



Department of Energy

Washington, DC 20585

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MEMORANDUM FOR DISTRIBUTION

FROM: JAMES M. OWENDOFF 
PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR
ENVIRONMENTAL MANAGEMENT

SUBJECT: Requirements for Management of the Office of
Environmental Management's Cleanup Program

The attached policy establishes the requirements for managing the Office of Environmental Management (EM) Cleanup Program. The attached document defines the requirements for organizing, decision making, execution, performance measurement, and reporting. The requirements apply to the entire EM portfolio. Additionally, Line-Item construction projects and certain work activities considered as capital asset projects are governed by Department of Energy Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*. The management approach for the EM Cleanup Program will enhance the engagement of Line Management in assuring the programmatic priorities, resource allocations, and contracting approaches are effectively integrated to meet EM's mission needs.

This policy will be implemented starting on October 1, 2017. Key Decisions 0, 1 and 2 are grandfathered for existing contracts. This document supersedes EM's Operations Activities Policy and Protocol, dated February 28, 2012.

If you have any questions, please contact Mr. Ralph E. Holland, Deputy Assistant Secretary for Acquisition and Project Management, at (202) 586-6382.

Attachment



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EM POLICY
Approved: 7/20/2017

REQUIREMENTS FOR MANAGEMENT OF THE OFFICE OF ENVIRONMENTAL MANAGEMENT'S CLEANUP PROGRAM



**Office of Environmental Management
U.S. Department of Energy
Washington, DC**

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REQUIREMENTS FOR MANAGEMENT OF THE OFFICE OF ENVIRONMENTAL MANAGEMENT'S CLEANUP PROGRAM

1. Objective

The Department of Energy's (DOE) objective is to deliver the Office of Environmental Management (EM) Cleanup Program at the authorized scope, cost and schedule, with a priority on maintaining safety, security, environmental, and health expectations.

2. Purpose

The purpose of this policy is to establish requirements for the organizing, decision making, execution, performance measurement, and reporting for the EM Cleanup Program, including work classified as operations activities, Line-Item construction projects, and certain work approved as capital asset projects.

For Line-Item construction projects and the above capital asset work, EM will also follow the requirements of DOE Order (O) 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, and associated guidance to approve critical decisions, as well as monitor scope, cost, and schedule. Operations activities will follow this policy and any applicable EM Standard Operating Policy and Procedures (SOPPs). This document supersedes EM's Operations Activities Policy and Protocol, dated February 28, 2012. Minor construction or capital projects, less than \$10 million (M), will be managed within operations activities applying the principles of DOE O 413.3B. Work that is accomplished through financial assistance (i.e., grants and cooperative agreements) and some funding for federal salaries and travel (i.e., Program Direction) are exempt from the requirements in this document.

This management approach is to enhance the engagement of Line Management in assuring the programmatic priorities, resource allocations and contracting approaches are effectively integrated to meet EM's mission needs.

The content of the scope documents, such as cleanup of burial grounds, shall be in accordance with Federal and State Statutes and Regulations. The "approval" of these documents lies with the appropriate regulatory executive.

The content of the funding documents, such as the annual Congressional Budget Justifications, shall be prepared and executed in accordance with Federal Budget Regulations and Departmental procedures. The "approval" of funding lies with the signing into law of the annual funding Congressional bills.

The content of the acquisition documents, such as acquisition plans, request for proposals, contracts and contract modifications shall be prepared and executed in accordance with Federal Acquisition Regulations, DOE Acquisition Guide, and policies. The "approval" of these acquisition documents lies with the Department's Senior Procurement Executive (SPE), the Head of Contracting Authority (HCA), or the delegated/warranted Contracting Officers (COs) in accordance with Federal Acquisition Regulations, DOE Acquisition Guide, and policies.

This management approach establishes the responsibilities and authorities of Line Management to integrate these three key aspects (scope, funding, and acquisition) of the EM Cleanup Program through a series of “key decisions”. As such, Line Management will serve as the “Program Authority” for these “key decisions”.

