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Performance Evaluation and Measurement Plans

Rick Blaisdell, APM Project Assessments Division

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The Performance Evaluation and Measurement Plan (PEMP) is an important document used to make contract award and determine incentive fee. PEMP's are also known as Performance Evaluation Plans. The regulations and guidance on PEMP's are extensive (FAR 6, FAR 16, FAR 22, FAR 32, FAR 46, DEAR 915.404-4-72, DEAR 916.405-2, DEAR 970.1504-1, and Acquisition Guide Chapter 16.2). This article focuses on the information available in chapter 16.2 of the DOE Acquisition Guide (<http://energy.gov/management/downloads/chapter-16-types-contracts>). Chapter 16.2 provides guidance and examples of evaluation criteria needed to ensure the PEMP is practical.

The PEMP identifies the various evaluation criteria, the evaluation method and the amount of fee for each for a specified period of performance (performance evaluation period). The Fee Determining Official (FDO) is responsible for developing the appropriate criteria for the contract. The development of the evaluation criteria is a team effort comprised of all program elements receiving services from the contract including technical and business functions (the Acquisition team). Criteria are evaluation period specific, normally a one year period. In an incentive contract using predetermined, formula-type incentives, weighting is generally done by the dollars assigned to each criterion. In an incentive contract using award fee, weighting is generally done by percentages.

Maintaining the PEMP is a critical first line of defense to ensure the Government receives the services required and the contractor is appropriately motivated to achieve excellence

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Happy Birthday APM!

This edition of the newsletter marks our one year birthday as the Office of Acquisition and Project Management. In honor of this one year mark, we are announcing the newsletter official name: DOE APM Workforce News



in the areas of technical, cost and schedule performance. The plan must be updated to include the new evaluation period's evaluation criteria PRIOR to the next evaluation period in order to preserve the Government's unilateral rights. If the Government fails to update the plans prior to commencement of the next fee evaluation period, the plan must be negotiated.

The overall objective of the PEMP is to ensure the contractor is motivated to make improvements in those areas most important to the Government driving towards continual improvement. It is imperative that the Acquisition team continually assess contractor performance and identify areas of improvement to develop the following performance period's evaluation criteria. Evaluation criteria may be modified during an evaluation period for various reasons including, but not limited to, changes in work scope.

When a capital asset project is part of the contract, the FDO may consult an acquisition executive.

A best practice is to tailor the PEMP within the subject criteria to fit the goals and objectives of the statement of work, the contractor's internal systems, and the business arrangements within the contract. Since the Government may well have different desired outcomes for individual phases of a contract or project, evaluation criteria will most likely change as the project commences. The plan for the current evaluation period should include only the criteria that apply to the current evaluation period.

If a contractor fails to earn any portion of the fee available in any criteria, the remaining unearned fee may not be moved to any other criteria within the same evaluation period nor can unearned fee be "rolled over" into future evaluation periods. The contractor is not allowed two bites at the apple.

Vive la Difference:

Distinctions Between Financial Assistance and Contracts

Jackie Kniskern, Chief, APM Contracts and Financial Assistance Division (in collaboration with Rob Martinez and Patricia Reger at NETL)

Last month's newsletter featured an article that identified the "DOE Acquisition Workforce (AWF)" as more than your usual line of suspects in procurement and program/project management. DOE's AWF has long included an even broader sweep of the workforce that includes assistance and reimbursable agreements. These programs all fall under the category of Federal awards and deal with agreements that involve the transfer of money or other things of value to support DOE's mission. This article focuses on one of those areas - financial assistance. Each year DOE obligates over \$2 billion on financial assistance awards for research and development in numerous energy fields.

So, what is financial assistance and how does it differ from procurement?

A long-standing confusion between financial assistance and acquisition led the Commission on Government Procurement, in 1972, to recommend the enactment of legislation to distinguish between the two. The Federal Grant and Cooperative Agreement Act (FGCA) of 1977, Pub.L. No. 97-258 (31 USC §§6301-6308) prescribed criteria

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that a Federal agency must use to determine whether a transaction should be awarded as a procurement or financial assistance. The FGCA further defined the difference between two types of financial assistance awards: grants and cooperative agreements.

In accordance with the FGCA, the decision whether to use a contract or a financial assistance agreement must be based on the *principal purpose* of the award, including its intended primary beneficiary. The type of financial assistance recipient (e.g., university, non-profit, or for-profit organization) or a requirement for cost sharing are not factors in determining the appropriate award instrument. It is the contracting officer's responsibility to select the appropriate vehicle for the requirement. This decision is significant because the laws and policies that govern procurement differ from those that govern financial assistance.

