



Department of Energy

Washington, DC 20585

September 26, 2000

The Honorable John T. Conway
Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, NW
Suite 700
Washington, DC 20004

Dear Mr. Chairman:

The Department of Energy (DOE) is in the final stages of developing draft DOE O 413.X, *Project Management for the Acquisition of Capital Projects*. This Order and its related policy and manual identify specific requirements for project and program management of the acquisition of capital assets within the Department.

There has been a continuing dialogue between the Defense Nuclear Facilities Safety Board staff and DOE on ways to improve the Order. We received the Board staff's letter of June 2, 2000 describing their specific comments. In order to move forward with prompt issuance of the Order, I propose the following actions be taken to address the Board staff's issues:

- Clearly indicate in section 2 of draft DOE O 413.X that specific paragraphs of DOE O 430.1A, *Life Cycle Asset Management* are being cancelled. We will add a clarifying statement that the remaining requirements of DOE O 430.1A remain in force.
- Continue discussions between the Board's staff and DOE on the draft *Program and Project Management Manual* and the *Program and Project Management Practices* to address, to the general satisfaction of the Board, remaining Board issues, such as the continued applicability of the six Good Practice Guides related to systems engineering, and the guides associated with deactivation and decommissioning.
- Since not all of DOE O 430.1A is being cancelled by draft DOE O 413.X, there are other aspects of DOE O 430.1A which remain in force. The Department is actively studying options for the assignment of an Office of Primary Interest for "ownership" of these aspects. I fully expect this issue to be resolved within the next several months.

I believe that the above actions generally address the concerns of the Board and its staff and will result in satisfactory resolution of remaining issues.



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Please accept my thanks to you and your staff for the time and effort you have taken as we promulgate a significant and substantive set of documents and processes that better define how the department carries out its management for the acquisition of capital assets.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Clair F. Gill". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Clair F. Gill
Director,
Office of Engineering and
Construction Management

cc: M. Whitaker, S-3.1