

U.S. Department of Energy
Washington, D.C.

NOTICE

DOE N 350.5

Approved: 4-15-99

Expires: 4-15-00

**SUBJECT: USE OF FACILITY CONTRACTOR EMPLOYEES FOR SERVICES TO
DOE IN THE WASHINGTON, D.C., AREA**

1. **OBJECTIVES.** To clarify and modify policies and procedures for management of Department of Energy (DOE) facility contractor employees located in the Washington, D. C., area. A facility contractor employee is any employee of either a contractor responsible for managing a Department-owned facility, such as a National Laboratory, or a subcontractor of such a contractor. Facility contractor means any contractor performing under a Management and Operating (M&O), Management and Integration (M&I), or Environmental Restoration Management Contractor (ERMC) contract awarded by a DOE contracting officer. Note: This Notice replaces DOE N 350.4, USE OF MANAGEMENT AND OPERATING CONTRACTOR AND NATIONAL LABORATORY EMPLOYEES FOR SERVICES IN THE WASHINGTON, D.C., AREA, dated 2-26-98, which expired 12-31-98.
2. **APPLICABILITY.** The provisions of this Notice apply to all Departmental Elements except the Bonneville Power Administration and the Office of Naval Reactors. This Notice does not apply to the assignment of facility contractor employees to the Washington, D.C., area for periods of less than 30 continuous days, assignments under Interdepartmental Personnel Agreements (IPAs), Work-for-Others (WFO) agreements not reimbursed by DOE, or such others as may be exempted by the Director of Management and Administration. See the Contractor Requirements Document (CRD) which is Attachment 1.
3. **REQUIREMENTS.**
 - a. The number and types of positions of facility contractor employees located in the Washington, D.C., area must be within approved ceilings for either the Headquarters or staff offices or the facility contractor office staffing plans.
 - b. Facility contractors may assign personnel to positions in the Washington, D.C. area, provided those positions conform to the following conditions:

DISTRIBUTION:

All Department Elements

INITIATED BY:

Office of Procurement and
Assistance Management

- Personnel provide a Headquarters program or staff office with technical expertise and experience critical to their operations or programs when that expertise and experience is not otherwise available at lower cost through other types of contracts (e.g., support service contracts).
 - Personnel undertake tasks that must be located in the Washington, D.C., area because staff must coordinate or interface in person with Headquarters staff or other agencies.
 - Personnel provide administrative support in a facility contractor's office. The number and types of administrative support staff must be based on good business practices.
 - Personnel provide technical expertise within the mission and scope of work of the contract under which the assignment is made. Administrative support staff are excluded from this requirement.
- c. Facility contractor and subcontractor employees must not be assigned to the Washington D.C., area under any of the following conditions:
- to compensate for reductions in support service contracting;
 - to provide administrative support within Federal facilities or for Federal employees;
 - to perform functions inherently reserved for Federal employees, including directly supervising Federal employees and making fiscal and/or policy decisions;
 - to exceed 12-month assignment(s) in the Washington, D.C., area unless the individual's continued assignment is critical and represents significant mutual benefit to the program sponsor and the facility;¹
 - to provide contractor business development or legislative liaison;
 - to extend support beyond the completion of the work assignment(s); or
 - if an employee's absence adversely affects the contractor's or subcontractor's ability to meet contract commitments.
- d. A facility contractor is not to award subcontracts, or subcontract work tasks, to provide direct support to program offices in the Washington, D.C., area.
- e. Facility contractor employee work assignments performed in the Washington D.C., area must conform with the relevant program office critical skills staffing plan or contractor office support staffing plan. The process required for establishing staffing requirements (illustrated in Attachment 2) is as follows:

¹ An initial assessment of assignment(s) duration and cost should be made to find ways to minimize costs (e.g. per diem vs. relocation costs).

