

# EFCOG 2011 Winter Meeting

## Project Management Excellence: What's Next?

December 7, 2011

Paul Bosco, PE, PMP, CFM, LEED-AP

Director, Office of Engineering and Construction  
Management (OECM)



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# Project Success

- Project Success: (For “Capital Asset Projects”)
  - Project completed within the ORIGINAL approved scope baseline, and within 110% of the ORIGINAL approved cost baseline at project completion (CD-4), unless otherwise impacted by a directed change.
- Portfolio Success:
  - 90% of all projects meet project success criteria.



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# How are we Doing?

Based on 3-Year Rolling Timeline

| Capital Asset | FY09<br>Actual | FY10<br>Actual | FY11<br>Target | FY11<br>Actual |
|---------------|----------------|----------------|----------------|----------------|
| Construction  | 76%            | 74%            | 90%            | 84%            |
| Cleanup       | --             | 100%           | 80%            | 94%            |
| Combined      | --             | --             | --             | --             |
|               |                |                |                |                |
| SC            | 90%            | 92%            | 90%            | 100%           |
| EM (Const)    | --             | --             | 90%            | 0%             |
| EM (Cleanup)  | --             | 100%           | 80%            | 94%            |
| NNSA          | 72%            | 68%            | 90%            | 75%            |
| Other         | 67%            | 0%             | 90%            | 83%            |

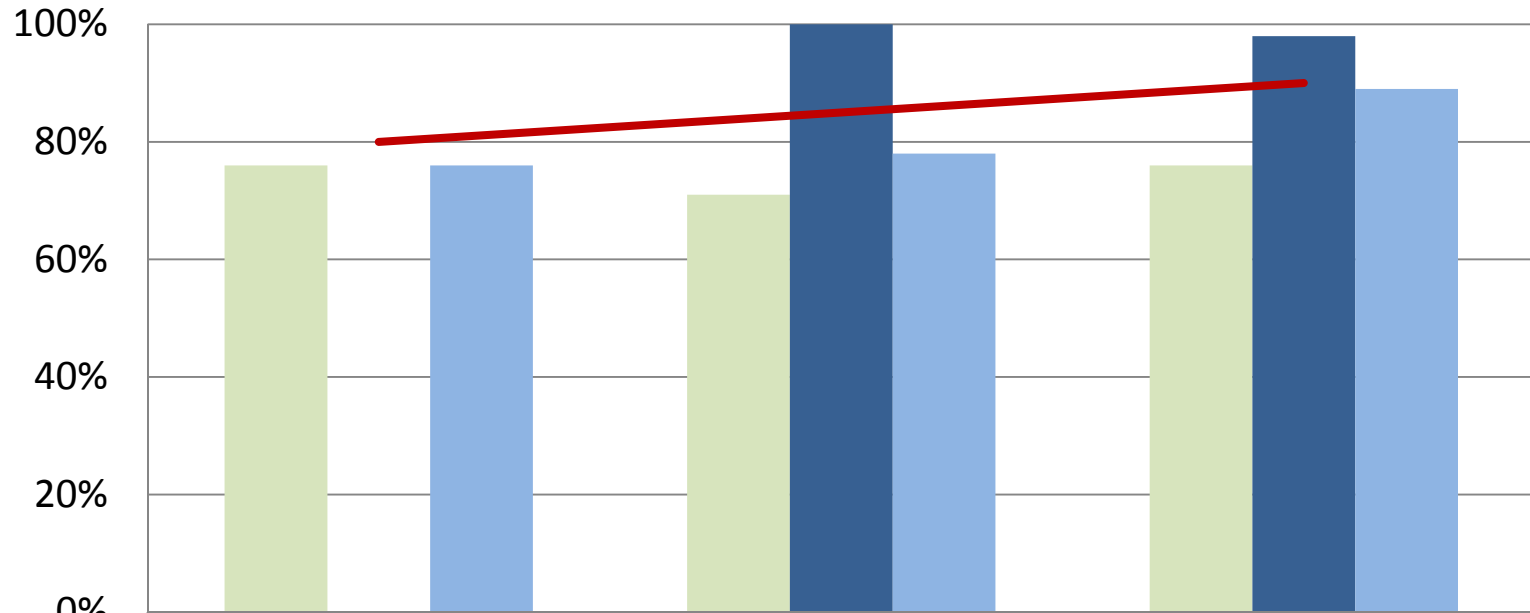


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# How are we Doing?

