



# U.S. Department of Energy

Oak Ridge Operations

ORO O 430  
Chapter I

DATE: 9-30-96

## SUBJECT: LIFE CYCLE ASSET MANAGEMENT

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1. PURPOSE. This Chapter correlates to DOE O 430.1, LIFE CYCLE ASSET MANAGEMENT, dated August 24, 1995, by assigning responsibility and accountability and providing administrative and/or contractual guidance to Oak Ridge Operations (ORO), Office of Scientific and Technical Information (OSTI), and their contractors. This Chapter establishes the policy and process within ORO to ensure a value-added, quality driven, graded approach to life cycle asset management (LCAM). This Chapter is not intended to be a stand-alone document, but is to be used in conjunction with DOE O 430.1. Nothing in this issuance changes any requirements contained in any DOE Order.

DOE O 430.1 will be implemented at Oak Ridge sites through the establishment, by contract, of performance criteria and performance measures. Contractors will be evaluated based on performance relative to the measures established. Any existing Orders and Oak Ridge Implementation Guidance (ORIG) documents listed below and already implemented in current contracts remain in effect until such incorporation takes place.

This Chapter establishes Federal responsibilities for implementing obligations delineated in DOE O 430.1 and Federal and contractor responsibilities delineated in Headquarters (HQ) Joint Program Office Direction on Project Management (JPODPM). Policy and programmatic direction in other functional areas of LCAM may be issued by Headquarters in the future and will be incorporated into this Chapter at that time. In the acquisition, operation, maintenance, and disposition of physical assets, all applicable Federal, state, and local laws and regulations shall be followed.

For specific facilities under the purview of the Defense Nuclear Facilities Safety Board (DNFSB), DOE 4330.4B, Maintenance Management Program, and DOE 6430.1A, General Design Criteria, remain in effect until 10 CFR 830.34, Maintenance Management, and DOE O 420, Facility Safety, for Defense Nuclear Facilities are both issued as finals by the Assistant Secretary for Environment, Safety, and Health.

2. CANCELLATION. This Chapter cancels and replaces:
  - a. ORIG 4320.1A, SITE DEVELOPMENT PLANNING, dated April 27, 1992.
  - b. ORIG 4320.2, CAPITAL ASSET MANAGEMENT PROCESS (CAMP), dated March 22, 1995.
  - c. ORIG 4330.4C, MAINTENANCE MANAGEMENT PROGRAM, dated November 10, 1994.
  - d. ORIG 4700.1, PROJECT MANAGEMENT SYSTEM, dated April 17, 1992.
  - e. ORIG 5700.2D, COST ESTIMATING, ANALYSIS, AND STANDARDIZATION, dated July 19, 1993.
  - f. ORIG 6430.1B, GENERAL DESIGN CRITERIA, dated September 2, 1993.

3. APPLICABILITY. The provisions of this Chapter apply to ORO organizations, OSTI, and all contractors/subcontractors performing work for ORO that involves the stewardship (planning, acquiring, maintaining, and/or disposing) of physical assets.
4. RESPONSIBILITIES.
  - a. Assistant Manager for Construction and Engineering.
    - (1) Establishes ORO guidance for the implementation and application of management practices for all LCAM activities.
    - (2) Provides guidance, advice, and assistance to the Assistant Managers, Site Managers, Program Managers, and Project Managers in implementing the DOE and ORO LCAM Orders.
    - (3) Serves as the ORO point of contact with the DOE Office of Field Management for the development and communication of policy relating to LCAM activities.
    - (4) Participates in the LCAM Steering Group.
  - b. Assistant Manager for Environmental Management.
    - (1) Serves as Project Manager of all ORO Environmental Restoration activities (OR-1 MSA Project) including all RCRA/CERCLA investigation/clean-up activities as well as Decontamination & Decommissioning and Surveillance and Maintenance programs.
    - (2) Plans and manages all ORO Environmental Restoration Regulatory Interfaces and Agreements with Federal and state regulatory agencies.
    - (3) Manages Surplus Facilities that have been turned over to EM for disposition.
    - (4) Leads in developing project management performance objectives, criteria, and measures in accordance with HQ program guidance and ensuring measures are in place for evaluating contractor performance.
    - (5) Monitors the execution of assigned projects and evaluates the performance of the contractor against project management performance measures.
  - c. Assistant Manager for Enrichment Facilities.
    - (1) Serves as the COR for the day-to-day administration of utility contracts for ORO to assure that the terms and conditions of the utility contracts are met.
    - (2) Develops option studies and negotiates utility contracts to assure the lowest cost for the supply of utilities.

- (3) Serves as the interface between DOE and United States Enrichment Corporation (USEC) for the supply of utilities at Portsmouth and Paducah under the DOE/USEC lease agreement. Ensures advance payments to DOE are sufficient to cover consumption and prevent antideficiency of power funds.
  - (4) Oversees the use of utilities by M&O contractors at DOE ORO facilities as well as DOE usage at Portsmouth and Paducah.
  - (5) Prepares annual reports of utility consumption and costs to satisfy HQ requirements.
  - (6) Participates in DOE's utility intervention process with General Counsel and the Office of Field Management.
- d. Other ORO Assistant Managers.
- (1) Designate the project managers for projects specifically assigned to them by the ORO Manager.
  - (2) Lead in developing LCAM performance objectives, criteria, and measures in accordance with HQ program guidance and ensuring measures are in place for evaluating contractor performance.
  - (3) Monitor the execution of assigned projects and evaluate the performance of the contractor against project management performance measures in their contract.
  - (4) Coordinate with the Director, Engineering Services Division (ESD) for implementation of value engineering, comprehensive land-use development, maintenance management, cost estimating and operational configuration management.
  - (5) Coordinate with the Director, Project Management Division (PMD), for implementation of project management functions.
- e. Director, Engineering Services Division.
- (1) Develops guidelines and procedures for value engineering, comprehensive land-use planning, capital asset management, maintenance management, cost estimating and operational configuration management as they relate to LCAM.
  - (2) Designates Project Managers for assigned projects.
  - (3) Monitors the execution of assigned projects and evaluates the performance of the contractor against project management performance measures.
  - (4) Provides guidance, advice, and assistance to the Principal Staff and Project Managers on implementation requirements of value engineering, comprehensive land-use planning,

maintenance management, cost estimating, capital asset management and operational configuration management.

