

Reclamation Manual

Directives and Standards

Subject:	Project Management
Purpose:	To establish procedures for standardized project management use, monitoring and reporting, training, and certification within the Bureau of Reclamation. The benefits to Reclamation are improved decision-making processes to maximize accountability, transparency, timeliness, cost containment, and to reduce project risks for decision-makers and stakeholders.
Authority:	Reclamation Act of 1902 and amendments (43 U.S.C. 372 et seq.); Clinger-Cohen Act of 1996 (40 U.S.C. 11311 et seq.); Program Management Improvement Accountability Act (31 U.S.C. 501; Pub. L. 114-264); Office of Management and Budget (OMB) Circular, A-11, <i>Preparation, Submission, and Execution of the Budget</i> , and supplements to the Circular; OMB Circular A-130, <i>Management of Federal Information Resources</i> ; OMB Policy Memorandum <i>Federal Acquisition Certification for Program and Project Managers</i> , April 25, 2007; OMB Policy Memorandum Revisions to the Federal Acquisition Certification for Program and Project Managers, December 16, 2013; Secretarial Order No. 3244, <i>Standardization of Information Technology Functions and Establishment of Funding Authorities</i> , November 12, 2002; Department of the Interior (DOI), Office of the Chief Information Officer, Directive 2004-19, <i>Project Management Certification Requirements for Managing Information Technology Investments</i> , June 23, 2004; DOI AAAP-0051, <i>DOI Federal Acquisition Certification and Appointment Programs</i> , September 1, 2016.
Approving Official:	Deputy Commissioner, Operations
Contact:	Asset Management Division (86-67200)

- 1. Introduction.** This Directive and Standard (D&S) establishes the required practices, methods, and processes necessary to ensure that projects are managed effectively and in accordance with OMB and Department policies. It includes requirements for training, certification, and assignment of project managers. It also includes requirements for establishing, using, and overseeing project management practices related to meeting business objectives. Reclamation Policy for project management is found in Reclamation Manual (RM) Policy, *Project Management (CMP P07)*. Additional guidance is provided in Reclamation's *Project Management Framework*.
- 2. Applicability.** This D&S applies to all Reclamation employees involved in creating a specific service, result, or product performed by program offices and service providers for all Reclamation project and program activities. This D&S does not supersede any existing Department, OMB, or other legal requirements regarding project management.

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3. **Project Management of Construction Activities.** Construction activities are performed to develop and maintain project infrastructure, respond to emergencies, and provide technical assistance in support of the agency's mission. Construction activities include the procurement of equipment and materials that are to become a fixed part of Reclamation facilities. Construction activities are performed by Reclamation staff (i.e., force account work or in-house labor), construction contracts, or both. Construction activities also include services for non-Reclamation clients.
- A. In addition to the requirements of this D&S, project management of all construction activities, including actions taken under the Reclamation Safety of Dams Act of 1978 (Pub. L. 95-578, as amended), will comply with the procedures and practices described in RM D&S, *Construction Activities* (FAC 03-02).
 - B. Directors and Senior Advisors must create regional business practices that establish the applicability of Paragraphs 5.C. through 5.E. to construction activities with a projected cost of less than \$100,000. At a minimum, regional business practices will require the identification of interdependencies and the development of substantial completion criteria for capitalized construction activities less than \$100,000, either on an individual project basis or programmatically for a facility. This exception also applies to the implementation of project management requirements referenced in RM D&S, *Assets Under Construction (AUC)* (FIN 07-24) and RM D&S, *Completion of a Construction Activity* (FAC 01-05).
 - C. Construction activities must be supported by documentation of management's decision to construct.
 - (1) Documentation of the basis for the decision must include the problem, deficiency, or condition to be addressed by the construction activity, the alternatives considered, and the reason for selecting the alternative to be implemented.
 - (2) When the costs of a construction activity will be capitalized (i.e., AUC), management's decision to construct must identify the congressional authority for performing the construction activity and describe the basis of management's decision to initiate the construction activity.
 - D. The documentation of management's decision to construct will support the establishment of appropriate financial accounting structures using the capitalization criteria and decision flow chart in the Replacements Book (see FIN 07-24 and RM D&S, *Master Data and General Ledger (GL) Chart of Accounts* (FIN 04-20)).
 - E. The Project Manager will prepare and, as needed, regularly update the following project management documents using the definitions and guidance provided in the *Project Management Framework*:

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- (1) a project management charter that includes management's decision to construct;
 - (2) a project management plan that is appropriately scaled for the project type (Basic, Standard, Complex, or Complex with OMB Business Case), and identifies the objectives of the project, the key elements of the project, any interdependencies of the key elements, and the criteria for determining when the project is considered substantially complete.
 - (a) **Interdependent Assets.** Project managers will coordinate with the sponsor, project team, and Construction Engineer (CE)/Construction Manager (CM) to identify the interdependencies between assets that affect the determination of substantial completion.
 - (i) Multiple assets will be identified as interdependent when the assets must function together or operate as a unit to meet an intended purpose, deliver a benefit, or otherwise perform as designed.
 - (ii) Interdependencies will be defined to group assets at the smallest unit necessary to be used, operated, or occupied by Reclamation to deliver benefits.
 - (iii) Interdependencies that are based on full build-out of a project or on the delivery of all authorized project benefits must be supported by the planning and design documentation.
 - (b) **Substantial Completion Criteria.** Project managers will coordinate with the sponsor, project team, and CE/CM to develop criteria for determining when the construction activity is substantially complete and can be used, operated, occupied, or otherwise placed in service.
 - (i) Criteria for determining substantial completion must be specific to the construction activity and based on applicable performance metrics (e.g., minimum flow rate, water quality standard, shaft alignment tolerance, minimum insulation resistance, or calculated level of dam risk reduction).
 - (ii) Substantial completion criteria must support the conclusion that Reclamation is ready to use, operate, occupy, or otherwise place in service the independent or interdependent asset(s).
- F. For construction activities identified as AUC, regardless of cost, the project manager will do the following:
- (1) Coordinate with the CE/CM and regional finance officer to review the AUC quarterly reports for completeness and accuracy.

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- (2) Complete the substantial completion documents required by FIN 07-24 and FAC 01-05.
4. **Project Manager Training and Certification.** Training in project management principles and practices will follow the standards adopted by Reclamation in CMP P07 and the *Project Management Framework*. In addition, Directors and Senior Advisors are responsible for ensuring that project managers within their offices possess the training and, as appropriate, the level of Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) certification, required for the acquisitions and projects for which they have overall control, guidance, and oversight; or that they are to manage.
- A. **Certification Requirements.** Any Reclamation employee assigned responsible charge of a Complex with OMB Business Case project must meet the training and certification requirements for major acquisitions (the appropriate level of FAC-P/PM certification) as described in OMB Policy Memorandum *Federal Acquisition Certification for Program and Project Managers* and DOI AAAP-0051.
- B. **Thresholds for Minimum Certification Level.** The certification requirements of DOI AAAP-0051 apply only to project managers with responsible charge of Complex with OMB Business Case projects. Directors shall encourage Project Management Professional training and certification for all project managers, especially those with the responsible charge of Complex projects. Directors shall determine the appropriate level of other training and certification by following the guidance provided in Reclamation's *Project Management Framework*.
- C. **Meeting FAC-P/PM Competency Requirements.** FAC-P/PM describes core, minimum competencies. Certification under FAC-P/PM is based on attaining those competencies.
- D. **FAC-P/PM Certification.** Reclamation will seek the appropriate level of FAC-P/PM certification for each project manager, consistent with Department requirements and procedures.
- (1) **Necessary Training, Experience, and Skills.** Project management training shall include competencies identified by the Project Management Institute. Additionally, Directors shall apply Departmental requirements for obtaining FAC-P/PM certification.
- (2) **Completion Date.** A project manager assigned to a Complex with OMB Business Case project must satisfy FAC-P/PM competency requirements within 1 year of the date of assignment.

