Department of Energy
Washington, DC 20585

March 24, 2014

JM CHRONOLOGY
JM RECEIVED 4/17/14
OUT FOR REVIEW 4/21/14
DRB DISCUSSION 5/1/14

MEMORANDUM FOR INGRID KOLB
DIRECTOR, OFFICE OF MANAGEMENT

FROM: KEVIN T. HAGERTY
DIRECTOR, OFFICE OF INFORMATION RESOURCES

SUBJECT: Revision of Department of Energy (DOE) Order (O) 251.1C, *Departmental Directives Program* and Conforming Changes to DOE O 252.1, *Technical Standards Program*

PURPOSE: To incorporate the latest changes to the Directives Program, thereby ensuring consistency throughout the Department when developing and processing DOE Directives.

JUSTIFICATION: DOE O 251.1C is the primary document that dictates how all directives are developed, approved and revised or canceled. The Directives Review Board (DRB) has made several changes to the Directives Program since DOE O 251.1C was approved on January 15, 2009. The revision will address changes made to the directives development process, DRB concurrence on Technical Standards invoked by Orders, DRB membership, and clarification of procedures. A list of proposed changes is found in Attachment 2.

Since one change includes the process related to the DRB's review of Technical Standards invoked by Orders, conforming changes regarding this process would be added to DOE O 252.1, *Technical Standards Program.* Adding the process to both directives would ensure consistency in how the process is implemented under both the Directives and Technical Standards Programs.

As DOE O 251.1C is on the list of directives requiring additional documentation, the Office of Information Resources will develop a crosswalk to provide requirements tracking and basis documentation. As with the development of the current Order, the Office of Information Resources will serve as the writer for this directive and will share the draft with members of the DRB in order to gather feedback. Feedback will be considered in developing the draft.

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

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IMPACT: The proposed directive does not duplicate existing laws, regulations or national standards and it does not create undue burden on the Department.

There is no additional cost associated with the implementation since the revisions will codify existing practices.

WRITER: Kevin T. Hagerty, Director, Office of Information Resources, (202) 586-8037.

OPI/OPI CONTACT: Office of Management, Office of Information Resources, Kevin T. Hagerty, (202) 586-8037.

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

Concur _____ Nonconcur: _____ Date: 5-1-14

Attached:

1. Standard Schedule for Directives Development
2. Summary of Proposed Changes
3. Preliminary Risk Analysis

Attachment 1 - Standard Schedule for Directive Development

Draft Development	Up to 60 days
Review and Comment (RevCom)	30
Comment Resolution	30
Final Review	30
Total	150

Attachment 2 – Summary of Proposed Changes or Codifications to DOE O 251.1C

- **Codify the process of converting Secretarial Memoranda as Policies in the Directives System** (September 2009) – Although O 251.1C, Appendix B indicates that "The Secretary or Deputy Secretary will determine which memoranda they wish to have incorporated into the Directives Program as Policies," there is no process cited in the Order how this will be accomplished.
- **Add the National Lab Directors Council and Field Managers Council as advisory DRB Members** (May 2010) - These are not included in the current Order. (4.e.)
- **Add new standard processing timeline of 150 days** (April 2011)
- **Eliminate the RevCom Resolution (also known as the Concurrence Phase) and replace it with Final Review** (May 2011) - Under the process, Final Review Phase, final drafts are posted on the directives website for informational purposes. RevCom comments are vetted through an organization's DRB member for DRB meeting discussion. (Appendices A and B, Stage VI.)
- **Post appropriate Secretarial and Deputy Secretarial Memoranda Policies on directives portal** (May 2011) – Policies will be posted on the directives portal (5.a. (3))
- **Change Cancellation Process** (September 2011) – Codify the current process. JMs for proposed cancellations are first reviewed by the DRB members. If there are no objections, the JM is posted on the directives portal for 30 days. The JM is then discussed at a DRB meeting. (7.b.(3))
- **Incorporate Technical Standards which are invoked** (February 2012) - Current directive does not include review of Technical Standards invoked by an Order. A decision was made at the February 28, 2012 COOB meeting as follows: All Standards invoked by Orders will come to the DRB for initial and final review. (Appendix A, Stages I. and VI.) This will require making edits to DOE O 252.1, *Technical Standards Program.*
- **Change DOECAST message listing newly issued directives to a quarterly basis** (March 2012) – DOECASTs were previously published on a monthly basis (10.b)
- **Post Four Year Certification Memoranda on the directives website** (March 2012) – Certification memoranda will be posted with the corresponding directive (10.e.)
- **Apply the Enterprise Risk Management (ERM) Model to all revisions and proposed requirements directives** (July 2012) – This is a new requirement. Writers will be given the option to brief the DRB if their organization thinks a risk assessment is not warranted. The DRB will decide if a risk assessment is required. If the writer does not wish to make such a request, the writer will be required to develop a risk assessment as part of the JM. (Appendices A and B, Stage 1.) This will require making edits to DOE O 252.1, *Technical Standards Program.*
- **Add ERM Model to Definitions** (14.) (July 2012)
- **Codify the requirement for an implementation plan** (January 2013) - The OPI must provide an implementation plan including training roll out that will accompany a final draft for DRB review. The writer then returns to the DRB six months after the directive's approval date to brief the DRB on the effectiveness of the directive.
- **Identify Directives Review Board (DRB) membership: the three Under Secretaries, the Office of Management (MA), Office of the General Counsel and Office of Environment, Health, Safety and Security. MA will serve as DRB Chair.**

