



# U.S. DEPARTMENT OF **ENERGY**

## Office of Environmental Management ***Journey to Excellence - Goal 6***

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## Goal 6:

### *Improve Contract and Project Management*

***Improve contract and project management with the objective of delivering results on time and within cost***

- Improve contract management
- Improve project management
- Deliver results on time, within cost

**Outcome: Improved Contract and Project Management that results in getting off the GAO High-Risk List**



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# Goal 6:

## Improve Contract and Project Management

### GAO Criteria to Demonstrate Success



## High-Risk List: Department of Energy Contract Management

Criteria Agencies Must Meet Before High-Risk Designations Can Be Removed	DOE Has	
	Met Criteria	Not Yet Met Criteria
Demonstrate strong commitment and leadership	<input checked="" type="checkbox"/>	
Demonstrate progress in implementing corrective measures	<input checked="" type="checkbox"/>	
Develop a corrective action plan that identifies root causes, effective solutions, and a near-term plan for implementing the solutions	<input checked="" type="checkbox"/>	
Have the capacity (people and resources) to resolve the problems		<input checked="" type="checkbox"/>
Monitor and independently validate the effectiveness and sustainability of corrective measures		<input checked="" type="checkbox"/>






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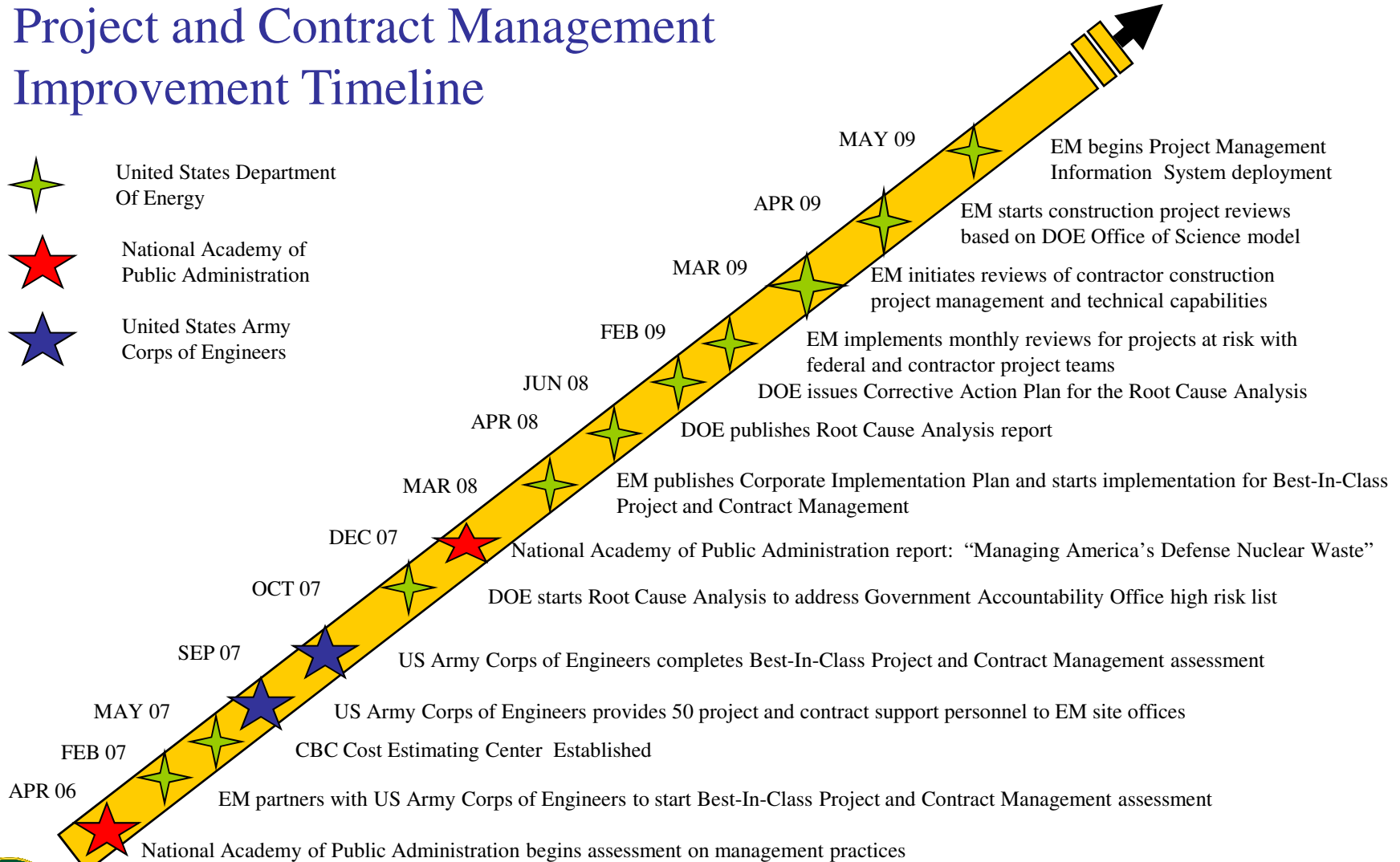
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# Goal 6: Improve Contract and Project Management

