

**Service Level Agreement**

**Between**

**The Environmental Management Consolidated Business Center (EMCBC)**

**And the**

**Deputy Assistant Secretary (DAS) for Acquisition and Contract Management (EM-80)**

The attached document provides the roles and responsibilities, authorities, and working relationships between the EMCBC and the Deputy Assistant Secretary for Acquisition and Contract Management (EM-80). This Service Level Agreement shall remain in effect until such time as it is amended by the EMCBC Director and EM-80.

Approved:

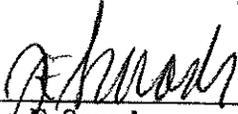


7/23/2010

For

\_\_\_\_\_  
Jack R. Craig  
Director, EMCBC

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Date



\_\_\_\_\_  
John E. Surash  
Deputy Assistant Secretary  
Acquisition and Contract Management

7/23/2010  
\_\_\_\_\_  
Date

**The Service Level Agreement  
Between  
Environmental Management Consolidated Business Center  
And the  
Deputy Assistant Secretary (DAS) for Acquisition and Contract Management (EM-80)**

**Introduction**

The Department of Energy's (DOE) headquarters, operations, and field offices execute activities in support of the missions assigned to the Department. This includes the mission assigned to the Office of Environmental Management (EM), which oversees projects that involve environmental cleanup and restoration programs at field sites where nuclear weapon production took place.

The EM Deputy Assistant Secretary (DAS) for Acquisition and Contract Management, EM-80, operates the DOE EM Acquisition Center. The Acquisition Center is an integrated headquarters business system that supports operations and field offices in managing their major EM acquisitions efficiently and effectively through standardized and repeatable business processes.

In the field, EM uses a decentralized approach to acquisition and contract management, with contracting offices at field sites located throughout the United States. The contracting office at the Environmental Management Consolidated Business Center (EMCBC) in Cincinnati, Ohio, provides support to headquarters and other EM operations and field offices. The EMCBC mission is to provide centralized business support services while freeing headquarters and field resources to focus on other mission requirements.

This service level agreement establishes the business and support functions supplied by the EMCBC to EM-80. Through this agreement, the EMCBC will:

- Provide continuous, stable business support services to EM-80;
- Assure continuity of essential services in specific areas needed by EM-80 to execute EM mission and achieve major project schedule milestones through closure or project completion;
- Achieve economies of scale through standardization and streamlined operations;

Nothing in this agreement should be construed in a manner as to supersede the roles and responsibilities of any DOE Headquarters organization. In the event of conflicting terms, existing Headquarters policies and procedures take precedence over this agreement.

**Head of Contracting Activity (HCA)**

The Director, DOE Office of Procurement and Assistance Management, delegated HCA authorities to the Office of Environmental Management on November 15, 2007. In turn, EM delegated enumerated HCA authorities to the EMCBC, in accordance with the memoranda Surash to Craig, "Delegation of Authority and Request for Nomination", December 4, 2007, and

Surash to Holland, "EM HCA Implementation", December 4, 2007 with the following subsequent revisions:

- Surash to Craig, "Implementation of Head of Contracting Activity Delegation Requirements" March 13, 2008
- Surash to Holland, "Issuance of Updated Environmental Management Head of Contracting Activity (EM HCA) Delegation Thresholds", October 6, 2008
- Surash to Holland, "Clarification to Issuance of Updated Environmental Management Head of Contracting Activity (EM HCA) Delegation Thresholds", April 16, 2010

The DOE EM HCA Directive 1.3, "EM Acquisition Center Concept of Operations (CONOPs)" (attached) is a living document that describes the EM-80 Acquisition Center and details the roles and responsibilities of the various players in the acquisition life cycle. Specific details on the level of support provided to EM-80 by the EMCBC are documented in the subject directive. General details of support provided by the EMCBC to EM-80 are depicted in this Service Level Agreement.

