ENERGY SYSTEM ACQUISITION ADVISORY BOARD (ESAAB)

STANDARD OPERATING PROCEDURE (SOP)

DEPARTMENT OF ENERGY (DOE)

OFFICE OF ENGINEERING AND CONSTRUCTION MANAGEMENT (OECM)

NOVEMBER 2011

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1.0 INTRODUCTION

This Standard Operating Procedure (SOP) discusses all elements of an Energy System Acquisition Advisory Board (ESAAB) to include membership, member roles and responsibilities, scheduling, procedures, and products. This SOP also assists those responsible in preparation for ESAAB meetings, particularly the Office of Engineering and Construction Management (OECM), Programs, and Project Teams.

1.1 **BACKGROUND.** Department of Energy Order 413.3 (DOE O 413.3B), hereafter referred to as the Order, was updated on November 29, 2011, to enhance DOE program and project management direction for the acquisition of capital assets with the goal of delivering projects within the original performance baseline (PB), cost and schedule, and fully capable of meeting mission performance, safeguards and security, and environmental, safety, and health requirements unless impacted by a directed change. ESAAB membership and responsibilities are spelled out in the Order. DOE O 413.3B can be found at and downloaded from https://www.directives.doe.gov/directives.

1.2 **SOP OBJECTIVES.**

1.2.1 To establish consistent ESAAB processes and procedures to facilitate informed, objective, and documented strategic and major system critical decisions and baseline change proposals for all new missions.

1.2.2 To assist Programs and Project Teams in the scheduling and preparation for ESAAB meetings.

1.3 **APPLICABILITY.**

1.3.1 This SOP should be used in the scheduling and preparing for a Senior Acquisition Executive (SAE) ESAAB, facilitating the ESAAB decision-making process, and determining when to consider using a streamlined ESAAB process.

1.3.2 Similar decision procedures may be applied to non-major system projects. These procedures should be individually tailored by the designated AE to the size and complexity of the project.

1.3.3 This SOP does NOT impose new requirements or constitute Department policy. Nor is this SOP intended to modify the ESAAB process delineated in DOE Orders or policy memorandums.

2.0 ESAAB PURPOSE

The purpose of the ESAAB is to assist the SAE in the decision-making process on critical decision milestones, baseline change proposals, and site selections for major system acquisitions and major projects. Furthermore, the ESAAB provides a formal,

documented, and auditable management process for making decisions that affect major system acquisitions and major projects.

3.0 ESAAB MEMBERSHIP AND RESPONSIBILITIES

ESAAB membership and responsibilities are delineated in DOE O 413.3B. A current list (office symbol, name, phone #) of ESAAB, "As-Needed" ESAAB, and Pre-ESAAB members is available at http://energy.gov/management/office-management/operational-management/project-management/documents-and-publications.

4.0 ESAAB FUNCTION

4.1 **General.** An ESAAB assists the SAE in approving critical decisions related to Major System Projects and performance baseline deviation dispositions. A critical decision (CD) is a formal determination made by the SAE or AE at a specific point during the project that allows the project to proceed to the next phase or CD. A Major System Project is a project with a Total Project Cost (TPC) greater than or equal to $750M or as designated by the Deputy Secretary. A performance baseline deviation occurs when the approved TPC, CD-4 completion date, or performance and scope parameters cannot be met.

5.0 SCHEDULING OF AN ESAAB

5.1.1 OECM normally provides staff support to the Acquisition Executive and board members for ESAAB presentations (e.g., schedules, agenda, pre-briefing and presentation requirements).

5.1.2 The steps outlined in Appendix B provide the framework and normal working times and responsibilities for the activities prior to and immediately following the ESAAB. This includes the steps to schedule pre-ESAAB meetings and ESAAB reviews and the appropriate responsible office.

5.1.3 A decision/review schedule will be developed and maintained current by the ESAAB Secretariat (OECM) for those projects which require a board review because of an acquisition phase decision, siting decision, problems, or other project developments that merit management attention. The activity timeline in Appendix B provides the necessary steps leading up to the ESAAB meeting.

5.1.4 Upon approval by the Acquisition Executive, formal scheduling of reviews will be accomplished by the ESAAB Secretariat.

5.1.5 Unscheduled board meetings may also be called at the request of the Acquisition Executive or a PSO. These requests will be made through the ESAAB Secretariat.

6.0 ESAAB PROCEDURES

6.1 **General.** An ESAAB assists the SAE in approving critical decisions related to Major System Projects and performance baseline deviation dispositions. A Major System Project is a project with a Total Project Cost (TPC) greater than or equal to $750M or as designated by the Deputy Secretary.

6.2 **Critical Decisions and BCPs.** The Deputy Secretary serves as SAE for projects with a TPC greater than or equal to $750M. Critical Decisions (CD) or BCPs for these projects must be proposed by the appropriate PSO and approved by the SAE before proceeding to the next project phase or critical decision. In addition, other projects may require SAE approval of a BCP above certain threshold values as defined in DOE O 413.3B (current version). The description and/or definitions of Critical Decisions and Baseline Change Proposal are provided in DOE O 413.3B.

7.0 ESAAB PROCEDURES

The SAE makes critical decisions for major system projects and those delineated in DOE 413.3B. .

7.1 Scheduling ESAAB Meetings.

7.2 **ESAAB Preparation.** It is essential that the presenters brief (see Appendix C) the significant issues and problems that are associated with the project. These issues and problems should be fully coordinated well in advance with cognizant staff and program officials. Also, the Acquisition Executive and the sponsoring PSO shall receive concise pre-briefings to assure that an informed decision or review will occur.

7.2.1 **Project Briefing Material and Supporting Documentation.** A draft of the project briefing material and supporting documentation should be provided to the Office of Engineering and Construction Management (OECM) and representatives for the board members by the cognizant PSO. The draft briefing will be reviewed for conformance to Departmental orders and policies and to identify any remaining issues for discussion at the Pre-ESAAB meeting.

7.2.1.1 **Inspector General (IG) / Government Accountability Office (GAO) / Congressional Report Check.** The Program shall identify recent IG, GAO, and Congressional audit activity, reviews, reports, interest/support to the Acquisition Executive. This action shall be completed and reviewed at the pre-ESAAB meeting.

7.2.2 **Pre-ESAAB Meeting.** The program and project managers will schedule and conduct a "dry-run" of the presentation for the sponsoring PSO for review and resolution of issues prior to the ESAAB meeting. The Pre-ESAAB members should be invited to:

- Participate in a final exchange of ideas;
- Assure compliance with Departmental policy and procedures;

- Discuss and resolve outstanding issues;
- Determine the status of any independent project review (e.g., EIR or IPR) issues;
- Cover the status of administrative actions; and
- Set a schedule for remaining actions.

At the conclusion of the "dry-run," a recommendation shall be made by OECM to the PSO on the readiness of the project to proceed with the scheduled ESAAB meeting based on the completeness of material and administrative actions presented at the "dry-run."

7.2.3 **Acquisition Executive Pre-Brief Meeting.** A pre-briefing is conducted by OECM for the Acquisition Executive to assist in their preparation for the board meeting. The objectives of this pre-brief are to:

- Acquaint the Acquisition Executive with the background and description of the project;
- Provide an independent assessment of the project;
- Provide an independent assessment of remaining issues/problems to be presented with recommended solutions;
- Clarify any technical and management items; and
- Provide a final status on administrative actions so as not to consume too much time during the formal meeting.

7.2.4 **ESAAB Staff Memorandum.** The Secretariat shall prepare a staff memorandum (see Appendix F) summarizing the results of the meeting.

7.2.4.1 The staff memorandum will specify SAE decisions reached (see Appendix E, Decision Memorandum), actions assigned, results of special studies and assessments, limitations associated with approvals, resource levels which may be used for budgetary and organizational planning, constraints on systems development and definition, and schedules for accomplishing action items. A summary of the approved cost, schedule, and technical baselines will be annotated within the meeting minutes. The ESAAB meeting minutes (see Appendix G) will be attached to the memorandum.

7.2.4.2 The Secretariat will coordinate the staff memorandum with the appropriate board members and advisors prior to forwarding it to the SAE. Dissenting views will be included in the package. Non-concurrence on a coordinated document (e.g., Paper ESAAB) by a member shall not require resolution prior to forwarding the request to

the SAE for a decision. Coordination from each board member will be obtained on the final document.

7.3 **Call for Special ESAAB Review.** When an unforeseen review of a major system project is required, the following steps should be taken:

7.3.1 ESAABs shall be requested by the Headquarters Program Secretarial Officer or their PMSO director.

7.3.2 The memorandum shall be submitted 30-days prior to the proposed ESAAB date and include a statement regarding the decision requested, background, supporting factors, and any other relevant information.

