




**Department of Energy**  
Office of Science  
Washington, DC 20585

**Office of the Director**

February 2, 2011

MEMORANDUM FOR OFFICE OF SCIENCE ASSOCIATE DIRECTORS

FROM:   
W. F. BRINKMAN  
DIRECTOR, OFFICE OF SCIENCE

SUBJECT: Office of Science is Exempt from DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*

DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets* was approved by the Deputy Secretary of Energy on November 29, 2010. The Order establishes new project management requirements including Critical Decisions (CD) approval authorities. In addition, DOE Order 413.3B provides criteria that allow a Program Secretarial Office to be exempt from its requirements.

The Office of Science (SC) currently satisfies all the criteria, and on January 19, 2011, the Deputy Secretary of Energy approved the SC request for exemption (see attached approval memorandum). The newly delegated SC Acquisition Executive authority and SC project management requirements are outlined in the attached matrix. These requirements are effective immediately and will remain in force until rescinded.

This exemption is a direct result of our past and current project performance. It provides SC with significant benefits in overseeing our projects. Failure to retain this hard won exemption would not only tarnish SC's reputation—it would place burdens on future projects that would take precious time and resources away from delivering on our critical science missions. Therefore, I want to underscore my expectation that you will continue to work not just to maintain, but improve upon, the SC track record of project success.

If there are any questions, or further assistance is needed, please contact Daniel R. Lehman, Director, Office of Project Assessment (SC-28).

Attachments

cc:  
P. Dehmer, SC-2  
G. Malosh, SC-3  
J. Salmon, SC-4  
K. Klausing, SC-41





Department of Energy  
Office of Science  
Washington, DC 20585

EXEC-2010-017508

Office of the Director

December 22, 2010

MEMORANDUM FOR THE DEPUTY SECRETARY

THROUGH: STEVEN E. KOONIN   
UNDER SECRETARY FOR SCIENCE

FROM:   
W. F. BRINKMAN  
DIRECTOR, OFFICE OF SCIENCE

SUBJECT: ACTION: Request Approval for Office of Science Exemption from  
DOE Order 413.3B, *Program and Project Management for the  
Acquisition of Capital Asset*

**ISSUE:** The Office of Science (SC) requests exemption from DOE Order 413.3B, based on SC's satisfactorily meeting all criteria necessary for exemption set forth in the Order, and the Office of Engineering and Construction Management's (OECM) validation of SC's project management requirements, processes, and procedures.

**BACKGROUND:** DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, approved by the Deputy Secretary on November 29, 2010, allows for Program Secretarial Offices (PSOs) to be excluded from the requirements of the Order.

DOE Order 413.3B, Paragraph 3.c.(3) states that a PSO may be excluded from specific requirements of the order if it meets the following criteria:

- Has an established Project Management Support Office (PMSO) with adequate project management requirements, processes and procedures defined to enable continued project success;
- Has an on-going active capital asset program, post Critical Decision-2 (CD-2), of over ten projects at any time during the current Fiscal Year (FY); and
- Has completed 90% of projects across a three-year rolling average, not exceeding more than 10% of the original scope and cost baseline approved at CD-2 (for all capital asset projects with a Total Project Cost (TPC) greater than or equal to \$10 million).



The purpose of the exemption is to transfer Critical Decision approvals normally reserved for authorities higher than the PSO to the PSO, and to allow activities typically conducted by OCEM to be performed by the PSO's PMSO.

The Deputy Secretary must approve the PSO's exemption. The Deputy Secretary may specify exceptions (e.g., retain high profile projects) when approving the exemption, and may rescind any exemption if the PSO is unable to meet the exemption requirements listed above or at any time at his/her discretion.

Within the DOE organization, SC is a designated PSO. SC currently satisfies all the eligibility requirements for an exemption.

OECM validated that SC has adequate project management requirements, processes, and procedures in place to enable continued project success and that are consistent with the Acquisition Management System as delineated in the Order.

**Therefore, having satisfied all requirements necessary, SC through this decision memorandum, requests approval of the Deputy Secretary to be exempt from the specific requirements of DOE Order 413.3B.**

As a condition of the exemption and as required by DOE Order 413.3B, SC will continue to:

- Report all projects into the Project Assessment and Reporting System (PARS II) monthly;
- Submit all Critical Decision or equivalent documents to the Office of Engineering and Construction Management (OECM); and
- Submit Performance Baseline Change Proposal approvals to OECM.

Also, OECM will lead Independent Cost Reviews and Independent Cost Estimates as delineated in Appendix A, Tables 2.0 through 2.3.

A summary chart highlighting new authorities for project decisions enabled by the exemption is attached.

**OPTIONS:** There are two distinct options: 1) Approve or 2) Disapprove.

Option #1, Approve Exemption Request. This option places the PSO (Office of Science) under partial governance of DOE Order 413.3B. It recognizes SC's sustained excellent project performance and effective project management systems. The exemption requires SC to report project progress; provide documentation necessary to support Departmental-wide metrics; maintain auditable project records; meet obligations to external stakeholders; and remain vigilant in its efforts to execute project successfully.

Option #2, Disapprove Exemption Request. This option places the PSO (Office of Science) under complete governance of DOE Order 413.3B.

**RECOMMENDATION:** Option # 1, approve this exemption request.

APPROVE:  DISAPPROVE: \_\_\_\_\_ DATE: 1/19/2011

Attachment

**CONCURRENCES:** MA/I.Kolb - 1/12/2011

TOTAL PROJECT COST (TPC)		\$750M or more	Less than \$750M to \$400M	Less than \$400M to \$100M	Less than \$100M to \$50M*	Less than \$50M* to \$20M	Less than \$20M to \$10M**
REQUIREMENTS/APPROVAL							Delegation Allowed
Prior to CD0, Approve Mission Need Statement		SC-1 Approves SC-28 Reviews	SC-1 Approves SC-28 Reviews	SC-1 Approves SC-28 Reviews	SC-1 Approves SC-28 Reviews	SC-1 Approves SC-28 Reviews	SC-AD Approves SC-28 Reviews
Prior to CD-1, Approve Acquisition Strategy		SC-1 Approves SC-28 Reviews	SC-1 Approves SC-28 Reviews	SC-2 Approves SC-28 Reviews	SC-AD Approves SC-28 Reviews	SC-AD Approves SC-28 Reviews	SC-AD Approves SC-28 Reviews
CRITICAL DECISIONS	CD-0--APPROVE MISSION NEED	S-2 (CD-1 to 4 delegated, see below)	SC-1	SC-1	SC-AD	SC-AD	SC-AD
	CD-1--APPROVE ALTERNATIVE SELECTION AND COST RANGE	S-4	SC-1	SC-1	SC-AD	SC-AD	SC-AD
	CD-2 --APPROVE PERFORMANCE BASELINE	S-4	SC-1	SC-2	SC-AD	SC-AD	SC-AD
	CD-3--APPROVE START OF CONSTRUCTION	SC-1	SC-1	SC-2	SC-AD	SC-AD	SC-AD
	CD-4--APPROVE START OF OPERATIONS OR PROJECT COMPLETION	SC-1	SC-1	SC-2	SC-AD	SC-AD	SC-AD
BASELINE MANAGE-MENT	New Performance Baseline Approval	S-4	SC-1	SC-2	SC-2	SC-2	SC-2