3. Management Framework

The management framework establishes requirements for organizing and executing the Cleanup Program to meet the Department’s mission. Each site maintains a Life-Cycle Baseline, which reflects a high-level description, estimated cost and schedule to complete the site Cleanup Program. The EM Life-Cycle Baseline is composed of Program Baseline Summaries (PBSs) for each site, as well as Headquarters. The following are the main PBS categories:

- Spent Nuclear Fuel Stabilization and Disposition
- Nuclear Materials Stabilization and Disposition
- Radioactive Liquid Waste Stabilization and Disposition
- Nuclear Facility Decontamination and Decommissioning
- Solid Waste Stabilization and Disposition
- Soil and Water Remediation
- Surveillance, Maintenance and Deactivation
- Safeguards and Security
- Technology Development
- Community and Regulatory Support
- Mission Support
- Program Direction

Based on site priorities and available funding, the work for each PBS will be sequenced to establish the site life-cycle baseline. The site Cleanup Program will be executed in sequential slices of life cycle work, typically 5-10 years in duration, called segments. A segment may contain work classified as construction, capital asset projects, and/or operations activities. A segment may contain life cycle scope in one or more PBSs. Each segment will be accomplished through a contract. As a segment is being completed, the scope, cost, schedule, and regulatory framework for the next segment will then be definitized and accomplished, until the Cleanup Program at the site is completed. Due to the size and varied nature of the work at some sites, there may be multiple segments being executed concurrently (i.e. high level radioactive liquid waste, nuclear facility operations, nuclear material storage, site infrastructure, etc.) through multiple respective contracts.

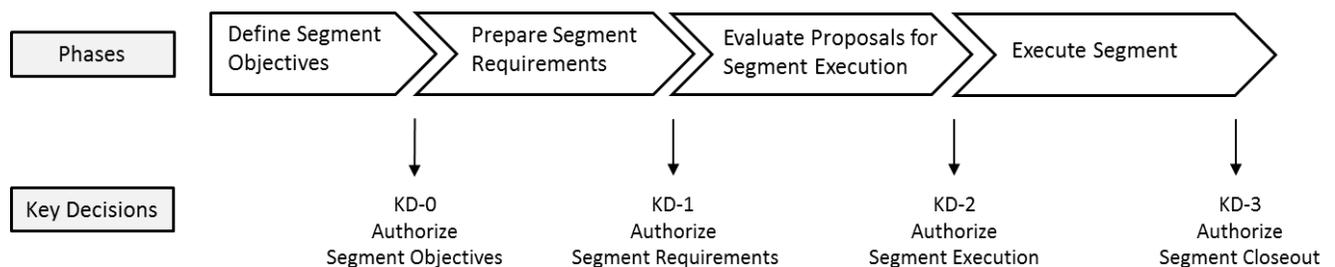
The accomplishment of each segment is authorized by a Program Authority (defined in Section 4) through Key Decisions (KDs), progressing from organizing the segment, executing the segment and closeout of the segment. The contract for each segment will specify the necessary requirements depending on the contract type, such as scope definition requirements, cost estimating requisites, schedules, fee structure, regulatory and safety specifications, emergency management requirements, completion incentives, as well as terms and conditions.

The planning and execution of each segment progresses through four KDs, which serve as major milestones authorized by the Program Authority. Each KD marks an authorization to proceed to the next level of commitment to execute the segment scope of work, budget for the necessary funding, and put a contract in-place for the specific segment. The KDs are:

- **KD-0, Authorize Segment Objectives.** The Program Authority authorizes the segment objectives. The objectives for a segment of work at a site will be defined, including the scope, cost, schedule, and regulatory framework for an identified slice of the Cleanup Program at the site. The preliminary Key Performance Measures (KPMs) for the segment will also be developed, along with a draft of the Acquisition Plan. With the authorization of the segment objectives, the Program Authority is assuring that the scope and regulatory framework have been defined and the necessary funding has been identified/planned in the site out-year budget forecast. Following this authorization, the Acquisition Plan will be submitted to the SPE or their delegate for approval.
- **KD-1, Authorize Segment Requirements.** The Program Authority authorizes the segment requirements. The execution documents will be prepared. This will typically include the Request for Proposal (RFP) which will define the requirements for the execution of the segment. Following this authorization, the RFP will be submitted to the SPE or their delegate for approval and release to industry.
- **KD-2, Authorize Segment Execution.** The Program Authority authorizes the execution of the segment once the evaluation of industry proposals, in response to the RFP, has been completed. With this authorization, the Program Authority is confirming that the contractor’s proposal will meet the programmatic, schedule, regulatory and funding requirements for the segment of work at the site. The KPMs for the segment will also be finalized. Following this authorization, the evaluation of industry proposals will be submitted to the SPE or their delegate for approval of the signing of the contract.
- **KD-3, Authorize Segment Closeout.** The Program Authority authorizes the closeout of the segment confirming the requirements and conditions established by the Segment Requirements have been completed, as well as completion of the KPMs. Following this authorization, the closeout for this contract will be submitted to the SPE or their delegate for approval.

