

Director's Policy Memorandum on Improving Efficiency and Effectiveness in USACE Civil Works Project Delivery
Planning CoP Webinar
May 31, 2018
Q&A Session

The 31 May PCoP webinar provided an overview of the recently released [Director's Policy Memorandum \(DPM\) Civil Works Programs 2018-05 SUBJECT: Improving Efficiency and Effectiveness in USACE Civil Works Project Delivery \(Planning Phase and Planning Activities\)](#). Mr. Joe Redican, Chief of HQ Planning and Policy Division (Acting); Ms. Sue Hughes, HQ Planning and Policy Division, Deputy for the Planning Community of Practice; and Mr. Wes Coleman, Chief of HQ Office of Water Project Review (OWPR) discussed the intent of the memo, which provides direction on incorporating risk-informed decision making in project development. In addition, Mr. Redican, Ms. Hughes, and Mr. Coleman discussed how the Headquarters Civil Works team is working together to implement this policy. Mr. Bob Bank, HQ Civil Works Branch Chief of the Engineering & Construction Directorate joined for the Q/A.



Headquarters is compiling a Frequently Asked Questions for this memo and its implementation. If you have a question that has not been answered, please email it to hqplanning@usace.army.mil.

This summary of the Question / Answer session of the webinar is not a transcription; questions and responses have been edited and reordered for clarity.

Milestone Decision Delegation

When Headquarters retains decision making authority for a final report, is a Division Engineer transmittal memo still expected since the final report will now go directly to Headquarters from the District?

No, a Division Engineer transmittal memo is not expected. This is a big change and we'll affirm it in the update of Appendix H. However, this direct transmittal does not eliminate the MSC's Quality Assurance responsibilities, delegated policy review responsibilities, etc.

You stated the delegation of decision making is for "most new studies." Can you confirm that this applies only to new studies, and not to existing studies?

This memo applies to all feasibility studies, not just new studies. Headquarters has been coordinating with the MSCs on ongoing studies we think would be delegate-able (meeting the criteria of Paragraph 7 of the memo). The memo also permits delegation from Headquarters to the MSCs even if the criteria to retain decision-making at Headquarters are met. This would be a conversation between Headquarters and the MSC. If you have any questions, please work them up through your MSCs.

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Is there any change to the delegation of Continuing Authority Program (CAP) studies?

Since CAP studies are already delegated, this memo doesn't change much. We do want to emphasize that risk-informed decision making applies across the board, so the concepts are relevant and should be applied within CAP studies, as well.

Will there be additional guidance provided for watershed studies and the milestones specific to watershed planning? What would trigger elevation of watershed studies to Headquarters for decision making, since the 3x3 policy does not apply?

Based on Paragraph 7 of the memo, the intent is that decision-making delegation is a mutual decision made based on the study complexity and risk. The cases where watershed studies are elevated to HQ should be few and far between (e.g., is there an Office of the Assistant Secretary of the Army [ASA] policy waiver that would be required for the final report?) The level of detail in a watershed study is more appropriate for review and approval by the MSCs. Headquarters is only involved today because we're required to send watershed studies to Congress.

At this point, we are not anticipating any further interim guidance specific to watershed studies; we do plan to develop an Engineer Circular (EC) based on the Watershed Studies Planning Bulletin, which will make its way into an Engineer Regulation (the Planning Guidance Notebook or stand-alone).

Policy Review Delegation

Paragraph 9 of the memo delegates policy review to the MSC. The policy review team is to be identified through collaboration between the MSC Planning Chief and the OWPR Chief and then documented in the Review Plan. How should this collaboration piece occur - is this a conversation, an email, a memo, or something else? With the large number of studies kicking off this fiscal year from the Supplemental and work plan, how do we intend to efficiently manage this coordination?

This collaboration has actually already started. The simple answer is that in most cases, e-mail and conversations are sufficient ways to collaborate. We don't envision the need for a formal memo process here. The way it has worked so far is the MSC Planning Chief reaches out to OWPR regarding a study or studies, we talk about the potential makeup of the review team, and we work through where we need to fill in the gaps. In some cases the MSC Planning Chief has suggested people from the MSC level, and OWPR has countered with suggestions from the Headquarters level. This approach also allows us to balance out review teams, sometimes providing newer review team members the opportunity to gain experience.

For ongoing studies, there are likely two teams already engaged in policy review, one at the MSC and one at Headquarters. For those studies, HQ will work with the MSC Planning Chief and we would like to pare those two full teams down to one team, which will essentially free up the equivalent of one team per existing study.

We're trying to not confuse the role of the policy review team with the role of the people to whom decision making is delegated. There will be situations where the "one Headquarters policy review team"

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will be made up of all MSC people, and situations where it will be made up of all Headquarters people. Other policy review teams will be blended. Either way, this team will inform the decision makers, regardless of where they sit.

