

Context: Continuous improvement of project management across DOE

- **Review two proposed DOE Orders:**
 - *413.3B, Program and Project Management for the Acquisition of Capital Assets*
 - *415.x, Cost Estimating for DOE Programs and Projects.*
- **“ensure ... these proposed orders will promote achievement of the Department of Energy's goals for project management excellence”**
- **“identify any issues that may hinder the efforts of the Department and its contractors to consistently deliver projects within the original performance baseline”**
- **“...especially focus on any proposed requirements where the cost and/or effort may exceed the intended benefit”**
- **“team shall submit their analysis and recommendations to me by June 28, 2010 “**

Committee Roster

DOE

- M. Hickman (NNSA) co-chair
- D. Lehman (SC)
- J. Eschenberg (EM)
- P. Bosco (OECM)
- B. Berkowitz (OCFO)

Contractors

- J. Krupnick (LBNL) co-chair
- J. Smith (ORNL)
- M. Sueksdorf (LLNL)
- R. Jones (Richland)

Support Staff

DOE

- **K. Chao (SC)**
- **J. Glascock (OECM)**
- **D. Pepson (OCFO)**
- **V. Pratt (OECM)**
- **M. Frank (OCFO)**

Contractors

- **A. Gursahani (LBNL)**

Order 413

- **Threshold raised from \$20M to \$50M**
- **Removed unnecessary requirements**
- **Focus on larger, riskier, more complex projects**
- **Removed IT projects – to be covered separately**
- **Simplified format – much easier to use**
- **Programs can be exempted based on performance**
- **All documentation to go to OECM, not OCFO**

Unnecessary Requirements

- **EVMS approvals**
- **Lessons-learned at every CD**
- **Some QA documentation**
- **415 requirements**

Order 413

Action	45 Day RevCom	30 Day RevCom
Deputy Secretary Approve Committee Recommendation	30-Jun	30-Jun
DOE Order 413.3B Enters RevCom	1-Jul	1-Jul
DOE Order 413.3B Exits RevCom	15-Aug	31-Jul
Revision Working Team Resolves Comments	31-Aug	20-Aug
★ Committee Endorses Comment Resolution	8-Sep	27-Aug
413.3B Enters RevCom for 10 Concurrence Cycle	10-Sep	1-Sep
413.3B Exits RevCom Concurrence Cycle	20-Sep	10-Sep
Revision Team Resolves Concurrence Comments	24-Sep	15-Sep
★ Committee Endorses Concurrence Comment Resolution	28-Sep	20-Sep
Deputy Secretary Approves DOE Order 413.3B	30-Sep	24-Sep

*** The Committee will see the process through.**

Order 415

8 out of 9 agreed:

- **Should not be applicable to capital projects**
- **Any relevant requirements should be placed in a single Order (413), owned by a single functional org. (OECM)**
- **DOE project cost estimators should be in OECM, not OCFO**
- **Proposed requirements:**
 - **Are onerous**
 - **Of dubious merit**
 - **Will cause significant negative cost & schedule impacts**
- **Draft Order 415.X is not ready for RevCom**

Onerous 415 requirements

- **OCA cost review prior to CD-0**
- **Resource-loaded schedules for all viable alternatives at CD-1**
- **OCA independent cost estimate prior to CD-1**
- **OCA independent cost estimate prior to CD-3**
- **Projects must use OCA-developed escalation rates**
- **Any contingency >15% at CD-2 must be justified to ESAAB**
- **More processes & procedures to be developed in new Guide**
- **Mandated WBS structures**

Other recommendations

- 1. Line management accountability**
- 2. Selection of Federal Project Directors**
- 3. Use of fee to incentivize good project management**
- 4. Timely review by line and support organizations**
- 5. Establishment of an Order 413 Directives Governance Board**