



Department of Energy

Washington, DC 20585

April 4, 2007

MEMORANDUM FOR DISTRIBUTION

FROM:

CHARLES E. ANDERSON

PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR
ENVIRONMENTAL MANAGEMENT

SUBJECT:

Requirements to Coordinate Regulatory Negotiations with the Office of
Regulatory Compliance

In a memorandum dated December 28, 2006, Assistant Secretary Rispoli announced the dissolution of the Office of Environmental Management (EM) Configuration Control Board and the creation of a new EM Acquisition Advisory Board (EMAAB). In addition to setting forth the matters that now fall within the EMAAB's purview, the December 28, 2006, memorandum also made clear that EM will maintain configuration control over, among other things, regulatory decision documents. Accordingly, the relevant Acquisition Executive must approve any negotiations with regulators that are reasonably expected to result in project life-cycle cost, schedule, or scope increases that exceed the thresholds described in the December 28, 2006, memorandum.

The December 28, 2006, memorandum vests the authority to approve all other program elements that affect regulatory agreements in the Deputy Assistant Secretary for Regulatory Compliance (EM-10). The purpose of the attached guidance is to establish the procedures and timelines for sites to notify EM-10 of upcoming regulatory negotiations, as well as the thresholds that will be used to determine whether notification is sufficient or Headquarters approval is required. Field Managers shall notify EM-10 of the identity of their designated Field Focal Point (FFP) for purposes of carrying out this guidance within sixty days of the date this memorandum is issued. Similarly, FFPs shall submit a schedule of new and modified agreements, milestones and decision documents (AMDD) that are to be developed over the upcoming two years within sixty days of the date this memorandum is issued.

Although not regulatory in nature, EM-10 will also coordinate Headquarters review and approval for all Agreements-in-Principle.

Thank you in advance for your attention to these matters. If you have any questions, please contact me at (202) 586-7709, or Mr. Frank Marcinowski, Deputy Assistant Secretary for Regulatory Compliance, at (202) 586-0370. If you have questions or need to coordinate grants implementing regulatory agreements and Agreements-in-Principle, please contact Ms. Melissa Nielson, Director, Office of Public and Intergovernmental Accountability, at (202) 586-0356.

Attachment



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Guidance for Environmental Agreements, Milestones and Decision Documents



Department of Energy
Office of Environmental Management
April 2007

Purpose:

The purpose of this guidance is to ensure that environmental agreements, milestones and decision documents (AMDD) that meet certain thresholds are reviewed and approved by Headquarters (HQ) before entering into negotiations and commitments.

Applicability:

This Guidance applies to all new and/or modified environmental AMDD developed in conjunction with the U.S. Environmental Protection Agency and/or state regulatory authorities. These include, but are not limited to:

- Federal Facility Compliance Act Site Treatment Plans and Orders;
- Federal Facility Agreements;
- Administratively or judicially enforceable documents that affect cleanup baselines (e.g., consent decrees, administrative or consent orders, etc.);
- Resource Conservation and Recovery Act closure, post closure, and corrective action permits/orders, and corrective measures study and selection documents; and
- Comprehensive Environmental Response, Compensation and Liability Act remedy selection documents, proposed plans and records of decision.

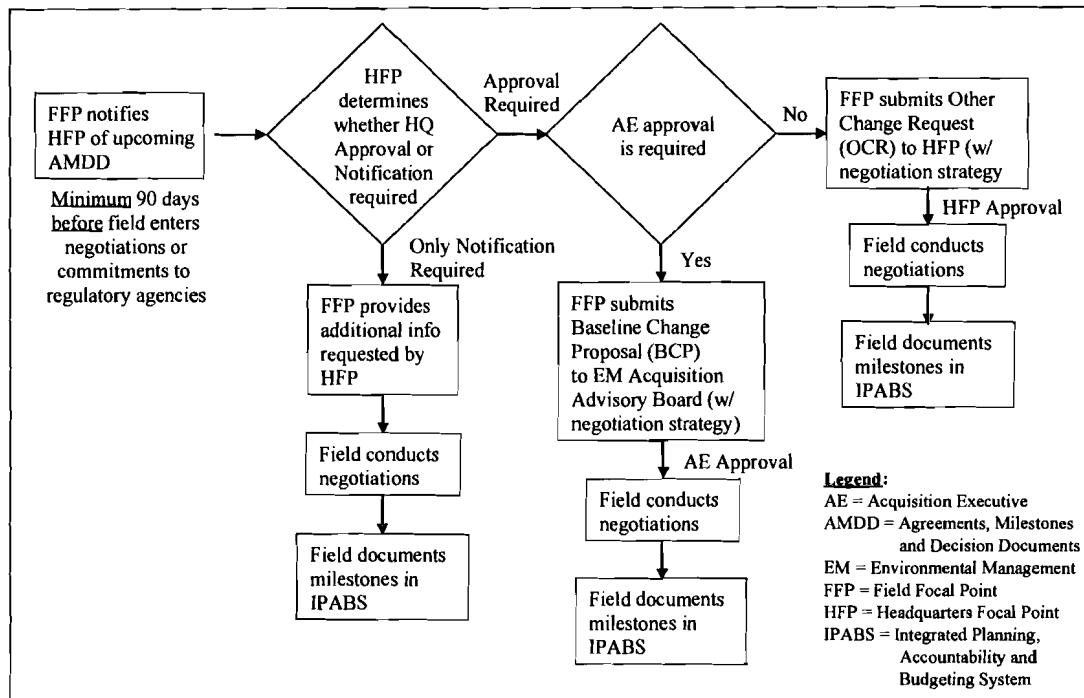
Relationship to Previous Guidance:

This guidance supersedes the October 6, 2004 *Guidance for Environmental Agreements, Milestones and Decision Documents*. This guidance also tiers from the December 28, 2006 *Configuration Management and Change Control Process for the Environmental Management Program* and accompanying *Environmental Management Acquisition Advisory Board (EMAAB) Charter, Rev 0*. This guidance does not change the Department's obligation to comply with existing agreements and commitments. **Figure 1** provides an overview of the AMDD notification and approval process described in this guidance.

