

Office of Procurement and Assistance Management  
Functional Accountability  
**Implementation Plan**

## **BACKGROUND**

On May 23, 2006, the Secretary of Energy articulated a comprehensive vision for improving the financial, human capital, information technology, legal, procurement, and public affairs functions of the Department of Energy (DOE). This initiative is intended to improve the Department's overall management of these functions by providing the Heads of these functional areas, the Secretary's primary advisors, the appropriate oversight and accountability throughout the Department. This policy applies to all elements of the Department, except where constrained by statute.

## **PURPOSE OF PLAN**

The purpose of this Implementation Plan is to provide the Office of Procurement and Assistance Management's (OPAM) strategy and approach to achieving the objectives of the Secretary of Energy's Functional Accountability initiative.

## **FUNCTIONAL ACCOUNTABILITY**

By the Secretary's memorandum, functional heads, in this case the Senior Procurement Executive (SPE), were given the ability to exercise certain line authorities within their function. These authorities include:

1. Concurrence with existing management on the establishment of positions, including grade level, appointment type, and scope of duties;
2. Concurrence in the selection of new hires;
3. Concurrence on reorganizations and requests for workforce shaping authorities such as the Voluntary Separation Incentive Program, Voluntary Early Retirement Authority, and reductions in force impacting or affecting the function;
4. Concurrence on compensation, performance recognition, and retention, recruitment and relocation matters;
5. Active participation in performance management, including the development of performance standards, concurrence on performance ratings of record, and consultation and coordination on disciplinary actions;
6. Active participation in employee development, including the ability to require that incumbents have certain specified core competencies and the ability to require certain training; and
7. Active participation, through the Corporate Program Review process, with respect to budgets for the respective functional activities.

For actions that are employee-specific, these authorities are limited to only the highest ranking functional official in a field office or Headquarters office who is not already an employee of the SPE.

Office of Procurement and Assistance Management  
Functional Accountability  
**Implementation Plan**

**EXISTING FUNCTIONAL ACCOUNTABILITY AND CONTROLS**

**A. Overview**

The Federal Government procurement system is established by statute and controlled by Government-wide regulation. Under the Federal system, agencies are authorized to establish supplemental regulations and policies to the Federal regulations. Authorities, roles and responsibilities are determined by statute and regulation, as are many of the procurement processes and internal controls. Additionally, the contracting workforce is highly-regulated and statutorily credentialed, while the personal property workforce is regulatorily credentialed. As such, the composition of the workforce is easily identifiable and functional accountability is inherent in the system itself. OPAM manages and administers DOE's (non-National Nuclear Security Administration [NNSA]) procurement systems and its attendant responsibilities (including Personal Property and Contract Human Resources policies) within the authorities, requirements, processes, and controls established by this statutory and regulatory framework.

**B. Statutory and Regulatory Framework**

There are a myriad of laws affecting procurement and assistance applicable to all civilian agencies. The Small Business Act established the Small Business Administration (SBA) as well as various socioeconomic programs intended to maximize opportunities for small, small disadvantaged and woman-owned small businesses. An overarching law, the Federal Property and Administrative Services Act (FPSA) establishes policies and procedures for civilian agency acquisitions of property and services, while the Office of Federal Procurement Policy (OFPP) Act establishes the OFPP and its authority to direct Federal procurement policies, regulations and procedures.

Specific to procurement, the Federal Acquisition Regulation (FAR) provides uniform regulation for acquisition applicable to most Federal agencies, including DOE. Most laws affecting procurement are codified in FAR. The DOE Acquisition Regulation (DEAR) implements and supplements FAR for DOE's unique acquisition needs.

For financial assistance, the Federal Grant and Cooperative Agreement Act establishes Federal requirements pertaining to grants and cooperative agreements, while various Office of Management and Budget (OMB) Circulars set further Government-wide administrative requirements applicable to financial assistance.

