

Office of Science
Project Management Policy
and
Frequently Asked Questions

May 2024

Q: Lab personnel sent me a proposal to design, purchase, and install a large microscope that costs ~\$53M and the lab would like to draft a Mission Need Statement (MNS) for DOE approval. Can you provide some guidance on what a MNS should include?

A: *Since we don't want to give the impression that contractors are directing DOE what to do, MNS should be developed by HQ, not by contractor.*

The MNS is a short document that identifies the gap between current capability and a desired capability. Furthermore, expectations are that MNS should be closely aligned with goals in the programs' strategic or priority plans. It should describe general parameters for potential solutions and its significance or importance to the program or community. To allow Programs to explore variety of options and to have flexibility for changing situation—funding, siting, technical difficulties, etc., that make a preferred alternative infeasible at a later date—MNS should not include a particular solution, equipment, facility, technical solution, or physical end product.¹

Although the program and project may have preferences for a specific technical approach, site alternative, funding type, etc., these details should be in the technical specifications, conceptual design, acquisition strategy, or other documents, but not in the MNS. OMB and others have criticized SC for not evaluating alternatives properly and that SC “backs into” the technology already selected. We don't want to reinforce that impression.

Q: Is the approval of the Mission Need Statement the same as CD-0 approval?

A: *No, approval of the MNS is not the same as CD-0 approval.*

First, all MNS with the high-end TPC range of \$20M or greater is approved by SC-1.*

SC-1 wanted this authority so that he/she is aware of projects being proposed and to ensure sufficient funding is available from overall SC perspective.

After the MNS is approved, there needs to be an SC ESAAB equivalent board meeting.

The purpose of the ESAAB is to allow other organizations—ES&H, Budget, Security, etc. to review, evaluate, and provide input/advice to the Acquisition Executive on how this project may impact other areas or requirements. Also, it should be noted that the PME might not be the person who approved the MNS.

**This is currently what's in the SC Decision Matrix.*

Q: Why is CD-0 approval important?

A: *CD-0 is important because its approval officially marks a project start.*

Additionally, the TPC clock starts ticking from CD-0 approval date—all costs from this date forward accrue to the project's TPC.

More importantly, CD-0 allows Programs to request design or Project Engineering and Design (PED) funds.²

Note:

- *DOE O413.3B and the SC Decision Matrix require that CD-0 be approved prior to requesting PED or design funding.*
- *TPC = TEC + OPC*
- *TEC = TEC PED + TEC Construction*

Q: Can I have one Mission Need Statement or CD-0 with more than one project?

A: *Yes, the Mission Need Statement or a CD-0 approval can have or be for more than one project.*

Mission Need or CD-0 phase is at a high-level information knowledge stage. As more details becomes available through Conceptual Design and the Alternative Analysis process, that best option might be to have more than one project.

See DOE Order 413.3B, Appendix C, pages C-28 to C-31 for more details.

Q: If a Program is exempt from the requirements of the Order—what does this mean? What is a project to do?

A: *Projects are not required to meet any requirements of the Order except for four conditions. Any capital asset project with TPC of \$50M* or greater, regardless of Order applicability or exemption status must:*

- *Report in Project Assessment and Reporting System (PARS II) at Critical Decision (CD)-0.*
- *All **approved** CD or equivalent documents shall be submitted to DOE Office of Project Management (PM),*
- ***Performance baseline** change proposal **approvals** shall be submitted to PM, and*
- ***PM will lead Independent Cost Reviews or Independent Cost Estimates prior to CD-0 to CD-3 for projects with TPC of \$100M or greater.***

Note: the nuclear safety-related requirements of the Order, including DOE-STD-1189-2016, shall not be exempted.

**We still have to follow the principles of the Order and for SC Projects, the requirements are specifically stated in the SC Project Decision Matrix.*

(EIR, TRA, Tech Maturity Plan, Design Mgmt Plan, PDRI, no PMRC for most projects, delegations, project document reviews by PM, etc.)

