

NNSA POLICY

NAP 413.2

Approved: 02-04-19

Certified : 04-01-22

Expires: 04-01-25

PROGRAM MANAGEMENT POLICY



NATIONAL NUCLEAR SECURITY ADMINISTRATION Office of Systems Engineering and Integration

CONTROLLED DOCUMENT

AVAILABLE ONLINE AT:

<https://directives.nnsa.doe.gov>

OFFICE OF PRIMARY INTEREST (OPI):

Office of Systems Engineering and Integration

printed copies are uncontrolled

THIS PAGE INTENTIONALLY LEFT BLANK

PROGRAM MANAGEMENT POLICY

1. PURPOSE. This National Nuclear Security Administration (NNSA) Policy (NAP) establishes policy for conducting program management activities within the NNSA. This policy provides increased organizational discipline, clearly defined management responsibilities and authorities, and consistency across both Headquarters and field offices to increase management efficiency and effectiveness. It also eliminates management redundancies and provides for guidance on tasking and direction from NNSA programs to Management and Operating (M&O) contractors.
2. AUTHORITY. NNSA's program management NAP is established under 50 United States Code (U.S.C.) 2402, *Administrator for Nuclear Security*. This law gives the Administrator authority to establish NNSA-specific policies, unless disapproved by the Secretary. The law establishes the Administrator with authority over, and responsibility for, all programs and activities of the Administration including program management and direction (item 5).
3. CANCELLATION. None.
4. APPLICABILITY.
 - a. Federal. This NAP applies to all federal NNSA elements.
 - b. Contractors. Does not apply to contractors.
 - c. Equivalencies/Exemptions.
 - (1) Equivalency. In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 U.S.C. sections 2406 and 2511, and to ensure consistency throughout the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this Directive for activities under the Director's cognizance, as deemed appropriate.
 - (2) Exemption. None.
5. BACKGROUND. NNSA programs cover a wide spectrum of activities including level-of-effort, research and development, high risk/high uncertainty technology sharing, weapons refurbishment, and acquisition of capital assets. The diversity of programs within NNSA demands the tailored application of program management principles to accommodate the requirements of each program. For example, earned value reporting and a rigorous change control system appropriate for acquisition of capital assets may not be cost effective for level-of-effort programs. Between these ends of the program

management spectrum is a category of activities that could require the application of an intermediate level of program management tools for cost effectiveness.

The Project Management Executive determines the application of Department of Energy (DOE) Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*, as specified in the Order's Appendix B. If the project is covered by DOE Order 413.3B, then the requirements of the DOE Order and NNSA Business Operating Procedure (BOP) 06.02, *Program Requirements Document for Construction Projects* and NNSA BOP 06.05, *Project Management for Acquisition of Capital Assets*, are used for program management.

For information technology (IT) projects, DOE Order 415.1, *Information Technology Project Management*, and NNSA Supplemental Directive (SD) 415.1, *Project Oversight for Information Technology (PO-IT)*, are used for program management.

For activities not falling under DOE Order 413.3B or DOE Order 415.1, certain minimum standards, as defined in this NAP, will be applied, and designated NNSA Program Managers shall be trained to maintain proficiency commensurate with their responsibilities.

For specific requirements regarding NNSA management, oversight and interface with NNSA M&O, prime security, and prime environmental management contractors, and their sub-contractors, refer to SD 226.1B, *NNSA Site Governance*. This establishes the NNSA Site Governance Model as the system that the federal government and NNSA's contractor partners work within to help ensure effective mission performance and operational excellence.

Additional guidance for specific roles and responsibilities of NNSA Program Managers for Life Extension Programs and Strategic Materials within the Office of Defense Programs (NA-10) are defined in BOP 06.07, *Program Management Policy for Weapons and Strategic Materials Programs*.

