

Management System: [Project Management](#)

Subject Area: [Critical Decision Management](#)

Procedure: **Critical Decision 4, Approve Start of Operations or Project Completion**

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1.0 Applicability

This procedure applies to Office of Environmental Management (EM) Federal Project Directors (FPD), Integrated Project Teams (IPT) members, and EMCBC Line Management responsible for the execution of all projects subject to the mandatory project management requirements in U.S. Department of Energy (DOE) [O 413.3B](#), *Program and Project Management for the Acquisition of Capital Assets*. This procedure specifically pertains to achievement of Critical Decision 4 (CD-4), *Approve Start of Operations or Project Completion*. Refer to DOE [G 413.3-16A](#), *Project Completion/Closeout Guide*, for additional detail on non-mandatory approaches for implementing CD-4 (as well as Post-CD-4/Project Closeout) requirements in the DOE Order.

For EM projects, the term “operations” can include returning a site to the DOE Landlord (e.g., DOE Office of Science [SC] or the National Nuclear Security Administration [NNSA]) so that the landlord can perform future long term response actions (LTRA) associated with the environmental remedy. LTRA can include such things as operating a groundwater pump & treat facility or monitoring the integrity of a landfill cap; long-term groundwater monitoring; protection of natural, cultural or historic resources; and serving as the custodian for environmental cleanup and other categories of Government-owned records associated with the site. In 2003, EM Headquarters issued guidance on the definition of “EM Completion” and the process for transition of LTRA responsibilities to the DOE Landlord. Consistent with three subsequent and separate EM Headquarters’ agreements with the DOE Office of Legacy Management (LM), SC and NNSA, the “site transition” process was required to include several critical elements, including general planning, budget, records management and real property considerations. EM Headquarters has yet to negotiate such an agreement with the DOE Office of Nuclear Energy (NE). Refer [to Section 3, References](#), for copies of EM Headquarters’ guidance in 2003 and the EM agreements with LM, SC and NNSA.

As stated in DOE O 413.3B, CD-4 is the achievement of the project completion criteria defined in the Project Execution Plan, the approval of transition to operations, and it marks the

completion of the project execution phase. The approval of CD-4 is predicated on the readiness to operate and/or maintain the system, facility, or capability. The Acquisition Executive (AE) approving CD-4 must clearly specify the scope accomplished, the Total Project Cost (TPC), Key Performance Parameters met, and the completion date as it relates to the original CD-2 (*Approve Performance Baseline*) and latest approved baseline change. The date the AE signs the CD-4 Approval Memorandum represents the CD-4 completion date (i.e., the CD-4 completion date is not the date the EM Contractor achieves Physical Completion, or the date the FPD approves the Requirements Checklist for CD-4 Completion and requests AE approval of CD-4). Table 2.4 in Appendix A to DOE O 413.3B identifies the requirements to attain CD-4, as well as the requirements that must be met within 90 days of CD-4 approval.

2.0 Required Procedure

Approve Start of Operations or Project Completion (CD-4) marks the achievement of the completion criteria defined in the Project Execution Plan (PEP) and approval of transition to start of operations or project completion. Transition and turnover does not necessarily terminate all project activity; rather, it marks a point at which the “operations” organization assumes responsibility for operation and maintenance (O&M) of activities that had previously been performed under the EM project (NOTE: The terms O&M and LTRA are frequently used interchangeably).

DOE O 413.3B requires capital asset projects to have a Project Transition to Operations Plan (TOP) that clearly defines the basis for attaining initial or full operating capability or meeting performance criteria as required for project completion/closeout, as applicable. DOE G 413.3-16A includes non-mandatory approaches to development of a TOP. The key attributes in the turnover activities described in a TOP are the Government’s readiness to operate, the ability to assume operational responsibility, and the acceptance of the assets. In lieu of a traditional TOP, DOE O 413.3B refers environmental cleanup projects to 29 CFR 1910.120 (OSHA - Hazardous Waste Operations and Emergency Response) requirements. In addition, the aforementioned agreements between EM and LM, and between EM and SC and EM and NNSA, pertaining to the site transition process provide further detail on requirements at non-mission/closure sites and ongoing mission sites, respectively.

