

Service Center Concept Paper

Introduction

With the advent of horizontal drilling and growing success of hydraulic fracturing, oil and gas development has spurred economic activity in otherwise unattainable formations. Within Indian country, this has meant a resurgence of interest in leasing and developing oil and gas resources. The Fort Berthold Indian Reservation in North Dakota (380 million barrels of oil proven remaining reserves), the Uintah & Ouray Reservation in Utah (380 million barrels of oil proven remaining reserves), the Navajo Reservation in New Mexico (155 million barrels of oil proven remaining reserves), and numerous reserves in Oklahoma have all received leasing and oil and gas development activity which has or will exceed the Department of the Interior's (Interior) local Bureau of Indian Affairs (BIA) agencies and Bureau of Land Management (BLM) field offices ability to timely process the administrative requirements for oil and gas development.

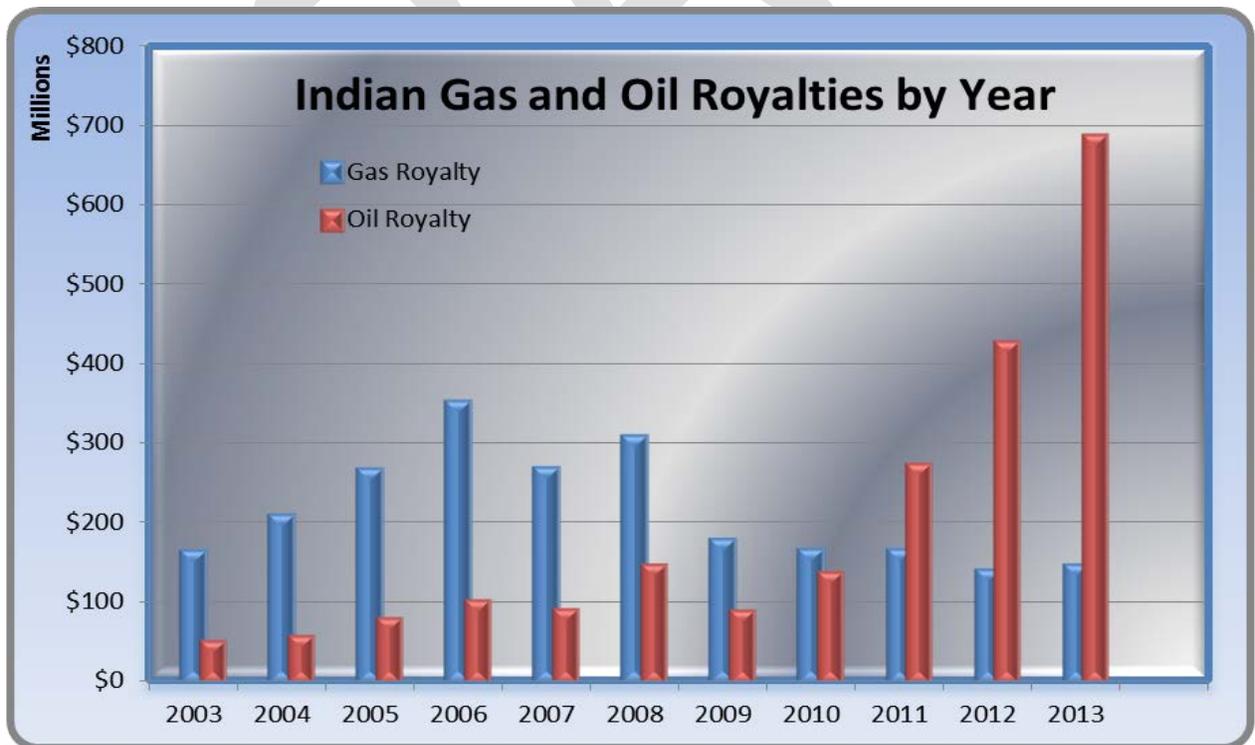
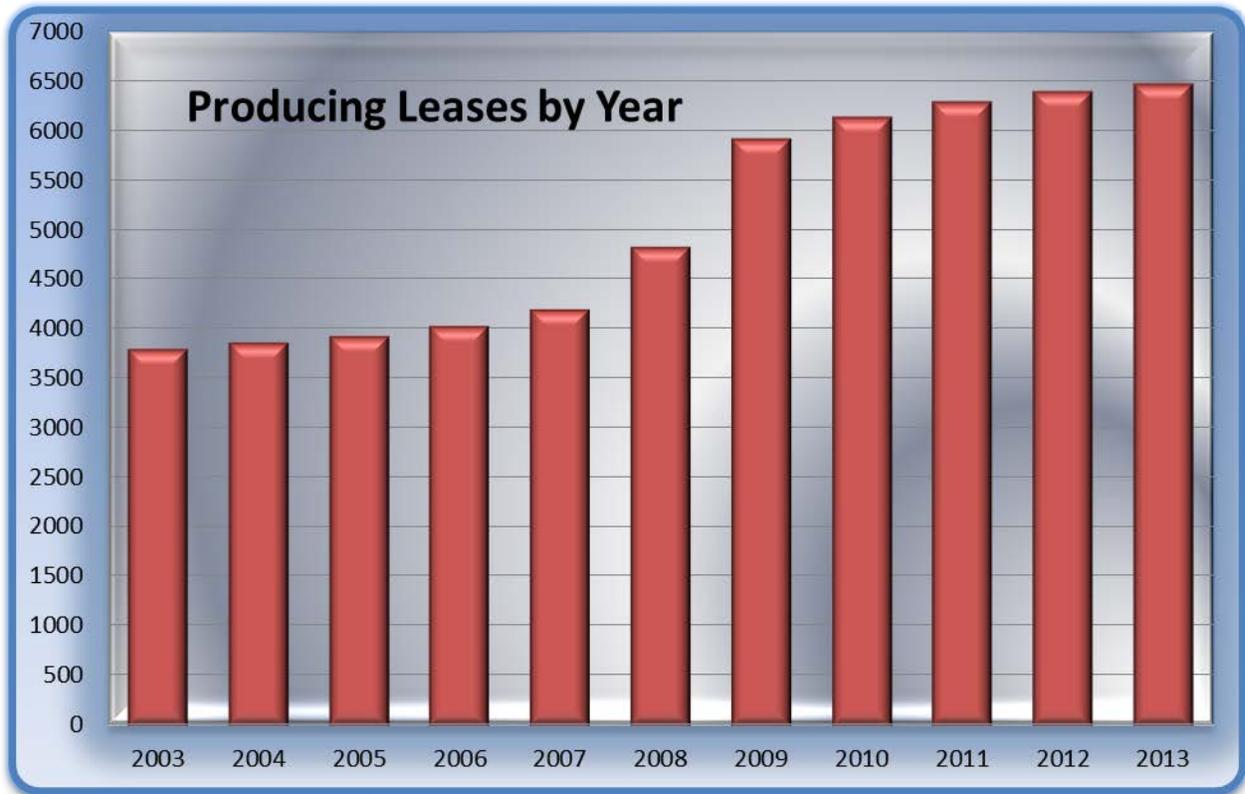
Delay in production causes a very real and immediate adverse economic consequence to reservation and mineral estate owners. For example, on the Fort Berthold Reservation, each well represents approximately 500,000 barrels of oil. Delays in permit processing represent missed opportunities for both the oil company and the Indian mineral owner. The agencies must process 250 permits per year to meet the industry's demands or the drilling rigs go on to other non-Indian sites. This model of matching the demand with the ability to deliver permits in a timely manner takes place on each reservation.

