



Department of Energy

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MEMORANDUM FOR JAMES CAMPBELL, ACTING DIRECTOR
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FROM:

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SUBJECT: Standard Operating Procedure – Mission Need Statements and
Critical Decision-0, Approve Mission Need

In accordance with the DOE Order 413.3, "Program and Project Management for the Acquisition of Capital Assets," the Office of Engineering and Construction Management (OECM) serves as the secretariat for the Energy Secretary Acquisition Advisory Board (ESAAB). Per the March 28, 2003, DOE Manual 413.3-1 "Project Management for the Acquisition of Capital Assets" (Section 4.6.2), the Office of Program Analysis and Evaluation (PA&E) is responsible for the independent review of the Mission Need Statement, in support of the Critical Decision-0 (CD-0) milestone.

The CD-0 responsibilities agreed upon between OECM and PA&E have been documented in the attached "Standard Operating Procedures – Mission Need Statements and CD-0, Approve Mission Need". The SOP builds upon DOE Order 413.3 and DOE Manual 413.3-1, and clarifies/amplifies the requirements of both documents.

Through the transmittal of this joint memorandum, OECM and PA&E establish that this SOP provides the current CD-0 guidelines for program managers throughout the Department.

Should you need additional information on this matter, please contact Connie Flohr (PA&E), at (202) 586-5134.

Attachment:

Standard Operating Procedures – Mission Need Statements and CD-0, Approve Mission Need



cc:

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**MISSION NEED STATEMENT
AND
CRITICAL DECISION-0
APPROVE MISSION NEED**

STANDARD OPERATING PROCEDURE

DEPARTMENT OF ENERGY

**OFFICE OF PROGRAM ANALYSIS &
EVALUATION**

FEBRUARY 23, 2004

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1.0 INTRODUCTION

Under DOE Manual 413.3-1, Project Management for the Acquisition of Capital Assets, the Office of Management, Budget and Evaluation (OMBE) must perform a review of the Mission Need Statement (MNS) prior to Critical Decision-0 (CD-0), Approve Mission Need. This review is the responsibility of the Office of Program Analysis and Evaluation (PA&E).

The intent of the SOP is to make clear the expectations of PA&E and the Office of Engineering and Construction Management (OECM) for the review of the MNS. This SOP serves to clarify/amplify the direction in DOE Order 413.3 and DOE Manual 413.3-1. This process is illustrated on the flowchart on page 6.

2.0 POLICY AND REFERENCE DOCUMENTS

- DOE M 413.3-1, Project Management for the Acquisition of Capital Assets, dated March 28, 2003 (particularly pages 2-2 thru 2-4, and 4-1 thru 4-5)
- DOE O 413.3 Program and Project Management for the Acquisition of Capital Assets, October 2000
- DOE P 413.1, Program and Project Management Policy for the Planning, Programming, Budgeting, and Acquisition of Capital Assets, dated June 10, 2000

3.0 MISSION NEED STATEMENT

A MNS is the primary document supporting the Acquisition Executive's decision to approve the mission need (CD-0), and shall be developed for all capital asset projects having a Total Project Cost greater than \$5 million.

3.1 Development by Program

Programs must identify the performance gap between their current and required capabilities and capacities to achieve the goals articulated in the DOE Strategic Plan. When a program office determines that a mission requirement cannot be met through other than material means or existing facilities (either Federal or non-Federal), that office should develop a mission need statement. Mission need requirements should not be defined in equipment, facility, or other specific end item, but in terms of the mission, purpose, capability, schedule and cost goals, and operating constraints. Mission needs are independent of a particular solution, e.g., capital asset, technological solution, or physical end state and must support DOE's Strategic Plan and lower level plans for the program. This approach allows the program the flexibility to evaluate a variety of solutions with an open mind and not limit potential solutions by defining the mission need and requirements too narrowly. MNS are to be submitted in accordance with the Manual, and those that are not will be returned to the requesting office. There is no minimum or maximum page length requirement.