7.3.3 The ESAAB Secretariat will coordinate subsequent actions with the Program Office.

8.0 "PAPER" ESAAB

In circumstances where the acquisition action is of relatively low monetary value, low risk, and requires non-controversial decisions (i.e., baseline deviation and critical decision approvals) that need Deputy Secretary approval, a streamlined ESAAB achieves the required staff coordination and approval without convening a formal meeting of all ESAAB members.

8.1 **Procedures.**

8.1.1 A streamline ESAAB process in lieu of convening a formal meeting should be considered, when the following parameters are met:

- Program Office requests OECM consider a streamline ESAAB in lieu of a formal ESAAB meeting;

- The Office of Management will determine: (1) if a streamline ESAAB is appropriate; and (2) level of inter-office coordination required; and

- At a minimum, all streamline ESAABs will be coordinated with OECM, the Chief Financial Officer, and the Office of the General Counsel with the expectation of expeditious concurrences. However, non-concurrence on a coordinated document by a member shall not require resolution prior to forwarding the request to the SAE for a decision.

9.0 ESAAB-EQUIVALENT MEETINGS

The Programs are authorized to make changes to projects that are smaller than the SAE approval limits to include all non-major systems projects and projects with a TPC less than $750M. The Programs shall create an ESAAB-equivalent entity to facilitate decision making.

9.1 **Procedures.**

9.1.1 The designated AE will:

- Appoint and chair acquisition advisory boards to provide advice and recommendations on key project decisions.
- Be delegated to a level commensurate with the size and complexity of the project and in accordance with Departmental policies and orders.
- Operate within the specific limits of their delegated authority.

9.1.2 The advisory board should replicate functions performed by the ESAAB.

9.1.3 Members may be selected from within the AE's organization; however, at least one member not under the AE will be designated as a contributing member.

9.1.4 The OECM will provide a representative to each advisory board for projects with a TPC greater than or equal to $100M.

9.1.5 The OECM may be invited to attend advisory boards for projects with a TPC less than $100M, but will not be a board member.

9.1.6 The implementing documentation and composition of each advisory boards along with meeting agendas and minutes will be provided to OECM.

APPENDIX A
LIST OF ACRONYMS

AE	Acquisition Executive
BCP	Baseline Change Proposal
BSF	Biological Sciences Facility
CD	Critical Decision
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CRL	Capability Replacement Laboratory
CSF	Computational Sciences Facility
DHS	Department of Homeland Security
DOE	Department of Energy
EERE	Energy Efficiency and Renewable Energy
EIR	External Independent Review
EM	Office of Environmental Management
ESAAB	Energy System Acquisition Advisory Board
ESH&Q	Environmental, Safety, Health & Quality Assurance
EVMS	Earned Value Management System
FE	Fossil Energy
FPD	Federal Project Director
FY	Fiscal Year
GC	Office of General Counsel
HS	Office of Health, Safety and Security

IPR	Independent Project Review
IPT	Integrated Project Team
KPP	Key Performance Parameter
LDL	Large Detector Laboratory
LM	Legacy Management
M	Million
MA	Office of Management
MS	Major System
NA	Office of Defense Programs
NE	Office of Nuclear Energy
NEPA	National Environmental Policy Act
NNSA	National Nuclear Security Administration
O	Order
OECM	Office of Engineering and Construction Management
OMB	Office of Management and Budget
OPC	Other Project Costs
P	Policy
PEP	Project Execution Plan
PNNL	Pacific Northwest National Laboratory
PSF	Physical Sciences Facility
PSO	Program Secretarial Officer
REA	Request for Equitable Adjustment
RW	Radioactive Waste

SAE	Secretarial Acquisition Executive
SC	Office of Science
SOP	Standard Operating Procedure
TPC	Total Project Cost
WBS	Work Breakdown Structure

APPENDIX B
ESAAB ACTIVITIES TIMELINE

The steps outlined below provide the framework and normal working times and responsibilities for the activities prior to and immediately following the ESAAB:

Activity	Responsible Office	Calendar Days Relative to Meeting
Notify ESAAB Secretariat	PSO	90 days
Submit written request to Secretariat for ESAAB review	PSO	60 days
Schedule pre-ESAAB meeting	PSO	40 days
Prepare draft briefing material and supporting documentation	PSO	30 days
Distribute briefing material for pre-ESAAB meeting	PSO	25 days
Conduct pre-ESAAB meeting	PSO	20 days
Comment on pre-ESAAB presentation	ESAAB Members	15 days
Confirm proposed ESAAB date with Acquisition Executive	ESAAB Secretariat	14 days
Submit ESAAB meeting request	ESAAB Secretariat	12 Days
Finalize briefing material and supporting documentation	PSO	10 days
Distribute final briefing material to ESAAB members	ESAAB Secretariat	7 days
Conduct SAE pre-brief meeting	ESAAB Secretariat	2 days
Conduct ESAAB meeting	SAE	0 days
Prepare staff memorandum of decision with actions and provide required project documentation (updated by PSO) reflecting ESAAB decisions and submit for SAE approval and issuance	ESAAB Secretariat	+15 days

APPENDIX C
PRESENTATION OUTLINE FOR THE ESAAB MEETING

1. **GENERAL.** These guidelines have been prepared to aid program and project managers in their preparation of presentation materials for ESAAB meetings.

2. **COMPOSITION.** Each presentation will be slightly different given the decision (e.g., baseline change proposal) required of the SAE. The following outline is a guide to assist in compiling the ESAAB presentation.

   a. CD-0, Approve Mission Need
      - Title Page
      - Mission / Objectives – Summarize the capability gap. Describe why the facilities, equipment, or services currently existing are not sufficient to address the gap. Explain the internal or external drivers (e.g., statute, regulation, legal agreement, earmark, or Presidential directive).
      - Alternative Strategies – Identify high-level strategies/alternatives considered or to be analyzed to meet the mission need.
      - Conceptual Scope
      - Conceptual Schedule and Cost Range
      - Readiness to Proceed
      - Assumptions and Constraints
      - Risk Management
      - Mission Validation Independent Review – Summarize the issues, their resolution, and subsequent recommendations.
      - Summary and Recommendation

   b. CD-1, Approve Alternative Selection and Cost Range
      - Title Page
      - Mission / Objectives
      - Alternatives: (Discuss sorting, grading, and selecting criteria.)
        - Strategies
        - Technologies
        - Locations
        - Acquisition Strategies (e.g., design-build) and Plan (e.g., M&O)
        - Life Cycle Cost and Schedule
      - Preferred Alternative
      - Project Technical Scope/Process
      - Conceptual Schedule and Cost Range
      - Readiness to Proceed
      - Assumptions and Constraints
      - Risk Management
      - Integrated Project Team
      - Long Lead Procurements
      - Summary and Recommendation

c. CD-2, Approve Performance Baseline, or BCP (see Section 3)

d. CD-3, Approve Start of Construction (see Section 3). Although using the same set of slides as in CD-2, the Program should discuss the differences or what has changed since CD-2 with the ESAAB members.

3. **CHARTS.** The charts may be augmented by additional charts that the Programs need to illustrate project systems, problems, issues, or other pertinent factors. However, presentation materials should be minimized to the extent possible. The outline that follows describes the information that should be considered for inclusion on the presentation charts for a CD-2, CD-3, or BCP approval request.

   a. **Title Page.** Indicate the official name of the project, the name and organization of the acquisition proponent, and the name of the presenters. State the ESAAB decision that will be requested at the meeting.

   b. **Mission / Objectives.** Indicate the original mission need statement. If the Program has identified a credible performance gap between its current capabilities and stated goals, then indicate the updates to the mission-related need. Also, state the key program and project objectives. The relationship between the program and project objectives should be clear.

   c. **Project Technical Scope / Process.** Show a recent photograph or artist's conception of the project. Use a technical process flow chart or similar graphic to summarize how the facility or machine is expected to function. Identify key requirements (or KPPs). Show the basic technical baseline requirements for the project. A history of project related events and a detailed technical description should be avoided due to time constraints. The ESAAB members and advisors should be briefed by their respective staffs or may request a briefing by the respective Program.

   d. **Baseline Project Summary Schedule.** Provide an overview of project activity; display the baseline schedule for the life of the project. Include all Acquisition Executive decision points, other critical decisions and events, major milestones including ES&H milestones that may impact the project's critical path, and critical path for project implementation. Also, state the tailoring strategy for adapting critical decision requirements, if any.

