

Pathways to Project Success

JUNE 2011

Federal Project Director (FPD) Corner

**By Victoria C. Barth, MA ISD
OECM**

PMCDP Releases It's FY 2012 Training Schedule

The PMCDP is happy to announce the publication of the FY2012 course delivery schedule. The full FY2012 schedule is posted on the PMCDP website. The URL to the page is at the end of this article. This is the earliest the course schedule has ever been available and the PMCDP hopes this will allow FPDs and candidates to get a jump start on their training and professional develop-

ment goals. The deliveries are listed in the Corporate Human Resource Information System/Employee Self Service and registration is open. The PMCDP encourages participants to register early to ensure they get the classes they need.

The PMCDP would like to thank the Program Office points of contact (POCs) who provided delivery requests based on FPD and candidate need. The successful development and early release of the FY2012 schedule would not have

been possible without their support.

Welcome Aboard!

The PMCDP would like to introduce David Boron as the new Program point of contact (POC) for the Office of Energy Efficiency and Renewable Energy (EERE). Mr. Boron's contact information appears below:

David Boron, EERE: 202-586-0080,
david.boron@hq.doe.gov

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Full PMCDP Course Schedule

For the full listing of FY2011 & FY2012 classes, visit the PMCDP website at

http://www.management.energy.gov/documents/pmcdp_courses.pdf

and click on the "course schedule" link that appears on the "Training" page.

Cost Estimating Guide Published

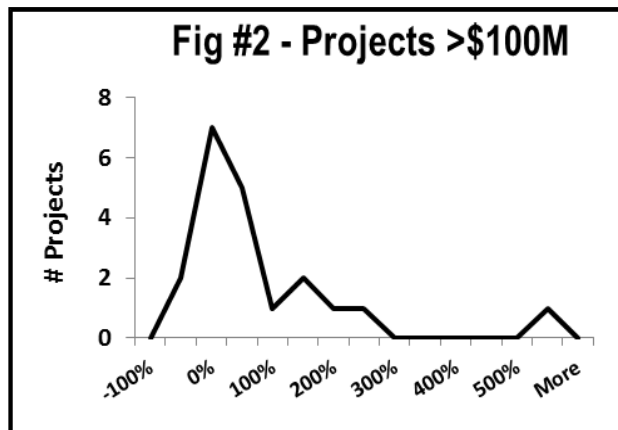
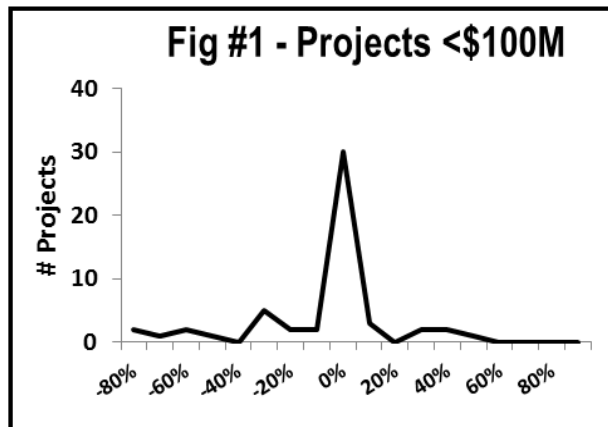
On May 9, 2011, the Department issued DOE G 413.3-21, *Cost Estimating Guide*.

This Guide provides uniform guidance and best practices that describe the methods and procedures that could be used in all programs and projects at DOE for preparing cost estimates.

Project Cost Growth—Large vs. Small

By Tony Emovick, P.E., CEM, CFM
OECM

Project cost growth continues to be an issue of great concern for the Department and has resulted in unnecessary turmoil in the budgetary process because of Congressional concerns with our ability to estimate and consistently execute our projects. To better understand this issue, an analysis of cost growth was completed on projects between Critical Decision -1 (CD-1), *Approve Alternative Selection and Cost Range*, and CD-2, *Approve Performance Baseline*. This period is a critical time in a project's front-end planning process. Figures 1 and 2 display the results of this analysis for both small projects (<\$100M) and large projects (>\$100M).



