



Department of Energy

Idaho Operations Office
1955 Fremont Avenue
Idaho Falls, ID 83415

June 5, 2014

Product Manager Abrams
SFAE-GCS-ABCT-A (H. Brad Hodge, Lt. Colonel)
6501 E. 11 Mile Road, Bldg. 229
Warren, MI 48397-5000

SUBJECT: Addendum 8 to the Memorandum of Understanding (MOU) Between Department of Army (DA) Product Manager (PM) Abrams and Department of Energy Idaho Operations Office (DOE-ID) on the Operations of the Specific Manufacturing Capability (SMC) (PS-SMC-14-009)

Dear Lt. Col. Hodge:

My staff prepared an update to the MOU for the "Workscope for the Heavy Armor Program" between the DA PM Abrams and the DOE Idaho Operations Office. This MOU has been coordinated with members of your staff for completeness for this review and approval process. I concur that the updated Addendum 8 is sufficient to delineate responsibilities and authorities between our two organizations to carry out the work scope for the SMC facilities. The Addendum 8 will represent the current working relationship between the DOE-ID and PM Abrams and does not change the responsibilities stated in the original MOU. I am enclosing a signed copy of the Addendum 8 for your review and approval.

If you have any questions, please call Jeff Shadley of my staff on (208) 526-5005.

Sincerely,

A handwritten signature in black ink, appearing to read "R. B. Provencher".

Richard B. Provencher
Manager

Enclosure

cc: Michael Martell, PM Abrams
Rose Ketchum, PM Abrams

Interagency Agreement Between
the
U. S. Department of the Army
Product MangerAbrams
and the
U. S. Department of Energy
Idaho Operations Office

I. PURPOSE

This Agreement, upon acceptance by the Department of Army (DA) Product Manager Abrams (PM ABRAMS) and the Department of Energy (DOE), Idaho Operations Office (the Parties), becomes Addendum 8 to the Memorandum of Understanding effective on February 5, 1985, and hereby revises, replaces and supersedes Addendum 7 dated December 2009. Addendum 8 becomes effective, in its entirety, upon the date of execution by both Parties. The Parties hereby agree, except to the extent addressed and carried forward in Addendum 8, that all tasks previously identified in Addendum 7 and its modifications, have been fully funded and have been completed to the satisfaction of the Parties.

II. AUTHORITY

Authority to enter into this Agreement is the Economy Act of 1932, as amended, (31 U.S.C. 1535).

III. SCOPE OF WORK

For the period as hereinafter set forth, the PM ABRAMS and the DOE shall furnish all the items necessary for, or incident to, the performance of the specific tasks herein identified and established by mutual consent of the Parties or added by written modifications to this Agreement.

A. Specifically, the Department of the Army, Product Manager ABRAMS will:

1. Provide the necessary funding to DOE for accomplishment of all activities related to the Abrams Tank Armor Program at the Idaho National Laboratory. These activities include, but are not limited to, the Specific Manufacturing Capability (SMC) Project for armor production (product, facilities, and equipment), engineering/design support for the DA at SMC or other DA/PM ABRAMS facilities, decommissioning and decontamination of facilities and equipment, contract termination, close out, disposal of program related information scrap and waste, and environmental cleanup and liabilities resulting from Army dedicated use facilities, and joint use facilities to the extent that Army work is a causal factor.

Such funding shall be on a full cost recovery basis, excluding depreciation.

ADDENDUM 8

DATED: May 2014

TO THE

INTERAGENCY AGREEMENT

TITLED

“MEMORANDUM OF UNDERSTANDING BETWEEN

THE

DEPARTMENT OF ARMY (DA) AND DEPARTMENT OF ENERGY (DOE)”

DATED FEBRUARY 5, 1985

“WORKSCOPE FOR THE ABRAMS TANK ARMOR PROGRAM”

2. PM ABRAMS is responsible for providing to DOE the scope of work for this project. PM ABRAMS will have the opportunity to review and comment upon the terms of that portion of the contract pertaining to the PM ABRAMS's scope of work to ensure that it satisfactorily meets PM ABRAMS's requirements.
3. Other DA or Department of Defense (DoD) work can be performed under this MOU as coordinated with PM ABRAMS to ensure no undue impacts to the Abrams mission or security requirements.
4. Review and provide input and oversight of the DOE contract for the operations of the SMC armor manufacturing and development facilities and activities.
5. Provide technical specifications for procurement of all critical armor materials.
6. Define delivery requirements for Armor Packages in a timely manner to permit planning for acquisition of materials, facilities and services.
7. Provide instructions for disposing or excessing of equipment no longer needed for production of Armor components.
8. Provide technical specifications for the Armor Packages being manufactured in the form of a "Requirements Document", hereinafter referred to as the Technical Data Package (TDP). The TDP will include definitive information for final product units in the form of drawings and specifications, a description of the general manufacturing processes and a definition of product quality requirements. Final approving authority of the TDP shall be the responsibility of PM ABRAMS.
9. PM ABRAMS and DOE will process formal changes to the TDP through an Engineering Change Process.
10. Be responsible for Product Configuration Management.
11. Provide written guidance, authorization and scope of work for all PM ABRAMS funded activities.
12. Retain title to and ownership of all depleted uranium metal inventories associated with the Abrams Tank Armor Program.
13. Accept title to and ownership of finished product units and test assemblies upon receipt of delivery at destination.
14. Accept nuclear material accountability upon receipt of material from the Idaho National Laboratory (INL).

