

Argonne National Laboratory Policy Manual

Chapter 6 GENERAL ADMINISTRATIVE MATTERS

Section 6.9 Make or Buy Policy

Last revised: February 1, 2005

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6.9 MAKE OR BUY POLICY

6.9.1 PURPOSE

This section describes the policy to be followed in determining when in-house support services (see Appendix 6.9-1) will be used and how to process purchase requests directed to outside vendors for services for which in-house capabilities exist.

6.9.2 POLICY

The Laboratory's policy is to provide the technical and administrative support services required to fulfill its missions. These support services are provided by a combination of internal support organizations and commercial vendors. Internal service organizations respond to the needs of individual requisitioners (1) by assisting the requisitioner in specifying product or job requirements; (2) by determining whether to procure the product or job in-house or through a qualified commercial vendor; and (3) through implementation based on functional requirements, quality requirements, schedule, and cost. In-house support services are maintained to provide unique, highly specialized skills and to meet needs for crucial job parameters.

Central support organizations not only maintain in-house capabilities, but also maintain standing procurement instruments with commercial sources of similar products and services and are prepared to assist other Laboratory organizations in preparing custom purchase requests in their area of support. In responding to each request for service, an independent "service desk" function within the division providing the in-house capability determines whether to (1) perform the work in-house, (2) direct it to a commercial source under an existing procurement instrument, or (3) assist the requestor in preparing a custom requisition to support a direct purchase by the Office of the Chief Financial Officer-Procurement (OCF-PRO). This determination is based on functional requirements, quality requirements, schedule, and cost, in a manner consistent with good industry practice, and is made in collaboration with the requisitioner. In addition, the Laboratory's contractual responsibilities pursuant to the terms of its labor agreements will be considered. Central support organizations must complete their review within five working days of receipt of the purchase requisition.

If the service organization and requisitioner are unable to reach agreement on the source of support, the service organization obtains a review of the options by OCF-PRO. If this review does not lead to agreement, the director of the requisitioning division may appeal the service organization's recommendation to the chief financial officer and the appropriate associate Laboratory director.

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In cases where a change in scope occurs, central support organizations will not continue work until a revised cost and schedule estimate is accepted by the requester.

6.9.3 RESPONSIBILITIES

6.9.3.1 Chief Operations Officer

The chief operations officer has the following responsibilities:

- Determine the types of support capabilities to maintain in-house, in accord with Prime Contract provisions.
- Review and approve service desk plans developed for service centers.
- Propose revisions to the Make or Buy Policy to the Management Council, as needed.

6.9.3.2 Directors of Divisions that Provide Central Support Services

Division directors who provide central support services plan, manage, and report on the operation of appropriate service desk functions for service centers within their divisions. Each in-house support organization of this type develops annual plans, for approval by the chief operations officer, documenting how these choices will be made, and periodically reports performance data to verify compliance with the plan. The plans address such matters as the organizational structure for the service desk function, the use of cost as a decision criterion, and the type of performance data to be used.

6.9.3.3 Office of the Chief Financial Officer

OCF has the following responsibilities:

- Establish, in cooperation with service centers, efficient procurement instruments and accounting practices to expedite the use of external suppliers of products and services.
- Review and comment on sourcing decisions for specific products or services, upon the request of service centers.
- Establish efficient information systems that support effective self-assessment and management oversight of service centers.

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6.9.3.4 Chief Financial Officer and Associate Laboratory Directors

If the director of a requisitioning division appeals a service center's sourcing decision for a specific product or service, review the decision and accept or change it.

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APPENDIX 6.9-1 FULL COST RECOVERY SERVICE CENTERSCOST
CENTER

210	PFS - Central Shops
316	PFS - Vehicle Maintenance
317	PFS - Driving and Rigging
502	PFS - Installation/Crafts
505	PFS - Waste Management Operations
512	PFS - Facilities Engineering and Construction
143	ECT - Electronics
247	ECT - Communications
250	ECT - Computing
266	ECT - Management Information Services
260	IPD - Media Services
211	TD - Design Engineering
269	CMT - Analytical Chemistry Laboratory
416	HR - Temporary Services Personnel