### **Operational Strategy**

The EM-80 Acquisition Center approach applies to all aspects of the acquisition life cycle, broadly defined as four phases:

- Acquisition Initiation
- Acquisition Planning
- Source Selection
- Contract Management

The EMCBC will provide business support services to EM-80 in support of the EM Acquisition Center as requested for each of the acquisition phases, using a strategic operational model that includes the following attributes:

- Stable business support for a variety of customers with differing project mission requirements and differing business support priorities;
- Combined use of federal employees and support service contractors (as required) to support customers;
- Optimization of FTEs between the EMCBC and EM-80;
- Ability to expand EMCBC operations to accommodate additional business or technical support services provided to its client sites;
- A travel budget sufficient to support planned and unscheduled client site visit requirements.

### **Support Approach**

The creation of the EMCBC has consolidated the EM business support responsibility from selected field offices to the EMCBC. In addition, EMCBC will provide business support to include:

- Contracting/Procurement
- Financial Management (Program/Project Management, Planning and Controls)

- Cost Estimating/Analysis
- Legal Services
- Logistics

### **Business Services Consolidation (BSC) Process**

Overall BSC responsibility will reside with the EMCBC Director. The Director will delegate responsibility for the BSC process to the EMCBC Assistant Directors. The Assistant Directors (or other EMCBC employee delegated this responsibility by the EMCBC Director) will serve as the EMCBC site BSC liaisons to provide a single focal point at the EMCBC dedicated to the smooth transition activities for the business services within their functional responsibility areas. The assistant directors, or their delegated individuals, will have three primary responsibilities.

- Activating their function within the EMCBC;
- Ensuring that all BSC actions for EM-80 are accomplished in a timely manner to avoid adverse impact to EM-80's primary mission responsibilities;
- Concurrently performing support services to clients already relying on the EMCBC.

### **EMCBC Office of Contracting**

The mission of the Office of Contracting is to acquire, manage, and direct the procurement of supplies and services required to support the EMCBC client sites and the EM Acquisition Center. The Assistant Director, Office of Contracting will act as a business advisor to the EMCBC Director and ensure a high level of support is provided to its clients by the EMCBC contracting staff. The Assistant Director will accomplish the mission with a dedicated and professional staff of contracting and other specialists.

The EMCBC Office of Contracting will consolidate and streamline common contracting support activities of its clients to maximize utilization of resources whenever possible.

The Acquisition and Assistance Branches will provide pre-award support primarily to EM-80 and EM client sites through the Acquisition Initiation Phase, the Acquisition Planning Phase, and the Source Selection Phase. Contracting professionals will direct, plan, and execute site and Headquarter's pre-award requirements through acquisition planning, solicitation, and award functions.

The Contract Management Branch contracting professionals will provide post-award support to EM-80 at the Contract Management Phase. The Contract Management Branch will provide contract administration, incentive and award fee determination, and contract closeout. It is contemplated that most contracts awarded by the EM Acquisition Center will be administered by the effected Field Office; however, the Contract Management Branch will provide contract management services to EM-80 on an as needed basis.

The Review Team will provide an independent review function for the EMCBC, PPPO, and CBFO and will provide support to the EM Acquisition Center as requested. The Review Team will also provide assistance as requested by EM-80 in conducting special emphasis studies, independent reviews, evaluations and analyses.

The Contractor Human Resources Management (CHRM) Team will provide support to EM-80 on an as requested basis. The CHRM Team manages the entire realm of EMCBC contractor human resources issues. These issues include actuarial assessment of contractor pension, medical and other post-retirement benefit programs, contractor employee welfare programs, contractor training, contractor workforce transition programs and contractor labor issues in accordance with DOE Order 351.1. The team has an active partnering relationship with Branches A and B and the Contract Management Branch throughout the entire contracting process from solicitation to negotiation to award, administration and closeout.

The Contract Cost and Pricing Team will provide cost and price analysis for EM-80 as requested regarding pre-award proposals, post-award proposals, Requests for Equitable Adjustments, and fee actions such as draft fee plans, payments of Performance Based Incentives, and determinations of award/incentive fee earned. The team will support EM Acquisition Center Integrated Projects Teams as requested in conducting cost/price analysis and in establishing pre-negotiation and final negotiation objectives.