- (1) Each Headquarters program or staff office that uses facility contractor employees within the Washington, D.C., area will submit to the Chief Financial Officer (CFO) and cognizant HCAs an annual staffing plan by April 1 of each year. This plan will delineate the required skills and expertise to be provided by facility contractor employees who will be reimbursed with Department funds. The plan submitted in FY 99 would propose staffing for FY 00 and would include a proposed ceiling for the number of assignments during FY 00. (Attachment 3 provides a sample format for this plan.)
 - (2) Each head of contracting authority (HCA) or designee, working with the respective facility contractor, will develop and submit an annual office support staffing plan to the CFO by April 1 of each year (see Attachment 4). The plan will include—
 - all administrative, office support, overhead positions, and any positions that do not support specific program offices (but are for effecting efficiency in task performance), which are located at the facility contractor's Washington office and are reimbursed by the Department,
 - the program account they are charged against, and
 - the proposed ceiling on assignments for the next fiscal year.
- f. The CFO and MA will consult with affected organizations to establish facility contractor ceiling numbers for employees to be located in the Washington, D.C., area for each Headquarters program, staff, and Facility Contractor Support Office. The ceilings are to be approved by the CFO, with concurrence by the Director of Management and Administration, by October 1 of each year.
- (1) Each program and staff office must meet the criteria for assignments and for remaining within its facility contractor employee ceiling allocation.
 - (2) Each facility contractor must operate within its office support staffing plan.
- g. Any Headquarters program, staff, or contractor support office that needs to exceed its ceiling may request a temporary waiver from the CFO. CFO approval for such a request requires concurrence from the Office of Management and Administration. The request must include the following information:
- justification for modifying the staffing plan and a listing of the critical work task(s) that require additional staffing;
 - the start and end dates for the work assignment;
 - the organizational subcomponent (or other organization or contractor) to which the employee will provide services;

- the physical location of the facility contractor employee assignment; and
 - an explanation of how the facility contractor employee assignment is cost effective.
- h. Procedures for approving assignments or work tasks given facility contractor employees in the Washington D.C., area, must incorporate the Department's Work Authorization Process. The required procedures (as illustrated in Attachment 5) are as follows:
- (1) The Headquarters program or staff office, in concert with Facility Contractor and the HCA or designee, develops a task assignment statement showing the required skills mix, scope of work, estimated duration, reporting requirements, funding source, and any other information required by a work authorization. In addition, the Headquarters program or staff office must certify that Washington, D.C., employee assignments conform with its staffing plan and is within the facility contractor employee ceiling allocation.
 - (2) The facility contractor informs the cognizant contracting officer of the personnel qualified and available to accomplish the assignment.
 - (3) The contracting officer or designee examines the task assignment statement to ensure assignments will not adversely affect the contractor's performance. The contracting officer or designee will also update the data base that has been established to maintain a current inventory of assignments in the Washington, D.C., area.
 - (4) To initiate assignments to the Washington area, facility contractors must submit requests to the HCA or designee for review and approval. Requests must include the following information: scope of work, estimated duration, reporting requirements, source of funding, and certification that the assignment conforms with the facility contractor office staffing plan and is within the ceiling. The cognizant contracting officer will authorize the facility contractor employee assignment and update the data base.
- i. Headquarters program or staff offices and HCAs must consult with the CFO to establish discreet Budget and Reporting Classification Codes (B&R) which identify costs of facility contractor employees who are assigned to the Washington, D.C., area. Facility contractor employees who are assigned to the Washington, D.C., area and perform tasks for a Headquarters organization must be accounted for in the facility contractor's accounting system as a direct charge to a discreet DOE B&R. Facility contractor employees who, prior to their assignment to the Washington, D.C. area, may have been charged to an allocated cost pool (Overhead, G&A, Organizational Burden, etc.), must be removed from that allocated cost pool and placed in a cost pool established solely for facility contractor employees performing tasks in the Washington, D.C., area. This guidance is not applicable to the costs of employees working in the facility contractor's Washington, D.C., support office.

- (1) Contractors shall be required to report this information to the HCA no later than October 30 of the fiscal year just ended (see Attachment 6).
 - (2) The appropriate contracts should be modified to include this requirement as soon as practicable, but no later than the next scheduled modification, or if a new contract is contemplated, when the new contract is awarded.
- j. Payments to a facility contractor employee for any additional tax burden caused by an extended assignment will not be reimbursed by the Department.
- k. By November 15 of each year, the HCA must provide each Attachment 6 report received from the facility contractors to the CFO and MA.

4. RESPONSIBILITIES.

a. Headquarters Program and Staff Offices.

