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February 26, 2019

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Nuclear Security Enterprise: NNSA’s Management of Data Calls to Contractors

The National Nuclear Security Administration (NNSA)—a separately organized agency within the Department of Energy (DOE)—is responsible for the management and security of the nation’s nuclear weapons stockpile as well as for U.S. nonproliferation efforts. To execute its missions, NNSA relies on seven management and operating (M&O) contractors to manage and operate eight NNSA sites—collectively known as the nuclear security enterprise.¹ Effective performance of M&O contracts usually requires high levels of expertise and continuity of operations and personnel. An M&O contract is characterized by, among other things, the close relationship between the government and the contractor conducting work, either because of the nature of the work or because the work is to be performed in government facilities. The work

¹M&O contracts are agreements under which the government contracts for the operation, maintenance, or support, on its behalf, of a government-owned or -controlled research, development, special production, or testing establishment wholly or principally devoted to one or more of the major programs of the contracting agency. 48 C.F.R. § 17.601 (2018). The sites that comprise the nuclear security enterprise are the Kansas City National Security Campus in Missouri, Lawrence Livermore National Laboratory in California, Los Alamos National Laboratory in New Mexico, Nevada National Security Site, Pantex Plant in Texas, Sandia National Laboratories primarily in New Mexico, Savannah River Site in South Carolina, and Y-12 National Security Complex in Tennessee.

performed by M&O contractors is generally long-term and continuing in nature. NNSA field offices, co-located at the sites, oversee the day-to-day activities of these contractors.²

NNSA's relationship with its M&O contractors has been a source of concern for years, including NNSA's use of data calls. Generally, the purpose of data calls is to provide NNSA, DOE, and other entities with information to perform oversight of M&O contractors and support important programmatic work and management decisions, or to provide critical information to other parts of the department or the U.S. government. As such, data calls may be initiated by an NNSA program or functional office, DOE, or another agency or organization as a means to obtain contractor-held information.³

However, several recent reports identified NNSA's oversight practices, including data calls, as inefficient, unnecessarily onerous, or duplicative. In 2014, a congressional advisory panel (commonly referred to as the Augustine-Mies Panel)⁴ issued a report describing a dysfunctional relationship between NNSA and its contractors due, in part, to the perceived burden of data calls on the contractors.⁵ Based in part on the panel's interviews with contractors, the report identified data calls as fueling inefficiencies and generating little added value to NNSA's oversight of its M&O contractors. The report recommended that DOE and NNSA reduce the number of data calls they make to M&O contractors, among other things. In 2015, the Commission to Review the Effectiveness of the National Energy Laboratories (CRENEL) issued two reports describing the erosion of the relationship between DOE and many of its laboratories, which are generally managed by M&O contractors.⁶ The reports found—based on the commission's interviews with contractors and review of available information about data calls to DOE's 17 national laboratories—that onerous and lengthy data calls often arrive at the laboratories without being sufficiently vetted.⁷ The reports also found that the problem of

²NNSA has seven field offices: Kansas City Field Office, Livermore Field Office, Los Alamos Field Office, Nevada Field Office, NNSA Production Office, Sandia Field Office, and Savannah River Field Office. In 2012, NNSA combined its field offices at the Pantex Plant and Y-12 National Security Complex into one field office known as the NNSA Production Office. The NNSA Production Office is located in Oak Ridge, Tennessee, and maintains federal oversight staff at both the Pantex Plant and the Y-12 National Security Complex.

³NNSA has seven major program offices—Defense Programs; Defense Nuclear Nonproliferation; Naval Reactors; Emergency Operations; Safety, Infrastructure and Operations; Defense Nuclear Security; and Counterterrorism and Counterproliferation. NNSA has five major functional offices—Acquisition and Project Management; External Affairs; General Counsel; Information Management and Chief Information Officer; and Management and Budget.

⁴The National Defense Authorization Act for Fiscal Year 2013 created the Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise (Augustine-Mies Panel) to examine options and make recommendations for revising the governance structure, mission, and management of the nuclear security enterprise.