## Project and Contract Management Improvement Timeline

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



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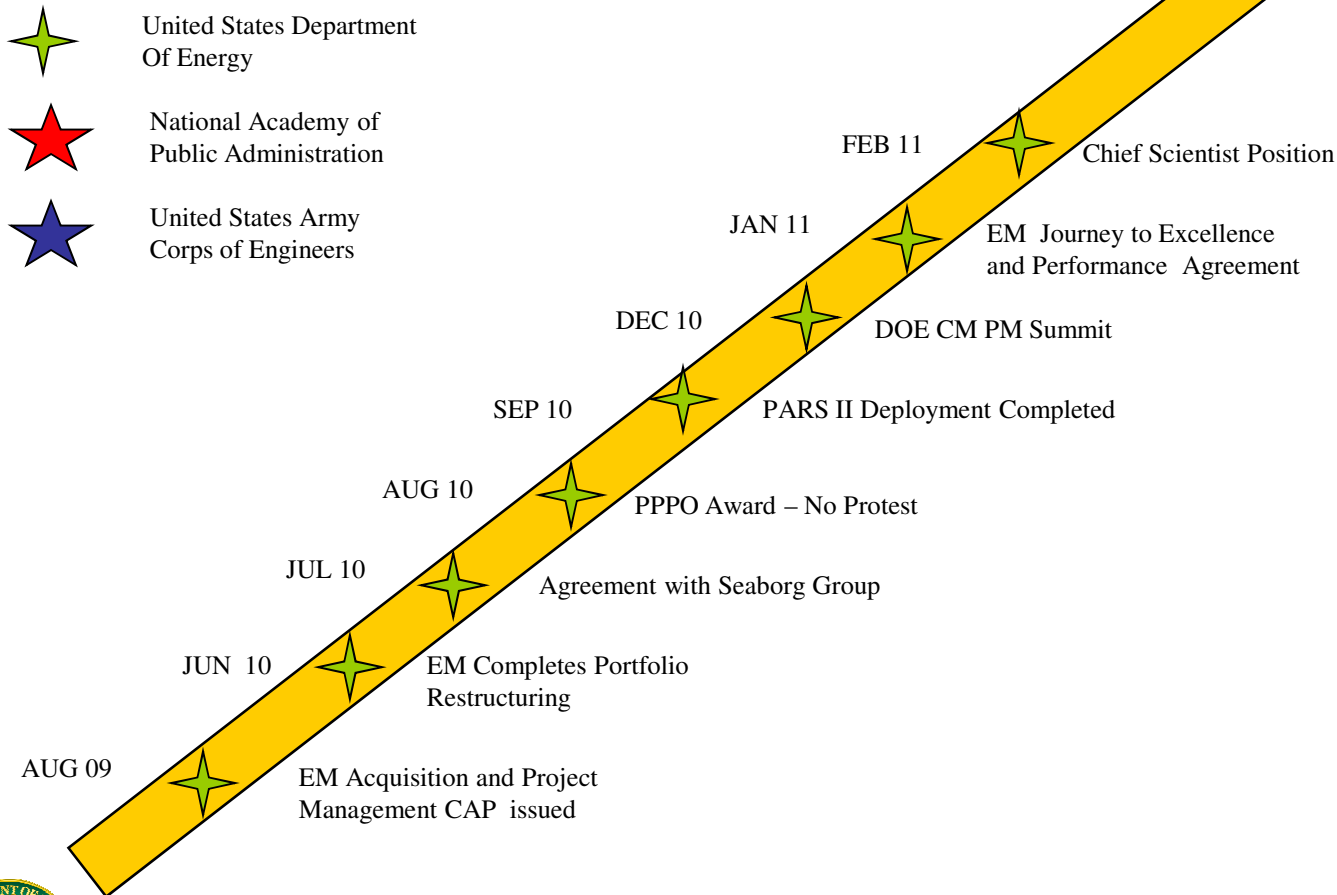
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# Goal 6:

