



Department of Energy

Washington, DC 20585

April 19, 2006

MEMORANDUM FOR DISTRIBUTION

FROM JAMES F. DECKER
PRINCIPAL DEPUTY DIRECTOR
OFFICE OF SCIENCE

SUBJECT: Revised Office of Science Project Watch List Process

A handwritten signature in black ink, appearing to read "J. Decker", positioned to the right of the typed name and title.

This memorandum offers revised guidance for the Office of Science (SC) Project Watch List process (attached) including selection criteria, reporting guidance, and removal procedure. In January 2001, the SC Watch List was established in order to ensure that SC executive level attention, by the Director or Principal Deputy Director of Science, was given to projects and/or program activities that have significant issues or the potential for emerging problems.

A revised draft was distributed (October 2005) to Program and Site Offices that currently have projects on the SC Watch List. This draft process was piloted during the past five months and updated to reflect experience gained during the pilot.

In addition to the Project Watch List, SC is also currently developing a complementary Operations Watch List that will be chaired by the Chief Operating Officer. The Operations Watch List process will be issued independently of this memorandum.

Guidance for both the Project and Operations Watch Lists will eventually be made available through the Science Management System (SCMS), which is currently under development.

If you have any questions regarding this SC Project Watch List Process, please contact Daniel Lehman, Director, Office of Project Assessment.

Attachment



DISTRIBUTION:

J. Salmon, SC-1

D. Erbschloe, SC-1

T. Harding, SC-1

P. Baptist, SC-1

C. Waters, SC-1

SC-1.3 Staff

SC Associate Directors

SC Program Managers

SC Site Office Managers

SC Federal Project Directors

Office of Science Project Watch List Process

The Office of Science (SC) will maintain a “Watch List” of projects, program activities, and tasks that require special oversight and attention by SC senior management. This special oversight is beyond the review and reporting mechanisms normally used. The project Watch List is intended to be proactive, not reactive (i.e., no surprises) and will provide a visible, systematic SC senior management oversight process.

RESPONSIBILITY

The Office of Project Assessment (SC-1.3) is responsible for administering and maintaining the SC Watch List.

The Program Office is responsible for scheduling monthly project Watch List meetings, recording minutes and action items resulting from the meeting, tracking the status of the action items, and reporting these activities to SC senior management and the Office of Project Assessment.

The Federal Project Director is responsible for developing the SC Watch List report.

PROCESS

1. Selection Criteria

There is not a specific set of criteria to be met for inclusion on the SC Project Watch List. Programs/projects could have existing issues, potential or emerging problems, or may profit from increased attention by senior management. To be included in the Watch List, an activity does not have to exceed a particular cost, schedule, scope, funding, management, or safety performance threshold. The Watch List will also include any SC activity that could profit from regular, formal senior management review. **Any SC activity that is on the DOE Chief Operating Officer’s Project Watch List will automatically be included on the SC Watch List.**

Activities may be recommended for inclusion on the SC Watch List by SC Headquarters or Site Office management. For example, Headquarters Associate Directors and Program Managers, and DOE Operations Office/Site Office Managers and Project Directors may recommend activities for inclusion on the list. Recommendations are approved by the Director or Principal Deputy Director of Science.

2. Reporting

When a project or activity is placed on the SC Watch List, **the program office will be responsible for scheduling a monthly Watch List Meeting** with the Principal Deputy Director of Science and the Office of Project Assessment. Other program and site office staff, as deemed appropriate, may also attend the meeting.

The Federal Project Director (or Program Office) will prepare a Watch List report to be distributed to meeting attendees two business days prior to the Watch List meeting. The Watch List report is a brief (**not to exceed 2 pages**) summary of the project/activity status. A Watch List report outline is shown in Attachment 1; a sample Watch List report is shown in Attachment 2.

After the Watch List meeting is conducted, the Program Office will prepare minutes of the meeting, which should be distributed to the Principal Deputy Director of Science, the Office of Project Assessment, and other meeting attendees the following business day. Meeting minutes should be concise, focusing on key issues discussed, and action items and decisions resulting from the meeting.

3. Removal

A project or activity may be removed from the SC Watch List when, in the opinion of the Director or Principal Deputy Director of Science, all issues are adequately addressed. Removal will be recommended by SC Headquarters or Site Office management and approved by the Director or Principal Deputy Director of Science.

Actions needed to support the Director or Principal Deputy Director decision to remove the project from the SC Watch List will be provided early in the Watch List process.