The Indian Energy and Minerals Steering Committee (IEMSC), in their February 2014 meeting, discussed the burgeoning development of oil and gas resources in several locations within Indian country, the inability of the field-based Federal agencies to meet the demands of this development, the issues associated with trying to secure qualified staffing for these sometimes remote locations, and administrative processes associated with oil and gas development.

The constraints of the Federal budget require innovative approaches to addressing these needs. The Indian Energy and Economic Development Division's ability to detail critical personnel to Fort Berthold and to secure contractual services for the Federal Indian Minerals Office servicing the Navajo allottees, and the BLM's implementation of a "Tiger Team" to address a backlog of Applications for Permit to Drill (APDs) for Fort Berthold are efforts representative of the innovation and stop gap measures necessary to support workloads which exceed agency capacity. However, these efforts are not sustainable over the long haul due to associated monetary expense and resulting backlog accruing while the employees are on detail.

Thus, the IEMSC established a team to develop a concept paper for a multi-agency Service Center whose purpose would be to provide long term support of Indian oil and gas development.

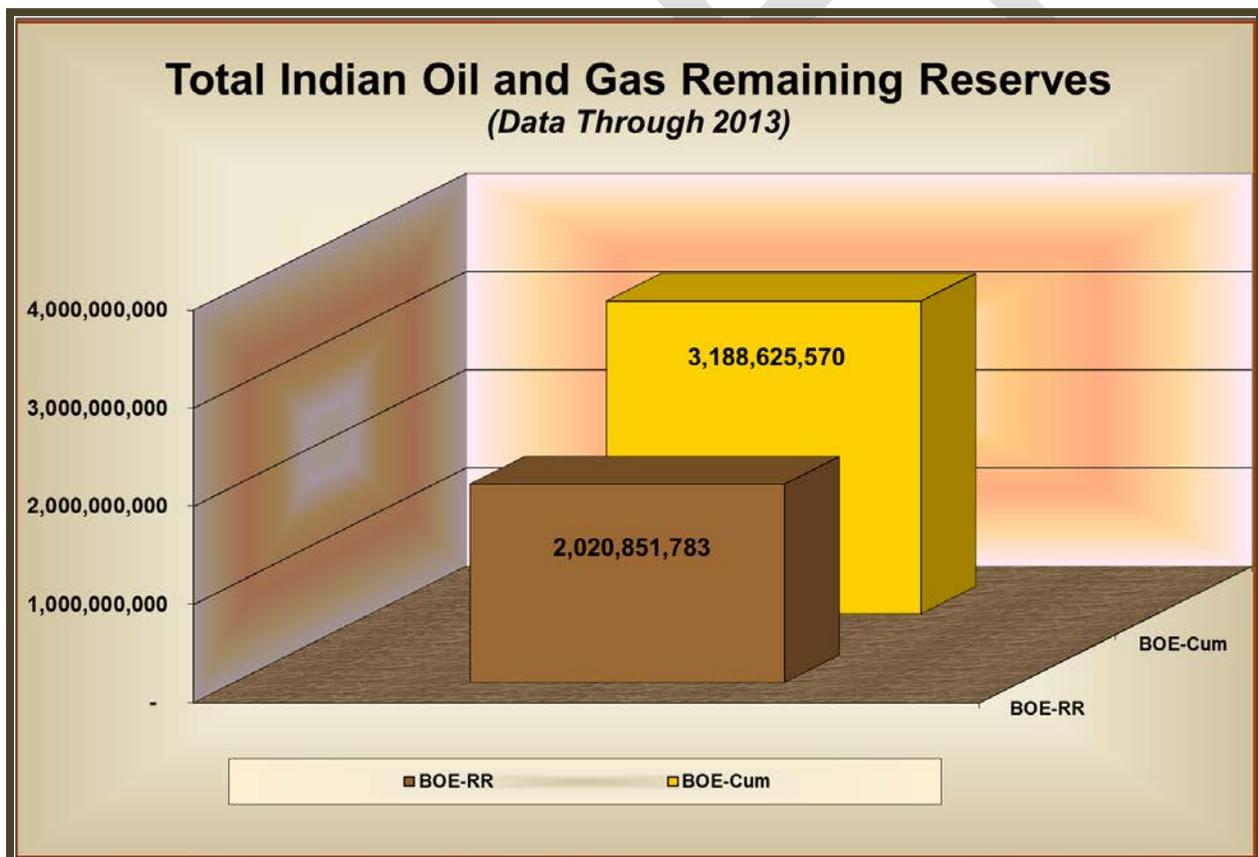
Quantifying the Demands



From 2003 to 2013, the number of producing trust oil and gas leases has increased over 70 percent and the oil and gas royalties have increased over 400 percent. While these are indicators of past workload for the issuance of leases, APDs, and drilling inspections, they may also indicate future workload. The following tasks are required once production has been realized:

- lease assignments
- change of operators
- production accountability
- inspection and enforcement of well operations
- royalty compliance
- mineral estate inquiries

The total volume of oil and gas removed from trust lands for over a century is approximately equal to the total proven reserves yet to be produced (see graph below). This does not take into consideration additional future discoveries or the implementation of new and improved technologies yet to be developed.



This indicator of future workload infers that a large portion of the work associated with producing oil and gas from trust lands has yet to be realized.

Thus the need for additional resources and more efficient utilization of these resources in years of fiscal austerity is critical. This paper presents a proposal for partially addressing this burgeoning workload.

Concept

The Service Center will be a user-based organization for performing administrative functions requiring a minimal field presence in a support role for field organizations with the workload defined by task orders requested by agencies/field offices through regional/state offices.

Mission Statement

The mission of the Service Center would be to provide a wide suite of support services to BIA and regional offices; BLM field and state offices; the Office of Special Trustee (OST) fiduciary trust officers and regional trust administrators; and the Office of Natural Resources (ONRR) for expediting the leasing, permitting, developing, and reporting for oil and gas development on Indian trust lands. Fundamental to this effort is responsiveness to trust mineral estate owners (tribal or allotted) and coordination between Federal agencies. In support of this mission the Service Center would:

- Serve as a processing center for certain nationwide trust functions where this service is more efficiently provided by an offsite work team in support of agencies and field, regional, and state offices.
- Provide direct support, technical advice, and contractual services to:
 - Help formulate and develop consistent policy, rules, regulations, and business processes;
 - Identify and assist with implementation of best practices for deployment throughout the appropriate bureau or office;
 - Develop statements (scope of work) and funding for contracts to provide direct services in support of oil and gas development;
 - Address backlogs restricting the timely development of oil and gas resources; and
 - Conduct risk assessments to address management and/or potential congressional concerns in order to evaluate the severity of events, and develop recommendations for addressing vulnerabilities and concerns.
- Participate in efforts to encourage coordination, collaboration, and resource sharing between Interior bureaus and offices, and to cooperate with tribes and Indian landowners in the resolution of issues that impede oil and gas development, continuing operations, and final closeout on trust/restricted land.
- Serve as a center point for collaboration with other Federal agencies for expediting oil and gas development.