⁵Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise, *A New Foundation for the Nuclear Enterprise* (Washington, D.C.: November 2014).

⁶Commission to Review the Effectiveness of the National Energy Laboratories, *Securing America's Future: Realizing the Potential of the Department of Energy's National Laboratories, Volume 1: Executive Report* (Washington, D.C.: October 2015) and Commission to Review the Effectiveness of the National Energy Laboratories, *Securing America's Future: Realizing the Potential of the Department of Energy's National Laboratories, Volume 2: Technical Chapters and Appendices* (Washington, D.C.: October 2015). As required by law, the Secretary of Energy established this independent commission in 2014 to issue a report to the Secretary of Energy and congressional appropriations committees about DOE's national laboratories.

⁷DOE oversees 17 national laboratories that perform scientific research on a range of large-scale, complex issues for the federal government and other entities, which include NNSA's three national security laboratories. The nuclear security enterprise includes five sites that are not part of DOE's national laboratory network.

burdensome and duplicative assessments was most prevalent at the three NNSA laboratories—Lawrence Livermore National Laboratory, Los Alamos National Laboratory, and Sandia National Laboratories. In an effort to improve DOE’s management of data calls, the report recommended that the agency establish a single point of control for all laboratory-directed data calls.

The National Defense Authorization Act for Fiscal Year 2016 (the act) requires DOE to develop an implementation plan to reform the governance and management of the nuclear security enterprise.⁸ In December 2016, NNSA published its implementation plan in response to the act, which included provisions about the management of data calls to contractors.⁹ The act also requires NNSA to contract with the National Academies of Sciences, Engineering, and Medicine and the National Academy of Public Administration to establish a panel of experts (joint panel) to assess the plan and its implementation. The joint panel has issued two reports on governance and management reform in the nuclear security enterprise—the first in March 2017 and the second in February 2018.¹⁰

You asked us to review NNSA’s management of data calls to M&O contractors in the nuclear security enterprise subsequent to the issuance of the Augustine-Mies and CRENEL reports. This report examines (1) what is known about data calls to NNSA’s M&O contractors, and the extent to which, if any, contractors currently identify data calls as burdensome; and (2) what actions NNSA has taken since 2015 to manage data calls to M&O contractors.

To determine what is known about data calls and the extent to which NNSA’s M&O contractors currently identify data calls as burdensome, we reviewed available documentation from the seven M&O contractors that operate the eight NNSA-managed sites on the data calls they receive. Specifically, we reviewed descriptions of data calls provided to us by M&O contractors that they said they received from NNSA, DOE, and other agencies since 2015, as well as information on resources used to respond to these data calls. We also reviewed reports from the joint panel and interviewed representatives from the joint panel to identify what had been reported about NNSA’s data calls at the time these reports were written. Further, we interviewed NNSA officials, including NNSA headquarters and field officials, to define the term “data call” and identify any systems used to manage data calls. We conducted semi-structured interviews with representatives from the seven M&O contractors, including division-level and site director-level management, regarding how they define, track, and process data calls.¹¹ During our interviews with the seven M&O contractors, we also gathered M&O contractor representatives’ perspectives on any data calls that officials considered inefficient, unnecessarily onerous, or duplicative—data calls had been described this way in earlier reports. We confirmed contractor representatives’ perspectives during follow-up interviews with site director-level management.

⁸Pub. L. No. 114-92, § 3137, 129 Stat. 726, 1213 (2015).

⁹National Nuclear Security Administration, *Governance and Management of the Nuclear Security Enterprise: Report to Congress* (Washington, D.C.: December 2016).

¹⁰National Academies of Sciences, Engineering, and Medicine and the National Academy of Public Administration, Panel to Track and Assess Governance and Management Reform in the Nuclear Security Enterprise, *Report 1 on Tracking and Assessing Governance and Management Reform in the Nuclear Security Enterprise* (Washington, D.C.: March 2017) and *Report 2 on Tracking and Assessing Governance and Management Reform in the Nuclear Security Enterprise* (Washington, D.C.: February 2018).

