



Department of Energy

DOE PROPERTY MANAGEMENT AND CONTROL

Office of Acquisition and Project Management
Office of Property Management
Personal Property Policy Division

In conjunction with:

National Nuclear Security Administration – OPMO
National Nuclear Security Administration - Nonproliferation & International Security
Environmental Management – OPMO Savannah River



Property Management & Control

Your Panel

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Property Management & Control

Overview

Personal Property Management and Control ?

- **It is the law ~**

Title 40 USC Sec 524 requires that each Executive Agency:

- (1) Maintain adequate **inventory controls and accountability systems** for the property under its control,
- (2) continuously **survey property** under its control and promptly **report excess**
- (3) perform **care and handling** of such property and
- (4) transfer or dispose** of such property

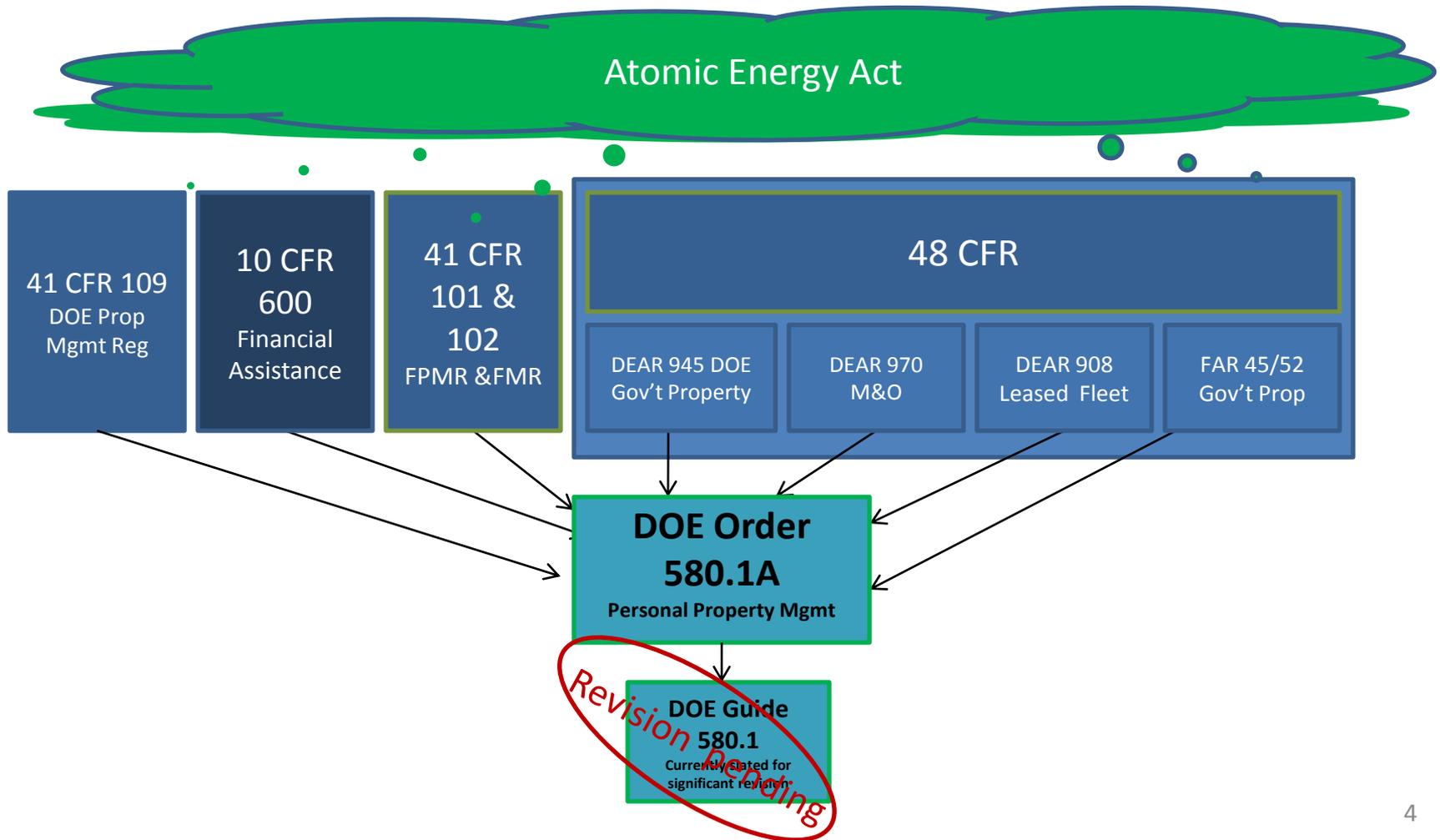
- **It is good business ~** Maximizes ROI *and* ROK; critical business information for DOE leadership and program office decision makers

