

Meeting Notes
EFCOG Project Management Working Group
Summer Meeting
July 18-19, 2006

1. The Project Management Working Group (PMWG) conducted its Summer Meeting on July 18-19, 2006 in Denver, Colorado. CH2M Hill hosted the meeting at its Corporate Headquarters. The Agenda for the meeting is Attachment 1. The Roster of Attendees is Attachment 2. The purpose of the meeting was to:
 - Review Focus Areas Status
 - Develop a plan to complete FY06 tasks
 - Determine future activities

2. The following is a summary status of the PMWG Focus Areas:
 - **DOE O 413.3 (Clay Jones).**
STATUS: The revision to the Order has been completed and staffed. The PMWG commented directly to the authors and/or through their parent organizations. All involved DOE parties have concurred. Publication is expected within a month. Clay Jones provided a matrix of changes from the old order
ACTIONS:
 - ◆ The final order will be distributed and the matrix revised accordingly.
 - ◆ The WG discussed the merits of involving the group in the upcoming revision of DOE Manual 413.3-1. Agreement was reached that Clay Jones, in coordination with Thad Konopnicki, would approach Catherine Santana of OECM with a proposal for EFCOG to write, or assist in writing, selected chapters.
 - **Project Requirement Documents (Pete Offringa for Tom Monahon).**
STATUS: Tom Monahon from Savannah River Site has incorporated Project Requirement Documents (PRD) into the Technical Alternatives Analysis Focus Group he currently leads. Although DOE O 413.3 requires PRD only for NNSA projects, the WG supports the use of PRD for all projects as an agreement between the Program and the Project to ensure clearly defined, agreed-to scope before extensive project work is undertaken. The WG has developed a guide and a template for producing a PRD and has provided it to the TAA Focus Group for their use.
ACTION: Clay Jones to contact Tom Monahon at SRS to determine additional assistance the WG may be able to provide.
 - **Safety in Design (Brad Evans).**
STATUS: Concurrently with our meeting, the Engineering Practices Working Group (EPWOG) was meeting in an adjacent building. Brad Evans presented the current status of their work on DOE-STD-1189, the guide for addressing safety early in the design process.
ACTIONS:
 - ◆ Pete Offringa and Clay Jones maintain communications with the Safety in Design Group to ensure all efforts are coordinated.

- ◆ If possible, participate in the next Safety in Design meeting in Albuquerque in August
- ◆ Review the initial draft in September
- ◆ Contribute to the final document in October.
- ◆ Vince Tonc proposed Mike Maresca of Kiweit to be a member of the Safety in Design Group.
- **Risk Management (Rick Wilkinson).**

STATUS: The Focus Group has collected data on the following risk areas:

- ◆ Techniques for identification of risks
- ◆ Techniques for qualitative and quantitative risk analysis
- ◆ Techniques for making risk-informed decisions
- ◆ Techniques for identifying risk mitigation
- ◆ Techniques and metrics for monitoring risk levels
- ◆ Techniques for addressing risks outside contractors' control
- ◆ Using risk information for development and analysis of contingency
- ◆ Techniques and metrics for monitoring the maturity of your risk management program
- ◆ Lessons learned in effectively managing and resolving risks
- ◆ Best examples of risk management tools

Based on the above, the Focus Group recommends

- ◆ DOE should encourage the use of a standard Risk Level Matrix for major system projects, and should require that high likelihood and high consequence risks be eliminated or avoided as a priority
- ◆ DOE should require that CD-0, CD-1, and any Level 0 or Level 1 Changes include an evaluation of the potential risk profile and the potential impact of alternates to project risk mitigation and residual risks
- ◆ DOE should adopt standard methods for risk reporting Green, Yellow, Red status.
- ◆ More use of the Risk Performance Index (RPI), defined as remaining project contingency divided by remaining project risk
- ◆ DOE should include guidance to consider project opportunities in an complementary way to project risks
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- ◆ Include on EFCOG.com
 - DUF6 Conversion Project Risk Management Plan – seeking DOE approval of use for this purpose
 - Contingency Curve / Risk-O-Meter
 - Appendix B of WSRC-IM-98-00033, Risk and Opportunity Analysis & Management

ACTIONS:

- ◆ Incorporate the above into a Risk White paper to be completed by Aug 31.
- ◆ Use this paper as the basis for a Risk Guide or include it in the Risk Section of DOE Pam 413.3-1 by Sep 30.
- ◆ Identify an example of a quality Risk Management Plan by Sep 30.

- **Project Execution Plans (Stewart Beckwith).**

STATUS: The Focus Group surveyed numerous Project Execution Plans (PEP) and identified best practices and formats. The group provided a recommended format and a number of best practices to be included in a PEP Guide. The group is also reviewing a selection of PEP to select a sample PEP to go with the guide.

ACTIONS:

- ◆ Final analysis of sample PEP by August 18.
- ◆ Complete draft guide for PEP by Sep 8.
- ◆ Develop model for a quality PEP by August 22.
- ◆ Final Draft by Sep 29.
- ◆ Final deliverable on Dec 22.

- **Project Performance (George Jackson).**

STATUS: In analyzing the current reporting process, weaknesses were identified in reporting at level 1, (high risk projects, data smoothing, leading indicators), timeliness of information, quality of data and training/selection of personnel. To resolve these weaknesses, the group recommends that:

- ◆ DOE develop and implement a standard reporting template for collecting and analyzing data at Level 3 of the WBS.
- ◆ DOE focus on corrective actions rather than the 3-color metric drawn from Level 1.
- ◆ DOE develop and use a set of leading indicators to provide maximum context for performance reporting data.