Responsibilities:

- **Field Managers** – Field Managers are responsible for designating an individual to act as the Field Focal Point (FFP) for purposes of carrying out this guidance. Field Managers are also responsible for informing the Headquarters Focal Point (HFP) of the identity of the FFP designee. FFPs for small sites will be designated by the Director, Office of Site Support and Small Projects.
- **Field Focal Point** – The FFP is responsible for providing the HFP with a schedule of new and modified AMDD that are to be developed over the upcoming two years, including conversion of rolling target milestones to enforceable milestones. FFPs will submit the schedule to the HFP by April 1 each year (e-mail is acceptable). The FFP will also provide updates as needed throughout the year (e-mail is acceptable). Additionally, FFPs must notify the HFP at least 90 days in advance of newly scheduled compliance negotiations or as soon as possible, if closer than 90 days (e-mail is acceptable). FFPs must also keep EM HQ site liaisons informed on these issues.

Figure 1. Review and Approval of EM Agreements, Milestones and Decision Documents



For each AMDD, the FFP will provide to the HFP information necessary to determine whether notification is sufficient or HQ approval is required. This will occur at the earliest appropriate time to allow for maximum review and approval time before the field enters negotiations or commitments with regulatory agencies (minimum 90 days) (e-mail is acceptable). In addition, FFPs are to notify the HFP at least 90 days in advance of any enforceable milestone they anticipate missing or as soon as possible, if closer than 90 days (e-mail is acceptable).

- **NNSA Sites** – FFPs at National Nuclear Security Administration (NNSA) sites will coordinate AMDD, for the purposes of this guidance, through NNSA’s Deputy Associate Administrator for Infrastructure and Environment and Director of Environmental Projects (NA-56). NA-56 will make the initial determination regarding the necessity for HQ approval (as described below) and forward its recommendation to the HFP.
- **Headquarters Focal Point** – The HFP is EM’s Deputy Assistant Secretary for Regulatory Compliance (EM-10) or his/her designee(s). The HFP (in consultation with the FFP and appropriate HQ representatives) will determine whether the AMDD will require HQ approval and, if so, which offices will need to concur and/or approve. In determining whether HQ approval is required, the HFP will consider the thresholds outlined below.

Thresholds:

- **THRESHOLD 1** – Proposed AMDD will result in a performance baseline change that requires Acquisition Executive approval (Deputy Secretary of Energy (S-2), Under Secretary of Energy (S-3), or Assistant Secretary of Environmental Management (EM-1)), as specified in DOE O 413.3A, *Program and Project Management for the Acquisition of Capital Assets* and the Project Execution Plans for the affected project.
- **THRESHOLD 2** – Proposed AMDD adds new enforceable milestones that: (1) have the potential to affect the EM Performance Baseline cost or schedule; or (2) present additional scope that will result in additional cost or schedule commitments that do not fit within the funding levels documented in the current EM Five-Year Plan.
- **THRESHOLD 3** – Proposed AMDD poses significant legal or policy issues or concerns, as determined by the HFP after notification, and discussion with the FFP.
- **THRESHOLD 4** – Proposed AMDD includes provisions that could have significant impacts on activities at other sites, as determined by the HFP after notification, and discussion with the FFP (e.g., milestones that will initiate or increase significantly the transfer of waste or materials between sites).
- **THRESHOLD 5** – Proposed AMDD poses other Departmental sensitivities or concerns, as determined by the HFP after notification, and discussion with the FFP (e.g., involves political sensitivities).

Implementation (see Figure 1):

Acquisition Executive Approval – When an AMDD would exceed Threshold 1, a Baseline Change Proposal (BCP) must be submitted for approval by the decision authority listed above using the Integrated Planning, Accountability, and Budgeting System-Information System (IPABS-IS) Change Request Tool (CRT). The FFP will submit a negotiation strategy for the AMDD, as an attachment to the BCP for approval by the decision authority approving the BCP.

HFP Approval – When an AMDD would exceed Thresholds 2, 3, 4, or 5, HFP approval of an Other Change Request (OCR) is required. Note that whether an AMDD exceeds Thresholds 2, 3, 4, or 5 will not always be immediately clear. As noted above, it will be the HFP who determines whether any thresholds are exceeded, after notice by and discussions with the FFP. When HFP approval is required, the FFP will submit a negotiation strategy for the AMDD, as an attachment to the formal OCR.

HFP Notification Only – When an AMDD would not exceed the above thresholds, HQ approval is not required.

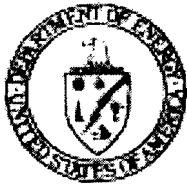
The HFP will generally provide an initial response to notification from the FFP within two to three business days (e-mail is acceptable). The HFP will generally provide final notification to the FFP in writing (e-mail is acceptable) whether HQ notification is sufficient or HQ approval is

required within two weeks of the initial notification, depending on the complexity of the issues presented. If the HFP determines that notification is sufficient, the FFP will ensure coordination with the appropriate HFP (e.g., status updates by e-mail or telephone). The Field will negotiate the AMDD and prepare and obtain Field review and approval of the document.