- (5) Assists line organizations in developing performance objectives, criteria, and measures for maintenance management, cost estimating, value engineering, comprehensive land-use planning, and operational configuration management in accordance with guidance and ensuring measures are in place for evaluating contractor performance.
- (6) Assists line organizations in evaluation of the performance of the contractor against performance measures for maintenance management, cost estimating, value engineering, comprehensive land-use planning, and operational configuration management.
- (7) Leads for development, review, and validation of project cost and schedule control systems for DOE and contractors.

f. Director, Project Management Division.

- (1) Develops and executes guidelines, procedures, and uniform reporting for the planning, design, construction, and configuration management of all demonstration, production and research facilities and remedial action projects in ORO (except those projects specifically assigned to others by the Manager); serves as the Contracting Officer's Representative on assigned contracts.
- (2) Assists line organizations in developing project management performance objectives, criteria, and measures in accordance with Headquarters and ORO program guidance and ensuring measures are in place for evaluating contractor performance.
- (3) Designates Project Managers for assigned projects.
- (4) Monitors the execution of assigned projects and assists line organizations in evaluation of the performance of the contractor against project management performance measures.
- (5) Provides guidance, advice, and assistance to the Assistant Managers, Site Managers, Program Managers, and Project Managers in implementing the DOE and ORO LCAM Orders.
- (6) Serves as the division of primary interest (DPI) for DOE O 430.1 and participates in the LCAM Planning and Analysis Group.

g. Site Managers with Contracting Officers' Representatives (COR) responsibilities:

- (1) Perform COR responsibilities for site contracts and programs.
- (2) Develop performance objectives, criteria and measures in accordance with program and landlord guidance and lead in implementing performance measures.

- (3) Negotiate program performance objectives, criteria, and measures with contractors and Headquarters with support from matrix as needed.
  - (4) Evaluate contractor performance based on established criteria and measures with support from matrix as needed.
  - (5) Prepare physical asset plans and budget requests.
  - (6) Approve or obtain approvals as applicable for projects and activities from sponsoring program offices.
  - (7) Lead and coordinate external oversight and ‘for cause’ reviews of activities of contractors under their authority.
  - (8) Verify adequate management of inactive and surplus facilities until final disposition by the landlord program or transfer to Environmental Management (EM).
- h. Director, Procurement and Contracts Division.
- (1) Develops and implements guidelines and procedures for the acquisition, use, inventory, and disposal of all DOE physical assets, including real estate and personal property.
  - (2) Utilizes a DOE-certified Realty Specialist for the direction and execution of real estate acquisitions and disposal programs.
  - (3) Provides guidance, advice, and assistance to Principal Staff, Program Managers, and Project Managers in complying with real estate and personal property requirements, including requirements of the DOE LCAM Orders.
  - (4) Provides Contracting Officer services as appropriate, including ensuring that all negotiated performance criteria and measures, based on the requirements of DOE O 430.1, are incorporated in all contracts (new and existing), as appropriate.
  - (5) Notifies the Office of Field Management of excess real property that has a significant remaining useful life.
- i. Director, Planning and Budget Division.
- (1) Provides guidance and instructions applicable to budget formulation and execution of guidelines, procedures and practices relative to physical assets and collateral activities.
  - (2) Reviews Project Authorizations for compatibility and availability of funds.
  - (3) Develops guidance for project cost and schedule control systems.

- (4) Participates in the development, review, and validation of cost and schedule control systems for DOE and contractors.
  - (5) Reviews Project Data Sheets (PDS) for compatibility with budget and funding request, availability and constraints. Incorporates PDS into annual ORO budget submissions to DOE HQ.
5. REQUIREMENTS AND PROCEDURES. None.
6. REFERENCES.
  - a. DOE Headquarters Guidance Documents.
  - b. Federal Property Management Regulations.
  - c. Uniform Relocation Assistance and Real Property Acquisitions Act.
  - d. DOE Property Management Regulations.
  - e. DOE Leasing Handbook.
  - f. Facilities Information Management System Reference Manual.
  - g. Joint Program Office Direction on Project Management.
  - h. Oak Ridge Property Management Instructions.
7. DEFINITIONS. See DOE O 430.1, Attachment 1.
8. CONTRACTOR REQUIREMENTS DOCUMENT. See Contractor Requirements Document, Attachment 1 of this Chapter.
9. ATTACHMENTS.

Attachment 1 - Contractor Requirements Document.

**CONTRACTOR REQUIREMENTS DOCUMENT**

Contractors that are identified in paragraph 3 of this Chapter shall accomplish the following:

1. Ensure that necessary systems and processes are in place to meet or exceed performance expectations relating to LCAM.
2. Track and report on performance for performance measures approved by DOE.
3. Comply with JPODPM to address the minimum program requirements.
4. Comply with DOE 4330.4B, Maintenance Management Program, and DOE 6430.1A, General Design Criteria, for specific facilities under the purview of the DNFSB, until 10 CFR 830.34, Maintenance Management, and DOE O 420.1, Facility Safety, for Defense Nuclear Facilities are issued final by Assistant Secretary for Environment, Safety, and Health and incorporated into the contracts.