



## Department of Energy

Washington, DC 20585

OCT 02 2009

MEMORANDUM FOR J. E. SURASH  
DEPUTY ASSISTANT SECRETARY FOR  
ACQUISITION AND PROJECT MANAGEMENT

FROM: *[Handwritten signature]*  
LOWELL ELY, DIRECTOR *for*  
OFFICE OF PROJECT MANAGEMENT OVERSIGHT  
OFFICE OF ENVIRONMENTAL MANAGEMENT

SUBJECT: Government Accountability Office Recommendation  
Action Item on the Selected Acquisition Report

REFERENCE: GAO Report GAO-08-1081 "Nuclear Waste Action  
Needed to Improve Accountability and Management of  
the Department of Energy's Major Cleanup Projects,"  
September 2008.

The purpose of this memorandum is to address the Government Accountability Office (GAO) recommendation on the Selected Acquisition Report (SAR) approach in the referenced report.

The referenced GAO Report has the following as one of the recommendations:

"Develop an approach to regularly inform Congress of progress and significant changes in order to improve EM's accountability for managing the near-term baseline and tracking life cycle costs. Similar to the Department of Defense's Selected Acquisition Reports, which include annual information on full life cycle program costs, among other things, EM's report, at a minimum, should compare estimated near-term and life cycle scope, cost, and schedules with the original and subsequently updated baselines, and provide a summary analysis of root causes for any significant baseline changes."

The action item to develop an SAR process has been completed to satisfy the GAO Recommendation.

An SAR template has been established for Environmental Management (EM) Projects, which was developed utilizing the Department of Defense SAR Document and was tailored to be suitable for EM Projects and processes. An EM-53 standard operating procedure (SOP) has been established for implementation of the SAR process. The SOP includes what data is uploaded to the SAR; how the SAR process works at the Site and HQs level; when the SAR



process occurs during the fiscal year with interim milestones; and who will be responsible for completing the SAR.

The development of the SAR SOP and Template closes out the Action Item on the GAO recommendation to develop an approach to regularly inform Congress of progress and significant changes in EM Projects.

If you have any questions, please contact me at (301) 903-6821 or Mr. Eric Cochran at (301) 903-7330.

Attachment: SAR Template

cc:

S. Kapur, EM-50

**U.S. Department of Energy  
Office of Environmental Management  
Office of Project Management Oversight (EM-53)  
Standard Operating Procedures (SOP)**

Title: Selected Acquisition Report (SAR) Process

EM ORG: EM-53   SOP #: 002   Revision #: 0   Effective Date: October 2, 2009

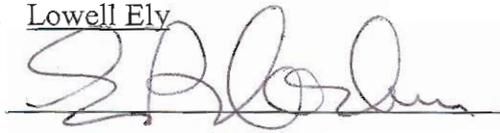
1. **POLICY:** This Environmental Management (EM) Office of Project Management Oversight procedure implements the process necessary to complete the EM Selected Acquisition Report (SAR) for submission to Congress.
2. **OBJECTIVES:** The objective of the SAR is to regularly inform Congress of progress and significant changes in order to improve accountability for managing Near-Term Baseline (NTB) and tracking life-cycle costs.
3. **CANCELLATIONS:** None
4. **APPLICABILITY:** The provisions of this procedure apply to EM-53 responsibilities for support and oversight of projects within the EM Program.
5. **REFERENCES**
  - a. SAR Template Document (Attachment 1).
6. **CONTACT:** Office of Project Management Oversight at 301-903-5747.
7. **ROLES AND RESPONSIBILITIES:**
  - a. Deputy Assistant Secretary for Acquisition and Project Management (EM-50)
    - i. Review and approve SAR for submission to Congress.
  - b. Director, Office of Project Management Oversight (EM-53)
    - i. Ensure resources and personnel are available to complete the SAR process.
    - ii. Designate EM-53 SAR coordinator.
    - iii. Review and concur on final SAR.
  - c. EM-53 Site Leads
    - i. Complete standardized template for each project under Current Project Status section as assigned, in coordination with FPDs and using IPABS project data.
  - d. EM-53 SAR Coordinator
    - i. Complete Introduction, Acquisition and Project Management Improvements, and List of EM Projects portions of the SAR Document.
    - ii. Coordinate with EM-3 (Chief Operations Officer) staff, EM-5 (Office of Communications and External Affairs) staff and EM-30 (Deputy Assistant Secretary for Program Planning and Budget) staff for review, comment, and revisions as needed.
    - iii. Consolidate inputs and complete final SAR document.
8. **PROCEDURES:**
  - a. Each section of the SAR will completed using the following process:
    - i. Introduction: In order to complete SAR Documentation, the EM-53 SAR Coordinator will complete the Introduction portion of the SAR Document which conveys the purpose of the report, why it was developed, how it is to be used and

