

**Working Capital Fund  
Program Mission**

(Dollars in Thousands)

FY 2013 Actual	FY 2014 Request	FY 2015 Request
188,355	279,172	288,055

The Working Capital Fund (WCF or Fund) is a financial management tool for improving the financing and delivery of a range of common administrative services. Service delivery is assigned to business-line service managers; financial responsibility resides in a Fund Manager and individual Business-line Managers are responsible for billing and funds control. The Fund creates a framework for business-like organization of support functions and market-like incentives for both customers and suppliers. The objectives of the Fund include:

- Improve the efficiency of administrative services by providing managers with the opportunity and responsibility to make choices on the amount, priority, and sources of administrative services used by their programs;
- Ensure that program mission budgets include a fair allocation of the costs of common administrative services; and
- Expand the flexibility of the Department's budget structure to permit service providers to respond to customer needs.

Fund businesses maintain performance-based plans that inform the budget and alert the Fund Manager of the need to change pricing policies. Each quarter the Fund Manager reviews financial and business performance. These reviews culminate in an Annual Report that includes analysis of financial measures, including each business' performance against its standards.

This budget charges full cost recovery for each business in its budget and program billings. Full costs in Fund prices improve cost accounting for WCF activities, support improved decision-making for business-line operations and program spending, and allow the Fund Manager to benchmark against other federal agency equivalent costs. This information will allow the Department to improve the efficiency of WCF service offerings. The Fund Manager is creating controls to satisfy oversight requirements, including biweekly budget reports on spending. This change is consistent with other agency WCFs and satisfies the need to recover costs in reimbursable activities.

**WCF Business-line Accomplishments**

WCF operations are valued by customers, serve the Department, and remain within the fiscal and policy guidelines established by the Department and by Congressional Committees. The Fund Manager's FY 2013 Annual Report documented that the Fund experienced an over-recovery of \$8.6 million for its FY 2013 operations; and for the first 17 years of operations, reported a positive result of operations, \$14.2 million (0.7% of customer billings). Although net earnings for individual business-lines have fluctuated between profit and loss over the years, DOE is achieving its goal of sustained break-even operations.

The Department continues to examine ways to use the Fund to gain greater management efficiencies. The Fund has reported efficiency and effectiveness performance metrics since its inception and documents continuous improvement efforts to provide program customers with the best goods and services possible. Performance baselines include data recorded before the inception of the Fund. In addition to specific goals, the businesses describe strategies to improve resource utilization and accomplish objectives.

The Fund continues to help Departmental management with emerging priorities such as financing cybersecurity; DOE's new procurement system; the DOE-wide area network and cloud services; building modernization and safety improvements; project management training; computer-based learning; and the shift away from paper intensive systems. At the same time, the Fund has allowed businesses to close, including the Executive Information System, Desktop, and the original Supply business. In response to sequestration and its impact on DOE programs, the WCF reduced billings by \$15.1 million by deferring hiring, system upgrades, maintenance, and other infrastructure spending that could be delayed.

Other WCF accomplishments include:

- The Administrative Businesses streamlined operations which resulted in savings to programs.
- The Building Business:
  - DOE program and staff offices consolidated space allowing for the release of 270 Corporate (26,299 sq ft; located in Germantown, MD) and 950 L'Enfant Promenade (21,388 sq ft; located in Washington, DC). FY13 rent savings \$1.175M.
  - The Office of Industrial Hygiene and Safety performed critical reviews of the safety program, which resulted in a marked decrease in the number of recordable injuries and illnesses.
- The Telecommunication business:
  - Sustained Headquarters' Network Services Availability at 99.5%
  - Sustained DOEnet (wide area network) availability at 99.9%
  - Sustained Internet service availability at 99.0%
  - Sustained RSA/VPN services availability at 99.5%
  - Sustained Phone availability in excess of 99% as measured by dial tone.
- The Project Management Career Development Program helped 358 federal project directors maintain certifications for the past three years by delivering 46 training opportunities and development opportunities.
- iManage –
  - Customer Satisfaction - 58% (Under target);
  - Uptime - 95% (Met)
  - Program billing for the Corporate Human Capital Information System and Payroll services have not increased since FY2002.
  - CHRIS implemented paperless employee performance management.
  - STARS - Month-end closing by 3rd workday (Met); Invoices paid on time - 98% (Met)
  - iPortal/Data Warehouse - Percent of Data in error - less than 2% (Met)

**Working Capital Fund: Business-line Budgets**

Table 1 summarizes projected customer billings by business-line. These billings are the result of established pricing policies, which, together with service level agreements, provide the basis for programs to manage their utilization of the WCF and control their budgets. Changes to WCF businesses total \$8.9 million due largely to: increases to Building Occupancy (\$4.8 million), Overseas Presence (\$2.0 million), Telecommunications (\$1.5 million), Corporate Training (\$0.7 million), and iManage (\$0.6 million); offset by decreases in Administrative Services (\$1.0 million). Further descriptions of these changes are included in the individual business-line sections that follow.

