



**U. S. Department of Energy  
Office of Chief Financial Officer  
Office of Engineering and Construction**

**ENERGY SYSTEMS ACQUISITION  
ADVISORY BOARD (ESAAB)  
PROCEDURES**

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# ENERGY SYSTEMS ADVISORY BOARD REVIEW PROCEDURES

## 1.0 Background

Pursuant to the January 3, 2000, Interim Energy Systems Acquisition Instruction, all Major Systems Critical Decisions shall be approved by the Deputy Secretary as the Secretarial Acquisition Executive before proceeding to the next acquisition phase. The Energy Systems Acquisition Advisory Board (ESAAB) shall meet bi-monthly, or at the call of the Deputy Secretary.

The Department has undertaken several initiatives to implement Acquisition Reform for major systems in support of the Department's mission. To ensure effective implementation and to foster effective program management throughout the DOE, the Office of Engineering and Construction Management shall conduct Energy Systems Acquisition Advisory Board (ESAAB) reviews.

## 2.0 Purpose

The ESAAB is established to advise the Deputy Secretary of Energy (Acquisition Executive) on major resource allocations in order to build successful and balanced programs, identify and resolve issues, and make sound and timely recommendations to facilitate secretarial decision-making. ESAAB Reviews shall be conducted for all major systems critical decisions, Level-0 baseline change proposals, and site selections for all new missions.

## 3.0 Energy Systems Acquisition Advisory Board Membership

The Energy Systems Acquisition Advisory Board and others as designated, will convene as an advisory body. The Deputy Secretary of Energy chairs the ESAAB. Other principal members (See *Attachment A*) of the board include the Under Secretaries; the General Counsel; the Chief Financial Officer; the Director of Engineering and Construction Management (OECM); the Assistant Secretary for Environment, Safety and Health; the Lead Program Secretarial Officers; and the Director of Procurement and Assistance Management. Other senior Department officials may be invited by the Deputy Secretary of Energy to participate in ESAAB meetings on an as-needed basis.

## 4.0 ESAAB Member Roles and Responsibilities

The ESAAB members shall assist the Deputy Secretary of Energy (Acquisition Executive) in the following ways:

- a. Identify and assess the priority of major systems requirements (including existing systems and equipment) from the perspective of DOE's strategic goals;
- b. Consider alternatives to any acquisition program identified to meet DOE requirements by evaluating the cost, schedule, scope, and performance criteria of the project and the identified alternatives;
- c. Ensure that the assignment of priorities to major systems requirements conforms to and reflects the Department's Internal Budget Review Process and resource levels;
- d. Serve as catalysts for fostering effective program management by ensuring that direct, timely, and unfiltered information is a key element in program execution.

## 5.0 ESAAB Review

The ESAAB Secretariat will coordinate an ESAAB review date with the Program Secretarial Officers ESAAB-equivalent board secretariat (as appropriate) for all Major Systems Projects based on a project's critical decision /baseline change requirements. The following procedures apply:

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- a. A written request for an ESAAB Review will be submitted to the ESAAB Secretariat by the PSO's ESAAB-equivalent secretariat as a means of initiating the ESAAB process.
- b. The Program Secretarial Officer will present a decision briefing of twenty-minutes or less for approval of a critical decision, demonstrating that the project has met all Critical Decision, or baseline change requirements, and is ready to proceed.
- c. The ESAAB presentation shall address the requirements required in Section 7.0.
- d. Board members shall ensure specific Department-wide issues are addressed and resolved prior to commitment of resources to the next phase in the life cycle of an acquisition.
- e. Following the meeting, the ESAAB Secretariat will prepare a Memorandum of Decision for the Secretarial Acquisition Executive's signature documenting the decision.

### 5.1 ESAAB Briefing Decision and Protocol

- a. ESAAB briefing is intended to be a candid, confidential discussion to advise the Deputy Secretary of Energy (Acquisition Executive).
- b. The Program Secretarial Officer is responsible for presenting the ESAAB Briefing. Attendance will be strictly limited. Other participants may include: Federal Program Manager, Federal Project Manager; Field/Site Manager; Contractor Project Manager, or Lab Director as appropriate.