In the design phase, a project may be planned as a capital asset project. As the design matures, an analysis of alternatives may determine that the project has capital asset (construction) and cooperative agreement (equipment) components. Often a financial assistance project, such as wind farms, which are capital assets, will collaborate with construction engineers as design takes shape. DOE projects benefit from partnering and collaborating to achieve success.

PROCUREMENT CONTRACTS: An agency is to use a procurement contract when "the principal purpose of the instrument is to acquire (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government." 31 U.S.C. § 6303.

GRANT AGREEMENTS: An agency is to use a grant agreement when "the principal purpose of the relationship is to transfer a thing of value [money, property, services, etc.] to the . . . recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government," and "substantial involvement is not expected" between the agency and the recipient when carrying out the contemplated activity. 31 U.S.C. § 6304.

COOPERATIVE AGREEMENTS: An agency is to use a cooperative agreement when "the principal purpose of the relationship is to transfer a thing of value to the . . . recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government," and "substantial involvement is expected" between the agency and the recipient when carrying out the contemplated activity. 31 U.S.C. § 6305.

Under the Act, financial assistance agreements in the form of grants and cooperative agreements are more closely related to one another than either is to a procurement contract. The essential distinction between a grant and a cooperative agreement is the degree of federal involvement in the administration of the agreement.

The table on the following page provides a brief comparison between procurement and financial assistance.

Characteristics of Procurement and Financial Assistance

Characteristics	Procurement	Financial Assistance
Purpose	Acquisition of property or services to support a Federal activity (i.e., a DOE requirement)	Support or stimulation of a recipient activity (i.e., its program)
Governing Principles	FAR, DEAR, Competition in Contracting Act (CICA), Acquisition Letters, Acquisition Guide	OMB Circulars, Federal Grant and Cooperative Agreement Act of 1977, DOE Assistance Regulation and Financial Assistance Letters, Financial Assistance Guide
Contractual Authority	Contracting Officer	Agreement/Contracting Officer
Contract Administration	Contract Specialist	Grant/Contract Specialist
Basis for Award	Competition, best value, technical and price factors	Merit review (competitive or non-competitive), mandatory programs
Government Involvement During Performance	Varies – necessary technical direction by the Government	No substantial involvement for grants, substantial involvement for cooperative agreements
Core Training	Federal Acquisition Certification in Contracting (FAC-C) Courses	DOE Certification in Financial Assistance (CFA) Courses
Certification	FAC-C Levels 1-3	DOE CFA 1-3
Program Oversight	Contracting Officer Representative (COR)	Technical Project Officer (TPO)
Core Training	FAC-COR Courses	DOE TPO Courses
Certification	FAC-COR Levels 2-3	TPO Levels 1-2

STRIPES 6.5 Service Pack 6 is Almost Here!

John Makepeace, Acting Chief, APM Systems Division

The STRIPES upgrade from PRISM version 6.5 Service Pack 2 to Service Pack 6 (SP6) is on track for implementation in production on May 26, 2013.

The STRIPES 6.5 SP6 release addresses several of the immediate needs of the user community to include improving data quality, enhancing the STRIPES user experience, and delivering fixes and enhancements requested by the user community. Overall, the STRIPES 6.5 SP6 upgrade includes over 100 fixes and enhancements.

The top 10 key improvements that will be delivered with STRIPES 6.5 SP6 are:

- Four-Digit Modification Numbers (up to 9999 modifications)
- Very Large Documents Validate 700% Faster
- Doubled the Maximum FedConnect File Upload Size to 50MB
- Access the Library from the STRIPES Welcome Page
- \$0 Modifications Require FPDS-NG Record
- Print “Total Amount without Options” Value on Award Forms
- Catalog of Federal Domestic Assistance (CFDA) Number now Mandatory on Grants
- Users set the FedBizOpps Archive Date for Notices
- Users can Finalize Supporting Documents
- Users with Full Access can Cancel a Pending Route

Online orientation sessions to introduce these enhancements are scheduled in May:

- ◇ 10AM – 12PM (EDT) on Monday, May 20 ([Join Conference using this link](#))
- ◇ 1PM – 3PM (EDT) on Tuesday, May 21 ([Join Conference using this link](#))
- ◇ 10AM – 12PM (EDT) on Wednesday, May 22 ([Join Conference using this link](#))
- ◇ 1PM – 3PM (EDT) on Thursday, May 23 ([Join Conference using this link](#))

The conference number for all conferences is: **605-475-4800 Code: 227984#**

Our high-level milestones for this project are provided below:

Activity	Time Frame	Status
User Acceptance Testing (UAT)	April 1 – May 10	Complete
Provide SP6 overview to UAT Participants	March 25 – March 29	Complete
Conduct UAT Iteration 1	April 1 – April 17	Complete
Conduct UAT Iteration 2	April 17 – May 10	Complete
User Orientation	May 20 – May 23	
Go / No Go Decision	by May 22	
Go Live / Production Implementation	May 26	

Questions of the Month

Question 1: If federal project directors (FPDs) are members of the acquisition workforce, why does the monthly *FPD+ Acquisition Workforce Newsletter* include “FPD” in the title?

