

Management System: [Project Management](#)

Subject Area: [Project Delivery](#)

Managing the Project Initiation Phase

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**Issue Date:** 8/1/12

**Revision:** 1

## 1.0 Applicability

This procedure applies to Office of Environmental Management (EM) Federal Project Directors (FPDs), Integrated Project Team (IPT) Members, and Program Managers responsible for the execution of all projects subject to the mandatory project management requirements in DOE [Order 413.3B](#), *Program and Project Management for the Acquisition of Capital Assets*. This Process describes the steps needed preparatory to presenting a CD-0 package to DOE Headquarters.

## 2.0 Required Procedure

This Procedure describes how conceptual projects get approval of their Mission Need. Order 413.3B lists prerequisites for CD-1 in Appendix A Requirements, Table 2.0 CD-0 Requirements, included herein as [Attachment 1](#).

The following steps are not necessarily performed sequentially.

Step	Procedure
Step 1	<p>The FPD-designee or Program Manager, acting as the FPD, establishes the initial IPT.</p> <p><b>NOTE:</b> An IPT Charter should be developed to identify and formalize the roles and responsibilities of IPT members. For EM projects, the IPT includes key members of the contractor’s project management team. In many cases, at this early stage of the project, an IPT may be led by the Program Manager until a FPD is assigned to the project. Teams should strive to employ the features of an effective IPT, which include:</p> <ul style="list-style-type: none"><li>a. All IPT Members should establish a strong partnership based on shared vision of project goals and objectives.</li><li>b. The FPD should provide strong leadership, but allow the IPT members to readily surface and address dissenting views on issues.</li></ul>

Step	Procedure
	<p>c. All IPT Members should communicate frequently and openly (both formal and informal).</p>
Step 2	<p>The FPD and IPT consult with the potential project stakeholders to identify the strategic goals and objectives, safety planning, design, capability gaps, high-level project parameters, and a Rough-Order of Magnitude (ROM) cost range and schedule estimates.</p>
Step 3	<p>If the prospective project will likely involve creating or significantly modifying a Nuclear Category 1, 2, or 3 Facility, then the FPD and IPT should identify any nuclear safety requirements and Safety-in-Design expectations (Refer to <a href="#">DOE-STD-1189-2008</a>). A nuclear safety analyst will be a necessary member of the IPT. Describe the issues or requirements in the MNS Approach section.</p> <p>If the prospective project will likely involve a less-than-Category-3 Nuclear Facility, or a minor modification to a Nuclear Category 1, 2, or 3 facility, then that should be discussed in the MNS. A nuclear safety analyst will be a necessary member of the IPT. The project will likely require a Preliminary Hazard Analysis Report or Unresolved Safety Question evaluation at CD-1.</p>
Step 4	<p>The FPD, with the support of the IPT, ensures the preparation of the Mission Need Statement (MNS). The Program Office will identify a credible performance gap between EM's current capabilities and capacities and those required to achieve the goals in its Strategic Plan. The Mission Need Statement is the translation of this gap into functional requirements that cannot be met through other than material means. Refer to DOE <a href="#">G 413.3-17</a>.</p> <p><b>NOTE:</b> Given that the MNS is the formal written rationale for the project which provides the vehicle for formal approval of a new project to proceed within DOE, the MNS is strongest when:</p> <ol style="list-style-type: none"> <li>1. Need is driven by DOE/EM Strategic Plans; EM's Long-Range Facilities Plan; Presidential Initiatives; or Advisory Committee recommendations.</li> <li>2. Goals are clearly communicated.</li> <li>3. Benefits derived are clearly communicated and the community to be served is clearly described.</li> <li>4. Reasonable alternatives for meeting need are described.</li> <li>5. The ROM cost range and schedule duration are demonstrated to fit within the program's overall planned funding profile.</li> </ol> <p><b>NOTE:</b> A MNS should describe the gap of capabilities and the requirements, and must not specify a solution. The OMB <a href="#">Capital Programming Guide</a> presents Three Critical Questions to be answered:</p>

Step	Procedure
	<ol style="list-style-type: none"> <li>1. Does the investment in a major capital asset support core/priority mission functions that need to be performed by the Federal Government?</li> <li>2. Does the investment need to be undertaken by DOE (EM) because no alternative private sector or governmental source can better support the function?</li> <li>3. Does the investment support work processes that have been simplified or otherwise redesigned to reduce costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology?</li> </ol>
Step 5	<p>If the top-end ROM cost is <math>\geq</math> \$750M, then the Project will be a Major System Project. Contact EM-53 and schedule a Mission Validation Independent Review and an Independent Cost Review by OECM.</p> <p>If the top-end ROM cost is <math>\geq</math> \$100M, then contact EM-53 and schedule a review of the Mission Need Statement by OECM.</p> <p>If the ROM cost is <math>&lt;</math>\$100M, then no external reviews are needed.</p> <p>For all mission Need Statements, EM-1 is the approver.</p> <p>Refer to <a href="#">DOE G 413-9</a> and <a href="#">O 413.3B</a>, Appendix C, Topic 18a for further information on early reviews.</p>
Step 6	<p>The FPD, with support from the IPT, prepares the CD-0 Package for Acquisition Executive Approval per <a href="#">Critical Decision 0, Approve Mission Need</a>, in the <i>Critical Decision (CD) Management</i> Subject Area of this Management System.</p> <p><b><u>After Critical Decision 0 is approved:</u></b></p>
Step 7	<p>The FPD, with support of the IPT, and in coordination with the Program Office Sponsor, prepares a Preliminary Funding Profile for the project.</p> <p><b>NOTE:</b> At this very early stage of Project Initiation it is necessary to make estimates of funding required to execute the project and ensure that the required funding realistically fits within the program's overall budget. "Front-loading" of the funding profile for a project to achieve efficient project execution should be considered as projected program budgets allow. One outcome of this effort will be a determination whether the proposed project will be a Line Item Construction Project (possibly requiring Preliminary Project Engineering and Design funds and a Project Data Sheet) or a Major Item of Equipment (MIE). Regardless if the project will be a Line Item Construction Project, MIE, or an Operations Activity, the FPD and the Program Office will need to develop a viable strategy to get the project into the appropriate window of opportunity in the Federal budget cycle that supports the proposed project schedule.</p>

