



Department of Energy

Washington, DC 20585

JM CHRONOLOGY

JM RECEIVED 4/17/14
OUT FOR REVIEW 4/21/14
DRB DISCUSSION 5/1/14

MEMORANDUM FOR INGRID KOLB

DIRECTOR
OFFICE OF MANAGEMENT

THROUGH:

KEVIN T. HAGERTY
DIRECTOR
OFFICE OF INFORMATION RESOURCES

FROM:

PAUL BOSCO
DIRECTOR
OFFICE OF ACQUISITION
AND PROJECT MANAGEMENT

SUBJECT: Notice of Intent to Revise Department of Energy O 361.1B,
Acquisition Career Management Program

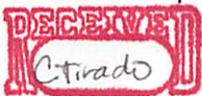
PURPOSE: In accordance with Department of Energy (DOE) Order 251.1C, *Departmental Directives Program*, paragraph 7, pages 1-12 the purpose is to revise DOE Order 361.1B to reflect updates and changes since the last revision, January 24, 2008. The changes will align the Order with current Federal and Departmental directives.

DOE Order 361.1B establishes the Acquisition Career Management Program (ACMP) within DOE. The Order applies to all Departmental elements except the Bonneville Power Administration and DOE contractors. The Administrator of the National Nuclear Security Administration (NNSA) will ensure that NNSA employees comply with their respective responsibilities under this Order.

DOE Order 361.1B facilitates achievement of the following:

- Defines DOE's acquisition workforce who are required to hold certifications and the associated authorities;
- Establishes a means for providing continuity for effective acquisition career management and customer support;
- Establishes this Order as the overarching directive governing training, continual learning, and career development for the acquisition workforce;
- Ensures uniformity in acquisition certification policy for each certification of the ACMP.

JUSTIFICATION: DOE Order 361.1B provides operational oversight to support DOE acquisition career management and align with the Office of Management and Budget



(OMB), Office of Procurement Policy (OFPP) and DOE directives. The attached risk assessment and registry indicate that such oversight is necessary to define which certifications will be supported by the DOE Acquisition Career Manager; garner alignment with Federal and Departmental directives; improve and update DOE administration of the ACMP; and delegate authorities to appropriate levels to better manage certifications and development of the acquisition workforce.

IMPACT: The proposed revision to the Order does not duplicate existing laws, regulations, or national standards, and does not create an undue burden on the Department.

SUMMARY OF CHANGES INCLUDE ALIGNMENT WITH FEDERAL AND DEPARTMENTAL DIRECTIVES:

1. **Clarifications:** Clearly define which certifications will be supported by the Department’s Acquisition Career Manager.
2. **Alignment:** Ensure alignment with the Code of Federal Regulations – 41 U.S.C. § 1704(e) – Planning and Policy Making for the Acquisition Workforce; Departmental reorganization and directives; OMB/OFPP policies pertaining to the acquisition workforce. Also, remove duplication of requirements.
3. **Program Administration:** Improve and update DOE administration of the ACMP and delegate authorities to appropriate levels to better manage certifications and development of the acquisition workforce.

MAJOR CHANGES:

The proposed changes, while not considered major, will ensure alignment with Federal regulations, OMB/OFPP guidance, and Departmental directives.

WRITER: Gregory Jackson, Gregory.jackson@hq.doe.gov, (202)287-1749

OPI/OPI CONTACT: Office of Acquisition and Project Management (MA-60), contact Linda Ott (202-287-5310).

Ingrid Kolb, Director, Office of Management (MA-1):

Concur:  Nonconcur: _____ Date: 5-1-14

<u>Standard Schedule for Directives Development</u>	<u>Days</u>
Draft Development	Up to 60
Review and Comment (RevCom)	30
Comment Resolution	30
Final Review	30
Total	150

Risk Identification and Assessment for DOE Order 361.1B

The changes to DOE Order 361.1B, Acquisition Career Management Program (ACMP), have been identified into the following categories: 1) Clarification, 2) Alignment, and 3) Program Administration. Administrative changes and corrections are not addressed in this assessment.