Requirements related to CD-4 include Steps 1-11 below. Also note the Exception to the below 11 steps for projects that employ a “phased” approach to accomplishment of CD-4.

Step 1	Determine the Critical Decision Approving Official. For capital asset projects with a TPC less than \$100M, designation of AE authority may be delegated to the Field Office or Site Office Manager. The level of AE authority will dictate the level of review (e.g., Site or Field Office, Assistant Secretary for EM, DOE Deputy Secretary) by the Acquisition Advisory Board (AAB) that will provide recommendations to the AE.
Step 2	The Federal Project Director (FPD), with support from the Integrated

	<p>Project Team (IPT), shall complete the following major prerequisites for obtaining CD-4 approval (see DOE O 413.3B, Appendix A, Table 2.4, for the complete listing of CD-4 requirements):</p> <ul style="list-style-type: none"> • Verify that Key Performance Parameters (KPP) and Project Completion Criteria have been met. • Issue a Transition to Operations Plan (TOP), if required. The TOP may be included as part of the Project Execution Plan. • Conduct formal assessment of project’s Readiness to Operate, if required. • Complete any Nuclear Facility Safety requirements (ORR, RA, TSRs, etc.), if required. <p>NOTE 1: See DOE G 413.3-16A for additional guidance on the CD-4 process. Also see EM-11 SOP#004 for requirements on CD-4 package content and approval processes for EM capital asset projects.</p> <p>NOTE 2: Typically, EM must begin site transition planning activities, in consultation with the DOE landlord program, no later than three years before the first day of the fiscal year in which site transition is scheduled to occur. Refer to the EMCBC Management System Description (MSD), System Description entitled “Site Transition” and the associated Procedure entitled “Essential Steps to Site Transition” for additional details on this process. Achievement of CD-4 is predicated on successful accomplishment of both the physical remediation work and site transition planning requirements.</p>
<p>Step 3</p>	<p>Initiate planning for request of AE approval of CD-4 via the Energy Systems AAB (ESAAB), Environmental Management AAB (EMABB) or EMCBC AAB (CBCAAB), as appropriate, depending upon delegated authority. Typically, Major Systems Projects require ESAAB review and Non-Major Systems Projects require EMAAB or CBCAAB review, depending on delegated authority. For projects requiring ESAAB review, proceed to Steps 4-7 below. For projects that do not require ESAAB review, proceed directly to Steps 8-10.</p>
<p>Step 4</p>	<p>Review the ESAAB Timeline for obtaining CD-4 (refer to Appendix B of the ESAAB Procedure).</p>
<p>Step 5 <i>Major Systems Projects</i></p>	<p>Conduct Pre-ESAAB Meeting.</p> <ol style="list-style-type: none"> a. When the CD-4 prerequisites (Step 2 above) are completed, the Program Office (EM-1) may request that the Office of Project Assessment (EM-53) schedule a Pre-ESAAB meeting with the DOE Office of Acquisition and Project Management