**Table 1**  
**Working Capital Fund Budget Business-lines<sup>1</sup>**

	(Dollars in Thousands)		
	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Supplies	2,185	2,854	2,437
Mail and Transportation Services	3,672	4,389	4,145
Photocopying	3,564	3,818	3,490
Printing and Graphics	3,110	4,186	4,284
Building Occupancy	97,743	97,236	102,081
Telecommunications	20,078	30,258	31,710
CyberOne	0	40,000	40,000
Procurement Management	16,219	17,807	17,934
Corporate Training Services	657	2,697	3,373
Health Services	0	1,700	1,700
Project Management Career Development Program	1,503	1,615	1,627
iManage	25,760	37,768	38,368
Financial Reporting Control Assessment	2,757	1,600	1,692
Pension Studies <sup>2</sup>	0	720	600
Financial Statement Audits	11,108	11,709	11,759
Overseas Presence	0	14,816	16,855
Interagency Transfers	0	6,000	6,000
<b>Total, Working Capital Fund</b>	<b>188,355</b>	<b>279,172</b>	<b>288,055</b>

<sup>1</sup> Numbers may not add due to rounding.

<sup>2</sup> Pension studies were funded in Financial Reporting Control Assessments in FY 2013.

The following section includes a description of each business-line, along with pricing policy and selected performance measures.

## **Supplies**

### **Description**

This business operates two self-service stores, which carry a wide variety of consumable office products. At customers' request, it acquires specialty items, not stocked in the stores. Products carried are based on review of equipment in the agency inventory and customer input and suggestions. This business is operated by Paper Clips, the office supply store name assigned by Winston-Salem Industries for the Blind, an affiliate of the National Industries for the Blind (NIB). Paper Clips operates the DOE supply stores as a commercial operation. Paper Clips is paid only for the supplies purchased by DOE employees. In support of federal green purchasing Executive Orders, the Headquarters Paper Clips Supply Stores (located in Forrestal and Germantown) offer a wide range of environmentally-friendly supplies containing post-consumer waste (recycled) materials, biobased materials (biological, agricultural or forestry-based), and biodegradable materials (decomposes easily).

### **Pricing Policy**

Each organization pays for supplies purchased by its employees. The budget declines due to a significant effort by programs, which began in FY 2011, to reduce supply usage. The business also limited high cost items and found lower priced sources for supplies.

## **Mail and Transportation Services**

### **Description**

The Mail Center provides a variety of mail services for all official and other authorized mail for DOE and its employees. Services include the processing of all incoming postal mail, outgoing official mail, internal mail processing, accountable mail processing, pouch mail, a variety of overnight express mail services, messenger services, directory services, and pick-up and delivery services. In response to the risk of terrorism, the business-line implemented various processes for sanitizing and testing mail against bio-terrorist attacks.

Transportation services provide shuttle bus operations and fleet services.

### **Pricing Policy**

Mail service pricing has multiple components:

- Offices pay the actual dollar cost for outgoing United States Postal Service (USPS) mail and for Federal Express or other special mail services. Offices pay for internal mail distribution based on the number of mail stops.
- Offices pay for Mail Security (\$149,000/year) based on their percentage of incoming USPS mail over the preceding six-month period.
- Offices pay for Express Mail labor based on their percentage of the total volume of incoming and outgoing special mail during the preceding six-month period.
- Offices pay for USPS Outgoing labor based on their percentage of actual outgoing mail for the preceding six months.
- Offices pay for specified special services on a negotiated basis.
- Programs pay for shuttle bus services based on their prior year usage.
- Programs pay for courier and messenger services based on their prior year usage.
- Programs pay for Headquarters fleet services based on their prior year usage.

The budget declined due to efforts by the business to streamline operations.

## Photocopying

### Description

This business provides the following services:

- Staffed photocopy centers at Forrestal, Germantown and L'Enfant Plaza capable of reproducing 25,000 impressions per document;
- Centralized (Walk-up) Photocopy Rooms;
- Dedicated (Customer-Assigned) Photocopiers, including needs assessment analysis to determine workload and most appropriate equipment;
- Digital document management, including optical scanning of paper copy documents and storage on disk; and
- Digital news clips to programs based on subscriptions. These news clips were previously provided as hard-copy documents prepared in the copy business.

In FY 1996, before creation of the Fund, DOE Headquarters made over 100 million copies. The number of copies declined rapidly after creation of the Fund and has continued to decline. Currently, DOE HQ photocopies at an annual rate of 17 million copies.

### Pricing Policy

Each office pays the full cost to maintain and supply its assigned dedicated photocopiers. For walk-up and staffed photocopiers, a cost per photocopy is calculated and programs are charged based on the number of photocopies made by program staff. The digitization pricing policy is to charge on a per-page basis to cover the costs of this business segment.

The budget declined due to efforts by the business to streamline operations.