When an AMDD would exceed any of the above thresholds, the FFP must develop and submit a negotiation strategy to the HFP. The negotiation strategy should be concise and, where possible, limited to two to four pages. Major revisions to large agreements may require more extensive negotiation strategies. The negotiation strategy shall include the following information:

- 1) Background (e.g., agreement type and need, actions to date, proposed signatories);
- 2) Department of Energy's and regulator's interests and likely negotiating positions;
- 3) Likely scope of activities and commitments and proposed approach for establishing milestones, and potential alternatives;
- 4) Anticipated major policy, legal, technical, and complex-wide issues or special sensitivities (e.g., Congress, stakeholders) and the Field Office's proposed approach for addressing them;
- 5) Estimated project life-cycle cost estimate and near-term baseline and budget implications, and appropriate BCP or OCR documents for approval;
- 6) Proposed negotiation team and schedule; and
- 7) Other information, as appropriate.

Any new or modified milestones that result from AMDD negotiations will be reported in the Integrated Planning, Accountability, and Budgeting System.



Department of Energy

Washington, DC 20585

December 28, 2006

MEMORANDUM FOR DISTRIBUTION

FROM:

JAMES A. RISPOLI *JA Rispoli*
ASSISTANT SECRETARY FOR
ENVIRONMENTAL MANAGEMENT

SUBJECT:

Configuration Management and Change Control Process
for the Environmental Management Program

The Office of Environmental Management's (EM) configuration control process is being updated by this memorandum to ensure that any changes to program elements under configuration control that impact project baselines are approved at the appropriate level in accordance with Department of Energy (DOE) Order 413.3A, Program and Project Management for the Acquisition of Capital Assets. This memorandum supersedes the Assistant Secretary for Environmental Management (EM-1) memorandum of June 17, 2002, which established the EM Configuration Control Board (CCB). Effective with the issuance of this memorandum, the CCB is dissolved. A new EM Acquisition Advisory Board (EMAAB) has been established and will serve as an advisory board for critical decisions and baseline changes for all projects in which EM has Acquisition Executive (AE) authority in accordance with DOE Order 413.3A and the Deputy Secretary's "Delegation of Acquisition Executive Authority for EM Operating Projects," memorandum of October 3, 2005. Changes to baselines for which EM is not delegated AE authority will also be reviewed by the EMAAB for subsequent recommendation to EM-1 in support of DOE's Energy Systems Acquisition Advisory Board. A summary of change authorities for all projects is in DOE Order 413.3A and in the attached EMAAB Charter.

EM will also maintain configuration of program elements that affect performance measurement, budget structure, site interfaces, and regulatory agreements. Elements previously managed under the configuration control process including Performance Management Plans and Cleanup End States/Endpoints are no longer necessary since EM is managing baselines at the Project Baseline Summary (PBS) level instead of at the site level, and as such, have been incorporated into the elements listed below.

The program elements under EM configuration control are:

- Life-Cycle Cost
- Schedule
- Scope
- EM Performance Measures
- Toxic Substances Control Act Incinerator (TSCAI) Burn Plan
- Waste Isolation Pilot Plant (WIPP) Shipping Plan
- Savannah River Site (SRS) H-Canyon Nuclear Materials Processing Plan
- Contract Performance Incentives



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- Regulatory Decision Documents
- Budget Execution
- PBS Structure
- Non-Labor Resource Funding

To ensure a single corporate process continues to be used for configuration control, all proposed changes to project baselines and other items under Headquarters configuration control will continue to be processed through the Integrated Planning, Accountability, and Budgeting System-Information System (IPABS-IS). The Baseline Change Tool system for processing changes has been renamed to the Change Request Tool (CRT) and updated to reflect the revised elements and the new approval authorities. Any changes to life-cycle cost, schedule, or scope which exceed the thresholds described in the EMAAB Charter shall be submitted as a Baseline Change Proposal (BCP) and processed by the EMAAB for consideration by the AE.

All other changes to elements under configuration control will be processed as an Other Change Request (OCR), which can be accessed through the CRT, and approved as follows: 1) because of their close ties to project scope and schedule, and the potential to impact other site baselines, any changes to EM Performance Measures, the TSCAI Burn Plan, the WIPP Shipping Plan, or the SRS H-Canyon Nuclear Materials Processing Plan shall be submitted to the EMAAB for approval by the Principal Deputy Assistant Secretary for Environmental Management (EM-2); 2) proposed changes to the PBS Structure (i.e., combining PBSs into a single project, creating a new PBS for a project, etc.) shall be submitted to the AE of the affected project; changes to the PBS structure for non-project PBSs (i.e., long-term stewardship, community and regulatory support, etc.) may be approved by the Deputy Assistant Secretary (DAS) for Program Planning and Budget; 3) the DAS for Acquisition and Project Management is authorized to approve OCRs for contract performance incentives; 4) the DAS for Regulatory Compliance is authorized to approve OCRs for regulatory decision documents required by sites prior to negotiating or entering into regulatory agreements; and 5) the DAS for Program Planning and Budget is authorized to approve OCRs for budget execution and non-labor resource funding.

The Office of Program Planning and Budget is responsible for maintaining configuration control of corporate information stored in IPABS-IS. Upon appropriate action, the signed BCP or OCR must be returned to the Office of Program Planning and Budget so that the final decision document can be scanned and entered in the CRT and the affected elements can be updated in IPABS-IS.

