheets and crosscutting exhibits, must be prepared for transmission to OMB and Congress. Budget justifications provide the basis for the Congressional review process, including testimony, questions and answers, markups, and appeals.
 - c. Guidance is issued to NNSA elements to request information needed to develop the OMB and President's budget request.
 - d. NNSA participates in OMB reviews and the OMB pass back process to determine final funding decisions and policy guidance for the President's budget request.
2. RESPONSIBILITIES.
 - a. Administrator:
 - (1) Provides formal NNSA funding decisions to develop the FYNSP and statistical tables; and
 - (2) Approves NNSA's budget request to DOE CFO for transmission to OMB and Congress.
 - b. Associate Administrator for Management and Budget:
 - (1) Leads the overall budget formulation process and coordinates with the DOE CFO;
 - (2) Develops and issues the NNSA budget guidance to support OMB and the President's budget requests;
 - (3) Develops budget justification materials specifying the funding and full time equivalents (FTE) levels for the Federal Salaries and Expenses (FSE) appropriation;

- (4) Reviews and integrates input from program offices including crosscut and ancillary data to ensure the requests meet Departmental and OMB guidance;
- (5) Implements budget formulation policies and procedures, and provides guidance and assistance to program staff in the development of budget formulation materials, including coordinating Office of Declassification final review;
- (6) Produces final integrated NNSA budget documentation and maintains NNSA statistical tables and databases that support budget justifications;
- (7) Serves as NNSA's liaison to DOE CFO and OMB on NNSA budget deliverables; and
- (8) Leads the Budget Validation process to determine consistency with NNSA planning and program guidance documents, integration of planned activities/milestones with budget estimates, and reasonableness of budget estimates.

c. NNSA Elements:

- (1) Provide budget formulation input in response to NNSA budget guidance;
- (2) Ensure all estimates for construction projects are consistent with the top end of the CD-1 cost range prior to being baselined, and that Construction Project Data Sheets are reviewed by NNSA APM to ensure they are in accordance with the NNSA Project Management BOP and have the most recent and accurate information.
- (3) Participate in the NNSA Budget Validation process as required;
- (4) Coordinate with NNSA Management and Operating (M&O) partners;
- (5) Create, review, and comment on final budget documents;
- (6) Participate in the OMB budget briefings and pass back process;
- (7) Respond to formulation findings, recommendations, and OMB and CFO inquiries; and
- (8) Brief Congressional authorization and appropriation committee and subcommittee staff on budget requests.

REFERENCES.

- a. OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, July 2016

- b. DOE O 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, dated 11-29-10
- c. DOE O 520.1A, *Chief Financial Officer Responsibilities*, dated 11-21-06

5. DEFINITIONS.

Pass back: Budgetary decisions of OMB Director that are passed back to the agencies.

6. CONTACT. Management and Budget, 202-586-1087.

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APPENDIX 3: BUDGETING - EXECUTION PROCESS