Figure 1 illustrates the phases and Key Decisions for the EM Cleanup Program.

Figure 1. Phases and Key Decisions for the EM Cleanup Program



4. Key Decision Authorizations and Thresholds

The Principal Deputy Assistant Secretary for Environmental Management (EM-2) and EM Field Managers serve as EM’s Program Authority for the planning and execution of the EM Cleanup Program and individual segments (scope, cost, and schedule), depending on the individual estimated segment cost for the contract, including fee. EM-2 may delegate additional Program Authority to EM Field Managers, depending on the size, expertise and workload of the site staff. This authority flows from Line Management responsibility for the execution of the EM mission from the Secretary of Energy through the Deputy Secretary of Energy, to the Assistant Secretary for EM, the Principal Deputy Assistant Secretary for EM and then to the EM Field Managers. The designation of Field Manager includes Directors with authority for multiples sites (e.g., EM Consolidated Business Center Director and Portsmouth/Paducah Project Office Manager). An EM Program Advisory Board (EM-PAB) will be established to provide advice to the Program Authority for each Key Decision.

The authority for a KD is different than the approval for a contract action. The “approval” for contract actions is held by the Secretary of Energy and delegated to the Department’s SPE. The SPE then delegates specific contracting approvals to the Head of Contracting Activity for each Program office (to include EM) and then to site Contracting Officers (COs).

The Key Decision Program Authorities, thresholds and delegations are identified in Table 1.

Table 1. Program Authority Key Decision Thresholds for EM Cleanup Program

Program Authority for Key Decisions	Total Estimated Segment Cost Thresholds
EM Principal Deputy Assistant Secretary (EM-2)	≥ \$200 million (or any segment on an exception basis when designated by EM-2) Further delegation is allowed.
EM Field Manager	< \$200 Million

Modifications to the segment cost, scope, or schedule must also be authorized by the Program Authority, including the addition of emerging new scope. All scope changes that effect the ability to satisfy the KPMs and/or result in schedule delays more than 12 months of the segment completion date require EM-2 approval.

Segment Modification authority is identified in Table 2.

Table 2. Segment Modification Thresholds for EM Cleanup Program

Program Authority for Key Decisions	Total Estimated Segment Cost Thresholds for Segment Modifications
Principal Deputy Assistant Secretary for EM (EM-2)	<p>≥\$25 Million or 25% cumulative of the original segment cost, whichever is less (or any segment on an exception basis when designated by EM-3)</p> <p>Further delegation is allowed.</p>
EM Field Manager	<p>< \$25 M or 25% of the original segment cost, whichever is less (the changes are cumulative)</p>

5. Principles

The management framework described in this document follows the principles described in the June 8, 2015, Secretarial memorandum titled, *Project Management Policies and Principles*, which enhanced and clarified Departmental policy related to areas of project management. This management framework also uses principles described in DOE O 413.3B, but the principles in this management framework are tailored to address the unique aspects of the EM Cleanup Program. The following are examples of principles this management framework has established:

- KDs will be used in authorizing execution of individual segments;
- The early planning and decision making for alternative selection is addressed through the National Environmental Policy Act (NEPA), Resource Conservation and Recovery Act (RCRA) and Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) processes;
- The CO is the only Federal official who can obligate the Government via a contract;
- The Federal manager responsible for the planning and oversight of the EM segment is the Federal Cleanup Director (FCD), who may be designated with the responsibility for multiple segments;
- The basis for planning and measurement of work is the segment Performance Baseline which aligns with the scope, cost, and schedule within the contractor’s performance baseline and consistent with the contractor’s proposal;
- No DOE contingency should be included in the segment's baseline or contingency funding requested in advance (except for that approved for capital projects). If risks are realized for non-capital work, the decision authority under change control procedures must formally approve any associated mitigation strategies and determine if additional funding will be made available. Realized risks should be addressed, first if possible, from cleanup work efficiencies within the contract or reprioritization of previously approved contract scope, or lastly, from additional funds provided to the contractor following change control procedures;

