

U.S. Department of Energy
Washington, D.C.

ORDER

DOE 4700.3

9-16-91
Change 1: 11-16-92

SUBJECT: GENERAL PLANT PROJECTS

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1. PURPOSE. To establish Departmentwide policies, responsibilities, and guidance for the budgeting, funding, and execution of General Plant Projects (GPP).
 2. SCOPE. The provisions of this Order apply to all Departmental Elements (except the Power Marketing Administrations and the Naval Reactors/Naval Nuclear Propulsion program) that provide funding or have responsibilities for administering GPP funding, or constructing GPP at sites that are owned or controlled by the Department of Energy (DOE), except where otherwise provided by statute or separate authority.
 3. REFERENCES.
 - a. DOE 1324.2A, RECORDS DISPOSITION, of 9-13-88, which assigns responsibilities and authorities and prescribes policies, procedures, standards, and guidelines for the orderly disposition of records of the DOE and its management. and operating contractors.
 - b. DOE 2200.4, ACCOUNTING OVERVIEW, of 3-31-88, which establishes accounting policy, principles, and standards, and explains the administrative control of funds, financial and cost accounting, and the financial reporting system in accordance with Government regulations and generally accepted accounting practices.
 - c. DOE 2200.6, FINANCIAL ACCOUNTING, of 10-24-88, which sets forth the general uses and total dollar and other financial limitations for GPP funding.
 - d. DOE 4300.1C, REAL PROPERTY MANAGEMENT, of 6-28-92, which establishes Departmentwide policies and procedures for the acquisition, use, inventory, and disposal of real property and interests therein.
 - e. DOE 4300.2B, NON-DEPARTMENT OF ENERGY FUNDED WORK, of 7-16-91, which establishes DOE work for others policy.
 - f. DOE 4320.1B, SITE DEVELOPMENT PLANNING, of 1-7-91, which establishes policies and assigns responsibilities and authorities for the planning and development of DOE sites.

Vertical line denotes change.

DISTRIBUTION:
All Departmental Elements

INITIATED BY
Office of Organization, Resources
and Facilities Management

- g. DOE 4700.1, PROJECT MANAGEMENT SYSTEM, of 3-6-87, which establishes the DOE project management system and provides implementing instructions, formats and procedures.
- h. DOE 5000.1B, INSTITUTIONAL PLANNING BY MULTIPROGRAM LABORATORIES, of 4-9-92, which establishes the Institutional Planning Process for multiprogram laboratories.
- i. DOE 5100.3, FIELD BUDGET PROCESS, of 8-23-84, which provides guidance and requirements to field offices for preparation of field GPP budget data.
- j. DOE 5440.1D, NATIONAL ENVIRONMENTAL POLICY ACT COMPLIANCE PROGRAM, of 2-2-91, which establishes responsibilities and procedures to implement the National Environmental Policy Act (NEPA) of 1969.
- k. DOE 6430.1A, GENERAL DESIGN CRITERIA, of 4-6-89, which provides general design criteria for use in the acquisition of DOE facilities.
- l. Public Law 99-145, Department of Defense Authorization Act, Sec. 1522, Limits on GPPs, which establishes an overall limit on the total estimated cost for any GPP at \$1.2 million.

4. OBJECTIVES.

- a. To ensure continued integrity and accountability throughout DOE in the application and use of GPP funds, which are a critical part of DOE's capability in meeting its requirements for safe and reliable facilities operation.
- b. To ensure program offices and field organizations have the needed flexibility to respond to rapidly changing facility conditions, regulatory requirements, and mission requirements.
- c. To establish the framework for estimating future GPP requirements, and preparing budget requests for funds that are sufficient to meet mission and regulatory requirements and prevent undue plant deterioration.
- d. To establish policies and procedures to ensure that GPP funds are utilized to meet the most important needs, and that needs are determined and their priorities are established through systematic procedures and listings and specific project review and approval mechanisms as required.

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5. DEFINITIONS.