- Serve as a point of contact for other agencies to resolve development and revenue issues, if the issue cannot be resolved by the local Interior Federal Partners' Group.
- Serve as support for tribal consultation for BIA, BLM, ONRR, and OST.
- Provide program assessment and evaluation capability of existing program operations.
- Conduct and/or coordinate training of Interior employees having a role in oil & gas programs.
- Reconcile data between the various bureaus; systems for work performed under task orders.
- Innovate multi-agency processes or products which benefit the trust mineral estate owners such as closeout statements and outreaches when the mineral estate has ceased production and plugging and reclamation procedures have begun.

As capacity is built and trust function support is stabilized for oil and gas development, the Service Center could be used, on a reimbursable support agreement basis, to perform work for which it has expertise in support of the Interior's other trust mineral development and non-trust mission responsibilities.

Benefits to Participating Bureaus/Offices

The participating bureaus and offices will benefit from the Service Center through the assumption of workload, either that of short term duration or a prolonged commitment of resources. The workload would be executed in a timely manner through the centralized location and housing of bureaus/offices' expertise. The most significant benefit to all participating organizations is the ability to engage the existing or prospective mineral estate owners more efficiently throughout the mineral development process. Targeted outreach and education of mineral estate owners will mitigate their concerns that Interior does not properly represent trust interests. For example, once BIA identifies the tracts for leasing, a multi-bureau outreach to prospective new lessors will: be able to provide a fair market value determination for use in negotiating lease terms; ascertain any conditions of approval the lessors would want for surface occupancy; provide an explanation of APD and drilling processes; provide an explanation of the royalty distribution process, provide an explanation of the royalty verification process; and provide and an explanation to and determination from lessors of the reclamation process.

A second example of significant benefit to multiple participating agencies is the development of excellence and capacity in National Environmental Policy Act (NEPA) compliance. Throughout the leasing, APD, and rights-of-way processes for oil and gas development, NEPA plays a significant role and in many cases a significant workload prior to development. The presence of senior technical advisors in the Service Center to assist will expedite the receipt of royalty revenues.

An additional benefit to participating bureaus and offices is the ability for the Service Center to receive requests and assist with, or when requested, tasks associated with work that would otherwise become secondary priority. Customers who use the agency or field office as their “front door” are generally considered priority or primary clients. Meeting with these individuals or companies usually becomes the agency’s immediate workload, and other more routine tasks become secondary, such as assignments of operating rights, change of operator forms, records management, and well and lease status determinations. The Service Center would provide assistance with these tasks, which can at times be unmanageable at the field or regional level.

Subject matter experts stationed at the Service Center would provide advice on an ad hoc basis or on the more formal basis of training, either on the job or through the classroom. At present these types of services, when they can be secured, may be inconsistent in approach and require the local managers to remove a subject matter expert from their current duty station to plan and conduct training while their daily workload suffers. Utilizing the expertise in the Service Center would not only assist the requesting office, but also the otherwise providing office by not adversely impacting their ability to deal with their workload.

Organizational Alignment

Two factors were used in determining the proper placement of the Service Center. The first considered was the primary beneficiary of the Service Center. The second factor considered was placement for optimum efficiency.

The primary beneficiaries of the Service Center would be the organizations supporting the development of trust oil and gas resources for tribes and allottees. These organizations are BIA, BLM, ONNR, and OST. All of these organizations have a duty to discharge the Interior Secretary’s trust responsibility in the development of oil and gas resources, as well as the collection, verification, and distribution of the royalty revenues there of. Staff of the BIA Director, the Secretary’s primary steward of trust resources, would be the logical organizational placement for the Service Center.

Optimum efficiency is crucial under the current budget constraints. One issue reported frequently during the periods of constrained fiscal resources is the inability for support for oil and gas development to be secured in a timely manner. Interest in leasing a particular formation has resulted in a tidal wave of work for which the field level organizations have not had sufficient time to staff. The Office of Indian Energy and Economic Development’s Division of Energy and Mineral Development (DEMD) is on the forefront of assessing technological advancements leading the mineral development resurgence. The DEMD assesses the mineral potential and economic development of the Indian trust lands. The DEMD plays a critical role in attracting mineral development companies to Indian country and in helping to negotiate the lease terms under which development will occur. Realization of optimum efficiency would occur by having the Service Center capturing evolving trends from DEMD and using this information to anticipate future workloads. The Service Center would provide the capability to augment field level and regional/state level capacities once the process has begun. During the phases lead by DEMD just prior to lease signing, the Service Center would assess the resources available at the affected agencies/field offices and regional/state offices of successfully

and timely executing the administrative requirements for supporting the development of the trust mineral estate. However, mineral potential for development is not realized until the companies have not only leased the minerals, but also have submitted the applications for permits to drill (APDs). While the Service Center can perform the capability assessment, and can develop alternatives for deployment of supplemental resources to the offices in need of assistance, the execution of the appropriate alternative would not occur until a sufficient number of the appropriate workload indicators have been submitted to exceed the field level/regional/state level capacities.

