

Argonne National Laboratory Prime Contract**Part II. Section I. Contract Clauses**

Last revised: September 29, 1999

Clause I.105 - DEAR 970.5204-60 Facilities Management (Nov 1997) (Deviation)**(a) Life Cycle Asset Management.**

- (1) In the performance of this contract, the Contractor shall establish, maintain, and use a life cycle asset management system that meets the requirements specified in the contract, and as further defined by the Contracting Officer. The Contractor shall provide the Contracting Officer with a detailed written description of the proposed system for approval within 180 days after contract award.
- (2) The Contracting Officer or authorized representative shall evaluate the Contractor's system. Cost effective application of controls will be a critical factor in determining acceptability of the proposed system. The Contractor shall provide access to all pertinent records, data, and plans related to the operations of the life cycle asset management system for purposes of gaining Contracting Officer approval of the system, approval of proposed changes, and operation of the system.
- (3) Upon approval of the life cycle asset management system by the Contracting Officer, the Contractor shall fully implement the system. The Contractor shall not make any significant changes to the approved system without the prior written approval of the Contracting Officer.
- (4) The Contractor shall set forth applicable life cycle asset management system requirements in appropriate subcontracts identified in the life cycle asset management system. The Contractor shall incorporate in the identified subcontracts provisions for review and surveillance of the subcontractors' systems. The review will be conducted by the prime Contractor, unless the Government, Contractor, or subcontractor requests Government review.
- (5) In furtherance of the Contractor's responsibilities under Part I, Section C to operate and manage the Laboratory, the life-cycle asset management system to be developed by the Contractor shall address the following requirements:
 - (i) The process for physical asset acquisition shall be an integrated, systematic approach that shall ensure, but shall not be limited to, the following:
 - (A) Use of a comprehensive land-use process with stakeholder involvement.

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- (B) Use of a process tool, such as value engineering, to improve efficiency and cost-effectiveness when analyzing physical asset acquisition.
- (C) Specification of the appropriate state, regional, or national building codes to which physical assets shall be designed and constructed.
- (D) Consideration of maintainability, operability, life-cycle costs, and configuration integrity in designs and acquisitions.
- (E) Consideration of current mission needs and an appropriate scope.
- (F) Use of a DOE-certified real estate specialist for the execution of real estate acquisitions.
- (G) A project management system based on effective management practices that is sufficiently flexible to allow for the size and complexity of the project. For line item projects, the following requirements are considered minimal:
 - 1. Prior to the commencement of conceptual design, include the following in project planning for approval:
 - mission need,
 - minimum technical functional requirements,
 - proposed cost and schedule ranges,
 - preliminary environmental strategy,
 - identification of project technical and organizational interfaces, and
 - integration with other projects and activities.
 - 2. Prior to the commencement of execution, include the following in project planning for approval:
 - project objectives,
 - scope, schedule, and cost baselines, including contingencies;
 - life-cycle cost analysis,
 - preliminary safety assessment,

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- project controls, including baseline change control, change control thresholds, and statusing to
 - Define the work elements for the project in an integrated manner that arranges work in a hierarchy of related elements to a level of detail in which work is assigned;
 - Identify the project organizational structure responsible for accomplishing the work, and define the organizational elements in which work will be planned and controlled;
 - Schedule the authorized work in a manner which describes the dequence of activities and identifies significant task interdependencies required to meet the requirements of the project;
 - Identify physical products/modules, milestones, technical performance goals, or other indicators that will be used to measure progress;
 - Establish and maintain a time-phased cost plan against which project cost performance can be measured;
 - Identify, at least monthly, the significant differences between both planned and actual schedule, cost, scope performance, and provide the reasons for the variances in the detail needed by scope and management. Summarize performance data through the project organization and/or work breakdown structure to support management needs and reporting specified in this contract;
 - Develop revised estimates of cost at completion based on performance to date, commitment values for material, and estimates of future conditions;
 - Incorporate authorized changes in a timely manner, recording the effects of such changes in budget and schedules;
 - Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs, work progress, or budgets.
- completion of National Environmental Protection Act,

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- verification of performance criteria through test and evaluation, and
 - design alternatives.
3. Prior to operation, a plan for turnover of a facility shall be prepared; verification of performance criteria through test and evaluation shall be accomplished; and operational readiness shall be verified.
- (ii) The process for the operation and maintenance of physical assets shall ensure, as a minimum, the following:
- (A) The identification, inventory, and periodic assessment of the condition of physical assets in the maintenance program.
 - (B) The establishment of requirements, budget, and a work management system to maintain physical assets in a condition suitable for their intended use.
 - (C) The preventive, predictive, and corrective maintenance to ensure physical asset availability for planned use and/or proper disposition.
 - (D) A configuration management process to ensure the integrity of physical assets and system.
 - (E) The efficient and effective management and use of energy and utilities.
 - (F) A method for the prioritization of infrastructure requirements.
 - (G) The management of backlogs associated with maintenance, repair, and capital improvements.
- (iii) The process for the disposition of physical assets shall ensure, as a minimum, the following:
- (A) The use of a signed agreement to document items and conditions when transferring assets between DOE program offices.

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- (B) The use of a DOE-certified real estate specialist to execute the disposal of real estate, including the disposal of DOE improvements without the underlying land.
- (C) A method of timely identification and reporting of surplus assets.
- (D) In addition, for nuclear facilities, as a minimum the following apply:
 1. The development of a decommissioning turnover plan.
 2. The development of a decontamination plan if appropriate for the facility.
 3. The completion of a deactivation readiness review.
- (iv) Utility services shall be acquired and disposed of through DOE unless otherwise authorized by the Contracting Officer.
- (v) The physical assets database for the Laboratory shall be maintained as a complete, current inventory of the DOE physical assets utilizing the Facilities Information Management System (FIMS).
- (vi) In the acquisition, operation, maintenance, and disposition of physical assets, the Contractor shall ensure that all applicable Federal, state, and local laws and regulations are followed.
- (b) [RESERVED]
- (c) [RESERVED]
- (d) Energy management. The Contractor shall manage the facilities for which it is responsible under the terms and conditions of this contract in an energy efficient manner in accordance with DOE Directive 430.2, In-House Energy Management.
- (e) Subcontract requirements. To the extent the Contractor subcontracts performance of any of the responsibilities discussed in this clause, the subcontract shall contain the requirements of this clause relative to the subcontracted responsibilities.