## 6.0 **ESAAB Readiness Review**

Prior to an ESAAB Review, an ESAAB Readiness Review is required in preparation for the ESAAB, which shall be held ten (10) working days prior to the anticipated ESAAB review. The internal review by the PSO's ESAAB equivalent board can be substituted for the OECM ESAAB readiness review, provided that ESAAB-equivalent board membership is augmented with representatives from the ESAAB organizations, and coordinated with the ESAAB Secretariat for other ESAAB requirements. To support the ESAAB readiness review, the PSO's ESAAB-equivalent board secretariat is encouraged to use their internal review process and video-conferencing facilities for coordinating the review activities to avoid delays and duplication of effort.

### 6.1 Readiness Review Coordination and Process

If the readiness review is conducted by the ESAAB secretariat, the ESAAB secretariat will coordinate the review activities with PSO's ESAAB-equivalent board secretariat and with the ESAAB readiness review members. The Director of OECM will serve as Chair.

If the PSO's ESAAB-equivalent internal review for the ESAAB action is to be substituted for the OECM ESAAB readiness review, then the PSO's ESAAB-equivalent board secretariat will coordinate the review activities with the ESAAB secretariat and ESAAB readiness review members. The PSO will serve as Chair.

If the PSO's ESAAB-equivalent board is used for conducting an ESAAB readiness review, then, at a minimum, participation must include a representative from: the General Counsel; the Chief Financial Officer; the Assistant Secretary for Environment, Safety and Health; the Office of Science, Office of Defense Programs, and Office of Environmental; and the Director of Procurement and Assistance Management, plus the Director of Engineering and Construction Management (OECM) and the OECM's Officer with Primary Responsibility (OPR) for the project.

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### 6.2 Purpose of ESAAB Readiness Review

The ESAAB Readiness Review serves as a dry-run for surfacing issues and their resolution prior to the ESAAB. At the Readiness Review, the program/project proponent will brief the ESAAB Readiness Review Board Members and others on their project's readiness to proceed to the next acquisition phase. The Readiness Review Board is to assist the program/project proponent in tailoring the ESAAB briefing for the proposed decision, ensuring the evolving acquisition strategy is sound, assessing the progress made by the project team, and determining whether the project is ready for the ESAAB review.

### 6.3 Roles and Responsibilities

- a. Either the ESAAB Secretariat or the ESAAB-equivalent board secretariat shall arrange the ESAAB Readiness Review in coordination with the OECM's OPR.
- b. The program/project proponent shall provide to the ESAAB Readiness Review Board members the necessary documentation required for a complete project review, according to the activities timeline (*outlined in Attachment B*), as it pertains to the proposed critical decision.
- c. The OECM Director or the PSO shall lead the ESAAB Readiness Review.
- d. Each ESAAB Readiness Review Board Member serves as an advisor to the ESAAB Member and shall ensure that the ESAAB Member is alerted to important issues.
- e. ESAAB Readiness Review Board Members shall meet as necessary in order to assist the program/project proponent in resolving issues.
- f. The ESAAB Readiness Review Board Members shall review each project, from their own organization's perspective, in support of all major systems critical decisions prior to any consideration by the ESAAB.
- g. The ESAAB /Readiness Review Board Members shall complete an ESAAB comment and disposition form presented to them during the readiness review. This form will serve to collect comments and/or recommendations and to assure that the readiness review member has briefed their ESAAB member prior to the ESAAB review.
- h. The ESAAB Readiness Review Board Members shall recommend to the Chair (OECM Director or PSO as appropriate) whether the anticipated review shall go forward as planned.
- i. The ESAAB-equivalent board secretariat or the ESAAB Secretariat shall record the ESAAB Readiness Meeting Minutes if chaired by OECM. A list of all ESAAB member organizations represented at the ESAAB Readiness Meeting shall be provided to the ESAAB Secretariat at least 3-days prior to the ESAAB Review.