## Printing and Graphics

### Description

The printing and graphics business-line provides procurement and liaison with commercial printers through the Government Printing Office. It also provides design and development of pre-press graphics, electronic forms and exhibits, and court reporting services. Contractor staff distributes materials produced in-house as well as materials produced by other government agencies. This business-line also provides professional photography, lab technicians, portrait studio operations, graphics visual aids, and presentation materials. Centralized visual archives are provided through a repository of general interest photos.

### Pricing Policy

Organizations pay direct costs for printing, printed products, Federal Register publications, and some graphics services. Additionally, programs pay maintenance and depreciation costs on graphics equipment and graphics supplies as a percentage allocation of costs incurred in the previous fiscal year.

## Building Occupancy

### Description

The core services of the Building Occupancy business-line include space assignment and utilization, utilities (such as heat and electricity), cleaning services, snow removal, maintenance, pest control, trash removal, and waste recycling. Engineering and facilities services provided are drafting; construction management and inspection; engineering; lock repair and key management; safety and occupational health; moving and warehousing services; and conference support. This business also provides electronic services, which involve audio/visual meeting and conferencing support, as well as repair and maintenance of Headquarters radio communications and electronic equipment. Approved improvements to the Headquarters complex are also included.

### Pricing Policy

Policy is based on direct costs and allocations in the following manner:

- Each year, organizations sign occupancy agreements that define the space to be assigned to them.
- On a building-by-building basis, direct rental value of the space assigned to each organization is calculated, based on rent charged to the Department by the General Services Administration (GSA). Customer rent costs are based on areas assigned to each organization at the start of each fiscal year.
- Common use space costs in each building are divided among the tenants of that building based on their proportional shares of direct rental costs.
- Certain additional costs, such as common area improvements and health and life safety programs, are allocated as a pro rata addition to the building-by-building charges described above.
- Electronic Services charges are allocated according to direct building occupancy costs.
- In addition, tenants may arrange, at their own cost, alterations of office space.
- Charges related to property management are allocated based on program usage during the prior fiscal year.

The budget increases are due to GSA rent and utility costs.

## **Telecommunications**

### **Description**

In order to take advantage of efficiencies in combined infrastructure spending, operations, and business management, the department combined the phone and network businesses into the Telecommunications business. This merger formalized management changes already in place and will reduce the costs of administering two businesses. The Telecommunications business will phase in the process of merging business practices as they become available. Initially, financial support, contracting, and interface with the Fund manager will be merged. Other operations directly related to phone operator and equipment services have no similar network corollary. Other infrastructure corollaries between the two segments must be delayed until network upgrades are completed in the next few years. However, as the opportunity for merger and the resulting cost savings arise, those respective operations will be combined.

**Telephone Segment:** The telephone business-line comprises an infrastructure connecting two main Headquarters buildings and satellite buildings for internal dialing and basic line service. The infrastructure includes communication networks, installed telephone processing switching equipment, and trained technical personnel. Telephone service includes local, long distance, and international dialing; specialized services such as operator-assisted conference calls, voice mail, call forwarding, automatic ring-back, and custom calling cards; and trained technical personnel to install, repair and operate the system. There are approximately 14,500 telephone connections in DOE Headquarters. This reflects a reduction of 10 percent from the nearly 16,000 connections that were in place in FY 1996, before the Fund was implemented. As a result of the Department's transition from analog to digital phone infrastructure, the technology of phone operations and network operations merged.

### **Pricing Policy**

Telephone system costs are allocated to Headquarters offices based upon four categories:

- Headquarters telephone system infrastructure costs, which are composed of: (a) the cost of the leased telecommunications circuits connecting the Headquarters buildings to the internal telephone system; (b) the cost of leased telecommunications circuits that support local, long distance and international calling; and (c) the cost of the technical staff who operate the Headquarters telephone switches, and install and repair the telephone wiring plant. Since the Fund's inception, program customers have been validating and reducing the number of active phone lines.
- The costs of dedicated communication circuits are allocated to organizations requesting installation of such lines.
- All long distance, local, and international calls at Headquarters are allocated to the originating telephones and thus to programs based on the actual billing information.
- All recurring electronic communication devices (cellular phone, pagers, blackberries, etc.) service contract costs and equipment purchases are charged to programs based on actual usage.

**Network Business Segment:** Networking provides connectivity for DOE Headquarters and Field operations through Local and Wide Area Networks. This connectivity provides interoperability for 86 organizational Local Area Network (LAN)

segments in two main Headquarters and associated satellite buildings; and connectivity to the Headquarters application host systems. There are approximately 13,000 LAN connections in Headquarters. Field LAN connections are being added as those sites convert to the DOE standard configuration. LAN connections provide access to and cybersecurity for the Internet and World Wide Web, Electronic mail, and other applications for information processing and sharing through the backbone infrastructure. It also provides connectivity to the entire national complex through DOEnet, which is a centrally managed wide area network designed to support DOE corporate systems and carry business sensitive data to users at 38 DOE sites.