Line Authority and Organizational Reporting

The Service Center will be under the organizational structure and line authority of the BIA Director. Many of the functions to be performed by the Service Center are trust functions Secretariially delegated to other bureaus/offices. In spite of the scope of the functions to be performed by the Service Center, for effective management and oversight there can be only one responsible party. The BIA Director is primarily responsible for the Secretary's trust responsibility and line authority for the Service Center is properly placed under him.

The BIA Director would be responsible for providing operational oversight for the Service Center, ensuring compliance with all applicable rules, regulations, and policies for each of the bureaus/offices; ensuring workflow from and delivery of services to requesting organizations; ensuring budgetary and financial compliance; assisting with resolving work prioritization/ dispute resolution when requested by the Service Center Director, and providing operational supervision of the Service Center Director. The Service Center Director will be a BIA employee unless the BIA Director and another participating agency are mutually agreeable to the other bureau/office staffing that position. Regardless of which Bureau/Office provides the Director's position, the BIA Director will be employee's supervisor.

The BIA cannot provide sufficient oversight and management for those functions which are not within BIA's expertise, e.g. audit and compliance of royalty revenues. To provide the BIA Director and the Service Center with a broader scope of expertise, technical assistance, advocacy, supplemental guidance, and the multi-agency aspects of strategic planning and innovation, an Executive Management Group (EMG) is recommended. The EMG would be comprised of:

- Director of BIA, or their delegate;
- Deputy Director, ONRR, or their delegate;
- Assistant Director for Minerals and Realty Management, BLM, or their delegate; and
- Principal Deputy Special Trustee, OST, or their delegate.

The EMG will initially meet quarterly and when agreed to by the BIA Director. The BIA Director may change the meeting frequency to the appropriate intervals.

The Service Center will report to the IEMSC at least annually on accomplishments, status of oil and gas development in Indian country (in conjunction with DEMD), recommendation for issues on the horizon, and areas for improvement or expansion of services.

In the event of a dispute which cannot be resolved at the EMG level, the BIA Director will be the adjudicating official. However, should a Director of another participating bureau/office and the BIA Director be unable to resolve an issue, the dispute resolution process as established in the MOU will be employed.

Delegated Authorities

No authority will be delegated to the Service Center Director, except for those with respect to executing personnel actions by the Director.

Service Center Work Tasking

The Service Center will perform their work on a task order basis. During the establishment of the task order, the Service Center will assess the issue to be addressed and in collaboration with the requesting organization will determine the appropriate solution and method for achieving that solution. The Service Center will negotiate task orders with the requesting organizations for the performance of work for the organization. Those task orders will specifically detail the scope of the work, quality control mechanisms for ensuring delivery of the appropriate solution, the deliverable dates, the approval process/signatory of acceptance, and the cost center for which the Service Center will charge their expenses.

The Service Center Director will be responsible for ensuring the appropriate level of work to be undertaken given the staffing and expertise of the staff in the Service Center.

Work requested by organizations in excess of the capacity of the Service Center, as determined by the Service Center Director, will remain the responsibility of the requesting organization.

Work Prioritization

The Service Center Director will set the prioritization and hierarchy of the work to be performed. However, there are some types of work that may require a readjustment of the workload prioritization. For example, work of short duration that would enable receipt or distribution of revenues may be accelerated in the work hierarchy over issues of recording change of operators information into a database. To provide assurance to requesting organizations and to provide structure for the Service Center Director, a work load prioritization/hierarchy protocol will be developed for the approval of the EMG.

Service Center Personnel

The Service Center Director, or a designated delegate, will be solely responsible for all personnel actions, including hiring, performance appraisals, individual development plans, and disciplinary actions.

The Service Center personnel will be the employees of the supplying agency and the full time employees (FTE) will be scored to the supplying agency.

Participating Agencies may detail staff to the Service Center to satisfy some or all of their personnel commitment. If an agency chooses to exercise this option the cost of per diem for housing the individual in Denver will be the responsibility of the detailing agency unless the Service Center receives funding as part of its appropriations for this purpose.