Pre- vs. Post-RCA  
(Demarcation Date: October 1, 2007)



|              | FY07-09 | FY08-10 | FY09-11* |
|--------------|---------|---------|----------|
| Pre-RCA      | 76%     | 71%     | 76%      |
| Post-RCA     | 76%     | 100%    | 98%      |
| All Projects | 76%     | 78%     | 89%      |
| Target       | 80%     | 85%     | 90%      |



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# Documenting Project Success

Templates Online & OECM Review Draft Memos

## CD-2 → **Commitment**

- Scope
- Minimum Key Performance Parameters
- Total Project Cost
- CD-4 Date (Month/Year)
- Signed by Acquisition Executive

## CD-4 → **Auditable**

- Scope Accomplished
- Key Performance Parameters Met
- Total Project Cost
- Completion Date (Month/Year)
- Signed by Acquisition Executive



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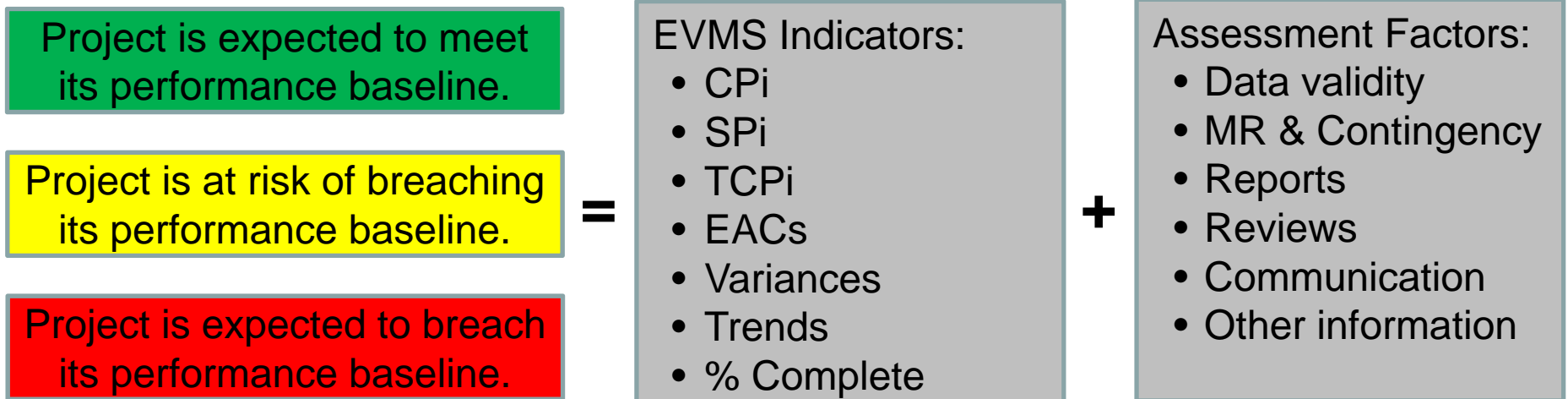
*If a tree falls in the forest and no one is there to hear it, does it make a sound?*



# Tracking Project Performance

(Against Current Project Performance Baseline)

**Overall Project Assessment = EVMS Indicators + Assessment Factors**



- Yellow is not bad
- DOE is not fixated on “getting to green,” only achieving project success and meeting our commitments
- Assessment is not solely ratio based
- Trends are important



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# Significant Improvements

## DOE O 413.3B

(“Effective May 29, 2011”)

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- Established front-end planning maturity objectives
- Clarified project size and structure; program versus project management...”chunking”
- Transformed commitment to funding, budgeting; stabilized funding
  - Full funding for smaller projects
  - Funding profiles – changes require AE approval



\* DOE O 413.3B – Program and Project Management for the Acquisition of Capital Assets

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# Significant Improvement

## DOE O 413.3B

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- Enhanced management and oversight
  - Peer reviews for projects >\$100M
  - PARS II central repository for project data – data accuracy and consistency
  - ICRs/ICEs for projects >\$100M
- Reassess CD-1 (Alternative Selection)
  - If CD-1 cost range grows by 50% as project proceeds toward CD-2 (Approval of Performance Baseline) – another ICE/ICR



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# Path Forward

Improving Project Management

- Follow the DOE framework now in place
  - Anything you need to know...  
<http://energy.gov/management/office-management/operational-management/project-management>
- Improve portfolio management
  - What are your project priorities?
  - Are they aligned to the budget?
  - How do you protect project funding?