### **Pricing Policy**

Networking charges represent infrastructure costs which are composed of: (1) the cost of leased telecommunications circuits; (2) the cost of maintaining common network infrastructure components (routers, switches, etc.) and upgrades where needed; and (3) the cost of providing technical staff to install and repair network connections and monitor/operate the various common network components. These charges will be allocated among program organizations based on the number of active LAN connections, as a monthly charge. Since the Fund's inception, program customers have been validating the number of these connections. DOEnet costs are allocated to participating sites based on the costs associated with providing the service – circuit costs, hardware and maintenance costs, and the cost of providing technical staff.

The budget increases are due to increased reliance on the wide area network to support broadband access to cloud services.

## **CyberOne**

### **Description**

CyberOne is the Department's solution for managing enterprise-wide identity management and cybersecurity for DOE systems and data. CyberOne is consolidating and streamlining Department-wide systems and business processes to mitigate the risk of intrusion and the threat such intrusions pose to high-valued national assets. CyberOne integrates various tools at Headquarters and across the DOE complex and secures both data transmission and data repositories at these diverse sites.

**Identity, Credential and Access Management (ICAM):** The DOE ICAM initiative satisfies Homeland Security Presidential Directive -12 (HSPD-12), Office of Management and Budget (OMB) mandates (M-04-04, M-05-24, and M-11-11) and Federal Chief Information Officer Council (*Federal ICAM Roadmap and Implementation Guidance*). The DOE ICAM Integrated Project Team published the DOE Federated ICAM Framework (Framework) that defines the goals and objectives for achieving a DOE ICAM target state that:

- Facilitates the sharing of identity information across DOE organizations as well as with external DOE entities;
- Embraces identity credentials at all Levels of Assurance as defined in M-04-04 (to include DOE and other federal agencies' HSPD-12, PIV-I, non-PIV, and external credentials approved by GSA's Trust Framework Provider Adoption Process) for access to DOE facilities and information systems;
- Fosters an enterprise and interoperable access management approach that links DOE physical access control systems and logical access control systems to a federated access management infrastructure; and
- Streamlines the provisioning, updating, and de-provisioning of access to DOE systems to ensure personnel have access to facilities, applications, and information to which they are entitled and only for the time period or duration for which they require it.

Although the Framework provides the foundation for DOE program and staff offices to implement ICAM in a manner that promotes interoperable access and secure information exchange across the complex, the success of the DOE ICAM initiative hinges on several key enterprise-wide services and capabilities which include:

- An enterprise service that links data stores throughout the complex to render an authoritative data source of identity data of all DOE personnel;
- An access management service that facilitates a single sign-on experience to DOE systems and applications that integrate or leverage the enterprise service;
- An HSPD-12 credential validation broker that offers alternatives for validating HSPD-12 credentials issued by all federal agencies;
- An enterprise credentialing service for issuing and managing DOE credentials; and

- An enterprise Public key infrastructure (PKI) that is on the Federal Bridge and provides PKI certificates for interoperable and secure information exchange internal and external to DOE.

**Joint Cybersecurity Coordination Center:** To enhance incident response and situational awareness as well as better informing management decisions, DOE has developed the Joint Cybersecurity Coordination Center (JC3). JC3 facilitates the collection, aggregation, correlation, and de-confliction of inputs from Cooperative Protection Program (CPP) sensors, other data sources, and internal and external cyber reporting. The JC3 conducts advanced analytics, attack trending, and tracking of cybersecurity activity including Advanced Persistent Threat (APT). JC3 coordinates all enterprise-wide incident management activities including prevention, detection, containment, and recovery for all DOE elements, as well as coordinating communications on behalf of the agency for cybersecurity events and cyber emergency response with US-CERT and other agency partners. The JC3 provides Department-level situational awareness to sites and senior leaders as well as serving as a cybersecurity information clearing house. The JC3 advises and consults DOE sites and programs on network defense, cyber best practices, cyber forensics, and incident response. The JC3 also supports Program Management activities to include the development and tracking of performance metrics; the collection of requirements and execution of enterprise cyber security purchases; the development and execution of JC3 budgets; and the alignment of plans and programs with the Departmental strategic plans.

The JC3 provides enterprise cyber security tools and services to DOE sites and programs to enhance their cybersecurity activities and defenses. These services include toolsets developed specifically for DOE at the National Laboratories, such as the Cooperative Protection Program (CPP) and the Cyber Federated Model (CFM).

JC3 will help ensure DOE's alignment with Administration cyber-security management priorities including the Comprehensive National Cyber-security Initiative (CNCI) as well as the following statutory and regulatory drivers:

- Federal Information Security Management Act (FISMA) 2002
- Homeland Security Act 2002
- Information Sharing Environment - Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA)
- Privacy Act 1974
- Health Insurance Portability and Accountability Act (HIPAA) of 1996
- Health Information Technology for Economic and Clinical Health Act (HITECH Act)
- Executive Orders 13587, 13526, 12598
- Homeland Security Presidential Directives 5, 8, 23
- PPD-21 - Critical Infrastructure Security and Resilience
- CNSSP-18, National Policy on Classified Information Spillage
- CNSS-048-07, National Information Assurance (IA) Approach to Incident Management
- CNSSI 1001, National Instruction On Classified Information Spillage
- OMB Memoranda 04-15, 06-19, 07-16, 14-03, 14-04
- OMB Circular A-130
- FIPS 200
- NIST SP 800-53

### **Pricing Policy**

CyberOne charges programs a pro rata allocation of costs based on percentage share of three prior fiscal years' combined budget shares, using the Congressional request of the most recent year. These estimates reflect the three years (FYs 2012-2014) in the Department's FY 2014 Budget Request to Congress.

