



*Office of Management
Office of Engineering and
Construction Management*

Department of Energy

Procurement Conference

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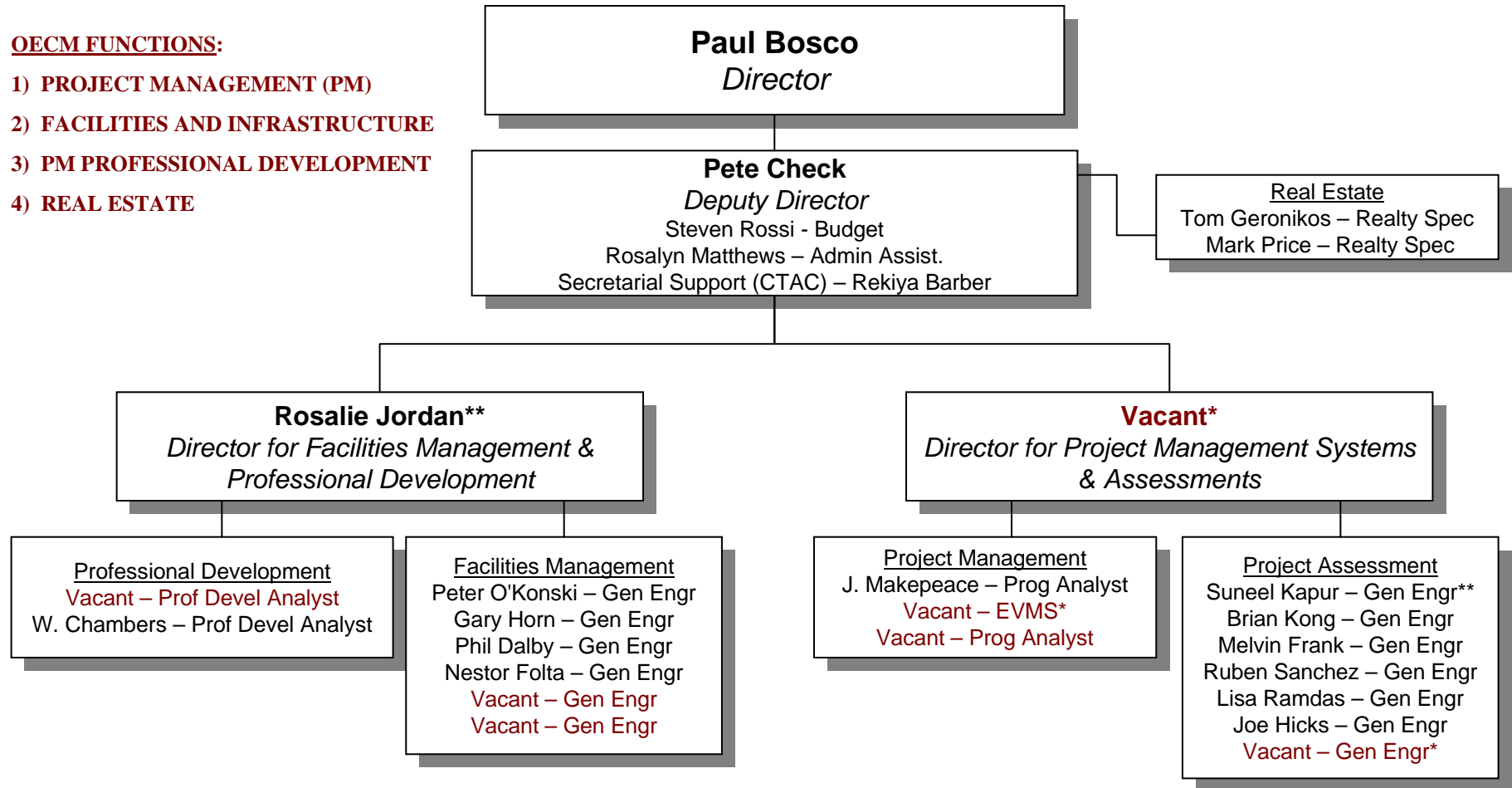
Operational Organization Chart

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POLICY - GUIDANCE - OVERSIGHT

OECM FUNCTIONS:

- 1) **PROJECT MANAGEMENT (PM)**
- 2) **FACILITIES AND INFRASTRUCTURE**
- 3) **PM PROFESSIONAL DEVELOPMENT**
- 4) **REAL ESTATE**



*offers made
**retire Jan 08



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Foundation of Successful Projects (PM: Rebuild Our Credibility)

- 1. Definition of Requirements**
 - **Are Assumptions Sound? Is Design “Mature” – Ready for Baseline?**

- 2. Staffing: Right Number, Skill Set and Chemistry**
 - **Are Roles and Responsibilities Clear?**
 - **Are Authorities/Responsibilities/Resources Aligned?**