- GAO best practices to be used for development of cost and schedule estimates prior to KD-2;
- Performance measurement tools to be used, depending on the contract type, may include the contractor's progress reports, Earned Value Management System (EVMS) if required or alternative system, Contractor Performance Assessment Reporting System (CPARS), Performance Evaluation and Measurement Plans (PEMPs), Award Fee Board reports, and periodic contract management reviews to assess performance;
- Periodic progress status briefings will be conducted at the site and/or Headquarters' for each segment, depending on the estimated segment cost; and
- Programmatic peer reviews of each segment's "health" and work performance will be conducted periodically. The frequency will be based upon the technical complexity, activity duration and programmatic and technical risks,, with representatives, as necessary, from other sites to ensure sufficient technical expertise.

For EM's Cleanup Program, EM will use management and oversight mechanisms within the contract to establish and evaluate performance for scope, cost, and schedule. The scope, cost, and schedule performance of the work will be assessed and reported by the EM Field Manager to EM-2 (depending on the estimated segment cost) on a periodic basis for each segment.

A FCD will be appointed by the Field Manager when a specific segment is to be established. In addition to the FCD, for segments containing capital project(s) and non-capital work, there will be Federal Project Director(s) for the capital project(s) and may be Federal staff for the non-capital work scope. At the discretion of the Field Manager, it may be deemed appropriate for the FCD of the segment to also serve in the role of FPD for the associated capital project(s) and/or Federal lead to manage the non-capital scope. The Field Manager will consider the complexity of the work to be accomplished, the cost of the work and the schedule when evaluating candidates to be the FCD for a segment. The Field Manager will consider the experience of the candidate in completing other segments, as well as capital asset projects. The Field Manager may also consider the requirements and training for FPDs for the training of FCDs. The Field Manager will ensure that the FCDs appointed are qualified, experienced, and have appropriate communication skills and leadership characteristics prior to designation. The Field Managers will also ensure the FCD's supervisor knows and understands the training and development necessary to maintain an overall acceptable competency level.

Success for a segment is the completion of the KPMs within 110% of the approved segment baseline cost as adjusted for directed changes and approved contract changes. Other success metrics will also be defined, including number of KPMs completed, on-time schedule completion, etc. Directed changes are factors outside the control of the contractor that result in unavoidable reduction to approved KPMs, increase in total cost, or delays in completion date that negatively impact the approved segment baseline. Directed changes include, but are not limited to, funding reductions, funding delays due to Continuing Resolutions, changes in regulatory requirements or agreements, impacts from off-site entities for waste shipment or receipt, or changes to site conditions during Cleanup operations. KPMs will be reflected in the contract incentive fee structure or other contract terms (depending on the type of contract) to ensure the contractor is

focused on the priorities for the successful completion of the contract which is the basis for the segment.

Attachment 1 – Phases and Requirements for Authorization of Key Decisions

a. Authorize Segment Objectives

To initiate and guide overall cleanup, each Office of Environmental Management (EM) Field Manager will maintain a Life- Cycle Baseline (LCB) for the cleanup of the site. The Life-Cycle Baseline reflects a high-level description, estimated cost and schedule to complete the site Cleanup Program. The site Cleanup Program will be executed in sequential segments through individual contracts. As a segment is being completed, the scope, cost, schedule and regulatory framework for the next segment will be definitized. Due to the size and varied nature of the work at some sites, there may be multiple segments being executed concurrently (i.e. high level radioactive liquid waste, nuclear facility operations, nuclear material storage, site infrastructure, etc.).

The LCB is based on an overall multiyear site cleanup strategy using site records, field investigations, and other relevant information that is aligned with the EM planned budget level available for that work. In addition to the strategic approach and overall integrated schedule, this plan also describes the regulatory and, to the extent it is known, the technical approaches that are planned to be utilized to conduct the cleanup. The cleanup strategy for the contaminated sites is generally sequenced based on the extent of the environmental risk the site poses and any prior regulatory commitments.

