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Department of Energy

Presentation to EFCOG
Project Mgmt Working Group

Contract and Project Management Corrective Action Plan Status

Bob Raines, PE
27 Jan 2009



- Transition Team briefed on RCA/CAP – Favorably Received
- GAO indicates DOE has met 3 of the 5 criteria: Leadership commitment, Progress in implementing corrective measures, and development of a corrective action plan
- Remaining two criteria: Capacity (people and resources) to resolve the problems and monitoring and validating effectiveness and sustainability (Metrics)
- Focus shifted to NNSA and EM projects vice the Dept as a whole



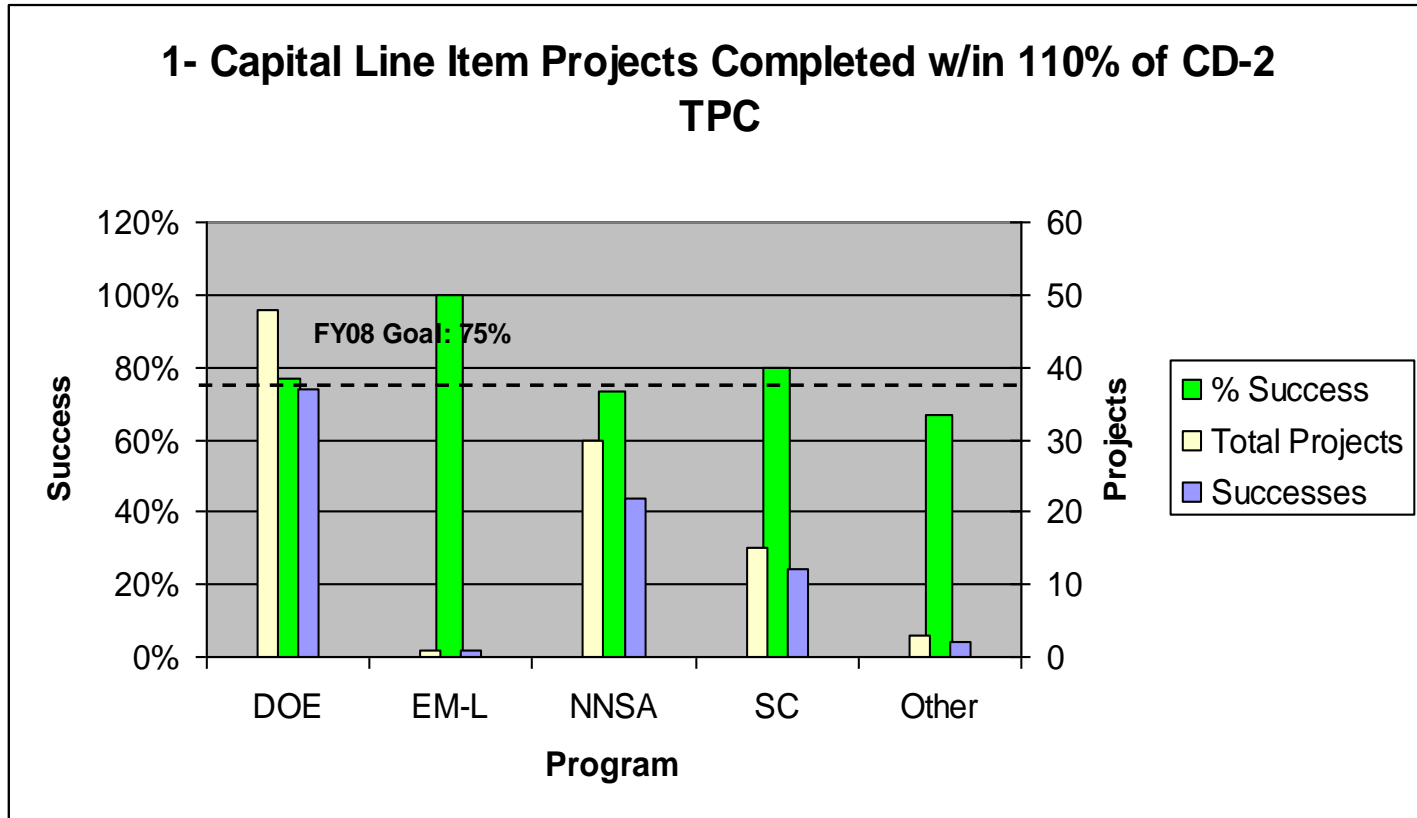