Note: Any BCPs approved by an AE not at EM Headquarters (e.g., Site Manager) should also be forwarded for scanning and input into IPABS-IS. A revision to the Standing Operating Policies and Procedures Resource Management 1.1, Resource Management – Configuration Management Change Control Process for the Environmental Management Program, which reflects the new policy and implementing procedures, will be issued separately.

For this new process to be effective, it is critically important that the Field and the DASs maintain and contribute toward corporate awareness of changes to items under configuration control. For items being approved at the DAS level, the DAS is responsible for getting concurrence from the other DASs as appropriate to ensure that impacts to other project elements are understood, and to verify that sufficient resources are available to accommodate the proposed change.

If you have any further questions, please contact me at (202) 586-7709 or Mr. Jack Surash, Deputy Assistant Secretary for Acquisition and Project Management, at (202) 586-3867, or Mr. Mark Frei, Deputy Assistant Secretary for Program Planning and Budget, at (202) 586-8754.

Attachment

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Environmental Management Acquisition Advisory Board (EMAAB) Charter

Office of Environmental Management



Approved by:


Assistant Secretary
Office of Environmental Management

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1.0 Purpose and Objective

The purpose of this charter is to establish the Office of Environmental Management (EM) Acquisition Advisory Board's (EMAAB) process (an Energy Systems Acquisition Advisory Board (ESAAB) – equivalent process) for EM line item construction, EM cleanup projects, and selected subprojects greater than \$20M in accordance with the requirements established in DOE Order 413.3A, *Program and Project Management for the Acquisition of Capital Assets*.

The EMAAB board membership, acquisition executive authority, roles and responsibilities, and procedure including the interface with the Secretarial Acquisition Executive (SAE) and the Department of Energy's (DOE) Energy Systems Acquisition Advisory Board (ESAAB) are described in this document. The objective of this process is to ensure that informed, objective, timely, and documented decisions are:

- Made in a formal and auditable manner before resources are committed;
- Consistent with the requirements of DOE Order 413.3A, *"Program and Project Management for the Acquisition Management for the Acquisition of Capital Assets;"*
- Consistent with the requirements of the Deputy Secretary's memorandum of October 3, 2005, entitled *"Delegation of Acquisition Executive Authority for Office of Environmental Management Cleanup Projects;"*
- Planned early enough to allow Headquarters sufficient time to review the documentation and to avoid project schedule delays; and
- Integrate project, budget, financial management and acquisition systems and requirements.

2.0 The Acquisition Executives (AEs)

2.1 Secretarial Acquisition Executive (SAE): Deputy Secretary (S-2)

The Deputy Secretary (S-2) is the SAE for:

Critical Decision (CD) Approvals

- Line item construction projects with a Total Project Cost (TPC) of \$750M or more;
- EM cleanup projects with a life-cycle cost of \$1B or more;
- Any other project selected as a special interest project; and
- CD-4 approval of transfer of project(s)/site from EM to the National Nuclear Security Administration (NNSA) by signing a decision memorandum. A formal meeting of the ESAAB will not normally be held unless requested by an SAE or there is an unresolved transfer issue(s).

Performance Baseline Deviation Approvals (after CD-2 approval or baseline placed under EM configuration control)

All line item construction projects where:

- An increase in excess of the lesser of \$25M or 25 percent (cumulative) of the original CD-2 cost baseline;
- A delay of six months or greater (cumulative) from the original completion date; and
- A change in scope that affects the ability to satisfy the mission need, an inability to meet a key performance parameter, or non-conformance with the current approved Project Execution Plan (PEP), which must be reflected in the Project Data Sheet.

All EM cleanup projects where:

- An increase in excess of the lesser of \$100M or 25 percent (cumulative) of the original CD-2 EM Total Cost Baseline (Performance Baseline);
- A delay of one year or greater (cumulative) from the original project completion date; and
- Any change in scope that affects the site end state.

The responsibilities of the SAE and the SAE ESAAB board membership are defined in DOE Order 413.3A in section 5, "Key Roles and Responsibilities" and are not covered in this charter.

2.2 AE: Under Secretary for Energy (S-3)

The Under Secretary for Energy (S-3) is the AE for:

Critical Decision (CD) Approvals

- Line item construction project with a TPC between \$100M and \$750M (projects between \$100M and \$400M have been delegated to EM-1);
- Any other line item construction project selected as a special interest project; and
- CD-4, approval of transfer of a project(s)/site to another Program Secretarial Office (PSO) (AE approval cannot be delegated below S-3) or organization by signing a decision memorandum. A formal meeting of the S-3 ESAAB equivalent will not normally be held unless requested by S-3 or there is an unresolved transfer issue(s).

Performance Baseline Changes Approvals (after CD-2 approval or baseline placed under EM configuration control)

- The performance baseline change approval thresholds for the Under Secretary will be documented in the PEP and established at a level below the SAE approval level.

The responsibilities for the S-3 AE are defined in DOE Order 413.3A in section 5, "Key Roles and Responsibilities" and are not covered in this charter.

2.3 AE: Assistant Secretary for Environmental Management (EM-1)

The Assistant Secretary for EM (EM-1) is the AE for:

Critical Decision (CD) Approvals

- Line item construction projects with a TPC up to \$400M;
- EM cleanup projects with a life-cycle cost below \$1B;
- CD-0, approval of mission need statements for all line item projects below \$400M, EM cleanup projects below \$1B, and all construction subprojects within a cleanup project (CD-0 approval cannot be delegated below EM-1; however, the Principal Deputy Assistant Secretary (EM-2) can approve CD-0 when acting for EM-1); and
- May delegate AE responsibilities for line item construction projects below \$100M and cleanup projects below \$400M.

