

**Service Level Agreement**

**Between**

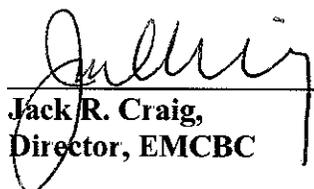
**The Environmental Management Consolidated Business Center (EMCBC)**

**And**

**The Separations Process Research Unit (SPRU) Field Office**

**The attached document provides the roles and responsibilities, authorities, and working relationships between the EMCBC and the Separations Process Research Unit (SPRU) Field Office. This Service Level Agreement shall remain in effect until such time as it is amended by the EMCBC Director and the SPRU Federal Project Director.**

**Approved:**

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

1/26/06  
**Date**

  
\_\_\_\_\_  
**Steven Feinberg,  
Federal Project Director,  
SPRU Field Office**

1/26/06  
**Date**

**The Service Level Agreement  
Between  
Environmental Management Consolidated Business Center  
And  
The Separations Process Research Unit Field Office**

Introduction

The Assistant Secretary for Environmental Management (EM), Department of Energy (DOE), is responsible for the safe, efficient and effective clean-up, stabilization and remediation of nuclear and hazardous waste materials and contamination resulting from Cold War research and production activities. Activities related to this mission are conducted at many locations around the nation and are typically staffed with federal and contractor personnel that possess technical, business, logistic, and administrative expertise.

The Separations Process Research Unit (SPRU) facilities are located within the Knolls Atomic Power Laboratory in Niskayuna, New York. SPRU was a small scale pilot plant utilized to research the REDOX and PUREX processes to separate plutonium from irradiated uranium. The pilot plant operated from 1950 to 1953. The facility includes nuclear facilities including a process building, waste processing building, an underground tank farm, and approximately thirty acres of land where waste container management contaminated soil and groundwater. The DOE SPRU Field Office opened in 2000 and operates independently of the Knolls Atomic Power Laboratory managing government agency, NNSA Schenectady Naval Reactors and their M&O contractor KAPL, Inc., a subsidiary of Lockheed Martin. The SPRU Field office is currently staffed with the Federal Project Director and a Certified Health Physicist. The National Nuclear Security Agency Service Center currently supports SPRU Field office with subject matter experts, project staff, and all other business services. SPRU estimates that current support is six full time equivalents and increasing as SPRU progresses through the critical decision process and supports contracts awarded to carry out the cleanup mission.

As one of several business support improvement initiatives, EM will be providing support to the SPRU in several functional areas from the EMCBC located in Cincinnati, Ohio. The EMCBC's mission is to provide centralized business support services to selected EM sites such as the SPRU, allowing SPRU resources to focus on accelerating the closure/cleanup mission. By providing business support to SPRU through the EMCBC, EM will (i) provide continuous, stable business support services to SPRU projects, (ii) provide opportunities for job enrichment and progression, (iii) achieve economies of scale through standardization and streamlined operations and (iv) permit EM to better utilize its scarce resources for front-line cleanup activities.

## EMCBC Operational Strategy

The EMCBC will provide business support services to the SPRU to facilitate their achievement of major project schedule EM milestones. Under this model, SPRU will continue to have mission responsibility, with the EMCBC holding specific business authorities in support of SPRU. Under this operational model, SPRU can focus resources on project and technical management and oversight mission support requirements. Attributes of this approach include the following:

- 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 full time equivalents (FTEs) between the EMCBC and SPRU;
- Customer site personnel performing more of a liaison function with respect to business services, and majority of all functional business specialists residing at EMCBC;
- Ability to expand EMCBC operations to accommodate additional business or technical support services provided to its customers, or expansion of the EMCBC customer base;
- DOE HQ will provide travel funding to the CBC to support business requirements.

