

**Management System: Project Management**

**Subject Area: Project Delivery**

## **Procedure: Managing the Project Transition/Closeout 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 how projects advance from Acquisition Executive (AE) approval of Critical Decision 3 (CD-3, Approve Start of Construction), which occurs near the end of the Project Execution Phase, to the Project Transition/Closeout Phase. The AE approval of CD-4 (Approve Start of Operations or Project Completion) occurs near the end of the Project Transition/Closeout Phase.

A separate but related EM Consolidated Business Center (EMCBC) procedure, subordinate to the Subject Area Description (SAD) for Critical Decision and Change Control Management, has step-by-step instructions for preparing a CD-4 package and obtaining AE approval of CD-4 (see EMCBC Procedure SAP-OCE&PMS-413.3B-A-04 [Critical Decision 4, Approve Start of Operations or Project Completion]). In comparison, the purpose of this procedure for the Project Transition/Closeout Phase is to describe the steps needed to prepare for project completion or start of operations, and for eventual project closeout.

An additional, separate EMCBC procedure (SAP-OCE&PMS-413.3B-A-05 [Consolidated Business Center Acquisition Advisory Board {CBCAAB}]) describes the local acquisition advisory board process. During the Project Transition/Closeout Phase, the CBCAAB serves as the local Change Control Board, which is responsible for reviewing baseline change proposals (BCP) that cannot be approved at the site (i.e., FPD) level for proposed revisions to the technical, cost and/or schedule components of the Performance Baseline that was established at CD-2 (Approve Performance Baseline). The CBCAAB also reviews proposed baseline deviation documentation, prepared by the FPD and/or the EMCBC Project Management Support Office

(PMSO), prior to providing official notice to higher levels of management at DOE Headquarters. The CBCAAB review of proposed BCP (and approval of same, if within the EMCBC Director's delegated authority) includes verification that a contract modification (if required) has been processed in advance of approving the BCP. The CBCAAB membership includes the Assistant Directors from the Office of Cost Estimating and Project Management Support (OCE&PMS), Office of Financial Management (OFM) and Office of Technical Support & Asset Management (OTS&AM); as such, the CBCAAB is in a position to facilitate an integrated approach to monitoring both project changes and contract changes. For further information on EM Headquarters' expectations for an integrated approach to managing contract and project changes, refer to EM Office of Acquisition and Project Management (EM-50) memorandum dated January 22, 2013 entitled "Monthly Reporting on Alignment of Traditional Non-Management and Operating (M&O) Contracts and Project Management Baselines." Also see general DOE guidance contained in DOE G 413.3-20 (Change Control Management Guide).

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 total project cost (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-4 package. This procedure may also be used by Site Directors and Operations Activity Managers (OAM) at the Small Sites, and any project site or EMCBC support staff, to identify potential post-execution project completion and project closeout requirements for EM operations activities. Such operations activities are subject to the 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**

During the Project Transition/Closeout Phase, final updates are made to documents that were in place as of CD-3. Examples include updates to the Environmental Management System (EMS), the Hazard Analysis Report (for facilities below Hazard Category 3), and updates to safety-related documents for Hazard Category 1, 2 & 3 nuclear facilities. After AE approval of CD-4, the FPD is responsible for, among other things, final performance reporting in the DOE Project Assessment and Reporting System (PARS II database), issuance of execution-related lessons learned, and issuance of a Final Project Closeout Report. DOE O 413.3B lists prerequisites for CD-4 and Project Closeout in Appendix A (Requirements), Sections 4.e and 4.f, (Tables 2.4 and 2.5), respectively. Also see DOE G 413.3-16A (Project Completion/Closeout Guide) for further information on pre- and post-CD-4 requirements for capital asset projects.

Planning for the Project Transition/Closeout Phase should begin before CD-3, and will be completed after CD-4. Such planning should include consideration of applicable "site transition" requirements and must be accomplished well in advance of the planned date for transition of any long term surveillance and maintenance (LTS&M) activities to the DOE Landlord, post-EM exit

from the site. The EM site transition planning process applies to the entire EM Portfolio and is separate from, but happens in parallel with, the project management process for capital asset projects (governed by DOE O 413.3B) and for operations activities (governed by the aforementioned EM Policy & Protocol).

In 2014, the DOE Office of Acquisition Management (OAPM) approved a policy change to be incorporated in the next revision of DOE O 361.1 (Acquisition Career Management Program). The change pertains to turnover of the FPD on a project nearing the end of the execution phase. A junior FPD may be appointed to oversee the remaining work and prepare the request for CD-4 approval. The appointment request must be approved by the DOE Certification Review Board (CRB) for the Project Management Career Development Program (PMCDP), and the FPD must be formally appointed by the Program Secretarial Officer (i.e., EM-1). This policy change allows seasoned FPD to transition to new projects; it also provides junior FPD the opportunity to broaden their skills, and ensures appropriate and continued FPD oversight is maintained during the project's transition from execution to transition/closeout.