Specific to DOE, the DOE Organization Act provides authorities for management and operating contracts and DOE waivers of the FPSA Act requirements. Internally, the DOE Directives System contains orders affecting procurement management systems. DOE programmatic requirements are imposed on DOE's major contractors through the unique DEAR clause entitled "Laws, Regulations, and DOE Directives".

All of the statutes and regulations are supported by OPAM guides which contain guiding

Office of Procurement and Assistance Management

Functional Accountability

**Implementation Plan**

principles, best practices and internal DOE procedures. These guides include the DOE Acquisition Guide and the DOE Guide to Financial Assistance.

**C. General Flow of Contracting Authority**

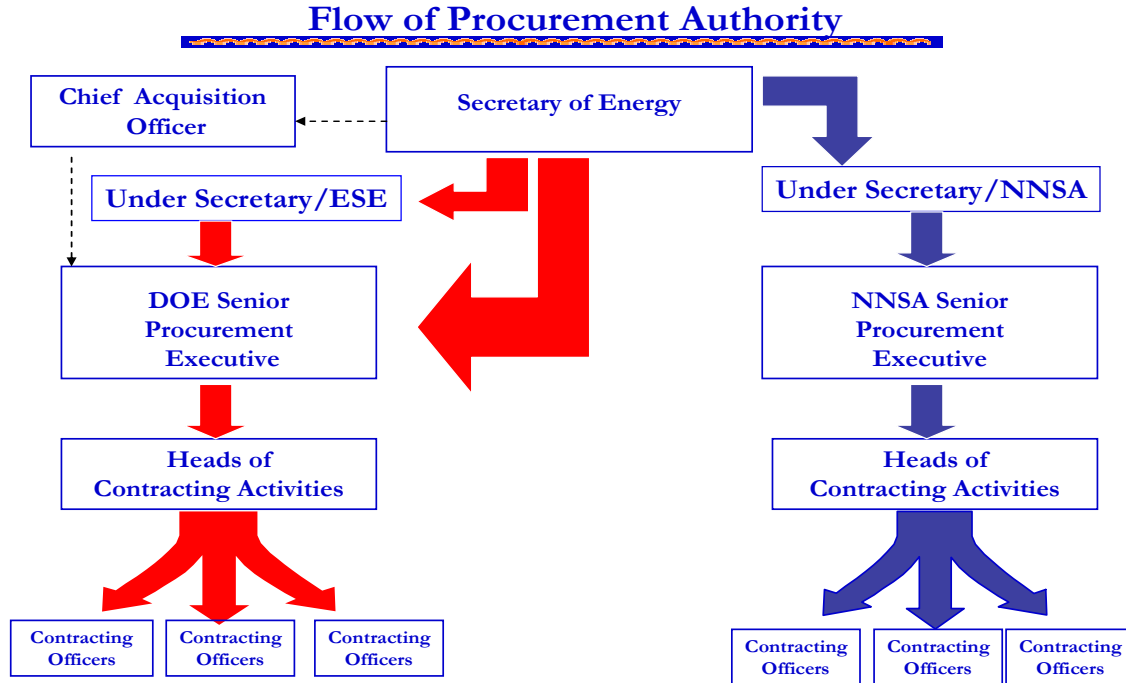
The Secretary of Energy, as “head of the agency,” has contracting authority for acquisition in DOE pursuant to the DOE Organization Act. This authority is delegated, in substantive part, to the Senior Procurement Executive (SPE), who administers and manages the Department’s procurement system under Executive Order, the Office of Federal Procurement Policy (OFPP) Act and other laws affecting procurement, ranging from socio-economic programs to intra-agency purchasing, which are codified in the Federal Acquisition Regulation (FAR). The SPE implements Department procurement policy and other guidance pertaining to acquisition through the DOE Acquisition Regulation, Acquisition Guide, Acquisition Letters, etc. The SPE also implements within the Department several OMB Circulars setting forth Government-wide requirements applicable to financial assistance (i.e., grants and cooperative agreements) through the Department’s Financial Assistance Regulation, Guide to Financial Assistance and Financial Assistance Letters.