- **It is our stewardship responsibility ~** To the Congress, the taxpayer, & our stakeholders/customers



Property Management & Control

Regulatory Environment





Property Management & Control

Property Taxonomy – 580.1A scope

FEDERAL ASSETS

PP&E

**INVENTORY & RELATED MATERIAL
MA-653**

HUMAN RESOURCES

**PERSONAL PROPERTY
MA-653**

**REPAIRABLE/
REPARABLES**

CONSUMABLES

**REAL PROPERTY
MA-651/652**

**INTERNAL USE
SOFTWARE (IM-60)**

EQUIPMENT

Excludes nuclear material as defined in DOE O 474.2

Excludes classified property

LAND

FACILITIES

**DOE MISSION
EQUIPMENT**

BUILDINGS

**STRUCTURES
(NONLINEAR)**

**LINEAR
STRUCTURES**

**OTHER
ACCOUNTABLE
EQUIPMENT**



Property Management & Control

National Nuclear Security Administration - OPMO

NNSA

Overview:

Items of Accountable Property	289,568
Acquisition Value	\$5,496,273,155

Personal Property Programs :

- Management & Operating Contractors 7
- FAR Contractors 10
- Financial Assistance 3
- Direct Operations 3
- Total Facilities 23

Some of the things we do:

- Negotiate Fiscal Year Personal Property Management Performance Metrics
- Validate Contractor Quarterly Self-Assessment Reports
- Provide Annual Performance Assessments
- Conduct System Review at least every 3 years
- Approve Sensitive Item List Annually
- Approve Annual Inventory Plans
- Review, Process & Approve Loans
- Process Transfers, Donations, & Abandonment



Property Management & Control

What Property (DOE Savannah River Operations)

Community Assistance and Asset Management Team:

- ✓ Manages \$400+M accountable personal property to include:
 - ✓ Industrial plant equipment and materials management
 - ✓ Vehicle fleet,
 - ✓ Weapons, Ammunitions, and explosives
 - ✓ Chemicals
- ✓ Supports site administrative pools, commodity centers, and related personal property conversions for disposition transactions valued at \$3.1 billion

Asset Management group oversees activities in:

- 59 warehouses, Lay-down yards, and administrative facilities with over 606,834 square feet of space occupying 53 acres supporting multiple programmatic functions at SRS.

Provides management support for oversight responsibilities, including:

- Savannah River Site Community Reuse Organization, Economic Development
- Laboratory Equipment Donation Program
- Computers for Learning, and
- Historic Preservation activities



Property Management & Control

Accountable/Reportable Property

Accountable Property Criterion

DOE O 580.1A raised the *accountable property dollar threshold* from an OAC of 5k to 10k.

OAC or **acquisition value** is certainly an important consideration in determining if an item of property is reportable/accountable – *but of equal or more importance is **contributory value** or value to mission.*

Determining Accountability:

- Does personal property meet the **Sensitive Property** definition?
- Is the property a **Precious Metal?**)
- Is the property **High Risk or Export Controlled?**
- Is **OAC 10K** or above?
- Is there **other management considerations** that merits more stringent controls **“not with standing its acquisition cost”** ? (for example: IT property with known or suspected PII/CUI; property known or suspected to be highly pilferable; property associated w/a Work For Others program where the companion-Agency has a lower accountable threshold)

if **‘yes’** to any of the above – then the **property item is accountable** > must be recorded & maintained current in a system of record - from inception thru formal release from DOE Inventory .