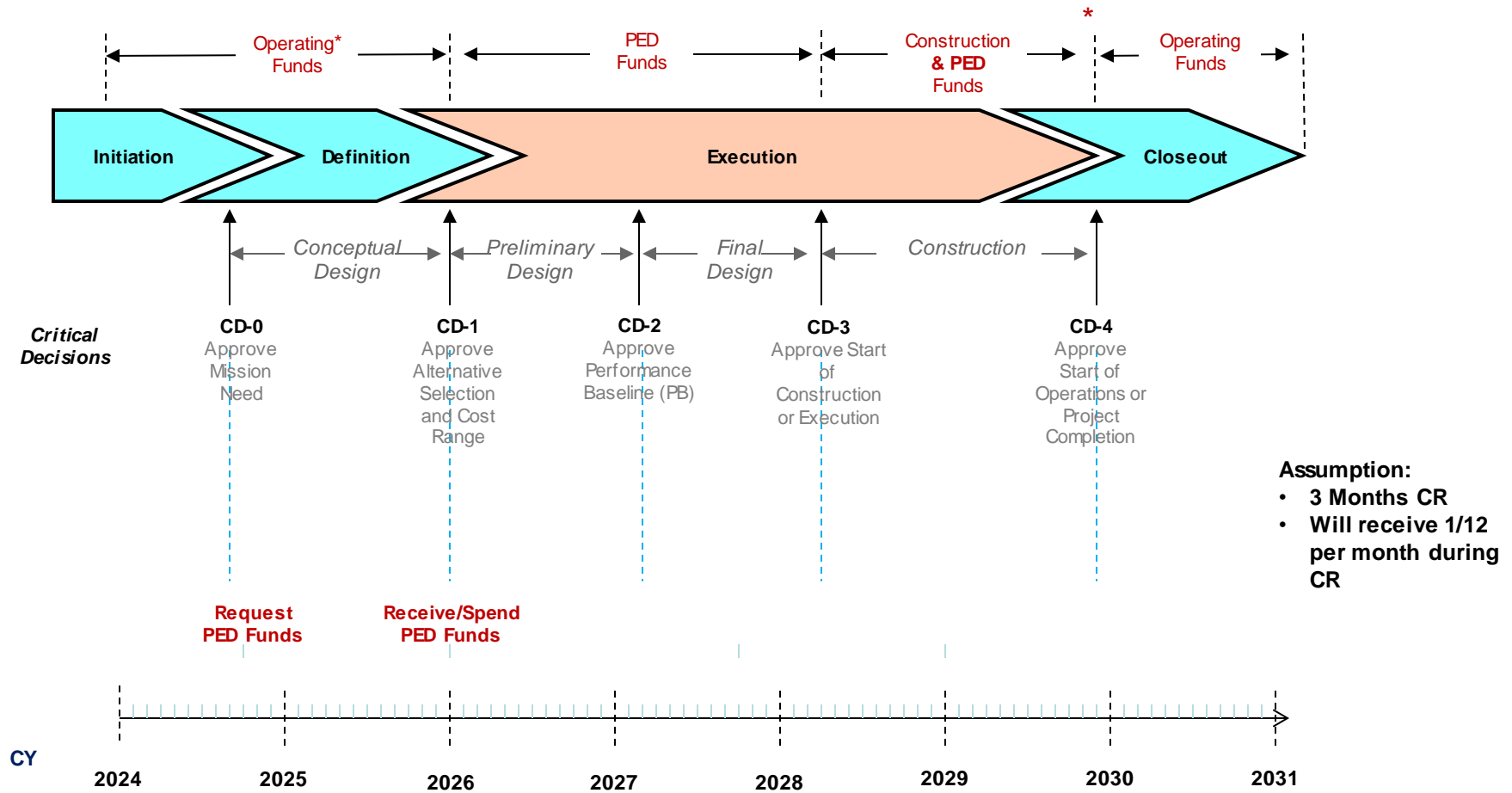
Q: You just said that a project can't request PED funds until CD-0 is approved. However, my project plans to start preliminary design after a CD-1 approval, in 9 months. I can't do that now since I will now have to wait over a year from today to get the PED funds. Is that right?

A: *Yes, the project should have requested fund in last year's budget cycle. **Projects need to consider the budget cycle when planning for project milestones and schedules.** CD-0s need to be approved at least a year or more earlier to allow for budget cycle window.*

In the meantime, the project can use OPC funds to perform work between CD-0 and CD-1.

Note: The project can still get CD-1 approved, but it cannot use OPC funds to do preliminary design.

Project and Budget Process—Standard Scenario



Case Study—CD-0 ESAAB

Schedule Forecast

Critical Decisions (CD)	Fiscal Year
CD-0, Approve Mission Need	FY 2024
CD-1, Approve Alternative Selection and Cost Range	FY 2025
CD-2, Approve Performance Baseline	FY 2026
CD-3, Approve Start of Construction	FY 2027
CD-4, Approve Project Completion	FY 2031

Funding Forecast

Fiscal Year	FY24	FY25	FY26	FY27	FY28	Total (\$M)
OPC	\$0.5	\$0	\$0	\$0		\$0.5
TEC		\$5.0	\$20.0	\$20.0	\$5.0	\$50.0
Total Project Cost (\$M)	\$0.5	\$5.0	\$20.0	\$20.0	\$5.0	\$50.5

Project missed the FY25 budget. \$5M will not be received until FY26.

