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MANAGEMENT AND OPERATING CONTRACTOR SERVICE CREDIT RECOGNITION



NATIONAL NUCLEAR SECURITY ADMINISTRATION
Office of Partnership and Acquisition Services

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MANAGEMENT AND OPERATING CONTRACTOR SERVICE CREDIT RECOGNITION

1. PURPOSE. To address management and operating (M&O) contractor service credit recognition for employees transferring to a National Nuclear Security Administration (NNSA) M&O contractor from its parent company organization(s) or who were immediately, previously employed by an NNSA M&O contractor. This directive permits M&O contractor employees' service to be recognized for certain M&O contractor benefits when such employees transfer employment to a different NNSA M&O contractor.
2. AUTHORITY.

DOE O 350.1 Chg 7 (LtdChg), *Contractor Human Resource Management Program*, approved 02-19-2020.
3. CANCELLATIONS. NNSA Supplemental Directive (SD) 350.1, *Management and Operating Contractor Service Credit Recognition*, issued 02/05/2009.
4. APPLICABILITY.
 - a. Federal. This SD applies to all NNSA federal organizations.
 - b. Contractors. The Contractor Requirements Document (CRD), provided as Attachment 1, and including Attachments 2-3, sets forth requirements of this directive that apply to contractors.
 - c. Equivalencies and Exceptions.
 - (1) Equivalency. In accordance with the responsibilities and authorities assigned by Executive Order (EO) 12344, codified at 50 United States Code (U.S.C.) sections 2406 and 2511, and to ensure consistency throughout the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this Directive for activities under the Director's cognizance, as deemed appropriate.
 - (2) Exceptions. Exceptions to this policy may be considered and must be submitted to the Contracting Officer as described in Attachment 1 – Contractor Requirements Document.
5. SUMMARY OF CHANGES.
 - a. Updates the exception process.
 - b. Modifies the listing of benefits where service credit can be recognized.

- c. Updates the responsible office name and organizational change of the Office of Business Services Contractor Human Resources Division to the Partnership and Acquisition Services Contractor Human Resources Branch.

6. REQUIREMENTS.

- a. NNSA may reimburse its M&O contractors for allowable costs associated with the recognition of contractor employees' service from a parent company transfer, or transfers from other M&O contractors across the Nuclear Security Enterprise (NSE). Service recognition is permitted as described in the CRD.
- b. All requirements in Attachment 1 must be followed.

7. RESPONSIBILITIES.

- a. NNSA Senior Procurement Executive. Ensures that this SD is incorporated into NNSA M&O contracts, and its requirements are consistently implemented by NNSA M&O Contracting Officers.
- b. NNSA Head of Contracting Activity (HCA). Approves blanket waivers or exceptions to this policy.
- c. Partnership and Acquisition Services, Contractor Human Resources Branch (NA-PAS-212).
 - (1) Provides policy advice to the NNSA Senior Procurement Executive and other stakeholders.
 - (2) Coordinates requests for exceptions to this SD with the HCA.
- d. Administrative Contracting Officers.
 - (1) Administer implementation of this SD in the M&O's contract.
 - (2) Ensure NNSA M&O contractors develop and implement policies, procedures, and practices consistent with the requirements of this SD.
 - (3) Ensure copies of the required report are provided to NA-PAS-212 as received.
 - (4) Coordinate requests for exceptions and/or policy guidance with NA-PAS-212 to ensure consistency with this SD.

8. DEFINITIONS.

- a. Nuclear Security Enterprise (NSE). The laboratories, plants and sites that are involved in the design, production, and testing of nuclear weapons located at Kansas City National Security Campus, Lawrence Livermore National

Laboratory, Los Alamos National Laboratory, Nevada National Security Site, Pantex Plant, Sandia National Laboratories, Savannah River Site, and Y-12 National Security Complex.

- b. Parent Organization Transfer. A direct transfer of an employee in good standing from the parent company organization to an M&O contractor with less than a 30-day break in service.
- c. Parent Company Organization(s). The entities that comprise the M&O contractor under contract with NNSA for the management and operation of an NNSA lab, plant, or site as identified in the individual contract.

9. REFERENCES.

- a. Federal Acquisition Regulation (FAR) 31.205-6, *Compensation for Personal Services*.
- b. Department of Energy Acquisition Regulation (DEAR) 970.3102-05-6, *Compensation for Personal Services*.

10. CONTACT. Partnership and Acquisition Services, Contractor Human Resources Branch, NA-PAS-212, 505-845-6057.

BY ORDER OF THE ADMINISTRATOR:



Jill Hruby
Administrator

Attachments:

- 1. Contractor Requirements Document
- 2. Service Credit Recognition Form
- 3. Service Credit Reporting Form Template

ATTACHMENT 1: CONTRACTOR REQUIREMENTS DOCUMENT

1. INTRODUCTION. This Contractor Requirements Document (CRD) establishes the requirements for National Nuclear Security Administration (NNSA) management and operating (M&O) contractor organizations and M&O contractor employees eligibility and receipt of service credit benefits when M&O employees directly transfer from a parent company organization or from another NNSA M&O contractor.