- 1. Clarifications:** Clearly define which certifications will be supported by the Department's ACM.
- 2. Alignment:** Ensure alignment with the Code of Federal Regulations (CFR) - 41 U.S.C. § 1704(e) – Planning and Policy Making for the Acquisition Workforce; Departmental reorganization and directives from Office of Management and Budget (OMB); Office of Federal Procurement Policy (OFPP) policies associated memoranda pertaining to the acquisition workforce. Remove duplication of certification requirements.
- 3. Program Administration:** Improve and update DOE administration of the ACMP and delegate authorities to appropriate levels, better manage certifications and development of the acquisition workforce.

Risk Identification and Assessment for DOE Order 361.1B

The following table analyzes the risks for each category. N/A indicates a risk did not apply to any changes within that category. To identify the risk for each individual change, refer to the following table.

Risk	Risk Assessment			Appropriate to Accept Risk Yes/No
	Probability	Impact	Risk Level	
People				
P1. If the Department's strategy, processes, structure and people are out of alignment, then mission accomplishment will be adversely impacted.	Likely	Medium	Significant	No
P2. The acquisition workforce may not demonstrate the required level of knowledge, expertise, and oversight of contracts.	Likely	Medium	Significant	No
P3. Quality of contract management and oversight declines.	Likely	Medium	Significant	No
P4. The acquisition workforce may focus on certification requirements and not development of the individual.	Likely	Low	Moderate	No
Mission	Probability	Impact	Risk Level	
M1. Contract management and project management are out of alignment.	Likely	Medium	Significant	No
M2. Acquisition workforce members, including Contracting Officers (CO), Contracting Officer Representatives (COR), and Project Managers (PM) may not possess the government-wide certifications to accomplish the DOE mission.	Certain	High	Extreme	No
M3. Contractors may not fulfill contract requirements, due to poor contract administration.	Likely	Medium	Significant	No
Physical Assets	Probability	Impact	Risk Level	
N/A	N/A	N/A	N/A	
Financial Assets	Probability	Impact	Risk Level	
F1. Reduction of training and certification resources.	Possible	Medium	Significant	No
F2. Increased contract costs and claims.	Certain	High	Extreme	No
F3. Funds are wasted or mismanaged.	Likely	High	Extreme	No
Customer/Stakeholder Trust	Probability	Impact	Risk Level	
C/ST 1. Loss of confidence in DOE's ability to properly manage tax payer dollars.	Certain	High	Extreme	No

Risk Identification and Assessment for DOE Order 361.1B

Gap Analysis of Existing Risks and Controls

Laws	<p>Code of Federal Regulations:</p> <ul style="list-style-type: none"> • 41 U.S.C. 401, (OFPP Act Established by Congress, 1974 - to provide overall direction for government-wide procurement policies, regulations and procedures and to promote economy, efficiency, and effectiveness in acquisition processes.) • 41 U.S.C. § 405(a), and sections 37(b) (3) and (g) of the OFPP Act, as amended; • 41 U.S.C. § 433(b)(3) and (g); • 41 U.S.C. § 1704
External Regulation	<ul style="list-style-type: none"> • GAO Reports; • IG Audits; • <u>OMB circular A-123</u>; • Previous and Future OFPP Policy Letters; • FAR <u>1.603-1</u> and <u>1.602-2(d)(2)</u>; • Office of Management and Budget (OMB), Office of Federal Procurement Policy (OFPP) Letter, December 2013: Revisions to the Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) • OMB, OFPP Policy Letter, September 2013, Increasing Efficiencies in the Training, Development, and Management of the Acquisition Workforce (FAITAS) • OMB, OFPP Policy Letter 09-11; Revisions to the Federal Acquisition Certification for Contracting Officers Representatives, • OMB, OFPP Policy Letter September 6, 2011, revisions to the Federal Acquisition Certification Contracting Officer's Representatives (FAC-COR); • OMB, OFPP Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions; • Office of Management and Budget, Office of Federal Procurement Policy Letter 05-01 - Developing and Managing the Acquisition Workforce; • P.L.104-106, the Clinger-Cohen Act of 1996, also known as the Federal Acquisition Reform Act (FARA), amended the OFPP Act (Section 4307); expanded OFPP responsibility to include establishing education, training, and experience requirements for civilian agencies, comparable to those established for the Department of Defense in 1991 by the Defense Acquisition Workforce Improvement Act; established a new Section 37 of the OFPP Act; and strengthened the statutory responsibility of the director of OFPP; • FAR 1.603-1 links the selection and appointment of contracting officers to OFPP standards that require skill-based training for contracting and purchasing duties; • Public Law (P.L.) 108-136, the Services Acquisition Reform Act (SARA) of 2003, defines acquisition to include, among traditional contracting functions, requirements definition, measurement of contract performance, and technical and

