



**U.S Department of Energy
Office of Environmental Management**

***Keeping the Momentum –
The Management Initiatives***

May 2008

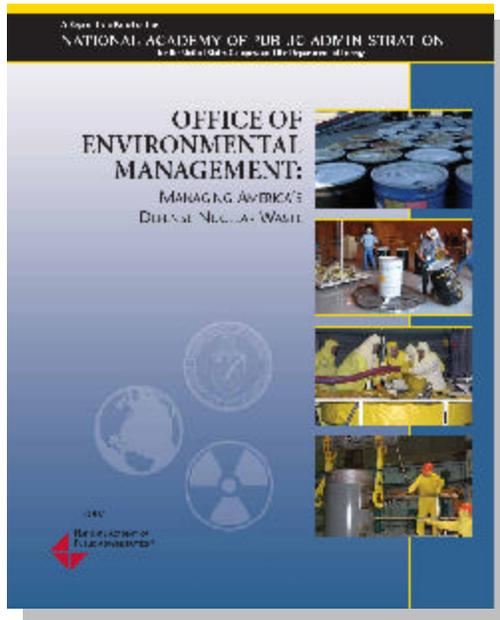


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Key messages . . .



- Many improvements underway
- NAPA report provided additional proposals to improve EM's activities
- *“Panel is optimistic that, with the changes underway, EM is on a solid path to becoming a high performing organization.”*
- EM has a number of major initiatives and priorities for FY 2008 to better support field activities, to provide more rigor, and to better deliver EM's projects within cost and schedule

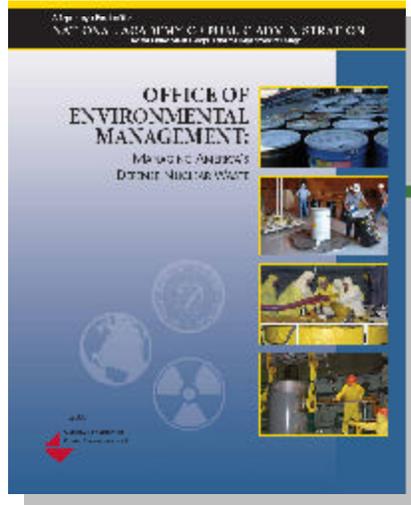


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NAPA report . . .



4 Primary subject areas covered:

- Project Management
- Organization and Management
- Acquisition
- Human Capital

69 recommendations

25 completed to date

Overall very favorable report based on:

- On-going initiatives
- Actions taken in response to NAPA findings



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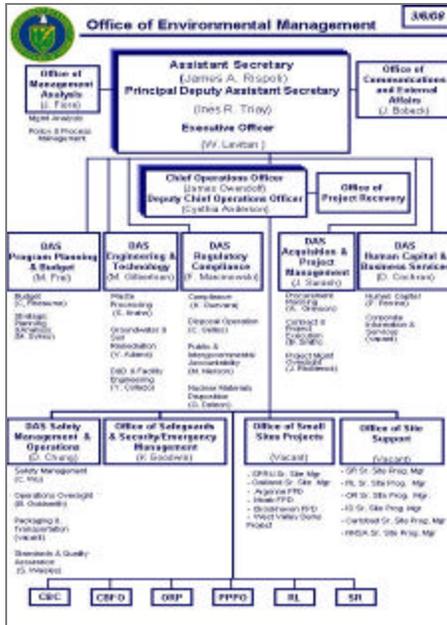
Major NAPA findings . . .

Project Management

- NAPA applauds the many improvements EM has made
- EM's ability to implement additional improvements at risk because of insufficient staff

Organization and Management

- NAPA initially proposed a major reorganization
- NAPA's final report focused on management improvements like strengthening Chief Operations Office (COO) and adding some new offices



Acquisition

- EM has made significant progress to improve the acquisition process
- Some other improvements remain outside of EM control

Human Capital

- Some areas appear understaffed
- DOE should increase EM staffing ceiling by 200



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EM-1 vision . . .



“In order to successfully execute our portfolio of projects, we are instilling a rigorous project management mindset that will be ingrained in all projects.”

“It is vital that EM acquire the best services and attract the best contractor community, including small business, has to offer.”