## Procurement Management

### Description

The Audit Services, Contract Closeout, and Purchase Card Surveillance business segments work together to help validate compliance with procedures and improve the internal controls of the Department. These divisions also respond to specific issues raised by the Inspector General. Ultimately, savings to programs are realized by preventing fraud, waste, and abuse.

The **Audit Services** segment of the business actually represents funding to various federal audit agencies; however, the majority of the funding is provided to the Defense Contract Audit Agency (DCAA). DCAA and the Department of Health and Human Services (HHS) provide audit services to the Department's program offices and contracting officers in support of their acquisition activities. These services benefit the contracting officers in supporting their determination for reasonableness and realism of the contractor's proposed rates.

The **Contract Closeout** segment of the business is the final stage in contract administration support for DOE Headquarters elements. Services include ensuring that all contracted products and services have been delivered, final releases are obtained, final invoices and vouchers are processed for payment, and any remaining unexpended funds under the contract are released. Since FY 1996, the universe of contract instruments ready for closeout has been reduced from nearly 3,000 to approximately 1,000 instruments. Over \$128 million has been de-obligated from expired contracts in the 13 years this activity has been operating as a Fund business. As a result of the American Recovery and Reinvestment Act of 2009, it is anticipated that there will be a substantial increase in the number of financial assistance awards that will require closeout.

The **Purchase Card Data Mining** segment monitors purchase card usage by both federal and contractor employees. DOE purchase cards are issued under a task order with JP Morgan Chase Bank through the SmartPay2 program administered by the General Services Administration. Funding for this effort is derived from rebates DOE elements receive from JP Morgan Chase Bank, based upon the dollar volume of purchases. JP Morgan Chase Bank will provide a version of the data mining system, entitled IntelliLink, to DOE at no cost for the basic version. This business unit will detect patterns, trends, and/or anomalies for use in risk management, spend patterns, and other areas of analysis. If necessary, DOE will incur costs to enhance IntelliLink where it does not fully meet DOE's requirements.

### Pricing Policy

Each Headquarters element pays the actual contract closeout cost, determined by the unit price of each contract type and negotiated level of service. Purchase Card Data Mining costs are allocated based on the distribution of refunds resulting from the DOE purchase card program. DCAA audits are charged to programs based on actual usage from the previous fiscal year. Traditionally, these expenses have been funded with program funding and the WCF proposes using this same funding for WCF billing.

The budget increase is due to increase in number and cost of DCAA audits.

## Corporate Training Services

### Description

The Corporate Training Services business-line combines Training Delivery and Services (TDS) and the Online Learning Center (OLC) business segments to deliver courses which support the Department's mission at competitive pricing and fee for service pricing.

**The Energy Online Learning Center (OLC)** is a web-based commercial off-the-shelf training system that provides access to online learning and training. The goal of this business segment is to use technology to deliver learning activities to the desktop where such delivery can be demonstrated to improve learning outcomes and reduce costs independently or in combination with other training methods. The overall vision of the OLC program is to provide the capability for all DOE federal employees to have access to web-based training via the desktop. The OLC has been structured to meet DOE needs with a customized access process and DOE-specific information.

**The Training Delivery and Services (TDS)** include the design, development, and delivery of competency-based courses to meet critical skills development needs in Project Management, Program Management, and Acquisition and Assistance Management.

A series of Continuing Education courses has been added to present new topics and refresher training. Program offerings include modular course design and customized training for on-site and centralized delivery. The TDS Program has a 20-year track record of providing professional training and training services throughout the DOE complex. The training management services are offered to customers on a negotiated basis only.

The **SES Career Development Program (CDP)** is designed to develop a cadre of future executives prepared to take on the leadership and mission challenges of the Department. Each 2-year class has a relatively small number of participants (approximately 20) and is open to executives at other federal agencies. The Department has an existing Interagency Agreement with OPM to provide some services; while other specialized services are provided by select vendors. This budget also includes cost of participant resource materials, travel, and rotational assignments/projects.

Using WCF will allow DOE to account for the full cost of these services.

#### **Pricing Policy**

Pricing Policy for Corporate Training Services business-line is as follows:

- Participating DOE organizations pay for OLC access through a fixed annual fee per student and allocation of administrative costs, based on number of employees per program.
- Participating DOE organizations in the TDS pay \$200/day for each employee enrolled in professional skills training course.
- Participation in the National War College is financed by the benefitting program. The SES CDP is financed by a pro rata share of federal employees for each DOE program.
- Federal staff support consists of developing curriculum, contractor oversight of distance learning, and managing classroom delivery by contractor staff.