- a. Capital Equipment. Equipment that meets the capitalization criteria specified in Chapter VI, DOE 2200.6.
- b. Cognizant Secretarial Officer. A line manager Secretarial Officer of DOE who has responsibility for overall management and oversight of a site. In the case of multiprogram laboratories, these responsibilities are discussed in DOE 5000.1B.
- c. Facility Management. For purposes of this Order, facility management consists of all actions that are necessary to plan, construct, maintain, and dispose of the facilities at a DOE site. It includes: site development planning, design management, construction/project management, facility utilization planning and management, utilities management, energy management, maintenance management, real property management, and workspace management planning.
- d. Field Element. Any first-level organization located outside the Washington, DC, metropolitan area. For purposes of this Order, "first level" includes Managers of DOE Field Offices (excluding Richland and Savannah River) and Administrators of Bonneville and Western Area Power Administrations.
- e. General Plant Projects. Defined on page VI-20, paragraph 2h, DOE 2200.6, as miscellaneous minor new construction projects of a general nature, the total estimated costs of which may not exceed the congressional authorization of \$1.2 million per project. GPP are necessary to adapt facilities to new or improved production techniques, to effect economies of operations, and to reduce or eliminate health, fire, and security problems. These projects provide for design or construction (or both); additions; and improvements to land, buildings, and utility systems, and they may include the construction of small new buildings, replacements or additions to roads, and general area improvements.
- f. Landlord Program. The Headquarters program required to support and maintain the site-specific infrastructure, or multiprogram capabilities at a DOE site. This support includes budgeting for and funding of program GPP.

- g. Line Item Construction Projects. Line item projects are those construction projects that are submitted for funding as separately identified projects, and are specifically reviewed and approved by Congress. They are not subject to dollar ceiling limits and may exceed the GPP limits. Line item projects are used to provide land and/or facilities for the long-term programmatic, support and administrative needs of DOE sites. Examples include programmatic buildings, support and service buildings, utilities, and roads.
- h. Maintenance and Repair. Activities that neither materially add to the value of nor appreciably prolong the life of plant and equipment, but merely keep it in an ordinary efficient operating condition.
- (1) Maintenance. The recurring day-to-day work that is required to maintain and preserve property in a condition suitable for it to be utilized for its designated purpose.
- (2) Repair. The restoration or replacement of a deteriorated item of property and capital equipment, such that it may be utilized for its designated purpose.

6. BACKGROUND.

- a. GPP funding plays a critical role in the ability of DOE to manage its facilities, and to provide for safe and reliable facility operations. Requirements for GPP are often impossible to predict during budget formulation as is the identification of the specific projects that will require the highest priority attention. Because of the highly flexible nature of the GPP funding mechanism, it is essential that DOE carefully review and account for the use of these funds. Therefore, a part of the underlying intent of this Order is to ensure that the expenditure of GPP funds is carefully budgeted and accounted for so that DOE's needed management flexibility in this area will be continued.
- b. In order to implement Departmentwide policy regarding the budgeting and use of GPP funding, uniform definitions and project documentation are required. This Order provides these as well as procedures for executing the responsibilities listed herein.

7. POLICY. Various program and field organizations have many review and management control mechanisms in place for GPP funds and projects. The provisions contained in this Order are meant to constitute only the minimum requirements for managing GPP funds and executing projects. Additional measures, wherever warranted, are encouraged. It is policy that:
- a. GPP funds will be used only for the following types of projects. Cost of all projects will include such items as related site preparation, excavation, filling and landscaping or other land improvements; design of the facility; utilities; equipment installed in and made part of the facility; and initial moveable equipment (e.g., machine tools, laboratory and office furniture, and equipment necessary to outfit a facility for operation).
 - (1) Conversion. A major revision of a facility that changes the functional purposes for which the facility was originally designed or used.
 - (2) New Construction. The erection, installation, or assembly of a new plant facility as well as the construction of additions, expansions, improvements, and extensions to existing facilities.
 - (3) Replacement. A complete reconstruction of a property record unit, which has deteriorated or has been damaged beyond the point where its individual parts can be economically repaired.
 - b. All activities shall only be for facilities required in the performance of DOE missions and functions, including institutional requirements. Identified projects should be given priority based upon problem severity and mission importance. Funds intended for GPPs must meet all criteria defined in Chapter VI, DOE 2200.6. The GPP funds shall not be used for alterations (the work required to adjust interior arrangements or other physical characteristics of an existing property record unit so that it may be more effectively adapted to or utilized for its designated purpose. It will not result in a betterment to the record unit).
 - c. GPP funds shall not be used for uneconomical projects, i.e., those not having a favorable cost benefit; for projects with low mission or institutional priority; for introducing large new missions to a site; or for any other kind of project, which could be construed as diminishing congressional prerogatives.

