Reclamation Manual

Directives and Standards

Subject: Project Management

Purpose: To establish procedures for standardized Project Management use, training, and certification within the Bureau of Reclamation. The benefits for Reclamation are improved decision-making processes to maximize accountability, transparency, timeliness, and cost containment, and to reduce risks for decision makers and stakeholders.

Authority: Reclamation Act of 1902 and amendments (43 U.S.C. 372 et seq.); Clinger-Cohen Act of 1996 (40 U.S.C. 11311 et seq.); Office of Management and Budget (OMB) Circular, A-11, Part 7 and supplements to the Circular; OMB Policy Memorandum *Federal Acquisition Certification for Program and Project Managers*, April 25, 2007; Secretarial Order No. 3244, *Standardization of Information Technology Functions and Establishment of Funding Authorities*, November 12, 2002; Department of the Interior, Office of the Chief Information Officer, Directive 2004-19, *Project Management Certification Requirements for Managing Information Technology Investments*, June 23, 2004.

Approving Official: Director, Policy and Program Services

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1. **Introduction.** This Directive and Standard (D&S) establishes procedures to be used by each director in determining necessary Project Management use, training, and certification. This D&S also addresses the training certification necessary to comply with OMB's requirements for management of a "major acquisition" as identified in Paragraph 6.A. Reclamation Policy for Project Management is found in Reclamation Manual Policy, *Project Management* (CMP P07).

2. **Applicability.** This D&S applies to all Reclamation offices and does not supersede any existing Department, OMB or other legal requirements regarding Project Management. All Reclamation actions taken under the Department's *Project Management Certification Requirements for Managing Information Technology Investments* require formal, standardized Project Management practices as set forth in that directive.

3. **Definitions.**

   A. **Capital Assets.** Capital assets are land, structures, equipment, intellectual property (e.g., software), and information technology (IT), including IT service contracts, that are used by the Federal government and have an estimated useful life of 2 years or more. Capital assets include dams, power plants, and other water resources facilities. Capital assets include not only the assets as initially acquired but also additions, improvements, modifications, replacements, rearrangement and reinstallations, and major repairs excluding routine, ordinary repairs and maintenance. Generally, capital

assets do not include grants and cooperative agreements with state and local governments or other entities, transferred works, or ordinary repairs and maintenance of equipment regardless of cost.

B. **Completion Report.** A completion report provides a summary of work performed, earned value management parameters, and project status information. Where a project involves the acquisition of engineering or other technical services from service providers, a completion report provides the data necessary to understand and report on performance, costs, and satisfaction associated with work performed by a service provider and requires either a service agreement or contract. For other projects, this document may also be referred to as a performance report.

C. **Engineering and Other Technical Services Work.** Engineering and other technical services work is all work required for the planning, design, and management of construction, including, but not limited to, new construction, major rehabilitation or replacement of existing facilities, or any activity *other than* routine operation and maintenance (O&M). Routine O&M work includes repeated, day-to-day activities carried out by on-site staff that does not involve "construction work." Engineering and other technical service work may include, but is not limited to, concept engineering, data collection and analysis; formulation of alternatives; value engineering studies; engineering designs, drawings and specifications; cost estimating; hydrologic, seismic, environmental, social, economic, and cultural analyses; the regulatory compliance and permitting which must be effected before construction can occur; construction management (i.e., procurement of construction services, construction contract administration, inspection, engineering support, and completion of final construction reports, including as-built drawings); and post construction monitoring.

D. **Major Acquisition.** A major acquisition is a major system or capital asset that requires special management attention and that has been determined to require reporting under OMB Circular A-11, Part 7, Section 300 (i.e., submission of an Exhibit 300).

E. **Major System.** A major system is a combination of elements that will function together to produce the capabilities required to fulfill a mission need. The elements may include hardware, equipment, software, or any combination thereof, but exclude construction or other improvements to real property.