Risk Identification and Assessment for DOE Order 361.1B

	<p>management direction;</p> <ul style="list-style-type: none"> • OMB, OFPP Policy Letter 97-01, "Procurement System Education, Training, and Experience Requirements for Acquisition Personnel," dated 9-12-97, implements Public Law 104-106; • OMB, OFPP Policy Letter 06-01, Federal Acquisition Certification in Contracting Program, established the Federal Acquisition Certification in Contracting, and the requirements for education, training, and experience for those seeking a Federal Certification in Contracting; • OMB, OFPP Policy Letter 92-3, "Procurement Professionalism Program Policy— Training for Contracting Personnel," dated 6-24-92, establishes policies and a Government-wide standard for skill-based training for the Federal acquisition workforce. The OFPP policy letter also establishes a set of contracting competencies and requires contracting professionals to complete course work and related on-the-job training to attain an appropriate level of skill in each contract management duty; • The National Performance Review directed the Federal Government to establish a well-trained, professional, procurement workforce to keep pace with the demands of an increasingly complex procurement process; • Executive Order (E.O.) 12931, OFPP Policy Memorandum, dated October 13, 1994, "Federal Procurement Reform," underscores the Administration's approach to procurement management and requires Agencies to establish career education programs for procurement professionals. • The OECM Web site at http://oecm.energy.gov provides information on the PMCDP; • The OPAM professionals Website, http://management.energy.gov/project_management.htm; • The Defense Acquisition University Web site, at www.dau.mil, provides information on course equivalencies; • The Federal Acquisition Institute Web site, at www.fai.gov, provides information on available online courses; <p>Acquisition Career Management Program Handbook, First edition, January 2007 http://management.energy.gov/policy_guidance/procurement_acquisition.htm.</p>
DOE Regulation	DOE Memorandum, March 2012 – Merge the Offices of Engineering and Construction Management and Procurement and Assistance Management
DOE Orders	<ul style="list-style-type: none"> • DOE O 413.3B, Program and Project Management Program for the Acquisition of Capital Assets • DOE M 360.1-1B, Federal Employee Training Manual
Contract Controls	<ul style="list-style-type: none"> • None
External Assessments	FAI Competency Surveys