The SPE delegates to the Department’s Heads of Contracting Activities (HCAs) authority to award and administer contracts, sales contracts and financial assistance instruments, appointing contracting officers and exercising overall responsibility for managing the contracting activity. The HCA, in turn, may delegate contracting authority to Contracting Officers to enter into, administer, and/or terminate contracts and make related determinations and findings as required by regulation. Contracting Officers also delegate limited specific authorities to Contracting Officer’s Representatives to monitor contractor progress, alert the contracting officer to problems, recommend contract changes, and inspect and accept deliverables.

In addition, the new Services Acquisition Reform Act (SARA) required the Secretary to designate a Chief Acquisition Officer (CAO). Many CAO functions have been delegated to the SPE, such as monitoring and evaluating agency acquisition activities, advising the Secretary on business strategy to achieve the agency mission, increasing use of full and open competition, increasing performance-based contracting, managing acquisition policy, including implementation of unique agency policies, regulations and standards, and developing and maintaining an acquisition career management program.

It is noted in DOE that there are 3 individuals currently designated SPEs. Within NNSA (to which this functional accountability initiative does not apply), the SPE is the Administrator, NNSA, who has further delegated this authority. The Director, OPAM and the Under Secretary, Energy, Science and Environment (ESE) have both been delegated SPE authority. The Under Secretary, ESE, has further delegated his authority to the Director, OPAM. The Functional Accountability initiative, for purposes of this implementation plan, addresses those functional accountability responsibilities under the purview of the Director, OPAM.

Office of Procurement and Assistance Management  
Functional Accountability  
**Implementation Plan**



**D. Internal Controls**

OPAM has in place a wide variety of controls that serve to ensure accountability and to ensure that the procurement and assistance programs are operated in an efficient and effective manner. The Balanced Scorecard contains corporate, field and contractor performance measures to ensure accountability for various procurement activities. Delegations to HCA and COs ensure that appropriate individuals are granted the authority, with limitations as appropriate, to execute their responsibilities. Headquarters Business Clearance reviews (including contracts, Source Evaluation Boards, and Acquisition Planning reviews) are conducted for complex or high-dollar value actions to ensure consistency with policies, regulations and sound business practices. Additional controls include property management reviews, the Energy Systems Acquisition Advisory Board, and Procurement Evaluation and Reengineering Team Peer Reviews. To ensure that the Government contracts only with contractors that are presently responsible, the sanctions of suspension and debarment are used to remove contractors that have demonstrated that they lack requisite responsibility and business integrity to do business with the Government. A more positive control is in the Acquisition Career Management Program (ACMP), which requires certification of individuals in various functional areas of acquisition. Appendix A outlines OPAM’s many functions and responsibilities.

Office of Procurement and Assistance Management  
Functional Accountability  
**Implementation Plan**

## **IMPLEMENTATION PLAN**

### **I. Functional Accountability Corporate Implementation Plan**

The Functional Accountability Corporate Implementation Plan provides a corporate approach to implementing functional accountability across the Department. However, it provides functional heads with the ability to negotiate exceptions to the Corporate Plan. The Functional Accountability Corporate Implementation Plan is attached and modified with the exceptions as noted in the assumptions below.

### **II. Assumptions**

The following assumptions and premises are established as a basis for moving forward.

- A. The line authorities available to the SPE apply to members of the procurement, financial assistance, contractor human resource management, and personal property management workforces, as the SPE is accountable for their activities.
- B. For actions that are employee-specific, these authorities are limited to only the highest ranking functional official in a field office or Headquarters office who is not already a direct employee of the SPE's organization. For OPAM, these authorities would apply to the Head of the Contracting Activity (HCA), the procurement director or functional equivalent, the contractor human resource/industrial relations manager or functional equivalent, and the organization property management official (OPMO) or functional equivalent, but not to the Director, Headquarters Procurement Services, as that position is a direct report to the SPE.
- C. The line authorities that are NOT employee specific will be exercised by the SPE through the procurement director or functionally equivalent position, the contractor human resource/industrial relations manager or functionally equivalent position, and the OPMO or functionally equivalent position at the field office, and include the following authorities:
  - 1. Concurrence with existing management on the establishment of positions, including grade level, appointment type, and scope of duties;
    - a) This does not include concurrence on routine hiring to fill attrited positions or increasing full-time equivalents, but rather is restricted to changes that affect the composition or shape of the workforce.
  - 2. Concurrence on reorganizations and requests for workforce shaping authorities such as the Voluntary Separation Incentive Program, Voluntary Early Retirement Authority, and reductions in force impacting or affecting the function;

