

Management System: Project Management

Subject Area: Project Delivery

Procedure: Managing the Project Initiation Phase

Issue Date and Revision Number:
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1.0 Applicability

This procedure applies to U.S. Department of Energy (DOE), Office of Environmental Management (EM), Federal Project Directors (FPD), Integrated Project Team (IPT) members and Program Managers who are responsible for the execution of all projects that are subject to the mandatory project management requirements in DOE Order 413.3B, Program and Project Management for the Acquisition of Capital Assets. This procedure describes the steps needed prior to presenting a Critical Decision-0 (CD-0, Approve Mission Need) package to the cognizant Acquisition Executive (AE) for approval.

This procedure describes how conceptual projects get approval of their Mission Need. DOE O 413.3B lists prerequisites for CD-0 in Appendix A (Requirements), Section 4.a, Table 2.0 (CD-0 Requirements). A separate but related EM Consolidated Business Center (EMCBC) procedure, subordinate to the Subject Area Description (SAD) for Critical Decision and Change Control Management (SAD-OCE&PMS-413.3B-A), has step-by-step instructions for preparing a CD-0 package and obtaining AE approval of CD-0. In comparison, the purpose of this procedure for the Project Initiation Phase is to organize the staff and budget for the proposed new project.

Projects at pre-CD-0 do not normally have funds to support them; therefore, CD-0 prerequisite activities are typically funded by Program Direction accounts. The total project cost (TPC) for a project does not begin to accrue until CD-0 has been approved. The key Project Initiation document is the Mission Need Statement (MNS). Only the Assistant Secretary for Environmental Management (EM-1) can approve the MNS (further delegation of this authority is not allowed); for particularly costly projects, actual AE authority may reside at a level higher than EM-1.

The Director of the EMCBC is the line manager for all Small Sites, and also serves as the AE for Small Site capital asset projects that have a TPC under \$100 million. The FPD for such capital asset projects, and any project support personnel (including project site or EMCBC staff), should

review this procedure prior to developing a CD-0 package. This procedure may also be used by Site Directors and Operations Activity Managers (OAMs) at the Small Sites, and any project site or EMCBC support staff, to identify early planning requirements for potential new operations activities. Such operations activities are subject to requirements in the EM Policy & Protocol for Operations Activities, issued in March 2012.

This procedure is consistent with the EM Enterprise Requirements System (EMERS) Functional Area Description (FAD) for Project Management.

2.0 Required Procedure

The following steps are not necessarily performed sequentially. Also, see the aforementioned EMCBC procedure for Critical Decision-0.

Step 1	EM Headquarters will identify the responsible Mission Unit organization that will be supporting the proposed project. This may result from long-term actions leading to the new project in routine order, new events impacting EM priorities, or lobbying from the field for a New Start. If or when funds become available, the responsible Mission Unit will direct those funds to the EMCBC for the subject project.
Step 2	<p>The responsible Mission Unit Office Director and the EMCBC Director will decide which office will be the designated Program Manager until Critical Decision-0 (CD-0, Approve Mission Need) is approved by the cognizant Acquisition Executive (AE). The Program Manager performs the responsibilities of a Federal Project Director (FPD) until such time a FPD is formally appointed (this usually occurs post-CD-0). If the project is a New Start, the Director of the Mission Unit will typically serve as Program Manager; if the project is an on-going multi-year program, the EMCBC Director will usually serve as Program Manager.</p> <p>NOTE: This procedure presumes a proposed project will ultimately be managed by the EMCBC; therefore, the EMCBC Director will typically assign staff to manage the project initiation phase and develop the CD-0 package. Unlike designation of a FPD, such assignments for EMCBC support personnel do not have to be documented via a formal letter of assignment.</p>
Step 3	The FPD-designee, or Program Manager acting as the FPD, establishes the initial Integrated Project Team (IPT).
Step 4	The FPD and IPT consult with stakeholders for the potential project in order to identify strategic goals and objectives, safety planning, design, capability gaps, high-level project parameters, and a Rough-Order of Magnitude (ROM) cost range and schedule estimate.
Step 5	If the prospective project will likely involve creating or significantly modifying a Hazard Category 1, 2 or 3 Nuclear Facility, then the FPD and IPT should