¹¹In November 2018, the M&O contractor at Los Alamos National Laboratory changed from Los Alamos National Security to Triad National Security, LLC. We conducted interviews with contractor representatives prior to the transition at Los Alamos National Laboratory.

To identify actions NNSA has taken to manage data calls to M&O contractors, we reviewed NNSA and DOE documentation related to efforts intended to help manage the agency's data calls process, including agency policies, procedures, and guidance. We also interviewed NNSA headquarters officials and officials at each of NNSA's field offices on the agency's process for managing data calls. In addition, we reviewed reports by DOE, NNSA, and the joint panel and interviewed representatives from the joint panel to identify actions NNSA has taken since 2015 to manage its data calls to M&O contractors.

We conducted this performance audit from January 2018 to February 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Information on Data Calls Is Not Available Because NNSA and M&O Contractors Do Not Routinely Track Data Calls, and Contractors Do Not Currently Identify Specific Data Calls as Burdensome

Information on the number of data calls and any changes over time is not available because NNSA and its M&O contractors have different definitions of data calls and do not routinely track such information. Some NNSA officials and M&O contractor representatives broadly defined data calls to include any routine or ad hoc requirement or request for information based on statute, contract, policy, procedure, or other need for information, according to our interviews with NNSA officials and representatives of M&O contractors. However, other NNSA officials and M&O contractor representatives we interviewed defined data calls more narrowly as including only ad hoc requirements or requests for information.

In addition, based on our interviews with NNSA officials and M&O contractor representatives, we found that neither NNSA officials nor contractor representatives routinely track specific information on data calls. Specifically, NNSA headquarters officials stated that they do not routinely track data calls sent to contractors. Most NNSA field office officials we interviewed also stated that they do not track data calls for their specific site.¹² Furthermore, M&O contractor representatives we interviewed said they do not routinely track data calls they receive or information such as the dedicated staff hours they spend responding to data calls. Divisions within each contractor may track some information about data calls in electronic files or spreadsheets; however, we were unable to identify the number of data calls or any changes over time because these divisions did not track the same information across programs and functional areas at their site.

The lack of information on the numbers and any changes over time of data calls made it difficult to assess whether the problem identified in the Augustine-Mies and CRENEL reports persisted.¹³ As a result, we asked representatives from each M&O contractor site to identify any specific types of data calls that they considered to be inefficient, unnecessarily onerous, or duplicative. However, M&O contractor representatives we interviewed did not consistently

¹²NNSA field office officials at one NNSA field office stated they comprehensively track data calls that come through their office but do not track some data calls that may go directly to the contractor.

¹³The joint panel also identified this difficulty in its 2018 report, which stated that objective evidence is needed to properly characterize the extent of potentially burdensome practices such as data calls.

identify specific types of data calls as such. Many M&O contractor representatives recognized that responding to data calls is frequently part of fulfilling contract requirements and requires work on behalf of their staff. Although M&O contractor representatives we interviewed did not consistently identify specific types of data calls that are burdensome, they identified broad aspects of data calls that contribute to some data calls seeming onerous, or possibly inefficient or duplicative. For example:

- Representatives from five M&O contractors stated that ad hoc or non-routine data calls typically require more effort because they cannot always anticipate or plan for such data calls, and they do not have a template or format to compile this new information.
- Representatives from four M&O contractors stated that short deadlines for responding to data calls can make those calls more onerous or challenging.
- Representatives from three M&O contractors stated that data calls are not always clear on what information is being requested, which makes responding to the data call more onerous or inefficient.
- Representatives from two M&O contractors stated that NNSA (or other requesting organizations) do not always provide a rationale for the data call, which makes it difficult for contractor representatives to determine whether the data call may be inefficient or duplicative.

