The Deputy Secretary of Energy
Washington, DC 20585

April 12, 2011

MEMORANDUM FOR DISTRIBUTION

FROM: DANIEL B. PONEMAN

SUBJECT: Project Peer Reviews

In my March 4, 2010 memorandum on the Department of Energy's (DOE) project management principles, and in recently released DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, I directed that peer reviews be conducted at least once a year for large (i.e., Total Project Cost of $100M or greater) or high visibility projects, and more frequently for more complex projects or those experiencing performance challenges. These reviews evaluate technical, managerial, cost, scope, and other key aspects so that necessary course corrections can be identified and projects can be delivered within the original scope, cost, and schedule.

During the recent contract and project management summit, it became clear that much work is required to fully implement this practice throughout the Department. I expect that review teams will be established with our most talented project, contract, and technical staff from across the complex. This includes both Federal and contractor personnel from within and across Program Offices. We all benefit from this cross-fertilization by learning from each other.

To build a culture in which peer review is valued and integral to project success, the National Nuclear Security Administration and the Office of Environmental Management should participate in the Office of Science (SC) peer reviews to observe their protocol and process. Likewise, SC peer review veterans should take part in the largest peer reviews in other programs. SC has refined the peer review process over decades; DOE, as an institution, needs to adopt it. We will follow the SC model which fully integrates compliance with all applicable laws.

Finally, and to clarify the existing policy, we must approach peer reviews as a departmental team. There should be no contractual or budgetary impediments to accomplishing these cross program reviews, which are fundamental to the professional development of each and every member of both the project team and the project peer review team. The knowledge and lessons learned that our project management professionals gain with each review is invaluable. Project management professional development and departmental knowledge management is the ultimate result; enhancements to project execution performance over time is the by-product. Indirect accounts at the contributing sites should cover these allowable costs.

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This policy clarification is effective immediately. Your personal leadership and support is needed to improve the peer review process across the DOE complex. The Office of Engineering and Construction Management will work with your offices to facilitate the implementation of this policy, and will codify it in the next update of DOE Order 413.3.

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