When the Field Manager determines a segment is to be established, the planning for the development of the objectives for a segment is initiated. The actions to be accomplished include:

- appointing a Federal Cleanup Director (FCD)
- establishing and chartering an Integrated Cleanup Team (ICT)
- defining the scope of work for the performance period
- delineating the regulatory framework and decisions

Once the segment objectives are drafted, the ICT develops the Acquisition Plan to include:

- developing contract type alternatives based on the type of work and understanding of the risks involved using an Analysis of Alternatives;
- defining clear objectives in the performance work statement (PWS);
- establishing the base performance period and option periods, if any;
- establishing the segment funding profile;
- defining fee criteria to optimally incentivize contractor performance on cost reimbursable contracts (not applicable to fixed price contracts);
- defining contract performance and reporting requirements; and
- drafting preliminary Key Performance Measures (KPMs).

KD-0 Requirements, Authorize Segment Objectives	
Prior to KD-0	Action
Prepare Segment Objectives	FCD with ICT
Appoint a Federal Cleanup Director	Field Manager
Establish and charter an Integrated Cleanup Team (ICT)	Field Manager
Draft an Acquisition Plan per FAR requirements	FCD with ICT
Designate the Source Selection Official (SSO) for the contract acquisition	Senior Procurement Executive
Establish a Source Evaluation Board (SEB)	SSO
Conduct EM-PAB meeting	Program Authority
Provide EM-PAB minutes and recommendations to the Program Authority	EM-PAB Secretariat
<u>KD-0, Authorize Segment Objectives</u>	Program Authority

b. Authorize Segment Requirements

The preparation of the subsequent requirements and documents used to solicit proposals for the work, which can consist of, for example, a Request for Proposal (RFP), terms to accomplish compliance with all applicable laws, Department of Energy (DOE) Orders, Guides, and industry standards that are applicable to the cleanup activities. The appropriate documents shall also include requirements for the contractor to establish a work control system that accurately records and reports the contract performance against the requirements of the contract. The work control system may employ the Earned Value Management method or an approved alternative performance management method. For fixed priced contracts, the Contractor will be required to track performance, price, and schedule consistent with the required Contract Work Plan (CWP) and the Schedule of Prices.

As part of the development of the requirements, the incorporation of the following plans and principles should be considered:

- Integrated Safety Management Plan
- Quality Assurance Program (QAP)
- Safeguards and Security
- Programmatic Risk Management Plan (RMP)
- GAO Cost Estimating and Assessment Guide, GAO-09-3SP, March 2009
- GAO Schedule Assessment Guide, GAO-16-89G, December 2015
- Analysis of Alternatives in the GAO Report on DOE AND NNSA Project Management, Analysis of Alternatives Could Be Improved by Incorporating Best Practices, GAO-15-37, December 2014
- Value Management (VM) and Value Engineering (VE) techniques

KD-1 Requirements, Authorize Segment Requirements	
Prior to KD-1	Action
Obtain Business Clearance for the Acquisition Plan	DOE Senior Procurement Executive, EM HCA or the Site Procurement Director (PD) depending on estimated cost
Proceed with development of the Request for Proposal	FCD with ICT
Initiate periodic status briefings to the Program Authority	Field Manager and FCD
Conduct Site Visits	FCD and ICT
Obtain Business Clearance for the Request Proposal (RFP)	DOE Senior Procurement Executive, EM HCA or the Site PD depending on estimated cost
Conduct EM-PAB meeting	Program Authority
Provide EM-PAB minutes and recommendations to the Program Authority	EM-PAB Secretariat
<u>KD-1, Authorize Segment Requirements</u>	Program Authority

c. Authorize Segment Execution

Upon receipt of the prospective contractor’s proposals, the Source Evaluation Board (SEB) evaluates each prospective contractor’s proposal against the stated evaluation criteria, which usually includes technical approach, past performance, key personnel, relevant work experience, and must include cost or price. The RFP outlines in advance the relative importance of each of these aspects of the proposal and their relationship to the cost proposal. The SEB will prepare an SEB Report for the Source Selection Officer (SSO), which provides the SEB analysis of the prospective contractor’s proposals. Based upon the established criteria in the RFP, the SSO will make a selection decision and document the rationale and the decision in a Selection Statement.