Q: What are the PARS II Requirements?

A. *Any capital asset project with TPC of \$20M* or greater enter project Oversight and Assessment data after the approval of CD-0 by FPD**.*

- *The FPD to provide latest monthly project status by three business days after end of the month.*
- *The HQ Program Manager needs to provide latest monthly project status (red, yellow, and green only) by six business days after end of the months.*

Monthly EVMS is not required in PARS II until after CD-2.

Monthly EVMS is not required if project TPC is less than \$50M.*

For projects past CD-2 and TPC of \$50M or greater, **contractors upload the latest EV or “Contractor Project Performance” (CPP) file by last workday of each month.***

To access PARS II all users must have PARS II training.

**\$50M for SC projects that have been delegated. Other projects in SC Decision Matrix specifies projects with \$20M. Also, for PMCDP purposes, projects less than minor construction projects (GPPS, IGPPs) can be used to get FPD credit if certain requirements are followed—including EVMS.*

*** HO Program Manager acts as the FPD until site FPD is assigned.*

Q: There is confusion about project reporting to HQ—what is the requirement? Is it quarterly, monthly, both? What about the Watchlist or PARS II status updates—do these qualify as a monthly? Are we supposed to invite OPA staff to weekly or IPT calls?

A: *The requirement is that projects need—at a minimum—to perform a quarterly project status report to the Project Management Executive (PME) and to invite OPA staff to these meetings after CD-0 is approved.*

If a project reports monthly status to the PME and OPA is invited, a quarterly is not necessary. Also, OPA considers Watchlist as monthly reporting and therefore, if a project is on the Watchlist, then another monthly or quarterly is not necessary.

Although OPA, HQ Program Managers, the PME, the FPD, and the projects have access to PARS II, and the project status data is updated monthly, it is not considered a monthly or quarterly reporting as intended in DOE O 413.3B.

OPA staff would like to be invited to and participate in the weekly or IPT calls, but it is not a requirement. It is up to the Programs and the projects to have OPA participate or not.

Q: The Order and the SC Decision Matrix have **requirements for an ICE or ICR.**
What are the requirements and is the ICE or ICR in addition to EIR/IPRs or will it be just one review?

A: *DOE Order 413.3B—Program and Project Management for Acquisition of Capital Assets requires an ICR or an ICE to be performed by PM for the following:*

- *An ICR prior to CD-0 for projects with Total Project Cost of \$750M or greater,*
- *An ICE or ICR prior to CD-1 for projects with Total Project Cost greater than \$100M,*
- *An ICE prior to CD-2 for projects with Total Project Cost greater than \$100M, and*
- *An ICE prior to CD-3 for projects with Total Project Cost greater than \$100M.*

The SC Program Manager or the project should coordinate the ICE or ICR with OPA staff—OPA will interface and coordinate the ICR or ICE with PM.

For SC, and EIR is not necessary since SC is exempt.

Q:Are the Acquisition Strategy (AS) and the Acquisition Plan the same?

A:*No, they are not the same.*

The AS documents the project’s alternative analysis and site evaluation options. Alternative analysis includes life-cycle-cost and benefit analysis, and the justification for the selected alternative. The AS also briefly explains how SC will acquire the project—that is through the M&O contractor; and establishes the project CD-1 cost range.

The Acquisition Plan is a plan that the Federal government develops when a contract for acquisition is needed (i.e., there is a direct contracts between DOE and contractor for the project). Since SC projects are performed by M&O contractors and SC does not directly contract each project, an Acquisition Plan by DOE is not needed.³ The M&O contractor may develop an Acquisition Plan if applicable.

Q:Why is CD-1 important?

A:The main reason for obtaining CD-1 is that the project is now allowed to spend design or PED funds.⁴

Q:My project is coming for a CD-2 ESAAB. Do I need to have the Acquisition Strategy (AS) approved again.

A: The Acquisition Strategy only needs to be updated and Approve again for CD-2 if there are any major changes to the acquisition approach since last approved.¹⁴

Major changes usually include change in contractor (i.e., different M&O contractor), change in alternative, or change in site.

Q: My project is in the process of establishing the Key Performance Parameters (KPPs). However, because of funding limitations, the KPPs cannot meet the mission need, will the project be considered unsuccessful in this scenario?

A: *If the project does not support or cannot meet the mission need, the project is considered unsuccessful. The purpose of the project is to support the mission need—if this goal is not met, the project is not successful.*

Q: What can PED funds be used for? Since PED funds cannot be used for construction, does this mean that PED cannot be used beyond CD-3?