- (1) Assess the need and cost effectiveness of the task(s) and assignment of facility contractor employee(s).
- (2) Complete an annual critical skills staffing plan to define facility contractor employees who will provide technical support to meet the program mission while conforming with Departmental policy (Attachment 3)
- (3) Work with field managers and facility contractors to develop tasks for new facility contractor employee assignments, ensuring that these assignments do not exceed the facility contractor employee ceiling.

b. Heads of Contracting Authorities.

- (1) Work with the facility contractor to develop their annual facility contractor office support staffing plan (see Attachment 4).
- (2) Authorize tasks and assign facility contractor employees in Washington, D.C. area [see paragraph 4(h)].
- (3) Ensure that facility contractors under their cognizance submit Attachment 6 by October 30 of each year.
- (4) Maintain data base inventory of current (facility contractor employee) assignments.
- (5) By November 15 of the fiscal year just ended, submit to the CFO and MA Attachment 6 which includes total facility contractor employee assignments and total dollars supporting these facility contractor employees.
- (6) Review the facility contractor's use of leased space to ensure that Government-owned space is used to the maximum extent practicable.

- (7) Periodically review facility contractor staffing assignments to ensure conformance with the staffing plan.
- c. Office of Management and Administration.
 - (1) Review, evaluate, and approve staffing plans proposed by Headquarters program and staff offices for facility contractor employees.
 - (2) Establish, in concert with CFO, facility contractor employee annual ceilings for the number of facility contractor employee assignments for each Headquarters program and staff office.
 - (3) Develop a composite inventory of facility contractor employees in the Washington, D.C. area by November 30 of each year, from information supplied by the program, staff, and field offices inventories and the staff inventory database.
 - (4) Review and approve requests, in coordination with CFO, for facility contractor employee assignments who would exceed the approved facility contractor employee ceiling or whose expertise is outside the critical skills categories.
- d. Chief Financial Officer.
 - (1) In conjunction with MA, review, evaluate, and approve facility contractor employee ceilings of facility contractor annual staffing plans.
 - (2) Review and approve temporary waiver requests, with concurrence from MA, for assignment of facility contractor employees who would exceed the approved facility contractor employee ceilings or whose expertise is outside the critical skill categories.
 - (3) Prepare reports required for Congress, in conjunction with MA.
5. CONTACT. For information about this Notice, contact Jeremy Schuller at 202-586-9205.
6. REFERENCE. DOE 5700.7C WORK AUTHORIZATION SYSTEM dated 5-18-92, established the work authorization and control process for work performed by site management contractors for DOE.
7. DEFINITIONS. Please refer to the DOE glossary on the Internet at <http://www.explorer.doe.gov>.

BY ORDER OF THE SECRETARY OF ENERGY:



RICK FARRELL
DIRECTOR OF MANAGEMENT
AND ADMINISTRATION

CONTRACTOR REQUIREMENTS DOCUMENT

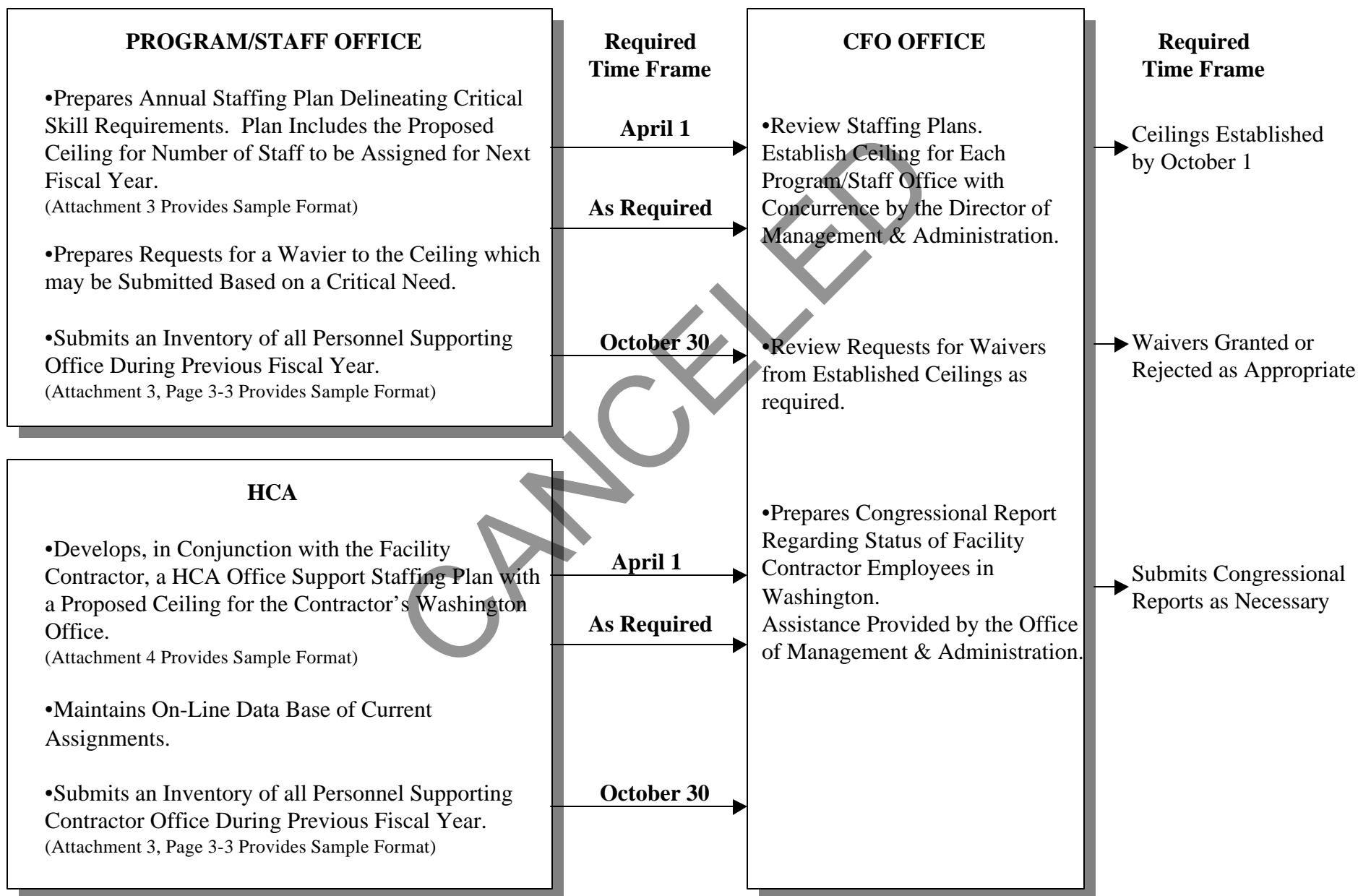
DOE N 350.5, USE OF FACILITY CONTRACTOR EMPLOYEES FOR SERVICES TO DOE IN THE WASHINGTON, D.C., AREA

1. The number and types of positions of facility contractor employees located in the Washington, D.C., area must be within the CFO and MA approved ceilings for either the Headquarters sponsoring organization or the facility contractor office staffing plans.
2. Facility contractors may assign personnel to positions in the Washington, D.C. area, provided those positions conform to the following conditions:
 - Personnel provide a Headquarters program or staff office with technical expertise and experience critical to their operations or programs when that expertise and experience is not otherwise available from the Federal workforce or at lower cost through other types of contracts (e.g., support service contracts).
 - Personnel undertake work tasks that must be located in the Washington, D.C., area because staff must coordinate or interface in person with Headquarters staff or other agencies, or because such assignment can be demonstrated to be cost effective for performance of the task.
 - Personnel provide administrative support in a facility contractor's office. The number and types of administrative support staff must be based on good business practices.
 - Personnel provide technical expertise within the mission and scope of work of the contract under which the assignment is made. Administrative support staff are excluded from this requirement.
3. Facility contractor or subcontractor employees must not be assigned to the Washington D.C., area under any of the following conditions:
 - to compensate for reductions in support service contracting;
 - to provide administrative support within Federal facilities or for Federal employees;
 - to perform functions inherently reserved for Federal employees, including directly supervising Federal employees and making fiscal and/or policy decisions;
 - to exceed 12-month assignment(s) in the Washington, D.C., area unless the individual's continued assignment is critical and represents significant mutual benefit to the program sponsor and the facility;¹

¹ An initial assessment of assignment(s) duration and cost should be made to find ways to minimize costs (e.g., per diem vs. relocation costs).

