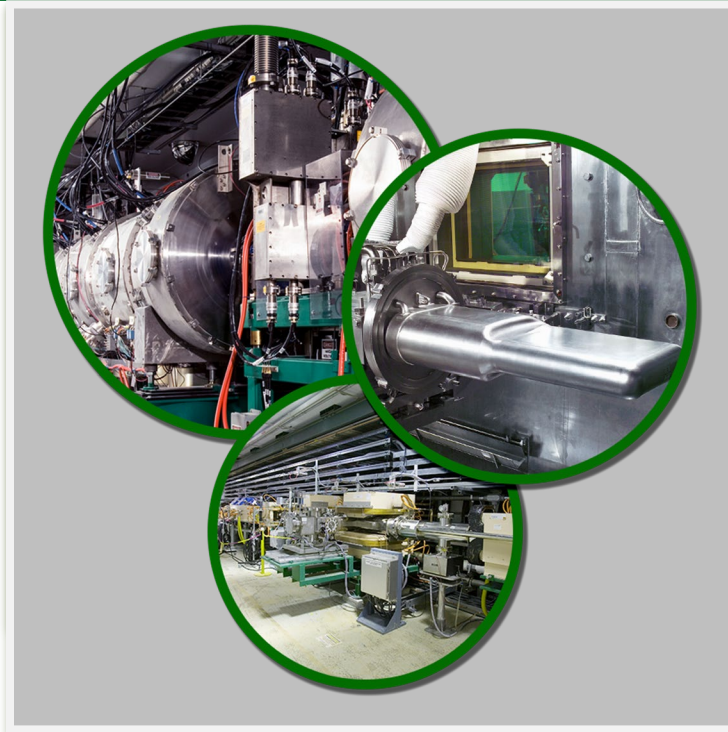


PPUP-101-PN0005-R01

# PROTON POWER UPGRADE (PPU) PROJECT

## CONTINGENCY MANAGEMENT PLAN



August 2021

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# PROTON POWER UPGRADE (PPU) PROJECT CONTINGENCY MANAGEMENT PLAN

August 2021

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## 1. INTRODUCTION

This document outlines the strategy and process that the PPU project will utilize to spend contingency funds as project risks are retired.

The PPU project had contingency of 40% (\$63M) on work-to-go at the time of CD-2/3 approval in October 2020. Since then, the project has completed additional work with minimal contingency draws, and the overall project contingency has increased as a percentage of work-to-go. As the project retires risks, this contingency may be used, as defined in the Project Execution Plan (PEP), “to optimize the scientific capability or substantially improve the performance, reliability, or functionality within the overall facility design and mission need including spares acquisition.” Use of contingency in this manner is subject to the approval of the Federal Project Director (FPD) and will follow the baseline change control process as defined in the PEP.

## 2. PPU CONTINGENCY SPENDING GUIDING PRINCIPLES

- Contingency funds will be available as risks are retired and the PPU FPD agrees on their release, as defined in the PEP. Proposed use of contingency in this manner will be communicated to the Scientific User Facilities Division of the Office of Science, Basic Energy Sciences (BES).
  - Successful project completion and delivery of the baseline project scope is the highest priority
- Proposed contingency use scope should be well defined and deliverable without risking delay of the project CD-4 early finish. However, it is understood that contingency procurements can be completed and closed out later, after CD-4 approval.
- Contingency scope should contribute to *optimize the scientific capability or substantially improve the performance, reliability, or functionality within the overall facility design and mission need including spares acquisition*
  - Prioritize leveraging ongoing PPU procurements
- The contingency management plan spreadsheet will be updated regularly
  - Input from division directors and NScD leadership

## 3. RESPONSIBILITIES AND PROCESS

The PPU project management team will determine the scope and timeline of contingency spending as the project proceeds, risks are retired, and contingency funds become available.

This team includes the following members:

- Project Director
- Project Manager

- Project Controls Lead
- Technical Director
- Federal Project Director

The project contingency availability will be assessed at least quarterly by project management. A list of proposed scope contingency usage will be maintained in the contingency management plan spreadsheet. When contingency funds become available, a contingency use committee will be consulted to select contingency usage applications based on funds available, priorities and duration available for executing the purchases. The contingency use committee will include the PPU project management team described above augmented by:

- Associate Laboratory Director for Neutron Sciences
- NScD Chief Operating Officer
- Director, Research Accelerator Division
- Director, Neutron Technologies Division
- Director, Neutron Scattering Division

After decisions on contingency usage are made, they will be communicated to ORNL management and to BES.