



FMSIC MEETING NOTES
May 12, 1998
Hyatt Regency St. Louis at Union Station
St. Louis, MO

Attendees: Tom Baranouskas-PNNL, Ralph Bonner- Sandia, Roger Corless-FDH, Gregg Crockett-K-H, Bill Goodwin-LMITCO, Allan Johnston-LANL, Jim Lopez-LLNL, Brian Morishita-LMITCO, Ron Ragland-LMES, Jim Reid-DOE-HQ, and Betty Smedley-DOE-HQ

Guests: Ron Butters-Bechtel NV, Kevin Denahy-KAPL, and Nikki Grover-LMITCO
Not present: Paul Grefenstette-WSRS, Paul Keele-DOE-ID and Jim Martin-DOE-OR

Greetings/Introductions - Ragland:

- Introduced guests.
- Announced that the Oracle user group meeting and the functional cost peer review team lead meeting were being held concurrently with the Council meeting.

Washington Update - Reid & Smedley:

- Environmental Management B&R structures. Proposal was made to include metrics with the structures which resemble projects. A meeting at HQ is going on simultaneously with the Council meeting to develop the structures.
- Work for others proposal currently includes (1) eliminating added factor, (2) eliminating waivers and (3) cancel all current waivers as of date of the legislation except if exempted by the DOE Secretary, (4) implements 3% maximum overhead on all fed and non-fed related work, (5) a waiver for small businesses, non profit organizations and state and local governments, (6) DOE will work with the contractors to determine if any costs should not be charged to the federal government and (7) a pilot study by 2000 to look at indirect costs charged to non federal agencies will be conducted. Jim would like the Council to take this on and make a presentation to HQ.



- GAO Internal Audit. Agreed that DOE did reduce functional support costs and noted some errors in the data. Because functional costs is considered to still be in a pilot stage, it will be given another year to mature and become more accurate.
- Site Profiles. Write ups were provide to HQ on site profiles and will be available on the EIS. Jim can provide copies of the profiles upon request.
- Materials In inventory. Absorbed in asset reduction initiative. Not much activity going on with this and is still looking for ways to incentivize.
- Single Year Appropriation. John Pescosolido of DOE-SR is the lead to develop a recommendation for the Budget Results Council by 10/01/98. If adopted it would be recommended that conversion occur no sooner than 2001 and need two years to implement.
- Betty Smedley will make sure that all members get a copy of the Mike Telson letter on fiscal responsibility.
- Freight Reporting. Approved contractors can review freight bills and keep savings but still must have GSA review freight charges. Discussions with GSA re this issue continue. Ralph will provide Jim more info on the ATMS (Automated Traffic Management System) prior to the next meeting.
- Senate Budget Committee has a flat budget profile over the out years.
- Foreign Travel Management System. An improvement team is looking at (1) cutting back on the approvals for foreign travel, (2) reducing the approval cycle time, (3) replacing current system with a web based system.
- Conferences. It appears that too many people from the same sites/work areas are going to conferences and everyone needs to be conscious of this.

FMSIC Clearinghouse - Morishita:

- Distributed to the Council a matrix which showed the various requests for information issued by the Clearinghouse and the contractors who responded to each of the requests. The requests for information were identified by RFI title only, and the titles/descriptions of the requests will be forwarded to the members.



- A proposal requesting from each contractor member \$14.5K to support the Clearinghouse for FY-1999 was made. This reflects no change in the amount requested for FY-1998. The Council members approved unanimously.
- Inviting Vendors to FMSIC Activities. The Council voted against having vendors participate unless they speak specifically on a requested topic.

Pricing of Products. Action deferred because of Paul's absence and the pilot study to look at indirect costs charged to non federal agencies.

Travel Vouchers - Bonner:

- WSRC and PNNL responded to Ralph's request concerning how travel audits are handled at the contractor member sites.
- Jim Reid will discuss with Greg Friedman and Richard Hopf Sandia's metrics associated with their reimbursement of travel costs.

Significant Changes to Financial Systems - Roundtable:

- Lockheed Martin Idaho - Legacy replacement was placed on hold due to preemption by compliance issues.
- Sandia - In the midst of implementing Oracle. Both financial and manufacturing applications are scheduled for rollout on 10/01/98. Some issues still unresolved such as freight reporting. Third party integrator is being used for the implementation.

*It was noted that effective 2001 COTS packages will have to be capitalized.

- Battelle PNNL - Considering adding more modules to the already implemented PeopleSoft applications and determining which vendor(s) to go with.
- Los Alamos - Funds forecasting system was implemented. PeopleSoft payroll and HR will be implemented 10/01/98. Travel reservations system and procurement are yet to be implemented.



- Bechtel NV - PeopleSoft HR and payroll implemented. They are using Hanford's electronic timesheet. Will implement new A/P and accounting systems.
- Knolls Atomic Power Lab - Purchasing and payroll systems are new.
- Lockheed Martin Energy System - Will implement SAP employee data, accounting, procurement and project management modules on 10/01/98. HR is scheduled for next year. Their electronic settlement system is working well.

*Ron Ragland is the FMSIC representative to the DOE financial system change team. All Council members are invited to participate. Accounting structures were the primary concern of this team. Looking for a 2000 implementation date.

- Fermi Lab - Oracle Procurement implemented in 1997. Looking at a project costing application and a chart of accounts.
- Kaiser Hill RF - Asset and inventory accounting and decision support were recently implemented. Pension module will be brought up. Looking to migrate legacy data. They are bringing in Lawrence Berkeley's electronic timesheet. Also doing numerous process changes resulting in a reduction of closing times by 12 hours.
- LLNL - PeopleSoft HR and Oracle upgrades were installed. Moving financial systems to the web. Using new electronic timesheets and new data warehouse using business objects technology. Are currently conducting Y2K testing.
- Westinghouse Savannah River - Time collection system installed. Currently building a data warehouse and working on strategic planning. Conducting Y2K verification.

Functional Cost Peer Review - Dennis Betcher, Kaiser Hill; Jim Herring, LANL; Mark Keck, Lockheed Martin Energy Systems; Gregg Landon, Lockheed Martin Idaho; Michelle Pennington, Westinghouse Savannah River; Dennis Pulsipher, Lockheed Martin Idaho

- The team will clarify (not rewrite) the functional cost category definitions.



- Concern over recasting dollars and then making comparisons to non recasted dollars was expressed.
- The team will develop a recommendation to issue to the Council prior to the next Council meeting.

Uncompensated Overtime - Corless:

- Discussed how the various members were recording uncompensated overtime.
- DCAA conducts floor check audits and looks for total hours worked.
- The Council decided not to take any action on this issue recognizing each site/contractor will deal with this issue the best way for themselves.

DOE System Development Requirements - Bonner:

- Ron Ragland will discuss these requirements with Jim Reid and with Ralph Bonner will determine a course of action.

Business Management Oversight Program:

- Only the Oakland sites will be reviewed. Betty Smedley had not received any feedback but review appears to be going well.

Deferred Maintenance:

- CFO agreed to gather maintenance (preventative, predictive and corrective) costs by facility by 1999.



Reporting of Personal Property:

- Does not apply to personal property <\$100K
- No system to track personal property.
- A call for preliminary data will be issued and Brian Morishita will forward a copy of this call to all Council members from Jim.

New DOE Field Representative to the Council:

- Jim Reid will appoint a new field representative to the Council.

Next FMSIC Meeting:

- Denver, the week of September 1, 1998.