“We want to assure ourselves that we have the right skills mix to get the job done.”

James A. Rispoli

March 2006 Testimony on the FY2007 EM Budget



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FY08 management priorities & initiatives . . .



Human Capital

- Professional Development Corp (Career Interns)
- Workforce Revitalization at all Grade Levels
- Centralized Accelerated Hiring (Use of Consolidated Business Center)
- Leadership Excellence Program
- Diversity

Engineering

- Technology Readiness Assessments
- Best-in-Class Technical Capabilities

Organizational Changes

- Enhance COO Capability
- Establish 3 new Offices
 - Management Analysis
 - Standards and Quality Assurance
 - Communications



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FY08 management priorities & initiatives

Continued . . .

Safety & Quality Assurance

Management Principles/Areas	QA 414.1C	Project Mgmt. 413.3A	ISM
• Clear Roles & Responsibilities	✓	✓	✓
• Clear Communications	✓	✓	✓
• Clear Requirements	✓	✓	✓
• Work Processes to Ensure Quality	✓	✓	✓
• Importance of Training	✓	✓	✓
• Importance of Design	✓	✓	✓
• Importance of Procurement	✓	✓	✓
• Corrective Action Management	✓	✓	✓
• Lessons Learned	✓	✓	✓
• Management Assessments	✓	✓	✓

- New HQ QA Office and additional QA hiring in the field
- Corporate QA Board
- Creation of better tools to implement QA

Overall EM Management Initiative

- Systematic sustainable framework
- Organizational logic
- Drives and informs management improvements

Project Management and Acquisition

- Improved project planning
- Better planning and scheduling of procurements to deliver project results
- Executing projects with greater control
- Making major progress toward achievement of Best-in-Class project and contract management within the Federal Government