## Improve Contract and Project Management

### Project and Contract Management Improvement Timeline



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# Goal 6: Improve Contract and Project Management

## Goal Champions

Jack Surash, Bill Murphie



## Key Outcome Metric

Removal from GAO High Risk List  
for Contract Management

## Annual Performance Agreement

Signed by EM Senior Leadership

## Improvement Action Leads



# Goal 6:

## Improve Contract and Project Management

### Key Strategies

- Establish an internal quality assurance process: Use the EM Contract and Project Management Corrective Action Plan as a starting point and create an internal quality assurance process that will lead to successful and sustained execution of EM contract and project management improvements.
- Improve and expand the use of independent reviews: Improve and expand the use of independent contract and project reviews, construction project reviews, peer reviews, and external independent reviews to keep contracts and projects aligned and on track. Conduct verification and validation reviews to ensure that performance data is credible and reliable.
- Strengthen the integration of acquisition and project management: Strengthen the integration of acquisition and project management processes so that contract statements of work and deliverables are based on clear project requirements, robust front-end planning and risk analysis, ensuring that nuclear safety requirements are addressed early, and changes to contract and project baseline and the contract are managed through strict and timely change control processes.
- Complete restructuring of the EM cleanup portfolio into capital projects and operations: Complete restructuring of the EM cleanup projects into smaller, more definitive capital projects and non-capital operations activities. Adhere to DOE Order 413.3A for planning and execution of capital assets and follow the same discipline for managing the non-capital asset operations activities, e.g., establishing approval authorities, performance goals and metrics, project director designation, and change control procedures.



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# Goal 6: Improve Contract and Project Management

## Key Strategies

- Become a stronger owner: Become a stronger owner by holding contractors accountable and pursue partnering relationships to create win-win scenarios, where both the Federal staff and contractor staff understand and respect the rules of engagement and build better business relationships. Also, build stronger relationships with oversight organizations to improve communications and demonstrate transparency and accountability in EM's contract and project management.
- Develop EM's ability to perform Independent Government Cost Estimates and Reviews: Develop EM-specific cost estimating policy, guidance, historical cost databases, and expertise to improve our ability to perform Independent Government Cost Estimates as well as Independent Cost Reviews and validation of contractor-generated cost estimates.
- Provide training in contract and project management: Invest in personnel development by providing training and career development in contract and project management.
- Make effective use of small and minority owned businesses



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

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# Goal 6:

## Improve Contract and Project Management

### FY 2011 Key Success Indicators

<b>Metric</b>	<b>HQ Owner</b>	<b>Status</b> (Jan 31, 2011)
<b>6.1: Complete 90% of capital asset projects within 10% of original cost and schedule baseline</b>	<b>EM-10</b>	
<b>6.2: Maintain at least 95 to 98 percent (meets/exceeds) of project performance data reporting in IPABS/PARS II error free</b>	<b>EM-60</b>	
<b>6.3: Approve contract performance baselines within 180 days from contractor's final accepted submission</b>	<b>EM-80</b>	
<b>6.4: Finalize 80% of change orders within 180 days</b>	<b>EM-80</b>	
<b>6.5: Negotiate contract changes in advance of Acquisition Executive approval of baseline changes</b>	<b>EM-10</b>	



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# Goal 6:

## Improve Contract and Project Management

### FY 2011 Key Success Indicators

<b>Metric</b>	<b>HQ Owner</b>	<b>Status</b> (Jan 31, 2011)
<b>6.6: Manage life-cycle costs within 5% of EM current EM program portfolio using FY 2011 Budget and Planning Guidance</b>	<b>EM-60</b>	●
<b>6.7: Implement partnering agreements for at least five major contracts</b>	<b>EM-80</b>	●
<b>6.8: Ensure 85% of contracting series workforce has appropriate certification</b>	<b>EM-80</b>	●
<b>6.9: Ensure 90% of projects have FPDs certified at the appropriate level assigned to projects no later than CD-3</b>	<b>EM-10</b>	●
<b>6.10: Achieve EM overall prime contract small business goal of 5%</b>	<b>EM-80</b>	●