Answer 1: One year ago this month, the Offices of Engineering and Project Management (OECM) and Procurement and Assistance Management (OPAM) merged to form the DOE Office of Acquisition and Project Management (APM). This shift consolidated the management oversight for the Acquisition Career Management Program (ACMP) and the Project Management Career Development Program (PMCDP) under a new APM division, MA-661 – Professional Development Division (PDD). Historically, the PMCDP’s monthly newsletter was sent to the Project Management community and focused on news of interest to FPDs. The newsletter has expanded its focus to contain articles and information of interest to the broader acquisition community. “FPD” remained in the newsletter’s title as we added readership to provide a title transition that made it clear the project management community remained a vital part of the audience. We celebrate our one year birthday with a name change that we hope reflects our goal to provide news of interest to the whole DOE APM community.

Question 2: The FPD certification program (PMCDP) already has a robust continuous learning point (CLP) tracking system in the DOE Corporate Human Resources Information System (CHRIS) / Employee Self Service (ESS) system. Does PDD envision the development of similar CLP tracking systems for other acquisition certification programs?

Answer 2: Yes. PDD is currently developing similar CLP tracking systems in CHRIS/ESS for the following certifications: Contracting Officers, Contracting Officer Representatives, Financial Assistance, and Technical Project Officers. Once operational, PDD will review the success of the application and seek expansion to include the remaining certifications (i.e., Personal Property Managers, Purchasing, etc.).

Question 3: I’m an FPD and my biennial CLP requirement due date is near. I have several unapproved CLPs in the system that state “*Awaiting Line Manager Approval.*” Does my first-line manager really have to approve these in addition to APM? If so, why?

Answer 3: The purpose of this dual review is to validate the CLP claim(s) entered into the system. APM will not personally check up on any training/activities performed, but does require a well-written narrative describing the CLP activities claimed and their relevance to the certifications you hold. APM may ask you to elaborate on certain aspects of the training, etc., to determine if the CLPs being requested are reasonable.

CLP requests are often placed on hold by the first-line manager and sometimes cancelled or denied. The first-line manager’s review and approval of the initial CLP request is critical and validates the activity or training being claimed.

Inaugural Property Management Workshop – Going Virtual

Office of Acquisition and Project Management is pleased to announce it will host its 1st *virtual* Property Management Workshop



May 20 to May 23, 2013

11:00 - 3:30 PM EDT each day

The workshop will highlight internal management successes, recent procedural changes, forthcoming initiatives driven by both internal and external forces, and take stock of the climate in which we provide property stewardship services to the Department.

Watch for registration information at: <http://go.usa.gov/2dfP> . See presentations from previous year's real property workshops at <http://fimsinfo.doe.gov/workshops.htm>"

Find past editions of the newsletter online at

<http://energy.gov/management/office-management/operational-management/certifications-and-professional-development-0>

DOE Acquisition Certifications FY 2013 Training Schedule



For a full list of DOE acquisition certification training, please visit the Acquisition Career Management Program (ACMP) Powerpedia Page:

<https://powerpedia.energy.gov/wiki/ACMP>

Questions or Comments?

For PMCDP, please email general questions and comments to PMCDP.Administration@hq.doe.gov, or visit our website: <http://energy.gov/management/office-management/operational-management/project-management-career-development-program>.

For ACMP, please email questions and comments to ACMP@hq.doe.gov.

For specific information, please contact a Professional Development Division team member:

- Linda Ott, Division Chief, Acquisition Career Manager, PMCDP CRB Secretariat, Newsletter, Linda.Ott@hq.doe.gov
- Victoria C. Barth, PMCDP Training Schedule, CRB Information, CEG, , Victoria.Barth@hq.doe.gov
- Sigmond Ceaser – Learning Seminars, Alternative Delivery Platforms, TPO Certification Program, Sigmond.Ceaser@hq.doe.gov
- Virna Drummond – FAITAS, PDD Training Schedule, Virna.Drummond@hq.doe.gov
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- Lorri Wilkins - COR Certification Program Manager, Acquisition Certifications Program Handbook, PDD Policy, Lorri.Wilkins@hq.doe.gov