Figures 1 & 2 – Cost Growth (%) Between CD-1 (High) and CD-2

Figure #1 indicates that our existing processes for planning and baselining our smaller projects are working relatively well. However, this should not give us cause for relaxing our guard. For larger projects, we have incurred a higher percentage of significant cost growth in this key CD-1 to CD-2 stage.

While there is a smaller data pool for the larger projects, this trend is cause for concern as the cost impacts are substantial. Recall that per DOE Order 413.3B, if the project cost exceeds the top end of the CD-1 cost range by 50% or more, the alternative selection process must be revisited and a new CD-1 approved. This can result in significant delays and wasted efforts if a different alternative is then selected.

Some basic research on front-end, large project cost growth revealed three general causes¹:

- Technical: cost increase associated with better understanding of the true scope;
- Physiological: optimism bias by forecasters that favored lower project costs; and
- Strategic issues: economic, political, or environmental issues that surfaced.

There is insufficient time or space here to delve into each of these areas, but the high-level concepts are important to recognize. Improved project management policies and procedures in DOE Order 413.3B (e.g., greater definition of front-end planning, Independent Cost Estimates & Reviews, project peer reviews), more attention by senior leadership on this issue and improved metrics are a solid path toward improvement in this area.

References:

- (1) Hackney, John W. (1991). Humphreys, Kenneth K. ed. *Control and Management of Capital Projects*. American Association of Cost Engineers (2nd ed.). New York: McGraw-Hill, via Wikipedia

Project Management Order Update Highlights: Risky Business

Victoria S. Pratt, P.E., PMP, CCE
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Risk management and communication were identified as significant contributors to failed projects in the 2008 Root Cause Analysis and Corrective Action Plan for improving Contract and Project Management. Both new and existing technical and programmatic requirements and tools are included in DOE Order 413.3B that will enhance the risk management, communication and mitigation process so that projects can be planned, executed and delivered within scope, cost and schedule commitments. The following is a summary:



- Design Reviews (conceptual, preliminary and final) conducted by reviewers external to the project, including assessing design maturity consistent with project complexity before establishing the Performance Baseline at Critical Decision (CD)-2. (App C, Sec 4 and Sec 18.)
- Technology Readiness Assessments and Technology Maturation Plans required for projects with a total project cost (TPC) greater than \$750M (App C, Sec 23).

- Project Definition Rating Index (PDRI) conducted by the Federal Project Director prior to CD-2 for projects costing more than \$100M (App C, Sec 13).
- Opportunity to break-up large projects into small, more manageable projects (App C, Sec 22.b).
- Request funds within the same appropriation year for projects less than \$50M (App C, Sec 15.a).
- Endorsement by Acquisition Executive of any changes to approved funding profile that negatively impacts project (App C, Sec 5).
- Reassess CD-1, alternatives and cost range, if top end of the CD-1 cost range grows by 50% as project proceeds toward CD-2 (App A, Sec 4.b).
- Independent Cost Estimates or Reviews conducted by OECM prior to CD-0, CD-1, and CD-2, and CD-3, if warranted (App C, Sec 18).
- External Independent Reviews to validate the performance baseline by incorporating industry standard practices (e.g. PDRI, design maturity levels, Technology Readiness Levels)
- Use of a methodology to determinate appropriate project team size and required skill sets (App C, Sec 7).
- Project Peer Reviews for projects greater than \$100M conducted at least annually (App C, Sec 23).
- Energy Systems Acquisition Advisory Board processes to communicate risk issues related to Major System Projects when establishing or changing the Performance Baseline. (App A, Sec 7)
- Risk Management Guide (DOE G 413.3-7) and respective PMCDP course updates, with specific attention to sensitivity analysis and correlation of risks, and development of contingency and management reserve values.