The Policy and Administrative Support Team performs activities related to developing and maintaining EMCBC plans, policies, and procedures applicable to the EMCBC, PPPO, and CBFO procurement and contract management process. The team will provide support as requested by the EM Acquisition Center in developing operating procedures and guidelines related to the procurement and administrative management of the client sites to ensure procurement actions comply with Federal and DOE Headquarters regulatory and policy requirements. Additionally, as requested, the team will administer the EMCBC Small Business Program; manage the Balanced Scorecard System; provide systems support including FPDS-NG and STRIPES; manage the EMCBC Purchase Card Program, coordinate HCA approval of Contracting Officer Warrants and Contracting Officers' Representative appointments; and manage the Acquisition Career Development Program in accordance with DOE Order 361.1B.

In general, the EMCBC Office of Contracting will provide support to EMAC IPTs through staffing of Contracting Officers, Contract Specialists, Contractor Human Resource Specialists, website development and hosting, and Cost/Price Analysts. Provision of staffing support will be on an as requested basis.

### **EMCBC Office of Financial Management**

EMCBC Office of Financial Management is a multiple-function, multiple-site office. A focus of the EMCBC effort is to reduce the cost of financial management by streamlining inefficient processes and/or consolidating these activities. The Financial Management Services will use a combination of EMCBC-based and client-site based personnel to provide support to the client sites and the EMCBC. The following divisions will employ primarily center-based personnel:

- Budget
- Project Management, Planning and Controls
- Finance and Review

The mission of financial management within the EMCBC is to serve as the focal point for its DOE/EM clients on financial matters by providing direction, planning, and oversight for financial policy and procedures, financial reporting, the management control program, accounting systems, and audit liaison and follow-up.

The Budget Division may provide as requested, support to EM-80 through budget execution, administrative control of funds, and the administration of planning and budgeting systems. Execution activities may include funds certification, commitment and obligation processing, financial analysis, obligation and cost tracking, financial data reconciliation, funding determinations and recommendations.

The Project Management, Planning and Controls Division may provide as requested support to EM-80 through the consistent interpretation and implementation of DOE project management/execution policies, Orders (e.g., DOE Order 413.3A) and guidance across the DOE Complex. The Division Director leads a staff of individuals with subject matter expertise in the areas of project management, scheduling, engineering, business administration, accounting and marketing.

The Finance and Review Division may provide as requested, support to EM-80 through provision of financial reporting and analysis support as required, and supporting EM-80 travel, training, and Permanent Change of Station obligations as needed. In addition, the team will provide financial review support to EM-80, as requested, to promote the effective, efficient, and economic operation of EM-80 programs through financial reviews, audit liaison activities, and management control assessments.

### **EMCBC Cost Estimating & Analysis Center**

The EM Cost Quality Program Manager functions as a member of the EMCBC staff under the general management of the EMCBC Director. The EM Cost Estimating & Analysis (CE&A) Center's EM Corporate Sponsor is the Deputy Assistant Secretary for Program Planning and Budget (EM-60). The EM CE&A Center will utilize a combination of Federal employees and contractor-provided cost engineering services to meet EM's cost and schedule estimating needs complex-wide.

The mission of the EM CE&A Program is to:

- Establish standards, policy, and procedures to ensure that EM cost and schedule estimates are accurate, traceable, and reliable.
- Provide Independent Cost Estimating (ICE) and Independent Cost Analysis (ICA) capability to support EM acquisition and project management program requirements.
- Provide independent cost estimating and analysis support to EM management, the EM Acquisition Advisory Board (EMAAB), and EM budget formulation processes.
- Lead the development and management of cost and schedule databases, methodologies, and tools needed by EM to improve and standardize its cost estimating and analysis capabilities.

The EM CE&A Center will provide cost and schedule estimating services to EM-80, EM-53, and EMCBC's Office of Contracting.