15. Participate in the DOE Performance Incentive process concerning SMC operations, as desired, by reviewing the Performance Incentive Evaluations for the Abrams Tank Armor Program work, providing comments/input.
16. Determine that periodic performance testing of finished product units is acceptable prior to shipment of product from DOE to the site for tank armor integration (including, but not limited to: the Joint System Manufacturing Center-Lima and the Anniston Army Depot.) If units meet TDP requirements but fail periodic performance testing, the PM ABRAMS shall establish a course of action regarding disposition of units already produced as well as changes to be made on future units.

In addition to items 1 through 15 above, PM ABRAMS may establish, with DOE concurrence, resident technical representatives at the DOE INL site. Duties and responsibilities of the resident technical representatives shall be jointly agreed to by both DOE and the PM ABRAMS.

B. Specifically, the Department of Energy will:

1. Contract for operation of the SMC armor manufacturing and development facilities and required supporting functions at the INL to produce armor in accordance with technical requirements provided by the PM ABRAMS. The SMC contract scope of work shall be structured to safely perform and support the programmatic work required to operate and maintain the armor manufacturing and development facilities.
2. DOE is responsible for incorporating terms and conditions into the Contract sufficient to accomplish the scope of work and requirements as provided by PM ABRAMS. DOE is responsible for selecting a contractor to perform the work and for ensuring that the contractor performs the work in accordance to the contract. DOE shall also ensure that the contractor retains a sufficient "trained and cleared" work force.
3. Where security ties to the PM ABRAMS are a factor, DOE will, upon written request from the PM ABRAMS, arrange for purchase and delivery to Army-specified locations, of special, classified, material in final configuration, in accordance with specifications and drawings provided by PM ABRAMS. Acceptance of such material by DOE shall be based upon conformance to drawing requirements, and upon the vendor's Certificate of Compliance for chemical and physical properties.
4. As requested by PM ABRAMS, assist in development of a systematic approach for disposing of all depleted uranium metal generated by the manufacturing process.
5. Maintain the TDP and issue revisions as directed by PM ABRAMS through an Engineering Change Process. Final approving authority of the TDP shall be the responsibility of PM ABRAMS.

6. Provide for purchase of, and maintain a program for, the protection, preservation, maintenance, repair and replacement of all Industrial Plant Equipment (IPE) and Operating Plant Equipment (OPE). For the purposes of this Agreement, IPE/OPE is defined as:

INDUSTRIAL PLANT EQUIPMENT (IPE) – Plant equipment with an acquisition cost of \$5,000 or more used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating, or otherwise altering the physical, electrical, or chemical properties of materials, components or end items entailed in manufacturing, maintenance, supply, processing assembly or research and development operations.

OPERATING PLANT EQUIPMENT (OPE) – That part of plant equipment regardless of dollar value which is used in or in conjunction with the manufacture of components or end items relative to maintenance, supply, processing assembly or research and development operations, but excluding items categorized as IPE.

7. Obtain written approval from the PM ABRAMS for major repairs or replacements to IPE/OPE estimated to exceed a cost of \$200,000. Management of these activities will follow sound project management principles.
8. Preserve and provide disposition for any item of IPE/OPE which is to be prepared for lay-away or removed from service with final disposition to be determined by and for the account of PM ABRAMS.
9. Employ appropriate and value added approaches to improve production and operating efficiency so as to reduce product cost.
10. Develop and implement a Quality Assurance Program Plan (QAPP) in accordance with established DOE policies. The QAPP will include applicable PM ABRAMS quality requirements and will be subject to review by PM ABRAMS.
11. Be responsible for the performance of examinations and tests as required by the TDP and special material specifications.
12. Certify that all final product units conform to TDP requirements.
13. Maintain certification records for all units and/or assemblies delivered to DA.
14. Transmit billings to:
DFAS-JAIA/CO
P.O. Box 182317
Columbus OH 43218-2317

IV. OTHER WORK

With PM ABRAMS approval, DOE may perform other work in the armor facility on a non-interference basis with armor production, and may perform commercial work on a rental basis in accordance with the Department of Energy Acquisition Regulations (DEAR) requirements and PM ABRAMS security requirements.

V. FACILITIES AND EQUIPMENT

For the purposes of this Agreement the word "Facilities" means:

Real property constructed for the Program, as well as fixtures required for the support of such facilities, except those herein defined as Industrial Plant Equipment (IPE) and Operational Plant Equipment (OPE).

DOE will retain title to and ownership of all "Facilities" as herein defined while title to all IPE and OPE shall vest in AM HBCT.

VI. PERIOD OF PERFORMANCE

The Period of Performance for this Agreement shall be four (4) years from the date of signature of Addendum 8 by both Parties. Both Parties may extend the Period of Performance upon agreement.

