

**PROJECT MANAGEMENT RISK COMMITTEE (PMRC)
STANDARD OPERATING PROCEDURE
FOR
PLANNING AND CONDUCTING MEETINGS**

This Standard Operating Procedure (SOP) outlines the procedure used by the Project Management Risk Committee (PMRC) for planning and conducting its meetings. Any deviation to this procedure must be approved by the PMRC Chair.

Secretariat Functions and Duties

In accordance with the charter, the Secretariat shall be responsible for preparing and coordinating all agenda items and briefing materials, in collaboration with appropriate programs, and recording and maintaining all minutes of the committee meetings. Additionally, the Secretariat is responsible for advising the PMRC Chair and the Chief Executive for Project Management (CE) on all matters related to the PMRC and Energy Systems Acquisition Advisory Board (ESAAB). In this role, the Secretariat is accountable to the PMRC Chair and the Deputy Secretary.

Executive Sessions

Periodically, the PMRC will conduct business in an Executive Session format. These sessions will typically be identified in the meeting agenda prior to the start of the meeting. During an Executive Session, discussions will be limited to PMRC members and the Secretariat. Depending on the issue/topic, non-members may be asked to leave the room. Every attempt will be made to hold these Executive Sessions at the end of a PMRC meeting.

Agenda Items

The Secretariat will maintain a list (informed by PMRC member input) of upcoming Critical Decisions (CDs), Baseline Change Proposals (BCPs), and Peer Reviews for all projects with a Total Project Cost (TPC) of \$100M or greater as well as other project issues and project management topics of interest. This information will be used to develop the priority of future agenda items and the 6-month calendar. In general, the priority for queuing up agenda items will follow the criteria listed below:

- Priority 1: Secretary/Deputy Secretary Tasks
- Priority 2: Critical Decisions (CDs)
- Priority 3: Project Peer Reviews (PPRs)
- Priority 4: Other Project Issues (OPIs)
- Priority 5: Other Project Management Topics of Interest

To the maximum extent practicable, issues to be presented at a PMRC meeting will conform to the following timeline:

Days Prior to Meeting	Activity
30	Project/issue is provided to the Secretariat for scheduling
4	PMRC member sends briefing to Secretariat for coordination
2	Secretariat distributes briefing information to PMRC members
0	Program representative (preferably the “Owner”) presents project/issue

Please note that PMRC members are ultimately responsible for ensuring their program’s projects/issues are added to the agenda at the appropriate time to meet projected milestone dates. If PMRC members have pre-brief questions, they should be submitted to the Secretariat for consolidation and distribution to PMRC sponsor to coordinate with project team to address during their brief. If presentation material is provided late and precludes appropriate review by the Secretariat and/or PMRC representatives, the topic will be postponed until the next PMRC meeting. Peer Review Charge Memos and sub-committee rosters should be submitted no later than 30 days prior to planned site visits to afford the PMRC time to review and the sponsor to address any recommendations made by the Committee. Peer Review Charge Memos not submitted 30 days in advance will not be reviewed by the PMRC.

Issues Briefed at the PMRC

- Critical Decision (CD)-0: Projects with a TPC greater than or equal to \$750M seeking CD-0 approval will be briefed to the PMRC in advance of proceeding to the ESAAB, as required by DOE Order 413.3B. For projects greater than \$100M, but less than \$750M

seeking CD-0 approval, the Program Offices will forward the Mission Need Statement (MNS) to the Secretariat for distribution to the PMRC members for awareness. The Secretariat will add an agenda item for the next available meeting to allow the PMRC members the opportunity to ask questions or provide feedback. If requested by any PMRC member, a CD-0 presentation may be placed on the agenda for any project greater than \$100M.

- Performance Baseline Deviations: All capital asset projects, regardless of TPC, undergoing a Performance Baseline (PB) deviation will be briefed to the PMRC at the earliest opportunity after discovery of the deviation. In addition, the PMRC may request a briefing before the PB deviation is presented to the CE for approval.
- Critical Decision (CD) and Baseline Change Proposal (BCP) approvals: All projects with a TPC greater than \$100M will be briefed to the PMRC (For CD-0 of projects less than \$750M, only requires review of Mission Needs Statement by PMRC). Once the issues/concerns of PMRC have been resolved, the PMRC will recommend that the ESAAB (or ESAAB equivalent) be scheduled. For PMRC scheduling purposes, all projected CDs/BCPs will be inserted on the PMRC six-month calendar approximately 30 days in advance of the targeted ESAAB (or ESAAB equivalent).
- Project Peer Reviews (PPRs): The PPR charge memo and team membership will be briefed to the PMRC 30 days prior to the PPR and outbrief given to the PMRC within 30 days after the PPR. For PMRC scheduling purposes, all projected PPRs will be inserted in the PMRC six-month calendar approximately 30 days in advance of the PPR for review of the PPR charge memo and team membership, and again 30 days after for a scheduled outbrief.

Briefings

Briefing materials provided to committee members as background materials should be thorough and, to the extent possible, address any questions that the project knows that the committee may raise. The objective is to maximize the meaning and utility of the meeting by ensuring that the members have had ample opportunity to study background materials before the day of the meeting. All presentations should be developed in accordance with PMRC/ESAAB slide templates. For CD approvals and BCPs, the PMRC will require the CD/BCP presentation and also other key foundational documents required by Order 413.3B, as appropriate, to include:

- For CD-0 (\geq \$750M), the Mission Needs Statement, Independent Cost Review.
- For CD-1, the preliminary Project Execution Plan, Independent Cost Estimate (Review), most recent PPR Report, and preliminary Acquisition Strategy.

- For CD-2, the Project Execution Plan, External Independent Review (or IPR), Independent Cost Estimate, most recent PPR Report, and Acquisition Strategy.
- For CD-3, updated CD-2 documentation to include the Project Execution Plan, External Independent Review (or IPR), Independent Cost Estimate, most recent PPR Report, and Acquisition Strategy.
- For BCP, updated CD-2 documentation to include the Project Execution Plan, External Independent Review (or IPR), Independent Cost Estimate, and most recent PPR Report.
- For CD-4, project brief that outlines how the CD-4 requirements and baseline have been met by the project and how transition to operations planning is being done.

See Appendix A at the end of this SOP for checklist or CD Briefing Requirements and issues that must be addressed.

Follow-up Actions to PMRC Recommendations

Upon garnering the PMRC's recommendation to proceed to ESAAB (or ESAAB-equivalent), the PMRC may provide the PME with specific recommendations to be accomplished prior to the next CD. These recommendations will be documented and must be incorporated into CD deliberations and the final CD approval memo to the program and project team. The PMRC will provide a project issues slide that should be included as part of the CD presentation to facilitate an open discussion by all stakeholders during the ESAAB (or ESAAB-equivalent).

Meeting Minutes

Draft minutes will be distributed to members within three (3) business days of the meeting. Members should provide any comments they have to the Secretariat within two (2) business days to ensure reconciliation prior to the next PMRC meeting. The minutes, with emphasis on "action items," will be presented by the Secretariat at the next meeting for approval by the committee. Approved minutes will be maintained by the Secretariat for the historical record and utilized to prepare periodic status reports to the Deputy Secretary and Secretary.

Action Items

The Secretariat will maintain a list of action items resulting from PMRC meetings. Action items will be documented in the minutes and the open/closed status will be briefed at each PMRC meeting. Open items will continue to be carried over to the next set of minutes until closed.

Meeting Representation and Review

The review process will be carried out at PMRC meetings as described in the PMRC Charter. All questions and clarifications regarding PMRC items of interest should be disseminated to all members for equal awareness. With the exception of informational discussions to bring committee members up-to-speed on a particular project/issue, the PMRC discourages separate meetings that do not include representation by all members.

Additionally, while non-member participation and comments are welcome during PMRC proceedings, the submission of questions/comments/issues by non-members should be through the appropriate committee member to avoid duplication and ensure proper intra-program coordination. This will also help streamline the administrative workload associated with the activities of the committee to facilitate effective communications and ensure any required action is taken in a timely manner.

Exemptions

Programs may present cases to the PMRC for an exemption from a specific DOE O 413.3B (or latest version) provision or other mandatory project management guidance regarding capital asset projects. If the consensus of the committee is to endorse the exemption request, approval of the exemption request will be forwarded to the appropriate Under Secretary for appropriate review and approval, if deemed appropriate. If PMRC consensus cannot be attained, at the discretion of the Program, the exemption request may be forwarded to the Deputy Secretary as the Chief Executive for Project Management with formal review by the PMRC outlining the advantages and disadvantages of the proposed exemption. In this case, the exemption request will be entered into, and processed through, the Department's formal collaboration process for approval consideration by the Deputy Secretary.

PMRC Briefing CD-0 Requirements Checklist	
CD-0 (Primarily For Major Systems Projects (MSP)) Non-MSP will be done virtually	Submitted
<u>CD-0 Project Brief</u> (follow ESAAB brief template)	
<u>Mission Need Statement Document</u> with recommendation from PM for projects with a TPC \geq \$100M. (Refer to DOE G 413.3-17.)	
<u>Independent Cost Review</u> (ICR). For Major System Projects, or for projects as designated by the CE.	

Check-List Color Code LEGEND:

- Blue highlighted boxes are standing read-ahead requirements in the PMRC SOP for CD-Briefs
- Yellow highlighted boxes are new requirements reflective of the Dec 2014 and June 2015 S1 policy memos that must be addressed either in the standing read-ahead documents above or as stand-alone documents for the PMRC presentation

PMRC Briefing CD-1 Requirements Checklist	
CD-1	Submitted
<u>CD-1 Project Brief</u> (follow ESAAB brief template)	
<u>Preliminary Project Execution Plan</u> (PEP). The <u>Tailoring Strategy</u> , if required, can be included in the PEP or placed in a separate document. (Refer to DOE G 413.3-15.)	
<u>Preliminary Acquisition Strategy</u> (AS) with endorsement from PM for Major System Projects. (Refer to DOE G 413.3-13.)	
<u>Independent Cost Estimate</u> (ICE) For projects with a TPC \geq \$100M, PM will develop an <u>Independent Cost Estimate</u> and/or conduct an <u>Independent Cost Review</u> , as they deem appropriate.	
Most Recent <u>Project Peer Review</u> Report	
<u>Design Management Plan</u> For Major System Projects, develop a Design Management Plan that establishes design maturity targets at critical milestones through final design.	
Conduct an <u>Analysis of Alternatives</u> (AoA) that is independent of the contractor organization responsible for managing the construction or constructing the capital asset project, for projects with an estimated Total Estimated Cost (TEC) greater than the current GPP threshold. For projects with an estimated top-end range less than \$50M, the AoA shall be commensurate with the project cost and complexity. Refer to GAO-15-37.	
For Major System Projects, or first-of-a-kind engineering endeavors, conduct a <u>Technology Readiness Assessment</u> and develop a <u>Technology Maturation Plan</u> , as appropriate. At this stage, each critical technology item or system shall achieve a Technology Readiness Level-4 (TRL-4). (Refer to DOE G 413.3-4A.)	
Update <u>Project Data Sheet</u> , or other funding documents for MIE and OE projects, and A-11 Business Case, if applicable. <u>This must contain an estimate of the required amount of PED funds to execute the planning and design portion of a project (period from CD-1 to completion of the project's design).</u> (Refer to DOE CFO Budget Call for PDS and Business Case Template.)	

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PMRC Briefing CD-2 Requirements Checklist	
CD-2	Submitted
<u>CD-2 Project Brief</u> (follow ESAAB brief template)	
<u>Project Execution Plan</u> . (Refer to DOE G 413.3-15.)	CE or PME
<u>Acquisition Strategy</u> , if there are any major changes to the acquisition approach. Obtain endorsement from PM for Major System Projects. (Refer to DOE G 413.3-13.)	PSO
<p><u>Performance Baseline External Independent Review</u> (EIR) or an <u>Independent Project Review</u> (IPR). PM will conduct EIRs to validate the PB for projects with a TPC \geq \$100M. PM must issue a Performance Baseline Validation Letter to the PSO that describes the cost, schedule, and scope being validated. PMSO will conduct IPRs to validate the PB for projects with a TPC $<$ \$100M. (Refer to DOE G 413.3-9)</p> <p>For projects with a TPC \geq \$100M, PM will develop an <u>Independent Cost Estimate</u> (ICE). The ICE will support validation of the PB.</p>	PM \geq \$100M PMSO $<$ \$100M
Most Recent <u>Project Peer Review</u> Report	
Complete a <u>Preliminary and/or Final Design</u> . <i>Hazard Category 1, 2, and 3 nuclear facilities shall achieve at least 90% design completion prior to CD-2 approval. Non-nuclear project designs shall be sufficiently mature to prepare a project baseline with 80-90% confidence prior to CD-2 approval. (See Appendix C, Paragraph 6a for definition of 90% design complete.)</i>	
For Major System Projects, or first-of-a-kind engineering endeavors, conduct a <u>Technology Readiness Assessment</u> and develop a <u>Technology Maturation Plan</u> , as appropriate. At this stage, each critical technology item or system shall achieve a Technology Readiness Level-7 (TRL-7). (Refer to DOE G 413.3-4A.)	
Address post CD-2 approval plan to submit budget request for the TPC. PME will request full funding for all new projects with an estimated TPC of \$50M or less, within a single budget year request, unless justification for less than full funding is provided to and approved by the ESAAB.	

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PMRC Briefing CD-3 Requirements Checklist	
CD-3	Submitted
<u>CD-3 Project Brief</u> (follow ESAAB brief template)	
<u>Acquisition Strategy</u> , if there are any major changes to the acquisition approach. Obtain endorsement from PM for Major System Projects. (Refer to DOE G 413.3-13.)	
<u>Project Execution Plan</u> . (Refer to DOE G 413.3-15.)	
Complete and review the <u>Final Design</u> for non-nuclear facilities and less than Hazard Category 3 nuclear facilities.	
<p>Perform an <u>External Independent Review</u> by PM for Construction or Execution Readiness on all Major System Projects. (Refer to DOE G 413.3-9.)</p> <p>Perform an <u>Independent Project Review</u> by the appropriate PMSO for Non-Major System Projects unless justification is provided and a waiver is granted by the PME.</p> <ul style="list-style-type: none"> For projects with a TPC \geq \$100M, PM will develop an <u>Independent Cost Estimate</u>. 	
Most Recent <u>Project Peer Review</u> Report	
For Major System Projects where a significant critical technology element modification occurs subsequent to CD-2, conduct a <u>Technology Readiness Assessment</u> , as appropriate. (Refer to DOE G 413.3-4A.)	

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PMRC Briefing BCP Requirements Checklist	
BCP	Submitted
<u>BCP Project Brief</u> (follow ESAAB brief template)	
<u>Project Execution Plan</u> . (Refer to DOE G 413.3-15.)	CE or PME
Perform an <u>External Independent Review</u> by PM for Construction or Execution Readiness on all Major System Projects. (Refer to DOE G 413.3-9.)	
Perform an <u>Independent Project Review</u> by the appropriate PMSO for Non-Major System Projects unless justification is provided and a waiver is granted by the PME.	
For projects with a TPC \geq \$100M, PM will develop an <u>Independent Cost Estimate</u> .	
Most Recent <u>Project Peer Review</u> Report	

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PMRC Briefing CD-4 Requirements Checklist	
Prior to CD-4	Submitted
<u>CD-4 Project Brief</u>	
Verify that <u>Key Performance Parameters</u> and <u>Project Completion Criteria</u> have been met and that mission requirements have been achieved. The FPD will verify and document the scope accomplished, TPC, KPPs met, and the completion date as it relates to the original CD-2 performance baseline and the latest approved baseline change.	
Issue a <u>Project Transition to Operations Plan</u> ³ that clearly defines the basis for attaining initial operating capability, full operating capability, or project closeout, as applicable. The plan will include documentation, training, interfaces, and draft schedules. (Refer to DOE G 413.3-16A.)	

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