A: *PED funds are used for preliminary and final design activities after the approval of CD-1.⁵ Design activities can extend beyond CD-3 and even up to CD-4. Therefore, PED funds can be used for design activities between CD-1 and CD-4.*

PED funds can also be used for long-lead procurement such as limited site preparation if identified in the Project Data Sheet (PDS).⁶

Q: My project is in the process of obtaining CD-2, as the design gets more detailed and we get more information, the TPC of the project is almost double the CD-1 high-end cost range and some scope has changed. Do I need to rewrite the Mission Need Statement and start the project over again with CD-0?

A: ***If the mission need has not changed, the project does not have to redo the MNS and CD-0 approval again. However, if the cost of the CD-1 high-end range is exceeded by 50% or greater the alternatives analysis needs to be performed again and reapproved by the appropriate authority.***⁷

Q: In a continuing resolution, there is usually a language on “no new starts,” how is this “no new start” defined? Is it start of construction, CD-2, what is it?

A: *No new start is defined by SC and DOE budget office as use of Total Estimated Cost (TEC) funds. If the project did not have or was not appropriated TEC funds by Congress in previous years, it cannot “start.”*

Q: The PED money comes from TEC funds. Does that mean I can't even start preliminary design if there is a continuing resolution with "no new start" requirement?

A: *Yes, a project cannot use PED funds even for preliminary design if it is a "new start".*

Q: My project is about to have CD-3 approved and we received the PED funds a few years ago, but have not been appropriated or used the TEC construction funds previously? What does this mean in the context no new start language?

A: *In this situation, the project can use PED funds, but cannot use TEC construction even if CD-3 is approved in a no new start situation.*

Note: There are two types of TEC fund—TEC PED and TEC Construction.

Q: How are OPC and TEC funds defined?

A: ***Other Project Costs (OPC)*** comes from the Operating Funds and are used for ***conceptual design between CD-0 and CD-1***. Operating funds may also be used prior to CD-4 for ***R&D, NEPA, D&D, ES&H, transition, startup, and training costs***. Non-federal funds from other sources that are considered capital funds and are included in the “Total line item cost” as OPC.⁸

TEC are used for all ***engineering design costs (after conceptual design)***, facility construction costs and other costs specifically ***related to those construction efforts***. ***TEC*** will include, but is not limited to project, ***design and construction management; contract modifications (to include equitable adjustments) resulting in changes to these costs; construction; contingency; contractor support directly related to design and construction; and equipment rental and refurbishment***.⁹

Q: What is a Construction Project?

A: *Projects, which result in the construction of a structure or facility having a useful life of 2 years or more. If the project TPC is greater than Minor Construction threshold, it is a line-item project.*

If the project is less than \$34M (which is the current limit for GPP¹⁰), it is Minor Construction or GPP. GPPs are funded from operating funds.

Q: What is an accelerator improvement project (AIP)?

A: *Involves improvements to accelerators that are less than \$34M. They are similar to GPPs.*

Note: DOE Order 413.3B applies to \$50M or greater, but you still need to submit or PDS, Exhibit 300s? or other budget narratives.

Q: What is a Major Item of Equipment (MIE) and why do we use it?

A: *An MIE is the acquisition of a Capital Equipment (CE) and involves no (or limited) installation or construction. However, in some cases, the equipment requires significant construction activities to function such as the provision of foundations, utilities, and structural modifications and additions to a building. As a general rule, **a project is considered an MIE if the associated civil construction is less than the GPP limit and is less than 20% of the equipment cost.** If either of these thresholds is exceeded the project would be considered Line Item Construction.*¹¹

*MIEs are intended to be more flexible than line item projects in order to accommodate the needs of the technology projects that Science often supports. An MIE does not have its own Project Data Sheet and does not call out a separate PED. Within the Energy and Water Development appropriations, MIE (or CE), GPP, and AIP funds have generally been merged with operating funds. **Because MIE funds are “batched”, moving money between OPC and TEC, between TEC (design vs. fabrication), and between projects is much easier.***

Q: My project is an MIE and there is no project data sheet to designate OPC and TEC funds. That means “no new start” does not apply to my project right?

A: *There is a historical, unwritten understanding between SC and Congress/staffers that the intent is the same. Although MIEs do not have clear designation of OPC and TEC, no new starts for MIEs mean no start on preliminary design or installation/fabrication.*

Q: The OMB examiner is telling me to do something that contradict the DOE O 413.3B and the SC Decision Matrix—do I have to follow the OMB directions?

