

Analysis of Recommendations from EM Project Peer Reviews in Fiscal Year 2016



Contact: **Rodney Lehman, EM-5.22** rodney.lehman@em.doe.gov
301-903-6104

Date: **10/13/2016**

Statement:

The Office of Project Management (EM 5.22) performs a review of the trends/lessons learned from peer reviews performed during the year. The results of this review are not intended as a lessons learned but an opportunity to improve based on the previous year's performance on multiple projects. The results from the Analysis of Fiscal Year 2016 Project Peer Review Recommendations report are identified below.

Discussion:

The Office of Environmental Management (EM) completed 12 Project Peer Reviews (PPR) in Fiscal Year (FY) - 2016. This total includes Independent Project Reviews (IPR) on four Projects. One IPR assessed readiness for Critical Decision (CD) - 1, *Approve Alternative Cost Range*, one assessed readiness for CD-3A, *Approve Long Lead Procurement* and two assessed readiness for CD-2/3, *Approve Performance Baseline and Start of Execution*.

As in FY-2015, the guidance and recommendations from the December 2014, Secretary of Energy (S-1) Memorandum (which has been incorporated into DOE Order 413.3B administrative change 2) continue to be major drivers in the planning and execution of project reviews. The Office of Project Management (EM-5.22), formerly the Office of Project Assessment (EM-53) analyzed the FY-16 review recommendations with the objective of identifying common themes. The following common themes were observed:

1. Certain key project documents, such as Project Execution Plan, Risk Management Plan and Integrated Project Team Charter were not updated to reflect current project situation and/or processes.
2. Some project schedules did not capture additional tasks required by the Federal Project Director (FPD) past the physical completion of the project, such as developing and submitting the CD-4 package.
3. Some projects did not maintain a separate federal risk register, but the contractor risk register included all the risks, including federal risks.
4. A few projects were managed by FPDs that were under-certified for the level of the project. Some of these FPDs were already working on developing and submitting their packages for the next level of certification.
5. During several reviews, it was noted that federal staffing analyses were too dated to be relevant for project planning needs. These analyses were performed at the program or site level; information was not granular enough to be useful for lower level project planning.
6. FPDs continue to be responsive about dispositioning PPR recommendations in a timely manner. A corrective action plan is developed to track and close them by their due dates.
7. For many PPRs and IPRs, proposed recommendations by sub-committees were addressed while the team was on-site. Site staff and review sub-committees worked together to fine tune baseline parameters for some IPRs. This enabled the IPR team to validate the Project for progress to the desired CD.
8. Funding issues continue to impact schedule and cost performance on executing projects. CD decisions are being delayed due to insufficient site funding for phasing new projects.
9. Sites are complying with the December 2012, Deputy Secretary Memorandum for effectively tailoring incentives to contract performance. Additionally, sites are planning fixed price contract options as feasible for prime and sub-contracts.
10. Some sites were not conducting periodic Quality Assurance (QA) program oversight activities. This was observed on both federal and contractor QA programs.
11. Sites continue to perform advance planning for procurements of long lead components so as to not impact project schedule and baselining activities.

12. Some sites have not begun implementing Quarterly Project Reviews (QPR) on projects under \$100M for which they are Project Management Executives. DOE Order Appendix C, Sec. 20.c requires QPRs be conducted with applicable PME or designee.
13. New projects were baselined at higher than 80% confidence levels consistent with the new FY-2015 guidance from S-1 and the Project Management Risk Committee.

Recommended Actions:

FPDs and Site Managers should consider these common themes that resulted from the various project reviews and determine if any of these themes are relevant to their project(s) and take actions to ensure projects implement appropriate recommended actions:

1. Update key project documents to reflect current project situation and/or processes.
2. Ensure that FPDs have sufficient training and experience to meet the certification levels for the type of project.
3. Update staffing analyses to reflect the project baselines, and identify gaps and approaches to meet staffing needs.
4. Align funding and CD sequencing such that it does not impact cost and schedule performance.
5. Perform periodic Quality Assurance program reviews.
6. Conduct Quarterly Project Reviews per DOE Order 413.3B requirements.

Critical Decision(s): CD-0 to CD-4

Facility Type(s): All

Work Functions(s): Project/Program Management

Technical Discipline(s): All

References:

1. DOE EM 5.22, *Analysis of Recommendations from EM project Peer Reviews in Fiscal year 2016*, October 2016