

# Procurement Policies and Procedures and DOE Interface Guideline - 6.11.G (06/05/01)

**IMPORTANT NOTICE:** This document is an interim version awaiting final approval by the Department of Energy and is subject to change.

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**Last Update: (06/05/01) BDenman:kma - 6.11.G.0**

Sections 6.11.G.1 and 6.11.G.2 were revised to address changes to the Procurement Policy Board membership, and to also change the procedural framework for DOE review and approval of Procurement Policies and Guidelines as agreed to in a meeting which was held on February 26, 2001. In attendance were: Grace Tilton, Mike Fietze (both from DOE/CMB), Judy Hubbard, Adolph Bachicha, Randy Shibata, and Bertie Denman (all from SNL/Department 10206).

**Definitions**

**Procurement Policy** - The general principles by which Sandia implements the requirements of its prime contract with the Department of Energy (DOE) to procure goods and services.

**Procurement Guideline** - Written guidance for various aspects of the procurement process. Although guidelines will not address all scenarios, they will provide general directions to the SCRs.

**Policies and Guidelines approvals** - All Procurement policies and guidelines are approved by DOE.

**Standard Clause (SC)** - Contract language for inclusion into SNL's contractual documents.

**Terms & Conditions (Ts&Cs)** - As used in this guideline, refers to the standard boilerplate contract language that is referenced as the Section II document for each contract type. All Ts&Cs have prior Legal and DOE approval.

**Pilot Program** - A program serving as a tentative model for future processes which result in establishing or amending policies and procedures. The pilot programs will be used to improve or streamline existing processes.

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## **Procurement Policy Board - 6.11.G.1**

The Procurement Policy Board's purpose is to provide guidance in the development and promulgation of SNL procurement policies which support the vision and mission of the Laboratories. The Policy Board consists of members from the Procurement Steering Committee. Members review, recommend, and approve substantive policy changes and initiatives.

### **Impact Assessments - 6.11.G.1.a**

The Policy Board is a mechanism to ensure involvement of the Procurement Managers and is also a conduit for the receipt, study of, and official feedback regarding procurement-related DOE, Corporate, or other directives. The Board determines when it is appropriate to formally study the impact of such a directive.

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## **Policies and Guidelines Approval Process - 6.11.G.2**

The Procurement Policies and Procedures Team is responsible for initiating and processing any changes to Procurement's policies and guidelines. In addition, suggested changes may always be submitted in writing to the PPPT by any member of the Procurement and Logistics Center.

## Prerelease Approval - 6.11.G.2.a

Prerelease approval by DOE of all procurement policy related documents shall be required for:

- **High Visibility Issues**, examples of which may revolve around controversies, Contractor personnel, supplier relations, property return/abandonment, and the like.
- **Risk/Liability Issues**, to include areas such as security, nuclear material, terminations, OCI, FOICI, debarred suppliers, representations and certifications.
- **All new policies and guidelines.**

Step	Who	Action
1	PPPT Staff	<ul style="list-style-type: none"> <li>• Seeks input from within PPPT.</li> <li>• Determines if additional input is appropriate, both from within and outside the Procurement and Logistics Center, by judging the topic, its breadth of change, its impact on the SCR's workload, and the impact on other organizations.</li> <li>• If applicable, drafts revisions to document and disseminates to Policy Board Members and other stakeholders outside the Procurement Center, including SNL Legal as appropriate, setting due date for comments or input.</li> <li>• Sends electronic draft copy with redlined copy to DOE/AL and DOE/KAO for review and approval</li> </ul>
2	DOE/AL	<ul style="list-style-type: none"> <li>• Reviews and either approves or disapproves redlined changes to the document.</li> <li>• Forwards letter to PPPT noting decision.</li> </ul>
3	PPPT Staff	<p>If approved, sends document with worksheet to Administrative Clerk for placement on Web site.</p> <ul style="list-style-type: none"> <li>• If disapproved, makes necessary revisions (as requested) and returns to DOE/AL for second review, or holds document until further notice.</li> </ul>

## Notification Changes - 6.11.G.2.b

DOE will be sent an e-mail message by the PPPT notifying them of changes that are not of a substantive nature such as:

- changes that are as of a direct result of compliance with prime contract changes,
- changes within the scope or original intent of the document,
- clarifications,
- process simplification,
- exhibits/appendices that contain sample formats and/or materials that are tutorial in nature,
- response to specific findings based on audits/surveillances, and
- cancellation of policies and guidelines that do not fall into a prerelease approval category.

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## Contract Format and Language - 6.11.G.3

With the implementation of the electronic Document Production System Redevelopment Oracle (DPSRO), the Procurement Policy Board approved the use of standards for contractual documents' format and language. To the extent possible, the SCR is required to utilize standard language that lies in the system. This standard language may be found in the form of:

- **Templates** written for specific contract types which include Solicitation Instructions, Section I clauses, and an electronic worksheet applicable to that contract type. Templates reside in the global templates file in Oracle and DPSRO. The templates were formerly called "menus" when used in their paper form prior to Oracle and DPSRO.
- **Standard Solicitation Instructions** written for general usage by the buying staff to cover situations common to many contract types. Specific instructions can be written for any procurement when the language in the standard instructions do not meet the needs of a specific acquisition.
- **Global Nonstandard Clauses** are found in Oracle and DPSRO and include contract language covering such requirements as SNL work hours and holidays, travel expenses, allowable charges, billing, acceptance and payment, etc. These are contract clauses that have general usage across contract types and do not require Legal approval when a change is made to them.