Subject Area	Attachment 1 Risk	Risk Assessment			Appropriate to accept risk?	Appropriate to transfer risk to Contractor?	External Controls	Internal Controls	Potential Cost/Benefit	Explanation	Mitigation Techniques	DOE Order 361.1B	DOE Order 361.1C	Delta
		Probability	Impact	Risk Level	Yes/No	Yes/No								
P3. Quality of contract management and oversight declines.		Certain	High	Extreme	No	No	<ul style="list-style-type: none"> **Congressional Oversight **OFPP Policy **OMB Circular A-123 **GAO Audits **GPR **FAR **IG Audits **Business Clearance **FMFIA 	The CAO is responsible for identifying the members of the agency's acquisition workforce and for implementing a budget strategy that reflects the workforce's development needs and organizational structure of the agency. This strategy might include identifying funding sources, establishing a methodology for prioritizing funding needs, and otherwise institutionalizing a process for maximizing the	Provides a government-wide framework for creating a federal acquisition workforce with the skills necessary to deliver best value supplies and services, find the best solutions, and provide strategic business advice to accomplish agency missions.	Same as P2	Identify critical acquisition-related duties and tasks in which, at a minimum, acquisition career employees must be competent to perform at full performance and grade levels in accordance with OFPP, FAI and the FAR.	OFPP Policy Letter / 05-01 **April 2005 Developing and Managing the Acquisition Workforce	Alignment with OFPP Policy Letters: ** September 2013, Increasing Efficiencies in the Training, Development, and Management of the Acquisition Workforce (FAITAS); **September 6, 2011, revisions to the Federal Acquisition Certification Contracting Officer's Representatives (FAC-COR);	Same as P3 Potential Cost/Benefit
	P4. The acquisition workforce may focus on certification requirements and not development of the individual.	Likely	Low	Moderate	No	No	Same as P3	The appropriate DOE and NNSA Senior Procurement Executive (SPE) shall ensure that members of the acquisition workforce under their cognizance are certified to the career levels appropriate to the grades they occupy or to their responsibilities in	FAITAS provides training resources and a career development strategy to obtain relevant training through Individual Development Plan implementation for each individual.	Same as P2	The DOE Acquisition Career Manager and Site Acquisition Career Managers will monitor certification requests ensuring employees meet all Federal course and continual learning requirements for certification at the	Functional Advisors (FAs)	Sight Acquisition Career Managers (SACM's)	Alignment with DOE Reorganization Memorandum March 2012
M1. Contract management and project management are out of alignment.		Likely	Medium	Significant	No	No	<ul style="list-style-type: none"> **Congressional Oversight **OFPP Policy **Business Clearance **Performance Baseline **FAR **Contract Review Board **Contract Modification **CPARS 	<ul style="list-style-type: none"> **Conduct training needs assessments and Procurement Management Reviews (PMRs) identify links between contract management and project management to training needs. **Accomplish Project Peer Reviews, Program quarterly project reviews, and deep dives. 	<ul style="list-style-type: none"> **Focus on contractual outcomes **Emphasis on cost control 	Same as M1 External Controls	Conduct Kirkpatrick Levels II-Learning, III-Behavior and IV-Results evaluations to identify organizational and individual training needs.	OFPP Policy Letter 92-3, Procurement Professionalism Program Policy— Training for Contracting Personnel	<ul style="list-style-type: none"> **OFPP Policy Letter, September 2013, Increasing Efficiencies in the Training, Development, and Management of the Acquisition Workforce (FAITAS) ** (OFPP) Letter, December 2013: Revisions to the Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) 	Alignment with previous and future OMB/OFPP Policy Letters

Subject Area	Attachment 1 Risk	Risk Assessment			Appropriate to accept risk?	Appropriate to transfer risk to Contractor?	External Controls	Internal Controls	Potential Cost/Benefit	Explanation	Mitigation Techniques	DOE Order 361.1B	DOE Order 361.1C	Delta
		Probability	Impact	Risk Level	Yes/No	Yes/No								
Mission	M2. Acquisition workforce members, including Contracting Officers (CO), Contracting Officer Representatives (COR), and Project Managers (PM) may not possess the government-wide certifications to accomplish the DOE mission.	Certain	High	Extreme	No	No	**OFPP Policy ** FAR **Delegated Authorities, ACMP, HCA, Delegation Memoranda **Quality Assurance Plan **CPARS **CO **COR	**Track the certification status of members and provide the ACM with quarterly updates of training, developmental assignments, and certification status.	Achieve alignment with Federal acquisition standards.	Same as M2 External Controls	Same as M2 Internal Controls	ACMIS - Outdated system	Implementation of Federal Acquisition Institute Training Application System (FAITAS) - maintains and manages consistent Government-wide data on the Federal acquisition workforce. FAITAS is designed to track career and certification management of the Federal acquisition workforce in all FAC programs (FAC-C; FAC-COR; & FAC-P/PM).	Alignment with previous and future OMB/OFPP Policy Letters
	M3. Contractors may not fulfill contract requirements, due to poor contract administration.	Likely	Medium	Significant	No	No	**Congressional Oversight **GAO **FAR **CO **COR **CPARS **Quality Assurance Plan	Same as M1	Improve contract oversight.	Same as M3 External Controls	**Accurately record information in CPARS **Obtain training and certification results from Project Management Reviews **Conduct training needs assessment / evaluations	N/A	Same as M1 DOE Order 361.1C	Alignment with previous and future OMB/OFPP Policy Letters
Physical Assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	F1. Reduction of training and certification resources.	Possibly	Medium	Significant	No	No	External Controls include the following Federal directives: **Congressional Oversight **OFPP Policy **OMB Circular A-123 **GAO Audits **GPRA **FAR **IG Audits	Propose to the CAO an annual budget for the development of the acquisition workforce.	Increased resources would enhance training and certification opportunities.	Alignment with Federal and Departmental directives	Propose to the CAO an annual budget for the development of the acquisition workforce.	ACMIS - Outdated system	Same as P2 & P3 DOE Order 361.1C	Alignment with previous and future OMB/OFPP Policy Letters