Performance Baseline Change Approvals (after CD-2 approval or baseline placed under EM configuration control)

- The performance baseline change approval thresholds will be documented in the PEP and established at a level below the Deputy Secretary and Under Secretary approval levels.

2.4 AE: Principal Deputy Assistant Secretary (EM-2)

The Principal Deputy Assistant Secretary for EM (EM-2) will serve as AE for specific projects delegated by EM-1 in writing as follows:

Critical Decision (CD) Approvals

- Line item construction projects with a TPC below \$100M; and
- EM cleanup projects with a life-cycle cost below \$400M.

Performance Baseline Change Approvals (after CD-2 approval or baseline placed under EM configuration control)

- The performance baseline change approval thresholds will be documented in the PEP and established below the Assistant Secretary level.

2.5 AE: Other Senior Executive Service Managers

Other Senior Executive Service Managers will serve as the AE for CD approvals and baseline change approvals, as defined in the PEP, for specific projects that have been delegated by EM-1 in writing.

3.0 EMAAB Board Members

A standard EMAAB board and procedure at EM Headquarters will be followed. The EMAAB is an advisory board (not a voting board) to the AE, who has the authority and responsibility for approving or disapproving CDs and baseline changes. The EMAAB will consist of the following members/advisors:

AE:	- EM-1 or EM-2/SES Manager as delegated
Permanent Members:	<ul style="list-style-type: none"> - Principal Deputy Assistant Secretary (EM-2) - Chief Operating Officer (EM-3) - Deputy Assistant Secretary (DAS) for Regulatory Compliance (EM-10) - DAS for Engineering and Technology (EM-20) - DAS for Program Planning and Budget (EM-30) - DAS for Human Capital and Business Services (EM-40) - DAS for Acquisition and Project Management (EM-50) - DAS Safety Management and Operations (EM-60) - Office Director for Project Management Oversight (EM-53) - MA-50 Office of Engineering and Construction Management - SC-81 Construction Management Support Division or - NA-56 Environmental Projects and Operations - GC-50 Office of General Counsel
Ad Hoc Members:	<ul style="list-style-type: none"> - EM Office Safeguards and Security (EM-3.1) - Office Site Support and Small Sites (EM-3.2) - Office of Project Recovery - Office of Procurement Planning (EM-51) - Office of Contract and Project Execution (EM-52) - Office of Program Analysis and Evaluation (PA&E) when CD-0 is being considered - Other organizations including a Field Office Representative as requested by the AE, Office of Legacy Management (LM), Office of Health, Safety and Security (HSS), Office of Management (MA), Office of the Chief Financial Officer (CFO), Office of Congressional and Intergovernmental Affairs (CI)
Presenter:	- Federal Project Director (FPD)
Secretariat:	- Office of Project Management Oversight (EM-53)

Permanent members are required to attend all pre-EMAAB and EMAAB Board Meetings. Ad hoc members will be required to attend only those meetings that have a direct impact on their program. If the designated board member cannot attend the pre-EMAAB or EMAAB, a Cognizant Senior Level Manager can serve as an alternate.

4.0 EMAAB Roles and Responsibilities

4.1 AE (EM-1, -2, or HQ Senior Executive Service Managers)

The AE is responsible for:

- Establishing a single HQ EMAAB Board;
- Chairing the EMAAB board meetings;
- Presiding over S-2 or S-3 ESAAB readiness review (pre-ESAAB);
- Assigning action items which may result from the EMAAB meetings;
- Making the final decision for CDs and baseline changes (the AE may dispose of an action without conducting a formal EMAAB meeting by signing the decision memorandum);
- Endorsing and submitting CD and Performance Baseline Deviations (PBDs) requests to S-2 or S-3 for final decision (EM-1 or designee);
- Approving the PEP;
- Approving Mission Need Statement (MNS) for all projects and construction subprojects, Acquisition Strategy (AS) and Integrated Project Team (IPT) Charter for all projects (EM-1 only);
- Signing the decision memorandum;
- Approving changes to the Project Baseline Summary (PBS) structure for all projects; and
- The Principal Deputy Assistant Secretary (EM-2) is responsible for approving changes to EM Corporate Performance Metrics, Toxic Substances Control Act Incinerator (TSCAI) Burn Plan, Waste Isolation Pilot Plant (WIPP) Shipping Plan, and Savannah River Site (SRS) H-Canyon Nuclear Materials Processing Plan.

4.2 EM Deputy Assistant Secretaries and Other EMAAB Members

Permanent members and ad hoc members when participating in an EMAAB meeting are responsible for:

- Attending all pre-EMAAB and EMAAB meetings, or sending a knowledgeable alternate capable of advising the AE;
- Reviewing, commenting, and resolving issues on the CD or baseline change package prior to the EMAAB meeting or readiness review (Pre-ESAAB) meeting for S-2 or S-3 ESAAB with particular emphasis on the functions for which they have primary responsibility, including coordinating with their HQ functional organization counterparts, (i.e., the Office of Budget, Office of Procurement and Assistance Management, etc.), if necessary;
- Providing all comments in writing (memorandum or e-mail) to the Office of Project Management Oversight (EMAAB Secretariat); and

- Discussing issues and concerns at the pre-EMAAB and the EMAAB meeting, if unable to resolve at the pre-EMAAB or prior to EMAAB meeting.

4.3 Chief Operating Officer (EM-3) Responsibilities

- Directs the FPDs to prepare EMAAB and ESAAB documents;
- Receives, coordinates the review, and finalizes all EMAAB and ESAAB documents, briefings, and memorandums; and
- Coordinates with the Office Deputy Assistant Secretary of Acquisition and Project Management (EM-50) on scheduling EMAAB and ESAAB meeting and resolving issues.