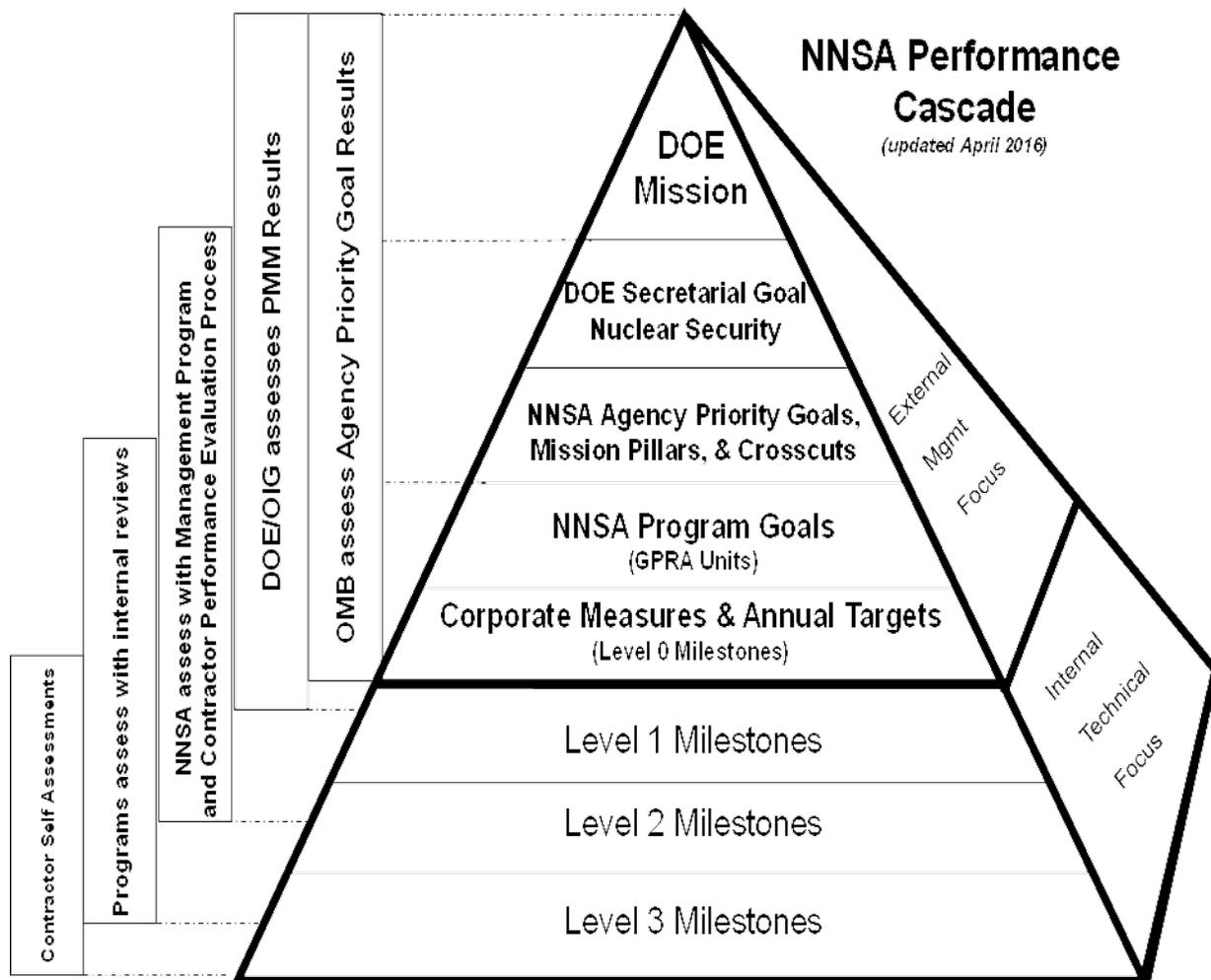
The budget execution process will be added when NNSA has sufficient experience with the Department's new Funds Distribution System (FDS 2.0). NNSA's final budget execution process is also described and refined through the implementation process of Supplemental Directive 412, *Work Authorization*.

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APPENDIX 4: EVALUATION PROCESS

This appendix describes how the National Nuclear Security Administration (NNSA) implements the annual planning, programming, budgeting, and evaluation (PPBE) Evaluation process.

1. REQUIREMENTS. NNSA articulates the unique contribution each performance measure makes towards achieving the Department of Energy (DOE) mission by linking them in a cascade to better focus resources on fulfilling the overall mission, as illustrated in the diagram below.



- a. Integrated Criteria. Each Government Performance and Results Act (GPRA) program must have at least one performance measure, preferably an outcome measure versus an output measure, that:
 - (1) Evaluates activities meaningful to achieve complex, long-term outcomes focused on the health of the program;
 - (2) Is validated during the annual budget formulation process;

- (3) Uses terms that are concise and meaningful to the public; and
 - (4) Includes an annual endpoint target that measures progress over time toward achieving the intended outcome.
- b. NNSA annually issues guidance for updating performance measures.
- c. Each GPRA program must strive for consistency in performance measures from year to year to allow identification of multiyear performance trends to be used to inform future resource decisions:
- (1) Unless the GPRA program undergoes major changes or an update is required to provide a more meaningful and accurate representation of program performance, goals, and target text must remain unchanged.
 - (2) NNSA must provide proposed changes to performance indicators and current year targets in a formal change request to the Office of the Chief Financial Officer (OCFO) who will review the request and, upon approval, transmit to OMB.
 - (3) Budgets must link to annual targets in order to assess the effects of funding decisions.
- d. Performance Reviews. The NNSA must validate results, evaluate planning integrity, inform resource decisions, and hold managers accountable by conducting credible, tiered, and linked performance reviews. Annually results are reported to the Administrator in the NNSA Annual Performance Report (APR) and are published alongside out-year targets in the DOE Annual Performance Report. Internal and external performance reviews to be conducted on a recurring basis include:
- (1) Agency Priority Goal Reviews. The *GPRA Modernization Act* of 2010 requires quarterly reviews of progress towards achievement of those performance measures designated as APGs. Each quarter OCFO will request a progress update and next steps for each APG. This information is discussed with the Deputy Secretary during the quarterly data driven review, approved by the Deputy Secretary, and subsequently provided to OMB by OCFO for publication on Performance.gov. Goal Leaders and Owners must respond to OMB questions on the information provided.
 - (2) Annual Program Reviews. NNSA leadership must review NNSA programs at various times throughout the fiscal year to validate that NNSA programs are on track to meet their long-term goals, annual targets, as well as to alert management of potential issues that could impact program success.