Property Management & Control

Demonstration of Effective Management Controls

Type	Frequency	Accuracy Target	Inventory method controls
Sensitive Property and Precious Metals	At least annually	100%	The OPMO/PA must accept the method. <i>Frequency and methods respects property condition, classification and location</i>
HRPP	At least annually	<i>Graded approach</i>	Complete physical inventory (existence testing); <i>sampling method may be used based on assessed risk.</i>
Firearms	At least annually	100%	May use inventory requirements in DOE O 473.3, Protection Program Operations, Appendix A, Section F.7, "Inventory of Firearms, Ammunition, Pyrotechnics and Explosives"
Capital Accountable property and precious metals	At least annually	100%	The OPMO/PA must accept the method
All other Accountable Property	At least every three years	98%	The OPMO/PA must accept the method
Stocks, Stores, and administratively controlled	As per OPMO/PA	<i>Industry standards</i>	Conducted on a frequency and method approved by the OPMO



Property Management & Control

Promoting and Securing an Equipped Property Management workforce

ACMP PPM LEVEL II

1 YEAR OF EXPERIENCE IN PERSONAL PROPERTY MANAGEMENT

TRAINING REQUIREMENTS:

▪ **CON 100* SHAPING SMART BUSINESS ARRANGEMENTS**

IND 105* CONTRACT PROPERTY FUNDAMENTALS
(MAY SUBSTITUTE DAU TAUGHT FORMER IND 100 AND FORMER IND 103)

▪ **CON 110* MISSION SUPPORT PLANNING (OR) FCN 110**

▪ **CON 111* MISSION SUPPORT EXECUTION (OR) FCN 111**

▪ **CON 112* MISSION PERFORMANCE ASSESSMENT (OR) FCN 112**

ACMP PPM LEVEL II (GRADES 09-12)

2 YEARS OF EXPERIENCE IN PERSONAL PROPERTY MANAGEMENT

TRAINING REQUIREMENTS

▪ **IND 200* INTERMEDIATE CONTRACT PROPERTY ADMINISTRATION & DISPOSITION**

▪ **CON 214* BUSINESS DECISIONS FOR CONTRACTING**
▪ **(OR) FCN 214**

▪ **CON 216* LEGAL CONSIDERATION IN CONTRACTING**

▪ **PERSONAL PROPERTY & NONPROLIFERATION COURSE**

▪ **DEMILITARIZATION COURSE**
(SITE SPECIFIC)



Property Management & Control

(Training continued)

ACMP: PPM LEVEL III (GRADES 13-15)

4 OR MORE YEARS OF EXPERIENCE IN PERSONAL PROPERTY MANAGEMENT

TRAINING REQUIREMENTS:

- **CON 353 ADVANCE BUSINESS SOLUTIONS FOR MISSION SUPPORT**

- **LEADERSHIP TRAINING (MIN 8 HRS)**

- **MANAGEMENT TRAINING (MIN 8 HRS)**

*There are new ACMP opportunities thru ACMP...
What MA is doing*

2011

Classes offered: IND 100

Graduates: 80

Unused seats: 40

2012

Classes offered: IND 103 (to date)

Graduates: 17

Unused seats: 13

**Classes planned: IND 100 curricula –
27-31 Aug 2012, Idaho Falls, Idaho.**

2013

**Classes planned: IND 200 curricula –
15-26 Oct 2012, Albuquerque, NM**



DOE Order 580.1A Roll-Out - HRPP

DOE Order 580.1A June 2012

Department of Energy Personal Property Management Program

High-Risk Personal Property (HRPP)

National Nuclear Security Administration (NNSA)
Office of Nonproliferation and International Security (NA-24)



DOE Order 580.1A Roll-Out - HRPP Overview

DOE Order 580.1A Roll-Out Overview:

- Why revise HRPP **requirements** in DOE Order 580.1?
- What are the HRPP **changes** in O 580.1A?
- What is the **impact of changes** in the HRPP requirements?
- How do we **transition**?



DOE Order 580.1A Roll-Out - HRPP

Why revise HRPP requirements in DOE Order 580.1?

- Be consistent with 41 CFR 109 – remove unnecessary steps and approvals
- DOE Order 580.1A addresses the same subset of HRPP as defined in 41 CFR 109-1.100-51
 - Export-controlled personal property per 41 CFR 109-1.5300
 - Firearms, ammunition, pyrotechnics, and explosives
 - Hazardous property
 - Radioactive property
 - No nuclear material
 - No classified
 - No nuclear weapons



DOE Order 580.1A Roll-Out - HRPP

Why revise HRPP requirements in DOE Order 580.1? (cont.)