Office of Procurement and Assistance Management

Functional Accountability

**Implementation Plan**

3. Concurrence on compensation, performance recognition, and retention, recruitment and relocation matters.
    - a) This does not include concurrence on individual performance awards, but rather concurrence on the use of recruitment and hiring incentives, and alternative pay systems.
  4. Active participation in employee development, including the ability to require that incumbents have certain specified core competencies and the ability to require certain training.
- D. Those line authorities that are employee-specific apply to the HCA, procurement director or functionally equivalent position, the contractor human resource/industrial relations manager or functionally equivalent position, and the OPMO or functionally equivalent position at the field office, and include the following:
1. Concurrence in the selection of new procurement directors or functionally equivalent positions, contractor human resource/industrial relations managers or functionally equivalent positions, and OPMO or functionally equivalent positions at the field office
  2. Active participation in performance management, including providing input in the development of performance standards, concurrence on performance ratings of record, and consultation and coordination on disciplinary actions for procurement directors or functionally equivalent positions, contractor human resource/industrial relations managers or functionally equivalent positions, and the OPMO or functionally equivalent positions at the field office.
- E. HCA delegations are collateral responsibilities to senior management officials within DOE. Therefore, the line authorities to be applied to the HCA are limited to the matters related to the execution of delegated contracting authority, but not to selection or performance management of the HCA.
- F. With respect to active participation, through the Corporate Program Review process, with respect to budgets for the respective functional activities, this authority will be exercised through collaboration with appropriate individuals.

**III. Affected Individuals**

The line authorities that are not employee-specific will be exercised by the SPE through the HCA, procurement directors or functionally equivalent positions, contractor human resource/industrial relations managers or functionally equivalent positions, and OPMO or functionally equivalent positions at the field office. For example, with respect to concurrence with existing management on the establishment of positions, including grade level, appointment type, and scope of duties, the procurement directors or functionally equivalent positions, contractor human resource/industrial relations managers or

Office of Procurement and Assistance Management  
Functional Accountability

**Implementation Plan**

functionally equivalent positions, and OPMO or functionally equivalent positions at the field office will ensure that the SPE concurs on these issues.

The following positions are identified as directly affected by this initiative:

Heads of Contracting Activities pursuant to delegated contracting authority

Idaho Operations Office

Director, Contract Management Division

OPMO

Contractor Human Resources/Industrial Relations Manager

Savannah River Operations Office

Director, Procurement Division

OPMO

Contractor Human Resources/Industrial Relations Manager

Office of River Protection

Director, Acquisition Management

OPMO

Contractor Human Resources/Industrial Relations Manager

Western Area Power Administration

Director, Procurement Division

OPMO

Office of Science Integrated Support Center Chicago Office

Assistant Manager, Office of Acquisition and Assistance

OPMO

Contractor Human Resources/Industrial Relations Manager

Yucca Mountain

Director, Contract Management Division

OPMO

Contractor Human Resources/Industrial Relations Manager

Environmental Management Consolidated Business Center

Assistant Director, Office of Contracting and Procurement

OPMO

Contractor Human Resources/Industrial Relations Manager

Strategic Petroleum Reserves Office

Director, Acquisition and Assistance Division

OPMO

Contractor Human Resources/Industrial Relations Manager

Richland Operations Office

Director, Procurement Division

OPMO

Contractor Human Resources/Industrial Relations Manager

National Energy Technology Laboratory

Director, Acquisition and Assistance Division

OPMO

Southwestern Power Administration

Director, Division of Acquisition and Facilities Services

Office of Procurement and Assistance Management  
Functional Accountability  
**Implementation Plan**