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- d. Operating funds shall be used for normal facility maintenance and repair activities including replacement of a retirement unit. However, repairs which involve the replacement of a retirement unit must be capitalized in accordance with established procedures.
- e. GPP funds shall not be used in incremental segments to partially complete larger facilities. Each project shall result in a complete and usable facility.
- f. Departmentwide elements shall recognize the need for GPP funds to accommodate regulatory or mission changes, and provide the capability for minor, new construction as a part of the annual budget process. In executing the GPP budget, balanced attention shall be given to ensure that new (obstruction and other capital expenditure requirements are satisfied.
- g. To ensure that the best use is made of these funds, the field organizations shall each maintain a backlog listing of GPPs and shall incorporate these projects into a prioritized, but continually evolving and changing multiyear plan, which extends beyond the current year to, at least, the end of the budget year.
- h. For an individual GPP, design can be funded and begun in 1 year, and follow-on construction funded and started in the same or a succeeding year. However, the construction of any project must be completed as early as possible. The cognizant field element must maintain controls to ensure compliance with the GPP dollar limit, regardless of funding year. (See page VI-20, paragraph 2h, DOE 2200.6)
- i. A Project Construction Directive Authorization, DOE-CH Form 314, attached, is required for each project. These project authorizations shall contain signature approval of the DOE or contractor official authorizing each project.
- j. The approval of the appropriate DOE official shall be obtained prior to the start of design or the commitment of funds for each GPP project estimated at over 25 percent of the GPP overall limit (currently \$300 thousand based on the GPP overall limit of \$1.2 million). Each such project must be approved specifically by the manager of the cognizant field element. The program office or field element may establish limits lower than the maximum of 25 percent of the GPP overall limit. GPP projects estimated at up to a maximum 25 percent of the GPP overall limit (currently \$300

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thousand) may be approved by the DOE area/site office or the management and operating (M&O) contractor, with notification to the DOE official designated by the cognizant Headquarters or field element. If a project includes new construction that exceeds \$1 million it must be approved before design begins by the Program Secretarial Officer that budgeted the funds.

- k. In cases where it appears that the DOE Field Office or area or site office GPP approval level (25 percent of the GPP overall limit or lower) will be exceeded, work shall be discontinued pending review and approval by the cognizant DOE official.
- l. All GPP funds shall be accurately tracked and accounted for by individual GPPs. Carryover of GPP Funds from 1 year to the next be kept to a minimum. The site and/or the DOE Field Office shall maintain adequate project records as required by DOE 1324.2A. Minimization of carryover is meant to be within the constraints imposed by timely receipt of GPP funds.
- m. All dollar, funds usage, project approval, and other limits specified in this Order will be strictly adhered to. The correct accounting, segregation, project authority, and application of GPP funds shall be subject to routine periodic verification.
- n. Before actual costs exceed the overall dollar GPP limit, work shall cease and the circumstances shall be reported immediately to the cognizant program official and the Office of Chief Financial Officer (CR-1).
- o. When considering a request to waive constraints imposed by this Order, the Secretary of Energy will consider all the circumstances and conditions. This review may include the purpose of the project, the adequacy of the project planning, and the quality of DOE management over the project. The Secretary's action on waivers, with supporting documentation, shall be forwarded to the cognizant DOE element for
- p. All Headquarters program offices shall budget:
 - (1) For the sites and/or facilities for which they have responsibility.
 - (2) Sufficient GPP funds such that GPP backlog can be reduced.

- (3) Sufficient and timely line item funding such that the most economical choices concerning project size can be made.
- q. Complete financial and other appropriate records shall be maintained on all GPP projects as required for proper management and control.

8. RESPONSIBILITIES.

a. The Secretary.

- (1) Resolve disputed issues that cannot be settled at lower levels.
- (2) Issue written waivers to this Order as may be required to accomplish certain unique missions.

b. Cognizant Secretarial Officers.

- (1) Budget GPP funds needed for programmatic facilities and for the multipurpose sites and facilities for which they have landlord responsibility.
- (2) Review field performance in tracking and monitoring GPPs and funds. Assure that the use of non-DOE funds (e.g., work for others projects) for GPPs are managed by field elements in accordance with DOE 4300.2B.
- (3) Budget sufficient and timely line item funding such that the backlog of GPP is reduced and the most economical choices can be made concerning project size.
- (4) Approve those GPP new construction projects which exceed \$1 million.
- (5) Carry out line management responsibilities and, along with the Director of Administration and Human Resource Management (AD-1), review field implementation of this Order.
- (6) Ensure that appropriate NEPA review is undertaken early in project planning.
- (7) Develop and disseminate detailed procedures as required for implementation of this Order.

