

**Office of Science
Office of Project Assessment**

Frequently Asked Questions about DOE Order 413.3B

Q: If the Order does not apply to a project with TPC of less than \$50M or 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 (except IT Projects) with TPC of \$10M or greater, regardless of Order applicability or exemption status must:*

1. *Report in Project Assessment and Reporting System (PARS II) at Critical Decision (CD)-0.*
2. *All **approved** CD or equivalent documents shall be submitted to OECM, and*
3. ***Performance baseline** change proposal **approvals** shall be submitted to OECM.*
4. ***OECM will lead Independent Cost Reviews or Independent Cost Estimates prior to CD-0 to CD-3.***

For SC Projects, requirements are specifically stated in the Decision/Approval Matrix.

Q: The Order requires that “performance baseline change proposal approvals shall be submitted to OECM”. This can mean dozens of documents submitted to OECM every month. Why does OECM 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 or management reserve.*

OECM does not want baseline change proposals (BCPs) for PMB. Only when the project cannot meet the PB (also known as a Deviation), OECM 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 OECM needs to keep track of DOE wide project success rate.

Q: Project Engineering and Design (PED) funds cannot be used for construction. Does this mean that PED cannot be used beyond CD-3?

A: *PED funds are used for design after the approval of CD-1. 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 be used for long-lead procurement such as limited site preparation if identified in the Project Data Sheet (PDS).*

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Q: I hear that with this new Order, long-lead procurements (LLP) are not allowed prior to CD-2 or that CD-2 cannot be split. Is this true?

A: *No, this is not true, but it is more stringent to phase CD-2 and to obtain long-lead procurements prior to CD-2. The new requirement for long-lead procurements and splitting CD-2 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 (if cost is \$10M or higher)*
 - *The AE must approve the LLP and phased CD-2 plan as part of tailoring approach.*
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Q: The Order and the SC Decision Matrix have requirements for an ICE or ICR, prior to CD-0 for projects with a TPC of \$750M; prior to CD-1, CD-2, and CD-3 for projects with TPC of \$100M or more. 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 OECM for the following:*

- *An ICR prior to CD-0 for projects with Total Project Cost greater than \$750M,*
- *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, if warranted.*

The ICEs or ICRs will be performed as part of the Office of Science, Office of Project Assessment (OPA, SC-28) Independent (“Lehman”) Review. 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 OECM as part of the Lehman Review.

Q: My project has a lot of 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.*

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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 ANSI/EIA-748B must be used.*
 - *For CD-3 approval, an EVMS being used must be **certified** for ANSI/EIA-748B compliance.*
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Q: My office has a Mission Need Statement approved for a project with TPC of \$49M. **Does this mean the project has to be fully funded?** And what does fully funded mean?

A: *First—fully funded means all funds for construction (not all TPC) must be requested in the same appropriation year as the planned construction year.*

*Second—The requirement is projects less than \$20M need to be fully funded. **\$50M is the goal, not the requirement.***

Third—MIEs are exempt from this requirement.

*Fourth—The requirement is for “fully fund” 80% of line-item projects in DOE. **20% is allowed an exception.** To obtain the exception SC-1 needs to notify CFO and OEMC that SC will requesting an exception to this requirement.*

Fifth—Exemption from the Order means this requirement is exempt.

Q: The DOE Under Secretary just delayed \$10M of my the project funding by two years. Due to the delay, the original CD-2 TPC (\$39M), will increase by ~15% (new TPC is \$45M). Because the **changes are caused by entities outside of the AE, the FPD, and the Project, is this a Directed Change?** Also, because the 413.3B does not apply, **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. Although the project TPC remains below \$50M and the Order does not apply, 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."

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Q: What are the PARS II Requirements?

A. *Any capital asset project with TPC of \$10M or greater enter project Oversight and Assessment data after the approval of CD-0 by FPD.*

After CD-0 approval, must start PARS II monthly report.

- *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 if project TPC is less than \$20M.*
- *Monthly EVMS is not required in PARS II until after CD-2.*
- *For projects past CD-2 and TPC of \$20M 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.