

GAO@100 Highlights

Highlights of [GAO-22-103948](#), a report to congressional requesters

Why GAO Did This Study

NNSA relies on seven M&O contractors to manage and operate its eight laboratory and production sites. NNSA uses documents called WAs to direct the work of its contractors. NNSA's program offices collectively issued on average 94 WAs per fiscal year from 2018 to 2020. In 1990, GAO designated the Department of Energy's (DOE) contract management as a high-risk area and continues to identify ongoing challenges with NNSA's management of its contractors.

As part of an effort to understand the status of NNSA's actions to address contract management challenges, GAO was asked to review NNSA's work authorization process and documentation. This report examines NNSA's (1) efforts to improve its work authorization process, and (2) use of WAs in its contractor performance evaluation process.

GAO reviewed relevant laws and DOE and NNSA policy and guidance on WAs; analyzed a nongeneralizable sample of WAs for fiscal years 2019 and 2020; analyzed survey responses from all relevant NNSA program and field offices and contractor sites; reviewed contractor performance documentation; and interviewed agency officials.

What GAO Recommends

GAO is making two recommendations, including that NNSA establish a required WA schedule to ensure finalization by the start of the fiscal year. NNSA concurred in principle with the recommendations and stated that they have been addressed. GAO believes that NNSA needs to take additional actions to fully address them, as discussed in the report.

View [GAO-22-103948](#). For more information, contact Allison Bowden at (202) 512-3841 or bawdena@gao.gov.

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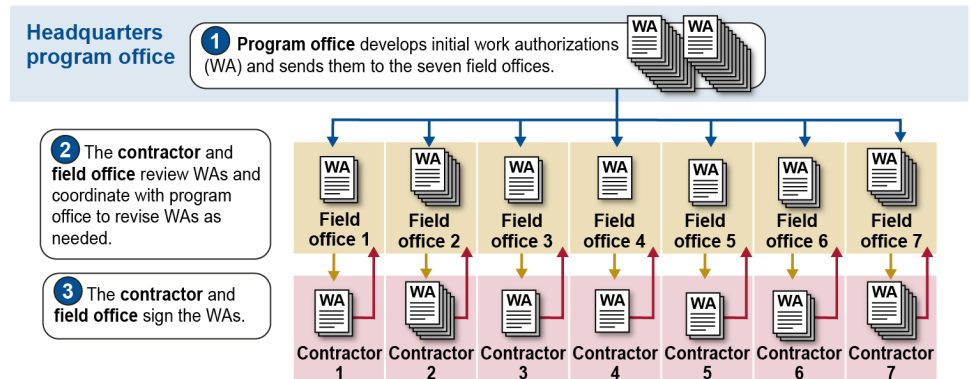
NNSA Has Taken Steps to Improve Its Work Authorization Process, but Challenges Remain

What GAO Found

The National Nuclear Security Administration (NNSA) has taken steps to improve its process for developing, reviewing, and issuing work authorizations (WA) for its management and operating (M&O) contractors. Such authorizations specify the activities to be conducted in a given fiscal year by the contractors that operate NNSA's sites (see figure). However, NNSA continues to face challenges issuing WAs before the start of the fiscal year, as generally required by NNSA's directive on WAs.

As part of its efforts to improve the agency's WA process, NNSA convened an internal working group in 2017 and 2018 to review the process. In October 2018, the working group recommended that NNSA's program offices submit draft WAs for review by August 15 each year. This recommendation was intended to ensure that field-based contracting officers and M&O contractor representatives finalized and issued WAs by the start of each fiscal year. However, NNSA continued to experience delays in issuing WAs by the start of fiscal year 2020, in part because NNSA does not have a schedule with required deadlines for review and revisions of draft WAs. Contractors that begin work without a WA in place by the start of the fiscal year risk incurring unallowable costs. Further, delays in issuing WAs may require duplicative efforts, such as the need to create interim "stopgap" WAs.

NNSA Work Authorization Development and Approval Process



Source: GAO analysis of National Nuclear Security Administration (NNSA) documentation. | GAO-22-103948

According to NNSA officials and M&O contractor representatives, WAs are an input for setting contractor performance expectations against which to monitor. However, when GAO reviewed performance evaluation reports for each contractor for fiscal years 2019 and 2020, GAO found that the reports did not clearly reference the performance expectations contained in WAs. NNSA officials confirmed that performance expectations contained in WAs cannot generally be traced to contractor's performance evaluation reports. This lack of traceability occurred in part because NNSA does not have clearly documented procedures specifying how officials should collect and use performance information, including from WAs, for evaluating contractor performance. This issue is similar to one on which GAO previously reported in February 2019 and made a recommendation for NNSA to develop such documented procedures. NNSA concurred with the recommendation but has not fully implemented it. GAO continues to believe that improving the ability to trace performance expectations to performance ratings would enable NNSA to more consistently evaluate contractor performance.