The following steps are not necessarily performed sequentially.

<b>Step 1</b>	The Federal Project Director (FPD) updates the Integrated Project Team (IPT) membership, as necessary, to address activities performed during the project transition/closeout phase. Any changes in the composition of the IPT should be reflected in an update to the IPT Charter.
<b>Step 2</b>	The FPD, with support from the IPT, ensures that final updates to safety-related documentation are made (if needed). This includes such things as the Hazard Analysis Report (for facilities below Hazard Category 3) and the Documented Safety Analysis and Safety Evaluation Report (for Hazard Category 1, 2 & 3 nuclear facilities).
<b>Step 3</b>	The FPD, with support from the IPT, ensures that final updates are made to the Environmental Management System (EMS) and to any required permits (e.g. termination or transfer of Resource Conservation and Recovery Act [RCRA] and/or National Pollutant Discharge Elimination System [NPDES] Permits).
<b>Step 4</b>	<p>The FPD, with support from the IPT, ensures the preparation of the Project Transition to Operations Plan (TOP), or equivalent document, if needed. Refer to DOE G 413.3-16A, Section 5.0, for elements to consider including in a TOP.</p> <p><b>NOTE:</b> Although DOE O 413.3B states that a TOP is not applicable to environmental clean-up projects, other documentation prepared by EM may serve a similar purpose as a TOP. Upon completion of EM legacy cleanup at a site, and depending upon the requirements of the DOE Landlord, a "site transition plan" may include elements typically included in a TOP. Refer to EMCBC Procedure SAP-OCE&amp;PMS-413.3B-B-08 (Essential Steps to Site Transition) for further information on development of Site Transition Plans (STP). The STP (or equivalent document) includes information on maintenance of the environmental remedy; management of natural, historical and cultural</p>

	resources; real property management; records management; budget and funding; human resources and staffing; training and certification; and safety/emergency management/security planning for sites where the EM legacy cleanup is complete and the DOE Landlord will assume responsibility for LTS&M activities.
<b>Step 5</b>	The FPD, with support from the IPT, ensures the completion of all project-required documentation and actions (e.g., Comprehensive Environmental Response, Compensation and Liability Act [CERCLA] decision documents; LTS&M budget requests and supporting bases of estimate; records management transition plans and associated turn-over of records to the appropriate custodian).
<b>Step 6</b>	<p>If required, the FPD, with support from the IPT, ensures the performance of an Operational Readiness Assessment (ORA) or an Operational Readiness Review (ORR), depending on the nature and complexity of the project. An ORA or an ORR is performed to ensure that Operations and Maintenance Staff are properly trained and qualified to operate and maintain the equipment, systems, facilities, and facility components being turned over. See DOE O 425.1D (Verification of Readiness to Start Up or Restart Nuclear Facilities) for further information on performance of an ORA or ORR.</p> <p><b>NOTE:</b> In cases where an ORA or ORR is not required, but the EM project is required to comply with an EM/DOE Landlord “terms and conditions” agreement for the site transition process, EM and the DOE Landlord may perform a joint site transition readiness review. The purpose of the review is to verify completion of action items defined in the STP (or equivalent document), and any other applicable requirements documents. The level of rigor for performance and reporting of a site transition readiness review is at the discretion of EM and the DOE Landlord. Typically, performance of this review is referenced in the Requirements Checklist for CD-4 (refer to EMCBC Procedure SAP-OCE&amp;PMS-413.3B-A-04 [Critical Decision 4, Approve Start of Operations or Project Completion] for information on what belongs in a CD-4 “package”).</p>
<b>Within 90 days of CD-4 approval</b>	
<b>Step 7</b>	<p>The FPD, with support from the IPT, must submit lessons learned regarding project execution (and facility start-up, if applicable) to the DOE Office of Acquisition and Project Management (OAPM).</p> <p>OAPM will accept lessons learned that have been input to the DOE Corporate Lessons Learned Database, which is maintained by the DOE Office of Health, Safety &amp; Security (HSS), i.e., it is not necessary to submit a formal lessons learned report to OAPM. The “EM Project Management Lessons Learned Guidance,” published in 2011, contains information on submission of lessons learned in the Project Management module of the HSS database. This EM guidance pertains to both capital asset projects and operations activities.</p>