A: *No, you don't have to comply with OMB directions if it contradicts the Order. DOE O 413.3B supersedes OMB direction and Congressional direction supersedes DOE O 413.3B.*

Q: Why is CD-2 important?

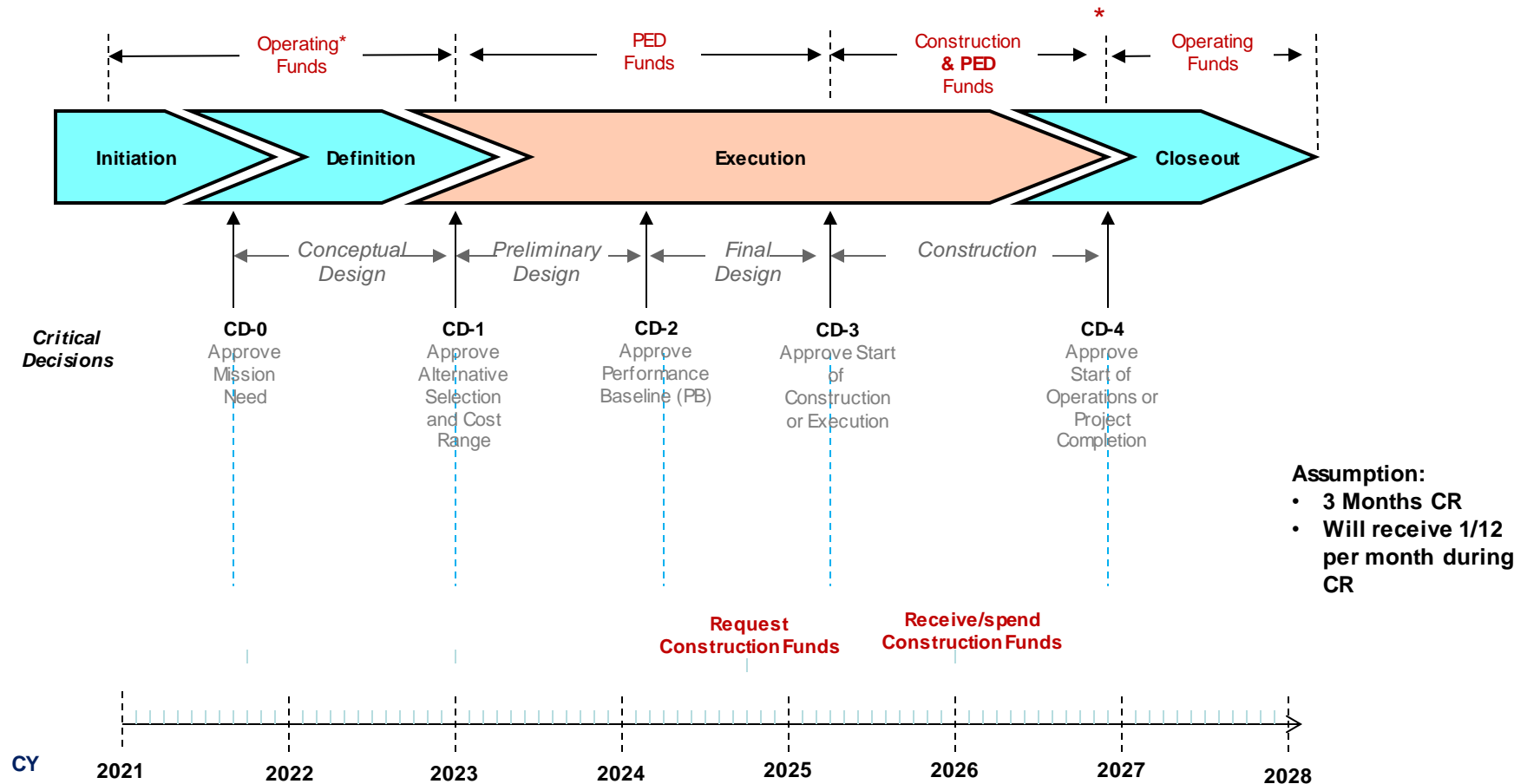
A: *CD-2 is important because approval of CD-2 establishes the Performance Baseline against which the project success or failure will be measured.*

However, just as important, CD-2 allows project to request construction/fabrication funds.¹²

Similar to CD-0, there is a waiting period of about a year or more before the project receives the funds for construction. FPDs, Programs, procurement, and other project personnel need to understand the budget cycle and the CD approval dates to ensure project schedules are maintained.

During this time, PED funds can be used for long-lead procurement (LLP) if documented in the PDS.