Will there still be a policy review manager? Where will this person sit? How will OWPR/the MSC determine who this person is?

Yes, there will still be a policy review manager and this person can sit anywhere. Like the formation of the rest of the policy review team, the policy review manager will typically be the person best qualified for that role, whether they are at the MSC or Headquarters. Like with other review team assignments, there may be opportunities to provide review staff with review manager experience.

Will OWPR put out a "review manager primer" or standard operating procedure (SOP) to assist non-Headquarters staff in assuming the roles of policy review manager and policy reviewer?

Yes, an SOP is being developed for the review manager function.

Do you expect the delegation of policy reviews to substantially affect the workload of OWPR staff? If so, what other types of activities do you think they might be freed up to pursue?

It stands to reason that policy review delegated to the MSCs and additional policy review done by MSCs will free up some time for Headquarters policy reviewers. In some cases, this will allow OWPR staff to engage more in-progress on their resulting studies. It will also create opportunities for increased participation by OWPR staff in training, policy development, and other requirements at the enterprise level. Further, OWPR is currently discussing how the policy review team (including MSC and other resources on the review team) may support the ASA(CW)'s office of Project Planning and Review.

Will the added focus on risk acceptance allow for more flexibility on how the milestones are structured, particularly with the amount of time we are seeing reserved for review?

This memo complements the Civil Works Review EC and other interim guidance for implementing SMART Planning. When QC and QA processes are integrated, vertical team engagement used consistently throughout project development to manage study and project risks, technical and policy review conducted concurrently, and the policy and agency technical review (ATR) review team leads kept informed of the production schedule (and timelines), review should not be negatively impacting schedules to the tune of months of delay.

At Headquarters, we're looking at the process for the Chief's Report. We're working with Office of Counsel and others on ways to be able to expedite that process so that there isn't so much lag time between the final report and the Chief's Report. Having submissions go directly from the District to the decision makers will lead to an improvement in the schedule. In addition, having early and consistent involvement and quality review will help buy down the back and forth on risk concerns, which will also help compress the schedule.

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How will ATR be incorporated into the risk-informed decision making process? ATR teams may fall outside of the vertical team discussion process and won't be privy to any exceptions or allowances that are agreed upon, but by its nature ATR is meant to identify the technical and policy matters that can trip up a study.

Are we asking ATR teams to fulfill their role any differently?

We are asking for ATR review leads to focus the team on technical review, coordinating with the policy review team and project delivery team (PDT) when necessary. There is a lot of potential overlap between technical and policy reviews because a number of the applicable policies/guidance are technical in nature. The ATR and policy review parties should be linked together.

Schedules and Timelines

Where do National Environmental Policy Act (NEPA) documents fit into the schedule showing project management requirements, decision milestones, and product milestones?

[SMART Planning Feasibility Studies: A Guide to Coordination and Engagement with the Services](#) includes SMART Planning and environmental compliance process overlays that show the processes and products required by major environmental laws, including NEPA, the Fish and Wildlife Coordination Act, the Endangered Species Act, and the Magnuson Stevens Fishery Conservation and Management Act. The Guide is available on the Planning Community Toolbox.

Risk Acceptance and Risk Management

Can you explain why there is so much emphasis on risk and uncovering risk so early? Were there projects that were faulted, or litigation that has brought this to light?

The driving force behind the Director's Policy Memorandum and Mr. Dalton's 2017 memorandum is "daylighting" the risk management decisions that are impacting project delivery from planning through engineering and design to construction to operations. We have to work across disciplines, across the vertical team, and with our partners to identify, assess, communicate, and manage the risks associated with our studies and our projects. Once the critical considerations that drive project decisions are identified, focusing team efforts on reducing the risk and uncertainty for those risk drivers – or accepting and acknowledging the remaining risks – can reduce the time and effort expended to make a decision, and enable the project to move forward more quickly.

How receptive are USACE/ASA senior leaders to granting exceptions to 3x3 if requested by the sponsor?

Exceptions to the 3x3 rule are also a risk-informed decision. Exceptions to 3x3 are always considered on a case-by-case basis, taking into consideration the reasons behind the request. This is an interesting and timely question, as the ASA has been processing several study time extensions and has made the point that he has seen more than a few of them during his short tenure. He is serious about PDTs meeting the 3x3 rule and wants us to communicate that to you all. Exemptions to 3x3 should be few, and only for the most complex of studies.

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There is great disparity in risk acceptance among MSCs. How will we as an agency ensure PDTs face similar expectations?

