

INFRASTRUCTURE INVESTMENT AND JOBS ACT



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INFRASTRUCTURE BILL - (BASED ON SENATE APPROVAL 10 AUG 2021)

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- \$17B represents ~2.5 times our annual CW REG appropriation (\$7B). NOTE: of the \$17B provided by the 2018 BBA USACE has obligated, <20%, in 3 years.
- Proportionally in Construction (\$12B 4X annual appropriations) and O&M (\$4B 2x annual appropriations).
- Construction funds for FRM will target States affected by federally declared disasters over the last six years: AZ, CA CO, NM, NV, UT all have had a Federal FRM disaster since 2017.
- O&M comes with implementation timelines: a) annual apportionment and b) \$625M in short term repairs (<6 months).
- Investigations \$150M, can cover ~50 3³ compliant studies.
- Regulatory \$160M, annual apportionment.



CHALLENGES TO EXECUTION OF ADDITIONAL FUNDING



South Pacific Division implemented a Regional Infrastructure Strategy Team to conduct a diagnostic Pre-Mortem exercise.

- Team comprised of multi-disciplines across all districts and division.
- Reviewed a scenario of failure for an up-coming Infrastructure program.
- Listed anything that went wrong to cause such a failure.
- Reviewed the different modes of failure, categorize and analyze them.
- Developed problem statements for top priorities.
- Looked at strategies to avoid these failure modes/overcome roadblocks before they happen.



CHALLENGES TO EXECUTION OF ADDITIONAL FUNDING

115 failure points across 8 categories: District/Division Processes, HQ Processes, Scheduling, Contracting, Staffing, Communication, Team Organization, & External Factors

District/Division Processes	HQ Processes	Scheduling	Contracting	Staffing	Cultural/leadership/communication	Team Organization	External Factors
<p>Didn't share the load within the Division to help ensure adequate support from all Division resources regardless of what District the project is in.</p> <p>Didn't make a concerted effort to expediate existing studies and projects to get them off our plate before this additional work arrived.</p>	<p>Lack of Vertical team alignment on scope and inability to resolve policy issues in a timely manner, so lack of direction and clarity on how to proceed persists. 1</p> <p>HQ lack of nimbleness given new procedures and guidelines (902 or BCR or cost share or RE exemptions not previously implemented)</p>	<p>EARLY SCHEDULING - Didn't establish all-hands-on deck, multi-discipline teams of SMEs up front to scope out projects and develop risk registers that identified potential pitfalls and how to avoid them. 11</p> <p>Didn't spend more time up front, before funding is received, to really plan out the execution of O&M funding and evaluate in-house capacity</p> <p>Didn't make a concerted effort, up front, to schedule attainable milestones and stagger projects so that there weren't traffic jams, in specific disciplines, in the study / design / review process. 111</p>	<p>REGIONAL TOOLS / CAPACITY - Didn't work on getting additional IDIQ AE contracts on board in anticipation of the additional funding arriving. 1</p> <p>Regional contracts were not coordinated</p> <p>CONTRACTING V INTERNAL - Didn't anticipate needing to contract out a significant amount of the new starts (planning projects / studies / PED).</p>	<p>STAFFING - Didn't aggressively fill all vacant slots in the IMD to capitalize on in-house labor. 1</p> <p>Lack of workforce to staff teams. We need to get more comfortable with Virtual/Remote employees because of the difficulties with hiring staff in this Region. Can we also look at rehired annuitants - can that program be expanded so we can bring back some experts?</p> <p>Not enough Personnel to manage and staff PDTs and take on new projects and studies. (Added staff Bottlenecks.lack or priorities). 11</p> <p>District level enterprises not structured to support a shot in the arm (think: support orgs are already spread thin too, not just PMs and planners and engineers. Counsel, RM [cost share records; receipt of NFS funding; etc.], Real Estate, Safety. 1</p> <p>Resource Challenges – don't have required resources up front to hit the ground running. 1</p> <p>Division Staffing multiple new competing demands along with a large ongoing program</p>	<p>PRIORITIZATION - Lack of urgency for the projects (based on experience) - people saw it as "business as usual". 1</p> <p>TRANSPARENT COMMS - Lack of early communication of challenges to HQ - DPMS thought they could handle things, or weren't informed of the issues, or weren't clear in communicating to SPD all the implications of a situation</p> <p>No prioritization – for management of risk; what fails first, what risks are tolerated to avoid failure. 1</p> <p>We took the stance, business as usual, and didn't put the urgency on this additional funding that was needed to execute it. This can't be business as usual!! If we don't use it, we will lose it.</p> <p>Resource Competition between AJP projects and "regular" funded projects. What is the priority? Also, is leadership communicating the priority? It doesn't feel good if your project is not #1, but every project cannot be #1. 111111</p> <p>Too many commitments – Many projects within several programs (i.e., appropriations/authority types). High skill at identified the need/problem, but low awareness to organizing and implementing. 1</p>	<p>PDT MEMBERS - Didn't allocate key PM's / Lead Engineers / Lead Planners to focus on specific projects and not spread them too thin. 1</p> <p>Don't have the right PDT members - Inefficient use of Regional workforce, some staff not available in timely manner, not looking outside SPD for additional resources, trying to keep work for ourselves and not sharing at enterprise level. 1</p> <p>Lack of sync with Project management and technical leads on study direction, level of detail, and clarity of direction for PDT.</p> <p>Confusion on which teams and district were doing what.</p> <p>Right people were not on the PDTs.</p> <p>Didn't ask for commitment to PDTs or help.</p>	<p>Elements out of our control - inflation, cost of materials</p> <p>CONTRACTORS - Shortage of suitable borrow. Large amount of projects requiring borrow sources...competing for same sources. Commercial sources may or may not be available (need to consider cost and timeline)</p> <p>Projects cost growth.</p> <p>NFS inability to pay.</p> <p>Contractors not available (too much similar work planned?) 11</p> <p>Natural disasters</p>
<p>LESSONS LEARNED - Lessons Learned/AARs were not reviewed; work is usually so busy you don't have time, but we need to make the time for such an important mission</p> <p>DECISION MAKING - Lack of "escalation" matrix for decisions - how long someone has to resolve an issue before it is escalated to the next level to be resolved (and the next, etc.) 11111</p> <p>Decisions weren't made at the right time or by the right person. 1</p> <p>Unable to take lessons learned and apply to other projects</p>	<p>HQ inability to manage another large competing priority (staffing, reviews, etc.)</p> <p>HQ Unwillingness to delegate decision making to MSCs and Districts during critical project phases (study milestones; study reports; contract execution [SCO engagement]; Real Estate and other Agreement changes or non-standard requests).</p> <p>Movement of responsibility from SPD to LRD – I've only seen moves like this work when the problem is gross negligence or outright fraud.</p> <p>If policy waivers are allowed, need to be fully embraced - found issues with last delegation where OC and certain silos didn't support the delegation</p>	<p>COST - Didn't do appropriate / detailed Cost Schedule Risk Analyses (CSRAs) for projects to incorporate appropriate contingencies.</p> <p>Teams did not work together to establish realistic schedules - people made assumptions without understanding the full timeline for things. 11</p> <p>Didn't adequately design or think through the potential construction challenges and assign contingency accordingly up front.</p>	<p>Didn't contract out O&M work that the in-house Ops teams would typically do. (With that much more work, OT isn't going to cut it and a big portion needed to be contracted out.)</p> <p>Didn't inquire about borrowing capacity on IDIQ contract from other Districts / Divisions.</p> <p>Districts felt the need to keep work in-house instead of reaching out to private sector for support - may need to dictate contracting goals for design. 1</p>	<p>Resource Challenges – don't have required resources up front to hit the ground running. 1</p>	<p>Resource Competition between AJP projects and "regular" funded projects. What is the priority? Also, is leadership communicating the priority? It doesn't feel good if your project is not #1, but every project cannot be #1. 111111</p>	<p>Confusion on which teams and district were doing what.</p> <p>Right people were not on the PDTs.</p> <p>Contractors not available (too much similar work planned?) 11</p>	<p>Projects cost growth.</p> <p>NFS inability to pay.</p> <p>Contractors not available (too much similar work planned?) 11</p> <p>Natural disasters</p>