Project and Budget Process—Standard Scenario



•Operating Funds are used for conceptual design between CD-0 and CD-1. Operating funds may also be used prior to CD-4 for R&D, NEPA, D&D, ES&H, transition, startup, and training costs. Non-federal funds from other sources that are considered capital funds and are included in the “Total line item cost” as OPC.

•Good Practice—For the first year that TEC is requested, ensure that OPC is also requested for that year. The OPC will allow the project to continue in a long CR until TEC is available and new starts are allowed.

•MIE funds are more flexible than Line Items. Moving OPC to TEC or vice versa is much easier than for Line-Item reprogramming since MIE funds are “batched.”

•New Start is defined as the first use/appropriation of any TEC funds (including TEC PED) for both Line items and MIEs project.

Q: I remember some language in DOE O 413.3B about **requesting construction funds prior to CD-2 if the CD-2 can be approved within 2 years. Can you explain?**

A: Yes, the project can request construction funds prior to CD-2 approval with the following conditions^{6,12}:

- *Project will document the strategy to request funds prior to CD-2 approval in the AS and preliminary PEP*
- *Construction funds cannot be expensed until the approval of CD-2 and CD-3*
- *CD-2 approval is obtained within two year following OMB budget submission to Congress.*
- *A default original performance baseline (or TPC) will be established equivalent to the top-end range at CD-1.*
- *If CD-2 is not approved within two year of Congressional budget submission or if the ultimate CD-2 breaches the top-end cost range established at CD-1, approval to continue the project will be obtained from the Chief Executive for Project Management (CE) or S-2 through the ESAAB process.*

Q: What are the requirements for long-lead procurements (LLP) prior to CD-2, how does that work?

A: *To obtain long-lead procurements prior to CD-2, the requirements for long-lead procurements, phasing, subprojects, splitting CD-2^{6,12} etc. are:*

- *Documents such as a Project Data Sheets requesting construction or PED funds to procure the long-lead items and funding approvals are in place.*
- *For LLP prior to CD-2, the default CD-2 cost baseline (or TPC) cannot exceed the upper limit of the CD-1 cost range.*
- *If the project has phased CD-2s, the cost of all phased CD-2s cannot exceed the upper limit of CD-1 Cost range.*
- *Each phased CD-2x becomes its own project with specific scope, TPC, and CD-4x date*
- *Each phased CD-2x must be entered in PARS II*
- *The PME must approve the LLP and phased CD-2 plan as part of tailoring approach.*

Note: These scope of LLP, CD-3X, phasing, etc. should be usable as appropriate.

Q: My project plans to request a CD-3A (or Long Lead Procurement, subproject, phased CDs, etc.) do I need to fill out the justification form and who approves it? Why do we have to fill it out?

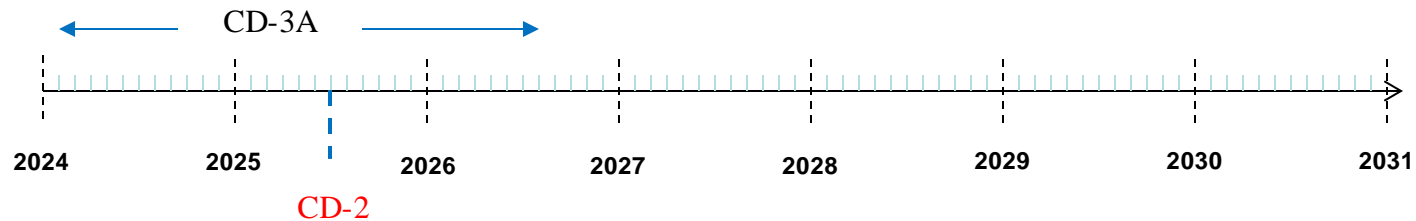
A: *Yes, if the project is planning CD-3A, phasing CDs, having subprojects, (or whatever term) the project needs to complete the justification form and **approved by Deputy Directors.***

*Having the authority to procure materials or to perform work early can reduce significant cost, schedule, and risk. However, the challenge with long lead procurement is that project design must be sufficiently mature, there is sufficient knowledge about the project, or it could lead to changes resulting in activities and procurements that becomes useless or incompatible. Also, organizations become less disciplined with establishing and committing to a project baseline. **The reason the justification forms need to be completed and approved is that SC management wants to be notified and ensure that the benefits outweighs the risks.***

Q: My project plans to request a CD-3A (or Long Lead Procurement, subproject, phased CDs, etc.) that will have a cost of \$85M, does the project need to have an ICE/ICR.

A: *No. If the project is planning CD-3A (phasing CDs, having subprojects, etc.) is less than \$100M an ICE/ICR is not required.*

Q: When my project plans gets CD-2 approved, what happens to the CD-3A (or Long Lead Procurement, subproject, phased CDs, etc.) in PARS?