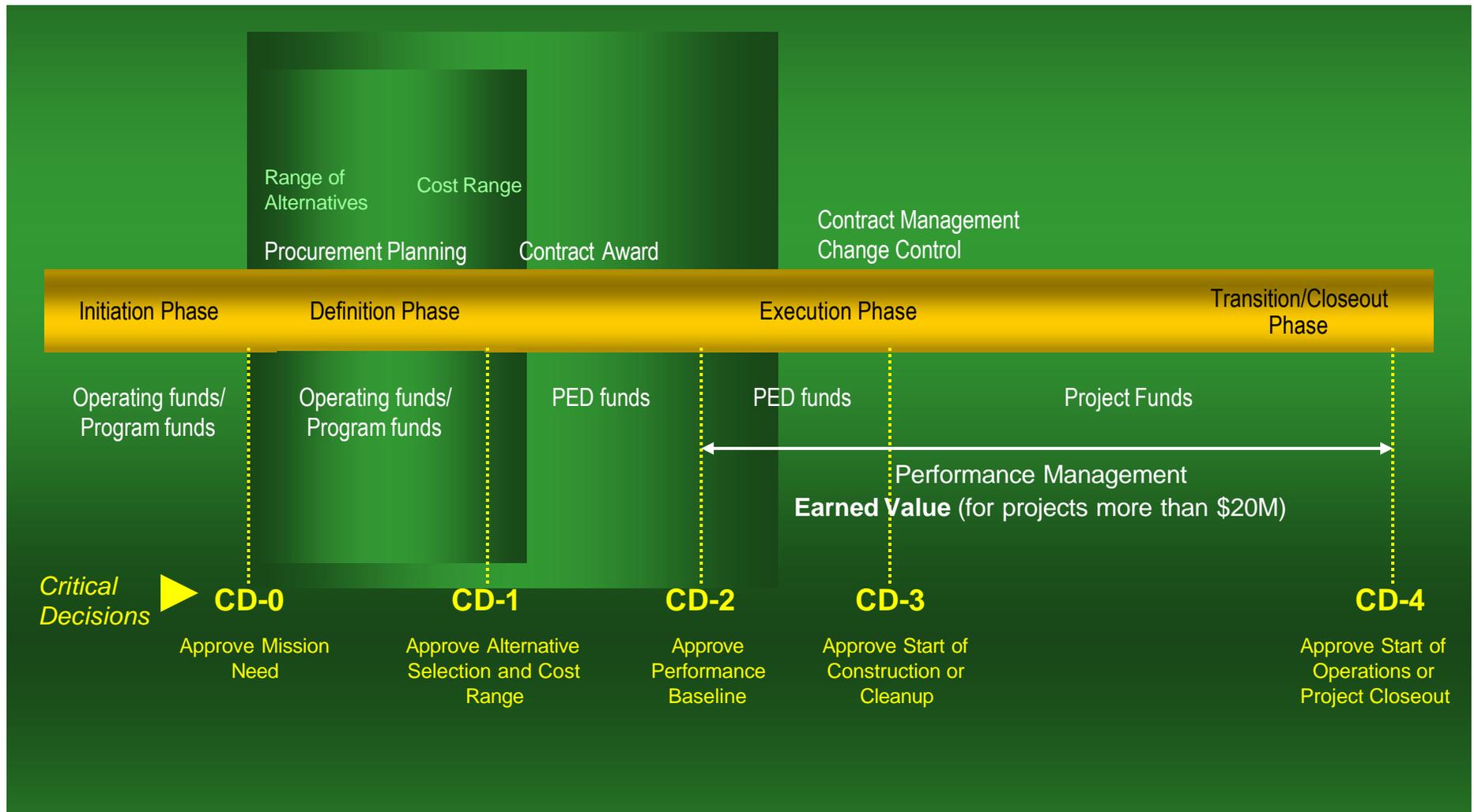


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EM's acquisition process . . .

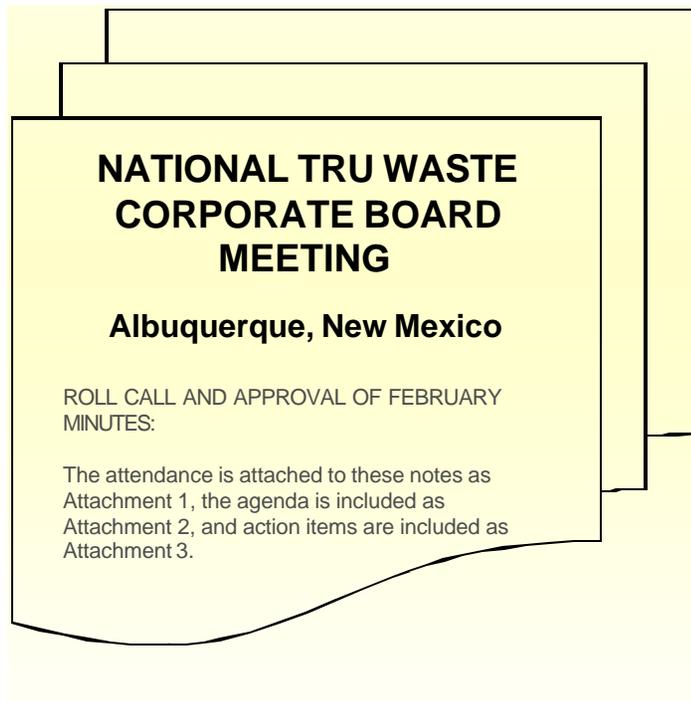


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Some major activities to support the Field/Projects . . .



- Project and Contract Management Best-in-Class Initiative
- Engineering and Technology Best-in-Class Initiative
- EM Corporate Boards
- “Horizontal” Site Teams
- Program Management Guide and Manual



Best-in-class project management and contract management (BICPM) initiative . . .

Institutional Best Project Management Practices Being Adopted



- **Vision**
 - True Project Oriented Culture
 - Appropriate Level of Qualified Federal Staff
- **Phase I and II Assessments are Complete**
- **Phase III Corporate Implementation Plan is Complete**
 - 18 Recommended Priority Actions Identified
- **Phase IV Implementation**
 - Deployed 50 FTEs to 14 sites



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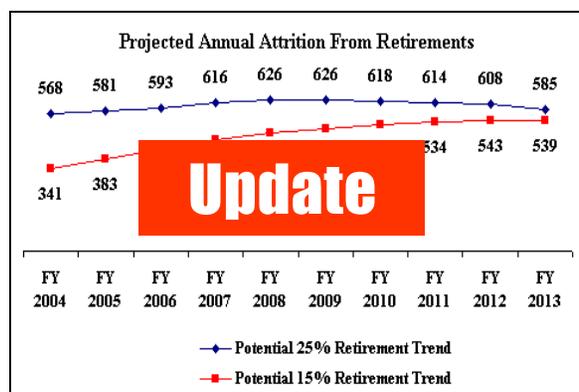
Recommended priority actions - **near-term** . . .