6. REQUIREMENTS.

- a. NNSA elements must supplement the process defined in NAP 33, *Planning, Programming, Budgeting, and Evaluation (PPBE) Process*, with their own processes and procedures to ensure accomplishment of NNSA program management roles. These processes and procedures must be consistent with PPBE, associated NNSA processes, and DOE orders. This NAP constitutes the authority for issuing these processes and procedures.
- b. NNSA elements must establish program management requirements for respective NNSA programs based on the needs, risk, complexity, and stakeholder involvement. The program management requirements must include, at a minimum, the following:

- (1) A tailored approach to program management based on risk and complexity of the activity within their element and, if needed, definition of different program categories to address the risk and complexity; specifically, it must include that, if the program is covered by DOE Order 413.3B, then the requirements of the DOE Order and NNSA BOP 06.02 and BOP 06.05 will be used for program and project management; and IT projects will follow DOE Order 415.1 and NNSA SD 415.1.
- (2) Identification of the NNSA Program Managers for the programs. NNSA Program Managers
 - (a) must be assigned responsibilities; and
 - (b) must be appointed to the position and receive the authorities needed to carry out the assigned responsibilities.
- (3) Certification requirements as applicable to demonstrate competency and proficiency of program management principles within a reasonable period after being designated an NNSA Program Manager and, where appropriate, on a recurring basis;
- (4) Program management requirements and procedure documents define a tailored approach of specific features and functions of program management requirements. The use of the DOE Guides for 413.3B is recommended for establishing these requirements and procedure documents. At a minimum, the approach must:
 - (a) Establish and document the requirements for scope, schedule, and cost management using a tailored approach including development of schedule and cost estimates that cover the life cycle of programs where appropriate; methodologies to account for significant uncertainties in cost estimates; reporting requirements; performance metrics, change control requirements; systems engineering concepts for technical management, including requirements management; work breakdown structure; risk, interface, and quality management; human capital management; and configuration management. OMB Circular A-11, *Planning, Budgeting, and Acquisition of Capital Assets*, provides guidance for life cycle cost estimating for all major acquisitions for capital asset projects that are covered by DOE Order 413.3B. OMB memo (M-18-19), *Improving the Management of Federal Programs and Projects through Implementing the Program Management Improvement Accountability Act (PMIAA)*, covers the key principles that should be addressed for program management.
 - (b) Establish and document requirements for technical and programmatic performance management. The tailored approach

for performance measurement is determined by the NNSA element, and could involve the use of various program management tools ranging from simple charts to a complex certified Earned Value Management system. Per OMB Circular A-11, all major acquisitions for capital asset projects will include the requirement to use an Earned Value Management system that is covered by DOE Order 413.3B.

- (c) Establish and document the frequency and programmatic requirements for program reviews, at a minimum, with the Administrator and with the relevant Deputy or Associate Administrator.
- (d) Establish program management guidance addressing the following attributes:
 - 1 Tailored and Flexible. There is no one best way to structure a program to accomplish the objective of Program Management. Each Deputy Administrator/Associate Administrator should consider a tailored program management approach based on program complexity. The NNSA Program Managers should tailor program strategies and oversight, including documentation of program information, program phases, the timing and scope of decision reviews and decision levels, to fit the particular conditions of that program, consistent with applicable laws and regulations and the time sensitivity of the capability need.
 - 2 Streamlined and Effective Management. Program responsibility should be decentralized when practicable. The NNSA Program Manager must use a streamlined management structure during program execution, characterized by short, clearly defined lines of responsibility, authority, and accountability.
 - 3 Responsive and Cost-Effective. Advanced technology should be integrated into producible systems and deployed in the shortest time practicable. The preferred approach is a strategy that aligns capability with available technology and resources to satisfy operational needs. All participants in the program execution process must recognize fiscal constraints. They must plan programs based on realistic projections of the funding and manpower likely to be available in future years.

