

**ENERGY SYSTEM ACQUISITION ADVISORY
BOARD (ESAAB)
AND
ENERGY SYSTEMS ACQUISITION ADVISORY
BOARD - EQUIVALENT**

**LENNY MUCCIARO, EM-6
EM ESAAB EQUIVALENT SECRETARIAT**



PURPOSE

The ESAAB Advises the Acquisition Executive (AE) in making:

Critical Decisions - a formal determination at a specific point in a project phase that allows the project to proceed to the next phase and commit resources; or

Approving/disapproving Baseline Change Proposals for scope, schedule and/or cost for the design effort after CD-1 and for the performance baseline after CD-2;

For Capital Asset Projects (CAPs) EM is in the Process of Developing the CAP List.



DEPARTMENTAL ESAAB

- **Secretarial Acquisition Executive, SAE is the Deputy Secretary, S-2**
 - Chairs ESAAB
- **Decision Authority**
 - Critical Decisions for Capital Asset Projects with a TPC of \$400M or more and selected “Other Projects”
 - All Level 0 Baseline Change Proposals
 - Site Selections
- **In FY 00 SAE held 8 ESAAB Meetings**



ESAAB MEMBERSHIP

- SAE, Deputy Secretary, S-2, Chairs ESAAB
- Both Under Secretaries
- DOE General Counsel
- Chief Financial Officer
- Assistant Secretary for Environment, Safety and Health
- Director of OECM
- Assistant Secretary for EM
- Deputy Administrator for DP
- Director of Office of Science
- Director of Procurement and Assistance Mgmt
- Deputy Administrator for National Nuclear Security Administration (NNSA)
- Any other organization designated by the SAE
- ESAAB Secretariat - OECM



ESAAB EQUIVALENT MEMBERSHIP REQUIREMENTS

- **ESAAB Equivalent board replicates and conducts the same functions as those performed by the corporate ESAAB.**
- **Membership may be selected from within the PSO's office from other Headquarters functions having departmental responsibility**
- **At least one member is from a different PSO office**
- **OECM provides a member for all projects \$100M and greater**
- **Each PSO provides the composition of its ESAAB equivalent board to OECM - Completed Feb 00**



EM HQ ESAAB EQUIVALENT BOARD

- **Acquisition Executive (AE), PSO (EM-1)**
 - Chairs ESAAB Equivalent
- **Decision Authority**
 - For Capital Asset Projects with a TPC between \$400M-\$100M that are not selected by S-2
 - Level 1 Baseline Change Proposals
- **Delegates the AE function for CAPs with a TPC below \$100M to an SES Program Manager or an Operations/Field Office Manager**
- **The SES PM or Operations/Field Office Manager may further delegate the AE function for CAPs between \$20M-\$5M to a Direct Reporting SES Subordinate**
- **CAPs below \$5M delegated to Federal Project Manager by Operations/Field Office Manager**



EM ESAAB - EQUIVALENT BOARD MEMBERSHIP

Permanent Members

- AE, Assistant Secretary, EM-1, Chairs meeting
- Principal Deputy Assistant Secretary
- Director of Site Operations
- Director, Office of Safety, Health and Security (ES&H issues)
- Director, Office of Project Management
- Director, Office of Management and Information (contract issues)
- DAS Policy, Planning and Budget (funding/budget issues)
- Assistant GC for Procurement and Finance
- OECM
- Director, Construction Mgmt Support Division, Office of Science
- Alternate: ADAS or Cognizant Senior Level Manager

AD HOC Members

- DAS Integration and Disposition (EM-20)
- DAS Site Closure (EM-30)
- DAS Project Completion (EM-40)
- DAS Science and Technology (EM-50)
- Other organization as requested by the AE
- ESAAB - Equivalent Secretariat - EM-6



DELEGATED ACQUISITION EXECUTIVE (AE)

- Tailoring - DOE Order 413.3 allows a flexible approach to be applied based on size, risk, and complexity of the project
- EM has developed a time phased implementation schedule for CAP projects to meet the requirements of DOE Order 413.3
- Formally established ESAAB Board(s) and document the ESAAB Process (Charter and Procedure) by 3/31/01
 - The number of board members is determined by the AE, but the following functions must be represented; CFO, ES&H, Procurement, Legal, Project Management, and an ESAAB Secretariat
 - Notify EM ESAAB Secretariat (EM-6) of ESAAB composition and provide a copy of Charter and Procedure



DELEGATED ACQUISITION EXECUTIVE (AE) (Continued)

- Invite EM-6 to ESAAB Meetings to identify and improve the ESAAB process throughout the complex
- Provide EM-6 copies of the ESAAB documents including briefing, signed decision memorandums, and meeting minutes
- **Near Term - EM will be flexible and less rigorous with the requirements for CD-0 and CD-1 than CD-2 with long-term goal of total compliance**
- **EM-6 will provide assistance, as requested, to help meeting the requirements of 413.3**