The FY 2015 estimate is \$0.7 million above the previous year due to SES CDP and SES 360 Assessments by the Office of Personnel Management.

### **Health Services**

#### **Description**

The Health Services business-line provides common administrative services to the DOE Headquarters community. These services include a Headquarters health center, a drug testing program, an employee assistance program, and disability services. The Department believes cost reductions will result from consolidating these activities under one enterprise with a focus on program demand for these services.

**The Health Center** consists of two facilities: one at Forrestal and one at the Germantown. Services provided include: emergency response; travel immunizations; fitness-for-duty and pre-employment physical exams; annual influenza vaccinations; and general occupational health concerns. The health center is operated under an Interagency Agreement with the Department of Health & Human Services, Federal Occupational Health (HHS/FOH) to provide packaged services, which reduces costs and DOE resource needs.

**Drug Testing Program**, a DOE-wide program, provides for collection, testing, and medical review of alcohol and drug testing. This activity supports testing of DOE positions for fitness-for-duty, pre-employment, and random drug testing and positions which require a clearance (e.g., security, technical, and/or executive positions). The Department has an existing Interagency Agreement with Department of the Interior to utilize their contracts, which reduces costs and saves DOE resources.

The **Employee Assistance Program (EAP)** finances an Employee Assistance Program at Headquarters. Professional EAP counselors offer assistance to DOE federal employees for family, work, health, and other concerns.

**Disability Services** coordinates contract vendors to provide sign language interpreting services for deaf and hard-of-hearing federal employees at Headquarters.

**Pricing Policy**

Charges for health services are allocated to each program on the basis of their Headquarters employment levels at the beginning of the current fiscal year.

**Project Management Career Development Program**

**Description**

The Project Management Career Development Program (PMCDP) provides a wide range of developmental, mentoring, training, and rotational activities which lead to project management certification. Project management certification under the program is based upon the requirements for training, developmental activities, and experience outlined in the certification standard contained in DOE Order 361.1B, Chapter IV, and meets the certification requirements of the Federal Acquisition Certification for Program and Project Managers defined in OMB Circular A-11, Part 7. PMCDP defines necessary DOE project management knowledge, skills and abilities, as well as DOE training course requirements. Components of PMCDP also include a DOE career development tracking system and a DOE project management certification program.

**Pricing Policy**

In FY 2015, the business-line will continue to assess programs based on the number of projects, the amount of projects in the portfolio, and the number of incumbent project directors or potential project directors identified by the programs. Fixed costs related to the PMCDP will be charged to programs based on their pro-rata share of the number of projects and the value of those projects in the Project Accounting and Reporting System (PARS II). The variable costs of delivering courses will be charged to programs based on their pro-rata share of targeted participants.

In addition, we expect some programs outside of the assessment pool to desire participation in the training offered. In those cases, the business will allocate a certain number of slots, on a space-available basis, at the rate of \$200/day. These charges will offset other development costs and future charges to the programs.

**iManage**

**Description**

iManage is the Department’s solution for managing enterprise-wide systems and data. iManage is consolidating and streamlining Department-wide systems and business processes to integrate financial, budgetary, procurement, personnel, program, and performance information. iManage is supported at the core by a central data warehouse/portal that links common data elements from each of the Department’s business systems and supports both external and internal reporting. Consolidation of Payroll and CHRIS businesses into iManage was approved on June 3, 2008. Consolidation provides efficiencies in its administration and result in a single, senior business manager.

The **Standard Accounting and Reporting System** (STARS) provides the Department with a modern, comprehensive, and responsive financial management system that records and processes accounting transactions for general accounting, payments, receivables, purchasing including obligations and reservations, accruals, plant and capital equipment, nuclear materials accounting, and many other functions. STARS is also used for financial reporting including FACTS I & II, SF 220.9, SF 224, and the Department’s financial statements. STARS replaced both the Departmental Integrated Standard Cost Accounting System and Management Accounting Reporting System. Costs include all operations and maintenance support, including the Chief Information Officer’s Application Hosting and annual Oracle Software licensing.

The **Strategic Integrated Procurement Enterprise System** (STRIPES) replaced and consolidated federal corporate, regional and local procurement-related systems across the Department. STRIPES automates all procurement and contract activities required or directly associated with planning, awarding, and administering various unclassified acquisition and financial assistance instruments; thereby, increasing the internal efficiency of the Department. STRIPES is also fully integrated with STARS, creating efficiency between the two systems and improving the accuracy and timeliness of funding commitments

and obligations. Costs include all operations and maintenance support, including the Chief Information Officer's Application Hosting and the annual Compusearch subscription fees.

**iBudget** is a budget formulation solution that will support the collection and management of budget formulation data for OMB and Congressional budget submissions and provide a capability to automate the budget publication. Costs will include the operations and maintenance support provided by Treasury. Short and long-term enhancements are also being considered for the funds distribution process, currently supported by the Funds Distribution System (FDS) and the field budget systems (BEARS/FCDS). Operations and maintenance support may be added into WCF in FY 2015.