KD-2 Requirements, Authorize Segment Execution	
Prior to KD-2	Action
Conduct Source Selection	SEB, SSO
Conduct EM-PAB	Program Authority
Provide EM-PAB minutes and recommendations to the Program Authority	EM-PAB Secretariat

KD-2 Requirements, Authorize Segment Execution	
<u>KD-2, Authorize Segment Execution</u>	Program Authority
Post KD-2 Approval	Action
Obtain Business Clearance for Contract Award	DOE Senior Procurement Executive, EM HCA or the Site PD depending on estimated cost
Sign the contract	CO
Conduct Contract Transition Workshop and Partnering Workshop	FCD and EM HCA
Approve contractor's performance baseline	CO
Conduct periodic progress status reviews	Program Authority
Initiate periodic programmatic peer reviews based on the technical complexity, activity duration and programmatic and technical risks.	Program Authority

d. Develop and Approve Segment Baseline

The transition from the incumbent contractor to the follow-on contractor varies depending on the complexity of the transition activities needed, but is generally a 90-120 day period after the contractor receives a Notice to Proceed. During this period, any incumbent contractor(s) and the new contractor transfer work from the old team to the new team; establish staffing on the new contract; review the safety and security basis; perform any needed training for the staff; and, where relevant, establish labor relationships and begin the process of establishing any needed collective bargaining agreements so that at the end of the transition the new team is fully operational. A key objective during contract transition is for the new contractor to establish, for DOE approval, a work control system that accurately records and reports contract performance against the requirements of the contract. Also, the contractor, the FCD and the contracting officer need to ensure the contract stays aligned with the work being performed, site conditions, regulatory expectations and available funding. During the Transition Period, the FCD, CO and the Contractor will strive to true-up the contract based on the conditions at the time of award and may include the following:

- Reconcile contract scope and conditions with changes since the final RFP was issued, such as: labor rate revisions, environmental regulatory milestone changes, adjusted pension payments, funding profile, etc.;
- Reconcile the Cleanup progress the incumbent contractor actually made by the end of the contract period compared with what was assumed in the final RFP;
- Definitize “plugged” costs;
- Reconcile “material differences” proposed by the Contractor;
- Consider DOE proposed changes which may have developed since the final RFP was issued; and
- Consider any changes to the WBS proposed by the Contractor.

Upon contract award, the selected contractor is required to establish a baseline (based on its proposal) for all the work in the contract (i.e., contract performance baseline – CPB) and aligned with the contract scope, contract budget base, contract delivery schedule, and the WBS established in the Request for Proposal that was based on the contract Performance Work Statement (PWS). The CPB represents the contractor’s plan to execute work under the contract. The CPB also represents the segment(s) key performance measures, scope, cost, schedule and risk parameters consistent with the estimated cost of the contract excluding fee.

The CPB must be consistent with the terms and conditions of the contract and contractor’s proposed technical approach, cost and pricing data, and management approach, and any contract modifications after award. The CPB must satisfy all applicable requirements for safety, quality, regulatory milestones, budget, schedule, contract scope of work, and risk management as stated in the contract. For non-fixed price contracts during the Transition Period and at the beginning of each performance evaluation period, the FCD and CO will prepare a Performance Evaluation and Measurement Plan (PEMP) to address the criteria for earning fee for the specific performance evaluation period.

e. Execute Baseline

The FCD and CO must work together to review any needed contract changes. A contract modification is prepared concurrently with changes to the CPB for DOE approval.

Performance measurement is accomplished within the terms of the contract. Depending on the type of contract, indicators of success may include progress against the approved schedule, cost, safety performance, fee milestone payments, award fee payments, regulatory compliance and the specific work performance goals documented in the contract. Measurement tools may include the contractor’s monthly report, CPARS, PEMP’s, Delivery Schedules, Award Fee Board reports, fee reductions due to safety and/or security events, and periodic contract management reviews to assess both contractor and government oversight performance.

Prior to authorization of a baseline change, the FCD and CO will identify the specific contract changes that may be required, develop an Independent Government Cost Estimate, establish a schedule for receipt of a contractor's proposed CPB changes, obtain audit support, and ensure the timely analysis, and negotiations.

If a contract modification is necessary, the FCD and the CO will prepare a pre-negotiation memorandum in accordance with the DOE Acquisition Guide. The modification will then be authorized by the Program Authority. Then, once the appropriate Business Clearance is obtained, the modification will be negotiated. Authorization from the Program Authority will be required if the terms of the pre-negotiation memorandum are exceeded. Once the contract modification is negotiated and any further Business Clearance is received, the CO will execute

the modification and approve the CPB for contractor implementation. The contract and CPB are to be kept in alignment.

