



Department of Energy  
Washington, DC 20585

**JM CHRONOLOGY**

JM RECEIVED 1/5/16  
OUT FOR REVIEW 1/21/16  
DRB DISCUSSION 2/4/16

Jan 4<sup>TH</sup>, 2016

MEMORANDUM FOR: INGRID KOLB  
DIRECTOR, OFFICE OF MANAGEMENT

THROUGH: KEVIN T. HAGERTY  
DIRECTOR, OFFICE OF INFORMATION RESOURCES

FROM: CARMELO MELENDEZ  
DIRECTOR, OFFICE OF ASSET MANAGEMENT

SUBJECT: Notice of Intent to Revise DOE O 430.1B, *Real Property Asset Management*

**PURPOSE:** Department of Energy (DOE) Order 430.1B, *Real Property Asset Management*, establishes a corporate, holistic and performance-based approach to real property life-cycle asset management that links real property asset planning, programming, budgeting and evaluation to program mission projections and performance outcomes. The proposed action would update the existing order to enact the Asset Management Plan, institutionalize the recommendations of the Laboratory Operations Board (LOB) working groups on infrastructure, and incorporate government-wide real property policies and practices mandated since 2003, see attachment 1.

**JUSTIFICATION:** Most stakeholders agree that the Department's main directive related to real property, DOE Order 430.1B, *Real Property Asset Management* (RPAM or the Order), last updated in 2003, requires a revision. Since Department orders mandate action, any revision to the Order will have cost implications. The revision must take into consideration current statutes, regulations, and Presidential direction as well as Departmental intent and obligations while addressing weaknesses in the Department's stewardship of real property, some of which the Government Accountability Office and the Department's Inspector General have exposed.

The updated Order will continue to apply to all DOE elements with responsibility for real property management, including the National Nuclear Security Administration, the Office of the Deputy Administrator for Naval Reactors, the Power Marketing Administrations, and the Federal Energy Regulatory Commission.

There are no valid external, consensus or other "Standards (e.g., ISO, VPP, etc.) available which can be used in place of this directive.

Revision will proceed under a "Proof of Concept" pilot project intended to test a streamlined approach to the Order revision process itself and to demonstrate the feasibility of applying a

Rec'd Remark 1/5/16



similar approach to developing or revising other directives. The pilot project relies on an Executive Steering Committee (ESC), representing the three Under Secretaries, to establish the overall strategic direction for the revised Order and to work with and through DOE Program Offices and organizations to gain consensus on Order content and requirements. The ESC has seven members and two advisors. It is co-chaired by a federal representative (Carmelo Melendez, MA-50) and a contractor representative (John Quintana, DCOO, ANL). The ESC is responsible for communicating and coordinating with represented organizations, see attachment 2. This includes collecting, reviewing, and adjudicating DOE O 430.1C review comments with respective Program Offices and organizations and delivering a consistent message on DOE O 430.1C, including approach and status. The Office of Asset Management will conduct research, draft the Order based on the ESC strategic direction, and provide technical support; the intent is to minimize ESC members' time commitment.

The ESC will produce two (2) drafts for community review. The second draft will be placed into RevCom. Following adjudication of the RevCom comments, the final draft will be submitted to the DRB for approval.

The structure of the revised Order will rely on current DOE O 251.1 templates.

**IMPACT:** The proposed directive does not duplicate existing laws, regulations or national standards and it does not create undue burden on the Department. Update of the Order will not materially impact other DOE Orders.

Incorporating the LOB recommendations may require revision of existing Guides including:

- DOE G 430.1-1, *Cost Estimating*
- DOE G 430.1-2, *Implementation Guide for Surveillance and Maintenance During Facility Transition and Disposition*
- DOE G 430.1-3, *Deactivation Implementation Guide*
- DOE G 430.1-4, *Decommissioning Implementation Guide*
- DOE G 430.1-5, *Transition Implementation Guide*
- DOE G 430.1-7, *Alternative Financing Guide*
- DOE G 430.1-8, *Asset Revitalization Guide for Asset Management and Reuse*

Incorporating the LOB recommendations may require the generation of new Guides including:

- Determining Property Type and Status
- Conducting Facility Functionality Assessments and Utilization Surveys
- Developing Assessment Criteria for Asset Management Plans
- Disposition of Contaminated Real Property Assets (incl. internal transfers)
- Long Term Stewardship

As necessary, the Office of Asset Management will work closely with the Office of Environmental Management and the Office of Legacy Management to produce these Guides.

The updated Order will include performance measures aligned with the goals and objectives established in the Department's Asset Management Plan as well as a methodology for revising the goals and measures as the Department's needs change.

This supersedes the Justification Memorandum (JM) approved by the DRB on March 10, 2009.

**WRITER:** Cindy Hunt, 202-586-4539.

**OPI/OPI CONTACT:** Office of Asset Management (MA-50), Carmelo Melendez, 202-586-4502.

Ingrid Kolb, Director, Office of Management (MA-1):

Concur:  Nonconcur: \_\_\_\_\_ Date: 2-4-2016

<u>Schedule for Directives Development</u>	<u>Days</u>
Draft Development	Up to 270 days
Review and Comment (RevCom)	<del>30</del>
Comment Resolution	15
Final Review + <i>Concurrence</i>	<del>30</del>
Total	315

#### Attachments

- Mandates Impacting Facilities and Infrastructure that Postdate DOE O 430.1B, 11/7/2015
- DOE O 430.1C Support Office and Organization Coordination Responsibility Plan, 12/4/2015