

FAQs
Fee-for-Service Business Practices – ESAM
as of 5/26/10

(These FAQs apply only to Service Provider Organizations Designated as ESAM Sites)

Service Agreements

1) Will my old key codes in ETAS be available once ESAM is activated?

ESAM and ETAS are electronically linked by the Work Order ID (WOID). This will require a one-time reconciliation of all WOID/key codes in both systems. All key codes in ETAS will be deactivated and replaced with new ESAM WOIDs. This is done by creating all new WOIDs in ESAM. Each WOID is assigned one of three work types: service agreements (SA), program accounts, or overhead accounts. Existing program account and overhead account will need to be established in ESAM on a one time basis as part of the ESAM system start-up. Work orders in ESAM are assigned a status: pending, open, or closed. A WOID placed in “open” status in ESAM will have the identical WOID automatically activated in ETAS. Likewise an existing WOID put in “pending” or “closed” status will be automatically deactivated in ETAS. Once a WOID is created in ESAM, the WOID will remain active in ETAS unless closed in ESAM.

2) Will projects being performed by service provider organizations (SPOs) already underway in FY 2010 require a service agreement at the start of FY 2011 (does not apply to program offices)?

Yes. (See FAQ 1 above); projects underway in SPOs as of September 2010 that need to continue into FY2011 will need to establish a work order ID (WOID) in ETAS. Starting in FY2011 all WOIDs in SPOs will originate in ESAM as one of the following three work types: service agreement, program account, or overhead account. A WOID in ESAM having an “open” status will be immediately activated in ETAS and available for labor charges. New technical services work started in October 2009, and beyond are subject to the fee-for-service business practices in CMP TRMR-26.

3) If the project involves a multidisciplinary team (more than one service provider), with employees from different SPO offices (ESAM Realms), who develops the service agreement(s)? Will there be one large agreement that covers all disciplines, or will each functional group or office prepare one?

Each SPO must create its own unique service agreement for its portion of the job with a charge number which is unique within the SPO ESAM Realm. Other program offices and SPO offices throughout Reclamation can continue to use the overall project charge number. For a multi-disciplinary team involving several groups within a single SPO/ESAM realm, it will be up to the program office and SPO to determine which approach makes the most sense, i.e., a single large agreement or several smaller agreements.

4) Shouldn't there be a Reclamation-wide standard naming convention for WOIDs?

The decision has been made to allow each SPO to create its own unique WOIDs. Each WOID will be between 5 and 18 alpha-numeric characters in length. The 18 digit length is set by ETAS.

5) How do we manage multi-phase projects (e.g. NEPA/Design-Spec/Construction)? Would each phase require a separate service agreement, or can they be handled jointly by the same service agreement?

The choice of using either multiple/phased service agreements or a single/long-term service agreement is up to the program office. ESAM SA's may be redefined at any time. ESAM will keep a history-time-stamp for all changes made to budget and/or schedule. Therefore it is the program office's responsibility to determine if they will use one SA (one cost account) or multiple SAs (multiple cost accounts) to track the progress of the work.

6) The \$10,000 threshold for using service agreements seems too low.

The COG sought to balance the objective of minimizing new reporting burdens with the goal of capturing a meaningful volume of technical services work. Data from TSC's past fee-for-service experience was used as a guide to select the \$10,000 threshold. For repetitive and/or ongoing technical services work, program offices may consider the use of blanket service agreements or extensions/modifications to existing service agreements, if such approaches prove more effective than using smaller, individual agreements.

7) How or will financial data (cost authorities) be transferred over the life of a project when the project spans multiple fiscal years (overhead rates change), or when cost authorities change? Will new service agreements be required each year?

Financial data will be tracked for each service agreement per the corresponding cost authority and should not necessarily require new service agreements each FY. If it proves useful for a program office to establish new service agreements each FY that can be done at their discretion. It is a good business practice to close and reopen a SA at the end of the FY to maintain a record of the end of FY budget, actual cost and, schedule accomplishments and the corresponding new FY budget and schedule.

8) ESAM should not just be a tool for the COG; it should provide a level of serviceability for the COG, service providers, and program offices. As Reclamation moves forward with its project management policies, ESAM could become an integral piece of project management if it is made functional for the people using it on a day to day basis.

While ESAM is **not** a project management system as such, it can help greatly in the effectiveness of project management. It does this by maintaining the budget and schedule estimates along with current, actual cost and accomplishment throughout the life of the project. The one-to-one relationship between ESAM and ETAS allows efficient containment of labor cost by internal Reclamation service provider organizations. ESAM will also allow for additional project management features to be input, stored, and printed. This is an advantage in that the creation of a project management plan (PMP) will occur in only one place – ESAM. Since ESAM will have limitations of text fields, larger project may require an external PMP.

9) Several Area Offices complete what the COG has determined to be technical services work. By not requiring service agreements for this work, how can the COG determine if technical services work is being effectively managed Reclamation-wide?

The COG's objective, as dictated by the Deputy Commissioner of Operations, was to develop a business model based on an 80% solution, rather than a 100 percent solution that could not get implemented in the short-term. As the business model is implemented and becomes a standard practice, other Reclamation service providers may be added.