A: *There are three options. The first is to continue tracking CD-3A status and progress until the CD-3A scope is complete.*

The second option is to carry the variances of the CD-3A (etc.) when the main project is baselined (that is the variances are not zeroed out).

The third option is to have the CD-3A scope captured back into the larger project. If this option is chosen, there needs to be a record of the project status at the time CD-3A is absorbed back into the main project. This can be documented as a Baseline Change document.

Q: The Order requires that “performance baseline change proposal approvals shall be submitted to PM”. This can mean dozens of documents submitted to PM every month. Why does PM want these?

A: *First let’s define Performance Baseline (PB) vs. Performance Measurement Baseline (PMB)*

- *Performance Baseline (PB) is the minimum KPP scope, TPC, and CD-4 date schedule defined at CD-2*
- *Performance Measurement Baseline (PMB) is typically (PB) minus the contingency and/or management reserve.*

PM does not want baseline change proposals (BCPs) for PMB. Only when the project cannot meet the PB (also known as a Deviation), pm wants the **approved BCP for Performance Baseline (PB)**.

This is because even if the project is exempt from the Order, the project still needs to be completed successfully. And PM needs to keep track of DOE wide project success rate.

Q: The DOE Under Secretary just delayed \$12M of my project funding by two years. Due to the delay, the original CD-2 TPC (\$59M), will increase by ~12% (new TPC is \$66.1M). Because the **changes are caused by entities outside of the PME, the FPD, and the Project, is this a Directed Change?** Also, because the **will this count as a project failure?**

A: *No, it is not a Directed Change since funding changes are not initiated by entities external to the Department. The project is still required to complete successfully and an increase in TPC is considered a failed project.*

Note: Directed Change is defined as performance baseline changes "caused by DOE Policy Directives (such as those that have the force and effect of law and regulation), Regulatory, or Statutory actions and are initiated by entities external to the Department, to include external funding reductions."

Q: There's a mistake in the Order—it says “Employ an Earned Value Management System compliant with ANSI/EIA-748B EVMS” prior to CD-2. Prior to CD-3 it repeats and says “Employ a certified Earned Value Management System compliant with ANSI/EIA-748B...”

A: *This is not a mistake—the difference is that:*

- *Prior to CD-2, an EVMS compliant with EIA-748C must be used.*
- *For CD-3 approval, an EVMS being used must be certified for EIA-748C compliance.*

Q: Why is CD-3 important?

A: *CD-3 is important because CD-3 approval allows contract awards and construction money can be spent*¹³.

Q: My project was baselined with ~30% cost contingency and the project is over 65% complete and we still have most of the contingency established at CD-2. We want to add a new facility that is not in the original scope and/or exceeds the Objective KPP of the project, is this allowed?

*That depends on how much the additional/new scope will cost. **If the scope increase is “significantly” more than what Congress approved (i.e., what is in the PEP and PDS), the project is exceeding its authority to use the funds.** The project needs to notify Congress through the PDS of its intention to add new scope and if Congress does not object, the project can proceed with the additions.*

*However, if the project has received all its funds and no longer submits a PDS, the project probably will have to return the unused money back to treasury or reprogram the funds or notify Congress a different way—**talk to Budget personnel on options.***

Note: there is an allowance from Congress that if the remaining funds is less than \$5M, there can be internal reprogramming without going to Congress (NNSA uses this allowance).

Q: My project is almost complete, but we are having a difficult time completing one of the Threshold KPPs. The good news is that even if the project cannot complete this one KPP, it meets the mission need. Is the project considered a failure because not all the KPPs are met?

A: *Yes, if at the end of the project, the Threshold KPPs are not met—that is, it is deleted or reduced, the project will be considered unsuccessful.*

Q: My project has some contingency remaining. I want to use the contingency for additional work that is listed as Objective Key Performance Parameters in the PEP. However, this work cannot finish until after the approved CD-4 date. **Does this mean the project did not meet the Performance Baseline?**

A: Yes—if the additional work being performed cannot be completed within the CD-4 date, the project did not meet the schedule baseline.

Note: SC OPA recommends that in such situation, complete the project and if the fund is MIE or OPC, HQ should transfer the money to Operating Expense(OE) and perform the extra work using the OE funds. Also, there is the internal reprogramming option.

Q: Because of COVID-19, my project cannot meet the Objective KPP, but we can make the Threshold KPP and mission need. I was told by PM that because we can't make the Objective KPP we are considered a failed project—is that true?