### 6.4 ESAAB Readiness Review Protocol

While there is no one size-fits-all approach to resolving issues, there are three basic tenets to which any successful approach shall adhere:

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- a. Direct communication throughout the ESAAB Readiness Review process is expected as a means of exchanging information and confirming mutual understanding between the program/project proponent(s), the ESAAB Readiness Review Member, and the OECM OPR.
- b. Resolve as many issues and concerns at the lowest-level possible, and expeditiously raise issues requiring resolution at a higher level, bringing the highest-level issues to the ESAAB review for consideration.
- c. Bottom line of this review is an assessment of the project's readiness to proceed.

### 7.0 ESAAB Briefing Requirements

The Major Systems Critical Decisions prerequisites (as shown in Attachment D) prescribe the mandatory information needed in order to bring a project to the next major milestone in the acquisition phase. In addition, all briefings must include a PSO supported funding profile, a project schedule, and project management structure, review (EIRs/ICEs) recommendations and corrective action plan. The program/project proponent shall ensure that planning documentation is at a level of detail commensurate with project risks, complexity and resource requirements, and that appropriate details are included in decision packages to be brought before the Energy Systems Acquisition Advisory Board.

The following is a recommended descriptive outline for preparing an ESAAB briefing. Each project shall "tailor-in" (e.g. include appropriate information for the decision-maker considering the risk, values, etc. of the specific project) project information on a case-by-case basis, as project circumstances dictate.

#### 7.1 Proposed Outline for 20-Minute ESAAB Briefing

1. Purpose of Briefing
2. Program or Project Description & Update
3. Project Location/Features
4. Purpose & Function
5. Cost/Schedule Baseline
6. Critical Decision Status (if applicable)
7. Reviews (ICEs & EIRs)
8. Technical Baseline
9. Project Long-Term Goals
10. Readiness to Proceed:

##### **CD-0 Mission Need**

- Statement Of Mission Need
- Minimum Technical Requirements
- Proposed Cost And Schedule Ranges
- Preliminary Environmental Strategy
- Technical And Organization Interfaces Activities
- Define And Evaluate Feasibility of Alternative Analyses
- Required Resources
- Refer to Attachment D

##### **CD-1 Conceptual Design & Baseline Range**

- Verification of Mission Need
- Project Data Sheet for Design
- Project Objectives
- Assessment of Advantages And Disadvantages of Alternative Analyses
- Proposed Cost And Schedule Including Contingencies

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- Life-Cycle Cost Analysis
- Preliminary Plan & Baseline Range
- Acquisition Plan
- PSO Supported Budget Profile
- Refer to Attachment D

### **CD-2 Title I Design *and/or* Baseline Change Proposal**

- Review of Contractor Project Management System
- Final PEP and Performance Baseline
- ICE, NEPA, ROD, PSAR
- PSO Supported Budget Profile
- PDS for Construction and Contingency Budget
- Verification of Mission Need
- Baseline Reviewed By EIR and/or ICE
- Refer to Attachment D

### **CD-3 Start Construction or Remedial Action**

- Verification of Mission Need
- Acquisition Program Baselines
- PSO Supported Budget Profile
- Refer to Attachment D

### **CD-4 Start Operations or Complete Clean-up**

- Successful Completion of Operational Readiness Review
- Verification of Performance Criteria
- Plan for Turnover of Facility
- Formal Closeout Plan and Commitment
- Refer to Attachment D

11. Other Considerations, if appropriate
  - Environmental Safety & Health Criteria
  - Integrated Safety Management
  - Project Risk
  - Acquisition Strategy
  - Project Management
  - Stakeholder Considerations (DNFSB, Congress, Public, NRC, etc)
12. Vulnerabilities/Risk Assessment
13. Other Potential Issues
14. Proposed Project Baselines and Thresholds
15. Program Implications of Critical Decision or Baseline Change
  - If Approved
  - If not Approved
16. Closing Statement

### 7.2 Chief Operating Officer's Watch List

Projects placed on the Chief Operating Officer's Watch list also seeking ESAAB approval for a Critical Decision or Level-0 Baseline Change Proposal shall address, in the ESAAB Briefing, the significant issues and problems associated with the project and the status of Watch List milestones assigned.