The core functions of the EM CE&A Center include:

- Acquisition Support (EM-80 & EMCBC Office of Contracting)
- Performing life-cycle cost analyses
- Preparing Government Estimates
- Developing Contract-specific CE&A requirements
- Perform reasonableness reviews of contractor-submitted proposals
- Perform technical evaluations of contractor-submitted proposals
- Provide technical support to Source Evaluation Boards or C.O.
- Contract Close-out ~ capture actual project costs
- Project Planning & Execution Support (EM Small Site Projects, CBFO, PPPO, and EM Field Offices)
- Support FPDs and serve on Integrated Project Teams
- Provide direction/oversight for contractor-developed cost estimates
- Prepare Independent Cost Estimates (ICE)
- Perform Independent Cost Reviews (ICR)
- Support risk management planning activities
- Establish project-specific CE&A requirements (tailoring)
- Support performance evaluation activities ~ trend & cost variance analysis
- Project Management Support (EM-53)
- Serve as Subject Matter Experts (SME) on Independent Project Review (IPR) teams
- Provide Independent Cost Estimating (ICE) and Independent Cost Analysis (ICA) capability to support EM project management program requirements.

### **EMCBC Office of Legal Services**

The Assistant Director, Legal Services (Chief Counsel) functions as a member of the EMCBC senior staff under the supervision of the EMCBC Director. The Assistant Director, Legal Services also has a functional reporting relationship to the HQ Office of General Counsel. The Office of Legal Services' (OLS) mission is to support EMCBC customer sites legal requirements, field acquisition activities, and other ongoing assigned EM procurement actions. The OLS will provide field level procurement counsel in support of the EM Acquisition Center efforts in Acquisition Planning, Acquisition Initiation, Source Selection and Contract Management. In this role, OLS will coordinate with HQ Office of General Counsel, counsels from other Department of Energy offices, and other relevant Federal agencies, as necessary to accomplish mission requirements. Direct legal support to EM-80 will be provided by the HQ Office of Counsel.

### **EMCBC Office of Logistics Management**

The Personal Property Team will support and assist in the conduct of required and for-cause physical inventories of personal property, and for accountability of assets under the management and control of the Project/Site office in accordance with the Federal Property Management Regulations. This also includes management of Federal property assigned to the Project/Site

office which may involve activities as: acquisition planning; identification and markings; property administration; automated inventory records system; physical inventories; reporting requirements; and, disposition and reutilization.

The Personal Property Team will perform contract administration services for personal property in the possession of contractors which includes activities such as: acquisition planning; post-award conferences; contract property transition; initial and periodic property management system reviews; property administration and oversight; reporting requirements; property reutilization; contract closeouts and terminations; and, site closure.

The Personal Property Team will provide vehicle fleet management support of fleet operations and maintenances; initial authorizations and fleet capacity changes; vehicle disposition/replacement; and, reporting requirements.

The Real Property Team will perform Real Estate acquisitions and other life cycle management activities of real property by a certified realty specialist. Real Property management activities include acquisition, management, utilization, accounting, reporting and disposal of real property. Real estate actions must be reviewed and approved by a DOE Certified Realty Specialist (CRS) before executing the action. The Real Estate team will provide CRS support for all real estate management functions identified above on an as required or requested basis.

The EMCBC Environmental Safety Health & Quality Team provides comprehensive and high quality services and support to the EMCBC, small and closure sites, and the DOE Complex. The ESH&Q team provides services and support in Regulatory Compliance, Safety Management Systems, Quality Systems, Environmental Management Systems, Contractor Assurance, Technical Support and DOE Oversight Assistance.

The Performance Assurance Team provides comprehensive and high quality service and support to the EMCBC, small and closure sites, and the DOE Complex. The Performance Assurance team will provide services and support in the areas of Personnel and Physical Security, Emergency Management, Waste Management, Transportation Management and Records Management. Service and Support will be provided in concert with Contractor Assurance and DOE Oversight requirements.

The Classification Office Team provides DOE support, document reviews, and contractor oversight activities related to classification and declassification related tasks, expertise in the review of information owned by the EMCBC and Legacy Management (under a MOU) for classified and sensitive information, a technical consulting resource to the DOE complex in the field of nuclear weapons design, fabrication and attendant disciplines, assist HQ and other sites with investigations and reviews, sensitive document and record review/handling, classified scanning operations, and records disposition.

Attachment:

HCA Directive 1.3, EM Acquisition Center Concept of Operation