

U.S. Department of Energy

**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD**

**Report of Activities for May 22, 2014 Public Meeting**

Submitted by the EMAB Acquisition and Project Management Subcommittee (APMS)

May 22, 2014

**Background:**

The APMS presented its last written report on its efforts at the EMAB meeting on June 14, 2013. The public meeting scheduled for November 19, 2013 was cancelled because of scheduling issues with the partial government shutdown.

The Subcommittee has continued to hold periodic strategy/focus area discussions with the Deputy Assistant Secretary for Acquisition & Project Management (DAS APM) for Environmental Management since the last report. Strategy/focus discussion areas have included contract and project management staffing & skills to build and sustain needed capacity for Federal Oversight of EM mission, best practices in applying Lessons Learned for Commissioning applicable to EM, and best practices in meeting cost targets applicable to EM among other topics.

In addition, the Subcommittee continues to follow the assessments and reviews of EM and DOE overall as pertains to project and contract management, as well as DOE contract and project management workshops. This discussion below summarizes the Subcommittee's reviews and assessments since June 2013.

**Discussion:**

GAO REPORT 13-283 High Risk Series reported on progress made by EM in project management. An excerpt is quoted below from pages 218 and 219 of the report.

“DOE has continued to take many steps to address contract and project management weaknesses, including (1) demonstrating strong commitment and top leadership support, (2) developing a corrective action plan that identifies effective solutions, and (3) demonstrating progress toward implementing corrective measures. These are three of the five criteria for removal from GAO's High Risk List. Since GAO's February 2011 high risk update, GAO has focused on evaluating the extent to which DOE has met the two remaining criteria for removal: (1) having the capacity (people and resources) to resolve the problems and (2) monitoring and independently validating the effectiveness and sustainability of corrective measures. In this regard, GAO has found that DOE has made progress toward implementing corrective measures for projects considered “nonmajor,” those projects with values less than \$750 million. While work remains to ensure that further improvements are made and all improvements are sustained, to recognize progress GAO is further narrowing its focus of this high-risk designation to major projects and contracts, those with values of \$750 million or greater. These contracts include those for capital asset projects as well as management and operating contracts for national laboratories and nuclear production plants that are government owned and contractor operated. DOE continues to demonstrate strong commitment and top leadership support for improving contract and project management in EM and

NNSA, building on its corrective action plan developed in 2008. In December 2010, the Deputy Secretary convened a DOE Contract and Project Management Summit to discuss strategies for additional improvement in contract and project management. The participants identified six barriers to improved performance and reported in April 2012 on the status of initiatives to address these barriers. In addition, DOE has continued to release guides for implementing its revised order for Program and Project Management for the Acquisition of Capital Assets (DOE O 413.3B), such as for cost estimating, using earned value management, and for forming project teams. Further, DOE has taken steps to enhance project management and oversight by requiring peer reviews and independent cost estimates for projects with values of more than \$100 million and by improving the accuracy and consistency of data in DOE's central repository for project data."

A DOE Project Management Workshop entitled *Meeting the Challenge – Integrated Acquisition and Project Management* was sponsored by the DOE Office of Management and held on March 25 and 26, 2014. A subcommittee co-chairman attended the workshop and reported that discussion included the following topics:

- Overall perspective – Deputy Secretary Poneman
- Office of Acquisition and Project Management update
- Office of Management and Performance perspective
- Ethics – Arizona State University professor
- Training, professional development, and certification
- Business system clause issues in contracts
- GAO High Risk List – David Trimble, new GAO point of contact
- Project management perspectives from inside and outside the government
- Progress in improving overall project management performance results
- Lessons learned – NASA James Webb Space Telescope (NASA)
- Project Management Institute view on the pulse of the industry and PM challenges
- Economic environment as it affects project management
- EM, SC, and NNSA program updates
- Aligning contract incentives
- Lessons learned from the Uranium Processing Facility at Oak Ridge
- PARS II enhancements
- Presentation of project team awards
- Personal perspective of the Federal Project Director of the Year

DAS APM, Mr. Surash and his office have continued holding workshops for federal and contractor managers on EM contracting performance and management. The next is scheduled for August 5 and 6, 2014 in Washington, DC.

The subcommittee conducted a conference call with David Trimble, the new director of the GAO nuclear portfolio and Nathan Anderson and Daniel Feehan of his staff to reestablish contact with the office which prepares the studies which determines who is on the High Risk List. Mr. Trimble indicated there are studies underway on contractor quality assurance execution and effectiveness of cost analyses in support of budget requests, among other things. The

subcommittee plans to have a face to face meeting during the coming summer to discuss the GAO's studies and focus areas in more depth.

**Findings and Observations:**

From the activities described above, the Subcommittee presents the following observations:

1. Workshops for federal and contractor managers on EM contracting performance and management continue to be a positive influence on culture change. Efforts to develop a common understanding of CM/PM requirements and expectations appear to be bearing fruit and are effective tools in the culture change process which EM is working on.

2. With changes in management personnel and severe budget constraints, few new issues have surfaced. One area which may be worthy of study is preventive maintenance practices on facilities and utility systems.

**Recommendations:**

To further aid the Assistant Secretary in efforts to improve acquisition and project management in EM, the Acquisition and Project Management Subcommittee offers the following recommendations:

**Recommendation 2014 – 1; EM should continue to support the conduct of periodic contract and project management workshops for federal and contractor personnel.**

Budget pressures will argue for postponing or eliminating meetings and workshops. Experience has shown that the benefits of communication of lessons learned, successful approaches, situations to avoid, and the like which can result in savings in project execution costs which outweigh the meeting costs.