Attachment 3 – Preliminary Risk Ana*lysis*

Directives

***Risk/Opp*ortunities**	**Probability**	**Impact**	**Risk Level**
People			
1. Collaborative review process.	Unlikely	Medium	Moderate
Mission			
2. Lack of alignment between risk analysis and requirements promulgation.	Likely	Medium	Significant
3. Lack of clarity for requirements – both internally and externally promulgated.	Certain	Medium	Extreme
Assets			
N/A			
Financial			
4. Inefficient use of financial resources due to an inability to assess implementation of requirements.	Likely	Low	Moderate
Customer and Public Trust			
5. Lack of transparency in the promulgation of requirements.	Possible	Low	Moderate
6. Lack of support for decisions related to the promulgation of policy and requirements.	Possible	Medium	Significant

Gap Analysis of Existing Risks and Controls

Laws	• Energy Reorganization Act (PL 93-438) - 1974 • National Nuclear Security Administration Act (PL 106-65) - 2000
External Regulation/ Requirements	• M-07-24, *Updated Principles for Risk Analysis* – 9/19/07 • Circular A-119, *Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities* – *2/10/98* • Title 10 CFR
DOE Regulation	None
DOE Orders	• DOE O 251.1C & DOE O 252.2
Contract Controls	• Contractor Requirements Document • H-Clause
External Assessments	None
Internal Assessments	None

Risk Assessment for Departmental Directives						
Risk/ Opportunity	**Risk Level**	**Potential Cost/Benefit**	**External Control(s)**	**Proposed Mitigation Technique**	**Existing Internal Control/ Processes**	**Proposed Internal Control (if needed)**
1. Collaborative review process.	N/A	No new implementation costs but continued cost for Doxcelerate Contract for MA, significant benefit for DOE for a systematic, well-documented, collaborative review process.		Opportunity	Use of RevCom, DPCs & TSMs for each element	Use of RevCom, DPCs & TSMs for each element
2. Lack of alignment between risk analysis and requirements promulgation.	Significant	No major financial costs, requires moderate time for training of the ERM model and improved training of DPC roles and responsibilities. Improved participation using the ERM and DPCs will better identify cost-effective controls and streamline directives.	M-07-24, Updated Principles for Risk Analysis – 9/19/07	Mitigate	DPC Roles and Responsibilities	ERM Model, DPC roles and responsibilities
Risk/ Opportunity	**Risk Level**	**Potential Cost/Benefit**	**External Control(s)**	**Proposed Mitigation Technique**	**Existing Internal Control/ Processes**	**Proposed Internal Control (if needed)**

3. Lack of clarity for requirements – both internally and externally promulgated.	Extreme	Significant costs as directive revisions lead to no improvements in usage of time, people, and money. Better delineation of the use of directives, included definitions for documents outside of the directives program, will reduce the time needed to review and procses directives across the department.	Circular A-119, Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities	Mitigate	Definitions in O 251.1C and O 252.1A	Flow Chart for use of Directive Types, definition and storage location for reference documents outside of the directives program, better definition and rough process for documents that should not be directives
4. Inefficient use of financial resources due to an inability to assess implementation of requirements.	Moderate	Implementation of new and revised directives currently impose implementation costs with little to no reduction in time, people, and money once the directive is implemented. Using the ERM model the benefit of improved assessments and implementation should outweigh the initial costs of implementation, if done is systematic review cycles that are cognizant of implementation costs.		Mitigate and Monitor	Surveys	ERM Model, clear measures of success within the JM, periodic assessment tool utilizing performance criteria from the original JM, more strict procedures for packages at impasse.
Risk/ Opportunity	**Risk Level**	**Potential Cost/Benefit**	**External Control(s)**	**Proposed Mitigation Technique**	**Existing Internal Control/ Processes**	**Proposed Internal Control (if needed)**

5. Lack of transparency in the promulgation of requirements.	Moderate	Moderate cost due to resistance in implementation. No controls are needed since it is addressed by controls for other risks. The Directives program can also use existing tools such as the portal, Powerpedia, and regular DPC conference calls to improve communication.	Accept - addressed through controls for risk 1.	Directives Portal, Powerpedia	No proposed controls.
6. Lack of support for decisions related to the promulgation of policy and requirements.	Significant	Similar costs to risk 4., and can be addressed through an improved JM that includes concrete measurables based on the ERM risk assessment.	Monitor	DRB, JM	DRB acts as arbitor to accept or reject proposed controls through evaluation of the risk assessment and draft directives.