





Department of Energy
Washington, DC 20585

MEMORANDUM FOR INGRID KOLB
DIRECTOR, OFFICE OF MANAGEMENT

THRU: KEVIN T. HAGERTY 
DIRECTOR, OFFICE OF INFORMATION RESOURCES

FROM: PAUL BOSCO 
DIRECTOR, OFFICE OF ENGINEERING AND
CONSTRUCTION MANAGEMENT

SUBJECT: Notice of Intent to Revise DOE Order 413.3A, *Program and Project Management for the Acquisition of Capital Assets*.

PURPOSE: Department of Energy (DOE) Order 413.3A, *Program and Project Management for the Acquisition of Capital Assets*, as approved on July 28, 2006, provides DOE with project management direction for the acquisition of capital assets with the goal of delivering projects on schedule, within budget, and fully capable of meeting mission performance, safeguards and security, and environmental, safety, and health standards. The revision will serve as an update based on the outcomes from the Corrective Measures of the Department's Root Cause Analysis (RCA) Report on Contract and Project Management and its Corrective Action Plan (CAP). This update is delineated as one of the outcomes of Corrective Measure Number (8) within the Department's Contract and Project Management RCA Corrective Action Plan (CAP).

JUSTIFICATION: The Department's execution performance of capital asset projects against their original performance baselines can improve. Past project execution performance baseline changes have harmed DOE's credibility and eroded support in Congress. Since 1990, the General Accountability Office (GAO) has included DOE on their High Risk List for Contract (and Project) Management. The Secretary's memorandum of April 7, 2008, accepted and fully endorsed the conclusions and recommendations of a Departmental RCA Report identifying key elements necessary to make meaningful corrective changes to the Department's contract and project management practices. A subsequent CAP was developed and approved by the Secretary on July 18, 2008, to address and correct the root causes that have stymied DOE's past efforts in effective and efficient contract and project management. This CAP has been reviewed and endorsed by the Office of Management and Budget and GAO. As part of the CAP, eight corrective measures were identified and cross functional teams, led



by a Departmental organizational sponsor, were chartered to develop proposals and recommended courses of action to address the key contract and project management issues and root causes. One of the final outcomes delineated in the CAP is an update to DOE Order 413.3A.

A revision of DOE Order 413.3A is required to codify the results and deliverables from each corrective measure team and to inform DOE organizational elements of necessary modifications to their contract and project management practices in planning, execution, and oversight. The Order helps fulfill the Department's mission by supporting the infrastructure goal of the Management Excellence strategic theme of the DOE Strategic Plan. Ultimately, improvements to the Order will support the Departmental efforts to improve contract and project management and facilitate removal from the GAO High Risk List for Contract and Project Management, consistent with DOE leadership and Congressional direction. This directive does not duplicate existing laws, regulations or national standards and it does not create undue burden on the Department.

IMPACT:

The revision will update and re-evaluate program and project management policy, guidance, and standards for alignment, consistency, and effectiveness. Based on the CAP's final outcome, procedures will be established to ensure all contract and project management requirements are clearly documented and followed. Personnel accountability will also be reinforced. Modifications to the series of DOE 413.3 Guides may be necessary upon publication. No additional impacts on other Department-wide directives, technical standards or procedures are anticipated.

The revised DOE Order 413.3A will facilitate DOE conformance with all new requirements and responsibilities as a result of the CAP. Updating DOE Order 413.3A should not be unduly burdensome and will have minimal cost impact. The Office of Engineering and Construction Management plans to develop a first draft during 2009 and complete the RevCom process by the end of fiscal year 2010.

CONTACT:

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DECISION:

Concur:

Nonconcur:

Timeframe: ___ 30 days ___ 60 days ___ 90 days ___ 120 days

Date: