

**DEPARTMENT OF ENERGY
REPORT ON THE IMPLEMENTATION OF PUBLIC LAW 106-107**

I. BACKGROUND

This is the Department of Energy (DOE) agency specific progress report on the implementation of the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107). This report summarizes DOE's activities in support of efforts to streamline and simplify the award and administration of Federal financial assistance. This report and the attached government-wide report constitute DOE's required annual report for P.L. 106-107.

II. GENERAL

DOE has a vested interest in streamlining Federal policies and procedures for financial assistance. Eliminating unnecessary burdens will result in more resources being focused on program objectives, thereby generating greater benefits for the public and more technology in the support of DOE's mission. The Chief Financial Officer, the Chief Information Officer, the Chief Acquisition Officer, and the Director of the Office of Management all provide senior management support to ensure that the Department's streamlining goals are accomplished. In addition, the Chief Information Officer routinely briefs senior management on E-Government initiatives, including Grants.gov and the Grants Management Line of Business (GMLoB), and explains how these initiatives will impact current and proposed management systems.

DOE is actively participating in all facets of the P.L. 106-107 efforts and in the interagency initiatives targeted to streamlining research administration, such as the Federal Demonstration Partnership (FDP), the National Grants Partnership (NGP), and the National Science and Technology Council's Research Business Model (RBM) Subcommittee. DOE staff is active on the Grants Policy Committee (GPC) and the Grants Executive Board (GEB) and related work groups for both. Participation in these interagency committees, work groups, subgroups, and drafting teams allows the Department to stay informed and find additional opportunities to streamline internal grants processes.

DOE staff has participated extensively in the following efforts:

Pre-Award Work Group, including the following teams:

- Team that is developing the standard award notice cover sheet
- Team that is preparing the initial draft of the administrative requirements for financial assistance awards
- Team that is drafting the terms and conditions for national policy requirements

- Team that is assisting OMB in reissuing OMB guidance as Subtitle A of 2 CFR

Post-Award Work Group, including the following teams/groups:

- Reporting Team that is responsible for developing standard reports
- Single Audit User Group

Training and Certification Work Group, including the following team:

- Certification Work Group
- Competency Work Group

Consortia Recommendation Committee

- Evaluation of proposals for Consortia Leads for the GMLoB

Other Streamlining and Simplification Activities

- FDP. DOE is a member of two standing committees and various subcommittees.
- RBM Subcommittee. DOE is actively participating in the teams developing the standard format research progress reporting, standard terms and conditions for research awards, multiple principle investigators and a conflict of interest policy.
- NGP.
- Grants.gov User Group

DOE made new awards and modifications to existing awards in 37 programs listed in the Catalog of Federal Domestic Assistance during the period of June 1, 2005 to August 31, 2006. Obligations to these awards totaled \$2.8 billion. All awards were made to discretionary programs.

III. GRANTS.GOV

The Department's grants management system has been designed to fully support participation in Grants.gov FIND. The system includes an application that exports DOE funding opportunity synopses to Grants.gov through a system-to-system interface. We have been posting 100 percent of our discretionary funding opportunities on Grants.gov FIND since December of 2003. During the period June 2005 through August 2006, DOE posted 145 synopses of funding opportunity announcements (FOAs) on Grants.gov. All 145 FOAs required submission of an electronic application. Electronic applications through Grants.gov were required for 121 FOAs (83%). The remaining 24 FOAs received electronic applications through DOE's back office system.

DOE received a total of 8,559 applications against the 145 FOAs. DOE received 3,685 applications (43%) through Grants.gov. The remaining 57% or 4874 applications were submitted to DOE's back office system. The majority of the applications (72%) not received through Grants.gov were applications for the Small Business Innovation

Research (SBIR) program. The SBIR program did not use Grants.gov as the program specific application forms were not yet available for submission through Grants.gov. The Department exceeded its FY 2006 goal of posting at least 75% of its discretionary grant packages on Grants.gov APPLY by posting 91% of the available opportunities.

DOE has been requiring electronic applications via the Internet since 2001 and has extensive experience with electronic applications. This experience was valuable because numerous programming changes were needed to retrieve applications submitted through Grants.gov. Every time a new Grants.gov form is deployed, the system-to-system interface is tested and changes are made to accept the documents. This is a continuing process. Changes and enhancements in Grants.gov require corresponding changes in the DOE system.

The DOE staff continues to provide outreach to its external constituencies and often presents material on upcoming streamlining initiatives at conferences conducted by professional societies, such as the National Council of University Research Administrators. For example, the Office of Energy Efficiency and Renewable Energy staff uses web casts, newsletters, and a web site to provide outreach on Grants.gov to the State and territory offices that receive formula grants from the Department.

In addition, the procurement staff continues to provide outreach to its internal constituencies to ensure that information provided by DOE personnel to external stakeholders is accurate and reflective of ongoing streamlining efforts. Such activities include presentations at meetings of technical/program managers and at procurement directors' meetings; disseminating information via conference calls with the field grants management staff; conducting one-on-one or small group briefings with program staff; and maintaining a collaborative website utilized by grants management staff. The DOE Financial Assistance Advisory Council, which consists of representatives from the major grant-making program and field offices, provides comments on proposed government-wide policy and standard forms and assesses the potential for additional streamlining in the Department's internal processes.

IV. GRANTS MANAGEMENT LINE OF BUSINESS

The Department was heavily involved in the Grants Management Line of Business (GMLob) Task Force that developed the consortia solution recommended to OMB. Since the adoption of that recommendation and the naming of the initial three consortia lead agencies, the DOE has continued to support the GMLoB effort.

DOE has developed a baseline assessment of our internal grant systems, both agency-wide and program specific. DOE has also developed a vision of a grants management system and a list of functional requirements. The list of functional requirements was provided to each of the current consortia leads to obtain a basic understanding of how their proposed systems could provide services to DOE. Each consortium was interviewed by a group of users, management information system project managers, and

policy analysts on this list of functional requirements and how their system would work for DOE against them. DOE has initiated a gap-fit analysis based on this information.

DOE has also initiated internal discussions on migration strategies and time tables to a consortium provider. These discussions also include the process of simultaneously implementing a new electronic procurement management system. DOE is evaluating how to integrate the procurement and grants systems for ease of use by both Federal and contractor/recipient personnel. Analysis to date has shown that implementation of a Commercial Off The Shelf Software (COTS) alternative for grants management as part of an overall procurement/grants management system would be more cost effective and provide greater functionality versus the three consortia alternatives already examined. This analysis is also considering possible interfaces between the new procurement management system and a consortium provider.

DOE has yet to realize any costs savings or reduction in the number of grants management systems as it has not chosen a consortia provider, however both costs savings and a reduction in systems are part of the analysis in selecting a consortia provider