The EMCBC will establish itself as an effective liaison between DOE headquarters and SPRU, supporting the needs of both and serving as the SPRU's advocate for business services provided. The Federal Project Director retains authority over use of project funding, project direction, and staffing of the field and integrated project team. When requested, the EMCBC will accomplish headquarters' tasks on behalf of SPRU in agreed upon business areas. To improve customer support and realize operational cost objectives, the EMCBC will develop standardized functional processes, procedures and policies to further support SPRU.

## Consolidation Approach

The EMCBC business support services listed below represent the responsibility the EMCBC is assuming from the NNSA Service Center, resulting in a cooperative business support agreement between the EMCBC and the SPRU Federal Project Director (FPD) as defined in this document.

- Contracting/Procurement
- Inter-entity Work Order Administration
- Contract for facilities and services to support the DOE field staff
- Financial Management
- Information Resource Management (often referred to as "IT")
- Legal Services
- Logistics Management
- Records Management
- Training administration including technical qualifications program (TQP), facility representatives, and other training as required.
- Office of Legacy Management (LM) transition.

## Contracting/Procurement

The EMCBC Director will assume Head of Contracting Activity (HCA) authority for the SPRU under the Delegation of Authority/Designation Head of Contracting Activity, dated March 4, 2005, as amended. The HCA will be the ultimate contracting authority for SPRU and will be responsible to EM and the SPRU Project Director for the necessary support of the SPRU contracting activities. The SPRU Federal Project Director will assist in developing an acquisition strategy, forecast project needs, and make recommendations on contract actions that require HCA involvement.

The EMCBC Office of Contracting will provide contracting/procurement support services for its customers through a mix of contracting personnel located at the EMCBC or detailed to certain project sites. The EMCBC contracting function will consolidate and streamline common contracting support activities of its customers.

The mission of the Office of Contracting is to acquire, manage, and direct the procurement of supplies and services required to support the EMCBC customers and EMCBC staff. The Assistant Director, Contracting will act as a business advisor to the EMCBC Director and ensure a high level of support is provided to its customers by the EMCBC contracting staff. The Assistant Director will accomplish the mission with a dedicated and professional staff of contracting specialists. Contracting functions to be consolidated into the EMCBC will include the following: Contracting Policies and Procedures Administration, Contract Award and Administration Functions, and Contractor Human Resources Management Function.

Responsibilities to be performed by the HCA and the EMCBC Office of Contracting include, but are not limited to:

- Acquisition
  - o Approve, enter into (award/execute), administer, modify, close out, terminate and take such other actions as may be necessary and appropriate with respect to any contractual arrangement (including interagency and other funds-out agreements), committing the DOE to the obligation and expenditure of public funds.
  - o Concur with Fee Determining Official's Fee Determination.
  - o Ensure contractor compliance with all applicable laws, statutes, regulations, and directives.
  - o Designate Competition Advocates
  - o Assist the FPD in preparing statements of work.
- Assistance
  - o Approve, enter into (award), administer, modify, close out, terminate, and take such other actions as may be necessary and appropriate regarding financial assistance and financial incentive instruments, including but not limited to grants, cooperative agreements, loan guarantees, price support and guaranteed market agreements, committing the Department to the obligation and expenditure of public funds.
- Sales
  - o Approve, enter into, and take such other actions as may be necessary and appropriate, with respect to agreements committing the Department to the sale of products and other services, including funds-in interagency agreements and other agreements providing reimbursable work for others.
- Contractor Human Relations
  - o Approve pension plan changes for client contractors and negotiate/resolve any pension issues that arise
  - o Approve and/or secure HQ approval for Workforce Transition actions
  - o Approve Contractor Human Relations Policies
  - o Convene Labor Standards Boards and make Labor Standards Determinations for client sites
  - o Perform other CHR duties as required
- Contracting Officers
  - o Appoint and approve warrant levels for Contracting Officers for acquisition, assistance, and sales actions.
- Contracting Officer Representatives
  - o Appoint and train Contracting Officer Representatives. (The CORs are expected to also be certified FPD candidates.)