4.4 Office of Project Management Oversight (EMAAB Secretariat)

The Office of Project Management is responsible for:

- Administering the EMAAB process;
- Scheduling all pre-EMAAB and EMAAB meetings and all readiness review (pre-ESAAB for S-2 or S-3) meetings;
- Distributing copies of the briefing package to all pre-EMAAB, EMAAB, or readiness review members five working days prior to meeting;
- Maintaining a repository of all EMAAB and ESAAB packages including decision memorandums, briefings, key project documents (PEP, MNS, AS, etc.) and Field Manager's decision memorandums;
- Pre-briefing the AE on the CD/PBD/Baseline Change Proposal (BCP), if requested;
- Briefing the DAS for Acquisition and Project Management on EMAAB and ESAAB status throughout the process;
- Attending all pre-EMAAB, EMAAB, and readiness review meetings;
- Recording and distributing the minutes of the meetings within three calendar days;
- Coordinating and transmitting endorsed major system CDs and PBDs to the SAE Secretariat Office of Engineering and Construction Management (OECM) for processing;
- Coordinating and transmitting endorsed CDs and baseline changes to the S-3 Secretariat for processing;
- Providing assistance to the FPD/Integrated Project Team (IPT) in processing all CD/PBD or BCPs packages through the EMAAB, readiness reviews, S-3, and SAE ESAAB;
- Assisting OECM to prepare for the S-2 ESAAB meeting; and
- Implementing an EMAAB continual improvement process and issue lessons learned, as necessary.

4.5 Operations/Field Office Manager

The Operations/Field Office Manager is responsible for:

- Reviewing and endorsing all EMAAB and ESAAB documents and packages prior to submitting to the EM Chief Operating Officer;
- Establishing and chairing an EMAAB equivalent board for projects and subprojects where they have AE authority;
- Developing an EMAAB equivalent charter and procedure;
- Providing guidance to the contractor(s);
- Providing the Office of Project Management Oversight a copy of all approved EMAAB equivalent board approved packages;
- Inviting the Office of Project Management Oversight to attend the Operations/Field Office EMAAB equivalent board meeting; and
- Pre-briefing the EM Chief Operating Officer and AE with the FPD prior to the EMAAB or ESAAB meeting with FPD, if requested.

4.6 Federal Project Director (FPD)

The FPD, with the assistance of the IPT, is responsible for:

- Preparing all required documents in support of a CD or baseline change proposal that is endorsed by the Operations/Field Manager and submitted to the Chief Operating Officer with a copy to the Office of Project Management Oversight;
- Preparing and presenting the CD or baseline change proposal briefing at the pre-EMAAB, EMAAB, readiness review (pre-ESAAB), and ESAAB;
- Pre-briefing the Chief Operating Officer and AE prior to the EMAAB or ESAAB meeting with Field Office Manager, if required;
- Responding to questions, comments, and concerns made at any of the meetings;
- Providing EMAAB Secretariat a detailed CD schedule of all activities required for CDs 1-3 as part of the CD-0 package; and
- Evaluating the impacts on the baseline (cost, schedule, and scope) caused by funding changes, procurement strategies, contract modifications, and changes made to EM HQ controlled items, such as the Waste Isolation Pilot Plant (WIPP) shipping schedule or the Toxic Substances Control Act (TSCA) burn plan, etc.

5.0 Critical Decisions (CDs)

A CD is a formal determination or decision point in a project that allows the project to proceed to the next phase and commit resources. CDs are discussed in DOE Order

413.3A. EM utilizes a tailored approach in managing all of its projects based upon the risk, size, and complexity. ⁶

Partial or phased CD approval is allowable including a CD-3a for long-lead procurements to prevent schedule delays and should be documented in the AS, identified, and discussed during the initial CD meetings as part of the project's strategy and approved at CD-1. The budget request should be approved as part of the CD-1 package to ensure funds are available to support the long-lead procurement schedule. Proposed design/build projects should be documented in the AS, identified on the Project Data Sheet, and discussed during the initial CD meeting as part of the project's strategy to avoid delays. Additional information on design/build projects and project engineering and design funding is discussed in the OECM Report to Congress "DOE Implementation Procedures for EIRs and Project Engineering and Design Funding." Combined CD approvals for line item projects are normally not allowed; however, any exception must be discussed and endorsed by the Deputy Assistant Secretary of Acquisition and Project Management (EM-50) prior to the CD meeting.

For CD-4, transition/turnover to an organization outside of EM, a separate set of requirements and information must be prepared for the ESAAB. These requirements are established in the transition plan developed jointly by the receiving organization (LM, NNSA, Office of Science (SC)), and EM.

6.0 Critical Decisions for Line Item Construction Projects

- CD 0 – Mission Need
- CD 1 – Alternative Selection and Cost Range
- CD 2 – Performance Baseline
- CD 3 – Start Construction
- CD 4 – Start of Operations or Project Closeout

7.0 "Projectizing" EM Cleanup Work

EM will utilize the project management principles outlined in DOE Order 413.3A and DOE Manual 413.3A-1 on all of its activities including the life-cycle baselines as requested by the Deputy Secretary in his March 31, 2003, memorandum. Once the baselines are developed, the Office of Project Management Oversight will conduct a baseline review to determine if it is reasonable and executable and the readiness of the Field Office to implement and manage the baseline prior to an external independent review. Each site will be responsible for having a baseline validation review performed and OECM will conduct selected External Independent Review (EIR) as required in the June 30, 2005, joint memorandum signed by OECM and EM entitled "Protocol for EM Operations Funded Project Performance Baseline and their External Independent Review." Once the baselines have been validated by OECM, they are ready for a CD-2/3 ESAAB/EMAAB with either the SAE or AE. Monthly project assessment and reporting system reporting by EM cleanup project will be required through IPABS.