**iPortal/Data Warehouse** is the iManage face to its customers. It provides the gateway into all iManage applications and services. The Data Warehouse (IDW) provides capability to integrate and store data from various corporate and/or program systems for reporting using Business Intelligence reporting tools. The iPortal/IDW has the potential to be the Department's authoritative source for all corporate business information, as demonstrated by its use for the American Recovery and Reinvestment Act (ARRA) data collections and internal/external reporting. The iManage iPortal/IDW provides many services that connect our people, simplify our work, and liberate our data. Costs will include the operations and maintenance of the technical infrastructure, consisting mostly of Application Hosting and annual software licensing fees.

The **Oak Ridge Financial Service Center (ORFSC)** completes over 120,000 payments annually and payment services are provided for all DOE programs, including, but not limited to: NNSA, EM, FE, SC and EE.

**Corporate Human Resource Information System (CHRIS)** is a nation-wide operational portfolio of systems within the Department that serves as the official system of record for human resource management information for all employees. The CHRIS Project supports the Administration's strategic human capital management initiative and expands e-government within DOE, combining electronic workflow and other best practices in work processes with a web-based IT architecture and suite of software applications based on off-the-shelf products (PeopleSoft and Monster Government Solutions), and the legacy Employee Self-Service. This budget also funds Jobs One-Portal (J1P), recruitment using social media, and specific recruiting efforts to reach veterans and disabled veterans. In addition, costs for inter-agency contributions for electronic benefits are financed in WCF.

**Digital Media:** Digital Media will rationalize hundreds of websites and streamline web operations, reducing duplicative spending, and improving overall digital communications. Costs will include the operations and maintenance of the technical infrastructure, consisting mostly of Application Hosting, iterative development, and platform upgrades to meet ongoing scale and usage demands.

### **Pricing Policy**

iManage activities charge programs a pro-rata allocation of costs based on percentage share of three prior fiscal years' combined budget shares, using the Congressional request of the most recent year. These estimates reflect the three years (FYs 2012-2014) in the Department's FY 2014 Budget Request to Congress. Exceptions to this pricing policy include:

- STRIPES charges based on the actual number of system users recorded during the prior fiscal year.
- ORFSC charges programs based on a pro-rata share of invoices processed at the center.
- CHRIS and Payroll charges programs based on federal employment.
- Transit Subsidy and Flexible Savings Accounts are charged to programs based on actual usage.

Increases to the iManage business-line are due to legislative increases to transit subsidy allowances. FY 2014 was computed based on the old rates.

## **Financial Reporting Control Assessment**

### **Description**

The Federal Managers' Financial Integrity Act (FMFIA) and OMB Circular A-123, *Management's Responsibility for Internal Control*, define management's responsibility for internal control and include guidance for management to assess the effectiveness of internal control. The Department also determined that its pension liabilities have the potential to create risks of a magnitude that could affect its financial reporting. For this reason, pension studies were added in FY 2014 to this business to ensure that pension liabilities impact to out-year budgets are properly managed. In FY 2015, pension studies are justified as a stand-alone business.

**Financial Reporting Control Assessment** will ensure the Department meets the intent of the Congress and the Executive Branch for internal control of financial reporting and has appropriate support for the Secretary's annual assurance statement, included as part of the Performance and Accountability Report. Because the requirements of OMB A-123 apply to the agency as a whole, each benefiting program must share the cost.

In order to support these goals, the business will develop, provide, and maintain the capabilities needed to implement a comprehensive Department-wide evaluation of internal controls over financial reporting. The resources and knowledge to conduct such an evaluation are currently not fully available in-house. Furthermore, the Department's internal controls over financial reporting may ultimately be audited and a Certified Public Accountant (CPA) perspective, as well as the resources to complete the work may be necessary.

### **Pricing Policy**

The Financial Reporting Control Assessment segment of the business-line charges customers a pro rata allocation of costs based on percentage share of three prior fiscal years' combined budget shares, using the Congressional request of the most recent year. These estimates reflect the three years (FYs 2012-2014) in the Department's FY 2014 Budget Request to Congress. Departmental programs that use proprietary financial systems, for example, Federal Energy Regulatory Commission and the Power Marketing Administrations will be excluded from billing for this business.

## **Pension Studies**

In FY 2013, these studies were part of the Financial Reporting Control Assessment budget. The Department created this new business entity to differentiate between these two activities and to create greater transparency for the programs that benefit from pension studies.

### **Description**

Pension studies provide program offices with an independent measure of contractor benefits and compare each contractor to both an internal and external benchmark. Program offices use the results of these studies in discussions with contractors regarding the need for reducing costs associated with contractor employee benefits. Results can be measured by the changes made to contractor employee benefit plans.

Pension Studies require access to actuarial expertise that is essential to understanding the implications on federal budgets of potential pension liabilities. Factors that impact pensions are dynamic and include: volatility of contributions, inflation, provisions in benefit plans, workforce restructuring, and pension legislation. These studies support the Department's budget projections, financial statements analysis, Office of General Counsel, and pension management plan.