NNSA Has Taken Several Actions to Better Manage Data Calls to M&O Contractors since 2015

NNSA has taken several actions to better manage its data calls to M&O contractors since 2015, in response to the Augustine-Mies and CRENEL reports. NNSA officials we interviewed told us these actions have helped reduce the time and resources M&O contractors spend responding to data calls. However, M&O contractor representatives we interviewed did not directly associate improvements in data calls with NNSA's actions. According to NNSA officials and agency documents, since 2015, NNSA has taken actions in the following four main areas to better manage the data calls sent to M&O contractors:¹⁴

- **Improving coordination of site assessments, site visits, and associated data calls.** As an oversight function, NNSA conducts site assessments of M&O contractors that involve site visits and preparatory data calls. NNSA officials stated that in response to the Augustine-Mies and CRENEL reports, the agency is applying its Site Integrated Assessment Planning (SIAP) process for coordinating site assessments to coordinating the underlying site visits and data calls associated with these site assessments.¹⁵ The SIAP process includes oversight activities associated with cybersecurity and information

¹⁴Specific actions NNSA has taken to better manage data calls sent to M&O contractors are documented in National Nuclear Security Administration, *Governance and Management of the Nuclear Security Enterprise: Report to Congress* (Washington, D.C.: December 2016) and National Nuclear Security Administration, *Memorandum: Data Calls* (Washington, D.C.: August 3, 2016).

¹⁵National Nuclear Security Administration, *Site Integrated Assessment Plan (SIAP) Development, Updating, and Reporting*, Business Operating Procedure BOP-10.003 (Washington, D.C.: January 18, 2012). NNSA officials we interviewed stated they plan to update the SIAP business operating procedure document, but did not provide timeframes for those updates.

security assessments; environment, safety, and health assessments; program specific reviews such as those of warhead refurbishment programs or nuclear nonproliferation programs; and external oversight such as reviews by us and the DOE Office of Inspector General. Under the SIAP process, NNSA program and functional offices are to forward their planned assessments and proposed schedules for each site for the upcoming fiscal year to field office managers. Site office managers are then to consolidate those planned assessments to avoid overlapping or duplicative assessments, site visits, and related data calls.

- **Ensuring data calls follow appropriate contract terms and conditions.** In August 2016, NNSA established a process in a memorandum to help the agency mitigate the negative effects of improperly vetted data calls.¹⁶ NNSA's memorandum encouraged NNSA's field offices to question any data calls that do not arrive through the appropriate channels and to work with M&O contractors to ensure data calls have appropriate visibility and come from authorized sources. NNSA's memorandum states that only an authorized contracting officer or contracting officer representative is to issue technical direction, which includes data calls, to a site.¹⁷ Officials we interviewed from NNSA's Office of Acquisitions and Project Management stated that prior to NNSA instituting the process, NNSA's headquarters functional and program offices were not always routing data calls through each site's contracting officer or contracting officer representative, located at NNSA's field offices. NNSA officials stated that, as a result of this process, they had recently observed a reduction in the number of contractor and field office officials seeking corrective action.
- **Establishing an executive-level point of contact.** In August 2016, NNSA established the NNSA Chief of Staff as the executive-level point of contact to oversee the data calls process and serve as a liaison between NNSA field offices and other agencies or organizations issuing data calls to M&O contractors. The NNSA Chief of Staff told us that data calls are a necessary part of NNSA's governance and oversight of M&O contracts but added that NNSA should ensure that data calls are transmitted through the established process and are also necessary and efficient. The NNSA Chief of Staff said that his role as the data calls point of contact may cause agency officials to reevaluate their data calls and avoid any that are unnecessary or duplicative.
- **Streamlining routine and reoccurring financial data calls.** NNSA officials we interviewed stated that in 2017 NNSA piloted a process on financial data calls to determine whether it could reduce the number of separate financial data calls to M&O contractors. NNSA officials stated that identifying these financial data calls may allow NNSA to develop standardized forms for reoccurring data calls and provide efficiencies

¹⁶According to NNSA officials, the agency began drafting a policy in September 2018 that would formalize the requirements and responsibilities set forth in the August 2016 memorandum. However, as of November 2018, NNSA officials told us that they were reassessing this policy and had not determined whether they would finalize it or pursue other means of communicating NNSA's process for addressing data calls.