OPMO  
Office of Science Integrated Support Center Oak Ridge Office  
Director, Procurement and Contracts Division  
OPMO  
Contractor Human Resources/Industrial Relations Manager  
Golden Field Office  
Director, Contracts Division  
OPMO  
Contractor Human Resources/Industrial Relations Manager  
Southeastern Power Administration  
Director, Contracts Division  
OPMO

**IV. Exclusions**

The functional accountabilities discussed in this Implementation Plan do not apply to the Bonneville Power Administration (BPA). This is based on the unique nature of BPA's authorities and business practices.

The BPA Administrator's procurement and personal property disposal authorities are unique within DOE. The authorities were established by Sections 2(c), 2(e), 2(f), and 8 and 9(b) of the Project Act, 16 USC 832. They were confirmed by subsequent enactment of Section 11(b) of the Transmission Act, 16 USC 838i(b) and Section 9(a) and (b) of the Northwest Power Act, 16 USC 839f(a) and (b).

Section 2(c) authorizes the BPA Administrator to acquire real and personal property as the Administrator finds necessary or appropriate to carry out his responsibilities. Section 2(e) authorizes the Administrator to dispose of personal and real property no longer need. Although the approval of the President is required for disposal of real property under 16 USC 832a(e), the President delegated that authority to the Administrator on April 11, 1994.

Subject only to the provisions of the Project Act, Section 2(f) authorizes the BPA Administrator to enter into such contracts, agreements, and arrangements and to make expenditures as needed. In enacting this Section, Congress acknowledged that:

“...a regional agency must be as free as possible to deal with problems which are essentially local matters. The Department exercises supervision only where major policy considerations are involved and leaves the administration of the policies to the Bonneville Power Administrator.”

Additionally, BPA's procurements are not subject to procurement rules and regulations normally applicable to Federal agencies, because Congress intended that BPA operate like a business, not like a Government regulatory body. In 1965, Congress exempted BPA from FPSA.



**Implementation Plan**

**V. Organizational Changes**

Given the current infrastructure of procurement, no streamlining or reengineering of business processes is anticipated to implement this Plan. The current systems and controls are effective and efficient in ensuring proper accountability as contemplated by this Plan. Similarly, there are no plans currently under development or consideration to consolidate activities or organizations, nor any other organizational structural changes, as the current structure meets the needs of procurement and is properly aligned.

**VI. Employee Involvement**

Process or organizational changes would typically require communications and interactions with all levels of personnel to ensure an understanding of the changes. However, since no process or organizational changes are anticipated, the involvement of staff members is not anticipated below the level of the HCA, procurement director or functionally equivalent position, the contractor human resource/industrial relations manager or functionally equivalent position, and the OPMO or functional equivalent position. Those employees most directly affected have reviewed a draft of this Plan.

The culture of functional accountability is firmly anchored in the procurement community. While the two elements of the human resources - selection and performance management - lack formal institutionalization, the remaining line authorities are both institutionalized and an integral part of procurement. The line authorities are exercised through various control mechanisms, including the Acquisition Career Development Program, A-123 Internal Controls, and HCA authorities.

**VII. Impact and Required Support**

Minimal impact on customers is anticipated since the mechanisms for accountability have been in place as part of the culture of procurement. The Functional Accountability Corporate Implementation Plan provides a process for ensuring that the SPE is provided the opportunity for concurrence on selections of procurement directors or functionally equivalent positions, contractor human resource/industrial relations managers or functionally equivalent positions, and OPMOs or functionally equivalent positions. Exercise of the line authorities to HCAs does not require CHCO assistance, as that can be accomplished through the SPE's inherent authority as the SPE.