The Policies and Administrative Support Team (PAT) will perform all activities related to developing and maintaining plans, policies, and procedures applicable to the procurement and acquisition management process. PAT will provide operating procedures and guidelines related to the procurement and administrative management of the customer sites and the EMCBC. PAT will ensure EMCBC procurement actions comply with Federal, DOE Headquarters ME and DOE Headquarters EM regulatory and policy requirements and support the establishment of an EMCBC and customer site performance measurement system. Additionally, the team will administer the Minority and Small Disadvantaged Business Programs, document Contracting Officer Warrants and Contracting Officers' Representative appointments, and manage the Acquisition Career Development Program in accordance with DOE Order 361.1A.

The Contract Award and Administration Team (CAAT) will direct, plan, and execute SPRU procurement support activities to include award, administration, incentive and award fee determination, and closeout. The CAAT will be responsible for daily management and maintenance of the Procurement Assistance Data System (PADS) database and input into the performance measurement system supporting the President's Management Agenda.

The Contractor Human Resources Management (CHRM) Team will manage the entire realm of contractor human resources issues with the SPRU prime contractors as needed. 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 350.1. The team will have an active partnering relationship with the Contract Award and Administration Team throughout the entire contracting process from solicitation to negotiation to award, administration and closeout.

### Financial Management

Financial Management Services is a multiple-function, multiple-site process. A focus of the EMCBC effort is to reduce the cost of financial management and better support EM's closure objectives 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 teams will employ primarily Center-based personnel: Planning Team, Budget Team, Financial/Accounting Services Team, and Internal Review Team. However, one Program or Budget Analyst position will be designated to support each supported site.

The mission of financial management within the EMCBC is to serve as the focal point for its DOE/EM customers 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 Planning and Budget Teams will manage, integrate and coordinate budget formulation, presentation, and execution. Specifically, it will support the formulation, execution, analysis, and preparation of all customers' budget submission materials; provide administrative control of funds; support the development and maintenance of budget planning activities and budget controls; and interface with the appropriate EM/HQ personnel and the DOE Chief Financial Officer (CFO), as well as support EM/HQ and the DOE CFO interface with Office of Management and Budget (OMB) and congressional committees on appropriations and other budget-related matters. The Planning and Budget Teams will also periodically report the status of financial resources and results of operations, and will develop reports to support internal and external requirements regarding the financial activity and the integrity of fiscal operations. Additionally, the teams will support budget development, and presentation strategy and materials in cooperation with other programs and field offices for submitting DOE/EM's annual budget submission to Congress. Further, the planning team will be expanded to provide life-cycle planning support, as well as project management and execution support, as requested.

The Financial/Accounting Services Team will function under the auspices of the Energy Finance and Accounting Service Center (EFASC) pursuant to the outcome of the Financial Services Competitive Sourcing Study performance decision announced in January 2004. Pursuant to HQ direction, these employees will be EMCBC employees under the general supervision of the Director, Financial Management Services, but will also take technical guidance from the Director, EFASC. This Team will ensure that financial data is recorded accurately and on time in accordance with applicable accounting principles and standards, and that financial reports are accurate, timely, and reliable.

Specifically, the team will establish and provide advice on financial policies and general procedural requirements for Federal accounting and reporting. Additionally, the team will direct accounting and consolidated financial reporting, including environmental liability reporting, with emphasis on contributing to the issuance of financial statements that receive an unqualified audit opinion, as well as provide accounting services for supported sites, including payroll services, travel reimbursement, case management, and contractor oversight. Further, the team will provide key support in analyzing accounting and financial issues and recommending and/or implementing appropriate resolutions.

The Internal Review Team will promote the effective, efficient, and economical operation of its customers' programs and operations through contractor reviews, audit liaison activities, and management control assessments. Specifically, the team will be responsible for liaison activities with both internal and external audit/review organizations such as the General Accounting Office (GAO), the Defense Contract Audit Agency (DCAA), and DOE Inspector General. It will also provide assistance and meaningful financial analysis information to senior Directors, program, and site entities. The team will provide oversight through objective financial analysis and management reviews, developing and tracking financial performance measures, and administering the Management Control Program. Through contractor reviews, the team will ensure

appropriate performance measures/metrics are incorporated into contracts. The team will coordinate the annual Federal Managers' Financial Integrity Act (FMFIA) review and support the "Whistleblower" Program.