PMCDP Course Schedule

Start	End	Course	CEUs	Location	PMCDP Info	CHRIS Code/Session	Registration Restrictions
June 2011							
6/6/11	6/10/11	Acquisition Management for Technical Personnel	32*	Las Vegas, NV (Nevada Site Office)	Level 1 Core Course	000145/0029	Per Betty Warrior ³
6/7/11	6/9/11	LEED for New Construction & Existing Buildings	18*	Aiken, SC (Savannah River)	Level 1 Elective	001936/0013	None
6/7/11	6/9/11	Labor Management Relations	21	Oak Ridge, TN (OR Federal Building)	Level 3 Elective	001038/0006	None
6/9/11	6/10/11	Life Cycle Cost Estimating	14*	Las Vegas, NV (Marriott Hotel)	NA	002173/0001	None
6/13/11	6/17/11	Advanced Leadership	35*	Aiken, SC (Savannah River)	Level 4 Elective	001041/0012	Per Alejandro Baez ⁴
6/13/11	6/17/11	Project Management Simulation	35*	Idaho Falls, ID (Idaho Operations)	Level 2 Core Course	001029/0025	Idaho Sponsored ²
6/14/11	6/16/11	Performance-Based Management Contracting	21*	Lakewood, CO (WAPA)	Level 1 Core Course	001951/0008	None
6/15/11	6/17/11	LEED for New Construction & Existing Buildings	18*	Las Vegas, NV (Nevada Site Office)	Level 1 Elective	001936/0015	Per Betty Warrior ³
6/20/11	6/23/11	Planning for Safety in Project Management	25*	Los Alamos, NM (Canyon School)	Level 1 Core Course	001035/0049	Per Betty Warrior ³
6/20/11	6/24/11	Acquisition Management for Technical Personnel	32*	Aiken, SC (Savannah River)	Level 1 Core Course	000145/0023	None
6/21/11	6/23/11	Scope Management & Baseline Development	21*	Richland, WA (Federal Building)	Level 2 Core Course	001036/0013	None
6/28/11	6/30/11	Earned Value Management Systems	21*	Albuquerque, NM (Alb. Operations Center)	Level 1 Core Course	001026/0070	None
6/28/11	6/30/11	Real Property Asset Management	21*	Las Vegas, NV (Nevada Site Office)	Level 2 Elective	001183/0017	None
July 2011							
7/19/11	7/21/11	Contract Administration for Technical Representatives	21*	Germantown, MD (Headquarters)	Level 1 Core Course	000058/0169	None
7/19/11	7/21/11	Project Execution & Readiness Reviews	21*	Oak Ridge, TN (OR Federal Building)	Level 3 Elective	001039/0007	None
7/25/11	7/29/11	Project Management Simulation	35*	Albuquerque, NM (Alb. Operations Center)	Level 2 Core Course	001029/0024	None
7/26/11	7/28/11	Earned Value Management Systems	21*	Las Vegas, NV (Nevada Site Office)	Level 1 Core Course	001026/0073	Per Betty Warrior ³