includes an overview of the program structure and how EM projects are categorized.

- ii. Acquisition and Project Management Improvements: The section entitled Acquisition and Project Management Improvements will be completed by the EM-53 SAR Coordinator. This section provides information on recent EM Project accomplishments, improvements and corrective actions for the sites highlighted.
  - iii. List of EM Projects: The section entitled List of EM Projects will be completed by the EM-53 SAR Coordinator. This section differentiates between Line-Item Construction Projects and other non-construction, environmental remediation and remedial action EM projects. Both convey information on the Project ID and Project Name; construction project data includes the completion date and approved costs while other EM Projects specify data on the near-term baseline in terms of years and costs and completion range and OPER costs.
  - iv. Current Project Status: The section entitled Current Project Status will be prepared and validated by EM-53 site leads in coordination with FPDs and/or by the site managers. As referenced in Appendix A, this section includes summary data for each project that is designed to provide the executive with a comprehensive picture as to the health of highlighted projects. The information and data provided in this section include the Project Description and Scope, Critical Decisions (date, cost estimate and estimated schedule duration) the Current Baseline and Status (scope, cost and schedule), Baseline Changes, Contractor Information, Planned Funding Profile, Performance to Date (EVMS, safety, regulatory compliance, recent reviews), Milestones, and the Path Forward for the highlighted projects.
- b. The EM-53 SAR Coordinator will consolidate a draft SAR document using inputs from the EM-53 site leads together with the overview information.
  - c. The draft SAR will be coordinated with EM-3, EM-5, and EM-30 for review and comment. The EM-53 SAR Coordinator will ensure revisions are made as needed for the final draft.
  - d. The final draft of the SAR will be submitted through EM-53 to EM-50 for review and approval.
  - e. Timeline:
    - i. The SAR will be completed to accompany the submission of the congressional budget per the EM-30 budget cycle schedule. The total duration of the SAR process is approximately 12-18 weeks.
    - ii. The duration of the primary steps for SAR development and completion are as follows:
      1. Commence SAR Preparation and draft overview sections – 2-3 weeks.
      2. Complete Current Project Status sections, including coordination with FPDs – approximately 5-6 weeks after assigned to EM-53 site leads.
      3. Consolidate and review completed sections of all sections of SAR Document – approximately 2-3 weeks.
      4. Coordinate draft SAR document with EM-3, EM-5 and EM-30 for review and comment, and incorporate revisions as needed – approximately 2-3 weeks.
      5. Review and approval by EM-53 and EM-50, including any rework – approximately 2-3 weeks.

Approved by: Lowell Ely

Signature:

 Acting  
for EM-53

Name & Title: Lowell Ely, Director, Office of Project Management Oversight, EM-53

Date:

10-2-09

Office of Environmental Management  
Office of Project Management Oversight (EM-53)



Selected Acquisition Report (SAR)



## **Executive Summary**

This section will outline the overall number of projects within the EM portfolio. It will also include corporate performance metrics and how the projects have performed against these metrics as a whole. This section should be limited to one page.

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### **I. Introduction**

This section will provide a brief introduction into the purpose of this document, and its organization. It will state the EM program mission and goals and give an overview of budget. It will describe the EM program structure and explain the relationship of projects (construction, capital asset cleanup, ARRA) to the PBSs. It will also include a brief description of our contracting process. Limit section to two pages.

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## **II. Acquisition and Project Management Improvements**

This section will list recent accomplishments in acquisition and project management and give an overview of improvements underway. Limit section to three pages.

