

**Draft Report**  
**OneSC Project Analysis of Support Center Services Provided to Other**  
**DOE Programs**

**(Rev. 2)**

**November 19, 2002**

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## **Executive Summary**

The Office of Science (SC) OneSC Restructuring Project is currently conducting a comprehensive study of management alternatives that enhance its ability to effectively and efficiently deliver DOE's science mission. As one part of this study, entitled the "OneSC Project", SC analyzed the services SC currently provides other DOE programs from the Chicago (CH) and Oak Ridge Operations (ORO) Offices and the Germantown Office (GTN). Traditionally, DOE's Operations Offices provided support to a wide range of DOE programs through a combination of direct funded FTEs and those funded on a "matrix basis" from a program direction account called Departmental Administration or Field Operations. The latter of these types of FTEs were allocated to the field to serve any and all programs. To more closely align these FTEs with its role as Lead Program Secretarial Officer (LPSO) for CH and OR, these were realigned into the SC account, beginning in FY2002.

DOE is now restructuring much of its organizational elements to align line management responsibilities from the Secretary to the Program Secretarial Officer (PSO) to a particular site (Site Manager) to a specific contractor. To better understand the ramifications of this restructuring within SC and how the restructuring might impact current services provided by CH and ORO to non-SC programs, OneSC team members cataloged the number of FTE's providing services to non-SC programs and the estimated cost of providing such service using an arbitrary value of \$150,000 per federal/support contractor FTE (Note: the OneSc team members recognize this number is probably high, but used it for relative comparison purposes. The cost figures only provide an order of magnitude estimate which should not be relied upon as a basis for future funding realignment decisions.). The Project also assessed the services provided to SC's Berkeley, Stanford, and Pacific Northwest National Laboratory (PNNL) Site Offices from the Richland and Oakland Operations Offices. These analyses were conducted to gain a sense of the potential impact to SC if other DOE programs no longer need SC support due to their restructuring efforts and to assist SC in providing services to the Berkeley, Stanford and PNNL Site Offices in lieu of the Oakland and Richland Operations Offices respectively.

The Project also attempted to evaluate the continuing need by other DOE programs for SC support over the next 3 to 5 years as a result of their respective restructuring efforts.

Lastly, the Project will develop conceptual designs for the support center of the future. This element of the analysis effort is expected to begin in late November and be completed in early 2003 as part of Phase II of the OneSC Project.

The analysis indicated a significant number of FTE's at CH and ORO provide either direct or indirect support to other DOE programs. The major customer programs are NNSA, EM, OMBE, EERE, NE, and DP. Few of the surveyed DOE programs presently receiving SC support have made any decisions concerning their continuing need for SC support. Further, it does not appear that any dramatic changes will occur in the near term (i.e. 1-2 years) with the exception being EERE, which is planning to shift positions from

CH and ORO to the Golden Field Office. GTN provides a limited amount of support to other programs from the Office of Laboratory Operations and ES&H (SC-80) and the Office of Advanced Scientific Computing Research (SC-32). The SC-32 services are unique, supporting DOE-wide small business programs; Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research (STTR). Berkeley, Stanford and PNNL Site Offices receive a significant number of services from the non-SC Oakland and Richland Operations Offices. While it is expected that Chicago will replace Richland and Oakland as the provider of these services, and/or coordinate the provision of needed services by Oak Ridge or Germantown resources, where appropriate, the Berkeley, Stanford and PNNL Site Offices may develop agreements with RL and OK to continue providing site-specific services.

## **Introduction**

The OneSC core project team recognizes that the Oak Ridge and Chicago Operations Offices, and Germantown Office of Resource Management (SC-60) and the Office of Laboratory Operations, Environment, Safety and Health (SC-80) will be restructured to better provide support to the SC enterprise. It is expected that these SC offices will continue to provide services to other programs, and may seek to provide services to a broader range of customers across the DOE complex. It is also recognized, however, that as other programs restructure their organizations they may no longer utilize to SC Support Centers to provide needed services. To better understand the services that the SC Operations Offices and Germantown presently provide and to project future opportunities for the new Support Centers, it was necessary to conduct the following analysis to assess currently provided services, to project future opportunities and conceptualize the roles, responsibilities, authorities and accountabilities for the future SC Support Center(s).

This analysis was conducted as part of the OneSC Project, WBS 1.3.3, Support Centers. The Support Center project manager established a team comprised of members from across the SC organization to conduct the analysis. Analysis Team members were:

Ben Weakley (HQ), Team Leader

Daryl Green (ORO)

Jeff Roberts (CH)

Clarence Hickey (GTN)

Jenifer Hackett (ORO)

Jim Bieschke (CH)

Don Moody (RL)

The analysis was conducted in 3 parts as follows:

Part 1: Support services, presently provided by the SC Operations Offices to other DOE programs, were cataloged. This formed a baseline for the analysis the number and cost of SC FTEs providing support to other DOE programs.