On a periodic basis, the Principal Deputy Assistant Secretary for Environmental Management will chair the progress status briefings at the site level for each contract, depending on the estimated segment cost. Depending on contract type, measurement tools may include the contractor’s progress reports, CPARS, PEMP’s, Delivery Schedules, and Award Fee Board reports.

A periodic programmatic peer review of the contract “health” and work performance will be conducted, with representatives from other sites to ensure sufficient technical peer expertise. The results of the peer reviews will be briefed to the Program Authority in a timely manner.

KD-3 Requirements, Authorize Segment Closeout	
Prior to KD-3	Action
Verify that Key Performance Measures during the contract have been met. These should have been documented on an annual basis during the evaluation of the contract performance.	FCD
Recommend close-out of the contract	Field Manager or FCD when the Field Manager is the Program Authority
Conduct EM-PAB	Program Authority
Provide EM-PAB minutes and authorization documents to the Program Authority	EM-PAB Secretariat
<u>KD-3, Authorize Segment Closeout</u>	
	Program Authority
Post KD-3 Approval	
Within 90 days, submit an Initial Contract Closeout Report	FCD and CO

f. Authorize Segment Closeout

The closeout of the contract is an important part of the closeout of the specific segment for that specific scope and performance measures, which is part of the overall Site Cleanup Program. As part of the closeout of the specific segment, the FCD and ICT will ensure the scope and performance metrics established in the specific segment, have been accomplished.

Attachment 2 – EM Program Advisory Board

The Office of Environmental Management (EM) Program Advisory Board (EM-PAB) advises the Program Authority on Key Decisions (KDs), and other matters as requested by the Program Authority. If the Program Authority is the Field Manager, the Site EM-PAB Membership will reflect equivalent site representation.

a. EM-PAB Membership

- (1) Program Authority as Chair
- (2) Office of the Senior Procurement Executive
- (3) Office of the General Counsel
- (4) Office of the Chief Financial Officer
- (5) EM Associate Principal Deputy Assistant Secretary
- (6) EM Field Manager (on a rotating basis)

b. EM-PAB Secretariat

The Secretariat provides administrative and analytical support and contract recommendations to the EM-PAB.

The Program Authority has the flexibility to determine if a KD warrants a meeting of the EM-PAB, or if a paper coordination is sufficient.

Attachment 3 – Responsibilities

Three objectives regarding roles and responsibilities that are necessary to achieve defined Office of Environmental Management (EM) Cleanup Program objectives are:

- Strengthening Line Management accountability and authority for successful EM Program acquisition management results;
- Clearly defining the roles, responsibilities, authority, and accountability of the federal team relative to the contractor's team, with partnering encouraged; and
- Developing effective integrated cleanup teams (ICTs) to assist the Federal Cleanup Director (FCD) in planning, programming, budgeting, and successfully completing EM Cleanup Program.

Line managers are responsible for successfully developing, executing, and managing work within the approved contract performance baseline. Delegation of authority from one line manager to a lower-level line manager must be documented and consistent with EM delegation authorities and the qualifications of the lower-level line manager. Although the authority and responsibility for decision-making may be delegated to a lower-level manager, the senior manager remains accountable for the decisions made by subordinate managers. Key roles and responsibilities of line managers and support staff are described in the following sections:

a. Principal Deputy Assistant Secretary for Environmental Management

- (1) Serve as a Program Authority.
- (2) Serve as line manager responsible and accountable for the EM Cleanup Program.
- (3) Delegate Program Authority, as appropriate.
- (4) Serve as Chair and appoint members for the EM Program Advisory Board (EM-PAB).
- (5) Conduct periodic contract reviews for contracts with a total estimated segment cost equal to or greater than \$200 million (M).

b. EM Field Manager

- (1) Serve as a Program Authority.
- (2) Serve as line manager that is responsible and accountable for all Site level activities.
- (3) Have the authority and responsibility to integrate Site level activities for mission accomplishment, in accordance with their established and delegated authorities.
- (4) Oversee the work management organization and ensure the integrated acquisition teams have the necessary experience, expertise, and training in design engineering, safety and security analysis, construction, and testing.

