

MANAGEMENT AND OPERATING (M&O) CONTRACTOR EMPLOYMENT REPORTING



NATIONAL NUCLEAR SECURITY ADMINISTRATION
Office of Financial Management

11-08-11

M&O CONTRACTOR EMPLOYMENT REPORTING

1. **PURPOSE.** To provide guidance regarding the preparation and submission of the NNSA M&O Contractor Employment Report.
2. **CANCELLATIONS.** None.
3. **APPLICABILITY.** The provisions of this Business and Operating Policy (BOP) apply to all Federal NNSA elements, except the Office of Naval Reactors (NA-30). The exception for Naval Reactors does not relieve other NNSA elements from reporting employment information when funds are received from Naval Reactors.
4. **BACKGROUND.**
 - a. In FY 1993, an employment module was added to the Financial Information Variance Reporting (FIVR) System to track and report contractor employment changes that resulted from significant programmatic and budget changes within Defense Programs. The FIVR System discontinued the publication of the contractor employment report beginning in FY 2001. The NNSA Office of Planning, Programming, Budgeting and Evaluation (NA-MB-30) has continued to collect contractor employment data from the NNSA M&O contractors quarterly.
 - b. NNSA has reflected the M&O contractor employment data as a part of the Site Summaries portion of the budget for the prior, current, and budget years for each M&O contractor.
 - c. Contractor employment data is collected on a regular basis, consistent with current financial and organizational structures. This is particularly important given that requests for contractor employment data are received from internal and external sources. Examples include requests from: Congressional leaders and their staff; from the Office of Human Capital Management; and from outside reviewers such as the Department of Defense (DoD) Cost Assessment and Program Evaluation (CAPE).
5. **REQUIREMENTS.**
 - a. **Projections based on the President's Budget Request.** In the past, NNSA incorporated data for each M&O contractor where NNSA is the landlord as part of the Site Summaries portion of the budget for the prior, current, and budget years. Although this information will no longer be included in the President's Budget Request, employment projections will be needed once the Request is rolled out after submission to Congress each year. Budget year projections will be required with the second quarter report, so that more informed projections can be made.

b. Quarterly Reporting. The M&O Contractor Employment Report is requested on a quarterly basis, typically around mid-month following the end of each quarter (i.e. the 1st quarter report is due around mid-January). Guidance is provided to the sites by NA-MB-30 annually. A report format is provided that is consistent with the current fiscal year's budget structure. Submission information follows. Sample formats are included in Attachments A and B.

- (1) Report Format. The M&O contractor employment report is a Microsoft Excel-based file. For NNSA programs, the format corresponds to the programmatic alignment reflected on the NNSA Statistical Table that accompanies the budget submission as well as the current budget execution structure. Direct and indirect funded contractors must be reported each quarter (see Attachment 1).
- (2) NNSA Construction. All employees who support NNSA Construction projects should be separately identified by program on the report. Employees who support NNSA Operations and Maintenance (O&M) activities, General Plant Projects (GPP), and Capital Equipment (CE) activities should not be captured as part of construction on the report.
- (3) Variance Memorandum. The Variance Memo provides explanations for "material" changes by program, assumptions, and organizational structures: current and previous quarter; current and previous fiscal year; and projected end of year employment level and the projected budget year. Changes in assumptions that affect programmatic alignments, including changes in organizational structures, should always be documented. In addition, changes that result from legislation and/or enacted appropriations are documented in the Variance Memo (see Attachment 2).

6. DEFINITIONS.

- a. Headcount. Headcount refers to the actual number of people physically employed by a contractor as of a certain point in time. Historically, the NNSA plants (Kansas City (KCP), Pantex (PX), Savannah River (SRS), and Y-12) have enumerated their contractor workforce as headcount. The quarterly employment information provided by the sites reflects the contractor's total headcount by direct and indirect as of the end of the quarter.
- b. Full-Time Equivalent (FTE). FTE is a calculation based on the number of total hours worked divided by the maximum number of compensable hours in a work year. Historically, the NNSA laboratories (Lawrence Livermore (LLNL), Los Alamos (LANL), and Sandia (SNL) and the Nevada National Security Site (NNSS)) have enumerated their contractor workforce as FTEs. The quarterly employment information provided by the laboratories and the NNSS reflect the year-to-date FTE, by direct and indirect, as calculated at the end of each quarter.

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7. EXCEPTIONS.

- a. Protective Force Contracts. For historical consistency, the NNSS, SRS, and the Y-12 National Security Complex report the protective force contracts Federal Acquisition Regulation (FAR)-based contracts, as part of the quarterly reporting requirement.
- b. Subcontractors. With the exception of SRS, the contractor employment information collected by NA-MB-30 does not include subcontractors that may be employed by the M&O contractors. Savannah River reports a nominal number of subcontractors as part of the site's overall M&O contractor employment report because the activities supported by these employees are inextricably linked to the NNSA mission at the site.

8. ROLES AND RESPONSIBILITIES.

- a. The Director, Office of Financial Management (NA-MB-30):
 - (1) Documents the process for collecting and reporting NNSA M&O Contractor Employment information in an NNSA Business and Operating Policy (BOP).
 - (2) Creates and disseminates the NNSA M&O Contractor Employment report format/template to the Site Office Business Managers as changes occur throughout the fiscal year.
 - (3) Issues annual and ad hoc guidance to the Site Office Business Managers for the report.
 - (4) Ensures consistency in the methodology used to collect and calculate contractor employment across the sites.
 - (5) On a quarterly basis receives, reviews, and consolidates contractor employment data to ensure consistency.
 - (6) Responds to external and internal data calls regarding contractor employment information.
 - (7) Coordinates with organizations within and external to NNSA, including the Office of Acquisition Management and the Albuquerque Complex Contractor Human Resources Division, to ensure consistency when responding to external data calls.
 - (8) Receives projections for the budget year after submission of the President's Budget to Congress to inform management of potential workforce restructuring implications.