   e. **Baseline Resource Plan.** Show the funding authority profile available and anticipated. Show both cumulative obligations and costs planned by fiscal year over the life of the project. Actual costs and obligations to date shall be shown against these plans. All costs and obligations shall be denoted in current-year dollars for the year of expenditure. Address the basis of the cost/schedule estimate to include methodology and confidence levels. Also, show the total estimated cost for design, construction, and startup to include contingency, management reserve, fees, and ODCs. If a BCP, the Program must show

how much funding is required and where the funding is coming from in the Program.

f. **Readiness to Proceed.** In a very brief, bullet style manner, summarize the status of each critical decision prerequisite. Succinctly state the problem, issue, or item of concern, list the corrective actions taken, the additional corrective actions required (with dates), and an assessment of the impact on the project. Prepare a separate chart for each topic to be discussed with whatever illustrative material is appropriate to present the problem, issue, or item of concern in a fully informative manner. [Highlight the major system critical decision prerequisites (as prescribed in DOE O 413.3A) needed to bring a project to the next major milestone in the acquisition phase.]

g. **Assumptions and Constraints.** Identify the assumptions and constraints related to the project life cycle to include phases of design, construction, commissioning and operations.

h. **Risk Management.** Summarize the key risks resulting from assumptions, requirements, technology readiness, staffing and the like. Include your mitigation plans as well as the likelihood of occurrence and consequence of impact.

i. **Project Contract Status.** Review or update the project's acquisition plan and the contractor's performance to date.

j. **Integrated Project Team.** Show the participating organizations and their responsibilities in the form of an organization chart. This is the opportunity to depict the manner in which the project is being managed. Laboratory/contractor/partner responsibilities should be included. Also show, in a separate box, a summary of the DOE staffing, both on-board and planned.

k. **ICE, EIR, and EVMS Summary.** Summarize the resolution of ICE, major EIR findings, and the status of EVMS certification.

l. **Summary and Recommendation.** Highlight the key points from the presentation, restate the decision requested, and identify the next actions planned following the requested decision by the Acquisition Executive.

APPENDIX D
ESAAB MEMBERS

Full-time ESAAB Members				
Organization	**Symbol**	**Principal**	**Ext.**	**Scheduler**
Deputy Secretary, Secretarial Acquisition Executive (ESAAB Chair)	S-2	Dan Poneman	6-5500	Paige Fitzgerald
Associate Deputy Secretary	S-2	Mel Williams	6-9500	John Stewart
Under Secretary for Energy (Acting)	S-3	Vacant	6-7700	Miles Brundage
Under Secretary for Science	S-4	Steve Koonin	586-0505	Megan Chambers
Office of General Counsel	GC-1	Sean Lev	6-5281	Katharine Dickerson
Administrator, Office of NNSA	NA-1	Thomas D'Agostino	6-5555	David Alldridge
Director, Office of Management	MA-1	Ingrid Kolb	6-2550	Robin Henderson
Office of the Chief Financial Officer	CF-1	Owen Barwell	6-4171	Shannon Shriber
Assistant Secretary, Office of Environmental Management	EM-1	David Huizenga	6-7709	Lori Schmader
Chief Health, Safety and Security Officer	HS-1	Glenn Podonsky	3-3777	Frances Rose
Chief of Defense Nuclear Safety	NA-SH-10	Don Nichols	6-8216	Lalissa McKnight
Chief of Nuclear Safety	S-5	Richard "Chip" Lagdon	6-0799	Elaine Merchant
Deputy Administrator, Office of Defense Programs	NA-10	Donald Cook	6-2179	Mary Laders-Haller
Director, Office of Science	SC-1	William F. Brinkman	6-5430	Dionne Claxton
Director, Office of Engineering & Construction Management	MA-50	Paul Bosco	6-3524	Rosalyn Matthews
Director of Procurement & Management Assistance (Acting)	MA-60	Patrick Ferraro	7-1388	Sandra Addison

Please note: this is the "As-Needed" list and all these members need not be invited.