Overarching Metrics

- **CM1 10% TPC Growth**
 - Program Size: 49 projects FY06-09
 - FY08 Goal: 75%, actual 76%
 - Successes: 37
 - Failures: 12
 - Cost: 5
 - Scope: 7 (3 cancelled)
- **CM-3: EVMS Certified post CD-3 \geq \$20M**
 - Line Item FY08 Goal:65% actual 76%:
 - Successes: 25
 - Failures: 8
 - EM Cleanup FY08 Goal 55%:, actual 50%
 - Successes: 27
 - Failures: 27



FY-08 RCA/CAP Performance Metrics and Targets Report

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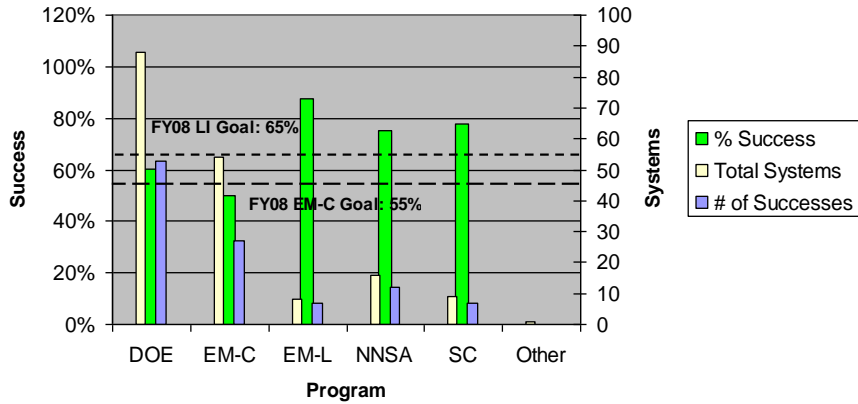




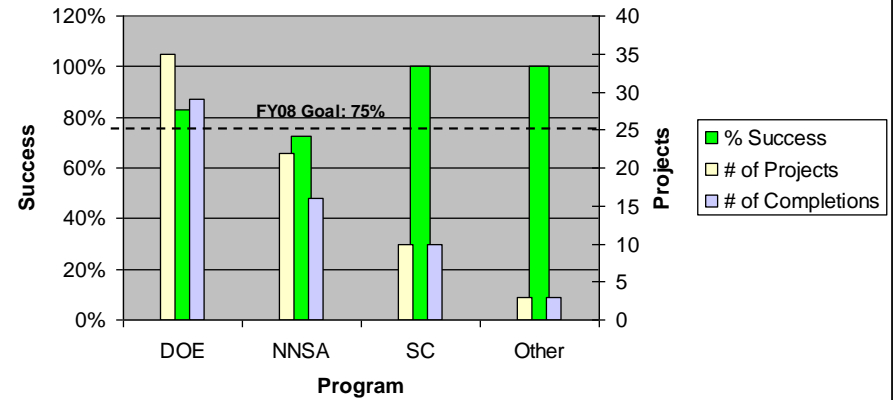
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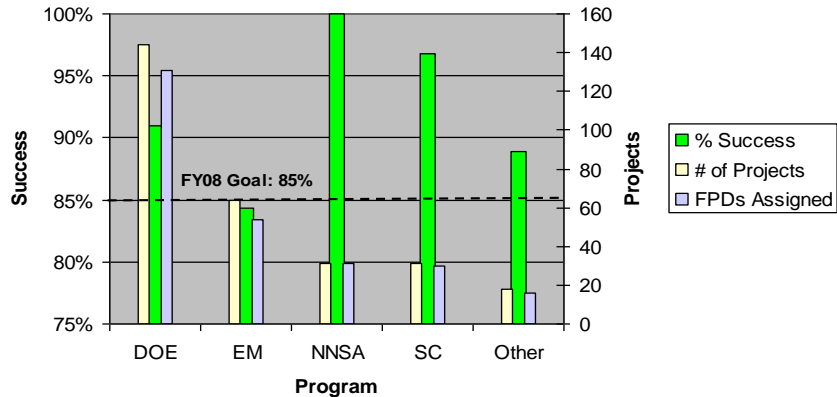
3- EVMS Certifications