PMCDP Course Schedule

Start	End	Course	CEUs	Location	PMCDP Info	CHRIS Code/ Session	Registration Restrictions
August 2011							
8/1/11	8/3/11	Performance-Based Management Contracting	21*	Las Vegas, NV (Nevada Site Office)	Level 1 Core Course	001951	Per Betty Warrior ³
8/2/11	8/4/11	Environmental Laws & Regulations	21	Cincinnati, OH (EMCBC)	Level 2 Elective	001046	None
8/2/11	8/4/11	Earned Value Management Systems	21*	Washington, DC (Headquarters)	Level 1 Core Course	001026/0069	None
8/1/11	8/3/11	Contract Administration for Technical Representatives	21*	Amarillo, TX (Pantex)	Level 1 Core Course	000058	Per Betty Warrior ³
8/8/11	8/12/11	Program Management & Portfolio Analysis	35*	Morgantown, WV (NETL)	Level 3 Core Course	001025/0020	None
8/16/11	8/19/11	Planning for Safety in Project Management	25*	Oak Ridge, TN (OR Federal Building)	Level 1 Core Course	001035/0046	None
8/22/11	10/14/11	Project Management Essentials	70*	Albuquerque, NM (Alb. Operations Center)	Level 1 Core Course	001022/0047	None
Onsite: 9/20-9/22							
8/22/11	8/26/11	Cost & Schedule Estimation	35*	Las Vegas, NV (Nevada Site Office)	Level 2 Core Course	001044/0012	None
8/23/11	8/25/11	Earned Value Management Systems	21*	Los Alamos, NM (Canyon School)	Level 1 Core Course	001026/0074	Per Betty Warrior ³
8/23/11	8/26/11	Advanced Risk Management	25*	Cincinnati, OH (EMCBC)	Level 3 Core Course	001042/0013	None
8/30/11	8/31/11	Effective Program and Project Communication	14*	Morgantown, WV (NETL)	Level 2 Core Course	001940/0003	None
8/30/2011	9/1/2011	Strategic Planning	21	Albuquerque, NM (Alb. Operations Center)	Level 4 Elective	001043/0008	None

For the corresponding classes, registration is restricted to the designated organization unless prior arrangements are made with the following individuals:

¹Contact Semi Bird, 509-376-1665, semi_bird@rl.gov

²Contact Debbie Williams, 208-526-8771, williadb@id.doe.gov

³Contact Betty Warrior, 505-245-2127, betty.warrior@hq.doe.gov

⁴Contact Alejandro Baez, 803-952-3456, alejandro.baez@srs.gov

Note: Asterisked courses are PMI registered, so they carry the same number of PDUs as CEUs.



Question of the Month

**By Victoria C. Barth, MA ISD
OECM**

Question: Is there a recertification process for Federal Project Directors (FPDs) who have been decertified?

Answer: Yes—the Certification Review Board (CRB or the Board) established guidelines for recertification; however it is important to note that recertification is not guaranteed and is completely up to the Board's discretion.

FPDs decertified under DOE Order 361.1B may not petition the CRB for recertification earlier than one year after decertification. Requests for recertification will

be considered by the CRB only after the condition(s) resulting in the decertification action have been addressed and adequate controls are put in place to prevent recurrence. The Program must provide documentation that the deficiency has been addressed, a plan to ensure that the deficiency will not recur, and the original certification package. All of these items will be taken into account when the FPD is considered for recertification.

If certification was revoked due to failure to meet the continuing education (CE) requirement, the PMCDP recommends the FPD work

with his/her supervisor to accumulate the CE hours based on:

- new FPD certification requirements since the original certification was granted;
- skill gaps or development goals; or
- project assignment

An FPD who was decertified because a project's failure was attributed to his/her insufficient performance may not petition the CRB for recertification earlier than two years after decertification.

Questions or Comments?

Please email general questions and comments about PMCDP to PMCDP.Administration@hq.doe.gov, or visit our website at

http://www.management.energy.gov/project_management/pmcdp_home.htm

For specific information, please contact one of the following individuals:

- Linda Ott, PMP, MA Adult Ed - Team Lead, PMCDP: Linda.Ott@hq.doe.gov
- Victoria C. Barth, MA ISD - Course Schedule, Certification Review Board (CRB) information, Certification and Equivalency Guide (CEG): Victoria.Barth@hq.doe.gov
- Steven H. Rossi, P.E., PMP, LEED AP, CCE - PMCDP Newsletter, Continuing Education Units: Steven.Rossi@hq.doe.gov
- Peter J. O'Konski, P.E., CEM, PMP, LEED AP, CCE, CFM, Director, Office of Facilities Management and Professional Development: Peter.OKonski@hq.doe.gov