

# PROJECT MANAGEMENT WORKING GROUP 2006 ANNUAL REPORT TO THE DIRECTORS

## Introduction

- ◆ **Vision.** The Project Management Working Group provides leadership to improve the application of project management principles and practices and promote the highest quality, most effective and efficient project execution in the Department of Energy (DOE) Complex.
  
- ◆ **Purpose.** The purpose of the Project Management Working Group (PMWG) is to promote project management excellence in the execution of DOE projects by sharing best industrial practices, applying lessons learned and providing integrated recommendations to contractors and to the Department of Energy. The PMWG intent is to facilitate the objectives of the Energy Facility Contractors Group (EFCOG) as they relate to Project Management.
  
- ◆ **Objectives.** The PMWG is committed to the following objectives:
  - Enable success of DOE Projects
  - Develop a cooperative PM network among contractors, government and professional organizations
  - Promulgate project management “best practices”
  - Promote professional development of Project Managers & Project Teams
  - Support the overall objectives of EFCOG

## Scope

The Group's scope includes the areas of Project Management as defined in the Project Management Institute (PMI) Project Management Body of Knowledge (PMBOK), 2000 Edition. This includes Integration Management, Scope Management, Time Management, Cost Management, Quality Management, Human Resources Management, Communications Management, Risk Management, and Procurement Management, as well as industry standards and DOE regulations. Communication with other EFCOG groups ensures that no redundant work occurs.

## Membership

The working group increased from 23 to 32 members during the year. This growth provided additional breath and diversity of experience to the group and allowed us to address more issues with greater sophistication. New members are recruited from member contractors, recommended by current members or recommended by our

DOE sponsors. The WG attempts to maintain a membership with skills and experience across all areas of project management. This year, liaison was maintained with PMI, NICLIC, and other working groups (particularly EPWOG, IMWOG and SAWG). Tom Gioconda provided oversight as our Sponsoring Director.

At the Winter Meeting in 2007, the WG will elect a new Chair for the year 2008. The current Chair will serve as Vice-Chair for 2007 and assist in the transition.

***EFCOG PM Working Group***

<u>Name</u>	<u>Organization</u>
Jennifer Bates	Y 12
Stewart Beckwith	Booz Allen Hamilton
Beth Bilson	Fluor-Fernauld
Thomas Brown	ANL
Tulanda Brown	Fluor Hanford
Michael Cowan	WSMS
Julia Cunningham	PNL
Joel Eacker	CH2M Hill-Hanford
Alan Funk	Terranear PMA
Charles Hanson	Parsons
George Jackson	Fluor-Hanford
Clay Jones (Deputy Chair)	SRS
Sunita Kumar	Cogema
Gerry Lipka	SNL
Bob Miklos	INL-Battelle
Ron Milner	RW
Ron Miller	Bechtel National
Bryant L. (Dell) Morgan	Oak Ridge National Lab.
TW Morris	Y 12
Chuck Negin	Project Management Corp.
Peter Offringa (Chair)	University of California
Jeff Pittman	PNL
Thomas Roche	ABS Consulting
Ray Sadesky	PNL
Susan Stiger	Bechtel National
Mark Sueksdorf	UC-LLNL
Vince Tonc	Peter Kewit and Co.
Rich Tosetti	Bechtel National
Chuck Urland	Project Enhancement Group
Craig Whitely	PNL
Rick Wilkinson	Parsons
Getachew Worku	Project Management Corp.
Total	32

### ***Steering Committee***

Name	Location
Thad Konopnicki	Forrestal Bldg., B-121
Daniel R. Lehman	Germantown, SC-81
Jack Surash	Forrestal Bldg, MA 50
Catherine Santana	Forrestal Bldg., ME-90

### **Objectives and Achievements**

- ◆ At the request of the Steering Committee, the PMWG focused all their efforts this year on improving contractor performance in supporting the Critical Decision (CD) process. At its winter meeting in January, the Working Group adopted the theme “Achieving Quality in Project Execution” and committed to 10 Focus Areas. These efforts are multi-working group endeavors coordinated by the PMWG. The Focus Areas and the status of their actions are briefly described below.
  - Risk Management. Focus is on improving the determination of risk and the quality of Risk Management Plans that are reviewed at each CD. Report is Attachment 1.
  - Safety in Design. This Focus Area was developed to address the concerns of the Defense Nuclear Safety Board and others that safety was not being addressed early in the project formulation and Conceptual Design process. The SAWG is leading this Focus Group in formulating new safety standards. Final Report is due in November.
  - Project Requirements Document (PRD). Inadequately defined, frequently changing requirements are documented as one of the most frequent causes of project failure. This Focus Group is addressing solutions to this problem. A guide and a model PRD are under review by the EFCOG Executive Council.
  - Cost and Schedule Estimating. Accurate costs and reliable schedules are critical to good decision-making. This Focus Area is targeted toward improving cost and schedule estimating across the DOE Complex. Report is Attachment 2.
  - Project Execution Plans. Fundamental to successful execution of any project is an effective, comprehensive, Project Execution Plan (PEP). The purpose of this Focus Area is to improve the quality of PEP provided to decision makers at the CD. A PEP Template has been completed and is attached (Attachment 3).
  - Contract Fee and EVMS. This Focus Area is a continuation from last year. The stated purpose of EVMS is to provide information for managers. Use of EV indicators as performance measures could reduce their effectiveness as management tools. This Focus Area seeks to identify the appropriate use of EV data. Report is in final review by the EFCOG Executive Council.
  - Contractor Input for the DOE O413.3 Revision. This area ensures that contractor input is received and understood by the DOE team

accomplishing the revision. This action is complete; DOE Order has been published

