



PROJECT AIM STATUS UPDATE October 1 – December 31, 2018

In the June 8, 2015, staff requirements memorandum (SRM) for SECY-15-0015, "Project Aim 2020 Report and Recommendations," the Commission directed Project Aim's 19 tasks to address the U.S. Nuclear Regulatory Commission's (NRC) need to improve efficiency and agility, as well as to right-size the agency, while retaining employees with the appropriate skills to accomplish its mission and streamline processes.

The most notable accomplishments for the period of October through December 2018 include: completion of one longer-term efficiency and completion of the Information Technology/Information Management Centralization and Standardization Task Force report with recommendations for consideration by the Executive Director for Operations.

Task 5. Common Prioritization and Re-baselining

Task 5 involved the integrated prioritization and re-baselining of 150 agency work activities to be shed, de-prioritized, or performed with fewer resources. The main deliverable for this task was provided to the Commission in SECY-16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities." The agency has completed 149 of the 150 specific Re-baselining activities. Implementation of the remaining re-baselining activity (Activity 94, described below) is delayed beyond the original target date. However, the 0.2 full-time equivalent (FTE) savings associated with this activity has already been reflected in the agency budget (work is proceeding by reprioritizing work). Completion of these actions realized savings of approximately \$48 million.

- Activity 94, updating the guidance for the process in Title 10, *Code of Federal Regulation*, Section 2.206 (10 CFR 2.206), for petitions to clarify the evaluation criteria for when to hold public meetings on petitions and allow the Petition Review Board to make an initial decision to accept the petition without a petitioner presentation, when appropriate. The NRC staff sought and received public feedback on proposed revisions to Management Directive (MD) 8.11, "Review Process for 10 CFR 2.206 Petitions," and the Commission held a meeting to receive views from external stakeholders and NRC staff on ways to improve the 10 CFR 2.206 petition process. NRC's current estimate is for issuance of MD 8.11 spring 2019.

Task 5 also involved providing the Commission with known changes in workload and longer-term efficiencies. This product was provided March 18, 2016, in SECY-16-0035, "Additional Re-Baselining Products." The staff continues to make progress on the longer-term efficiencies. During this quarter, two longer-term efficiency were completed.

- Item 10, to improve the change process for MDs, modify the content, process, and periodicity for changes to MDs to streamline the change process such that MDs are evaluated and updated every 8 years. This was completed through a series of changes over the last 2 years, culminating with the issuance of MD 1.1, "NRC Management Directives System," (Agencywide Documents Access and Management System (ADAMS) Accession Number ML16077A184).

- Item 11, was a requirement to continue to reduce the number of supervisors including executives, as the size of the agency workforce decreases and track it through November 2018. These reductions were in addition to those proposed in SECY-16-0009. Options considered included organizational consolidation, eliminating deputies, and increasing spans of control. This was completed in November 2018. From the beginning of fiscal year (FY) 2016 to the present, the number of supervisors allocated in the budget has declined from 442.5 in FY 2016, to 371.0 in FY 2018, and the current FY 2019 budgeted FTE for supervisors is 365.0, an 18 percent decrease.

Task 14. Evaluate Consolidation of Regional Corporate Support Functions

In Task 14, the staff completed an evaluation of the support functions (ADAMS Accession Number ML16131A064) in the Division of Resource Management and Administration (DRMA) in each NRC region and identified process efficiencies that will yield savings through standardization or centralization of specific support functions over time. The deliverable completing this task was provided to the Commission offices by a Commissioners' Assistants Note on June 6, 2016.

Though completed, the work on Project Aim Task 14 inspired a broader, follow-on effort to standardize and centralize mission support activities performed by DRMA and Program Management, Policy Development, and Analysis (PMDA) divisions in program offices and regions across the agency (ADAMS Accession Number ML17040A349). On May 11, 2017, the mission support standardization and centralization working group provided an agency wide implementation plan (ADAMS Accession Number ML17121A431) for 28 projects to centralize and standardize financial management, human resource, information technology/information management, and administrative functions. This period staff has closed 2 of the remaining 10 mission Support standardization and centralization tasks.