Part 2: Other DOE program offices were surveyed to assess their plans for obtaining needed services over the next 3 to 5 years. This information formed a basis for assessing future opportunities for the new SC Support Centers to

maintain/provide services to other DOE programs. As noted above, other program offices are restructuring their own organizations. This may lead to fewer or increased opportunities for SC to provide services from its Support Centers.

The projections of future service needs by the other DOE programs were then compared to the present service baseline. Potential impacts to the new SC Support Centers based upon increased or decreased servicing opportunities were identified.

Part 3: Development of the conceptual design for the support center of the future will be completed in Phase II of the OneSC Project. A schedule for the completion of the conceptual design is being developed prior to completion of Phase I.

The following set of deliverables and schedule was established for this analysis:

Part 1 – Complete the inventory of services currently provided by SC to other DOE programs. **October 14, 2002**

Part 2 – Determine the need by other DOE programs for continued SC services over the next 3-5 years based upon the survey of other programs conducted by the OneSC Project Interface Agreements Team. **October 31, 2002**

Complete draft report for Part 1 and 2. **November 7, 2002**

Finalize report for Part 1 and 2. **November 14, 2002**

Part 3 – Begin to develop the conceptual design for the support center of the future. **November 1, 2002**

## **Results**

### **Part 1**

The analysis team inventoried the services that are currently provided to other DOE programs by Chicago, Oak Ridge and Germantown. FTEs were identified and categorized into those that directly support and are funded by other DOE programs (such as EM FTE's located at Oak Ridge and Chicago managing EM's cleanup programs), those that indirectly support other DOE programs (i.e. SC FTEs supporting EM or NNSA on a matrix basis), and finally those SC FTEs that directly support the SC mission. This provides SC with a sense of the potential impact to SC if those programs decide to move the functions and activities to other locations.

During the October 16-17, 2002 OneSC Project meeting, SC's senior management determined that additional information was needed to understand the level of service presently received from other programs to support SC activities at the Berkeley, Stanford

and Pacific Northwest National Laboratory (PNNL) Site Offices. These Site Offices currently receive various services from the Oakland Operations Office (NNSA) and from the Richland Operations Office (EM). As there is the potential for NNSA and EM to no longer provide these services in the future, it was important to understand to what degree this effort would need to be obtained from SC's Support Center(s). Data was then gathered to inventory the services, FTE's, and funds provided by other programs to these Site Offices.

The analysis team collected the following data: description of the service provided, the customer program, the number of FTE's providing the service, the FTE funding source by program, and the funded amount. This data is included herein as Attachment 1. To determine the funded amount, the whole or fractional FTE's were multiplied by \$150,000. This calculation provides SC a simple metric to determine relative impacts to the program direction account if these services are no longer needed by the other programs, resulting in an SC adjustment of its workforce. The cost figures only provide an order of magnitude estimate which should not be relied upon as a basis for future funding realignment decisions. The data collected by the Chicago, Oak Ridge, Germantown, and PNNL, Berkeley and Stanford Site Offices was "normalized" using the \$150,000 per FTE metric (it will be noted that the ORO Narrative in Attachment 2 states that a metric other than the \$150,000 per FTE was used, thus requiring normalization.) It must also be stated that the \$150,000 per FTE figure is meant only to reflect salary, benefits and travel costs, not fixed costs such as rent and utilities. It should be noted that for FY03 an agreement is being developed between SC and EM for costs associated with PNNL Site Office core personnel.

Attachment 2 contains the narrative reports and data tables developed for Chicago, Oak Ridge, SC-60/80, and the Berkeley, Stanford and PNNL Site Offices.

It must be noted that both Chicago and Oak Ridge Operations Offices are full service organizations. As such, their SC and direct funded FTE's support the overall mission of DOE by providing line management and matrix support to multiple DOE programs. In some cases the effort was not always quantifiable and/or easily assigned to a specific DOE program (i.e. CH/OR Manager). Consequently, where impractical to split or allocate FTE's across all of the programs in all cases, these FTE's remained within the direct SC allocation for purposes of this analysis.

The assessment team identified major program customers based upon data taken from the DOE Financial Data Warehouse for FY01 Procurement Awards, which specifies M&O and non-M&O procurements for Chicago and Oak Ridge by program. For Chicago, the major program customers were: the National Nuclear Assurance Agency (NNSA); the Office of Environmental Management (EM); the Office of Energy Efficiency and Renewable Energy (EERE); the Office of Nuclear Energy, Science and Technology (NE), and; the Office of Management, Budget and Evaluation (OMBE). For Oak Ridge, the major program customers were: NNSA; EM; EERE; OMBE, and; the Office of Defense Programs (DP).

