



Department of Energy
Office of Science
Washington, DC 20585

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MEMORANDUM FOR

OFFICE OF SCIENCE ASSOCIATE DIRECTORS
SC FACILITY DIVISION DIRECTORS
SC PROGRAM MANAGERS
SC FEDERAL PROJECT DIRECTORS

FROM:

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DIRECTOR
OFFICE OF PROJECT ASSESSMENT

SUBJECT:

Planning, Executing, and Reporting Phased CD-3

The purpose of this memorandum is to clarify expectations for ensuring phased Critical Decision (CD) 3, including Long Lead Procurements (LLPs), requests sought before and after CD-2, Approve Performance Baseline are thoroughly evaluated as part of the overall project execution strategy and rigorously managed consistent with DOE Order 413.3B principles and requirements.

DOE Order 413.3B provides for LLPs—the most common CD-3 project phase executed prior to CD-2. Additionally, SC projects have established tailoring strategies to phase acquisition of critical project elements or accomplish work prior to CD-2, typically to advance scheduled activities deemed necessary to achieve critical project milestones. In both instances, pre-CD-2 actions can introduce risk to the project.

Programs and project teams should carefully consider the basis for planning for all critical decisions, but phasing CD-3s, due to their potential for additional risk and complexity, should be thoroughly examined and assessed in context of the full project lifecycle.

Once a phased CD-3 is established, it must have an approved plan with clearly defined scope, cost, schedule and funding profile including consideration for all necessary contingencies. Earned value must be reported into PARS II monthly if the phased scope is greater than \$20 million.

Less critical, from a project risk perspective, are phased CD-3 decisions occurring after CD-2. In some cases, executing a project using multiple CD-3 phases after CD-2 can add complexity and administrative burdens for programs and projects that outweigh perceived benefits.

In all cases, a phased CD-3 strategy must be understood and agreed to by the project owner, Federal Project Director, and Project Team. The approved plan must be clearly defined and fully justified in key project planning documents, including the Preliminary Project Execution Plan and Acquisition Strategy, as appropriate.

If you have any questions, please contact me.

cc:

P. Dehmer, SC-2

