



Department of Energy  
Washington, DC 20585

December 7, 2015

**JM Chronology** 12/8/15  
**JM RECEIVED**  
**OUT FOR REVIEW**  
**DRB DISCUSSION**

MEMORANDUM FOR INGRID KOLB

DIRECTOR  
OFFICE OF MANAGEMENT

THROUGH:

KEVIN T. HAGERTY  
DIRECTOR  
OFFICE OF INFORMATION RESOURCES

FROM:

PAUL BOSCO  
DIRECTOR  
OFFICE OF PROJECT MANAGEMENT  
OVERSIGHT AND ASSESSMENTS

SUBJECT: Notice of Intent to Develop Department of Energy (DOE) Guide  
413.3-22, *Analysis of Alternatives Guide*.

**PURPOSE:** The proposed Department of Energy Guide provides a best practices approach for conducting and reviewing Analysis of Alternatives (AoA) for DOE capital asset projects subject to DOE O 413.3B, *Program and Project Management for the Acquisition of Capital Assets*. The Secretarial Memorandum dated June 8, 2015, on *Project Management Policies and Principles*, requires that AoA be conducted consistent with best practices identified by the Government Accountability Office (GAO) in their report GAO-15-37, *DOE and NNSA Project Management; Analysis of Alternatives could be Improved by Incorporating Best Practices*, dated December 2014. The best practices listed in GAO-15-37 have been updated and superseded by GAO-16-22, *Amphibious Combat Vehicle, Some Acquisitions Activities Demonstrate Best Practices; Attainment of Amphibious Capabilities to be Determined*, Appendix I, October 2015. This proposed guide will follow the best practices recommended by GAO-16-22.

The purpose of this Guide is to provide a suggested structured and documented best practice process to help ensure that DOE programs and projects consistently and reliably selects projects alternatives that best meets mission needs. A reliable and credible AoA helps justify the need for starting, stopping, or continuing an acquisition program/project.

**JUSTIFICATION:** Analysis of Alternatives (AoA) is an important element of the DOE requirements and acquisition process. The Department, through a series of Secretarial

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memoranda (released on December 1, 2014 and June 8, 2015), is demonstrating increased involvement in and oversight of AoA activities. The overall goal is to assist in improving project management across DOE and removing all Departmental organizations from the GAO High Risk List for contract and project management. Conforming to the suggested GAO-16-22 criteria of best practices helps ensure that the preferred alternative selected by the Project Management Executive is the one that best meets the project's mission need. Not conforming to the best practices may lead to unreliable AoA, and the customer (the project owner) will not have assurance that the preferred alternative best meets the mission need.

A basic risk assessment has been conducted according to the Enterprise Risk Management (ERM) Model framework. DOE G 413.3-22 needs to be developed to allow the Department to provide adequate guidance to assure that the GAO-16-22 criteria of AoA best practices are properly implemented within the Critical Decision framework of DOE O 413.3B. The cross-functional team that created the risk assessment consisted of Jose Christian, NA-1.1; Hoyt Johnson, EM-21; Melvin Frank, PM-30; and Ruben Sanchez, PM-30.

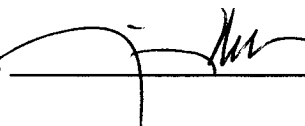
There are no valid external, consensus or other "Standards" (e.g., ISO, VPP, etc.) available which can be used in place of any part of this directive.

**IMPACT:** This guide will not impose new requirements or constitute Department policy. Rather, it provides a suggested approach and uniform guidance for implementing the GAO-16-22 criteria of best practices for conducting and reviewing AoA for DOE capital asset projects subject to DOE O 413.3B. This guide does not change existing laws, regulations or national standards, and it does not create an undue burden on the Department.

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Ingrid Kolb, Director, Office of Management (MA-1):

Concur:  Nonconcur: \_\_\_\_\_ Date: 1-21-2016

<b><u>Standard Schedule for Directives Development</u></b>	<b><u>Days</u></b>
Draft Development	60
Review and Comment	30
Comment Resolution	30
Final Review	30
<b>Total</b>	<b>150</b>