CH currently has an “on-board” strength of 401.75 FTE’s funded by various DOE programs, including SC. Of the 401.75 FTE’s, 240.75 FTE’s were funded by SC and provide services directly to SC (i.e. CH and CH Site Offices), and 161 FTE’s provide services to non-SC programs. Other DOE programs directly fund 134.75 CH FTE’s while relying on SC to provide the remaining 26.25 FTE’s on indirect support for services such as procurement, legal, safety, etc. These direct funded FTE’s are those funded by a program other than SC i.e., an EM funded FTE working on the EM program at a CH site, like Brookhaven. The indirect FTE’s are those that are funded by SC that spend all or a fraction of their time providing services to other programs, i.e., an SC funded Subject Matter Expert who reviews NE safety basis documents. A further delineation of the CH indirect services (i.e. 26.25 FTE’s) was as follows:

- EM - 5
- EERE - 4.75
- NNSA - 5.5
- Office of Security (SO) - 0.75
- Counterintelligence (CI) - 0.25

CH provides services to non-SC programs in the financial and business, and ES&H areas, and maintains Centers of Excellence for Grants Management and Intellectual Property Law. In the areas of patent law and procurement there were 8 and 2 SC FTE’s respectively that provide indirect support to a number of programs. The total estimated annual cost for providing these indirect services is approximately \$3,937,500 and is distributed as follows: \$750,000 to support EM; \$712,500 to support EERE; \$825,000 to support NNSA; \$37,500 to support CI; \$112,500 to support SO; \$1,200,000 to provide patent law services to numerous programs, and; \$300,000 to provide procurement services to numerous programs.

For Oak Ridge, there were a total of 462 FTE’s funded by a variety of DOE program offices, including SC. Of the 462 total FTE’s, 314 were funded by SC. Of the 314 FTEs, 36 FTE’s provide direct services to SC and 278 FTE’s provide indirect services to non-SC programs. Of the remaining 148 FTE’s, 102 FTE’s provide services directly to their sponsor DOE program and 46 FTE’s – while funded by non-SC programs – provide services to other DOE programs including SC, such as in the waste management area.. The direct funded FTE’s are provided by a program other than SC, i.e., an EM funded FTE working on the EM program at Oak Ridge. The indirect FTE’s are those that are funded by SC that spend all or a fraction of their time providing services to other programs, i.e., an SC funded Subject Matter Expert who reviews NE safety basis documents. SC provides FTE’s to a wide spectrum of DOE programs including NNSA, NE, EERE, FE, and EM at Oak Ridge. In addition, OR maintains DOE Centers of Excellence for Financial Services, Precious Metals and Recycling, the clearing House for Lead, Materials Recycling, and Electronics Recycling. The 278 SC FTE’s that provide services to other DOE programs do so at an estimated cost of \$41,700,000. It should be noted that the attached Oak Ridge data tables used a different formula from the one used by Chicago and Germantown to calculate the funded amount. The estimated cost figure of \$41,700,000 above is based upon the formula used by Chicago and Germantown

(\$150,000 per FTE). It must be noted that the Oak Ridge indirect FTE data was not as easily separated and allocated to specific DOE programs as was the Chicago data.

With regard to GTN, SC-60 does not currently provide any services to other DOE programs or other federal agencies. SC-80 provides limited services to NE, EM, Fossil Energy (FE), EERE, NNSA, and the Office of Engineering and Construction Management (OECM). In addition, SC-80 supports specialty DOE programs such as the DOE Pollution Prevention Web Site, the Federal Facilities Council, and other government agencies such as Department of Defense (DOD), and Congress. The total number of SC-80 FTE's involved in providing these services is relatively small (i.e. 3.33 FTEs at an estimated annual cost of \$682,500). SC-80 provides these services in the areas of project management, facilities management, ES&H, and security.

During the course of the services analysis for Germantown, the team identified that the Office of Advanced Scientific Computing Research (SC-32) provides services to other DOE programs by administering the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research (STTR) programs. SC-32 administers these programs for SC, EE, FE, NE, the Office of Environment, Safety and Health (EH) and NNSA. Three (3) SC FTEs and 5 support service contractor FTEs administer these programs. Approximately 36% of the SC-32 effort are in support of the other DOE programs, which equates to 2.9 FTEs and a cost of \$265,356 annually.