A: *No, that is not true. Threshold KPP is the minimum requirement to meet the Performance Baseline, not the Objective KPP.*

This is specified in the DOE Order 413.3B (Appendix C, C-16) and DOE G 413.3-5A (page 12), which states that threshold KPP defines the Performance Baseline success criteria.

Q: TPC funds can be used for Project Closeout activities; however, there are circumstances where the situation is not clear. Can you provide more details on what costs are allowed for Project Closeout and what costs are not? For example, what if the project has met the KPPs, but has placed a contract for items before CD-4, but not delivered or paid until after CD-4?

A: *The following examples are considered Project Closeout costs and can use TPC for these items after CD-4.*

- *Performance/Quality Assurance Closeout such as completing punch list items, collecting and archiving project documents (QA, change controls, Project Execution Plans, etc.)*
- *Financial Closeout such as ensuring all expenditures are accounted for and reconciled, and all expenditures are paid including settling any contract claims or legal liabilities.*
- *Contract Closeout including providing a formal written notice of terminating or completing a contract. See also Financial Closeout above.*
- *Equipment Disposition and Transfer—deposition or return of equipment or facilities (may include cost of cleaning/repairing equipment or facilities to original state).*
- *Capturing Lessons Learned and drafting the Project Closeout Report.*
- *Data Archiving—cost of collecting and archiving project documents and data.*
- *Administrative Closeout—cost of performing all activities listed above and transferring any staff off the projects, completing personnel paperwork such as performance appraisals, etc.*

Even with the examples and guidance above, there may still be instances where the situation may remain unclear, such as the purchase of items prior to CD-4, but delivery and payment after CD-4. For OPA, the decision on what is allowable or not would depend on the amount of funds being spent after CD-4. Spending TPC funds outside of CD-4 date (with the exception of closeout activities) appears questionable and OPA would consider the purchase example above not allowable. If confusion remains, OPA recommends the following:

- *If the fund is MIE or OPC, HQ should transfer the money to Operating Expense through the Work Authorization System.*
- *If the remaining funds are TEC, the remaining contingency may be returned or reprogrammed. See next page.*

The project need to make sure that there is sufficient fund to cover these costs and that project TPC is not exceeded.

Q: Someone from NNSA told me that DOE and the programs are allowed internal reprogramming (thus flexibility to move) some project funds—it that true? What does that mean?

Yes, it is true. Annual Congressional funding appropriation bill usually include definitions and guidelines on reprogramming. For example, the FY15 budget bill (Energy and Water Development Appropriations Bill, 2015—page 93 And 94) allowed “reallocation of funds from one construction project to another or change \$2,000,000 or 10 percent, whichever is less, in the scope of the approved project.”

The latest language increased this internal reprogramming to \$5M or 10%, whichever is lower.¹⁵

What this means is that programs don't necessarily have to return TEC money to treasury—the funds can be used for other projects, converted to OPC and can be used for O&M, spares, or other activities/projects.

Q: Casey, I need a big favor. My project needs to get the CD-2 approved a few months earlier than planned so that we don't miss the budget cycle to request construction funds. Can you arrange an ESAAB meeting in three days?

A: *An ESAAB meeting needs to be scheduled at least two weeks prior to the meeting.*

This is because there are a lot of logistics, reviews, and coordination involved. Prior to an ESAAB, OPA needs to coordinate senior management schedules. The ESAAB presentation and approval documents are due to Casey and need to be distributed to ESAAB members for review, comment, or to request additional information one week prior to the meeting. Finally, all requirement documents (Mission Need Statements, Acquisition Strategy, Project Execution Plans, etc.) need to be reviewed, submitted, finalized, and approved prior to the ESAAB.

References

1. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-4, 4.a
2. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-5, Post CD-0 Approval
3. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Attachment 1, Page 4
4. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-8, 4.b and Post CD-1 Approval
5. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Attachment 2, Page 11, #92
6. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-18, 5.c and Appendix C, C-31 and C-32, 28.e
7. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-6, 4.b
8. U.S. Department of Energy (2005). Field Budget Process, Budget Formulation Handbook, Page II-4.14-15
9. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Attachment 2, Page 14, #115
10. 89 FR 9141 [under the authority of 50 USC 2741(2)(B)]
11. U.S. Department of Energy (2005). Field Budget Process, Budget Formulation Handbook, Page I-1.7
12. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-12, 4.c.(2)
13. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-14
14. U.S. Department of Energy (06-21-2023). DOE Order 413.3B, Appendix A, A-9, 4.c.1
15. Consolidated Appropriations Act, 2023 (P.L. 117-328), Division D, Title III, Section 301(e)

Other questions?