The participating organizations in the Service Center in agreement with the EMG and IEMSC will establish that organizations staffing level for the Service Center and will enable the Service Center Director, or designated delegate, to perform the above mentioned functions with regard to those employees.

Administrative Support

Administrative support for personnel functions will be performed by the supplying agency to include but not be limited to recruitment, processing step or grade increases, advising employees, and processing benefit packages and retirement applications. All other administrative support functions will be supplied by BIA to include but not be limited to budget, financial, travel, Information Technology (IT), and procurement functions.

Modular or Staged Deployment

Oil and gas development follows a relatively standard process

- Leasing, including bond determination
- Rights-of-Way
- Permitting
- Exploration
- Production
- Royalty and operation reporting
- Payment and funds distribution
- Plugging and abandonment/reclamation

The development of the Service Center could follow the same processes, adopting technical expertise sequentially in each subject matter as the development occurs.

The development of oil and gas resources throughout Indian country is in different phases. Fort Berthold is significantly fully leased. Drilling has begun but is not yet fully developed, though the royalty revenues have begun. Interest in Navajo allotments are in the early leasing and permitting stages. The standing up of the Service Center cannot follow the developmental

sequence, but rather has to be stood up to meet the greatest critical needs, which will require a multi-discipline initial standup. Deployment of the full staffing regime is not required at this time, but can be built over two to three fiscal years as additional functions increase workload demands.

The principal concern is standing up those activities that directly result in generating income for trust beneficiaries.

The Service Center would dispatch expertise to the impacted Agency or Field Office to evaluate the situation and make a determination how best to address the workload, particularly when the pending workload directly affects income being generated for beneficiaries. Past experience at locations all over the Bureaus and Offices has shown that generally those activities in sequential order (described at a high level) include, but are not limited to:

- Identifying tracts for lease
- Addressing environmental compliance
- Negotiating leases or holding lease sales
- Processing leases for approval
- Distribution of rents and bonuses to the mineral estate owner (TAAMS encoding)
- Approval of APDs
- Approval of pre-communitization Agreements (CAs) or communitization/unitization agreements
- Approval of business leases/easements to support production activities
- Processing notices of first production
- Processing initial royalty reports and payments

The staffing level proposed below is the initial start-up phase of the Service Center. Initial duties and assignments would be composed mostly of developing subject matter expertise, assessing needs requirements of the agencies/field offices and regional/state offices, and designing and implementing curative measures. In this phase of deployment of the Service Center, the emphasis is on capacity building of the Service Center's support role for the field level workload. Direct support by either importing work to the Service Center or exporting Service Center staff to the field would be secondary to securing appropriate staff expertise through contractual services. Contractual services will be a component of the solutions to work overflow, when appropriate, throughout the lifespan of the Service Center. However, when the Service Center is fully deployed the primary emphasis will be on using the expertise of the Service Center staff.

Proposed Initial Deployment Staffing Levels

Function	Initial Deployment	Bureau	Grade	Salary & Benefits
Legal Instruments Examiner	1	Shared BIA/BLM	GS 11	104,000
Realty Specialist	3	BIA	GS 11/12	375,000
GIS Specialist	1	BIA	GS 11/12	125,000
Date Entry/File Clerk/Records Specialist	1	BIA	GS 5/7/9	85,000
Reference Data Specialist	1	ONRR	GS 12	125,000
Production Reporting Specialist	0	ONRR	GS 12	
Outreach Specialist	2	ONRR	GS 12/13	296,000
Petroleum Engineer	2	BLM	GS 12/13	296,000
Production Accountability Technician	2	BLM	GS 9/10/11/12	250,000
Environment Protection Specialist	1	BIA/BLM	GS 9/11/12/13	148,000
Systems Accountant	1	OST	GS 13	148,000
Program Analyst	1	Shared	GS 9/11/12	125,000
Clerical	1	Shared	GS 5/6	63,000
Working Managers (Branch Chiefs)	1	Shared	GS 14	175,000
Service Center Manager	1	Shared	GS 15	200,000
Administrative Officer	1	Shared	GS 13/14	175,000
Total	20			2,690,000

Assumptions:

- Each position staffed at step 10 – thus avoiding having to absorb step increases in later Fiscal Years
- Benefits are 30 percent of salary

Capabilities during Initial Deployment

As staffing has been secured the Service Center will be available to assist throughout the leasing process, with TAAMS data entry, with the APD approval process, CA and Unit Agreements, NEPA compliance, records management, outreach to the fluid mineral estate beneficiaries, production accountability and OST accounting inquiries. The extent of the Service Center's capabilities will be limited by the timing of staff arrivals and the nature of a partial deployment.