- Export-controlled HRPP (licensing agency; regulation)
 - Nuclear weapon components and nuclear weapon-like components that do not contain nuclear material (DOE; Atomic Energy Act (AEA))
 - Property Especially Designed or Prepared (EDP) for use in the nuclear fuel cycle includes Nuclear Supplier Group (NSG) Trigger List items (Nuclear Regulatory Commission (NRC); 10 CFR 110)
 - Dual-Use List items (Commerce Department; Export Administration Regulations (EAR) 15 CFR 774)
 - Munitions List items (State Department; International Traffic in Arms Regulations (ITAR) 22 CFR 121)



DOE Order 580.1A Roll-Out - HRPP

Why revise HRPP requirements in DOE Order 580.1? (cont.)

- Concerns about proper handling of HRPP, especially during disposition
- Increasing rate of disposition of HRPP because of programmatic changes
 - Less concern with Defense Program activities as they exercise classification and export controls regularly
 - More concern with other programs with less frequent application of export controls



DOE Order 580.1A Roll-Out - HRPP

Why revise HRPP requirements in DOE Order 580.1? (cont.)

- New chapter 3.3 on export control compliance in the DOE Acquisition Guide which
 - Serves as a reference to Contracting Officers of Contractor obligations to comply with U.S. export laws and regulations
 - Provides links to relevant U.S. export laws and regulations
 - Sensitizes Contracting Officers and Contractors to export control transfer methods, including export controlled information and deemed exports
 - Guides Contracting Officers to insert Export Restriction Notice in contracts that may involve foreign nationals receiving unclassified information, materials, equipment and/or software
 - Clarifies exception for Fundamental Research



DOE Order 580.1A Roll-Out - HRPP

Why revise HRPP requirements in DOE Order 580.1? (cont.)

- We are revising the DOE Acquisition Regulations (DEAR) which
 - Reminds Contractors of their obligation to comply with U.S. export laws and regulations
 - Removes DOE Contracting Officers from export control decisions and issues
 - Directs Contractor export control questions to relevant licensing agencies
 - Directs Contracting officers to insert Export Clause in contracts that may involve foreign nationals receiving unclassified information, materials, equipment and/or software



DOE Order 580.1A Roll-Out - HRPP

What are the HRPP **changes** in O 580.1A?

- Explicitly places disposition reviews and approvals of Dual-Use and Munitions List items in the field
- Moves alternative disposition approvals of nuclear weapon components, nuclear weapon-like components and Trigger List items from NA-1 to NA-20
- Graded inventory approach for HRPP
- Discontinues use of DOE Form 580.1-1
- Requires updated Export Restriction Notice on all personal property transfers, sales or other offerings



DOE Order 580.1A Roll-Out – HRPP

What is the **impact of changes** in the HRPP requirements?

- Most HRPP export reviews already being performed by export SMEs in the field
 - Most DOE labs have export offices with trained SMEs
 - Most DOE labs process major acquisition and all disposition requests through their export SMEs
- Submit request from Program Office through NA-24 to NA-20 for alternative disposition of nuclear weapon components, nuclear weapon-like components and Trigger List items not sanitized or destroyed
- Alternative inventory procedures allowed for HRPP using a graded approach based on assessed risk



DOE Order 580.1A Roll-Out – HRPP

What is the **impact of changes** in the HRPP requirements? (cont.)

- Contractors assure that all HRPP property management procedures are in compliance with 41 CFR 109
- Add export control details to HRPP accountable property records
- Add updated Export Restriction Notice to all personal property transfers, sales or other offerings
- Maintain documentation of export review and alternative disposition approval, if required



DOE Order 580.1A Roll-Out - HRPP

How do you **transition** from current to new HRPP requirements?

- Adapt existing property management procedures
- Immediate focus on new acquisitions and new dispositions
- Work with OPMO to capture items in system and not in full compliance with 41 CFR 109:
 - Capture Trigger List EDP fuel cycle, nuclear weapon components and nuclear weapon-like components first
 - Capture Munitions List items next
 - Capture more sensitive Dual-Use items next
 - Grandfather least sensitive Dual-Use items last



Property Management & Control

And now to our panel discussions