8.0 Critical Decisions for Cleanup Projects

Environmental restoration and decontamination and decommissioning projects are driven by regulatory requirements in the Comprehensive Environmental Response, Compensation, and Liability Act or the Resource Conservation and Recovery Act. Therefore, the activities and project phases of EM work are not exactly the same as traditional construction projects.

Because the life-cycle baselines can extend well into the future, EM has divided these baselines into three parts. The first is the historical pre-baseline costs. This is the work that was completed prior to EM projectizing the PBS. No CDs are required for these activities. The second is the near-term baseline, which is the scope of work that is currently or planned to be under contract(s) at the site. This is the current execution portion of the life-cycle baseline, usually a five-year window, and requires a CD-2/3 approval and all of the supporting DOE Order 413.3A documents and requirements including an EIR. Each time the next five-year window or a new contract is awarded, the near-term baseline for that period has to be developed in detail. A new CD-2/3 will be required along with all of the DOE Order 413.3A documents and requirements including a new EIR. The third and last portion of the life-cycle baseline is the outyears of the life-cycle baseline. The EIR will review this part of the life-cycle baseline at a summary level for its reasonableness. This will also be part of the CD-2/3 approval process.

Due to statutory time limits, potential fines, extensive documentation requirements, and the nature of the CDs, the SAE/AE, subject to the approval of the PSO, and notification to OECM, may decide not to require a formal ESAAB/EMAAB meeting. The CD or baseline change will be disposed and documented by the SAE/AE in a decision memorandum.

When EM projects are completed, they will be transferred or turned over to other organizations within DOE (NNSA, SC, LM, etc.) or an outside organization (state, parks, etc.). EM and the receiving organizations have or will develop a transition plan, which is the key document required for CD-4 approval. **All CD-4 transfers to another organization will be approved by S-2 or S-3.**

9.0 Performance Baseline Deviations (PBDs) and Baseline Change Proposal (BCP) Control

All projects are required to obtain the SAE or AE approval on all PBDs that breach the thresholds defined in DOE Order 413.3A and identified in section 2 of this charter. The approval levels for all changes will be defined in the PEP. The SAE/AE can approve a deviation or change without holding a formal ESAAB/EMAAB meeting.

The Office of Program Planning and Budget established a change control process to manage the Program Baseline Summary (PBS) financial changes. That process and procedure for changing the PBS financial information is exclusive of this charter; however, funding changes may impact the life-cycle baseline and the FPD must consider and identify the impacts, if any on the scope, schedule, and cost of the near-term baseline

and the life-cycle baseline. It is essential that the AE approve changes to the near-term baseline and life-cycle baseline prior to entry into EM's financial system.

EM Corporate Performance Metrics, TSCAI Burn Plan, WIPP Shipping Plan, and SRS H-Canyon Nuclear Materials Processing Plan will be modified by an Other Change Request (OCR) submitted to the EMAAB and approved by EM-2. Further guidance on this subject will be provided in a Standing Operating Policy and Procedure.

Line Item Construction Projects: The SAE is the approval authority for PBDs for all line item construction projects (major and non-major, \$20M and above) that breach the following thresholds as outlined in DOE Order 413.3A. PBD changes below the S-2 level have been delegated to S-3, who in turn can delegate responsibility to EM-1.

Scope: A change in scope that affects the ability to satisfy the mission need, an inability to meet a key performance parameter, or non-conformance with the current approved PEP, which must be reflected in the Project Data Sheet.

Schedule: A delay of six months or greater (cumulative) from the original completion date.

Cost: An increase in excess of the lesser of \$25M or 25 percent (cumulative) of the original CD-2 cost baseline.

Congressional notification may be required for changes that breach selected thresholds.

Cleanup Projects: The SAE is the approval authority for changes to the life-cycle baseline for cleanup projects that breach the following thresholds:

Scope: Any change in scope that affects the site end-state.

Schedule: A delay of one year or greater (cumulative) from the original project completion date.

Cost: An increase in excess of the lesser of \$100M or 25 percent (cumulative) of the original CD-2 EM Total Cost baseline.

The BCP thresholds are defined in the approved PEP and are project specific based upon size, complexity, risk, and other factors.

Directed Changes: Baseline changes caused by Congressional actions, such as a funding shortfall or the addition of new requirements, or HQ actions, such as a change in the WIPP shipping schedule or the TSCAI burn plan are called directed changes. These changes follow the change control process and are approved by the appropriate approval authority based upon the thresholds established in the PEP.

10.0 Records Management

The EM correspondence center will maintain the official files of all ESAAB and EMAAB actions, and the Office of Project Management Oversight will maintain a working file for all ESAAB, EMAAB, and Field EMAAB equivalent actions. This includes briefings, decision memorandums, and key project documents like the AS, PEP, MNS, etc.

11.0 Definitions

Acquisition Executive (AE): The senior level manager with the authority to approve/disapprove CDs, PBDs, and BCPs for “Non-Major Line Item Construction and Operations Projects.”

Baseline Change Proposal (BCP): BCP is a request from the FPD to make a change to the scope, cost, and/or schedule baselines of a project.

Contractor Project Manager: The Contractor Project Manager is generally from the Maintenance and Operation, the Architect-Engineer, or the Management and Integration Construction Management contractor organization assigned to direct the project, and is responsible and accountable for the day-to-day execution of assigned projects.

