

**PART III – SECTION J, ATTACHMENT F-9**

MEMORANDUM OF UNDERSTANDING BETWEEN  
THE DEPARTMENT OF ARMY  
AND THE DEPARTMENT OF ENERGY  
(DE-AI07-89ID12865)

*Effective April 30, 2018 – April 29, 2022*

ADDENDUM 9

DATED: 7 MARCH 2018

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”

Interagency Agreement Between  
The  
U. S. Department of the Army  
Product Manager Abrams  
And the  
U. S. Department of Energy  
Idaho Operations Office

**I. PURPOSE**

This Memorandum of Understanding (MOU), upon acceptance by the Department of Army (DA) Product Manager Abrams (PdM Abrams) and the Department of Energy (DOE), Idaho Operations Office (the Parties), becomes Addendum 9 to the Memorandum of Understanding effective on February 5, 1985, and hereby revises, replaces and supersedes Addendum 8 dated June 5, 2014. Addendum 9 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 9, that all tasks previously identified in Addendum 8 and its modifications, have been fully funded and have been completed to the satisfaction of the Parties. This MOU serves as the Interagency Agreement Part B as required by the Department of Defense and Department of Energy Interagency Agreement Part A (dated 5/1/13). This MOU complies with the Memorandum of Agreement between the Department of Defense and Department of Energy Governing Department of Defense Funded Work Performed at Department of Energy Laboratories and Facilities (dated 5/1/13).

**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, PdM Abrams and 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 (INL). 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 Army at SMC or other Army 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.

2. Provide the scope of work for this project to DOE. PdM Abrams will have the opportunity to review and comment upon the terms of that portion of the contract pertaining to the scope of work to ensure that it satisfactorily meets the program requirements.
3. Approve other DA or Department of Defense (DoD) work that can be performed under this MOU as coordinated with PdM 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 armor packages being manufactured in the form of a 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 PdM Abrams.
9. Process formal changes to the TDP, in conjunction with DOE, through an Engineering Change Process.
10. Be responsible for Product Configuration Management.
11. Provide written guidance, authorization and scope of work for all PdM 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 Evaluation process concerning SMC operations, as desired, by reviewing the Performance 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 PdM 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 16 above, PdM 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 PdM 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 PdM 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. Incorporate terms and conditions into the Contract sufficient to accomplish the scope of work and requirements as provided by PdM 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 PdM Abrams are a factor, DOE will, upon written request from the PdM Abrams, arrange for the purchase and delivery to Army-specified locations, of special, classified material in final configuration, in accordance with specifications and drawings provided by PdM 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. Assist, as requested by PdM Abrams, in the 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 PdM Abrams through an Engineering Change Process. Final approving authority of the TDP shall be the responsibility of PdM 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 PdM Abrams for major repairs or replacements to IPE/OPE estimated to exceed a cost of \$1,000,000. 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 PdM Abrams.
9. Maintain accountability of all IPE and OPE. In conjunction with PdM Abrams, will conduct semi-annual inventory checks. DOE will provide the entire IPE/OPE list to PdM Abrams upon request.
10. Employ appropriate and value added approaches to improve production and operating efficiency so as to reduce product cost.
11. Develop and implement a Quality Assurance Program Plan (QAPP) in accordance with established DOE policies. The QAPP will include applicable PdM Abrams quality requirements and will be subject to review by PdM Abrams.
12. Be responsible for the performance of examinations and tests as required by the TDP and special material specifications.
13. Certify that all final product units conform to TDP requirements.
14. Maintain certification records for all units and/or assemblies delivered to DA.
15. Transmit billings to:  
DFAS-JAIA/CO  
P.O. Box 182317  
Columbus OH 43218-2317

#### **IV. OTHER WORK**

With PdM 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 PdM 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 PdM Abrams.

#### **VI. PERIOD OF PERFORMANCE**

The Period of Performance for this Agreement shall be four (4) years from the date of signature of Addendum 9 by both Parties or until a new revision is approved. 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 PdM 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 PdM Abrams.

**VIII. SECURITY**

- A. Security provisions for SMC are as detailed in the most recently approved Part B Interagency Agreement for Provision of Security Requirements and Support to Department of the Army Special Access Programs Participating in the Department of Energy Work For Others Program and the associated Standard Operating Procedure.

**IX. PROJECT OFFICERS**

**FOR THE DA**

Product Manager  
Abrams  
Department of Army

**FOR THE DOE**

Program Manager  
SMC Program Office  
Idaho Operations Office  
U.S. Department of Energy

**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.

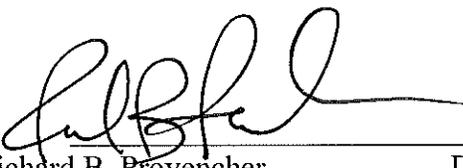
3/23/2018

J. Shell

Signed by: SHELLJUSTIN.RENNIE.1064449202

Justin R. Shell  
LTC, AR  
Product Manager,  
Abrams

Date

 4/30/18

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

Date