	<p>identify any nuclear safety requirements and Safety-in-Design expectations (refer to DOE-STD-1189-2008, Integration of Safety into the Design Process). In such cases, a nuclear safety analyst should be a member of the IPT. The Mission Need Statement should describe any issues or requirements pertaining to nuclear safety.</p>
Step 6	<p>The FPD, with support from the IPT, directs 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 goals in the EM Strategic Plan. The MNS is the translation of this gap into functional requirements that cannot be met through other than material means (refer to DOE G 413.3-17, Mission Need Statement Guide).</p> <p>NOTE 1: Given that the MNS is the formal written rationale for the project and provides the vehicle for formal approval of a new project to proceed within DOE, the MNS is strongest when:</p> <ul style="list-style-type: none"> • Mission Need is driven by DOE/EM Strategic Plans, EM's Long-Range Facilities Plan, Presidential Initiatives, and/or Advisory Committee recommendations. • Goals are clearly communicated. • Benefits derived are clearly communicated and the community to be served is clearly described. • Reasonable alternatives for meeting the mission need are described. • The ROM cost range and schedule estimate are demonstrated to fit within the EM Program's overall planned funding profile. <p>NOTE 2: A MNS should describe the gap of capabilities and the requirements, and a range of options, but must not specify a solution. Also, see the Office of Management and Budget (OMB) Circular A-11 Supplement (Capital Programming Guide), which presents Three Critical Questions that should be answered.</p>
Step 7	<p>While EM-1 is the approval authority for all MNS, the AE level is determined by the top-end ROM cost estimate.</p> <p>If the top-end ROM cost is \geq \$750 million, then the project is considered a Major System Project, and the Deputy Secretary must approve the project. In such cases, contact the EM Office of Project Assessment (EM-53) in order to schedule a Mission Validation Independent Review and an Independent Cost Review by the DOE Office of Acquisition and Project Management (OAPM).</p> <p>If the top-end ROM cost is \geq \$100 and $<$\$750 million, contact EM-53 in order to schedule a review of the MNS by OAPM. Depending on the current delegations of authority for EM capital asset projects, the AE may be EM-1 or S-3.</p>

	If the ROM cost is <\$100 million, then no external reviews are needed, and the EMCBC Director will serve as the AE. Refer to DOE G 413.3-9 (Project Review Guide for Capital Asset Projects) and DOE O 413.3B, Appendix C (Topical Areas), Topic 18 (Reviews) for further information on required early (i.e., pre-CD-0) reviews.
Step 8	The FPD, with support from the IPT, prepares the CD-0 package and the draft CD-0 Approval Memo for review by the cognizant acquisition advisory board. For additional information, refer to EMCBC Procedures SAP-OCE&PMS-413.3B-A-1 (Critical Decision 0, Approve Mission Need) and SAP-OCE&PMS-413.3B-A-05 (Consolidated Business Center Acquisition Advisory Board).
After AE approval of CD-0	
Step 9	<p>The FPD (with support from the IPT, and in coordination with the Program Office Sponsor) prepares a Preliminary Funding Profile for the project.</p> <p>NOTE: At this very early stage of project initiation, it is necessary to develop estimates of funding required to execute the project and to ensure that the required funding realistically fits within the RM 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 [PED] funds and a Project Data Sheet) or a Major Item of Equipment (MIE). Regardless of whether the project will be a Line Item Construction Project, MIE, or an Operations Activity, the FPD and the Program Office Sponsor will need to develop a viable strategy to get the project into the appropriate window of opportunity during the Federal budget cycle that will support the proposed project schedule.</p>
Step 10	<p>The FPD, with support from the IPT, develops the initial Tailoring Strategy for the project. If delegations, long-lead procurement items, unusual combinations of Critical Decisions, or other unusual variants are expected, then a more formal Tailoring Strategy should be prepared for the AE's approval.</p> <p>NOTE: A Tailoring Strategy can be applied that staggers Critical Decisions (e.g., CD 2/3, 3a/3b, or 1/2/3) 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 the Project Initiation Phase. In addition to phased Critical Decisions, the Tailoring Strategy can also discuss topics such as delegation of authority, funding request requirements, and other topics specific to the project.</p>
Step 11	The FPD, with support from the IPT, initiates Project Assessment and Reporting System (PARS) status reporting upon approval of CD-0.
Step 12	The FPD, with support from the IPT, submits Project Status Reports as directed by the AE or his/her designee, as appropriate, upon approval of CD-0. Refer to