The EMCBC and SPRU will develop a listing of budget and financial reports that SPRU requires for the management of program direction and project funding. The reports must provide the status of obligation authority including costs and obligations by budget and reporting numbers and contract identification numbers for SPRU. The EMCBC will provide these reports to SPRU on a routine basis.

The EMCBC provides SPRU with documents that support contract files as well as copies of billing statements/invoices to enable SPRU to track service performance and costs.

Upon consent/agreement/approval of the SPRU FPD, the EMCBC will represent and assist the SPRU FPD in Headquarters or other meetings where decisions are made about budget and funding issues, conference calls and data calls relating to budget drills and financial management issues. The EMCBC will brief the FPD of meeting outcomes (as they relate to SPRU) as soon as possible after the occurrence of the meeting.

#### Information Resource Management (IRM)

The EMCBC Office of IRM is responsible for policy, procedures, orders and implementation guidance for activities related to information systems and for assisting the SPRU in IRM related activities including: Local Area Network continuous connectivity and support, internet connectivity, telecommunications, radio, telephone, and video conferencing services, unclassified computer security, cyber security, hardware and software installation, maintenance and support, telecommunications support, help desk support, training, and systems and work flow support. The EMCBC Assistant Director for the Office of IRM will serve as the point of contact for these activities.

#### Logistics Management

The EMCBC Logistics function consists of all activities related to the management of property (both real and personal) including receipt, inspection, storage, maintenance/repair, inventory management, disposal, transportation and/or fleet management. The procurement of personal property is specifically excluded from the logistics definition since it is accomplished by the contracting function within DOE. The mission of the logistics support function within the EMCBC will be to provide services in personal property, real property, traffic management, vehicle fleet management, security, emergency management, records management, and legacy management transition to the SPRU, and to serve as a liaison between the sites, contractors and other DOE activities. The logistics management teams include the following: Personal Property Management, Real Property Management, Transportation Management, and Records Management.

The Personal Property Management Team provides property oversight and management services to the customer sites and EMCBC related to the management, accountability, and disposal of personal property (including property that is in the physical possession of the site operating contractors). Personal property includes equipment, supplies, and materials acquired and owned, rented, or leased by DOE.

The Real Property Management Team provides real property oversight and management services to the customer sites and EMCBC related to the management, accountability, and disposal of real property (including property that is in the physical possession of the site operating contractors). Real property is land and anything permanently affixed to the land such as buildings, fences, and those things attached to buildings such as light fixtures, plumbing and heating fixtures, or other such items, which would be personal property if not attached. "Real property" and "real estate" are considered synonymous terms. Real property may either be "owned" by DOE or leased to it for use by some other agency. This team will also assist the SPRU Project by entering into leases when necessary to support field office staff, and lease land needed to safely manage the D&D and environmental remediation effort. It is expected to be necessary to lease land to support construction of temporary access roads, provide for waste container management, and temporary office trailers.

The Assistant Director, Office of Logistics Management is responsible for insuring the conduct of required and for cause physical inventories of personal and real property under the management and control of the SPRU. These inventories may be conducted by EMCBC personnel or may be performed by site federal or contractor personnel under the direction of the EMCBC. Periodically, the EMCBC will conduct unannounced physical inventories (either full inventories or random sample inventories) as one component of an effective property management system.

The Transportation Management Team provides support services to the SPRU related to the movement of personnel and material and the management of the DOE-owned/leased vehicle fleet used to accomplish this (including those DOE-owned/leased vehicles in the physical possession of contractors). This includes movement planning, scheduling, and the management of leases to obtain necessary vehicles and other support needed to facilitate the movement of personnel/material. However, the oversight and management of hazardous and radioactive waste transportation associated with the closure mission will remain with the SPRU. In addition, the Transportation Management Team will provide support services to SPRU in the areas of security, emergency management, and legacy management transition.