- to provide contractor business development or legislative liaison;
 - to extend support beyond the completion of the work assignment(s); or
 - if an employee's absence adversely affects the contractor's or subcontractor's ability to meet contract commitments.
4. A facility contractor is not to award subcontracts or subcontract work tasks to provide direct support to program offices in the Washington, D.C., area.
5. Facility contractor employee work assignments performed in the Washington D.C., area must conform with the relevant program office critical skills staffing plan or contractor office support staffing plan. The facility contractor is required to work with the head of contracting authority (HCA) or designee to develop and submit an annual office support staffing plan to the CFO by April 1 of each year (as illustrated by Attachment 3 in DOE N 350.5). The plan will include—
- all administrative, office support, and overhead positions for the facility contractor's Washington office that are reimbursed by the Department,
 - the program account they are charged against, and
 - the proposed ceiling on assignments for the next fiscal year.
- The plan submitted in FY 99 will propose staffing for FY 00.
6. Each facility contractor must operate within its office support staffing plan.
7. Any Headquarters program, staff, or contractor support office that needs to exceed its ceiling may request a temporary waiver from the CFO. CFO approval for such a request requires concurrence from the Office of Management and Administration. Contractors must include the following information for such requests:
- justification for modifying the staffing plan and a listing of the critical work task(s) that require additional staffing;
 - the start and end dates for the work assignment;
 - the organizational subcomponent (or other organization or contractor) to which the employee will provide services;
 - the physical location of the assignment; and
 - an explanation of how the assignment is cost effective.
8. Contractors must justify the use of any leased space, including the cost of the space, to obtain approval by the contracting officer.

Establishing Facility Contractor Employee Staffing Requirements



FACILITY CONTRACTOR EMPLOYEE STAFFING PLAN

OFFICE OF _____

Fiscal Year 2000 Proposed Employee Ceiling____Positions

Current Number of Assignments_____

This plan adequately reflects the anticipated support required from facility contractor employees by (program or staff office) necessary to meet program objectives.

(Assistant Secretary/Office Director)

April 1, 1999

**OFFICE OF (SUBPROGRAM OFFICE)
FISCAL YEAR 1999**

OFFICES (Sub-organizational Offices)	Federal FTEs	Contractor Employees FY'98 FY'99	FACILITY CONTRACTOR EMPLOYEE (Key Functions and Critical Skills)
XOffice XX-# Office Objectives and Performance Measures for FY'99	#	# #	T T T T
XOffice XX## Office Objectives and Performance Measures for FY'99	#	# #	T T T T T
XOffice XX ### Office Objectives and Performance Measures for FY'99	#	# #	T T T T T

FY'99 program direction funds: \$_____

FY'99 program funds: \$_____ (including \$_____ for support services)

Laboratories being funded: _____, _____, _____

**CURRENT FACILITY CONTRACTOR EMPLOYEES SUPPORTING
OFFICE OF _____**

NAME	JOB ASSIGNMENT	* % TIME WORKING	PRO- GRAM	START /END	COST (\$K/MO)	**SITE	CONTRACTOR /SUB

* % Time Working = Percent of time charged against program funds

** Site: G = Located within DOE facilities
O = Located within contractor office

ANNUAL SUPPORT PLAN

**DOE CONTRACTOR
ADMINISTRATIVE/OVERHEAD STAFF
FOR WASHINGTON, D.C., OFFICES
FY1999**

DOE Contractor: _____

Address: _____

Washington, D.C. office(s):

Site 1: _____ Office Manager: _____

_____ Phone Number: _____

Site 2: _____ Office Manager: _____

_____ Phone Number: _____

Administrative support staff required for FY 1999 for each site (M&O contractor employees only - does not include subcontractor support):

SITE #1 (NAME THE SITE)

Administrative Staff Member	Duration of Assignment (Start Date to Anticipated End Date)	Function Statement of Necessity for Presence in Washington, D.C. Office	Payroll Cost	Account(s) Charged% Charged(e.g. NE-70%, Overhead-30%)