AE Authority

Critical Decisions - Based upon TPC

- \$400M and above SAE S-2
- \$400M - \$100M AE EM-1
- \$ below \$100M Delegated

Baseline Change Proposals - Based on Levels

Level 0 - SAE S-2

* Level 1 - AE EM-1 or Delegated

Level 2 - Field

Level 3 - Contractor

***All Level 0 BCPs must be endorsed by EM-1**



SCHEDULING A HQ ESAAB

- **Start Early - planning activities should begin at least 6 months prior to meeting (contractor, Field, HQ Site Lead/Team)**
- **Notify EM-6 to schedule an ESAAB 2-3 months prior to meeting**
- **Site AE must endorse all CD/BCP actions**
- **Briefings distributed by EM-6 at least 5 working days prior to meeting for review and comment**
- **S-2 Actions - Requires a Readiness Review to be held 10 working days prior to S-2 ESAAB. EM will conduct its ESAAB Equivalent at same time**
- **Decisions are made at meeting**



CRITICAL DECISIONS

Traditional Construction Projects

- CD-0 Mission Need
- CD-1 Preliminary Baseline
- CD-2 Performance Baseline
- CD-3 Start Construction
- CD-4 Start Operations or Closeout

Environmental Restoration Projects

- CD-0/1 Proposed Plan
- CD-2/3 Performance Baseline - Start field work
- CD-4 Project Closeout

Facility Disposition Projects

- CD-0 Mission Need
- CD-1/2 Conceptual/Preliminary Design (Performance Baseline)
- CD-3 End of Final Design/Start D&D
- CD-4 Project Closeout



TRADITIONAL CONSTRUCTION PROJECTS

Critical Decision-0 Mission Need

- Justification of Mission Need Document
- Establish Integrated Project Team (IPT)
- Independent Project Review

Critical Decision-1 Preliminary Baseline

- Acquisition Plan
- Conceptual Design Report
- Risk Management Plan

Critical Decision-2 Performance Baseline

- Performance Baseline Established
- Independent Cost Estimate (ICE)
- External Independent Review
- Project Execution Plan
- NEPA



TRADITIONAL CONSTRUCTION PROJECTS (Continued)

Critical Decision-3 Start of Construction

- Design Finalized
- Preliminary Safety Analysis Report Completed
- Independent Project Review
- Environmental Strategy

Critical Decision-4 Start of Operations

- Operation Readiness Review and Acceptance Report
- Project Completion Report
- Final Safety Analysis Report

NOTE: Project Definition Rating Index (PDRI) is an EM Requirement that must be completed for each CD.



ENVIRONMENTAL RESTORATION PROJECTS

Critical Decision-0/1 Proposed Plan

- Preliminary Assessment/Site Investigation Report
- Establish Project Team
- Project Execution Plan
- ROD
- RCRA Permits

Critical Decision-2/3 Performance Baseline

- Final Design
- Post ROD Documents
- External Independent Review
- Establish Performance Baseline



ENVIRONMENTAL RESTORATION PROJECTS (Continued)

Critical Decision-4 Project Closeout

- Final Remediation Report
- Post Closure Inspection
- Update RCRA Permits
- Effectiveness Monitoring Report

Note: PDRI - Same as on Traditional



BASELINE CHANGE CONTROL

- Initiated after CD-1 for Design and after CD-2 for the Performance Baseline
- Approval Authority Levels
 - Level 0, SAE
 - Level 1, PSO (AE)
 - Level 2, Federal Project Manager as delegated by Operations/Field Office Manager or Program Manager
 - Level 3, Contractor
- **Delegation of approval authority is for Level 1 thresholds for CAP projects below \$100M. The Level 0 approval authority for all CAP projects remains with the SAE (S-2)**
- **Thresholds & Delegations - Documented in PEP**



BASELINE CHANGE CONTROL APPROVAL THRESHOLDS FOR MAJOR SYSTEMS (CAPs \$400M or more)

Major System	SAE	EM-1	Field/Contractor
	Level 0	Level 1	Level 2/3
Technical Scope	Changes to scope that affect mission need requirements.	Changes to scope that may affect operation functions but does not affect mission need.	As defined in the Project Execution Plan.
Schedule	Six or more months increase (cumulative) in a project-level schedule milestone date.	Three to six months increase (cumulative) in a project-level schedule milestone date.	As defined in the Project Execution Plan.
Cost	Any increase in Total Project Cost (TPC) and/or increase in Total Estimated Cost. **	Project cost sub-elements as defined in the Project Execution Plan.	As defined in the Project Execution Plan.

**TEC does not apply to environmental restoration projects.



BASELINE CHANGE CONTROL APPROVAL THRESHOLDS FOR OTHER PROJECTS (CAPs below \$400M)

	S-2	EM-1 or Delegated AE	Field/Contractor
Other Projects*	Level 0	Level 1	Level 2/3
Technical Scope	New scope/performance not in conformance with current approved Project Data Sheet.	Changes to scope that affect mission need requirements.	As defined in the Project Execution Plan.
Schedule	Six or more months increase (cumulative in a project-level schedule milestone date).	Three to six or more months increase (cumulative) in a project-level schedule milestone date.	As defined in the Project Execution Plan.
Cost	Baseline change to \$5M, or 25 percent of Total Project Cost and/or Total Estimated Cost (whichever is less).**	Any increase in Total Project Cost and/or increase in Total Estimated Cost. **	As defined in the Project Execution Plan.

* General plant projects, accelerator improvement projects, capital equipment projects, and operating expense funded projects that are \$5M or less are the responsibility of the Federal Project Manager as delegated by the Operations/Field Office Manager.

** Total Estimated Cost does not apply to environmental restoration projects.

NOTE: Only Level 1 approval authority for CAP Projects below \$100M can be delegated. Level 0 approval authority is the SAE, S-2



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