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5. **Engineering and Other Technical Services.** When a project involves engineering or other technical services work from designated service providers, project managers shall follow the specific requirements for advance planning, workload distribution practices, statements of work, service agreements, project management plans, and completion reports found in the following RM Policies and D&Ss:
- A. *Bureau of Reclamation's Business Model for Managing Technical Services (CMP P10)*;
 - B. *Working with Water and/or Power Contractors During Formulation of Operation and Maintenance Programs, and Providing Quality Services to Contractors During Current Year Program Activities (WTR P05)*;
 - C. *Advance Planning for Technical Services Work (CMP 10-01)*;
 - D. *Fee-for-Service Business Practices for Technical Services Work (CMP 10-02)*;
 - E. *Workload Distribution Practices for Technical Services Work (CMP 10-03)*; and
 - F. *Collaboration with Customers Regarding Technical Services Required for Work on Existing Bureau of Reclamation Facilities (CMP 10-04)*.
6. **Definitions.**
- A. **Assets Under Construction (AUC).** General Property, Plant, and Equipment (G-PP&E) construction costs that meet the requirements for capitalization until the work is substantially complete, as defined in the project management plan.
 - B. **Authorized Project.** A statutorily defined assembly of features and supporting assets required to provide the benefit(s) authorized by Congress.
 - C. **Capital Assets.** Capital assets include land, structures, equipment, and intellectual property (e.g., software) owned by the Federal government that meet the capitalization criteria in the Replacements Book. Capital assets include not only the asset as initially acquired but also all capitalized additions, betterments, and replacements (see RM D&S, *Depreciation and Amortization (FIN 07-23)*).
 - D. **Construction Activity.** Any activity to rehabilitate, renovate, or replace existing assets or to develop new assets. Construction activities are performed by Reclamation staff (i.e., force account work or in-house labor) or accomplished through a construction contract and include the procurement of equipment and materials that are to become a fixed part of Reclamation facilities.

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- E. **Construction Engineer/Construction Manager (CE/CM).** The CE/CM is the person assigned to administer construction activities, develop the construction management plan (see FAC 03-02), understand and ensure implementation of the design intent, maintain technical coordination between design and construction, and manage the construction staff to ensure compliance with the specifications.
- F. **Decision to Construct.** Management's decision to execute a construction activity.
- G. **Major Acquisition.** Reclamation uses the definition of major acquisition in OMB Circular A-11, Part 7, and the supplemental Capital Programming Guide: "... major acquisitions are capital assets that require special management attention because of their importance to the agency mission; high development, operating, or maintenance costs; high risk; high return; or their significant role in the administration of agency programs, finances, property, or other resources."
- H. **Management.** Refers to the position delegated authority in the RM *Delegations of Authority* to carry out the laws that authorize Reclamation to proceed with a course of action. The first step in determining who has authority is to identify the authority that permits Reclamation to take an action and refer to the RM *Delegations of Authority* to determine if the Commissioner has re-delegated that authority.
- I. **Project.** A temporary endeavor undertaken to create a unique product, service, or result. A project has a discrete and definable beginning and end. Not to be mistaken with an authorized project.
- J. **Project Management.** Project management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements.
- K. **Project Management Plan.** A formal, approved document that defines how the project is executed, monitored, and controlled. It may be a summary or detailed and may be composed of one or more subsidiary project management plans and other planning documents.
- L. **Project Manager.** The person assigned by a director or senior advisor, in consultation with the project sponsor, to achieve project objectives and deliver a project on schedule, within budget, and to the appropriate scope.
- M. **Project Sponsor.** The person who provides senior-level leadership for the project, establishes expectations, assures accordance with Reclamation's strategic goals, approves defined deliverables, provides or locates resources and funding, monitors progress, including factors related to scope, schedule, and budget, champions the project, and validates completion of the project.

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- N. **Responsible Charge.** The person assigned overall control, guidance, and oversight of project initiation, planning, executing, monitoring and controlling, and closing project management process groups.
- O. **Substantial Completion.** Management's determination that an independent or interdependent asset is sufficiently complete, in accordance with the criteria in a project management plan, for Reclamation to use, operate, occupy, or otherwise place the asset into service for its intended purpose. Substantial completion in connection with the project management of a construction activity is separate and distinct from the substantial completion of a construction contract, which is defined in the construction contract and determined by the Contracting Officer. In addition, the substantial completion of an authorized project is defined in the repayment contract for the authorized project.
7. **Review Period.** Certification by the originating office will not exceed 4 years.

RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: _____

Release No. _____

Ensure all employees needing this information are provided a copy of this release.

Reclamation Manual Release Number and Subject

Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: _____

Date: _____