



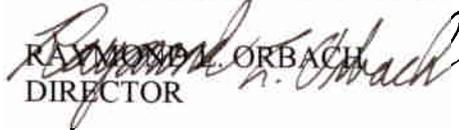
Department of Energy
Office of Science
Washington, DC 20585

Office of the Director

March 15, 2004

MEMORANDUM FOR RICHARD H. HOPF
DIRECTOR
OFFICE OF PROCUREMENT
AND ASSISTANCE MANAGEMENT

FROM:


RAYMOND L. ORBACH
DIRECTOR

SUBJECT:

Request for Head of Contracting Activity (HCA)
Designation for Dr. Milton D. Johnson

In accordance with Federal Acquisition Regulation 1.601 and Department of Energy Acquisition Regulation 901.601, I request that you appoint the Office of Science (SC) Chief Operating Officer (COO), Dr. Milton D. Johnson a HCA for all contract activity performed at DOE field offices reporting to SC. This currently consists of the Chicago and Oak Ridge Offices as well as nine National Laboratory Site Offices all of which report to Dr. Johnson.

Our request for HCA authority is in support of the OneSC restructuring approved by the Secretary on January 5, 2004, which is a major element of the SC response to the President's Management Agenda. The attached paper, which was developed with the input and cooperation of your staff, describes how the SC-COO will operate as HCA.

Your early support of our restructuring is appreciated and your continuing counsel will be needed as we work to fully realize its benefits during the second phase of the OneSC Project. In Phase 2, SC will reengineer its business processes, including those in the acquisition and assistance area, using a standards-based management system approach. With our COO serving as HCA we will pursue the most effective processes to provide acquisition and assistance support to SC and all other DOE sponsors that do business through one of our offices. At the same time we realize that reengineering must be accomplished while the day to day work for all DOE customers continues to meet your performance expectations. For this reason SC will be developing the priorities and schedule for reengineering in close consultation with our Chicago and Oak Ridge Offices. Your advice in this matter would be welcomed. It is also understood that the reorganization of the SC procurement function is considered an activity that meets the intent of DOE N 125.1, Managing Critical Management Improvement Initiatives, and that your office has the lead in implementing the requirements of the Notice. SC looks forward to working with you and your staff on this very important initiative.



In addition to seeking improvements in the general procurement and assistance management area, the OneSC initiative is designed to address the *Principles for Office of Science Laboratory Contracts* contained in Under Secretary Card's April 30, 2002 memorandum. In effect, incorporating the "Card Principles" is a systemic reengineering of the SC laboratory M&O contracts that will necessitate an evaluation and probable alteration of federal contract management practices. This remains our focus for these contracts and with the recent decision by the Secretary to compete many of those contracts, SC faces a complex challenge as well as an unprecedented opportunity. As the HCA for this activity I expect Dr. Johnson to work closely with you in your role as Procurement Executive. As we effect these changes, we intend to strengthen the fundamental disciplines of the DOE procurement system particularly the role of the cognizant contracting officer to be the single source of direction to the contractor. Under OneSC we will immediately warrant our Site Managers as Administrative Contracting Officers to empower them to fulfill their principle role as the single point of federal accountability for that contract. Any outstanding training requirements will be completed within 18 months and, as discussed in the attached paper, a level III acquisition professional on the site office staff will review and concur in actions by the ACO until the required training is completed.

The discussions with your staff that led up to formalizing this request were most helpful in highlighting some of your current concerns. One such area is the management of personal property. As you know I instituted a vulnerability assurance review of Personal Property Systems at all the laboratories and the results of that review will be used to develop appropriate actions to mitigate vulnerabilities whether at the laboratories or with the federal responsibilities. A second concern that was discussed is the implementation of the Acquisition Letter (AL) on Contract Management Planning. SC believes that the intent of the AL, particularly regarding the formation of a contract management team and the life cycle nature of contract planning, conform well with the roles and responsibilities we are instituting for Site Offices and the Chicago and Oak Ridge Offices in their partnership role as the SC Integrated Support Center. We look forward to developing these ideas into practical tools as we implement OneSC.

I want you to know that I expect my Chief Operating Officer, in the role of HCA, to work closely with you to effectively carry out this important element of our restructuring. I appreciate your arranging a series of topical discussions between your staff experts and Dr. Johnson to supplement his experience and training in this area of responsibility. I know that he plans to involve some members of his contracting team in those discussions and looks forward to opportunities to have similar interactions between his contracting officers and your staff.

Your timely approval of my request will facilitate the rollout of the new SC structure. Please contact me at 202-586-5430 or Dr. Milton Johnson, Chief Operating Officer, at 202-586-5440 if you have any questions or concerns.

Attachments