- (3) Program Manager Reviews. Program Managers must conduct detailed reviews of program, project, and contractor performance annually, but quarterly reviews are recommended, to validate progress on milestones leading to achievement of annual targets. The format for these reviews is the responsibility of the appropriate manager. However, this policy requires NNSA program managers to document and maintain their detailed review process and track findings until resolved. Programs must document and use consistent and current internal control procedures to describe the data, formulas, and detailed processes used to determine results. This documentation is required to provide evidence to substantiate the accuracy of reported results to auditors.

e. OMB and DOE Performance Reports.

- (1) OMB requires NNSA provide an APR and APP in conjunction with the Congressional Justification. This report is published on the DOE website (<http://energy.gov/cfo/reports/annual-performance-reports>) detailing the annual performance of each GPRA program and summarizing the results of each performance measure reported in the President's budget.
- (2) DOE requires programs to provide quarterly and end-of-year results input into the Performance Measures Manager (PMM) on the progress made toward achieving annual targets. This data provides senior managers with an early warning and corrective actions if an annual target is at risk.

2 RESPONSIBILITIES.

a. Administrator:

- (1) Approves overall NNSA corporate performance measures; and
- (2) Approves NNSA-related APGs prior to their transmittal to DOE for Secretarial approval for transmission to OMB.

b. Associate Administrator for Management and Budget:

- (1) Manages the overall PPBE Evaluation process;
- (2) Coordinates and issues the annual Evaluation process-related guidance documents;
- (3) Maintains the integrated NNSA Performance Cascade;
- (4) Assesses expenditures, full-time equivalents (FTE) usage and other metrics for Federal Salaries and Expenses (FSE) components of all organizational elements;

- (5) Maintains configuration control over the NNSA Corporate Performance Measures and publishes them in the budget;
- (6) Provides performance management feedback and advice to Headquarters NNSA program elements;
- (7) Reviews, consolidates, and transmits the NNSA quarterly PMM data to DOE/OCFO; and
- (8) Provides training to NNSA staff on the elements of the NNSA PPBE Evaluation process.

c. NNSA Elements:

- (1) Understand the requirements of the NNSA PPBE Evaluation process;
- (2) Generate products that fulfill NNSA PPBE Evaluation process requirements (quality performance measures, credible Program Managers Reviews, and timely and accurate PMM reporting); and
- (3) Document and use consistent internal control procedures that provide evidence to substantiate the accuracy of reported results to auditors.

3. REFERENCES.

- a. *Government Performances and Results Act (GPRA) of 1993*
- b. *GPRA Modernization Act of 2010*
- c. *Executive Order 13450 – Improving Government Program Performance*
- d. *DOE G 120.1-5, Guidelines for Performance Measurement*

4. DEFINITIONS.

- a. Agency Priority Goals (APG): The Department establishes APGs that must be updated every two years and represent the top priorities for the agency and the current Administration and align with the Secretarial priorities. NNSA is responsible for the APGs related to Nuclear Security. Current and past APGs are published on the internet at the following URL: (<https://www.performance.gov>).
- b. Performance Measures: Refers to external corporate performance data that includes goals, indicators, endpoints, and annual targets. Performance measures explain what a program expects to accomplish for a specified funding profile over a specific period. This data links resources to performance objectives, informs resource decisions, justifies budget requests, improves delivery of products and services, and holds program managers accountable for results.

- c. Indicators: An index or set of units to measure progress toward the goal. Indicators should use common qualifiers (e.g., annual or cumulative) to clarify the unit of measure.
 - d. Endpoint Targets: Long-term objectives that are critical steps toward achieving the goal. Each goal should have three to five endpoint targets written in specific measureable numerical units and must include the projected fiscal year that the objective is to be completed. Endpoint targets may be completed before the goal is reached.
 - e. Annual Targets: Specific and auditable outcomes and outputs toward achieving the endpoint target measured in the same numerical units as the endpoint target. Annual targets should be a specific numerical value, not a range, and must be linked to and substantiated by technical milestones.
 - f. Milestones: Refers to key internal technical performance data that is required to meet program criteria. Milestones are meaningful for subject matter experts to oversee day-to-day operations aimed at achieving annual targets. Milestones are in validated program baselines; one of three levels of detail below the annual targets; and are contained in published program documentation. Agency Priority Goals process requires quarterly milestones to be reported on the official United States Government website: (<https://www.performance.gov>).
5. CONTACT. Management and Budget, 202-586-0101.