



Department of Energy  
Washington, DC 20585

JUL 25 2006

ES #2006-006841

MEMORANDUM FOR THE DEPUTY SECRETARY

FROM: INGRID KOLB  
DIRECTOR  
OFFICE OF MANAGEMENT

SUBJECT: ACTION: Approval of DOE O 413.3X, *Program and Project Management for the Acquisition of Capital Assets*

BACKGROUND: The attached Order from the Office of Engineering and Construction Management within the Office of Management has been reviewed through the Departmental Directives System review process. All comments have been addressed and all issues have been resolved.

This draft Order was revised for clarification, refinement of the process, and general updating of requirements with a focus on integrated safety into design and construction. The Order provides the Department of Energy, including the National Nuclear Security Administration, project management direction for the acquisition of capital assets that are delivered on schedule, within budget, and fully capable of meeting mission performance and environmental, safety, and health standards.

SENSITIVITIES: None

POLICY IMPACT: None

RECOMMENDATION: That you approve this Order.

DECISION:

Approved:

Disapproved:

Date:

July 28, 2006

Attachment



July 25, 2006

NOTE TO CLAY SELL

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Attached for your approval is DOE Order 413.3, *Program and Project Management for the Acquisition of Capital Assets*. All offices have concurred with the Order. Although the Office of Science concurred with the Order, they continue to express concern about the cost impact. However, they did not provide specific data to support their concern.

The major changes in the Order include the following:

- Increasing the threshold for projects covered by the Order from \$5M to \$20M.
- Raising the threshold for Deputy Secretary approval of major system projects from \$400M to \$750M.
- Expanding the role of the Under Secretaries by requiring that they serve as the Acquisition Executive for projects with a Total Project Cost between \$400M and \$750M to ensure greater line management accountability.
- Integrating safety into design and construction by identifying safety requirements for each Critical Decision level and by adding a Technical Independent Project Review, which focuses on safety documentation, as part of the CD-1 Design Review for high-risk, high-hazard, and Hazard Category 1, 2, and 3 nuclear facilities.
- Focusing OECM's oversight responsibilities by raising the threshold for conducting External Independent Reviews from projects with a Total Project Cost of \$20M to \$100M. For projects less than \$100M, Programs are responsible for this requirement, including CD-2 Performance Baseline Validation.

Upon your approval of the Order, the Office of Management will begin to revise the manual associated with the Order. The manual provides detailed guidance on implementing the requirements outlined in the Order. Our plan is to have the program offices take the lead on preparing different chapters of the manual so they will have the opportunity to fully participate in its development.

If you would like a briefing on the revised Order, please let me know.



Ingrid Kolb

Attachment