Under the terms of the contracts that the Department has with each of its management and operations contracts, the Department reimburses the contractors for reasonable costs associated with fulfilling their duties under the terms of the contract. These reasonable costs include costs associated with providing benefits to the contractors' employees. In recent years, these contractor benefit costs have been steadily increasing, putting pressure on the Department to complete its mission work. Beginning in 2009, the Department increased its oversight of these benefits and began annual reporting on the expected reimbursements for pension plans in the FY 2012 Budget. DOE also plans to report on expected reimbursements for other postretirement benefits (primarily medical).

A key goal of this oversight is to improve transparency among the contractors with respect to the benefits being provided to the contractors' employees, as well as the associated annual cost per employee. The collection and analysis of this data requires a great deal of personnel, including the use of external actuarial services. However, publicizing the results of the survey has exerted pressure on the contractors to address the costs associated with their benefit plans. In addition, the Department has relied on external actuarial services to assist in the analysis of the information provided during the annual pension management review process, as well as in analyzing the impact of various proposals for cost reduction in the benefits provided by the different contractors. Given that there are approximately 50 pension plans and a similar number of postretirement benefit plans, analysis across the entire complex requires a significant amount of resources.

**Pricing Policy**

Programs will be billed \$600,000 each year based on each program's sites' ratio of the total pension and post-retirement reimbursements reported in the April Report to Congress for the prior fiscal year.

**Financial Statement Audit****Description**

Support services relating to the audit contract are required to attain contractor expertise, needed primarily for financial statement audits required by the Government Management Reform Act (GMRA) (e.g., actuaries, petroleum engineers, and information technology support personnel). Due to the complex-wide and broad budget overview of these financial statement audits, mission programs will have the option of using program funds to finance this activity.

**Pricing Policy (estimate)**

The business-line charges customers a pro rata allocation of costs based on percentage share of three prior fiscal years' combined budget shares, using the Congressional request of the most recent year. These estimates reflect the three years (FYs 2012-2014) in the Department's FY 2014 Budget Request to Congress. Departmental programs that use proprietary financial systems (e.g., the Federal Energy Regulatory Commission and the Power Marketing Administrations) will be excluded from billing for this business.

**Overseas Presence****Description**

The Department has a long standing presence in several foreign capitals. This enables the Department to promote American trade and support critical treaties with our allies.

DOE currently funds twenty-one federal employees and twenty-seven locally employed staff in ten countries that support the Secretary and, by extension, the entire Department. The proposed business will provide a consistent administrative and operational support to Departmental personnel travel overseas for mission programs is deemed necessary.

The budget finances federal salaries and contractor support, overseas operating costs, and International Cooperative Administrative Support Services (ICASS) and Capital Security Cost Sharing (CSCS) programs. The Department utilizes State Department resources as shared services to ensure that costs are minimized.

**Pricing Policy**

Charges for Overseas Presence are based on actual usage of these services by program offices. The annual bill for these charges will cover the fixed cost of the program and be allocated to programs based on the previous year's actual usage.

**Estimates**

The increase is due to State Department overseas charges, travel costs, and foreign nationals' salaries.

**Interagency Transfers****Description**

Interagency transfers are necessary to finance National Archives (Archives) storage and management of critical DOE records and the Integrated Acquisition Environment. Lesser activities include e-Government initiatives, which consist of consolidation studies of lines of businesses and other intergovernmental procurement systems.

The DOE Records Management Program ensures compliance with the Federal Records Act of 1950, as amended, by promoting the management of records throughout their life cycle in an economical, efficient, and effective manner. DOE maintains an annual agreement with Archives on records storage costs and appropriate records management and disposition, consistent with approved records schedules.

Integrated Acquisition Environment (IAE) provides a secure business environment that facilitates and supports cost effective acquisition of goods and services in support of mission performance. To accomplish this mission, IAE focuses on the following goals:

- Create a simpler, common integrated business process for buyers and sellers that promotes competition, transparency and integrity.
- Increase data sharing to enable better business decisions in procurement, logistics, payment, and performance assessment.
- Take a unified approach to obtaining modern tools to leverage investment costs for business-related processes.

The IAE is operated under an Interagency Agreement with GSA to provide packaged services, reduce costs, and save DOE resources by leveraging economy of services. GSA is charged with the fiduciary responsibility to work across government to provide acquisition services to support agency missions by delivering timely acquisition tools and services, including but not limited to, the Central Contractor Registration, excluded parties list, electronic subcontracting reporting, federal business opportunities, federal procurement data, wage determinations, and others, as business requirements are identified by the acquisition community.

#### **Pricing Policy**

These activities will be charged to programs on a pro rata allocation of costs based on percentage share of three prior fiscal years' combined budget shares, using the Congressional request of the most recent year. These estimates reflect the three years (FYs 2012-2014) in the Department's FY 2014 Budget Request to Congress.