As-Needed ESAAB Members				
Organization	**Symbol**	**Principal**	**Ext.**	**Scheduler**
Associate Administrator for Acquisition and Project Management	NA-APM-1	Bob Raines	6-5627	Jim Fores
Director, Office of Budget	CF-30	Christopher Johns	6-4049	Derrick Nayo
Deputy Director for Budget Analysis	CF-31	Shalini Benson	6-6023	Derrick Nayo
Deputy Director for Budget Operations.	CF-32	Hose Villar	6-8764	Derrick Nayo
Office of Engineering & Construction Management	MA-50	Vacant	6-5627	Rosalyn Matthews
Chief Acquisition Officer	MA-1	VACANT	6-2550	Robin Henderson
PSO – SC	SC-28	Daniel Lehman	3-4840	Self
PSO – EM-10	EM-10	Vacant	3-5838	Self
Project Assistance & Assurance	EM-11	Lowell Ely	3-6821	Self
DAS Acquisition & Contract Mgmt	EM-80	Jack Surash	6-6382	Trina Johnson
PSO – NNSA	NA-APM-20	Mike Hickman	6-8872	Self
Assistant Secretary Fossil Energy (FE projects only)	FE-1	Charles D. McConnel	6-6660	Audrey Johnson-Tolbert
Assistant Secretary EERE (EERE projects only)	EE-1	Henry Kelly	6-9220	Meghan Condon
Director of Legacy Management	LM-1	David Geiser	6-8324	Tianna Rodriquez
Assistant Secretary for Nuclear Energy	NE-1	Peter Lyons	6-2240	Alison Kennedy

Pre-ESAAB MEMBERS

Organization	Symbol	Principal	Ext.	Scheduler
Director, Office of Budget	CF-30	Christopher Johns	6-4049	Derrick Nayo
Deputy Director for Budget Analysis	CF-31	Shalini Benson	6-6023	Derrick Nayo
CFO/Cognizant Budget Examiner (SC)	CF-30	John Stann	3-7790	Self
CFO/Cognizant Budget Examiner (NNSA, SC)	CF-31	Mark Joseph	6-7717	Self
CFO/Cognizant Budget Examiner (SC)	CF-31	Beverly Kipe	3-2254	Self
CFO/ Cognizant Budget Examiner (SC)	CF-31	Natalia Melcer	6-5833	Self
CFO/Cognizant Budget Examiner (EM)	CF-31	Greg Singleton	7-6092	Self
CFO/Cognizant Budget Examiner (OE, PMAs)	CF-31	Alex Dey	6-5854	Self
EERE/Director, Sustainability Performance Office	EE-2N	Jennifer MacDonald	6-8645	Kristina Wheeler
OECM	MA-50	Paul Bosco	6-3524	Rosalyn Matthews
OECM	MA-50	Vacant		Rosalyn Matthews
OECM/Cognizant Project Analyst (Team Lead)	MA-50	Mike Peek	6-8223	Self
OECM/Cognizant Project Analyst (EM-RL, ORP-Tank Farm, SLAC, EM-INL)	MA-50	Mark Whitson	7-1697	Self
OECM/Cognizant Project Analyst (NNSA)	MA-50	John White	6-3716	Self
OECM/Cognizant Project Analyst (WTP, NNSA-Pantex, EM-Oak Ridge, ETTP, Y-12, PPPO)	MA-50	Darren Morton	7-1940	Self
OECM/Cognizant Project Analyst (EM-SR, NE)	MA-50	Rick Elliott	7-1520	Self
OECM/Cognizant Project Analyst (NNSA-SRS, EE)	MA-50	Tony Ermovick	6-8254	Self
OECM/Cognizant Project Analyst (SC, EM-LANL/LLNL/ LBNL)	MA-50	Brian Huizenga	6-9588	Self
OECM/Cognizant Project Analyst (ORP-WTP)	MA-50	Brian Kong	6-3151	Self
OECM/ Cognizant Project Analyst (EM-Small Sites, FE)	MA-50	Tom Bruder	6-0199	Self