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- c. Heads of Field Elements. The following responsibilities may, at the option of a responsible DOE Field Office, be delegated to an area office or site office reporting through the DOE Field Office. For those field elements (other than DOE Field Offices) that do not report through a DOE Field Office, the cognizant Headquarters program office will perform these responsibilities.
- (1) Determine the amounts of GPP funding required for new construction and other capital expenditures.
 - (2) Submit budgets to the appropriate program office for the necessary GPP funds to accomplish programmatic and support requirements.
 - (3) Review and approve those GPPs that exceed the site GPP approval limit (maximum is 25 percent of the GPP limit).
 - (4) Forward to the Program Secretarial Officer, who would provide the funds, new construction category GPPs that exceed \$1 million.
 - (5) Review the plans for GPP expenditures at least quarterly and assure that priorities are consistent with DOE policies, are mission essential, and are consistent with site development, institutional, and program plans.
 - (6) Keep and, at least quarterly, review financial and other appropriate records to ensure that the GPP limit is not exceeded for any individual project.
 - (7) At the direction and under the supervision of the cognizant Secretarial Officer, if appropriate, conduct NEPA reviews and prepare NEPA documents.
- d. Chief Financial Officer (CCR-1).
- (1) Maintain Departmental financial records on all GPP funds.
 - (2) Review annual GPP budget submissions.
 - (3) In those instances where it appears that the overall GPP limit of \$1.2 million may be exceeded, review individual circumstances surrounding each instance, evaluate any available funding options, and advise as to appropriate follow-on actions.

- e. Director of Administration and Human Resource Management(AD-1).
- (1) Evaluate the budgeting and application of GPP funds through review and analysis of the GPP submissions from each field location, and the crosscut maintenance budget, as required by DOE 5100.3, in the Controller's annual Field Budget Calls.
 - (2) Provide an annual analysis of proposed GPP levels to CR-1 and the program offices in time to support the Internal Review Budget process.
 - (3) Maintain GPP management policy and, in conjunction with the cognizant program offices, perform reviews of field implementation of this Order.
- f. Assistant Secretary for Environment, Safety and Health (EH-1).
- (1) Conduct independent reviews of the conformance to laws, regulations, and DOE Orders related to environment, safety, and health.
 - (2) Review and approve NEPA documentation.

9. PROCEDURES.

- a. Any new GPP construction over \$1 million and any request for waivers requires approval of the Headquarters program office that provided the funds or, in the case of shared funding, the site landlord.
- b. Any GPP that exceeds the site approval limit (which can be set no higher than a maximum of 25 percent of the GPP overall limit of \$1.2 million) must be approved by the Head of the Field Element or his designated representative, or in the case of offices reporting directly to Headquarters, the Headquarters program office performing the function. Below this level, field-developed approval procedures may be used.
- c. Headquarters offices will consider current estimates at completion, priorities, justification for approval, and other relevant information when reviewing field requests. Headquarters approvals will normally be processed and returned to the field within 30 days.

- d. If, during the process of project development, the design phase, when bids have been opened on a project, or during construction, the actual or estimated cost exceeds the existing approval authority, work shall be stopped until such time as the appropriate approval is obtained.
- e. For the purpose of budget planning and project preparation, all GPP work will be categorized as New Construction (which includes erection, installation, and assembly of new free standing facilities, as well as construction of additions, expansions, and replacements of existing facilities) and Other Capital Expenditures (which includes major conversions of existing facilities). For budget preparation and crosscut/maintenance budget submittals, the categories specified in DOE 5100.3, should be utilized.
- f. For projects that contain work in both of the above categories, the dollar amount in each category shall be separately listed on the project directive authorization form.
- g. In building their annual GPP budget requests, field elements will consider new construction and other capital expenditure requirements in arriving at the total amount of their request.
- h. Field elements will utilize the Project Construction Directive Authorization form shown in Attachment V-1, DOE 4700.1, modified for local use, to request approval. On the back of this form, or in a one page attachment, in addition to the project description, a one paragraph justification for the project will be included. The adequacy of this project justification paragraph is critical to the project's approval.
- i. On occasion, it may be necessary and appropriate to use GPP funds for minor land acquisition projects (fee and permanent easement interests) where the land acquisition is not associated with a line-item project. In those cases, it will be necessary to identify in the appropriate GPP Construction Project Data Sheets (see page 11-11, paragraph 5c, DOE 5100.3, for detailed preparation procedures) that a portion of the funds will be used for land acquisition. Language should be as specific as possible at the time the Construction Project Data Sheets are prepared, but need not identify specific parcels nor estimated values of the property. If possible, an estimate should be provided of the total amount expected to be spent for land acquisition out of the GPP funds requested on the specific Construction Project Data Sheets.

BY ORDER OF THE SECRETARY OF ENERGY:



DOLORES L. ROZZI
Director of Administration
and Management

Vertical line denotes change.