¹⁷A contracting officer is a person with authority to enter into, administer, and/or terminate a contract. A contracting officer representative is an individual designated and authorized in writing by the contracting officer to perform specific technical or administrative functions. Technical direction includes providing direction to the contractor that, among other things, redirects contract effort, shifts work emphasis between work areas or tasks, or requires pursuit of certain lines of inquiry. NNSA officials stated that NNSA Supplemental Directive 226.1B on site governance also describes the process for providing technical direction to the contractor through the contracting officer or contracting officer representative; technical direction may include data calls that are not otherwise provided for in the contracts.

in reporting and planning as part of NNSA's common financial reporting effort.¹⁸ We reported in January 2019 that NNSA made progress on a number of steps to implement common financial reporting across the nuclear security enterprise, but work remains to ensure NNSA collects reliable financial data.¹⁹ NNSA officials stated that eventually this common financial reporting effort may reduce ad hoc financial data calls and lessen the burden on M&O contractors.

While NNSA officials stated they believe these actions have reduced the time and resources M&O contractors spend responding to data calls, M&O contractor representatives we interviewed provided varying perspectives on whether NNSA's actions have affected the number of data calls they have received since 2015. For example, representatives from one M&O contractor we interviewed stated that they have seen process improvements or a decrease in the number of data calls, and representatives from two other M&O contractors stated they have seen no change in the number of data calls. Representatives from the other four M&O contractors we interviewed had varied perspectives on whether there was an increase, decrease, or no change in the number of data calls. Some of these contractor representatives said that circumstances, such as increases in workloads or the issuance of a new contract, can also result in an increase in the number of data calls unrelated to NNSA's improvement efforts, and these changes can make it difficult to compare the number of data calls over time. Moreover, representatives from one M&O contractor that we interviewed credited their own efforts, rather than directly associating any improvements in data calls with NNSA's actions. For example, representatives from the contractor stated that they increased access to their contractor assurance systems and provided additional training on using the systems to NNSA's field office officials in the past 2 to 3 years, and have seen a decrease in the number of data calls.²⁰ Representatives from another contractor stated that if both the contractor and NNSA work together more effectively on NNSA's access to and use of the contractor assurance systems, the contractor may see a reduction in the number of data calls.

Agency Comments

We provided NNSA with a draft of this report for review and comment. NNSA had no comments on the draft report.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution for 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of Energy, and other

¹⁸The National Defense Authorization Act for Fiscal Year 2017 requires NNSA to implement a common financial reporting system for the nuclear security enterprise by December 23, 2020. A Senate Committee report accompanying a bill for the National Defense Authorization Act for Fiscal Year 2018 directed us to conduct reviews of the progress of NNSA's financial integration efforts and the implementation of common financial reporting through 2022.

¹⁹GAO, *National Nuclear Security Administration: Additional Actions Needed to Collect Common Financial Data*, [GAO-19-101](#) (Washington, D.C.: January 31, 2019).

²⁰Contractor assurance systems are designed and used by M&O contractors to oversee their own performance and to self-identify and correct potential problems. We previously reported on NNSA's use of information from contractor assurance systems to conduct oversight and evaluate the performance of M&O contractors, and found that NNSA field office officials did not always know how to use information from contractor assurance systems for oversight. GAO, *National Nuclear Security Administration: Actions Needed to Clarify Use of Contractor Assurance Systems for Oversight and Performance Evaluation*, [GAO-15-216](#) (Washington, D.C.: May 22, 2015).

interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-3841 or bawdena@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report include Jason Holliday (Assistant Director), Elizabeth Luke (Analyst in Charge), Antoinette Capaccio, John Delicath, Cindy Gilbert, Jonathan Gill, John Hocker, Jeanette Soares, and Tatiana Winger.

A handwritten signature in black ink, appearing to read "Allison Bawden". The signature is fluid and cursive, with a large initial "A" and "B".

Allison Bawden
Director, Natural Resources and Environment

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