SITE #2 (NAME THE SITE)

Administrative Staff Member	Duration of Assignment (Start Date to Anticipated End Date*)	Function Statement of Necessity for Presence in Washington, D.C. Office	Payroll Cost	Account(s) Charged% Charged (e.g., NE-70%, Overhead - 30%)

SUBCONTRACTOR SUPPORT

Function Performed by Subcontractor	Basis for Subcontracting Function	FTE's Required in FY 1999	Anticipated FY1999 Cost	Account Charged	Subcontract or Company

Ratio of Administrative to Technical Staff:

Site #1 (NAME):
Number of Professional Technical Staff:
Ratio:

Site #2 (NAME):
Number of Professional Technical Staff:
Ratio:

**TECHNICAL OR "SPECIAL CATEGORY" STAFF SUPPORTED BY
DISCRETIONARY FUNDING MULTI-PROGRAM FUNDING:**

Staff Member	Term of Assignment	Function Statement of Justification	Anticipated FY1999 Cost	Account Charged

Anticipated events during FY1999 that may impact the number of positions, costs, or duration of assignments reflected in the table above (i.e., expansion of a program; discontinuance of support services provided by home site):

Anticipated costs for maintaining the office (i.e., rent, office equipment, office supplies, etc.):

FY1999

FY1998 (FOR COMPARISON)**

Site #1 (NAME): (ITEMIZE COSTS)

Site #2 (NAME): (ITEMIZE COSTS)

**Significant variances in costs are attributable to the following:

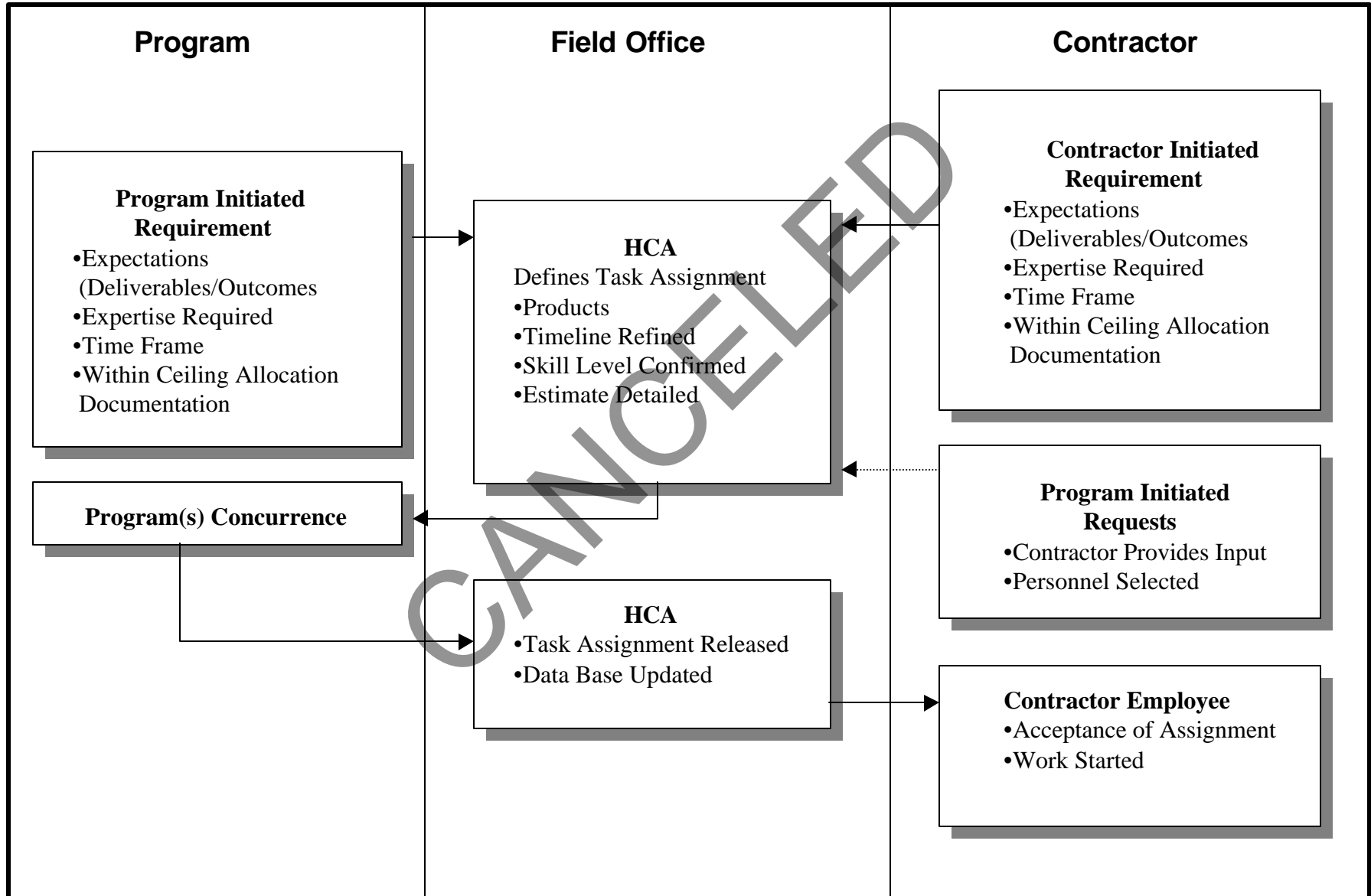
APPROVAL:

This plan accurately reflects the administrative support anticipated by (contractor) and (DOE Field Office) as necessary for the contractor to meet FY1999 requirements in support of DOE's mission.

Contracting Officer
(DOE FIELD OFFICE)

(Contractor's negotiating official)

Procedures for Work Assignments in Washington D.C.



**FACILITY CONTRACTOR/SITE SUPPORT
ACTUAL FY 1999 COSTS**

<u>Appropriation (Fund Type)/ProgramName/ Type of Cost</u>	<u>FY 1999 Actual Costs (fully burdened) (dollars in thousands)</u>
A. Facility Contractor Employee Costs	
Fund Type Y9 /Photovoltaics	
Name(s) of Contractor Employee(s): _____	

Salaries/Benefits	
Travel	
Office Support	
Equipment	
Other Costs	
Total, Photovoltaics	<u>\$XXX,XXX</u>
Fund Type Y9/Geothermal	
Name(s) of Contractor Employee(s): _____	

Salaries/Benefits	
Travel	
Office Support	
Equipment	
Other Costs	
Total, Geothermal	<u>\$XXX,XXX</u>
Total, Fund Type Y9	
Fund Type WA/Basic Energy Sciences	
Name(s) of Contractor Employee(s): _____	

Salaries/Benefits	
Travel	
Office Support	
Equipment	

<u>Appropriation (Fund Type)/ProgramName/ Type of Cost</u>	<u>FY 1999 Actual Costs (fully burdened) (dollars in thousands)</u>
Other Costs	
Total, Basic Energy Sciences	<u>\$XXX,XXX</u>
Fund Type WA/Magnetic Fusion	
Name(s) of Contractor Employee(s):	
.....	
Salaries/Benefits	
Travel	
Office Support	
Equipment	
Other Costs	
Total, Magnetic Fusion	<u>\$XXX,XXX</u>
Total, Fund Type WA	<u>\$XXX,XXX</u>
Total Facility Contractor Employee Costs	<u>\$XXX,XXX</u>
B. Washington Site Office	
Name(s) of Contractor Employee(s):	
.....	
Salaries/Benefits	
Travel	
Office Support	
Equipment	
Other Costs	
Total, Washington Site Office	<u>\$XXX,XXX</u>
Less: Allocations of overhead/burden costs duplicated in Item A above ²	<u>-\$XXX,XXX</u>

²A portion of fully loaded costs of DOE programs will contain a portion of overhead/burdened costs for the facility contractor's Washington, D.C., support office. If these costs are "de minimis," so state.

<u>Appropriation (Fund Type)/ProgramName/ Type of Cost</u>	<u>FY 1999 Actual Costs</u> <u>(fully burdened)</u> <u>(dollars in thousands)</u>
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Net cost of Facility Contractor Employee and Support Costs in the Washington, D.C., area	<u>\$XXX,XXX</u>
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CANCELED