<b>Step 8</b>	The FPD, with support from the IPT, must submit an Initial Project Closeout Report (PCR) to OAPM. The Initial PCR includes preliminary project closeout data (e.g., final total project cost [TPC] and the status of pending contractor requests for equitable adjustment [REA], audits by the Defense Contract Audit Agency [DCAA], and/or any EM litigation). Such activities affect the timing for closeout of the EM contract; consequently, EM's ability to calculate the true-final TPC.
<b>Prior to Project Closeout</b>	
<b>Step 9</b>	<p>The FPD must submit a Final Project Closeout Report (PCR) to OAPM “once all project costs are incurred and invoiced and all contracts are closed.” The Final PCR should include “final cost details as required to include claims and claims settlement strategy where appropriate.” Refer to DOE G 413.3-16A (Project Completion/Closeout Guide) for further information on elements of a Final PCR (guidance can also apply to content of the Initial PCR).</p> <p><b>NOTE:</b> OAPM is aware that the contract closeout process can be impacted by things outside of DOE's control (e.g., the timeliness of DCAA audit completion). Therefore, in lieu of postponing generation of the Final PCR until the contract is closed, in 2014 OAPM agreed to accept a statement from the Contractor to the FPD that certifies all outstanding or expected vendor and subcontractor invoices and other project costs have been received and paid (since project costs rarely change by much more than a few percentage points from that point forward). Such statements by the Contractor must be coordinated with the DOE Contracting Officer, and may be included as an exhibit to the Final PCR.</p>
<b>Step 10</b>	The FPD, with support from the Realty Officer, must document achievement of Facility Sustainment goals (if applicable [e.g., for an EM project involving construction of a new facility]).
<b>Step 11</b>	The FPD, with support from the Realty Officer, must also update the property record in the DOE Facilities Information Management System (FIMS) database, and (if applicable) adjust the site's Ten Year Site Plan

### 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)
- EMCBC Procedure SAP-OCE&PMS-413.3B-A-04 (Critical Decision 4, Approve Start of Construction or Project Completion)
- EMCBC Procedure SAP-OCE&PMS-413.3B-A-05 (CBC Acquisition Advisory Board)
- Monthly Reporting on Alignment of Traditional Non-M&O Contracts and Project Management Baselines (EM-50 memorandum dated January 22, 2013)
- DOE G 413.3-20 (Change Control Management Guide)
- 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 O 361.1 (Acquisition Career Management Program)
- Federal Project Director Assignment to Projects Approaching Critical Decision-4, Start of Operations or Project Completion (OAPM memorandum dated September 30, 2014)
- DOE G 413.3-16A (Project Completion/Closeout Guide)
- EMCBC Procedure SAP-OCE&PMS-413.3B-B-08 (Essential Steps to Site Transition)
- DOE O 425.1D (Verification of Readiness to Start Up or Restart Nuclear Facilities)
- Environmental Management Project Management Lessons Learned Guidance (EM-2 memorandum dated June 3, 2011)

## 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:

<b>Records Category Code</b>	<b>Records Title</b>	<b>Responsible Organization</b>	<b>Quality Assurance (QA) Classification (Lifetime, Non-Permanent or Not Applicable)</b>
ADM 16-05	ADMINISTRATIVE MANAGEMENT RECORDS, Project Control files  <b>Examples:</b> FPD Appointment Memorandum Integrated Project Team Charter (final update) Safety documentation (final update) Transition to Operations Plan (or equivalent) Readiness Review documentation (ORR, ORA) Lessons Learned Initial Project Closeout Report Final Project Closeout Report	Office of Cost Estimating and Project Management Support	Not Applicable
ENV 01-K-03	ENVIRONMENTAL RECORDS – ADMINISTRATION, Environmental Record Case Files, Decontamination and Decommissioning Cleanup & Transitioning Case Files  <b>Examples (Environmental documents):</b> CERCLA Record of Decision CERLCA Operation & Maintenance Plan Environmental Permits (e.g., RCRA, NPDES) Site Transition Plan Site Transition Readiness Review	Office of Cost Estimating and Project Management Support	Not Applicable
ENV 01-K-01	ENVIRONMENTAL RECORDS – ADMINISTRATION, Environmental Record Case Files, Environmental Program Support Files  <b>Examples (Budget documents):</b> Cost estimate for LTS&M LTS&M budget request	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 Closeout/Transition Phase

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

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

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<b>Rev. No.</b>	<b>Description of Changes</b>	<b>Revision on Pages</b>	<b>Date</b>
Rev. 0	Initial issue		12/16/11
Rev. 1	GENERAL REVISION		8/1/12
Rev. 2	GENERAL REVISION		5/1/13
Rev. 3	GENERAL REVISION (to meet CBC MS format requirements)		2/26/15