Standard formatting of all contractual documents has been embedded in Oracle and DPSRO. All documents will include:

- Solicitation Instructions/Information (solicitation only)
- Standard Instructions
- Proposal Format (solicitation only)

- Contract Award Criteria (solicitation only), if applicable
- Terms and Conditions
- Statement of Work
- Period of Performance or Delivery
- Estimated Cost, Ceiling Price or Total Price

Document clauses are also ordered within the system to cause certain clauses to appear in the document before others.

## **Standardization Benefits - 6.11.G.3.a**

Standardizing contract documents provides:

- continuity between SNL/NM and SNL/CA,
- consistency for our suppliers,
- consistency for the SCR, regardless of department assignment,
- decrease in cycle time when templates and standard language are used, and
- increased productivity in document production process.

By reducing the effort to write contract documents, the buying staff can concentrate on the more professional aspects of contracting such as acquisition planning, negotiations, customer interface, and administering complex contracts.

## **Contract Document Standards - Revisions and Exceptions - 6.11.G.3.b**

The established standards can be revised internally without DOE approval. Changes or additions to standard Solicitation Instructions, templates and nonstandard contract clauses shall be submitted through the PPPT. Requested changes will be reviewed against compliance issues, to ascertain possible impacts on SCRs and others outside the Procurement and Logistics Center, and to seek consensus between both SNL/NM and CA sites. Implementation will be coordinated by the PPPT.

When the SCR believes an exception rather than a change to a standard is required for a specific procurement, such exception must be made by the cognizant Procurement Department Manager.

## **Pilot Programs - 6.11.G.3.c**

Sandia will participate in pilot programs initiated by either SNL or DOE. Requirements/processes for all pilot programs will be fully documented and approved by the Policy Board. The Procurement Policies and Procedures Team will formally implement the pilot

programs. Any deviations from policies and guidelines to implement a pilot program will only apply to those procurements or SCRs selected for participation in the pilot programs. The PPPT will provide notification and coordinate with DOE all pilot programs prior to implementation. At the conclusion of the pilot programs, any resultant final policies and guidelines will be submitted to the Policy Board and DOE for approval.

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## **PG Clarification/Exception Process - 6.11.G.4**

In some instances a PG may not support an action/activity which the SCR believes is appropriate and in the best interests of SNL. In these instances, the SCR may request an exception by following the steps described below:

<b>Step</b>	<b>Who</b>	<b>Action</b>
1.	SCR	<ul style="list-style-type: none"><li>- Confirms interpretation of PG and holds discussion(s) exploring available alternatives with manager (may also include Procurement Operations Manager, PPPT staff member, Legal and/or other subject matter experts.)</li><li>- If an exception is still needed, prepares and submits memo to cognizant PPPT staff member requesting an exception and providing an explanation.</li></ul>
2.	PPPT Staff	<ul style="list-style-type: none"><li>- Reviews justification and relevant data.</li><li>- Schedules meeting of Exceptions Team (ET). The ET will include the SCR, Procurement Department Manager, PPPT staff member, and Procurement Operations Manager. Additional subject matter experts may also be included. (Subject matter experts may include Legal, Line Requester, Finance, Property, etc.)</li></ul>
3.	ET	<ul style="list-style-type: none"><li>- Reviews request and relevant data,</li><li>- Approves/disapproves exceptions, or</li><li>- If applicable, makes recommendation to request DOE approval.</li></ul>
4.	PPPT Staff	<ul style="list-style-type: none"><li>- If applicable, prepares and submits memo to DOE asking for approval of exception, otherwise, proceeds to Step 5.</li></ul>
5.	DOE	<ul style="list-style-type: none"><li>- Provides written approval/disapproval to the PPPC.</li></ul>
6.	PPPT Staff	<ul style="list-style-type: none"><li>- Documents decision and copies ET.</li></ul>

- Takes any necessary action.
  - Files copy in Exceptions File.
7. SCR
- Takes any necessary action.
  - Documents exception in PAS.
  - Copy is scanned into electronic contract file.
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## DOE Liaison Responsibilities - 6.11.G.5

The Procurement Operations Department shall assure that:

- requested changes to contracts and procurement policies are changed to the mutual satisfaction of DOE and SNL,
- contracts and other documents submitted for DOE approval are handled expeditiously,
- mutually accepted changes are disseminated to the Procurement Staff as necessary,
- DOE requested changes to Sandia policies and guidelines are incorporated, and
- amiable business relationships with DOE are maintained.

### Contractual Procedure - 6.11.G.5.a

The subsequent procedure table covers the following actions:

- all DOE Contract Review Board (CRB) submissions and responses,
- requests for Waiver of Cost and Pricing Data, and
- deviations from DOE directives that have been implemented by SNL.

Step	Who	Action
1	SCR	Sends applicable procurement actions to the Procurement Operations Office/DOE Liaison after securing appropriate Procurement approvals.
2	DOE Liaison	Upon receipt of procurement action: <ul style="list-style-type: none"> <li>- logs document(s),</li> <li>- screens document(s) for compliance with policies and guidelines, and good business practices,</li> </ul>

- sends document(s) to applicable DOE contact, and
- receives all requested changes from DOE and coordinates with SNL personnel.

**Note:** DOE Liaison, Procurement Operations Office should request DOE to send a written memorandum covering any change(s) that cannot be resolved through discussions.

3	SCR	Changes procurement action as necessary.
4	DOE Liaison	<ul style="list-style-type: none"><li>- Receives approved procurement action from DOE together with any documentation of findings.</li><li>- Sends document(s) and DOE written documentation of findings to SCR.</li></ul>

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Send feedback on ideas and information on this page to the Process Expert, Bertie Denman.

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