### 7.3 Guidelines for scheduling an ESAAB Review

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- a. A current ESAAB decision/review schedule (as shown in Attachment C) will be developed, and coordinated with the PSO's ESAAB-equivalent board secretariat, for those MS projects, which require an ESAAB review. The bi-monthly ESAAB review schedule will be coordinated, maintained, and distributed by the ESAAB Secretariat as appropriate.
- b. Formal scheduling of reviews (as proposed in Attachment C) will be accomplished by the ESAAB Secretariat and submitted by the DOE-HQ program/project proponent through the PSO's ESAAB-equivalent board secretariat.

### 8.0 Call for Special ESAAB Review

- a. Special ESAABs may be requested by the DOE-HQ Program Secretarial Officer, or his/her ESAAB-equivalent board secretariat, if project need warrants.
- b. The memorandum shall be submitted 30-days prior to the proposed ESAAB date and shall include:
  - a statement regarding the decision requested, background, support factors and any other relevant information; and
  - an explanation as to why the project cannot be reviewed during a regularly scheduled bi-monthly ESAAB Review.
- c. The ESAAB Secretariat will forward request to the Acquisition Executive and will coordinate subsequent actions with the Program Office.

## Energy Systems Acquisition Advisory Board (ESAAB) Members

<b>Organization</b>	<b>Code</b>	<b>Member</b>	<b>Phone</b>	<b>Room</b>
Acquisition Executive	S-2	T. J. Glauthier	6-5500	7A-219
Office of the Under Secretary	S-3	E. J. Moniz	6-3500	7B-252
Office of Under Secretary for Nuclear Security (NNSA)	S-3	J. A. Gordon	6-5555	7B-048
Office of Chief Financial Officer	CR-1	M. L. Telson	6-4171	4A-133
Office of Engineering and Construction Management	CR-80	C. F. Gill	6-3477	4B-120
Office of General Counsel	GC-1	M. A. Sullivan	6-6732	6A-245
Assistant Secretary for Environment Safety & Health	EH-1	D. M. Michaels	6-6151	7A-097
Assistant Secretary for Environmental Management	EM-1	C. L. Huntoon	6-7709	5B-014
Office of Defense Programs	DP-1	M. R. Creedon	6-2181	4A-019
Office of Science	SC-1	M. S. Dresselhaus	6-5434	7B-058
Director of Procurement & Assistance Management	MA-5	R. A. Hopf	6-8613	6B-162
Others as Specified by the Deputy Secretary of Energy				
Office of Engineering and Construction Management	CR-80	ESAAB Secretariat ESAAB Recorder		4B-120

## ESAAB Activities Timeline

The steps outlined below are guidelines, which provide typical working times and responsibilities for the activities prior to and immediately following an ESAAB.

	<b>Action</b>	<b>Responsible Office</b>	<b>Working Days Prior to ESAAB</b>
a.	DOE PSO or ESAAB-equivalent Board Secretariat (as appropriate) submit written request to ESAAB Secretariat for ESAAB Review	Program Office	30
b.	Confirm Proposed ESAAB Date with Acquisition Executive	Secretariat	30
c.	Prepare Briefing Material & Supporting Documentation	Program Office	30
d.	Distribute Draft ESAAB Briefing Material to ESAAB Readiness Review Members	Program Office	25
e.	Schedule & Coordinate ESAAB Readiness Review with ESAAB Member Representatives & OECM OPR	Program Office or ESAAB Secretariat	15
f.	Distribute copy of Draft ESAAB Presentation to Readiness Review Members	Program Office	15
g.	Conduct an ESAAB Readiness Review	OECM Director or PSO	10
h.	Distribute final copy of briefing material to ESAAB Members, OECM OPR, ESAAB Secretariat, & ESAAB Recorder	Program Office	7
i.	Conduct Acquisition Executive Pre-brief Meeting	OECM Director	2
j.	Conduct ESAAB	Acquisition Executive	0
k.	Staff Memorandum of Decision with actions, if necessary	ESAAB Secretariat	+10

