



SECRETARY OF ENERGY ADVISORY BOARD

MEMORANDUM FOR: Secretary Ernest J. Moniz

FROM: John Deutch 
Chair, Secretary of Energy Advisory Board

DATE: December 9, 2014

SUBJECT: SEAB Endorsement of Office of Science Working Group

The Office of Science, at the suggestion of the SEAB Task Force on DOE National Laboratories and the full SEAB, has established a working group to study potential modifications to M&O contracts for the single purpose DOE laboratories, which the Office of Science oversees.

A thorough review, as detailed in the working group's terms of reference (attached for your convenience) to identify burdensome requirements that may not be necessary for responsible government oversight will be most informative. The working group's recommendation to determine "whether it is feasible and desirable to do an experiment at a [or several] single-program Office of Science laboratory with a simplified contractual arrangement, and provide the outline of a recommended experiment, if any" is exactly what is needed.

The Task Force hopes that this Office of Science review will be completed in four months.

The Task Force has recommended to SEAB that we write to you to underscore the importance the Task Force places on this study effort, the board has agreed, and instructed me to convey our support and interest in this effort.

A copy of the Working Group's terms of reference is attached for your information.

Cc: Patricia Dehmer, Office of Science
SEAB National Lab Task Force members

**The Working Group to Study Modifications to
Laboratory Management & Operating (M&O) Contracts
for Single-Program DOE Laboratories**

Following a charge from the Secretary of Energy's Advisory Board, Task Force on Department of Energy (DOE) National Laboratories, and with the concurrence of the Secretary, an Office of Science (SC) led Working Group was established to assess whether DOE can develop a contractual model that improves the effectiveness of its laboratories through the refinement of contractual requirements. The focus of the Working Group is the Office of Science single-program laboratories.

Today our DOE laboratories are managed through Management and Operating (M&O) contracts which, unlike most traditional contracts, are intended to allow the contractor significant latitude in carrying out required tasks. These contracts are based on a long history dating to the Manhattan project. A fundamental tenet is that DOE tells the contractor what is required but does not direct the contractor in the conduct of the RD&D to achieve those requirements.

Over the years, many regulations and requirements have been added to the early M&O contracts by Congress, the Office of Management and Budget, and the DOE, among others, resulting in concern that the efficiency and effectiveness of the DOE laboratories have been diminished significantly. The Working Group has been tasked to take a fresh look at the M&O Contract approach and to report its findings and recommendations in March 2015.

The Working Group will:

1. Review and summarize present models for the management of Federally Funded Research and Development Centers (FFRDCs). For comparison, the summary should also include Office of Science facilities, such as FRIB and the former Bates Lab, which are not sited at DOE FFRDCs.
2. Review and summarize major contract requirements, i.e., Contract Clauses or Contractor Requirement Documents (CRDs), for DOE M&O contracts.
3. Summarize requirements that are the most problematic for the DOE M&O contractors and laboratories, and assess the need for and/or options to these contract requirements. As part of this activity, the WG will summarize the recent activity to identify burdensome practices and the outcomes of that activity.
4. Summarize the various external reviews and inspections at the DOE laboratories, and assess the need for and/or options to these reviews.
5. Recommend whether it is feasible and desirable to do an experiment at one or more single-program Office of Science laboratories with a simplified contractual arrangement, and provide the outline of a recommended experiment, if any.

Membership:

Co-Chair: Dr. Patricia Dehmer - Acting Director, Office of Science

Co-Chair: Mr. Joseph McBrearty - Deputy Director for Field Operations, Office of Science

WG Lead: Mr. Joseph Arango - Federal Site Manager, Thomas Jefferson National Accelerator Facility

WG members representing science management, procurement, and general counsel will be chosen from among the following categories from federal and contractor staffs. WG members will have experience in laboratory management. The Working Group members are:

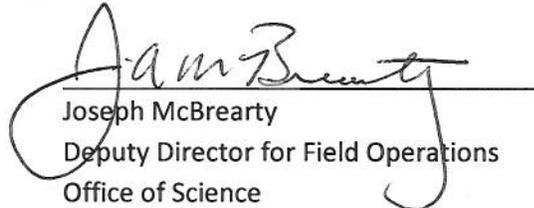
- Dr. Harriet Kung - Associate Director (AD) for Basic Energy Sciences
- Dr. Timothy Hallman - AD for Nuclear Physics
- Mr. Steven Jones – SC Senior Procurement Advisor
- Ms. Patricia Schuneman - Procurement Director (Integrated Support Center – Chicago)
- Ms. Berta Schreiber –Director of the Office of Policy, Office of Acquisition and Project Management.
- Mr. Joseph Lenhard - DOE Office of the General Counsel
- Ms. Chadsey Kittock - SC Procurement Analyst, Executive Secretary
- Mr. Kevin Shaw - SC Program Analyst
- Dr. Steve Ashby - Chief Research Officer Pacific Northwest National Laboratory
- Dr. Joseph Lykken - Chief Research Officer, Fermi National Accelerator Laboratory
- Mr. Jack Anderson - Chief Operating Officer, Brookhaven National Laboratory
- Ms. Becky Cornett - Procurement Director, Lawrence Berkeley National Laboratory
- M&O Contractor General Counsel – TBD

Co-Chair



Dr. Patricia Dehmer
Acting Director
Office of Science

Co-Chair



Joseph McBrearty
Deputy Director for Field Operations
Office of Science