- (9) Maintains historical contractor employment information related to the current and historical reporting requirements described herein.
 - (10) Publishes the NNSA M&O Contractor Employment Report via iPortal for accessibility by the Office of Acquisition Management and the Albuquerque Complex Contractor Human Resources Division.
- b. Site Office Business Managers (or designee):
- (1) Review and/or coordinate the submission of the NNSA Contractor Employment Report to NA-MB-30 in accordance with oversight responsibilities established through line oversight/contractor assurance system agreements with the M&O contractor.
 - (2) Review and/or coordinate responses to ad hoc contractor employment data calls to NA-MB-30 in accordance with oversight responsibilities established through line oversight/contractor assurance system agreements with the M&O contractor.
 - (3) Ensures copies of the quarterly and ad hoc reports are provided to NA-MB-30 and the Albuquerque Complex Contractor Human Resources Division.
- c. Office of Acquisition Management (NA-APM-10):
- (1) Has responsibility for establishing policy and oversight governing cost reimbursement of NNSA contractor human capital activities.
 - (2) Oversees all contractor workforce restructuring activities throughout the NNSA complex.
- d. The Albuquerque Complex Contractor Human Resources Division:
- (1) Works with NA-APM-10 and the NNSA Site Offices to implement policy and oversight of NNSA contractor human capital activities including reporting of contractor employment data.
 - (2) Reconciles the NNSA M&O Contractor Employment Report with the Workforce Information System on an annual basis.
8. REFERENCES. NNSA BOP-001.2, *NNSA PPBE Programming Process*, and NNSA BOP-001.31, *NNSA Budget Formulation Process*, provide the framework and responsibilities for preparing the NNSA budget request.

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9. CONTACT. The NNSA, Office of Financial Management, NA-MB-30, 202-586-1087.



KENNETH W. POWERS
Associate Administrator
for Management and Budget

Attachment 1. M&O Contractor Employment Report
Attachment 2. Variance Memo

M&O Contractor Employment Report

B&R Code	TOTAL	(a)End of Current Year Projected			(b)Budget Year Projected			1st Quarter Current Year		2nd Quarter Current Year		3rd Quarter Current Year			4th Quarter Current Year	
		Direct	Indirect/Allocation	TOTAL	Direct	Indirect/Allocation	TOTAL	Direct	Indirect/Allocation	TOTAL	Direct	Indirect/Allocation	TOTAL	TOTAL	TOTAL	
Contractor Employment Template																
<i>Nuclear Security Enterprise</i>																
Directed Stockpile Work (DSW) Campaigns	DP11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Science Campaign	DP12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Campaign	DP13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inertial Confinement Fusion Ignition and High Yield (ICF) Campaign	DP14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advanced Simulation and Computing (ASC) Campaign	DP15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Readiness Campaign	DP17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Readiness in Technical Base and Facilities (RTBF)	DP09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secure Transportation Asset (STA)	DP18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nuclear Weapons Incident Response (NWIR)	DP40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RTBF Line Item Construction	39DP09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIRP Construction	39DP10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DNS Construction	39FS20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Science Campaign Constr	39DP12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Campaign Constr	39DP13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICF Campaign Constr	39DP14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Readiness Campaign Constr	39DP17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities and Infrastructure Replacement Program	DP10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Projects and Operations (EPO)	DP50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defense Nuclear Security (DNS)	FS20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cyber Security	FS21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Congressionally Direct Projects	DP60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nuclear Security Enterprise Other(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Nuclear Security Enterprise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other NNSA	NN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defense Nuclear Nonproliferation (DNN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DNN Construction	-	-	-	-	-	-	-	39NN	-	-	-	-	-	-	-	-
Naval Reactors	AJ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program Direction	PS, PT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other NNSA(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other NNSA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total NNSA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental Management (EM)	EY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other DOE(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Can include, but not limited to: HA, HD, HQ, HU, IN, DF, DG, RH, S448, DF, YN, EE, SC, NP																
Total DOE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-DOE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DoD & Other	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defense Agencies	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Department of Homeland Security (DHS)	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal Agencies(1)	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Federal Agencies/WFO(1)	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DOE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
#DIV/0!	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	-	-	#DIV/0!	-	-

NOTE: Non-Construction lines should include: Operations and Maintenance (O&M), General Plant Equipment (GPP), and Capital Equipment (CE).
 (1) Please footnote functions captured under the "Other..." categories...
 (2) Update End of Current Year Projections based on the Final Appropriation, once received.
 (3) Update Budget Year Projections based on the President's Budget, after it has been rolled out.

Variance Memo

NNSA CONTRACTOR EMPLOYMENT REPORT VARIANCE EXPLANATIONS – Sample

** Please provide explanation of changes for MATERIAL changes by program, changes in assumptions, and changes in organizational structures*

Year to date Actuals - 1st Quarter Current Year (CY) vs. 4th Quarter Prior Year (PY)

Year to date Actuals - 2nd Quarter CY vs. 1st Quarter CY

Year to date Actuals - 3rd Quarter CY vs. 2nd Quarter CY

Year to date Actuals - 4th Quarter CY vs. 3rd Quarter CY

Prior Year Actuals vs. Current Year Projections

Current Year Projections vs. Budget Year Projections