F. **Program.** A program is "a group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually. Programs may include elements or related work outside the scope of discrete projects in the program."[1]

[1] Project Management Institute. *A Guide to the Project Management Body of Knowledge: PMBOK® Guide*, 3rd Edition, Newtown Square, PA: Project Management Institute, 2004 (*PMBOK® Guide*, 3rd Edition), p. 16.

G. **Project.** For the purposes of this D&S and P07, a project is a temporary endeavor undertaken to create a unique product, service, or result.[2] A project has a discrete and definable commencement and conclusion. A project has a unique deliverable in that there may not be a preexisting blueprint for the project's execution and there may not be a need to repeat the project once it has been completed. A project differs from a program in that a program may continue indefinitely and generally consists of a group of related projects.

H. **Project Management.** Project Management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements. Project Management is accomplished through the application and integration of the Project Management processes of initiating, planning, executing, monitoring and controlling, and closing.[3]

I. **Project Manager.** A project manager is the person assigned by the organization to achieve project objectives and to deliver the project on-schedule, within budget, and to the appropriate scope. The project manager leads teams to operate cross-functionally towards a common objective, assures cohesiveness and continuity as a project progresses through process groups and project phases, and elicits effective communication and coordination of all project activities.

J. **Project Sponsor.** The project sponsor is the person or group that shares responsibility for the financial resources from which the project will be funded; for example, an office director, program director, area manager, director or someone of similar authority. A project sponsor is also a project stakeholder.

K. **Project Stakeholders.** Project stakeholders are individuals or organizations "actively involved in the project, or whose interests may be positively or negatively affected by execution or completion of the project."[4] Stakeholders may also exert influence over the project deliverables.

L. **Project Team Member.** A project team member is a person who participates in or supports the development of the project deliverables. Project team members may be from different organizational units and offices.

M. **Responsible Charge.** Responsible charge is the overall control, guidance and oversight of a project's initiation, planning, executing, monitoring and controlling, and closing project management process groups. For example, one certified project manager may have responsible charge of a project with a non-certified project manager

[2] Project Management Institute. *A Guide to the Project Management Body of Knowledge: PMBOK® Guide*, 3rd Edition, Newtown Square, PA: Project Management Institute, 2004, p. 5.
[3] *PMBOK® Guide*, 3rd Edition, p. 8.
[4] *PMBOK® Guide*, 3rd Edition, p. 24.

assigned as the frontline manager of "day-to-day" project activities. A certified project manager may also have responsible charge of a project while other individuals obtain or complete any required Project Management training or certification.

N. **Service Agreement.** A service agreement is an agreement between two or more parties to complete services, functions, and activities based upon established performance parameters and/or funding and other milestone arrangements. Where a project involves the acquisition of engineering or other technical services from service providers, the service agreement binds the program office and service provider and defines the mutually agreed-upon scope, schedule, and budget for a discrete package of engineering and/or other technical services needed by the program office and to be performed by the service provider.

O. **Statement of Work.** A statement of work is a document that describes the essential and technical requirements for items, materials, or services, which includes standards used to determine whether requirements have been met for the project. Where a project involves the acquisition of engineering services from service providers, the statement of work provides a narrative description of the work to be completed and timeframe in which it will be accomplished and is drafted by the program office or non-Reclamation entity requesting the work.

P. **Transferred Works.** Transferred works are facilities that are owned by Reclamation, but have been transferred to other entities for O&M activities. "Transferred works" is not to be confused with "title transfer" where Reclamation confers ownership of project facilities, including O&M, to another entity pursuant to authorizing legislation.

4. **Responsibilities.**

A. **Directors.** Directors are responsible for identifying major acquisitions and complying with requirements of the Federal Acquisition Certification for Program and Project Managers, as described below. Directors are also responsible for developing a process to identify projects (other than IT projects) and determining the degree to which Project Management will be practiced for those projects, as described in detail below.

B. **Chief Information Officer.** In addition to other responsibilities as a director, the Chief Information Officer is responsible for determinations on the application and practice of Project Management for all IT projects.