Transition to Full Deployment

The initial phase of deployment for the Service Center will be focused on expediting processes which generate revenues for the trust mineral estate owners. These efforts are stop gap in nature, addressing needs which exceed capacity of the local agencies/field offices and regional/state offices. However, experience has demonstrated these types of stop gap measures are unsustainable and even these efforts continue to cause a delay (albeit a shorter delay) in the delivery of services as resources are procured. Therefore, a fully deployed Service Center would have additional functionality whose purpose is to develop expertise throughout the bureaus and offices via training and to provide in house capability to offer remote processing capability. This allows the local agencies/field offices to focus on their relationships with their clientele.

These additional services will be built gradually on an as needed basis. For example, BLM's production accountability workload will be both referral-nominated and self-nominated based on an in-house developed risk rating which interfaces with ONRR's and BLM's compliance risk ratings. Depending upon complexity, an individual case can take several weeks to several months to finish. Only after the full deployment of Production Accountability Technician's, allowing for their skill development and allowing for their work products to reach a sufficient volume, would it be necessary to staff the Service Center with the Reference Data and Production Reporting Specialists needed to pursue revenue and reporting corrections from industry and pass those revenues on to the mineral estate owners. Based on the experience of the team members responsible for preparing this report, the team believes that when fully deployed to fulfill the objectives of the Service Center, as described in the Mission Statement, that full staffing for the Service Center would approximate the following:

Proposed Full Deployment Staffing Levels

Function	Full Deployment	Bureau	Grade	Salary & Benefits
Legal Instruments Examiner	4	Shared BIA/BLM	GS 11	416,000
Realty Specialist	6	BIA	GS 11/12	750,000
GIS Specialist	1	BIA	GS 11/12	125,000
Date Entry/File Clerk/Records Specialist	4	BIA	GS 5/7/9	340,000
Reference Data Specialist	3	ONRR	GS 12	375,000
Production Reporting Specialist	3	ONRR	GS 12	375,000
Outreach Specialist	2	ONRR	GS 12/13	296,000
Petroleum Engineer	3	BLM	GS 12/13	444,000
Production Accountability Technician	10	BLM	GS 9/10/11/12	1,250,000
Environment Protection Specialist	1	Shared	GS 9/11/12/13	148,000
Systems Accountant	1	OST`	GS 11/12/13	148,000
Program Analyst	1	Shared	GS 9/11/12	125,000
Clerical	2	Shared	GS 5/6	126,000
Working Managers (Branch Chiefs)	3	Shared	GS 13/14	525,000
Service Center Manager	1	Shared	GS 15	200,000
Administrative Officer	1	Shared	GS 13/14	175,000
Total	47			5,818,000

Assumptions:

- Each position staffed at step 10 – thus avoiding having to absorb step increases in later FY's
- Benefits are 30 percent of salary

See attached Organization Chart

Capabilities of Full Deployment

In addition to the capabilities as described for partial deployment, the Service Center will develop innovative processes such as designing and delivering outreach to prospective mineral estate lessors and outreach for end-of-life lease processes and associated consequences. Reference data and production reporting functionalities will be operational. The Service Center will assist with coordination of tribal consultations and advise proactively and responsively for oil and gas development policies. It will also establish a training program designed to identify and disseminate the best practices for oil and gas development to agencies/field offices and regional/state offices. Finally, as requested by the participating bureaus/offices, the Service Center will utilize contractual dollars for additional tasks.

Initial Stand Up

The resurgence of interest in oil and gas development within Indian country is opportunistic and transitory. Two factors have to be aligned for the drilling to be pursued: the leasing, permitting, and rights-of-way actions have to be completed and drilling equipment has to be available. If there is a delay in the administrative processes, the drilling equipment will migrate to those areas of the country where these administrative impediments have been resolved. Thus it is essential to capture the current wave of interest in developing oil and gas in Indian country. Waiting for FY 2017 appropriations would mean the Service Center would go through the formative stages in FY 2017 and not begin to be functional until late FY 2017 or early FY 2018. This delay in standing up the Service Center would run counter to the objective of generating income for trust beneficiaries and could result in the irreversible loss of development opportunity.

Thus, the recommendation is for the participating bureaus to provide sufficient funding in FY 2015 for the administrative stand up and initial staffing of the Service Center. This would require staffing the Service Center Manager, the Administrative Officer, a program analyst, and one detailed IT specialist to start the efforts required to secure space, equipment and build the IT backbone of the organization. Some position description development will be required, however the initial emphasis should be on detailing individuals with the appropriate skill mix to the Service Center.

FY 2015's objective would be secure space and equipment, build the IT structure, detail in sufficient staff to begin providing services, and to have developed position descriptions, advertise, and fill those positions for full-time permanent employees.

