

DOE Office of Environmental Management Contract and Project Management Improvement Timeline

The Office of Environmental Management (EM) is committed to making continuous improvements in contract and project management performance. Improving contract and project management has been a top priority of EM's senior leadership. This commitment is reflected by the dedicated effort of EM in continuing the improvement efforts started in 2008 with the DOE Contract and Project Management Root Cause Analysis and Corrective Action Plan.

In the February 2013 High Risk Series Update Report to Congress, the Government Accountability Office (GAO) acknowledged EM's progress by narrowing their focus on to major contracts and projects valued at \$750M or greater. GAO noted that DOE continued to demonstrate strong commitment and top leadership support for improving contract and project management. GAO also noted that DOE had taken steps to enhance oversight, such as peer reviews and independent cost estimates for projects more than \$100 million as well as to improve the accuracy and consistency of data in DOE's central repository for project data.

Project management initiatives have resulted in successful performance for EM capital cleanup projects. For the three-year period of FY2011– FY2013, EM completed 41 of 50 (82%) capital projects within 110% of the total project cost. During the same period, 47 of 50 (94%) capital cleanup projects met the Departmental schedule metrics.

Under the American Recovery and Reinvestment Act, EM used the \$5.99 billion funding to accelerate environmental cleanup of contaminated facilities and lands and reduced the legacy footprint of the EM complex by 690 square miles or 74% from 931 to 241 square miles. EM completed 123 projects at 17 sites in 12 states, and successfully executed 92% of the portfolio of projects.

EM recognizes that improving contract and project management is a journey and improvement efforts must continue.

Office of Environmental Management “Journey to Excellence”

The DOE Office of Environmental Management (EM) is in the midst of a robust improvement in acquisition and project contract management. In addition to Departmental-wide contract and project management initiatives, the Office of Environmental Management established a “Journey to Excellence” premised on stabilizing the program to a best and sustainable way of carrying out the mission using a business model that places authority and accountability closest to where the actual work occurs—in the field. At the same time, the Headquarters roles have been aligned to strengthen its policy and planning functions and provide organizational best practices across the complex.

In 2006, the National Academy of Public Administration (NAPA) conducted a study of EM, which included acquisition and project management among its key focus areas. The resultant report from the study, “Managing America’s Defense Nuclear Waste,” was published in December 2007. The NAPA Panel, a government-wide recognized expert, noted that its study was taking place coincidentally as significant ongoing acquisitions and in the wake of program modifications to the acquisition and project management process. In the report, the NAPA Panel recommended complimentary improvements including standardization and integration of project performance management tools across the complex, implementation of “Best-In-Class” project and contract management standards, use of project-specific

success metrics, evaluation of the existing project contingency policy, and use of case studies as a training tool. All of the NAPA recommendations complimented the ongoing changes and stepped up the impetus to move forward in implementation.

To achieve the utmost objective, EM set a goal to achieve Best-In-Class practices for contract and project management. In February 2007, EM partnered with the U.S. Army Corps of Engineers to establish the enhanced capabilities and transform EM into a “Best-In-Class” project and contract management organization. Assessments were conducted across sixteen EM sites using twelve management criteria specifically designed to assess project and contract management capabilities as well as how DOE-EM projects and sites actually function. Those assessments were completed in October 2007 and the associated Best-in-Class Corporate Implementation Plan (CIP) was completed in March 2008. Through the CIP, EM is implementing improvements in project controls, baseline management, cost estimation, change control, and schedule management. The successful completion of the implementation plan will result in increased Federal ownership of EM projects, standardization of EM processes, clear communication of requirements and policy to EM personnel, and the identification and institutionalization of best practices across the EM complex.

As part of an effort to translate the project and contract management reforms to the Departmental level, a detailed analysis of the root causes contributing to less than satisfactory project performance was conducted. DOE started the Root Cause Analysis (RCA) in October 2007, completed the RCA Report in April 2008, and issued a Corrective Action Plan in July 2008. In 2009, EM began implementing additional measures targeted at project and contractor performance, including monthly senior management reviews for projects at risk, evaluation of contractor construction project management and technical capabilities, comprehensive construction project status reviews based on the successful model used by the Office of Science, and deployment of a new project management information system for analysis of project performance. Moving forward, EM will continue the implementation of initiatives to yield further results to improve the capabilities for project and contract management.

Since EM’s reorganization in February 2012, programmatic and project management accountability have been enhanced and the current organization is achieving better results. Creation of HQ-level Mission Units and integrated site teams has helped to align programmatic accountability and provide more direct oversight of performance and prompt disposition of issues. Combining Acquisition and Project Management at the Deputy Assistant Secretary level has improved integration and alignment of projects and contracts.

EM sites at Richland, Office of River Protection, Savannah River, Portsmouth, Paducah, Oak Ridge, West Valley, Carlsbad, and Moab have signed partnering agreements with their major contractors. A total of seventeen agreements have been signed to date. Partnering agreements create win-win scenarios where both the federal staff and contractor staff understand and respect the rules of engagement and build better business relationships. EM is working to build stronger relationships with oversight organizations to improve communications and demonstrate transparency and accountability in EM’s contract and project management.

EM's Contract and Project Management Improvement Timeline

Improvement Timeline

-  United States Department Of Energy
-  United States Army Corps of Engineers
-  National Academy of Public Administration