- Assign Leadership for BICPM Implementation
- Provide Additional Contract Management Resources
- Address Unresolved Baseline Change Proposals and Requests for Equitable Adjustment
- Develop and Improve Project Management Work Plans at Each Site
- Provide Project Management and Contract Management Capability Reinforcements
- Complete DOE EM Project Management Guidance
- Clarify Roles and Responsibilities between Project Management and Contract Management Organizations



Recommended priority actions – mid-term . . .



- Update and Implement Human Capital Plans
- Establish a Standardized and Integrated Change Control Process
- Establish Standards for DOE EM Management Products and Practices
- Implement Enterprise Project Management Software Solutions
- Streamline Critical Decision Document Review and Concurrence
- Complete and Utilize Federal Risk Management Plans



Recommended priority actions – long-term . . .

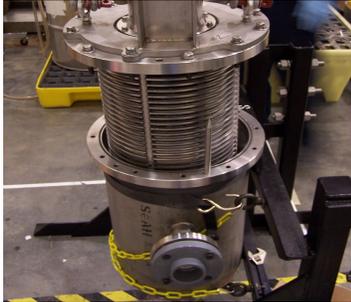
Fiscal Year	08	09	10	11	12	13	14	15 >
Scope	•	•	•	•	•	•	•	•
Cost	•	•	•	•	•	•	•	•
Schedule	•	•	•	•	•	•	•	•

Validated Federal Five-Year Baselines and Out-Year Planning Estimate Ranges

- Maintain Validated Federal Five-Year Baselines and Out-Year Planning Estimate Ranges
- Implement Surveillance of Contractor Earned Value Management Systems
- Identify Site-Specific Best Practices and Adopt Across the Complex
- Prioritize Training and Professional Development



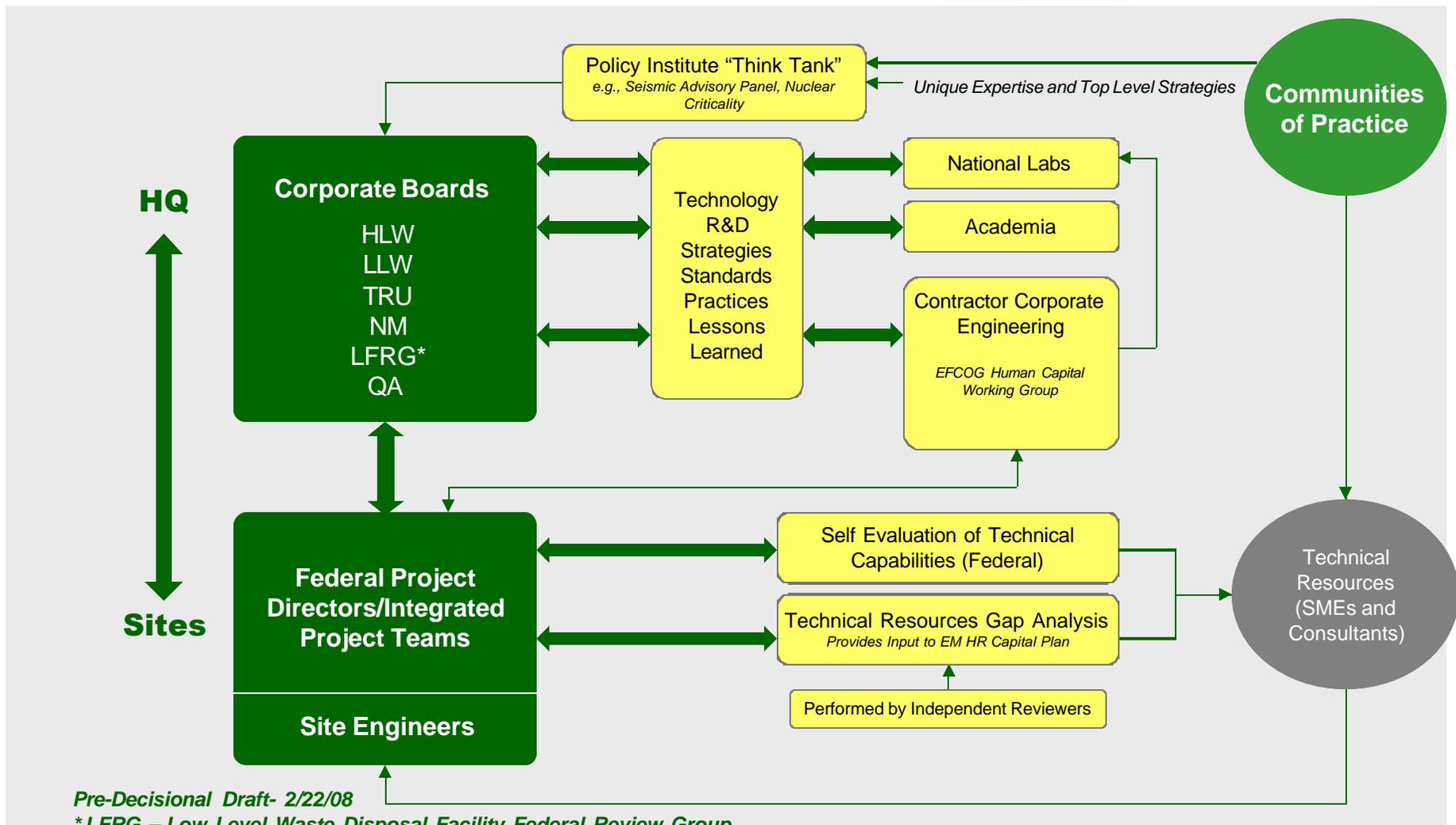
Best-in-class engineering and technology initiative . . .