SOLUTIONS TO EXECUTION OF ADDITIONAL FUNDING



Scheduling - Baseline Schedules	Priorities	Decision Making	Staffing/Resources
<p>Baselines schedules and risk registers were not sufficiently developed or understood by the PDT or stakeholders and did not include contingencies for scope changes. As a result schedules were unrealistic.</p>	<p>Priorities were never set and communicated before we gave commitments thus priorities were not properly resourced and consequences to other projects/mission areas were not understood or mitigated.</p>	<p>Decision Makers at appropriate levels (to include PDTs through leadership at district, division, and HQ) were not identified nor did they understand their authority, timelines, information/risk thresholds, and didn't escalate when appropriate.</p>	<p>Districts did not use all available means (people, tools, products, processes) to incorporate unconventional resources to execute mission or properly staff PDTs with trained staff, i.e., districts did not use rehired annuitants, local sponsor work-in-kind, term positions; districts failed to aggressively fill IMD slots; districts/division did not seek regionalization.</p>
<p>Hold initial meeting to include SMEs, senior experienced staff, all support functions, and NFS (where applicable) to assess staff capacity, schedule viability, and other resources needed. Provide PDBP refresher. Develop risk register to address assumptions, needs, potential scope changes, etc. Include feedback loop for vertical buy in if developed schedules do not meet initial requirements.</p>	<p>District and Division conduct tiered priority analysis across the portfolio, determine priorities and communicate expectations to everyone involved.</p>	<p>Develop decision escalation matrix/guidance on decision making thresholds and timeframes. These can be scalable based on project size, expertise of PDT, level of scope changes, etc.</p>	<p>Provide flexibility on direct charge rates for the Districts to hire in advance.</p>
		<p>Establish and Identify PM as authority to arbitrate and make task level decisions at lowest level. PM is accountable for diffusing conflict among technical leads and driving the PDT to make decisions or make recommendations to higher authority to elevate contentious decisions. The right PM must be assigned to lead the PDT and PM is given authority along with responsibility and empowered by everyone up the chain knows and empowers PM.</p>	<p>Establish Tiger Team to look at staffing and resources needed to execute normal workload and AJP work including where AE contracts should be utilized; analyze compatibility and develop database of staff and knowledge set within region including SPB staff.</p>
		<p>Establish Tiger Team to review processes and develop guidance where efficiencies can be gained and are acceptable based on size of project or program including identifying where risk registers aren't needed.</p>	



EXTERNAL FACTORS

- Shortage of contractors
- Inflation, cost of materials
- Non-federal sponsor inability to pay
- Natural disasters
- USACE Headquarters Processes





QUESTIONS??



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