The short answer is that this is why we place so much importance on vertical team communication from beginning to end of a study. Vertical team engagement throughout the study process will smooth out some of the high points and prevent some of the low points you might experience regarding risk acceptance, so that it is more consistent across the MSCs. It is important to explicitly document the risk acceptance decisions raised in the risk register, so there is an understanding at all levels of what the technical effort is "buying" and where the residual risks remain. Our goal is for the vertical team to follow the study all the way up through ASA, even for studies that have been delegated to the MSC level.

What thought has been put into our new risk emphasis from a local sponsor viewpoint? Is there any concern that local sponsors will become too risk averse to enter into a feasibility cost sharing agreement (FCSA) with USACE before a project management plan has been developed?


We've used a standard model \$3 million cost-shared FCSA since 2014 and the elimination of the reconnaissance phase, relying on scoping the project management plan (PMP) together with the non-Federal sponsor in the early stages of the feasibility study. What we've found is that our sponsors appreciate the opportunity to scope a study with us and to be a part of the process vs. reacting to a PMP that's already been built. The intent moving forward is to let them know that we're going to iterate through the planning process and build the scope together, which we think is favorable for sponsors.

Is the final report expected to have the same level of detail as was expected before SMART Planning?

Since the initial guidance of SMART Planning and the rule of thumb that a feasibility report fit "in a 3-inch binder," it is clear that a final feasibility report may not have the same level of detail that had come to be expected by some disciplines, by the non-Federal sponsor, by other federal agencies, etc. Compared to feasibility studies that had grown to routinely fill boxes, a 3-inch document will clearly have less detail. The message that a complete, policy compliant, and quality final feasibility report can be produced with less volume and a lower level of detail than was produced in the recent years leading up to SMART Planning has been a consistent – and challenging – talking point since the advent of SMART Planning. As stated above, it is important to document the risk acceptance decisions in the report to identify residual risks, and to support managing those risks as the project proceeds to implementation.

Risk Management Tools

Will there be changes to the Risk Register tool/template to better communicate risk and uncertainties on the project and to document the process for considering, analyzing, and managing risk?

The online Risk Register tool, available as part of the [IWR-APT](#) online interface  is being maintained by IWR. The team welcomes recommendations and requests to evolve the tool. The Risk Register is a tool to be used by the team to assess and document risks and how the team is managing those risks. The Risk Register can be used to communicate within the PDT and with the vertical team as well, or as the supporting documentation for risk communication with the sponsor, with other disciplines within the Corps, at milestone meetings, etc. The Risk Register should be used by the project team to inform the

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development of the decision management plan and PMP – tying risk management strategies to study execution. Summaries of the critical residual risks should be documented in the report.

Guidance and Training

Has any guidance been provided to Engineering & Construction to help them do risk-informed engineering?

Bob Bank: Engineering & Construction was the first organization outside of Planning to issue guidance to the field on implementing SMART Planning ([ECB 2012-18](#)), which laid out our approach to accepting risk. Our regulations, including [Engineer Regulation 1110-2-1150: Engineering and Design for Civil Works Projects](#), focus on identifying the right amount of engineering necessary to make a decision. While our regulations may not direct this as explicitly as Planning's regulations, there is plenty of flexibility for us. Moving forward, we plan to issue more guidance from Engineering & Construction, including updating ER 1110-2-1150, but the key will be holding discussions that lead to identification of risk, joint acceptance of risk, and understanding what that risk entails.

If you find an obstacle in a piece of guidance in any discipline that's impeding you from implementing risk-informed decision making, let us know at Headquarters. Don't stop; raise awareness and ask questions, because it might be an issue of interpretation.

How does the change in planning policy correlate to changes in engineering, NEPA, and real estate requirements?

The Headquarters implementation team is looking at an integrated strategy to operationalize risk-informed decision making that includes updating policy. We are aiming for interim guidance in each of these disciplines in the short term (three to four months), with permanent guidance updates to follow.

NEPA requirements are part of federal regulation, which we do not control, but Headquarters and the Office of the ASA(CW) are discussing, along with the Administration, where there may be flexibility in the processes and timing associated with publishing final vs. draft Environmental Impact Statements, signed Records of Decision, etc.

Will training about risk-informed decision making be made available to PDT members (i.e., webinars, not PROSPECT courses)?

Yes, we are planning additional on-demand short courses and webinars for PDT members regarding risk-informed decision making in studies and throughout the project delivery lifecycle. We're working with both the Planning Centers of Expertise and the Planning PROSPECT course owners for Planning Essentials and the Plan Formulation Capstone to explore updates and new training opportunities. Risk discussions have also been added to the Civil Design for Planning course. The Headquarters team tasked with implementing this memo is also considering training opportunities. If you're interested in learning more, there are also several Planning Community of Practice webinars that have been offered over the last five years that talk about applying risk-informed decision making, level of detail, etc. for planners, engineers,

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and others involved in the study process. IWR's Risk Gateway also has several additional resources, including webinars, manuals, and more.