- 4 Communications and Collaboration. Complete and current program information is essential to program execution. Each program should establish and document appropriate processes and mechanisms to provide effective communication among the stakeholders.
 - 5 Innovation. During program planning and execution, program professionals should continuously streamline and improve the process. The program team should examine and, as appropriate, adopt innovative practices (including the use of IT tools, commercial best practices, and lessons learned from other programs) that reduce process cycle time and cost, and encourage teamwork.
- (5) Establishment and documentation of the process for assignment of resources to accomplish the program scope over identified periods of time; and
- (6) Establish a tailored approach to training requirements. At a minimum, requirements must include:
 - (a) Training in accordance with program management practices;
 - (b) A listing of the NNSA Program Managers and their applicable training. The training and certification requirements should be tailored based on program complexity, risk, and estimated cost with a minimum core training to higher levels of training using the best practices from DOE Order 361.1C, *Acquisition Career Management Program*, DOE Order 413.3B, and other standard practices such as Project Management Institute;
 - (c) It is recommended that a federal representative from their respective program office or a designated NNSA Program Manager receive training and qualification as a Contracting Officer's Representative (COR), and serve in that role through formal designation as a COR by the cognizant Contracting Officer, with clearly delineated scope and responsibilities. This will both streamline communication with the M&O contractor and mitigate a potential source of inconsistent guidance and miscommunication.
- c. NNSA elements must meet mission requirements and needs with measurable improvements to mission capability and operational support in a timely manner and at a fair and reasonable price while conforming to the statutory and regulatory requirements specified in this and applicable DOE and NNSA directives; the respective departmental elements should also pursue continuing improvement in efficiency and effectiveness, and implement industry best practices for shaping and building the enterprise workforce.

- d. Program direction to contractors is issued through appointed CORs and Contracting Officers, acting within their designated authority. Information on appointment of CO and CORs is provided in DOE Order 541.1C, *Appointment of Contracting Officers and Contracting Officer Representatives*.
- e. NNSA elements must ensure that the NNSA Program Managers are accountable for their respective program execution.
- f. NNSA elements must consider the use of the best practices developed by Project Management Institute Standards, GAO Best Practices, DOE Order 426.1A, *Federal Technical Capability Program*, qualification standards and other department and external industry standards. OMB memo (M-18-19) covers the key principles that should be addressed for program management.

7. RESPONSIBILITIES.

- a. Deputy Administrators / Associate Administrators.
 - (1) Implement this policy within their organizations;
 - (2) Identify and document the programs in their departmental element to which this policy applies within 6 months of this NAP's issuance and annually thereafter;
 - (3) Appoint and document the NNSA Program Managers for each program under their purview; this may be delegated to other senior leaders as determined appropriate by the cognizant Deputy or Associate Administrator;
 - (4) Develop and issue program management requirements for the programs and accountabilities for NNSA Program Managers under their authority that include the requirements from this NAP;
 - (5) Ensure that the NNSA Program Managers are accountable for their respective program execution;
 - (6) Develop and oversee program management training requirements for NNSA Program Managers under their purview;
 - (7) Allocate resources across their respective programs;
 - (8) Review planning and execution progress on programs under their purview;
 - (9) Delegate these authorities in writing as necessary; and
 - (10) Collaborate with other NNSA Deputy and Associate Administrators to share best practices and develop common approaches to program management, where appropriate.

- b. Associate Administrator for Acquisition and Project Management.
 - (1) Ensure that the Contracting Officers or CORs are provided to support the NNSA Program Managers.
 - (2) Communicate the Government's policy to provide maximum practicable opportunities in its acquisitions to small business concerns, consistent with efficient contract performance.
- c. Field Office Managers.
 - (1) Ensure facilities at their sites are available to safely and securely conduct work supporting the program mission.
 - (2) For work that does not fall under DOE Order 413.3B, ensure that
 - (a) field office Contracting Officers appoint CORs for the site-specific contract as required; and
 - (b) Contracting Officers or designated CORs are provided to support the NNSA Program Managers.
 - (3) Ensure, as needed, program management and execution at NNSA sites meet the requirements of this NAP.
- d. NNSA Program Managers.
 - (1) Define and manage the cost, schedule, and scope necessary to achieve the goals and objectives of their assigned program;
 - (2) Establish requirements and management plans;
 - (3) Allocate resources based on program priorities;
 - (4) Manage program execution; monitor and provide execution-performance input to Contracting Officer and designated COR;
 - (5) Develop program performance, schedule, and cost goals;
 - (6) Resolve issues and remove barriers that affect program success and – when necessary – identify issues that cannot otherwise be resolved to senior management for adjudication;
 - (7) Represent their organization to program customers and other interfacing programs;
 - (8) Make decisions, leading to the execution of their programs, and be held accountable for the results; and