Pre-ESAAB Members (cont.)				
Organization	**Symbol**	**Principal**	**Ext.**	**Scheduler**
HSS	HS-30	Jim O'Brien	3-1408	Self
HSS	HS-31	Pranab Guha	3-7089	Self
NNSA	NA-APM-20	Katherine O'Mara	6-6867	Self
NNSA	NA-APM-20	Mike Hickman	6-8872 3-3357	Self
NNSA	NA-APM-20	Jane Gartner	3-8235	Self
Principal Deputy Assistant Secretary for EM	EM-2	Tracy Mustin	6-5216	Lori Schmader
EM	EM-10	VACANT		Self
EM	EM-11	Lowell Ely	3-6821	Self
EM	EM-80	Jack Surash	6-6382	Trina Johnson
EM	EM-80	Suneel Kapur	6-0110	Self
SC	SC-28	Daniel Lehman	3-4840	Self
SC	SC-28	Kin Chao	3-4116	Self
SC	SC-28	Casey Clark	3-5451	Self
Assistant Secretary for Nuclear Energy	NE-3	Richard Stark	3-4407	Self
Assistant Secretary for Nuclear Energy	NE-31	Mary McCune	3-8152	Self
Office of Procurement and Assistance Management	MA-60	David Boyd	7-1310	Sandra Addison
Chief of Nuclear Safety	CNS	Joseph “Tim” Arcano	3-0139	Self
Chief of Nuclear Safety	CNS	Gustave “Bud” Danielson	3-2954	Self
General Counsel	GC-31	Steve Miller	6-2925	Self
General Counsel	GC-50	Sean Lev	6-7347	Self
Office of NEPA Policy and Compliance	GC-54	Carol Borgstrom	6-4600	Self
Office of NEPA Policy and Compliance	GC-54	Jim Daniel	6-9760	Self
General Counsel	GC-60	Gena Cadieux	6-3426	Lisa Brown
General Counsel	GC-61	VACANT		Lisa Brown

APPENDIX E
EXAMPLE OF THE DECISION MEMORANDUM

MEMORANDUM FOR RAYMOND L. ORBACH
UNDER SECRETARY FOR SCIENCE

THROUGH: INGRID KOLB
DIRECTOR, OFFICE OF MANAGEMENT

FROM: JEFFREY F. KUPFER
ACTING DEPUTY SECRETARY

SUBJECT: Critical Decision (CD)-3, Approve Start of Construction for the National Synchrotron Light Source II at Brookhaven National Laboratory

As the Secretarial Acquisition Executive for the Office of Science's (SC) National Synchrotron Light Source II (NSLS II) at Brookhaven National Laboratory, I approve the Start of Construction (CD-3). The project was baselined at CD-2 with a Total Project Cost (TPC) of $912M and a June 2015 completion date.

Any conditions coincident with this critical decision approval are reflected within the appropriate Energy Systems Acquisition Advisory Board minutes.

cc: Bud Albright, Under Secretary of Energy

APPENDIX F
EXAMPLE OF THE STAFF MEMORANDUM

MEMORANDUM FOR	DANIEL B. PONEMAN DEPUTY SECRETARY
THROUGH:	INGRID KOLB DIRECTOR, OFFICE OF MANAGEMENT
FROM:	PAUL BOSCO SECRETARIAT, ENERGY SYSTEMS ACQUISITION ADVISORY BOARD
SUBJECT:	Meeting Minutes of the Energy Systems Acquisition Advisory Board (ESAAB) for Review and Discussion of the Critical Decision-2 (Approve Performance Baseline) for the Physical Sciences Facility (PSF) project at the Pacific Northwest National Laboratory (PNNL)
ISSUE:	Need approval of CD-2 and ESAAB meeting minutes.
BACKGROUND:	On June 22, 2007, the Deputy Secretary chaired a meeting of the ESAAB to discuss CD-2 for the PSF project at PNNL. PSF is a line item construction project within the Capability Replacement Laboratory (CRL) Program that relocates PNNL functions to accommodate EM clean-up within the Hanford 300 area.
SENSITIVIES:	None
POLICY IMPACT:	None
RECOMMENDATION:	Sign the CD-2 approval and ESAAB meeting minute memorandums.

Attachments

APPENDIX G
EXAMPLE OF THE ESAAB MEETING MINUTES

MEMORANDUM FOR DANIEL B. PONEMAN
DEPUTY SECRETARY

THROUGH: INGRID KOLB
DIRECTOR, OFFICE OF MANAGEMENT

FROM: PAUL BOSCO
SECRETARIAT, ENERGY SYSTEMS ACQUISITION
ADVISORY BOARD

SUBJECT: Meeting Minutes of the Energy Systems Acquisition Advisory Board (ESAAB) for Review and Discussion of the Critical Decision-2 (Approve Performance Baseline) for the Physical Sciences Facility (PSF) project at the Pacific Northwest National Laboratory (PNNL)

BACKGROUND: On June 22, 2007, the Deputy Secretary chaired a meeting of the ESAAB to discuss Critical Decision-2 (CD-2, Approve Performance Baseline) for the Physical Sciences Facility (PSF) project at the Pacific Northwest National Laboratory (PNNL). PSF is a line item construction project within the Capability Replacement Laboratory (CRL) Program that relocates PNNL functions to accommodate EM clean-up within the Hanford 300 area. Prior Critical Decisions include: CD-0 in September 2004, CD-1 in December 2005, and CD-1R in December 2006.