- Tailoring. Guidelines for tailoring the requirements of DOE O 413.3 are not available. This Focus Area will address standards and guidance for tailoring. Output from this area will be incorporated into the appropriate new PM Guides.
  - Project Performance Reporting. Improving the quality of project reporting is the goal of this Focus Area. The contractor community will provide the best aspects from current reporting for distribution throughout the complex. Report is Attachment 4.
  - EVMS Surveillance. With more contractor EVMS receiving DOE certification, surveillance has increased in importance. This Focus Area seeks to set standards and provide guidance on how best to execute surveillance. Report is at Attachment 5.
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- ◆ The Working Group is also supporting EFCOG-wide initiatives. As part of the Action Plan resulting from the CEO Forum on August 31, 2006, the WG is working with the IMWOG and other working groups in determining the root causes for “RED” projects in DOE. The WG also provided feedback requested by DOE on EVMS Certification, External Independent Reviews and Estimating (Attachment 6). Also in support of the Action Plan, the WG has organized to participate in the OECM-sponsored working groups developing Guides to replace DOE Manual 413.3-1 and is anticipating the kickoff of this activity. Feedback was also provided to DOE on the effectiveness of wlnsight as part of the actions resulting from the EM CEO Forum on August 29, 2006. A second action from the Forum, development of an EM-specific Life Cycle Model was provided to EM for review on October 30, 2006.
  - ◆ Progress on the 10 Focus Areas was briefed to the EFCOG Executive Council in February and August 2006. Input from the Council was incorporated into the Focus Area work products.
  - ◆ Working Group activities were closely coordinated with the DOE Sponsor and the Steering Committee throughout the year to ensure that the DOE priority needs were being addressed.
  - ◆ Work Group activities were coordinated with other EFCOG entities through our Sponsoring Director, Tom Gioconda.
  - ◆ The WG maintained an active communications network through the EFCOG website, the EVMS website and briefings, presentations to DOE (Bruce Scott, Jack Surash, Dan Lehman and Catherine Santana, etc.) and interactions with other working groups.
  - ◆ The WG maintains a priority listing of issues of importance to the DOE. This listing is updated periodically to ensure that adequate topics of relevance are available for Working Group action.

- ◆ The Working Group held 2 meetings during the year. The first meeting in January developed the Focus Areas to be worked on during the year. The second meeting in July further developed and refined the working group deliverables.
- ◆ Coordination with the Project Management Institute (PMI) continued. The PMI Government Relations manager, Valerie Carter, attended our January meeting and updated the WG on the activities and capabilities of PMI. PMI provided inputs to many of our Focus Groups. Valerie continues to be our liaison with PMI and attends our meetings, whenever possible.

### **Planning for 2007**

- ◆ Complete actions on the Focus Areas of 2006. Update areas from prior years as appropriate.
- ◆ Planning for 2007 is underway. Several high priority needs have been identified by the DOE and EFCOG that will require PMWG leadership and involvement. The CEO Forum, held in August of this year, has generated an Action Plan that will extensively involve the Working Group. The WG will continue to augment and expand actions accomplished on the Focus Areas of 2006 and earlier.
- ◆ The working group has scheduled a Focus Meeting for CY 07 in Washington, DC on January 23 and 24, 2007 . At this meeting the group will determine the major actions it will undertake that will provide the most value to the DOE and EFCOG members for calendar year 2007. The working group will establish appropriate subgroups and timelines for these actions. Our goal is to provide critical services as soon as possible and to have all actions completed by yearend.
- ◆ Additional meetings, if needed, will be planned at the Focus Meeting. Conference calls will be scheduled as needed during the year.
- ◆ Other working groups will be involved, as appropriate. We will build upon the coordinated efforts of 2006 to achieve even more cooperation and synergy.

### **Lessons Learned**

- ◆ Working Group goals must be clearly stated, well defined and attainable. Because Group members are volunteers with other responsibilities; their expertise must be focused on the most important actions.
- ◆ The Working Group Sponsor and Steering Committee must be fully involved throughout the development of deliverables to ensure products are add value, are timely and are consistent with current DOE policy and ongoing actions.
- ◆ Given the limited travel capability of members, workshops must be centrally located and well planned, to insure most efficient use of available time.

- ◆ Development of Web-based products requires high order computer programming and graphics expertise that is often not readily available.

### **Effectiveness Evaluation**

- ◆ The working group contributed to the process of developing DOE policy and procedure by raising and helping address issues in key areas of DOE concern. The contributions of the Working Group in improving the quality of documentation will enhance the performance of contractors and increase the effectiveness of the DOE.
- ◆ The working group provided helpful approaches and useful techniques for CD documentation and provided lessons learned for the contractor community and the DOE Complex to share.
- ◆ The working group provided hands-on assistance to the contracting community in the formulation and certification of Earned Value Management Systems.

### **Recommendations**

- ◆ Working group should be continued.
- ◆ Coordination with other working groups should be continued and increased whenever possible.
- ◆ No additional subgroups are needed.