

## TO BE USED AS A SAMPLE

### Office of Environmental Management – Complex Wide Narrative Description of Changes in the 2007 Activities Inventory

There are 1,495 FTEs in the 2007 inventory, 13 fewer than reported in 2006. Changes between the 2007 and 2006 inventories are identified below:

#### Function Codes:

Code	Description	2006 Inventory	2007 Inventory	Delta
A	Recurring Testing and Inspection Services	1	9	8
B	Personnel Management	62.5	58	-4.5
C	Finance and Accounting	62	71	9
D	Regulatory and Program Management Support Services	46	44	-2
E	Environment	968.5	937.5	-31
F	Procurement	119	128	9
I	Investigations	26	27	1
M	Forces and Direct Support	4	5	1
P		1		-1
R	Research, Development, Test and Evaluation (RDT&E)	4	4	0
S	Installation Services	47	47	0
T	Other Non-Manufacturing Operations	31	29	-2
U	Education and Training	1.5	2	0.5
W	Communications, Computing, and Other Information Services	5	6	1
Y	Force Management and General Support	121.5	115.5	-6
Z	Maintenance, Repair, Alteration, and Minor Construction of Real Property	8	12	4
		<b>1,508</b>	<b>1,495</b>	<b>-13</b>

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### Reason Codes:

Code	Description	2006 Inventory	2006 Inventory	Delta
A	Commercial Activity Not Appropriate For Private Sector	1,144	1,087	-57
B	Commercial Activity Suitable For Competition	93	106.5	13.5
C	Commercial Activity Subject Of Competition	12	5	-7
D	Positions Representing The Implemented MEO Resulting From Prior Competitive Sourcing Studies	15	22.75	7.75
E	The Commercial Activities Is Pending An Agency Approved Restructuring Decision (Closure)	5	1	-4
Z	Inherently Governmental Activity	239	272.75	33.75
		<b>1,508</b>	<b>1,495</b>	<b>-13</b>

Changes between 2006 and 2007 are largely the result of (1) completion of EM mission at several sites including Ohio, Fernald, Ashtabula, and Columbus that resulted in reallocation of personnel to other locations, (2) filling skills gaps at various EM sites and Headquarters as per recommendation from the Departments Federal Technical Capability Pane, (3) reorganizations at Headquarters and some of the other sites such as Idaho, and (4) continuation of the build-up of the EM Consolidated Business Center in Cincinnati. These changes while resulting in a small reduction of staff, identified the need for different skill mixes in the Environment functional areas such as acquisition, cost analyses, project management, and other technical areas to address the challenges of a more mature program. This is reflected in the numeric changes in positions under some of the Function Codes as well as the Reason Codes as indicated above.

More emphasis is being placed on how EM conducts its operations. The Assistant Secretary's new business model that was endorsed by the Deputy Secretary is being enforced at all EM operations. Additionally, the May 30, 2006 reorganization at EM Headquarters as well as realignments done at the respective sites has resulted in additional supervisory positions. The business model places significant emphasis on such areas as acquisition, project management, safeguards and security, and quality assurance.

There are 273 positions identified under Reason Code Z. It represents approximately 18% of the total FTE. This is an increase of 34 over the 2006 inventory. This increase is

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partly the result of the Assistant Secretary's commitment to developing and maintaining a best-of-class "acquisition machine," a model that has been endorsed by the Deputy Secretary, to manage the billions of annual appropriations dedicated to contracting activities. EM no longer uses Management and Operating (M&O) contracts for integrating and managing site-wide contracts. Instead, single project-level contracts that provide greater transparency for judging performance are being used and will be used for all future contracts that are scheduled to be awarded within the next couple of years. As a consequence of this new contracting strategy, EM personnel, rather than those of the M&O, are now directly managing the contracting and project responsibilities, greatly expanding the Federal workload and inherently governmental duties. The other factor contributing to the increase is the implementation of the EM HQ reorganization which has more supervisory positions including an entirely new Deputy Assistant Secretary for Acquisition & Project Management.

There are 1,087 positions identified under Reason Code A. This represents approximately 73% of the total FTE. This is a decrease of 57 over the 2006 inventory. This decrease is largely the result of noteworthy completion of EM missions at certain sites and their subsequent closures.

EM activities include work in:

- Safety and Occupational Health
- Environmental Protection
- Security Management
- Communications Management
- Transportation Management
- Contract Management
- Workforce Analysis and Management
- Budget Formulation and Execution
- Program Analysis, Management and Support
- Financial Management and Audit
- Industrial Hygiene
- Engineering Oversight
- Physical Science and Health Physics
- Quality Assurance
- Information Technology

Positions performing the above activities support the Assistant Secretary and subordinate EM Managers in formulating policies and executing program decisions. Much of the work involves overseeing or assessing the performance of contracts which conduct the cleanup and closure efforts. These FTE provide extensive advice to Managers which serves as the basis for policy and program decisions. The Assistant Secretary/EM Managers rely on the commitment of the Federal personnel to achieve the EM mission. In that respect, their activities are not severable from the activities performed by inherently governmental positions described above.

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Contracting out such work would present serious management problems. In fact, EM did utilize numerous support service contractors during the 1990s to perform some of this work. It found that there was an in-built incentive for contractors to expand the scope of such activity – to over-study, to emphasize activities related to zealous compliance with regulations rather than contract performance and closure. There was a conflict with contractors wanting to expand their work and income with the EM mission of cleanup and closure. The extensive use of support service contracting was phased out in the latter part of the decade and the first years of this millennium.

The FTEs designated with Reason Code A provide corporate knowledge and technical expertise necessary to ensure that Government and public interests are advanced and that governmental obligations are fully satisfied by playing an active and informed role in areas such as contract administration and evaluation. Headquarters employees validate and monitor baselines of the major contracts that EM employs to conduct its mission. EM field personnel directly administer and oversee these contracts. Roughly 95% of the \$5.8+ billion annual appropriation is for such contracts and, consequently, the bulk of the Federal workload is associated with these contracts, in one form or another.

These FTE also interpret and/or execute Federal laws and draft associated policy and regulatory guidance in functional areas such as resource management, procurement/contracting, personnel administration, etc. They render value judgments, develop recommendations, and establish management criteria and objectives on behalf of the Government, e.g., quality assurance, performance evaluation, etc. They develop government positions, testimony, legislation, and responses to Congress, audit agencies, public and private sector inquiries, and conduct negotiations and develop agreements with state governments and other federal agencies. In short, they manage a governmental function with, and for, a sole governmental interest. To cede this work to private sector performance would not be in the best interest of the government.