The PSF project is managed by SC and is jointly sponsored (funded) by SC ($98M), NNSA ($70M), and DHS ($56M) with a proposed Total Project Cost (TPC) of $224M (the parenthetical monetary numbers have been rounded). The success of the overall CRL mission will depend on completion of several other related activities:

- Construction of the Biological Sciences Facility (BSF) and the Computational Sciences Facility (CSF) using a proposed alternative financing strategy;
- Area 300 utilities rerouting funded by EM;
- Repairs/modifications to three retained buildings funded by SC;
- Installation of PSF Site utilities funded by the State of Washington; and
- Relocation of capabilities funded by PNNL.

DISCUSSION:

Following the presentation by Chad Henderson, the Federal Project Director, much discussion followed, including the continued need to designate the PSF project as a Major System (MS) project. Even though the TPC of $224M is well below the MS threshold, the Capability Replacement Laboratory (CRL) program was designated as a MS project because of complex interfaces between the many sub-projects under the CRL and the joint funding by the Offices of Science, National Nuclear Security Administration and the Department of Homeland Security. Marc Jones explained that the PSF project has resolved most of these issues by agreeing to a funding strategy with the sponsors in a Memorandum of Understanding and formalizing facility turnover dates with EM. Mr. Jones also explained that the construction scope is straightforward and the TPC is well below the dollar threshold for a MS project. It was suggested that the SAE consider delegation of specific AE authorities in conjunction with the requirement that SC provide a quarterly briefing to the Deputy Secretary. Marc Jones explained that delegation of authority for CD-3 to the Under Secretary for Science was needed to maintain the project schedule. Charles Anderson said that EM will miss milestones if the PSF project schedule slips.

The Deputy Secretary asked whether there was any contamination under building 325. Charles Anderson explained that EM was confident that the contamination under the building was localized and did not pose any risk of contributing to existing contamination plumes. Cleanup of any contamination under the building after the mission life of the facility would be straightforward.

Mary Egger asked about the relationship of the scope of the proposed alternatively financed buildings to the PSF and the risk to the overall CRL project if that proposal was not approved. Dr. Orbach stated that the risk of moving forward with the PSF project before approval of the business case was minimal. In his view, the alternative financing was the best strategy. He recommended that the PSF project proceed while the acquisition strategy for the other two facilities is decided.

A question was raised as to why DHS was not represented on the IPT. SC explained that DHS is fully supportive of the approach and has signed the Project Execution Plan (PEP). DHS has been and will be kept informed through regular project reviews. SC was asked if this project was in the DHS five-year budget plan. Dr. Orbach replied that DHS does not have five-year budget plans, however DHS (Adm. Cohen) has promised full support for the project and if DHS does not come through because of Congressional action, or any other reason, SC will fund the shortfall.

Ed Simpson asked how Battelle will be held accountable for performance on this project. George Malosh stated that the Battelle contract specifically includes metrics that measure cost and schedule performance for construction projects. These metrics will influence Battelle's overall scorecard and the award fee. PNNL has made significant personnel changes at the management level to address past performance issues.

Regarding a question about safety risks, Chip Langdon stated that his organization had reviewed the project safety documentation and found that the project team had satisfactorily addressed all nuclear safety issues.

MA recommended that the Deputy Secretary:

- Approve PSF project performance baseline with TPC of $224M and project completion date of Feb 2011 (CD-2).
- Approve the PEP and delegate approval of future updates of the PEP to the Under Secretary for SC.
- Delegate approval of start of early construction for site preparation (CD-3a).
- Delegate approval of the business case for alternatively financed facilities to the Under Secretary for Science.

RECOMMENDATION: Deputy Secretary sign the attached memorandum approving the project performance baseline (CD-2) and delegating AE authority to approve:

(1) Start of early construction for site preparation (CD-3a);
(2) Business case for alternative financing of the BSF and the CSF (subject to successful review and agreement from OMB); and
(3) Future updates to the PEP.

Approved: _____

Disapproved: _____

Date: _____