- 3. Acquisition (Procurement) Strategy: Appropriate? Developed by IPT (including Contract Specialists)?**
 - **Bundled (Program) vs. De-Bundled Projects**
 - **Design Build vs Design/Bid/Build; Fixed Price vs Cost Contracts**

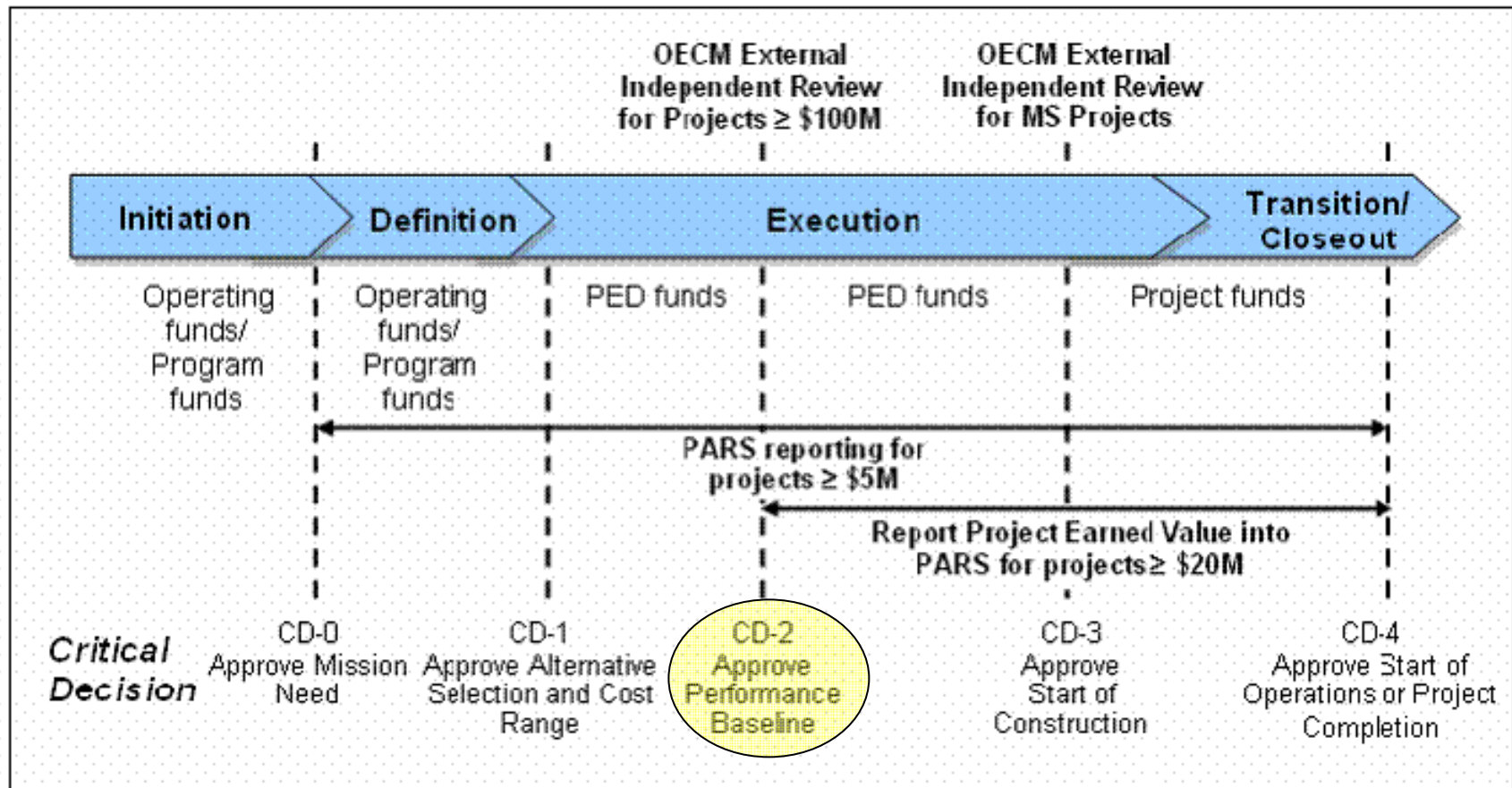
- 4. Funding – Is It Appropriately Resourced and Time Sequenced?**
 - **Full Funding versus Incremental Funding**
 - **Well Developed Risk Management Plan with Supporting (Funded) Contingency**



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Project Management Process (Beware “Baseline Confusion”)

Where is the Contract Administration Linkage?