	Attachment 1	Risk Assessment			Appropriate to accept risk?	Appropriate to transfer risk to Contractor?								
Subject Area	Risk	Probability	Impact	Risk Level	Yes/No	Yes/No	External Controls	Internal Controls	Potential Cost/Benefit	Explanation	Mitigation Techniques	DOE Order 361.1B	DOE Order 361.1C	Delta
Financial Assets	F2. Increased contract costs and claims.	Certain	High	Extreme	No	No	<ul style="list-style-type: none"> **Congressional Oversight **Anti-deficiency Act **Contract Clauses **ACM **FAR **Adjudication of Claims **Project Manager and his/her project team 	The CAO is responsible for identifying the members of the agency's acquisition workforce and for implementing a budget strategy that reflects the workforce's development needs and organizational structure of the agency.	<ol style="list-style-type: none"> 1. Reduce duplicative training and development efforts. 2. Save tax-payer dollars. 3. Reduce workforce management information system. 4. Leverage scarce training resources across the Department. 	Alignment with Federal and Departmental directives	Identify funding sources, establishing a methodology for prioritizing funding needs, and otherwise institutionalizing a process for maximizing the agency's acquisition workforce training budget.	Headquarters and Field Element Managers identify training needs, provide funding for training, and create plans for acquisition workforce members development consistent with site mission needs.	Same as F2 DOE Order 361.1B	Alignment with previous version
	F3. Funds are wasted or mismanaged.	Possibly	Medium	Significant	No	No	<ul style="list-style-type: none"> **Congressional Oversight **Quality Assurance Plans **COR **ACM **FAR **FMFIA **Contract Clauses **Audits **Invoice Approval 	The CAO is responsible for identifying the members of the agency's acquisition workforce and for implementing a budget strategy that reflects the workforce's development needs and organizational structure of the agency.	Same as F2	Ensures that the policies and procedures for workforce management are consistent with those established by OFPP	Same as F2 Mitigation Techniques	N/A	Same as P2 & P3 DOE Order 361.1C	Alignment with previous and future OMB/OFPP Policy Letters
Customer / Stakeholder Trust	C/ST 1. Loss of confidence in DOE's ability to properly manage tax payer dollars.	Certain	High	Extreme	No	No	<ul style="list-style-type: none"> **Congressional Oversight **GAO Audits **IG Audits **ACM **FAR **FMFIA **Contract Clauses **Audits 	Accountability: <ul style="list-style-type: none"> **Review quarterly reports on CL/CE status and provide 90-day notification to members and their supervisors of pending revocation of certifications when CL/CE requirements for maintaining certification are not met. 	<ol style="list-style-type: none"> 1. Save tax-payer dollars. 2. Reduce workforce management information systems. 3. Leverage scarce training resources across the Department. 	Alignment with Federal and Departmental directives	Unless extenuating circumstances such as illness or military service prevent a workforce member from obtaining the required CL/CE, recommend to the ACM that the workforce member's certification be revoked after the 90-day notification period has been exceeded without appropriate remedial action, and notify the workforce member's supervisor that the certification has been revoked.	Same as M2 DOE Order 361.1B	Same as P2 & P3 DOE Order 361.1C	Alignment with previous and future OMB/OFPP Policy Letters

