

November 2, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS - COMSECY-06-0044 -
STREAMLINING CHAIRMAN REVIEW PROCESS AND
ENHANCING CONTRACT OVERSIGHT

The Commission has disapproved the staff's recommendations to streamline the Chairman procurement review process for Department of Energy laboratory agreements and commercial procurement valued at \$1 million or more, but less than \$3 million.

The Commission does not oppose the staff streamlining its process for preparing the documentation, but it should not come to the detriment of providing the Chairman with sufficient time and adequate information to carry out his responsibilities in reviewing these contracts or providing the Commission with sufficient time and information to provide advice to the Chairman on these matters.

The current review process is not entirely satisfactory because it relies on the Commission, and in particular on the Chairman's Office, to provide the permanent management direction necessary to fix the process for developing and reviewing proposed contract actions, which is perceived by the Commission to be fundamentally flawed. Ideally, the Chairman's review process should be relatively routine because the important considerations with respect to management and policy implementation have already been addressed by the staff before the review package is provided to the Chairman and the Commission. This is the appropriate role of the Executive Director for Operations, and his cover memorandum accompanying contract review packages should explicitly state how his office has addressed and resolved the management/policy implementation issues that are of concern to the Commission. To do this, the staff needs to take a comprehensive and fresh analytical look at current staff practices to ensure that the root causes of the Commission's concerns are being identified and addressed, to improve the quality of the review packages, and ultimately to improve the contract oversight process.

The Commission should have visibility of the results of significant procurement actions to ensure the effectiveness of the acquisitions. This could be done through the annual Commission program briefings or through any other form of communication the staff believes is appropriate to provide the Commission with feedback of the results of these actions.

cc: Chairman Klein
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
OGC
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR