



Department of Energy
National Nuclear Security Administration
Washington, DC 20585



November 21, 2014

MEMORANDUM FOR FRANK G. KLOTZ
UNDER SECRETARY FOR NUCLEAR SECURITY
ADMINISTRATOR, NNSA

FROM: *for* *DF Callros*
DONALD L. COOK
DEPUTY ADMINISTRATOR
FOR DEFENSE PROGRAMS

SUBJECT: Delegation of Acquisition Executive Functions

ISSUE: Whether to delegate Critical Decision and Acquisition Executive functions to the Deputy Administrator for Defense Programs.

BACKGROUND: In Fiscal Year (FY) 2017 Defense Programs plans to request design funds to initiate two projects in order to replace the following facilities:

1. Lithium Production facility at the Y-12 National Security Complex, and
2. Tritium Reservoir processing facility at the Savannah River Site.

For capital asset projects with Total Project Cost (TPC) between \$100 million and \$750 million, the Department of Energy Order 413.3B designates critical decision (CD) approval authority as the Acquisition Executive (AE) to the Under Secretaries with further delegation allowed. Furthermore, the Order states that the designated AE must approve all non-major system project CDs, except for CD-0 (Approve Mission Need), which cannot be delegated below the Program Secretarial Officers, such as the Deputy Administrators. The TPC for each of these projects is anticipated to be higher than \$100 million.

Recent guidance from the Department of Energy Chief Financial Officer is reinforcing the requirements of Title 50 of the United States Code (USC) Section 2746. USC Section 2746 requires completion of a conceptual design before requesting funds for a construction project. However, the mission need for a project must be approved before authorizing the project team to prepare the conceptual design. The mission need approval for the above two projects is planned for the first quarter of FY 2015.

Developing the conceptual design and preparing budget-quality cost and schedule estimates will take approximately 12 to 18 months. The conceptual design needs to be approved no later than December 2015 to enable the request of design funds in



FY 2017. In order to allow expeditious approval of the mission need and the start of conceptual design development, I request that critical decision approvals and acquisition executive functions for these projects be delegated to the Deputy Administrator for Defense Programs.

Recommendation: Delegate approval of Critical Decisions and Acquisition Executive functions.

Approved: JK 12/10/2014 Disapproved: _____ Date: _____

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