Risk Assessment and Registry for DOE Order 361.1B/361.1C

Subject Area	Attachment 1	Risk Assessment			Appropriate to accept risk?	Appropriate to transfer risk to Contractor?	External Controls	Internal Controls	Potential Cost/Benefit	Explanation	Mitigation Techniques	DOE Order 361.1B	DOE Order 361.1C	Delta
		Probability	Impact	Risk Level	Yes/No	Yes/No								
People	P1. If the Department's strategy, processes, structure and people are out of alignment, then mission accomplishment will be adversely impacted.	Likely	Medium	Significant	No	No	DOE Memorandum March 2012 - Merge the Offices of Engineering and Construction Management and Procurement and Assistance Management	Internal controls established the following offices: **Director of Contracting Management **Director of Project Management **Director of Systems and Professional Development **Director of Policy Management **Director of Property Management **Director of HQ Procurement Services	Alignment with DOE Reorganization Memorandum March 2012, which **Alignment of roles and responsibilities - cut duplication **Redefine work/restructure Federal Workforce **Pursue agile structures	Alignment with DOE Memorandum March 2012 - Merge the Offices of Engineering and Construction Management and Procurement and Assistance Management.	Same as P1 Internal Controls / Potential Cost/Benefit	Does not include	Alignment with DOE Reorganization Memorandum March 2012, which **Alignment of roles and responsibilities - cut duplication **Redefine work/restructure Federal Workforce **Reduce reliance on Support Services Contracts **Pursue agile structures	Same as P1 Potential Cost / Benefit
	P2. The acquisition workforce may not demonstrate the required level of knowledge, expertise, and oversight of contracts.	Likely	Medium	Significant	No	No	External Controls include the following Federal directives: **Congressional Oversight **OFPP Policy **OMB Circular A-123 **GAO Audits **GPRA **FAR **IG Audits **Business Clearance **FMFIA	In accordance with OMB/OFPP, the Chief Acquisition Officer (CAO) will develop and maintain an acquisition career management program to ensure the development of a competent, professional workforce to support the accomplishment of DOE's mission. The CAO is responsible for identifying the members of the acquisition workforce and for implementing a budget that strategy that reflects the workforce's development needs. The CAO appoints the Acquisition Career Manager (ACM) to lead DOE's ACMP. The NNSA Administration appoints the NNSA ACM to lead the NNSA ACMP.	**Provide a DOE framework in alignment with Federal agencies acquisition workforce skill level with the implementation of FAITAS. **Mandatory System - Reduces training redundancy, provides low to no cost targeted acquisition training available Nation-wide; accurately tracks Federal certifications, universal Government-wide system that maintains a system of records for individual training.	Alignment with Federal and Departmental directives	**Track acquisition workforce members' career paths to ensure training, development activities, and developmental experiences are being provided and used in a manner consistent with their respective career development programs.	Maintains and manages consistent DOE-wide data on those in the acquisition workforce in the Acquisition Career Management Information System (ACMIS). ACMIS primarily tracked career management of one FAC program (FAC-C).	Maintains and manages consistent Government-wide data on the Federal acquisition workforce within Federal Acquisition Institute Training Application System (FAITAS). FAITAS is designed to track career and certification management of the Federal acquisition workforce in all FAC programs (FAC-C; FAC-COR; & FAC-P/PM).	The implementation of FAITAS provides the DOE Acquisition Workforce with a Government-wide, Single-Point Career Decision Support System, Business Intelligence, Analytical Applications, Informational Tiers and Strategy Management.