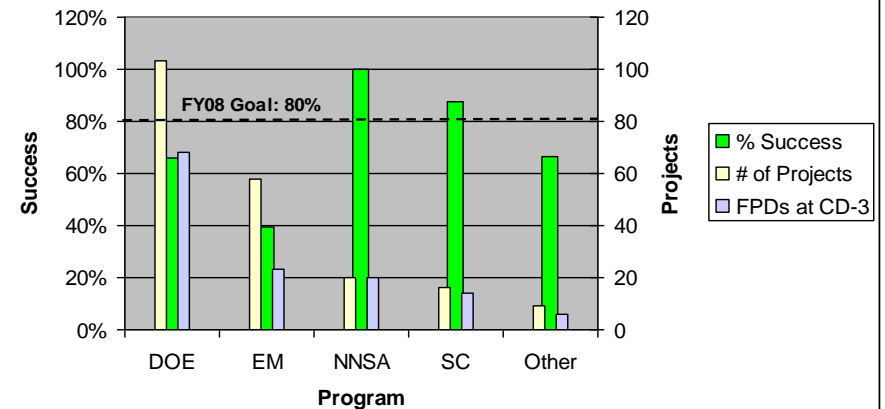
16- Schedule Compliance Projects <5-yrs Duration



7- Certified FPDs at CD-1



8- Certified FPDs at CD-3





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Project & Contract Management

CAP – (8) Corrective Measures

- 1. Improve Project Front End Planning, to include:**
 - Project Definition Rating Index (PDRI); Technical Readiness Levels (TRL); program vs. project criteria
- 2. Enhance Federal Project and Contract Management Workforce**
 - Develop staffing model and associated resource plan
- 3. Improve Project Risk Assessment, Communication, and Management**
 - Complete projects below total project cost; develop consistent management reserve/contingency protocols
- 4. Align and Integrate Budget Profiles and Project Cost Baselines**
 - Establish “full funding” policy and front-end loaded incremental funding profiles to mitigate budget CRs



Project & Contract Management

CAP – (8) Corrective Measures

5. Improve Independent Government Cost Estimates

- Develop DOE Cost Estimating Order and Manual, cost data base, escalation rate policy

6. Improve Acquisition Strategies and Plans

- Integrate project and contract alignment; Benchmark Strategies and Plans with other agencies

7. Improve Project Oversight and Management

- Benchmark organizational structures and roles and responsibilities; Enhance project management systems

8. Improve Adherence to Project Management Requirements

- Update DOE 413.3A, Ownership and Accountability, Procedures/Metrics to Document Compliance



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Corrective Measure #1

Establish and implement measures to ensure adequate project requirements definition is accomplished before a project performance baseline is established. This would include defining planning benchmarks, ensuring adequate resource allocation, and conducting third-party reviews prior to project approval, additional funding authorization, and project execution.

Plan of Action	Start	Finish	Status
Develop tailored Prototype Project Definition Rating Index (PDRI) applications	6/9/08	2/13/09	NNSA PDRI Completed June 08.
Pilot prototype PDRIs	2/16/09	6/19/09	
Develop final PDRI applications	6/22/09	10/23/09	
Integrate PDRI with Energy Systems Acquisition Advisory Board (ESAAB) process	10/26/09	1/15/10	
Develop and conduct PDRI training	10/26/09	7/2/10	
Develop DOE-wide technology readiness level (TRL) model	6/9/08	11/21/08	Draft Document Completed Final Version to be released Jan 09
Pilot TRL applications	11/24/08	3/27/09	EM Guide Completed. NNSA and NE Drafts in Process
Revise TRL model	3/30/09	6/19/09	
Integrate TRL with ESAAB process	6/22/09	9/11/09	
Develop and conduct TRL training	9/14/09	2/26/10	
Provide input for DOE O 413.3 revision	10/26/09	5/21/10	



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Corrective Measure #2

Develop and implement a comprehensive federal staffing plan, with an associated resource plan, to recruit, develop, and retain the optimum contract and project management federal workforce.