	<p>(OAPM).</p> <p>NOTE: The Pre-ESAAB serves as a dry-run of the Secretarial Acquisition Executive ESAAB meeting with the DOE Deputy Secretary. The purpose of the Pre-ESAAB is to resolve comments and issues prior to the formal ESAAB meeting.</p> <p>b. The Federal Project Director, in consultation with the EM Line Manager, should prepare a draft presentation and submit it to EM-53 one week prior to the Pre-ESAAB meeting. The Pre-ESAAB briefing is usually presented by the Program Associate Director, Program Manager, or the Federal Project Director.</p>
<p>Step 6 <i>Major Systems Projects</i></p>	<p>In parallel with scheduling a Pre-ESAAB meeting, the Program Office will also schedule a briefing with the Under Secretary and/or the Director/Principal Deputy Director, and EM-53.</p> <p>NOTE: The purpose of this meeting is to brief senior-level management on the project's request for CD-4 approval and to determine who (the Under Secretary, Director/Principal Deputy Director, Program Associate Director, or the Federal Project Director) will make the presentation at the Secretarial Acquisition Executive ESAAB meeting. The Program Office usually tries to schedule this briefing several days prior to the Pre-ESAAB meeting, as a courtesy to senior management and to receive senior management's perspective/comments on the draft presentation.</p>
<p>Step 7 <i>Major Systems Projects</i></p>	<p>Obtain Secretarial Acquisition Executive ESAAB Review/Approval of CD-4 by performing the following steps:</p> <p>After briefing Senior Management (Step 6 above) and completing the Pre-ESAAB meeting (Step 5 above):</p> <p>a. The Program Office will work with the Pre-ESAAB members to resolve issues and answer inquiries prior to the Secretarial Acquisition Executive ESAAB meeting.</p> <p>b. When inquiries and issues are resolved to the extent possible and the briefing is finalized, the Program Associate Director forwards the finalized presentation to the ESAAB Secretariat and requests that the Secretarial Acquisition Executive ESAAB meeting for CD-4 be scheduled. Distribution for the briefing package should include:</p> <ul style="list-style-type: none"> o Deputy Assistant Secretary, Acquisition and Project

	<p style="text-align: center;">Management (EM-50)</p> <ul style="list-style-type: none"> ○ Federal Project Director ○ All others as deemed appropriate by the Program Office <p>c. The OAPM confirms the Program’s readiness to continue with the Secretarial Acquisition Executive ESAAB meeting.</p> <p>d. The ESAAB Secretariat contacts the Program Office with the Secretarial Acquisition Executive’s next available meeting date, which is normally within two to three weeks of the request.</p> <p>e. Prior to the ESAAB meeting, the Program Office will:</p> <ul style="list-style-type: none"> ○ Determine who will make the CD-4 presentation at the ESAAB meeting (the presentation is usually given by either the Under Secretary, the Director/Principal Director, or in some cases the Program Office Associate Director or the Federal Project Director). ○ Determine the individuals who will participate in the Secretarial Acquisition Executive ESAAB meeting (usually limited to five seats). ○ Advise the Office of Project Assessment (EM-53) of the date of the ESAAB meeting. ○ Provide OAPM with 20 color copies and 10 black and white copies of the final presentation at least one-half hour prior to the ESAAB meeting. ○ Provide a laptop computer (for use with the projector) and electronic copy of the CD-4 presentation at the ESAAB meeting. <p>f. After the Secretarial Acquisition Executive ESAAB meeting, the Program Office prepares a draft CD-4 Approval Memorandum in consultation with OAPM.</p> <p>NOTE: The Program Office will receive the final CD-4 Approval Memorandum from the Deputy Secretary of Energy approximately two weeks after the ESAAB meeting.</p> <p>PROCEED TO STEP 11 BELOW.</p>
<p>Step 8 <i>Non-Major Systems Projects</i></p>	<p>When the CD-4 prerequisites (Step 2 above) are completed, the Program Office requests that an EMAAB (or CBCAAB, depending on delegated authority) meeting be scheduled. Refer to Section 3, References, for copies of the applicable DOE Headquarters (ESAAB or EMAAB) and CBC procedures pertaining to AAB review of proposed Critical Decisions. Section 3 also includes supplementary CD-4 guidance from the EM Recovery Act Program (EM-54)</p>