## Records Management

The EMCBC will train the SPRU Field staff (i.e., DOE personnel and any DOE support service contractor personnel) on the DOE records inventory and disposition requirements and, space permitting, will offer that same training to the DOE prime contractor. The EMCBC will provide records management expertise and consulting services to the Federal Project Director for all records issues at the SPRU site, however, the DOE prime contractor is responsible for implementing all applicable DOE records management requirements for all active and inactive contractor records associated with the SPRU site. The EMCBC Records Manager will assist the appointed SPRU Records Liaison (i.e., a DOE staff member located at the SPRU site) in all records matters; however, the SPRU Records Liaison is responsible for directly interfacing with the DOE prime contractor on all records matters, including processing all requests for records (including paper, electronic and other records media).

## Legal Services

The Chief Counsel, Office of Legal Services, will function as a member of the EMCBC staff under the general management of the EMCBC Director. Its mission will be both internal and external. Externally, the Office will function as legal counsel to the SPRU, providing legal representation and support as required, including FOIA, EEOICPA, Privacy Act, etc.. Internally, the Office will provide legal advice and guidance to the EMCBC Director and the staff. The Chief Counsel will also function as the manager/supervisor of the legal staff.

## Technical Services

The Assistant Director for Technical Services will primarily serve as the supervisor to the EM Cadre staff and report to the EMCBC Director. The EM Cadre staff is currently assigned to designated projects throughout EM and using their specific closure knowledge and experience to support the completion of EM mission requirements. Once their work is completed at the currently designated projects, they will be redeployed to other EM critical needs. The EMCBC will serve as the home office to these technical resources and will work with EM management at HQ and in the field to assure that they are working in areas that most benefit the EM complex. These staff members may be reassigned to projects for long periods of time or may be deployed for short durations depending on the needs of the project that requires the technical support.

## Public Outreach/Intergovernmental Relations

The Special Assistant for Public Outreach and Intergovernmental Relations will function as a member of the EMCBC staff under the direction of the EMCBC Director, providing public information and intergovernmental relations support as needed to SPRU. Services available upon request of the Project Director include press and stakeholder relations program coordination with US DOE's Office of Public Affairs (PA), Congressional and Intergovernmental Affairs (CI) and EM-1; web page development and maintenance; local, state and national level intergovernmental relations assistance; and additional editorial and graphics assistance upon request.

The EMCBC will ensure that these resources are available to support the SPRU Field Office as needed.

## Human Resources

EMCBC Office of Human Resource (HR) will provide HR services consisting of all aspects of personnel management, including: recruiting, staffing, training, classification, labor, employee relations and benefits. Line management for SPRU (either EM HQ, or if appointed, SPRU line manager) holds primary authority and makes determinations with respect to staffing level requirements, development and application of performance standards, determine employee awards within the appropriate award pool, training requirements and requests/recommendations for personnel actions. The SPRU will have a designated point of contact, who will coordinate with the EMCBC Office of Human Resources staff in accomplishing HR services. EMCBC Director maintains appointing authority, which is accomplished by the EMCBC Office of Human Resources, who provides full-service support to include HR specialists in the following areas: Classification, Compensation, Recruitment and Placement, Employee Benefits, Human Resource Development, Performance Management, Employee Relations, Labor Relations, Personnel Actions Processing, Employee Training and Development and Official Personnel Folder Management. Line management (either EM HQ, or if appointed, SPRU line manager) will have authority to fill all positions approved through the EM HQ hiring controls board and the EMCBC will support the recruitment and selection of those positions. All other SPRU HR actions, which require EMCBC processing, will be serviced by the EMCBC and be consistent with EM HQ human capital policies and procedures.