

DIRECTIVES CONTROL FORM - ORO O FINAL DIRECTIVE

PART A (To be completed by the Division of Primary Interest (DPI))

1. **NUMBER AND TITLE OF DIRECTIVE:** **ORO O 430, Chapter I, Change 5, LIFE CYCLE ASSET MANAGEMENT**

2. **PURPOSE OF TRANSMITTAL:** New Directive Revised Directive Page Change

3. **THIS DOCUMENT MAY AFFECT THE WORK PERFORMED BY THE FOLLOWING CONTRACTORS:** (Check appropriate boxes)

No (all contractors)

Yes If yes, whom? LMES LMER ORAU SURA
 Bechtel Jacobs Company

Other contractors (list by type)

Many ORO contractors have approved S/RIDs or WSS sets that may affect applicability of contractor requirements from this directive. Applicability of contractor requirements must take into account the approved standards set for each particular contract.

4. **SIGNIFICANT PROVISIONS:** Are there any significant changes or impact?

No Yes If yes, describe: Following the May 1999 sunset review of this ORO Chapter, the DPI identified additional changes that were needed to reflect current policies. Subparagraphs 4a(5) and (6) have been revised, the previous subparagraph 4a(8) has been deleted (which made it necessary to renumber the following subparagraphs) and the current subparagraph 4a(9) has been updated. Subparagraphs 4d(1) and (4)-(7) have also been revised.

5. **CONTACT POINT:** Janina M. Perez Project Services Division, UE-52 576-1822
Name Organization Telephone

PART B (To be completed by the Directives Management Group (DMG)):

6. **FILING INSTRUCTIONS:**

| <u>Remove</u> | <u>Dated</u> | <u>Insert</u> | <u>Dated</u> |
|-------------------------------|--------------|-------------------------------|--------------|
| ORO O 430, Chapter I, | 05/21/1999 | ORO O Control Form | 07/07/1999 |
| Chg. 4, Pages I-1 through I-7 | | ORO O 430, Chapter I, | 07/07/1999 |
| | | Chg. 5, Pages I-1 through I-7 | |

ORO Orders are available on the ORO Directives Management Home Page [http://www.ornl.gov/doe_oro_dmg/orchklst.htm] within 5-10 working days after receipt of this Control Form. The ORO Orders will no longer be mailed in printed copy unless you do not have Internet capabilities.

7. **APPROVED FOR DISTRIBUTION IN ACCORDANCE WITH THE OFFICIAL DIRECTIVES DISTRIBUTION LIST:**

Original signed by

Jennifer H. Cusick, AD-440
Signature Management Analyst, AD-440

07/07/1999
Date

INSTRUCTIONS TO ADDRESSEES: THIS FORM IS TO BE FILED WITH THE DIRECTIVE AND RETAINED

Rev. 08/04/1998

U.S. Department of Energy

Oak Ridge Operations

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| ORO O 430 Chapter I Chg. 5 |
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DATE: 07/07/1999

SUBJECT: LIFE CYCLE ASSET MANAGEMENT

1. PURPOSE. This Chapter correlates to DOE O 430.1A, LIFE CYCLE ASSET MANAGEMENT, dated October 14, 1998, 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 430.1A. Nothing in this issuance changes any requirements contained in any DOE Order.

DOE O 430.1A 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 DOE Order and Oak Ridge Order Chapter already implemented in current contracts remains in effect until such incorporation takes place.

This Chapter establishes Federal responsibilities for implementing obligations delineated in DOE O 430.1A 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 will be followed.

For specific facilities under the purview of the Defense Nuclear Facilities Safety Board (DNFSB), DOE 4330.4B, Maintenance Management Program, will remain in effect until 10 CFR 830.34, Maintenance Management, for Defense Nuclear Facilities, is issued in final form by the Assistant Secretary for Environment, Safety, and Health.

2. CANCELLATION. This Chapter cancels and replaces ORO O 430, Chapter I, Chg. 4, LIFE CYCLE ASSET MANAGEMENT, dated May 21, 1999.
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, to the extent set forth in their contract.
4. RESPONSIBILITIES. Many ORO contractors have developed Standards/Requirements Identification Documents (S/RIDs) or Work Smart Standards (WSS) sets that may not include requirements referenced or included in DOE 430.1A, its attached CRD, or this Chapter. Interpretation and performance of Federal responsibilities outlined below must take into account

the approved standards set for each particular contract and must not be deemed to add any requirements to the approved set.

a. Assistant Manager for Uranium and Engineering Services (AMUES).

- (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.
- (5) Serves as the Contracting Officer's Representative (COR) for the administration of electric power and natural gas utility contracts for ORO to assure that the terms and conditions of the utility contracts are met.
- (6) Develops option studies and negotiates electric power utility contracts to assure the lowest cost for the supply of utilities.
- (7) 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.
- (8) Prepares annual reports of utility consumption and costs to satisfy HQ requirements.
- (9) Participates in DOE's utility intervention process with General Counsel and the Office of Field Integration.

b. Assistant Manager for Environmental Management (AMEM).

- (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. 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, Technical Services Division (TSD) for implementation of value engineering, comprehensive land-use development, maintenance management, and cost estimating.
 - (5) Coordinate with the Director, Project Services Division (PSD), for implementation of project management functions.
- d. Director, Technical Services Division (TSD).
- (1) Develops guidelines and procedures for value engineering, comprehensive land-use planning, maintenance management, and cost estimating 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, and cost estimating.
 - (5) Assists line organizations in developing performance objectives, criteria, and measures for maintenance management and comprehensive land-use planning 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 and comprehensive land-use planning.
 - (7) Functions as the Lead for review and validation of project cost estimates for DOE and contractors.
- e. Director, Project Services Division (PSD).
- (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 COR 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 430.1A and participates in the LCAM Planning and Analysis Group.
- f. Site Managers with Contracting Officer's Representative 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 DOE Headquarters (HQ) 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) Assure adequate management of inactive and surplus facilities according to DOE O 430.1A, subparagraph 6f(8), until final disposition by the landlord program or transfer to Environmental Management (EM).
- g. Director, Procurement and Contracts Division (P&CD).
- (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 430.1A, are incorporated in all contracts (new and existing), as appropriate. The contracting officer will ensure implementation of the requirements outlined in the Contractor Requirements Document, Attachment 1, of this Chapter.
 - (5) Notifies the Office of Field Management of excess real property that has a significant remaining useful life.
- h. Director, Planning and Budget Division (P&BD).
- (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.
7. DEFINITIONS. See DOE O 430.1A, 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 identified in paragraph 3 of this Chapter will accomplish the following, to the extent set forth in their contract:

NOTE: Implementation of this CRD will occur only when performance measures are in place that allow ORO to monitor contractor performance under these requirements.

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, for specific facilities under the purview of the DNFSB, until 10 CFR 830.34, Maintenance Management, for Defense Nuclear Facilities, is issued in final form by the Assistant Secretary for Environment, Safety, and Health and incorporated into the contracts.