Attachment 1: PROJECT WATCH LIST REPORT OUTLINE

SC Project Watch List Report

[PROJECT NAME]

DATE: (Date of meeting)
LOCATION OF PROJECT: (Laboratory where project is located)
FEDERAL PROJECT DIRECTOR: (Name of FPD)
ISSUES: (Why is the project on the Watch List?)
REMEDIATION ACTIONS: (Actions identified for removal from Watch List at onset)

1. STATUS (How much is done? How much is left to do?)

- | | | |
|---------------------------------|-------------------------------|-----------|
| ▪ CD-1 (Alternative Selection): | Planned: | Actual: |
| ▪ CD-2 (Performance Baseline): | Planned: | Actual: |
| ▪ CD-3 (Start Construction): | Planned: | Actual: |
| ▪ CD-4 (Project Completion): | Baseline: | Forecast: |
| ▪ TEC: | \$ | |
| ▪ TPC: | \$ | |
| ▪ Percent Complete: | Planned: 0% | Actual 0% |
| ▪ Contingency: | \$ and/or % of work remaining | |

Technical (List key technical objectives. Are they impacted by the project's Watch List issues?)

Cost (Overall cost performance, causes of variance if applicable.)

Schedule (Overall schedule performance, causes of variance if applicable.)

Funding (Overall project funding, discuss needed resources.)

ES&H (Overall safety performance with a description of any incidents, accidents, regulatory issues, etc.)

Management (Overall effectiveness of the management approach and team. Discuss key Federal and contractor organizations involved in the project.)

Federal Project Director's Assessment (The Federal Project Director's recommendation for retention or removal from Watch List abased on supporting information provided in the following sections and completion of remediation actions.)

2. Progress

- (List recent accomplishments and upcoming critical milestones.)

3. Issues and Risks

- (List major issues and risks, including current assessment and mitigation strategies.)

4. Action Items and Decisions

- (List previous outstanding action items—what is the status?)
 - (List current action items—what needs to be accomplished to lead the project on track and removed from the Watch List?)
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SC Project Watch List Report

U.S. Contributions to ITER

DATE: November 3, 2005
LOCATION OF PROJECT: Princeton Plasma Physics Laboratory
FEDERAL PROJECT DIRECTOR: Greg Pitonak
ISSUES: Technically complex international collaboration.
Project is currently on the Watch List to ensure that the cost baseline is within the OMB cap.

1. STATUS

- | | | |
|---------------------------------|--------------------------------------|------------------|
| ▪ CD-1 (Alternative Selection): | Planned: 4Q06 | Actual: n/a |
| ▪ CD-2 (Performance Baseline): | Planned: 4Q07 | Actual: n/a |
| ▪ CD-3 (Start Construction): | Planned: | Actual: n/a |
| ▪ CD-4 (Project Completion): | Baseline: 9/2013 | Forecast: 9/2013 |
| ▪ TEC: | \$ 1,038M | |
| ▪ TPC (OMB cap): | \$ 1,122M | |
| ▪ TPC (pre-CD-1 estimate): | \$ 1,184M | |
| ▪ Range for CD-1: | \$ 1,115M to \$1,400M | |
| ▪ Percent Complete: | Planned: 0% | Actual 0% |
| ▪ Contingency: | \$ 189M and/or 16% of work remaining | |

Technical Objectives: Deliver U.S. components, secondees, and cash contributions in accordance with International Agreement.

Cost performance: Not yet applicable

Schedule performance: Not yet applicable

Funding : Lengthy Continuing Resolution could impact this “new start”

ES&H : Preliminary ES&H planning is underway

Management: Integrated Project Team has been chartered. Management documents (AS, PPEP, CDR, Preliminary Cost and Schedule) have been prepared and/or reviewed.

2. Progress

- | | |
|--|----------------|
| • ITER Agreement “completed” | January 2006 |
| • Congressional notification period over | May 2006 |
| • OECM Review (per Dep Sec @CD0) | June 2006 |
| • OECM endorsement | July 2006 |
| • Circular 175 R2 signed | August 2006 |
| • ITER agreement signed | August 2006 |
| • CD1 - Baseline Range (plus long lead) | September 2006 |
| • CD2 - Performance Baseline | August 2007 |

3. Issues and Risks

- *Lengthy CR will impact US progress*
- *No International Agreement yet – areas of contention, provisional scope, etc.*
- Lower tier guidance documents not complete
- Interim Central Team, interim leadership
- US FY06 budget appropriation may change
- There are numerous proposed tech changes
- OECM review required prior to CD1

4. Action Items and Decisions

- No prior action items – this is the first briefing
 - Need to define the scope of the OECM review as required by Dep Sec prior to CD1
 - Need to define limitations under a lengthy Continuing Resolution
 - Need to define cost issues related to “cap” constraints
 - Need to finalize International Agreement
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