Step	Procedure
Step 8	<p>The FPD, with support from the IPT, develops the Initial Tailoring Strategy for the project. If delegations, long-lead items, unusual combinations of Critical Decisions, or other unusual variants are expected, then prepare a formal Tailoring Strategy for the AE's approval.</p> <p><b>NOTE:</b> A Tailoring Strategy can be applied that staggers <a href="#">Critical Decisions</a> (e.g., CD 2/3, 3a/3b, or 123) as a means for more effectively managing and controlling salient elements of a given project. Initial Tailoring Strategy planning efforts should begin and be documented during this project phase. In addition to phased CDs, tailoring strategy can also discuss topics, such as delegation of authority, funding request requirements, and other topics specific to the project.</p> <p>A Tailoring Strategy is an explicit requirement of CD-1, if only as a section of the Preliminary Project Execution Plan.</p>
Step 9	<p>The FPD, with support from the IPT, initiates Project Assessment and Reporting System (PARS) Status Reporting upon approval of CD-0 using Process 1, <i>Critical Decision 0, Approve Mission Need</i>, in the <i>Critical Decision (CD) Management</i> Subject Area of this Management System.</p>
Step 10	<p>The FPD, with support from the IPT, submits Project Status Reports as directed by the Acquisition Executive or their Designee, as appropriately delegated, upon approval of CD-0.</p> <p><b>NOTE:</b> See the <a href="#">IPABS Guidance</a> for a template, instructions, and example of the content and format of data to be presented in the Project Reviews and monthly reports.</p>

### 3.0 References

1. [DOE O 413.3B](#), *Program and Project Management for the Acquisition of Capital Assets*
2. [DOE G 413.3-9](#), *U.S. Department of Energy Project Review Guide for Capital Asset Projects*
3. [DOE G 413.3-17](#), *Mission Need Statement Guide*
4. [DOE-STD-1189-2008](#), *Integration of Safety into the Design Process*
5. [Critical Decision 0, Approve Mission Need](#), of the [Critical Decision \(CD\) Management Subject Area](#)
6. [IPABS Guidance](#)
7. [OMB Circular A-11](#) Supplement, *Capital Programming Guide*, August 2011

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### Attachment 1

Excerpt from Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*,  
Appendix A, Requirements, Table 2.1 CD-1 Requirements:

<b>Prior to CD-0</b>	<b>Approval Authority</b>
Perform Pre-Conceptual Planning activities that focus on the Program Offices' strategic goals and objectives, safety planning, design, development of capability gaps, high-level project parameters, a ROM cost range, and schedule estimates.	
Perform a Mission Validation Independent Review on all Major System Projects. (Refer to DOE G 413.3-9.)	PSO
Approve a Mission Need Statement Document with recommendation from OECM for projects with a TPC $\geq$ \$100M. (Refer to DOE G 413.3-17.)	PSO
For Major System Projects, or for projects as designated by the SAE, OECM will conduct an Independent Cost Review (ICR).	
<b>For NNSA only</b> , prepare a Program Requirements Document that defines the ultimate goals which the project must satisfy. (Refer to NNSA Business and Operating Policy.)	PSO
<i>For Hazard Category 1, 2, and 3 nuclear facilities, and to the specificity possible, document DOE expectations for Safety-in-Design. (Refer to DOE-STD-1189-2008.)</i>	<i>Safety Basis Approval Authority (SBAA)</i>

**Post CD-0 Approval**

Submit all CD documents to OECM.	
Develop a Project Data Sheet (PDS) for Line Item Projects to request Project Engineering and Design (PED) funds. Develop funding documents for MIE or OE projects for the design, and OMB 300s. (Refer to OMB Budget Call for PDS and Exhibit 300 Template.)	
Initiate monthly PARS II reporting (excluding earned value data). FPD, Program Manager and OECM will provide monthly assessments, as appropriate.	
Initiate Quarterly Project Reviews (QPRs) with the AE or their designee.	
Proceed with conceptual planning and design used to develop alternative concepts and functional requirements using operating funds.	