ACTIONS:

- ◆ Update the White Paper and distribute for WG review by mid August.
- ◆ Coordinate with Catherine Santana for possible inclusion in the revised DOE Manual 413.3-1.

- **Project Cost and Schedule (Ed Bishop).**

STATUS: The Focus Group investigated root causes for projects not being completed within the original baseline schedule or budget or both. The purpose was to determine the cause(s) for the overruns with the goal of improving processes to minimize such overruns on future projects. OECM provided a list of projects (attached) that either overran budget or schedule or both based upon the CD-2 baseline. The PMWG Cost and Schedule Focus group developed a questionnaire to guide interviews and discussions with the Federal Project Director of each project. Members of the group interviewed the FPDs responsible for four of the six projects for approximately 60 minutes and completed the questionnaires. The group determined that the FPD fully understood their projects and the reasons for overruns in either budget or schedule. Because the projects reviewed were started before DOE O 413.3 was implemented, there were no formal CD-2, risk management processes or formal EVMS. Most cost and schedule extensions were caused by changes in the funding profile.

ACTIONS:

- ◆ Staff for review by WG. Comments by August 4.
- ◆ Submit White Paper with conclusions by Aug 21.

- **Closeout/Start-up (Paul Deltete).**

STATUS: Because Paul was unable to attend the meeting, his report was deferred and will be provided by e-mail.

- **Surveillance (Pete Offringa for Gerry Lipka).**

STATUS: The NDIA Guide for Surveillance is well written and comprehensive, covering organization, planning and execution. The guide could be supplemented to incorporate innovations, lessons learned and best practices. The Focus Group provided a proposed supplement based on an SNL “process” approach that incorporates a flow chart, questionnaire and sample surveillance review. The group plans to gather additional information from other sites, update the questionnaire and add a sample Surveillance Report. Mike Strevell from Los Alamos National Laboratory presented a somewhat different perspective. LANL uses an “expert” approach that starts at a high level to identify areas of greatest weakness. The process “drills down” to identify the 3-5 most significant issues and focuses the Surveillance on those. Mike also presented indicators that could be used at project reviews to identify issues. It appeared that either method could be used in the surveillance process, but a combination of approaches may be most effective.

ACTIONS:

- ◆ Develop Supplement to the NDIA Surveillance Guide combining the Process and expert approach by August 30.
- ◆ Incorporate the indicators for monthly project reviews presented by LANL.

- **Fee and EVMS (Clay Jones for Susan Stiger).**

STATUS: The Focus Group documented use of elements of EVM in contract fee structures and surveyed the effectiveness of using them in this way. The group found that many contracts include some type of earned value element in the fee provisions, ranging from linking fee to specific elements of physical progress (the basis for earning value) to penalties if earned value satisfactory performance is not maintained.

ACTIONS:

- ◆ Complete contract reviews
- ◆ Survey PMWG members for strengths and weaknesses of using EVMS in fee determinations
- ◆ Identify any successful models
- ◆ Document results and draft recommendations for PMWG consideration

3. Additional actions were identified and “binned” during the course of the meeting.

Proposed actions on these items are below.

- National laboratories coordination on “expanding EVM to all areas of the Site.” New contracts from recent competitions contain the requirement to expand use of EVM to all areas of the site. WG representatives from SNL, LANL, LLNL and INL will jointly review this requirement and determine the best means of accomplishing it.
- Technical Independent Project and Design Reviews. These reviews are required in the revised DOE O 413.3, but there are no procedures for doing them. Clay Jones will work with Rich Salizonni of EPWOG to address the procedural need.
- Guidance for the CD-4 process. Some sites, e.g. Rocky Flats, Fernauld, are now approaching CD-4. Guidance for actions at CD-4 is limited. Alice Williams at

DOE has done some work. This issue will be incorporated into the scope of the Focus Area on Project Startup/Closeout and pursued jointly with DOE.

- Incorporation of Risk in the revised DOE O 413.3. This question will be addressed during Clay Jones' meeting with Catherine Santana.
 - Implementation of PEP. There are variations in the use of the PEP at different sites and projects. Some sites use only one PEP for a project, where another site may have PEP for the FPD and a more detailed PEP for the contractor. The WG will address this as part of the PEP Focus Area.
 - PDRI. The content and format of this new requirement must be defined. The PEP Focus Group will address this document.
 - NNSA perspectives. Thad Konopnicki provided his perspective on NNSA desires for project management. These may present opportunities for WG action in the future.
4. Future Activities were addressed in the final hour of the meeting.
- EFCOG Semi-annual Meeting: This meeting will take place in Washington, DC on August 29 and 30. There is a meeting of the Working Group Chairs on August 29. The PMWG presentation for the meeting will be provided to WG members for comment in early August.
 - Annual Report: A draft Annual Report was circulated for comment. This report will be completed and forwarded to the EFCOG Board by November 1, 2006.
 - Web Sites: The WG was reminded of the 2 web sites in which we participate- the EFCOG site (<http://www.efcog.org/>) and the EVMS Kiosk (<http://www.srs.gov/general/EFCOG/>). Members were asked to ensure that their current work was posted and to check frequently for new information.
 - Membership. The WG now has 50 members. Requests for the group to undertake additional tasks continue to increase and more members would be helpful. Pete Offering asked attendees to continue to seek members with good project management skills to join the group.
 - WG Chair. The WG will select a new chair at the next meeting. The current chair will remain in an advisory capacity through CY 07. A call for nominees will go out in November for candidates to be considered at the Winter meeting.
 - Next Meeting. The Winter Meeting will be held in Washington, DC, Jan 23-24, 2007. Julia Cunningham will determine the availability of the PNNL conference facility for this meeting. The purpose of the meeting will be to establish the WG Focus Areas and Focus Groups for CY 07.