For the Berkeley, Stanford and PNNL Site Offices, the assessment team identified the services received from the NNSA's Oakland Operations and Livermore Site Offices, and EM's Richland Operations Office. The Oakland Operations and Livermore Site Offices provide services to the Berkeley and Stanford Site Offices in the areas of legal, business and finance grants issuance, human resources, procurement, environmental restoration, waste management, and nuclear oversight. Such services total 40.64 Oakland and Livermore FTE's at a cost of \$6,096,000 annually. RL provides 26.27 FTE's to the PNNL Site Office in the areas of ES&H, procurement, human resources, financial management, and communications at a cost of \$3,940,500 annually.

## **Part 2**

The assessment team evaluated the need for SC services to other programs over the next 3 to 5 years through information gained from the OneSC Project Interfaces Team survey of the program offices. Programs surveyed included EERE, EM, FE, NE, RW (Radioactive Waste), and NNSA. EERE expects to increase reliance on their Golden Field Office in coming years, which could result in a small number of SC FTE's presently providing indirect support to EERE to be available to take on additional SC responsibilities, or provide services to other programs. Latest information indicates that EERE is transferring 21 positions to the Golden Field Office by the end of FY2003. This would include 13 existing field positions (CH-5, OR-1, and ID-7) and 8 positions from HQ. EM is continuing to review its service needs, although the nature of the work is different from other programs, in that its mission is geographically specific. EM does expect to announce the establishment of a Field Office to directly manage the Portsmouth

and Paducah sites, potentially affecting support from OR. FE expects no major changes in the services they receive from SC. NE is reviewing their service needs. RW expects to continue to need services from Chicago and Oak Ridge since they plan to decrease their reliance upon the Nevada Operations Office. NNSA is reviewing their service needs, as well as the relationships they have with SC regarding NNSA's Y-12 Site Office at Oak Ridge and SC's Berkeley, Stanford and PNNL Site Offices.

## **Conclusions, Part 1 and 2**

SC, through its CH and OR Offices provides a significant amount of services to DOE programs other than SC. This effort is possibly as high as 68% of currently allocated FTEs at these two offices. The analysis also identified the major customer programs supported by Chicago and Oak Ridge as NNSA, EM, OMBE, EERE, NE, and DP.

In addition CH and ORO operate a total of 7 Centers of Excellence for the Department and it is expected that this will continue even once the restructuring of SC is completed. CH is also considering establishing 3 additional Centers of Excellence for SC for counterintelligence, financial management services, and information technology.

The analysis indicates that Germantown support organizations (i.e. SC-32, SC-60, and SC-80) provide limited support to other DOE programs.

The analysis further shows that the Berkeley, Stanford and PNNL Site Offices receive a significant number of services from the non-SC Richland and Oakland Operations Offices. It is expected that Chicago will replace Richland and Oakland as the provider of these services, and/or coordinate the provision of needed services by Oak Ridge or Germantown resources. Where appropriate, the Berkeley, Stanford and PNNL Site Offices may develop agreements with Richland and Oakland to continue providing site-specific services.

Input from the OneSC Project Interfaces sub-team indicates that most of the program offices that SC presently provides support to are evaluating their future needs based upon their own restructuring plans. However, for the near term it appears that SC support to other programs will not change dramatically, with the exception of EERE.

Based upon the analysis, it appears that the need for SC services to other programs will remain at least for the near term. A determination must be made as to how those services are managed. Because the resources providing the services are geographically widespread across the SC enterprise, it is impractical to assume that they will be centrally located as part of the restructuring effort. Therefore, the concept of a virtual support center – geographically diverse resources being managed from a central location – should be considered. This is a model that SC could evolve to over several years.

While SC is committed to not reducing staffing levels in FY03 as a result of the restructuring, assuming that requested funding is received in the FY03 Congressional appropriations, potential staffing impacts in FY04 and beyond should be considered.

Restructuring actions taken by other DOE programs could have unintended consequences at CH and ORO in particular. It is not clear how reductions in staffing levels of programs that fund FTE's at CH and ORO might impact SC FTE's at these offices. How a reduction in force (RIF), and early out and buy out opportunities are conducted, and how competitive area rules are applied, could result in SC FTE's being "bumped" by other program FTE's involved in a RIF.

While outsourcing (A-76) of support services was not considered in this analysis, its potential impacts will need to be evaluated if the Department continues to move in this direction. Outsourcing of support services, such as financing, has the potential for creating significant impacts at CH and OR, and could result in large portions of SC support being bought from contractors rather than being provided by SC FTE's.

### **Part 3**

The analysis team will develop conceptual designs for the support center of the future. The OneSC Core Project Team has determined that this activity will be rescheduled during Phase II of the Restructuring Project.