- (5) Ensure that the FCDs appointed are qualified, experienced, and have appropriate communication skills and leadership characteristics prior to designation.
- (6) Oversee the FCD professional development and continuous learning
- (7) Serve as Chair and appoint members for the site equivalent of an EM-PAB.
- (8) Conduct periodic contract reviews for contracts with a total estimated segment cost less than \$200M.
- (9) Approve the ICT charters.

c. EM Deputy Assistant Secretary for Acquisition and Project Management

- (1) Head of Contracting Activity as delegated by the Senior Procurement Executive.
- (2) Appoint site Contracting Officers.
- (3) Provide independent oversight and report directly to the Principal Deputy Assistant Secretary for Environmental Management.
- (4) Serve as the principal advisor to the Program Authority for matters related to program and acquisition policies.
- (5) Serve as the Secretariat for the EM-PAB.
- (6) Coordinate periodic progress status briefings.
- (7) Coordinate periodic contract reviews at each site.
- (8) Conduct programmatic peer reviews.
- (9) Develop EM program-specific guidance, policies, and procedures.
- (10) Collect, analyze and disseminate lessons learned and “best practices.”
- (11) Coordinate with other Department of Energy (DOE) Headquarters organizations and offices to ensure the effective and consistent implementation of management policies and directives.
- (12) Provide assistance and oversight for work and contract activities to line management organizations.
- (13) Assist Field Managers for FCD professional development and continuous learning

d. Federal Cleanup Director (FCD)

- (1) Serve as the technical single point of contact between Federal and contractor staff for all technical matters relating to an assigned contract and its performance.
- (2) Has dual lines of responsibility to the Field Manager or their designee, in accordance with programmatic expectations, and the Contracting Officer, in accordance with the delegation from the Contracting Officer.

- (3) Responsible for the planning, programming, budgeting, acquisition and execution of segments.
- (4) Prepare and maintain the ICT Charter and operating guidance with ICT support
- (5) Ensure that the ICT is properly staffed.
- (6) Define and oversee the roles and responsibilities of each ICT member.
- (7) Organize and lead the ICT.
- (8) Serve as the Contracting Officer's Technical Representative (COTR), as determined by the Contracting Officer.
- (9) Ensure the appropriate contracting, financial and environmental regulatory processes are followed.
- (10) Define scope, cost and schedule for contracts.
- (11) Evaluate and verify reported progress, make projections of progress and identify trends.
- (12) Ensure that safety is fully integrated into work.

e. Senior Procurement Executive

- (1) Execute the procurement functions, responsibilities and approvals in accordance with the Office of Federal Procurement Policy and EO 12931.
- (2) Serve as the principal procurement advisor to the Program Authority.

f. Contracting Officer

- (1) The Contracting Officer is the only authority to enter into, administer, modify, change, and/or terminate contracts.
- (2) Serve as the principal procurement advisor at the site.
- (3) Appoints/designates CORs.
- (4) Participate in the formulation of the Acquisition Plan at the site.
- (5) Participate in the formulation of the Request for Proposal.
- (6) Work with the ICT to develop solicitations and evaluate and award mission-oriented contracts.

Attachment 4 – Periodic Progress Reviews

The following are examples of information to be provided for the reviews. The type and details of the information will be determined specifically for each site and contract considering the complexity and magnitude. Most of this information is included in the contractor's monthly status report, as required by the contract.

- (a) Safety performance
- (b) Contract milestone status
- (c) Regulatory milestone status
- (d) Technical, scope, cost and/or schedule issues and proposed mitigations
- (e) Earned value status by work breakdown structure – WBS (shows past month, cumulative for contract and estimate at completion)
- (f) Earned value status by organizational breakdown structure – OBS (shows past month, cumulative for contract and estimate at completion)
- (g) Explanation of significant variances
- (h) Management reserve utilization
- (i) Risk management status and risk level status
- (j) Critical path analysis
- (k) Funding profile for the contract versus the 5-year planning profile versus the baseline
- (l) Summary of Contractor Performance Assessment Reporting System scores for the last three evaluation periods (separate page since this is Official Use Only information)
- (m) Summary of award fee scores for the last three periods (with the amount of fee earned, and any fee reductions associated with Conditional Payment of Fee and/or Price Anderson Act Amendment issues), and performance based incentives over the next 12 months, including general status towards achievement.