11. Make greater use of agencywide and governmentwide enterprise contracts and agreements for acquisitions of such things as telecommunication services and furniture to provide savings in transactional costs and to gain efficiencies across the agency this was completed as originally proposed. The regions identified services that are common across the agency as candidates for movement to governmentwide or enterprisewide contracts and agreements. The service areas included: landline phone services, overnight delivery services, guard services, and copier/printer maintenance. The Office of Administration (ADM) worked closely with the regions to develop strategies for implementing this new approach. Transitioning to these types of contracts and interagency agreements will allow the agency to continue to achieve savings by decreasing the number of transactions, contracts, and Contracting Officer's Representatives, reducing the workload on the acquisition workforce across the agency, and receiving the benefit of volume discounts when they are available. As existing contracts for agencywide services begin to expire, ADM will continue to take advantage of governmentwide enterprise contracts.
19. Establish a Center of Expertise (COE) in one of the regional offices to perform routine and other identified human resource (HR) functions for all regions and adjust resources required to align with workload demands. This was completed in a manner different than originally proposed. In evaluating the use of a COE it was determined that a COE would provide efficiencies. Rather, to meet the intent of the task, a matrix concept whereby subject matter expertise could be shared cross-regionally to management workflow and support regional resource deficits and surge work is being implemented. This infrastructure will achieve efficiencies in HR functions.

Task 15. Transitional Plan for the Merger of the Office of Nuclear Reactor Regulation and Office of New Reactors

In Task 15, the Commission directed the staff to develop a plan to merge the Office of New Reactors (NRO) and the Office of Nuclear Reactor Regulation (NRR) at the appropriate time. A working group developed a business case for a merger, which included a description of projected efficiencies and challenges, and plans for the staff to address those challenges. The assessment also included an evaluation of leading resource drivers and proposed timing for a merger. The Project Aim deliverable was provided in SECY-16-0075 on June 8, 2016. In SRM-SECY-16-0075 the Commission approved the merger of NRR and NRO and directed the staff to complete the consolidation of the two offices by September 30, 2020. Subsequently, in SRM-COMKLS-18-0003, "Fiscal Year 2020 Budget to the Commission," the staff was directed to phase-in the NRR/NRO merger with the goal of completing it by mid-fiscal year 2020.

Implementation activities are ongoing. The NRR/NRO merger team has completed a series of activities focused on creating an organizational structure based on the needs of the agency, feedback from the staff, and flexibility to organize around future work. This included: conducting listening sessions with staff to gain insights on merging the organizations; developing combined high-level workload projections for operating reactor and new reactor work through FY 2021; creating several potential eight and nine division organizational models for consideration; and conducting targeted staff and management meetings, four office town hall meetings, and numerous specific functional area focus group meetings.

Pre-merger consolidations (PMCs) are tactical opportunities to consolidate staffing from NRR and NRO at the branch level, that readily match the necessary work with the onboard staff and/or supervision. PMCs also provide early opportunities to identify and combine best practices. In addition, PMCs provide a motivation to both cross-train staff on the regulatory processes and update procedures where appropriate, laying the foundation for enhanced agility and flexibility in future staffing decisions. PMCs for Instrumentation and Controls, Operator Licensing, and Human Factors Engineering were implemented in October 2018.

As overall workload has and is projected to continue to both change and decrease in NRO, management will continue to appropriately consolidate branches and divisions, to proactively manage staffing plans on an ongoing basis. One additional PMC is anticipated to occur in 2019, which is the merger of the program management within both offices in anticipation of the increased workload in specific functional areas within those divisions due to the merger in 2020. These functional areas include the offices' financial management and budget execution activities, coordination in infrastructure space, and the offices' human capital activities. Additionally, NRR and NRO have worked with the Office of the Chief Information Officer (OCIO) to centralize the information technology functions in OCIO, which will occur in early FY 2019.