U.S. DEPARTMENT OF ENERGY
Washington, D.C.

ORDER

DOE O 413.3A

Approved: 7-28-06
Chg 1: 11-17-08

Mello Aff #1, par. 66 & 67:
https://www.directives.doe.gov/directives/current-directives/413.3-BOrder-ac1/view?searchterm=None

SUBJECT: PROGRAM AND PROJECT MANAGEMENT FOR THE ACQUISITION OF CAPITAL ASSETS

1. OBJECTIVES.

   a. To provide the Department of Energy (DOE), including the National Nuclear Security Administration, 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.

   b. To implement Office of Management and Budget Circulars A-11 Part 7, A-123, A-127, and A-130.

   c. To implement DOE P 413.1, *Program and Project Management Policy for the Planning, Programming, Budgeting, and Acquisition of Capital Assets*, dated 6-10-00.

2. CANCELLATIONS.

   DOE O 413.3, *Program and Project Management for the Acquisition of Capital Assets*, dated 10-13-00. Cancellation of an Order does not by itself modify or otherwise affect any contractual obligation to comply with the Order. Contractor Requirements Documents containing directive requirements that have been applied to a contract remain in effect until the contract is modified to eliminate or replace requirements from canceled directives.

   Further, DOE O 413.3 cancels Chapters 1 through 3 of DOE M 413.3-1, *Project Management for the Acquisition of Capital Assets*, dated 3-28-03, and takes precedence over the Manual where conflicts exist.

3. APPLICABILITY.

   a. DOE Elements.

      The requirements identified in this Order are mandatory for all DOE Elements (unless identified in the exclusions paragraph), including the National Nuclear Security Administration, for all capital asset acquisition projects having a Total Project Cost or Environmental Management Total Project Cost for Clean-Up Projects greater than or equal to $20 Million (M).

Vertical line denotes change.

necessary to tailor the project's execution process to allow the project team to propose cost-effective innovative approaches that reduce project duration and cost.

(4) Transition/Closeout Phase.

When the project nears completion and has progressed into formal transition and commissioning, which generally includes final testing, inspection, and documentation, the project is prepared for operation, long-term care, or closeout. The nature of the transition and its timing depends on the type of project and the requirements that were identified subsequent to the mission need.

d. Critical Decisions.

The five Critical Decisions are major milestones approved by the Secretarial Acquisition Executive or Acquisition Executive that establish the mission need, recommended alternative, Acquisition Strategy, the Performance Baseline, and other essential elements required to ensure that the project meets applicable mission, design, security, and safety requirements. Each Critical Decision marks an increase in commitment of resources by the Department and requires successful completion of the preceding phase or Critical Decision. Collectively, the Critical Decisions affirm the following:

- There is a need that cannot be met through other than material means;
- The selected alternative and approach is the optimum solution;
- Definitive scope, schedule and cost baselines have been developed;
- The project is ready for implementation; and
- The project is ready for turnover or transition to operations.

The amount of time between decisions will vary. Projects may quickly proceed through the early Critical Decisions due to a lack of complexity, the presence of constraints that reduce available alternatives, or the absence of significant technology and developmental requirements. In these cases, more than one Critical Decision may be approved simultaneously. Conversely, there may be a need to split a Critical Decision.

(1) CD-0, Approve Mission Need.

The Initiation Phase begins with the identification of a mission-related need. A Program identifies a credible performance gap between its current capabilities and capacities and those required to achieve the goals articulated in its strategic plan and/or in the DOE Target Enterprise

Architecture for IT capital asset projects.. A Mission Need Statement is the translation of this gap into functional requirements that cannot be met through other than material means. It should describe the general parameters of the project, how it fits within the mission of the Program, and why it is critical to the overall accomplishment of the Department mission, including the benefits to be realized. The mission need is independent of a particular solution, and should not be defined by equipment, facility, technological solution, or physical end-item. This approach allows the Program the flexibility to explore a variety of solutions and not limit potential solutions. Approval of CD-0 formally establishes a project and begins the process of conceptual planning and design used to develop alternative concepts and functional requirements. Additionally, CD-0 approval allows the Program to request Project Engineering and Design funds for use in preliminary design, final design, and baseline development.

(2) CD-1, Approve Alternative Selection and Cost Range.

CD-1 approval marks the completion of the project Definition Phase, during which time the conceptual design is developed. This is an iterative process to define, analyze, and refine project concepts and alternatives. This process uses a systems methodology that integrates requirements analysis, risk identification and analysis, acquisition strategies, and concept exploration to evolve a cost-effective, preferred solution to meet a mission need. Approval of CD-1 provides the authorization to begin the project Execution Phase and allows Project Engineering and Design funds to be used. For design-build projects, Project Engineering and Design funds may be used to develop a Statement of Work/Request for Proposal. Additionally, long-lead procurements may be approved during this phase, provided National Environmental Policy Act documentation is prepared, where applicable.

(3) CD-2, Approve Performance Baseline.

Completion of preliminary design is the first major milestone in the project Execution Phase. Preliminary design is complete when it provides sufficient information for development of the Performance Baseline in support of CD-2. The Performance Baseline is developed based on a mature design, a well-defined and documented scope, a resource-loaded detailed schedule, a definitive cost estimate, and defined Key Performance Parameters. Approval of CD-2 authorizes submission of a budget request for the total project cost. For projects with design periods less than 18 months, a budget request may be submitted prior to CD-2 approval as part of tailoring.