Plan of Action	Start	Finish	Status
Develop communications strategy	6/16/08	12/31/08	Regular weekly meetings with CM2 team & others
Review existing documents, benchmark, compile gap analysis	6/30/08	10/6/08	Meetings held with NASA & NAVFAC, analysis completed. Coord with COE, CII
Develop staffing model	9/15/08	10/20/08	Final data call & instructions submitted to Programs before issuance; 127 projects studied Completion date: 12/29/08
Develop high-level policy strategies for acquisition, retention and training of personnel	8/18/08	10/1/08	Preliminary development underway LMI reviewing historical documents from other agencies Completion date: 12/29/08
Develop resourcing alternatives	10/20/08	12/29/08	Staffing Algorithm developed and in final review Considerations: Value, Type, Complexity, Phase, Acq Strategy
Refine metrics and plan of measurement	11/24/08	12/29/08	TBD



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Corrective Measure #4

Improve the alignment and integration of cost baselines with budget funding profiles to account for federal budget fiscal realities and to ensure uninterrupted project execution. Enhance project and program prioritization and associated resource allocation to minimize negative impacts to the performance baseline.

Plan of Action	Start	Finish	Status
Establish policy and procedures for improved incremental funding profiles and full funding for smaller projects	7/15/08	12/31/08	Full Funding policy Signed by DEPSEC Incr Funding Policy in Review
Develop funding policy recommendation for next revision of DOE O 413.3A	8/1/08*	1/31/09	Initial Draft prepared
Establish consistent protocol for the definition, development, funding, and use of management reserve and contingency as a key part of the policy and guidance on project cost estimation	1/2/09	2/27/09	CF-70 Addressing in CM5
Analyze impacts of Continuing Resolution and incremental funding to determine possible cost savings.	1/2/09	2/27/09	In development
Develop new policy that balances the impact of forward funding and the impact of unobligated balances	2/2/09	3/31/09	In coordination with CFO/OMB/Staff
Add assessment of project affordability in baseline validation/approval	9/1/08*	12/20/08	Requirement under review
Propose process improvement for strengthening project funding discipline	3/2/09	4/30/09	
Incorporate funding policy in budget guidance * Start/Finish dates slipped but overall completion of CM4 remains the same	7/15/08*	12/20/08	First weekly team meeting held Sep 11.



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Corrective Measure #5

Establish and implement a federal independent government cost estimating capability, including the development of appropriate policy and standards, allocation of required resources, and compilation of unit cost labor and material databases.

Plan of Action	Start	Finish	Status
Develop CF-70 Staffing Plan	6/30/08	9/30/08	Staffing plan developed and approved. 40% on board.
Establish Cost Estimating Order	7/1/08	12/2/08	Updated Draft Order completed.
Develop Initial Cost Estimating Database	7/1/08	6/1/09	Transferred data from ECAS and data analysis started. Initial Std WBS under development.
Complete First Independent Cost Review	6/1/08	2/28/09	Completed First Independent Cost Estimate, IFDP.
Perform At Least Four Independent Cost Reviews and Independent Government Estimates	6/1/08	12/2/09	Second Independent Cost Estimate completed SWPF, third underway .



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Other Initiatives and Challenges

- Enhance Cost / Budget Stability
- Upgrade PARS (Project Assessment and Reporting System)- EM/NNSA Pilots
- Complete/Improve EVMS Reviews- Annual Plan Distributed, Corp Cert, Reciprocity
- PM Workshop: 31 March – 1 April



Final Thoughts

- Making Great Progress
- Staffing a Major Concern
 - FTEs to Increase; Some Resources Realigned
 - Recruiting, Retention, and Professional Development
- Incremental Funding Policy Near Completion
- Continue Coordination with OMB & GAO
 - Quarterly Reports and Semi-annual Meetings
- Appreciate Your Continued Support