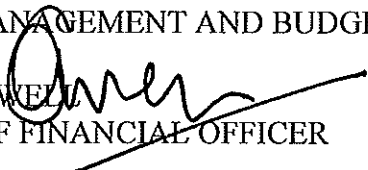




Department of Energy
Washington, DC 20585

November 1, 2011

MEMORANDUM FOR: DANIEL WERFEL
CONTROLLER
OFFICE OF MANAGEMENT AND BUDGET

FROM: OWEN F. BARWELL 
ACTING CHIEF FINANCIAL OFFICER

SUBJECT: RESPONSE TO OMB MEMORANDUM M-11-32,
*ACCELERATING PAYMENTS TO SMALL BUSINESSES FOR
GOODS AND SERVICES*

This memorandum responds to OMB Memorandum M-11-32, *Accelerating Payments To Small Businesses For Goods And Services*, dated September 14, 2011. The memorandum requires agencies to notify OMB by November 1, 2011 of (1) the date by which the agency will begin making accelerated payments, along with the agency's explanation for why an earlier date is not practicable, and (2) the name and contact information for the agency senior official assigned the responsibility for overseeing implementation of this policy.

Even before the issuance of the September 14, 2011 memorandum, the Department of Energy had been paying small business contractors within 15 days of receiving proper documentation, including an invoice for the amount due and confirmation that the goods or services have been received and accepted by the Federal Government. We are reviewing our procurement and finance systems to ensure that the current processes capture payments to all small businesses.

We are also working with our independent entities, the Federal Energy Regulatory Commission (FERC) and the four Power Marketing Administrations, to ensure their compliance. Three of the five independent entities are currently paying small business contractors within 15 days. The Bonneville Power Administration and the Western Area Power Administration expect to be in compliance with the requirement by the end of the calendar year.

In addition to accelerating payments to small businesses, the Department permits the operating contractors for DOE laboratories, plants, and sites to draw down funds from Treasury's ASAP system as they incur expenses. Thus, DOE operating contractors receive their funds in real time and do not have to submit invoices and wait for payment. Payments to these operating contractors account for the majority of DOE payments to contractors.

I will be the DOE official responsible for overseeing implementation of this policy. I may be reached at 202-586-4171 or Owen.Barwell@hq.doe.gov.