Critical Decision (CD): A CD is a formal determination or decision at a specific point in a project’s life-cycle that allows the project to proceed to the next phase and commit resources (i.e., from conceptual design to preliminary design). The CDs are used as review points to ensure the project is ready to proceed into the next phase and remains a mission need.

Deputy Assistant Secretaries (DASs): DASs are responsible for managing the assigned program elements and supporting the PSO in the management of the overall EM program including providing advice to the cognizant EM AE.

Energy Systems Acquisition Advisory Board (ESAAB): The board which advises the SAE in his reviews and decisions on major systems projects CDs and PBDs. This is accomplished by utilizing DOE staff elements (e.g., GC, etc.) to review the project and provide advice to the SAE on the readiness of the project to proceed.

ESAAB Readiness Review: For all major systems, the PSOs or designee will conduct an ESAAB Readiness Review in preparation for forwarding the action to the SAE for approval. In such cases, the proposed CD or PBD will be reviewed by members of the EMAAB and staff members of the ESAAB (e.g., GC, SC, OECM, NNSA, Chief Financial Officer, etc.) to advise EM-1, and forward the action to the ESAAB for review and SAE approval. Any issues raised at the ESAAB Readiness Review should be resolved before the ESAAB meeting.

Environmental Management Acquisition Advisory Board (EMAAB): The process by which the AE within EM reviews and decides on CDs, PBDs, and BCPs for "Non-Major Line Item Construction and Cleanup projects." The EMAAB Board is an advisory body to the AE and is comprised of EM DASs and other non-EM personnel.

Federal Project Director: The FPD is the DOE employee assigned oversight of the project and the principal DOE interface with the Contractor Project Manager. The FPD is responsible and accountable for the project management activities of one or more discrete projects under the project manager's cognizance and is usually the single point of contact between the government staff and the contractor staff, or all matters relating to the project and its execution including preparing and presenting CD, PBD, and BCP actions to the SAE/AE.

Field Elements: These are organizations [i.e., Operations Office, Area Office, Management and Operating Contractor, and/or Management and Integrator Contractor] responsible for oversight of the project in the field.

Major System Projects: Any line item construction project or system of projects with a TPC of \$750M or greater, any operating project with a life-cycle cost of \$1B or more, or any other project or subproject designated by S-2. Projects may be classified as major systems either solely by S-2 or by S-2 in response to recommendations from the appropriate PSO or head of a Departmental Element, which are endorsed by S-3.

Non-Major Projects: All line item construction projects with a TPC less than \$750M, all operating projects below \$1B, and not designated as a major system project by the SAE.

Office of Engineering and Construction Management (OECM): This office is responsible for establishing DOE's project management requirements and is responsible for the ESAAB process and serves as the ESAAB Secretariat.

Office of Project Management Oversight: The office serves as the EMAAB Secretariat and is responsible for facilitating the EMAAB and Readiness Review process, and supporting OECM in the SAE ESAAB process.

Performance Baseline Deviation (PBD): Occurs when the current approved performance, scope, schedule, or cost parameters cannot be met. A request to change the cost, schedule, or technical baseline that requires the SAE/AE approval based upon predetermined thresholds that are established in the PEP.

Performance Baseline (Total Cost Baseline): The collective key performance, scope, cost and schedule parameters, which are defined for all projects. Performance Baseline includes the entire project budget (total cost of the project includes contingency and unfunded contingency) and represents DOE's commitment to Congress. (total cost for line item construction projects is the TPC identified on the Construction Data Sheet; for cleanup projects, it is the life-cycle cost, which is the sum of the projects costs prior to

the current contract(s) plus the current contractor's performance measurement baseline, plus management reserve and maximum allowable fee, plus the remaining or outyears of the life-cycle costs including unfunded contingency and DOE schedule contingency).

Projects: Defined as unique efforts that support a program mission with defined start and completion end points, undertaken to create a product, facility, or system or operation with interdependent activities planned to meet a common objective or mission. Projects include planning and execution of construction, renovation, modification, environmental restoration or decontamination and decommissioning efforts, large capital equipment, characterization or technology development activities, and transporting and disposing of waste. Tasks that do not include the above elements such as Community and Regulatory Support, or placeholder PBSs such as Long-term Stewardship are not considered projects.

Project Baseline Summary (PBS): The summary description of a project in the Integrated Planning, Accountability, and Budgeting System. A PBS includes descriptive information about the project including the cost, schedule, scope, milestones and performance metrics. The PBS Structure is designed to provide a consistent numbering system for projects in the DOE complex. Additional information on PBS development is provided in the IPABS planning guidance.

Program Office: The advocate promoting the project, usually the HQ PSO. This is the organization that is responsible for the planning and oversight of the execution of the specific activities and missions that comprise the program.

Program Secretarial Officer (PSO): The head of the program organization that serves as AE for the EMAAB Board process.

Secretarial Acquisition Executive (SAE): S-2 is the designated SAE for the DOE and has the authority to approve/disapprove all CDs, PBDs, or BCPs for major systems.

12.0 References

- DOE Policy 413.1, Department of Energy Project Management Policy for Capital Assets;
- DOE Order 413.3A, Project Management for the Acquisition of Capital Assets;
- DOE Manual 413.3A-1 Project Management for the Acquisition of Capital Assets;
- S-2 Memorandum, October 3, 2005, "Delegation of Acquisition Executive Authority for Office of Environmental Management Operating Projects;"
- EM/OECM Memorandum, June 30, 2005, "Protocol for EM Operations Funded Project Performance Baselines and their External Independent Review."