3.2 OMBE Review / Recommendation to PSO/DA

To request the OMBE review, MNS for all projects must be submitted to the Energy Systems Acquisition Advisory Board (ESAAB) Secretariat by the Program Secretarial Officer/Deputy Administrator (PSO/DA) or an appropriate Federal Headquarters program manager(s), as designated in writing by the PSO/DA to OMBE. The submittal of the MNS to the ESAAB Secretariat signifies that the Federal program manager(s) responsible for the proposed project ratifies the mission need.

OECM will coordinate with PA&E for assessment on all MNS. PA&E will review the package and provide comments to the program as necessary. All MNS revisions by the program that address PA&E comments should be highlighted in such a manner that the document version is clear (e.g., Version #, Date). This will ensure that PA&E is aware of the current revision and is reviewing the correct document. Coordination with other Departmental elements (e.g., General Counsel, Budget Office) will be handled by PA&E as appropriate. Once PA&E has completed a thorough review of the package, they will provide a recommendation to the PSO/DA. Copies of the recommendation will be provided to OECM (which maintains project data for OMBE), and to other offices as appropriate.

3.3 MNS Review Waiver Process

The MNS review waiver process will be implemented in accordance with DOE Manual 413.3-1. The Director, PA&E, will notify the requesting official in writing of the decision on the waiver request within 15 days of the receipt of the waiver request.

3.4 MNS Approval

PSO/DA's are the approval authority for all MNS documents. However, approval of the MNS by the PSO/DA does not represent final approval of the mission need (CD-0). In some cases the Critical Decision approval authority is at a higher level than the PSO/DA. In addition, other factors beyond those discussed in the MNS may influence the overall decision to approve the mission need.

4.0 CRITICAL DECISION-0 PROCESS

ESAAB meetings for Major System Projects or ESAAB equivalent meetings for Non-Major System Projects provide an open forum where related issues and concerns may be voiced and discussed to allow a more informed decision.

4.1 Major System Projects (Total Project Cost of \$400M or greater or as designated by the Office of the Secretary)

ESAAB meetings for Major System Projects are scheduled by the ESAAB Secretariat. ESAAB meetings will not be scheduled until:

- PA&E has concluded its review of the Mission Need Statement and forwarded its recommendation to the PSO/DA; and
- the PSO/DA has approved the Mission Need Statement.

The request for the ESAAB meeting must be accompanied by the approved MNS and should be made in electronic format to the ESAAB Secretariat at ESAAB.SECRETARIAT@hq.doe.gov.

The Program Office is responsible for scheduling an ESAAB Readiness Review prior to the ESAAB meeting and for inviting appropriate OECM and PA&E analysts.

PA&E will provide the Secretarial Acquisition Executive (SAE) with the MNS analysis that supports the recommendation made to the PSO/DA.

Following the ESAAB meeting, OECM will prepare minutes and a decision memorandum and will coordinate the final decision by the Secretarial Acquisition Executive.

4.2 Non-Major System Projects (Total Project Cost less than \$400M)

ESAAB equivalent meetings for Non-Major System Projects are scheduled by the program office after PA&E has concluded its review of the Mission Need Statement and forwarded its recommendation to the PSO/DA. The program must provide a copy of the approved MNS in electronic format to the ESAAB Secretariat at ESAAB.SECRETARIAT@hq.doe.gov.

OECM and PA&E will provide a member to each advisory board for projects \$20M and over and should be invited to attend advisory board meetings for projects under \$20M. Program Offices should provide a copy of the final decision memo to OECM and PA&E for all non-major system projects.

For non-major system projects \$100M and over, the program office must formally notify the Under Secretary/Administrator NNSA and the Deputy Secretary of all CD-0 decisions.

4.3 Coordination with the Budget Process

The Critical Decision to approve mission need must be made prior to the program office's request for Project Engineering and Design (PED) funds in the Corporate Review Budget (CRB). OECM, PA&E, and Budget Office staff will be confirming CD-0 approval for all requests for PED funds that are submitted as part of the CRB review.

CD-0 Process Flowchart