10) How is the COG going to handle service agreements for work outsourced to private industry service providers?

ESAM can track outside work as well, but it **will not** initially track outside work not managed by one of the nine identified service provider offices. Outsourced work will be assessed separately by the COG using other existing databases, with resulting information entered into ESAM manually and tracked with standard ESAM reports.

11) How is ESAM/COG going to handle project closeout and additional project information sharing?

The ESAM completion report is available in the ESAM service agreement. The ESAM subcommittee is developing procedures and processes for getting the completion report data into ESAM.

12) Will everyone have signatory approval?

No. Only level 3 (account managers, supervisors, client liaisons, etc.) and 4 (administrative control) users have SA approval rights. Level 2 users (team leader, project managers) can create SAs and modify only the SA's they create. Level 1 (team members) have read only privilege.

13) Can a user modify other service provider's service agreements?

Only the level 2 user who created the SA can change it. Level 3 and level 4 users can change SAs as well, but only SAs in their ESAM realm.

Cost Authority Numbers

14) Why is it necessary to have a unique cost authority for each SA – can't person-specific info be pulled from FIRS to get the desired result?

One cost account can be used to cover multiple tasks and subtasks under one project service agreement; however, having multiple project service agreements under one cost account would not allow ESAM to differentiate project-specific costs/staff without significant manual effort to break out and assign labor charges. This is an FFS constraint and not an ESAM constraint in that FFS does not support sub-accounts.

15) How can we minimize disruption & complication of current standing cost authorities that have related O&M cost distribution applications?

Program office staff should plan ahead to structure cost authorities as appropriate and/or explore the use of alternative approaches to develop a workable solution. (Blanket service agreements or extensions to service agreements, e.g. use the last several digits in the CA for delineation of different types of work).

16) How will we control numerous close-out/start-up actions for cost authorities as project stages progress?

Once a service agreement is closed out via a completion report, the corresponding cost authority could be re-used for a subsequent service agreement; however, at this time the same WOID would need to be used. This is to maintain the history of the SA. The subcommittee is studying this issue to determine if there is a way to retire a given WOID and reuse the CA for a new SA.

17) What kind of logic/structure can be used to organize cost authority numbering?

This will best be determined by program offices based on current program needs and the desired approach for service agreement implementation.

18) How will it work if program office (area office) staff also charges to the cost authority used for a service provider service agreement?

This should not be a problem – the program office may share a cost authority with any number of SPOs. Within a given SPO, the cost authority must be unique to a single SA. Costs can be viewed separately between organizations by using the cost center in various reports.

19) If contracted work is part of a project, how will that be included in ESAM – since contracts will serve as independent, external service agreements? Will TSC work that is part of a larger project have its own service agreement or operate solely under the project service agreement?

The fee-for-service business practices are flexible enough to use a service agreement for an entire project, or for component parts of a project. ESAM can track non-labor as well as labor charges. Each program office may decide how to formulate one or more service agreements to encompass all of the services needed, and is responsible for managing the different components of the project. Example: If Grand Coulee wishes to use the PN Region SPO and the TSC (also a SPO) it would require unique charge numbers (and therefore unique service agreements) for each SPO. This is a Phase I constraint (see comment in above FAQ).

20) Why isn't CARMA being used since it's already in place?

CARMA was fully considered for use in developing and tracking service agreements. However, CARMA is only deployed at powerplant facilities and large O&M offices (like Yuma Area Office and Alamosa Field Office) and is not currently used Reclamation-wide, and costs/schedule for developing a CARMA service agreement application did not meet COG objectives. CARMA is not currently installed in any of the nine SPOs targeted for ESAM. As a result, the ESAM system has been developed based on an ETAS user interface and existing databases.

ESAM IMPLEMENTATION

21) Can service providers set their own schedule for going live on ESAM?

The ESAM Subcommittee has not yet determined the ESAM deployment and training schedule. ESAM will be a web-based software with on-line training.

22) Can service provider offices go live independently or do all have to wait for the last service provider to be ready?

They can go independently.

23) Can there be duplicative key codes/WOIDs within realm? Across Reclamation?

WOIDs are one-to-one relationships with cost authorities and thereby unique within a given ESAM realm. Across Reclamation, SPO (ESAM realms) WOIDs can be duplicated provided they are unique within each SPO (ESAM realm).

24) Does a service provider that has both technical services and program services have to link their ETAS key codes to ESAM WOIDs?

ESAM will have three work types for differentiating between the following types of work: service agreement, program work, overhead work. At startup, all labor charge accounts to be used within a realm will need to be set up in ESAM. Once set up in ESAM and set to an "open" status they will become available in ETAS. Once a WOID is opened in ESAM, it will remain "open" in ETAS until "closed" in ESAM (this includes transitions in fiscal year).

25) Who flips the switch to go live on ESAM?

IT will set ESAM up on a web URL. When a site goes live, its users will be activated by IT. After users (levels 1 through 4) are activated by IT, they can access various applications in ESAM in accordance with their level rights.