	the EM Integrated Planning, Accountability and Budgeting System (IPABS) Guidance for a template, instructions, and example of the content and format of data to be presented in the Project Reviews and monthly reports. Also see the EMCBC Subject Area Description (SAD) for Project Reporting and Monitoring, which includes subsidiary procedures for OAPM, EM Headquarters and EMCBC-internal project reporting.
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3.0 References – Forms/Attachments/Exhibits

3.1 References

- DOE O 413.3B (Program and Project Management for the Acquisition of Capital Assets)
- EMCBC Subject Area Description SAD-OCE&PMS-413.3B-A (Critical Decision and Change Control Management) and subsidiary Procedures
- Policy and Protocol for Office of Environmental Management Operations Activities (EM-2 memorandum dated March 15, 2012)
- EM Enterprise Requirements System (EMERS), Functional Area Description for Project Management
- DOE-STD-1189-2008 (Integration of Safety into the Design Process)
- DOE G 413.3-17(Mission Need Statement Guide)
- OMB Circular A-11 Supplement, Capital Programming Guide, dated August 2011
- DOE G 413.3-9 (Project Review Guide for Capital Asset Projects)
- EMCBC Procedure SAP-OCE&PMS-413.3B-A-01 (Critical Decision-0, Approve Mission Need)
- EMCBC Procedure SAP-OCE&PMS-413.3B-A-05 (Consolidated Business Center Acquisition Advisory Board [CBCAAB])
- EM Integrated Planning, Accountability and Budgeting System (IPABS) Guidance
- EMCBC Subject Area Description SAD-OCE&PMS-413.3B-C (Project Reporting and Monitoring) and subsidiary Procedures

4.0 Records Generated

Records generated through implementation of this procedure are identified as follows and are maintained by the Office of Cost Estimating and Project Management Support (OCE&PMS) in accordance with the EMCBC Organizational File Plan:

Records Category Code	Records Title	Responsible Organization	QA Classification (Lifetime, Non-Permanent or Not Applicable)
ADM 16-05	ADMINISTRATIVE MANAGEMENT RECORDS, Project Control Files Examples: FPD Appointment Memorandum Initial IPT Charter ROM cost range & schedule Mission Need Statement Initial Tailoring Strategy CD-0 package CD-0 Approval Memo PARS report (electronic) IPABS report (electronic)	Office of Cost Estimating and Project Management Support	Not Applicable

5.0 EMCBC Record of Revision

EMCBC RECORD OF REVISION

DOCUMENT TITLE: Subject Area Procedure: Managing the Project Initiation Phase

If there are changes to the controlled document, the revision number increases by one. Indicate changes by one of the following:

- 1 Placing a vertical black line in the margin adjacent to sentence or paragraph that was revised.
- 1 Placing the words GENERAL REVISION at the beginning of the text.

<u>Rev. No.</u>	<u>Description of Changes</u>	<u>Revision on Pages</u>	<u>Date</u>
0	Initial issue		10/4/11
1	GENERAL REVISION		8/1/12
2	GENERAL REVISION (to meet CBC MS format requirements)		2/26/15