



Department of Energy

Washington, DC 20585

December 18, 1995

Mr. G. W. Cunningham
Technical Director
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, N.W., Suite 700
Washington, D.C. 20004

Dear Mr. Cunningham:

This letter is to provide a status update from my letter dated November 17, 1995, regarding agreed upon actions from the August 24, 1995 meeting between the Office of the Associate Deputy Secretary for Field Management and staff members of the Defense Nuclear Facilities Safety Board (DNFSB). Regarding the action for Energy System Acquisition Advisory Board (ESAAB) equivalence guidance, I am enclosing a copy of the latest draft (dated 12/14/95) of the Department's ESAAB procedures which incorporate comments provided by DNFSB technical staff in Enclosure I.

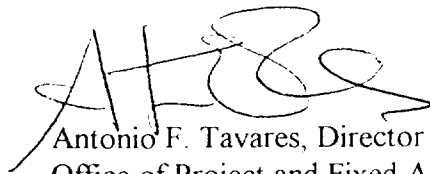
The draft ESAAB procedures are applicable to strategic and major systems. These procedures have provisions which integrate the DOE Order 430.1, Life Cycle Asset Management project management requirements, the Critical Decision Criteria Guide, and other related Good Practice Guides. The path forward for finalization of the ESAAB procedures includes one more meeting with the Program Office stakeholders, review and comment by field elements, and comment resolution and document issue which is expected by the end of January 1996.

It is our intent to provide guidance for implementation of a critical decision process using a graded approach for all line item projects planned or ongoing in the Department. I am enclosing a copy of the Life Cycle Asset Management Order, DOE Order 430.1, Draft Project Management Good Practice Guides Notebook in Enclosure II for your review. The Notebook includes a Self Assessment section which provides criteria for the line item project manager in the field to evaluate readiness to proceed at three critical decision points in the project life cycle. Finalization of this document is expected by February 1996 and is intended, in conjunction with the ESAAB procedures discussed above, to satisfy the intent of our August 24, 1995 meeting commitment to provide acceptable guidance on how to apply the critical decision process to projects on a graded basis.

Regarding the second outstanding agreed upon action, the Baseline Development Guide has been drafted and is undergoing review and comment by my office. A copy of this draft is found in Enclosure III for your review and comment. A second draft will be written with a program and field element comment period to follow. We will continue to work with your staff throughout the development of this guide. It is expected that the final document will be issued by mid-February 1996.



I hope this letter has provided an update to the two outstanding actions and I thank your technical staff for providing comments on the draft ESAAB procedures.



Antonio F. Tavares, Director
Office of Project and Fixed Asset Management
Office of the Associate Deputy Secretary
for Field Management

Enclosures

cc:

Frank Peters, FM-1

Mark Whitaker, EH-9

Lester Ettliger, DNFSB

Ronald Barton, DNFSB

Ralph Arcaro, DNFSB