Regardless of who performs the work, the contractor is responsible for complying with the requirements of this CRD. The contractor is responsible for flowing down the requirements of this CRD to subcontracts at any tier to the extent necessary to ensure the subcontractor's compliance.

2. REQUIREMENTS.

- a. If an NNSA M&O contractor elects to, it may establish policies to recognize an M&O employee's service credit resulting from a Parent Organization Transfer, defined as a direct transfer of an employee in good standing to an M&O contractor with less than a 30-day break in service or resulting from a transfer from one NNSA M&O contractor in the Nuclear Security Enterprise (NSE) to another¹.
- b. If an NNSA M&O Contractor elects to recognize service credit as described above in paragraph a, the M&O contractor must recognize service credit for employees as described below:
 - (1) If a parent company organization employee becomes employed by an NNSA M&O contractor, as a result of a parent organization transfer, the NNSA M&O contractor may recognize the accrued parent company organization service for the purpose of determining eligibility for:
 - (a) vesting in defined contribution plans.
 - (b) employer contributions to defined contribution plans when the level of contribution is based on years of service.
 - (c) Accrual rate to a paid time off plan.
- c. If an NNSA M&O contractor employee becomes employed by another NNSA M&O contractor, and if the hiring NNSA M&O contractor elects to recognize the employee's service for the purpose of determining the following credit may

¹ The provisions of this CRD are not mandatory and do not require action on the part of the contractor, unless otherwise required by law.

be recognized:

- (1) Accrual rate pursuant to a paid time off plan.
- (2) Severance pay associated with service for which severance has not already been paid.
- (3) Employer contributions to defined contribution plans when the level of contribution is based on years of service
- (4) Eligibility or determination of benefit for long and short-term disability.

- d. If an NNSA M&O contractor employee becomes employed by another NNSA M&O contractor, and if the hiring NNSA M&O contractor elects to, the following credit the following credit may be recognized:

<u>BENEFIT TYPE</u>	Recognition of service from Parent Organization Transfer	Recognition of service when employee has NNSA M&O contractor service with another NNSA M&O contractor
Eligibility for and accrual rate for paid time off	Yes	Yes
Eligibility for vesting and employer contributions to defined contribution plans	Yes	Yes
Computing pension benefits in defined benefit pension plan	No	No
Determination of severance benefits	No	Yes
Eligibility and/or determination of benefits for long- and short-term disability	No	Yes

. Table 1

- e. The M&O contractor must ensure appropriate controls are established to apply this policy consistently.
- f. The M&O contractors must ensure a mutual transfer date is negotiated to ensure minimal mission impact loss of an employee.
- g. The M&O contractor must provide an annual report, using the Service Credit Reporting form template in Attachment 3, for the previous calendar year, to the Contracting Officer by March 1, communicating the transfers and types of transfers for those involving employee service credit recognition.

- h. The M&O contractor must internally document service credit requests using the Service Credit Recognition form in Attachment 2, or another internal form with the same data elements.
- i. The M&O contractor must submit any exception requests to the Contracting Officer 45 days prior to the proposed effective date of implementation. The exception package must include the Service Credit Recognition form and additional information justifying the exception request, including benefits to the site and estimated additional cost if the exception is granted.

3. DEFINITIONS.

- a. Nuclear Security Enterprise (NSE). The laboratories, plants and sites that are involved in the design, production, and testing of nuclear weapons located at Kansas City National Security Campus, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Nevada National Security Site, Pantex Plant, Sandia National Laboratories, Savannah River Site, and Y-12 National Security Complex.
- b. Parent Organization Transfer. A direct transfer of an employee in good standing from the parent company organization to an M&O contractor with less than a 30-day break in service.
- c. Parent Company Organization(s). The entities that comprise the M&O contractor under contract with NNSA for the management and operation of an NNSA lab, plant, or site as identified in the individual contract.

ATTACHMENT 2: SERVICE CREDIT RECOGNITION FORM

Note: This attachment applies to NNSA contractor organizations.

1. Transferring Employee Name, and ID number:

2. Site employee is transferring to: _____
3. Parent Company Transfer: No Yes If yes, what parent company _____
4. NSE M&O Site Transfer: NoYes If yes, what site _____
5. Number of years of Service being recognized and for what benefits: _____
6. Approval(s)

M&O Contractor Representative
Name and position

ATTACHMENT 3: SERVICE CREDIT REPORTING TEMPLATE

Note: This attachment applies to NNSA contractor organizations.

Employee Name/ID	Transfer From	Years of Service Recognized
Jack Sparrow	Parent Company X	2 years
Jane Sparrow	NNSA Site X	5 years

Summary: X (#) transfers from Parent Company

Y (#) transfers Nuclear Security Enterprise