Credible project success is the key!

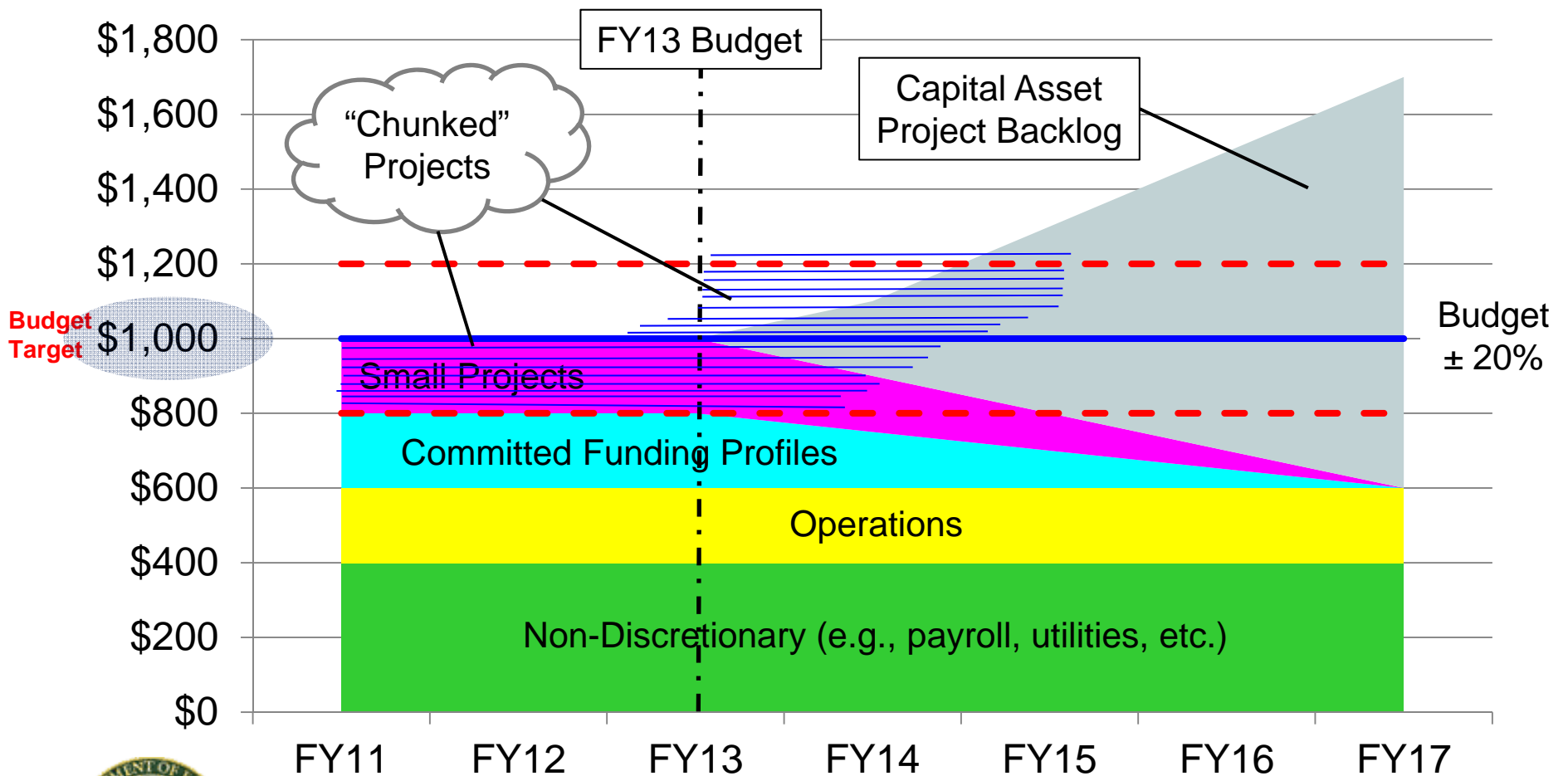


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# Portfolio Management

Notional Data (\$1B Budget)



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# Final Thoughts – What's Next?

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- DOE has improved in project management
- We must document our successes
- Project management framework is in place
- Plan your project; execute; safeguard funds
- Strengthen portfolio management – budget challenges lay ahead

Credible project success is the key!



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# Questions or Comments?



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