- (9) Provide the timely planning and status information on the program to the Deputy Administrator/Associate Administrator or other designated decision authority to make informed decisions.

8. DEFINITIONS.

- a. Program. An organized set of activities directed toward a common purpose or goal undertaken or proposed in support of an assigned mission area. It is characterized by a strategy for accomplishing a definite objective(s) that identifies the means of accomplishment, particularly in qualitative terms, with respect to workforce, material, and facility requirements. Programs are typically made up of technology-based activities, projects, and supporting operations.
- b. Project. A unique effort having defined start and end points undertaken to create a product, facility, system, or service. Built on interdependent activities planned to meet a common objective, a project focuses on attaining or completing a deliverable within a predetermined cost, schedule, and technical scope baseline. Projects include planning and execution of construction, assembly, renovation, modification, environmental restoration, decontamination and decommissioning, large capital equipment, and technology development activities.
- c. Program Management. A group of closely related projects managed in a coordinated way with methods using the knowledge, skills, tools and techniques to meet program requirements (such as Project Management Institute standards and the associated guides for DOE Order 413.3B).

9. REFERENCES.

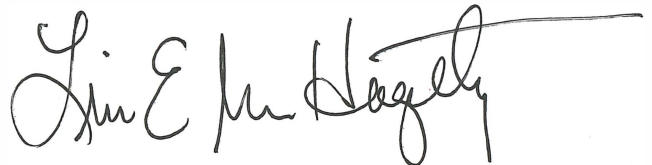
- a. 50 U.S.C. 2401 et seq., *National Nuclear Security Administration Act*.
- b. OMB Circular A-11 (2016), *Planning, Budgeting, and Acquisition of Capital Assets*.
- c. OMB Memorandum, M-18-19, *Improving the Management of Federal Programs and Projects through Implementing the Program Management Improvement Accountability Act (PMIAA)*, dated 06-25-18.
- d. DOE Order 413.3B Chg 5 (MinChg), *Program and Project Management for the Acquisition of Capital Assets*, dated 04-12-18.
- e. DOE Order 413.3 Guides.
- f. DOE Order 415.1 Chg 2 (MinChg), *Information Technology Project Management*, dated 01-17-17.
- g. DOE Order 361.1C, *Acquisition Career Management Program*, dated 05-14-15.
- h. DOE Order 426.1A, *Federal Technical Capability Program*, dated 01-27-17.

- j. NNSA SD 226.1B, *NNSA Site Governance*, dated 08-12-16.
- k. NNSA SD 415.1, *Project Oversight for Information Technology (PO-IT)*, dated 09-03-14.
- l. NAP 33, *Planning, Programming, Budgeting, and Evaluation (PPBE) Process*, dated 01-17-17.
- m. NNSA BOP 06.02, *Program Requirements Document for Construction Projects*, dated 03-20-14.
- n. NNSA BOP 06.05, *Project Management for the Acquisition of Capital Assets*, dated 08-09-16.
- o. NNSA BOP 06.07, *Program Management Policy for Weapons and Strategic Materials Programs*, dated 01-17-17.
- p. Project Management Institute, *The Standard for Program Management – Fourth Edition*, 2017.

10. CONTACT.

Office of Systems Engineering & Integration (NA-18), 505-845-4001.

BY ORDER OF THE ADMINISTRATOR:

A handwritten signature in black ink, reading "Lisa E. Gordon-Hagerty". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Lisa E. Gordon-Hagerty
Administrator