- Assistant Secretary James Rispoli: “EM is to become recognized as an organization with a world-class engineering and technology capability.”
- Two workshops conducted in December 2007 and February 2008 to better define scope of initiative and identify key activities
 - Participants included national laboratories, senior contractor representatives, and universities
- Current implementation activities are focused on:
 - Human Capital
 - Management
- Shared vision and sustained commitment from senior DOE and EM management necessary to assure success



Striving for EM program engineering and technology excellence . . .



Pre-Decisional Draft- 2/22/08

*LFRG – Low Level Waste Disposal Facility Federal Review Group



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EM corporate boards . . .

Corporate Boards

- HLW
- LLW
- TRU
- NM
- LFRG
- QA

- Integrate Multi-site Activities
- Achieve Economies of Scale
- Provide Operational Efficiencies
- Provide Standardization
- Share Best Practices



Horizontal Integration . . .



- Lack of Clarity on Which HQ Groups Handle Field Issues
- Multiple Requests for Same Info
- No “Champion” for Site Issue Resolution
- Proposed Approach is to Establish Site Teams with Members from Each EM-HQ Organization Headed up by HQ Site Program Managers who reside in the Chief Operations Office organization (EM-3)

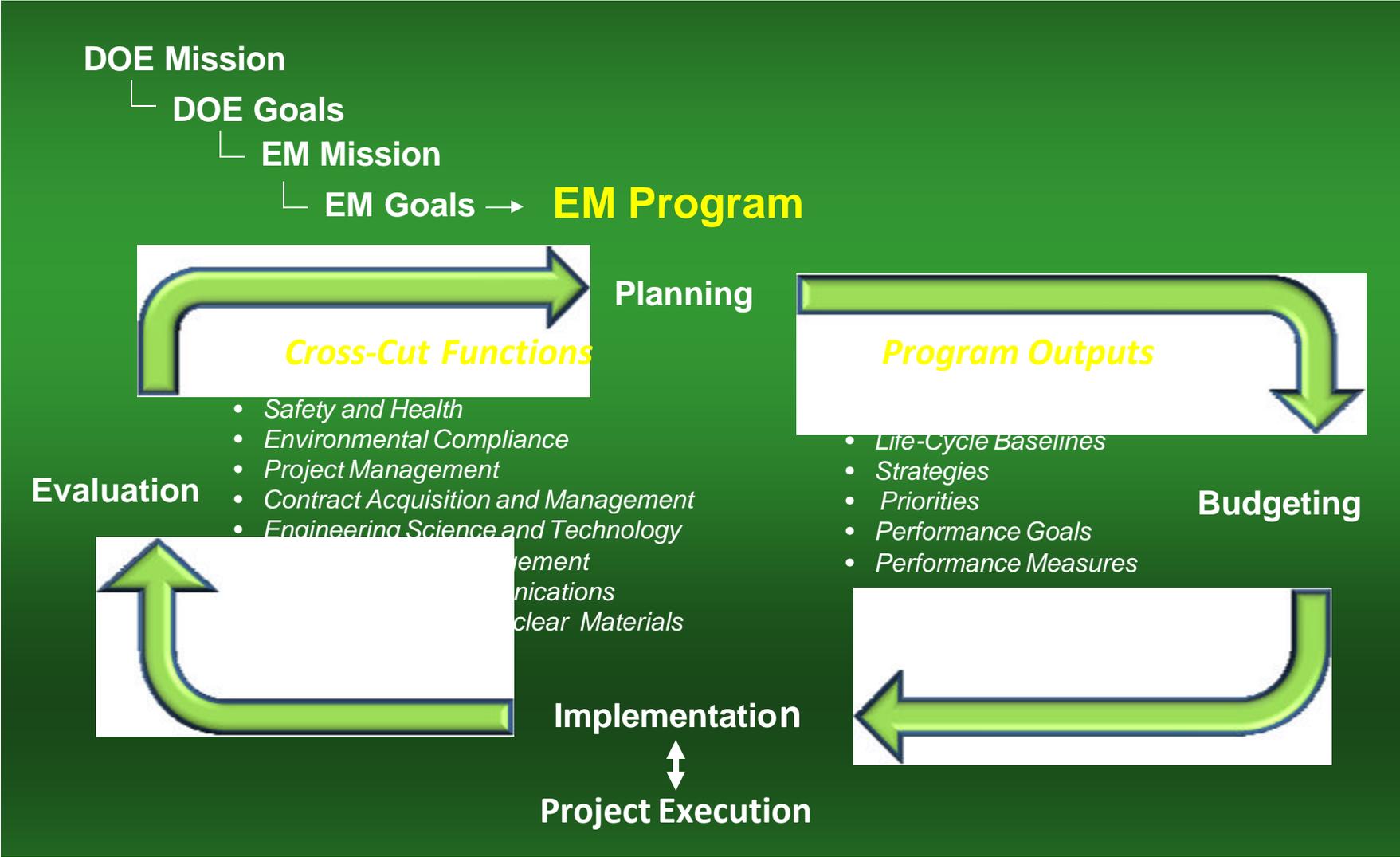


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EM program overview . . .



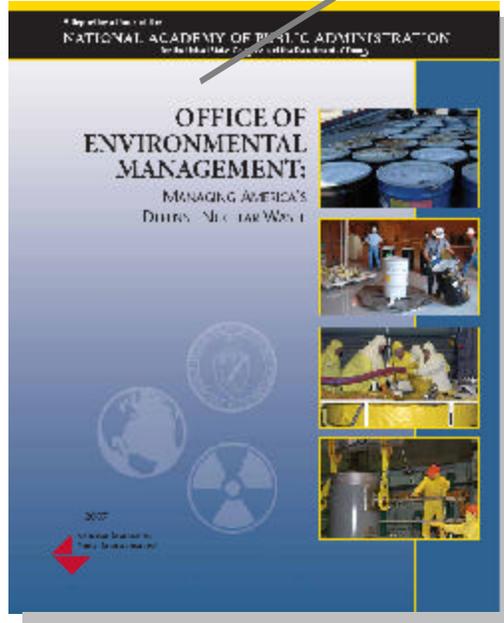
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Summary . . .

“EM is on a solid path to becoming a high performing organization”



- EM recognized the need to better deliver within cost and schedule
- EM has made many changes to increase its project and contract management rigor
- EM needs to continuously improve and institutionalize the improvements



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