The process established in the Functional Accountability Corporate Implementation Plan will be used in the area of selection of new hires and performance management for procurement directors or functionally equivalent positions, contractor human resource/industrial relations managers or functionally equivalent positions, and OPMOs or functionally equivalent positions.

**VIII. Required Actions**

**A. Personnel/Organization Structure**

Office of Procurement and Assistance Management  
Functional Accountability  
**Implementation Plan**

The process established in the Functional Accountability Corporate Implementation Plan, as modified by the assumptions contained in II, Assumptions, above will be used for the following elements of functional accountability:

1. Concurrence with existing management on establishment of positions, including grade level, appointment type, and scope of duties;
2. Concurrence on reorganizations and requests for workforce shaping authorities such as the Voluntary Separation Incentive Program, Voluntary Early Retirement Authority, and reductions in force impacting or affecting the function.
3. Concurrence on compensation, performance recognition, and retention, recruitment and relocation matters;

No additional steps are required for implementation.

The element addressing employee development, including the ability to require that incumbents have certain specified core competencies and the ability to require certain training, is currently accomplished through the ACMP. No further action is required to implement this element.

The Functional Accountability Corporate Implementation plan provides a process for ensure SPE concurrence on two remaining elements of functional accountability – position selection and performance management. Delegation letters to HCAs will also be modified to incorporate the line authorities specific to hiring and performance management of procurement directors or functionally equivalent positions, contractor human resource/industrial relations managers or functionally equivalent positions, and OPMOs or functionally equivalent positions.

**B. Corporate Program Review Process**

The Secretary's mandate that functional heads actively participate in budget development through the Corporate Program Review process facilitates an on-going effort to obtain funding for the ACMP and a centrally managed intern program. Currently, lack of funding constrains establishment of an MA-60 managed intern program that will provide entry-level personnel to fill gaps across the complex and the SPE's ability to enforce statutorily established training. Participation on the Corporate Program Review will allow the SPE visibility into corporate-wide budgetary matters and the ability to articulate and justify an MA-60 managed account to support the recruiting, training and development needs of the procurement community. The SPE will work with appropriate key departmental heads in developing a budget to identify funding needs for the ACMP and succession planning consistent with the process established in the Functional Accountability Corporate Implementation Plan.

Office of Procurement and Assistance Management  
Functional Accountability  
**Implementation Plan**

**APPENDIX A**

**OFFICE OF PROCUREMENT AND ASSISTANCE MANAGEMENT**

MISSION

To ensure the development and implementation of Department of Energy (DOE) wide policies, procedures, programs, and management systems pertaining to procurement and financial assistance, personal property management, and related activities to provide procurement services to Headquarters elements.

FUNCTIONS

- Serve as the Department's Procurement Executive, responsible for executing the procurement functions and responsibilities in accordance with the Office of Federal Procurement Policy Act and Executive Order 12931.
- Serve as the principal procurement advisor to the Director of Management and assist the heads of all Headquarters elements regarding procurement and acquisition management.
- Develop, coordinate, and implement Department-wide policies, procedures, standards, and management systems for all procurement, personal property, assistance, contractor compensation, benefit pension and risk management programs.
- Ensure commercial item advocacy.
- Ensure the development and implementation of Department-wide initiatives related to acquisition planning, procurement workload distribution, and procurement and property training for technical staff.
- Develop and maintain a Departmental program of on-site assistance, assessment, evaluation, and analysis of contractor management systems in the procurement, property, cost control and accountability, and general business areas.
- Develop and maintain the Department-wide Priorities and Allocations System as directed by the Defense Production Act.
- Represent the Department in Government-wide development of the industrial mobilization base and planning to ensure availability of strategic and critical materials (except nuclear), equipment, commercial production facilities, and industrial services.
- Develop, maintain, and operate management information systems to support

Office of Procurement and Assistance Management

Functional Accountability

**Implementation Plan**

management of the Department-wide procurement, financial assistance, and property management functions.

- Provide acquisition and financial assistance capabilities to the National Nuclear Security Administration as agreed to under a Memorandum of Agreement.