C. **Project Manager.** The project manager is responsible for leading teams to operate cross-functionally towards a common objective, assuring cohesiveness and continuity as a project progresses through process groups and project phases, and eliciting effective communication and coordination of all project activities.

5. **Actions taken under the Safety of Dams Act.** All Reclamation actions taken under the Reclamation Safety of Dams Act of 1978 (Pub.L. 95-578, as amended) require formal, standardized Project Management practices and processes.

6. **Project Management of Major Acquisitions.**

   A. **Certification Requirements.** Project managers assigned to major acquisitions must meet the competencies required for senior-level certification in the Federal Acquisition Certification for Program and Project Managers (FAC P/PM) as described in OMB's *Federal Acquisition Certification for Program and Project Managers* dated April 25, 2007.

   B. **Identification of Major Acquisitions, Assignment of Project Manager, and Use of Project Management.**

      (1) Each director shall identify major acquisitions, i.e., those major systems or capital assets that have been determined to require submission of an Exhibit 300 (OMB Circular A-11, Part 7, Section 300).

      (2) To implement the FAC P/PM certification requirement, each director shall ensure that each identified major acquisition is placed under the responsible charge of a project manager who meets the competencies required for senior-level FAC P/PM certification. If necessary, multiple major acquisitions will be placed under the responsible charge of one project manager who meets the competencies required for senior-level FAC P/PM certification, with a front-line project manager of the major acquisition's day-to-day activities also assigned as necessary.

      (3) Each director shall require Project Management to be practiced for major acquisitions; shall provide resources to support project objectives and training for certification requirements; and shall establish a requirement for monitoring and control of major acquisitions.

   C. **Meeting FAC P/PM Competency Requirements.** The FAC P/PM describes core, minimum competencies. Certification under the FAC P/PM is based on attaining those competencies. FAC P/PM competencies are described in the *Federal Acquisition Certification for Program and Project Managers* dated April 25, 2007.

      (1) **FAC P/PM Certification.** Reclamation will seek certification for each project manager assigned to a major acquisition consistent with Departmental requirements and procedures.

      (2) **Necessary Training, Experience, and Skills.** Each director shall apply Departmental requirements for attaining FAC P/PM certification. Wherever

Reclamation retains the discretion to choose specific training (or combination of training, experience, or other skills) to meet FAC P/PM competencies, each director shall determine the training program to be used.

(3) **Target Completion Date.** A project manager assigned to a major acquisition must satisfy FAC P/PM competency requirements within 1 year from the date of the assignment.

7. **Practice of Project Management for Projects other than Major Acquisitions.**

A. **Identification of Projects and Use of Project Management.** For projects other than major acquisitions, each director shall carry out the following responsibilities:

(1) develop and implement a process to identify projects for which formal Project Management will be practiced and document decisions made as a result;

(2) require Project Management to be practiced for those projects identified and adjust the degree of Project Management application to fit the work to be performed;

(3) develop and implement a process to assign projects identified for formal Project Management to the responsible charge of a project manager and document decisions;

(4) provide resources to support project objectives, including identification of project sponsors, project managers, project stakeholders, and project team members as appropriate;

(5) provide the resources to support training for certification requirements for project managers as required by the local program; and

(6) establish a requirement for monitoring and control of identified projects.

B. **Training and Certification.** Training in Project Management principles and practices will follow the standards adopted by Reclamation in CMP P07 (i.e., terminology, principles, and practices as presented in the current edition of the Project Management Institute's Project Management Body of Knowledge (PMBOK©) an American National Standards Institute (ANSI) standard (ANSI /PMI 99-001)). Formal certification of Project Managers will be pursued on a case-by-case basis.

7. **Engineering and other Technical Services.** Where a project involves engineering or other technical services (not including IT services) from service providers as defined by Reclamation's Coordination and Oversight Group, Project Management will include statements of work, service agreements, and completion reports.