VII. FINANCIAL MANAGEMENT

DOE will provide such production, cost and financial reports as are mutually agreed to by the PM ABRAMS and the DOE, Idaho Operations Office's SMC Program Office. The SMC Program Office shall support all requests for information to the extent that the information is available within existing DOE budgets, costs and financial systems.

A. REPORTING

1. MONTHLY

- a. Current month and fiscal year-to-date financial data.
- b. Unit cost analysis to include future projections.
- c. Narrative analysis explaining deviations from baselines outside established thresholds.
- d. Monthly and cumulative production and R&D data and status of special procurements.

2. SEMI-ANNUALLY

A Five year funding profile.

B. BUDGET INFORMATION

1. An annual budget will be submitted to the Army for review and approval in accordance with INL fiscal year planning cycles and schedules agreed to by DOE and the Army.
2. A mid-year budget review will be held to provide status of current year spending.

C. OTHER WORK

Other DA/DoD authorized work will be performed on a full cost recovery basis or as directed by PM ABRAMS.

VIII. SECURITY

- A. DOE will provide security direction and oversight in accordance with the approved MOU between the DoD, DA and DOE including The National Security Administration Office of Security and Defense Nuclear Security (DOE/NNSA) (for Security Administration of Special access Programs) Dated February 9, 2004. In general the MOU requires security measures to be in accordance with the Joint Special Access Program (SAP) Implementation Guide (JSIG), JAFAN 6/0, JAFAN 6/4, JAFAN 6/9, Department of Army Special Access Program (SAP) Security Manuals AR 380-381, DOE Orders, standards, policies, procedures and practices. DOE will also conduct inspections and surveys in accordance with DOE regulations. When DOE and PM ABRAMS requirements vary, the minimum requirements of the more restrictive guidance will be followed. Variations to this approach can be documented and agreed to in writing between the DOE and DA.
- B. DOE will develop a security program based upon a Threat Statement provided by DA.
- C. DOE will use the Department of Army Special Access Program (SAP) Classification Guides and Program Security Guides.
- D. DOE will provide information copies of the following security-related documentation to DA and will obtain concurrence from DA as appropriate:
 1. Contracts, Orders, standards and criteria applicable to SMC operations
 2. Project specific procedures
 3. Local Operational Security (OPSEC) Plan
 4. SMC Counterintelligence Support Plan
 5. Automatic Data Processing (ADP) equipment accreditation
 6. Schedule of planned inspections
 7. Reports of reviews and inspections
 8. Audits and closure activities

- E. DOE will invite DA participation in all security reviews and inspections. Defense Security Service will provide oversight on all contractors in accordance with the JAFAN 6/0.
- F. DA will review and approve Program Access Requests for personnel determined by DOE to require access to the program(s).
- G. DOE will use a five (5) year reinvestigation period for personnel security clearances of personnel determined by DOE to require access to program(s) in lieu of the DOE policy of every ten (10) years (for "L" clearances). All DOE personnel are subject to a Tier Review IAW JAFAN 6/4.
- H.
 - a. If DOE is notified or otherwise made aware of derogatory information (as that term is defined under 10 CFR § 710.8 and relates to 18 USC sections 792-798, 2153, 2381, 2385, and 2387-2388 Subversion and Espionage Directed Against the US Army (SAEDA) events) relating to an accessed individual, a representative of the DOE-ID Security Division (SD) will notify the DOE SMC Program Manager by the most expeditious means that such information exists. SD will provide the SMC Program Manager specific information concerning: (1) the derogatory information developed; and (2) any actions taken or anticipated with respect thereto. The DOE SMC Program Manager will notify the DA Program Security Officer (PSO) in accordance with SAP procedure guide.
 - b. If DA requests, DOE will allow DA PSO to review the subject's Personnel Security File for purposes of determining whether the subject's access to the SAP should be immediately suspended or otherwise limited pending final resolution of the derogatory information. Unless mutually agreed, copies of information in the subject's Personnel Security File will not be provided to DA. All information in this regard must be maintained by DA in a Privacy Act System of Records, and protected accordingly.
- I. DOE will provide counterintelligence support. DOE will provide support through the INL Counterintelligence Office for implementation of the SMC Counterintelligence Plan., including foreign visit/contact tracking and debriefings. DA will provide support to DOE through the 902nd Counterintelligence Unit as deemed necessary.
- J. DOE will report Security Incidents involving the loss, compromise, or possible compromise of ARMY or Department of Defense Component/OGA SAP information to the PSO no later than the next duty day.

IX. PROJECT OFFICERS

FOR THE DA
 Product Manager
 Abrams
 Department of Army

FOR THE DOE
 Program Manager
 SMC Program Office
 Idaho Operations Office

X. MODIFICATION

This Agreement may be modified at any time by mutual consent of the Parties in writing.

XI. APPROVALS

The signatories appearing below are fully authorized to represent and commit their respective agencies in the execution of this addendum.


Lt. Col. Brad Hodge
Product Manager,
Abrams
U. S. Army

12/5/14
Date


Richard B. Provercher
Manager
Idaho Operations Office
U. S. Department of Energy

6/5/14
Date