PROJECT CONSTRUCTION DIRECTIVE AUTHORIZATION FORM

Rev. (8-78)

PROJECT NO. 39-KC-03-GP-E400		U. S. DEPARTMENT OF ENERGY CONSTRUCTION DIRECTIVE AUTHORIZATION		DIRECTIVE NO. 86-A-160			
CLASSIFICATION GPP L.I.				MODIFICATION NO. _____			
A. PLANT	<input checked="" type="checkbox"/>			X	DATE <u>October 20, 1996</u>		
B. OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TYPE OF STATEMENT				
C. EQUIPMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	INITIAL	INTERIM	COMPLETION	CLOSING	
PROGRAM FY97 GPP - Energy Research, Basic Energy Sciences					X	X	
1. PROJECT TITLE Construct New Wing, Wilhelm Hall Type of Work: <u>New Construction</u> <input type="checkbox"/> Other Capital Expenditures <input type="checkbox"/> LOCATION ANL <input type="checkbox"/> INEL <input type="checkbox"/> FNAL <input type="checkbox"/> AMES <input checked="" type="checkbox"/> BNL <input type="checkbox"/> OTHER _____							
DESCRIPTION OF WORK	2. DELEGATION OF AUTHORITY		3. AUTHORIZED SCHEDULE				
	CONTRACTOR	DOE	START	COMPLETE	REMARKS		
ENGINEERING	X		12/96	7/97	Final - No further changes will be made against this directive.		
TITLE I					Without CHO and HQ approval.		
TITLE II							
TITLE III							
CONSTRUCTION	X		12/97	5/98			
PROCUREMENT							
FABRICATION							
INSTALLATION							
4. REFERENCES Ames to CHO Memo			DATE	5. APPROVED BY		DATE	
A. REQUEST FOR DIRECTIVE AND/OR MODIFICATION			1/9/95				
B. PRELIMINARY PROPOSAL							
C. TITLE I REPORT							
D. WORK ORDER OR OTHER AUTHORIZATION:							
E. Completion & Final Cost Report			1/9/98				
6. DETAIL OF ESTIMATED COST BY PARTICIPANTS							
A. PARTICIPANT			CONTRACTOR			TOTAL	
B. TYPE OF CONTRACT			Operating				
C. CONTRACT NO.			44-3405-ENG-82				
D. CONTRACT ADMINISTRATOR							
E. ESTIMATED COSTS			\$	\$	\$	\$	
(1) ENGINEERING	62,700					62,700	
(2) QUALITY ASSURANCE							
(3) DIRECT COST	950,000					950,000	
(4) INDIRECT COST							
(5) CONTINGENCIES	95,000					95,000	
(6) TOTAL FUND COST			\$ 1,107,700	\$	\$	\$ 1,107,700	
(7) NON-FUND COST							
(8) TOTAL			\$ 1,107,700	\$	\$	\$ 1,107,700	
7. SUMMARY OF AUTHORIZED FUNDING							
BUDGET CLASSIFICATION	CHANGE	CONTRACTOR	DEPARTMENT			TOTAL	
A. PLANT	+ 1,107,700	\$ 1,107,700	\$			\$ 1,107,700	
B. OPERATIONS							
C. EQUIPMENT							
TOTAL	+ 1,107,700	\$ 1,107,700	\$			\$ 1,107,700	

PROJECT CONSTRUCTION DIRECTIVE AUTHORIZATION FORM
(continued)

DIRECTIVE 86-A-160 MODIFICATION _____ DATE October 20, 1996

8. This space to be used as required for description of facility, statement of authorized work, participant scope, remarks, special notes, etc.

Construct new 2 story 10,000 SF addition to Wilhelm Hall. New wing to be steel frame construction using spread footings with tilt-up concrete exterior walls. Design floor loading is 150 LBS/SF. Architectural exterior details to match existing building. Interior to be partitioned and provided with fume hoods and full utility systems for use as a wet chemistry laboratory.

9. Project Justification

This project is required to conduct "new program" chemistry work at the laboratory. Existing space configured and ventilated, etc. for chemistry work is already fully utilized. This new wing 3 of Wilhelm hall will be close to other "new program" activities and is a more economical alternative than a new free standing building. The "new mission" workload is long term in nature and is shown in the laboratory's approved institutional plan. This project will result in a complete and useable building. This facility is in direct support of the laboratory's assigned mission and does not contain any known elements that are controversial or environmentally sensitive at the Federal, State, or Local levels. Contingency funding is being requested to accommodate unforeseen events.

WORK AUTHORIZED FOR THE U. S. DEPARTMENT OF ENERGY

<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	<u>Project Management and Engineering Division</u>	SIGNED: <u>[Signature]</u> TITLE: <u>Director, Eng. Div.</u>
	_____ designated as DOE representative for required conformance and approval actions of the Department	