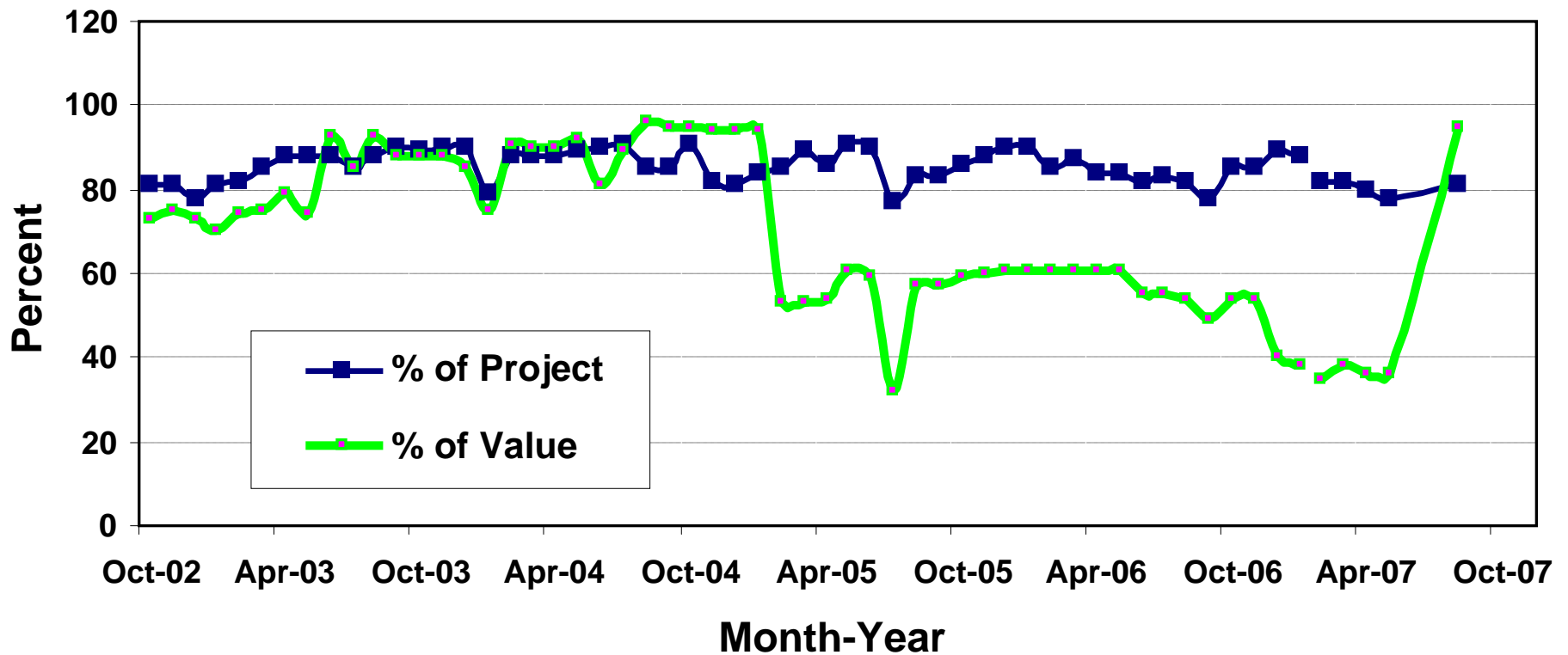


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Project Performance Metrics

Capital Asset Portfolio Performance

Percentage of Projects and Dollar Value in Acceptable Range
at Current Project Baseline





How Do You Define Success?

- **Project Success:**
 - At Completion (CD-4): Project achieves its approved scope within the original (CD-2) cost and schedule baseline (+/- 10%), with exception of directed changes.
- **Project Portfolio Success:**
 - 90% of all projects meet project success criteria.



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Project and Contract Management

Root Cause Analysis – Top 10 Issues

- 1. Front end planning not at appropriate level before establishing baselines**
- 2. Inadequate number of federal contracting and project personnel with appropriate skills to plan, direct and oversee project execution**
- 3. Inadequate objective identification, assessment, and communication of risk through all phases of project planning**
- 4. Failure to obtain full funding or planned incremental funding**
- 5. Poor or no independent government estimates prior to contract award**



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Project and Contract Management Root Cause Analysis – Top 10 Issues

- 6. Ineffective acquisition strategies and plans: not developed by federal personnel and not done early enough**
- 7. DOE organizational structure not optimized for managing projects**
- 8. Project management policy, requirements, and guidance not consistently followed**
- 9. Ineffective project oversight: failure to identify performance issues in a timely manner.**
- 10. Ineffective execution of owner's role in oversight and management of contracts and contractors.**



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MISC TOPICS

1. EVMS (Earned Value Management System)

- **OMB Circular A-11 and Capital Planning Guide**
- **DOE Order 413.3A**
- **FAR 34.2 (FAR Clause 52.234-4)**

2. Real Estate Contracting



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Questions/Comments