Funding Risks

This proposal recommends initiating establishment of the Service Center in FY 2015 with funding derived through inter-agency agreements with the participating bureaus/offices and the BIA. This proposal further recommends an FY 2016 budget proposal by the BIA to fully fund the staffing and operational costs of the Service Center. When the appropriation is received inter-agency agreements between the BIA and the other participating bureaus/offices will reimburse those organizations' labor costs associated with their Service Center employees. It should be noted that standing up the Service Center in FY 2015 in anticipation of FY 2016

appropriations does have the risk of the failure to receive an appropriation, thus either further requiring funding from the participating bureaus/offices or the abandonment of the concept. If an appropriation is received and it is significantly less than requested it might be necessary to build the Service Center more gradually over additional phases.

Funding Options

Funding for the Service Center does not have to be wholly dependent upon appropriated funds. Rather, it is possible to secure funding through contributions by user organizations. The BLM is authorized by Section 307(c) of the Federal Land Policy and Management Act of 1976, as amended, 43 U.S.C. 1737(c) to accept donated funds. Oil and gas associations have partnered with BLM by donating funds to help the BLM manage aspects of the oil and gas processing and permitting functions associated with CAs and APDs. The BLM has successfully utilized contributions from oil and gas organizations, such as the Petroleum Association of Wyoming, to offset the need for appropriated funding.

Likewise, BIA does have a donations statute, 25 U.S.C. 451, which allows the Secretary to accept donations of funds or other property for the advancement of Indian country, and he may use the donated property in furtherance of programs for the benefit of Native American Tribes.

Utilization of either or both of the above referenced statutes would enable Interior to access additional, non-appropriated funding, for the implementation of the Service Center.

The Service Center would benefit oil and gas development in a number of regions and therefore the potential exists to receive a significant portion of its funding through contributions.

Cost Sharing

For FY 2015 the participating agencies would share equally in the expenses of standing up the Service Center. In all subsequent fiscal years, if the appropriation is insufficient to support the Service Center as then deployed, the operational and shared expenses of the Service Center would be proportionate to the supplying agency's staffing. "Shared Positions" for the calculation of supplying agency's financial responsibility will be shared equally between the supplying agencies.

FY 2015 Funding

FY 2015 Financial commitment for this portion of the stand-up, assuming full costs, would be:

Staffing – other than detailees	\$ 500,000
• Director	
• Administrative Officer	
• Program Analyst	
Staffing – detailees	Expense borne by home agency
Equipment (20/47)	\$ 250,000
Supplies (20/47)	\$25,000 (annual expense, will increase as staffing increases)
Space rental (47/47)	\$ 264,500 (annual expense)
Cube/Office Build out (47/47)	\$ 460,000 (\$8,000/office; \$10,000/cube)
Travel	\$ 30,000
Contractual Services – Support	\$1,000,000 (8 individuals)
GSA Vehicle (1)	\$ 3,000
Space Build Out (one time expense)	
• IT and phone systems	\$300,000
(Based on DEMD experience)	

Total Estimate of FY 15 Funding Requirements: \$ 2,832,500

FY 16 Funding

Personnel Expenses	\$2,690,000
Equipment (27/47)	\$ 270,000
Supplies (47/47)	\$ 50,000
Space Rental (47/47)	\$ 264,500
Cube/Office build out (47/47)	\$ 0
Travel	\$ 250,000
Contractual Service – Support for Field Offices	\$1,000,000 (8 full time individuals)
(assumes DEMD continues to provide 13 full time individuals costing \$1.8 million in support of existing activities)	
GSA Vehicle (2)	\$ 6,000

Total Estimate of FY 16 Funding Requirements: \$4,530,500

FY 17 Funding (Full Deployment)

Personnel Expenses	\$5,818,000
Equipment	\$ 50,000
Supplies (47/47)	\$ 50,000
Space Rental (47/47)	\$ 264,500
Cube/Office build out	\$ 0
Travel	\$ 300,000
GSA Vehicles (3)	\$ 12,000
Contractual Service – Support for Field Offices	\$3,000,000 (8 full time employees)
(assumes Service Center provides funding for the 13 full time individuals costing \$1.8 million currently provided by DEMD in support of existing activities)	

Total Estimate of FY 17 Funding Requirements

Full Deployment:

\$9,491,500

Travel Expense Justification

The Service Center is proposed for location in Denver, Colorado, to achieve operational efficiency and minimize travel expenses. Most of the Indian trust oil and gas activity is occurring in the States of North Dakota, Montana, Wyoming, Colorado, New Mexico, and Oklahoma. Denver is a transportation hub serviced by several major airlines and is within driving distance for many of the agencies/field offices and regional/state offices. However, the Service Center would not be the Office of Record for the transactions it is processing. As such, it will be essential for many of the task orders to have some onsite presence. Additionally, there will be instances when the most efficient delivery of support would be through some extended onsite support, thus requiring additional commitment of travel dollars.

Organization Chart