	<p>regarding closeout documentation for capital asset projects that received funding from the American Reinvestment and Recovery Act (ARRA) of 2009..</p> <p>NOTE: The request for an EMAAB or a CBCAAB meeting, as appropriate, should be placed at least two weeks prior to the anticipated AAB meeting date.</p>
<p>Step 9 <i>Non-Major Systems Projects</i></p>	<p>Prepare briefing package on the Requirements Checklist for CD-4 Completion and the draft CD-4 Approval Memorandum.</p> <p>The Federal Project Director, in cooperation with EM-HQ or EMCBC Line Management (as appropriate), prepares a briefing package and a draft CD-4 Approval Memorandum for the EMAAB (or CBCAAB, depending on delegated authority) meeting. The review documents should be forwarded to the Office of Project Assessment (EM-53) or the Office of the Director, EMCBC, as appropriate, at least one week prior to the scheduled AAB meeting.</p> <p>NOTE: EMAAB (or CBCAAB) members will have one week to review the documents and provide preliminary comments or issues to the Federal Project Director and the Program Office.</p>
<p>Step 10 <i>Non-Major Systems Projects</i></p>	<p>The Federal Project Director presents the Requirements Checklist for CD-4 Completion and the draft CD-4 Approval Memorandum to the EMAAB (or CBCAAB, depending on delegated authority).</p> <ul style="list-style-type: none"> • The responsible AAB has the opportunity to ask questions, raise concerns, and make a recommendation for approval to the Acquisition Executive. • Based on these recommendations, the Acquisition Executive will either approve the CD-4 request or defer approval until questions and/or issues are resolved. • The Secretariat for the responsible AAB will prepare and distribute minutes of the meeting.
<p>Step 11</p>	<p>After AE approval of CD-4, the Federal Project Director shall complete the “Post CD-4 approval” and “Project Closeout Requirements” deliverables identified in DOE O 413.3B, Appendix A, Tables 2.4 and 2.5, respectively. These tables include, among other things: completion of an Initial and Final Project Closeout Report and a Lessons Learned Report, and finalizing earned value data in the PARS II database (refer to EMCBC Project Management System, Managing the Project Transition/Closeout Phase, for additional</p>

	guidance on completion of these Post-CD-4 and Project Closeout requirements).
<p>EXCEPTION</p> <p><i>(Phased CD-4 Strategy)</i></p>	<p>In some cases, a “phased” CD-4 approach (e.g., CD-4a / CD-4b) is used if a project has components that will be ready for operation before the entire project is ready for full operations; however, the phased approach may be used in other situations as necessary. The decision to use a phased CD-4 approach is determined early in the project, by the Program Office, Federal Project Director, and the Office of Acquisition and Project Management (EM-50), and is first noted in the Mission Need Statement, Acquisition Strategy, and Preliminary Project Execution Plan.</p> <p>A project requiring a phased CD-4 may have the following schedule:</p> <ul style="list-style-type: none"> • CD-4a, Approve Start of Initial Operations • CD-4b, Approve Start of Full Operations <p>The ESAAB (or EMAAB or CBCAAB, depending on delegated authority) review and approval process for a phased CD-4 is similar to that for a traditional CD-4.</p>

3.0 References

- [DOE O 413.3B](#), *Program and Project Management for the Acquisition of Capital Assets*
- [DOE G 413.3-16A](#), *Project Completion/Closeout Guide*
- OECM Energy Systems Acquisition Advisory Board ([ESAAB](#)) [Procedure](#)
- EM SOPP #41 [Capital Asset Project Critical Decision Approval Process](#) (EMAAB Procedure)
- [EMCBC IP-413.3B, Rev. 2](#), *Consolidated Business Center Acquisition Advisory Board* (CBCAAB Procedure)
- EM-11 [SOP-004 Validation of Project Readiness for Approval for Operations Critical Decision-4](#) (Office recoded EM-53)
- EM-3.1 memo, “[Recovery Act Program Project Closeout](#),” dated 1/13/11 (Office recoded EM-54)
- [EM 1 memo “Definition of EM Completion](#),” dated 2/12/03
- EM-1 memo “[Transition of Long-Term Response Action Management Requirements](#),” dated 6/10/03
- EM-1/LM-1 memo “[Development of Site Transition Plan, use of the Site Transition Framework, and Terms & Conditions for Site Transition](#),” dated 2/15/05

- EM-1/SC-1 memo “[Terms and Conditions for Site Transition](#),” dated 2/09/06
- EM-1/NNSA-50 memo “[Terms and Conditions for the Transfer of Completed Environmental Projects](#),” dated 9/5/06