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III. List of EM Projects				
Line Item Construction Projects				
Project ID	Project Name	Completion Date	Approved Total Costs (\$Millions)	Page Number Ref.
05-D-405	Salt Waste Processing Facility		1,339,548	
06-D-401	Sodium Bearing Waste Treatment,INL,ID		550,908	
OR-0011Z	Downblend of U-233 in Building 3019		360,849	
02-U-101	Depleted Uranium Hexafluoride Conversion Project		618,551	
01-D-16A	Low-Activity Waste Facility		1,116,218	
01-D-16B	Analytical Laboratory		555,306	
01-D-16C	Balance of Facilities		804,074	
01-D-16D	High-Level Waste Facility		2,604,144	
01-D-16E	Pretreatment Facility		4,223,382	

EM Projects						
Project ID	Project Name	NTB Years	NTB (\$Millions)	Completion Date Range	OPER Costs Range (\$Million)	Page Number Ref.
CH-ANLE-0040	Nuclear Facility D&D-Argonne National Laboratory-East					
BRNL-0040	Nuclear Facility D&D-Brookhaven Graphite Research Reactor					
BRNL-0041	Nuclear Facility D&D-High Flux Beam Reactor					
CBC-ETEC-0040	Nuclear Facility D&D-Energy Technology Engineering Center					
CBC-MOAB-0031	Soil and Water Remediation-Moab					
CBC-SLAC-0030	Soil and Water Remediation-Stanford Linear Accelerator Center					
CB-0080	Operate Waste Disposal Facility-WIPP					
CB-0090	Transportation-WIPP					
OH-FN-0030	Solid Waste Stabilization and Disposition-Fernald					
OH-MB-0031	Soil and Water Remediation - OU-1					
ID-0011	NM Stabilization and Disposition					
ID-0012B-D	SNF Stabilization and Disposition-2012 (Defense)					
ID-0013	Solid Waste Stabilization and Disposition					
ID-0014B	Radioactive Liquid Tank Waste Stabilization and Disposition-2012					
ID-0030B	Soil and Water Remediation-2012					
ID-0040B	Nuclear Facility D&D-2012					
ID-0050B	Non-Nuclear Facility D&D-2012					
VL-LLNL-0031	Soil and Water Remediation - Site 300					
VL-LANL-0030	Soil and Water Remediation-LANL					
VL-LANL-0040-D	Nuclear Facility D&D-LANL (Defense)					
VL-NV-0030	Soil and Water Remediation-Nevada Test Site					
VL-LANL-0040-N	Nuclear Facility D&D-LANL (Non-Defense)					

Project ID	Project Name	NTB Years	NTB (\$Millions)	Completion Date Range	OPER Costs Range (\$Million)	Page Number Ref.
VL-NV-0080	Operate Waste Disposal Facility-Nevada					
VL-PX-0030	Soil and Water Remediation-Pantex					
VL-SN-0030	Soil and Water Remediation-Sandia					
VL-SPRU-0040	Nuclear Facility D&D-Separations Process Research Unit					
IFDP	Integrated Facility Disposition Project					
OR-0040	Nuclear Facility D&D-East Tennessee Technology Park (D&D Fund)					
OR-0043	Nuclear Facility D&D-East Tennessee Technology Park (Defense)					
OR-0011Z	Downblend of U-233 in Building 3019					
OR-0042	Nuclear Facility D&D-Oak Ridge National Laboratory					
OR-0031	Soil and Water Remediation-Offsites					
OR-0041	Nuclear Facility D&D-Y-12					
PA-0011	NM Stabilization and Disposition-Paducah Uranium Facilities Management					
PA-0011X	Operate DUF6 Facility					
PA-0013	Solid Waste Stabilization and Disposition					
PA-0040	Nuclear Facility D&D-Paducah					
PO-0011	NM Stabilization and Disposition-Portsmouth Uranium Facilities Management					
PO-0011X	Operate DUF6 Facility					
PO-0040	Nuclear Facility D&D-Portsmouth					
ORP-0014	Radioactive Liquid Tank Waste Stabilization and Disposition					
RL-0011	NM Stabilization and Disposition-PFP					
RL-0012	SNF Stabilization and Disposition					
RL-0030	Soil and Water Remediation-Groundwater-Vadose Zone					
RL-0040	Nuclear Facility D&D-Remainder of Hanford					
RL-0041	Nuclear Facility D&D-River Corridor Closure Project					
RL-0042	Nuclear Facility D&D-Fast Flux Test Facility Project					
	Balance of Nuclear Materials					
	EU Disposition Project					
SR-0011B	NM Stabilization and Disposition-2012					
SR-0011C	NM Stabilization and Disposition-2035					
SR-0012	SNF Stabilization and Disposition					
SR-0014C	Radioactive Liquid Tank Waste Stabilization and Disposition-2035					
SR-0030	Soil and Water Remediation					
SR-0040	Nuclear Facility D&D					
OH-WV-0014	Radioactive Liquid Tank Waste Stabilization & Disposition					
OH-WV-0040	Nuclear Facility D&D-West Valley					

<b>IV.</b>	<b>EM Project Summary</b>
<b>Site</b>	
<b>Project ID, Project Name</b>	
<b>Project Description/ Scope</b>	This section will include a brief description of the project. It will mainly answer two questions: Why is the project being done and what is the objective of the project? The length of this section should be around one paragraph.

<b>Critical Decisions</b>			
	Date	Project Cost Estimate	Estimated Schedule Duration
CD-2, Approve Performance Baseline			
CD-3, Approve Start of Construction			
CD-4, Approve Start of Operations or Project Closeout			

<b>Current Baseline and Status (As of XX/XX/20XX)</b>	
<b>Scope</b>	This section will include any current narrative about the status of scope and key performance parameters.
<b>Cost</b>	This section will include any narrative about cost include the current money spent to date and total project cost.
<b>Schedule</b>	This section will include any narrative regarding the status of the schedule, whether the project is ahead of or behind schedule. It will include the approved schedule date, the contingency and how much of the contingency remains if behind schedule.

	<b>Performance Baseline (\$Millions)</b>		<b>Current Status (Date)</b>	
	<b>Original at CD-2 (Date)</b>	<b>Current (Date)</b>	<b>Cost (\$\$/time)</b>	<b>Remaining (\$\$/time)</b>
Total Project Cost	\$900	1,339	379	960
Project Completion Date	11/2013	10/2015	-	-
Execution Duration (CD-3 to CD-4)	62 months	81 months	7 months	74 months
Cost Reserve in TPC - DOE Contingency	\$ 39	\$ 166	0	166
- Contractor MR	69	82	27	55
Schedule Reserve - DOE Contingency		126 weeks	6 weeks	120 weeks
- Contractor MR				
Contractor's Fee in TPC	40	62		

<b>Baseline Changes</b>			
Original Cost at CD-2			\$XXX,XXX
Date	Change Reason	Change Amount	Revised Total Cost
XX/XX/20XX		\$XXX,XXX	\$XXX,XXX
XX/XX/20XX		\$XXX,XXX	\$XXX,XXX

<b>Contractor Information</b>	
<b>Name</b>	

### Planned Funding Profile

Cumulative To Date Cost*	FY09*	FY10	FY11	FY12	FY13	FY14	FY15
\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX

\* Actual Costs

### Performance to Date (As of XX/XX/20XX)

EVMS	BCWS		BCWP		ACWP	
	CPI		SPI			
<b>Safety</b>	This section will contain any information regarding safety performance of the site and will vary in length, but should be contained to several sentences.					
<b>Regulatory</b>	This section will contain any information regarding regulatory issues regarding the site and will vary in length, but should be contained to several sentences.					
<b>Recent Reviews</b>	This section will contain any information regarding any recent project reviews of the project and any corresponding information regarding the performance or outcomes.					

### Milestones

Milestone Field ID	Milestone Field Code	Milestone Name	Baseline Completion	Forecast / Actual Date (F/A)
05-D-405-008		Complete Enhanced Final Design	12/12/2008	12/8/2008 (A)
05-D-405-010		Basemat Complete - Central Processing Area	6/17/2009	9/14/2009 (F)
05-D-405-011		Deck at 116' Complete - Central Processing Area	11/20/2009	

### Path Forward

This section will contain any information regarding subprojects, upcoming project reviews (such as EIRs and IPRs) and acquisition plans.

