

A dynamic splash of clear blue water against a white background, with a thick blue horizontal bar at the bottom.

CIP Program Management Services

May 8, 2018

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Agenda

- ◆ Why Focus on CIP Execution?
- ◆ Program Management Overview
- ◆ Program Management Costs
- ◆ Schedule

Why Focus on CIP Execution?

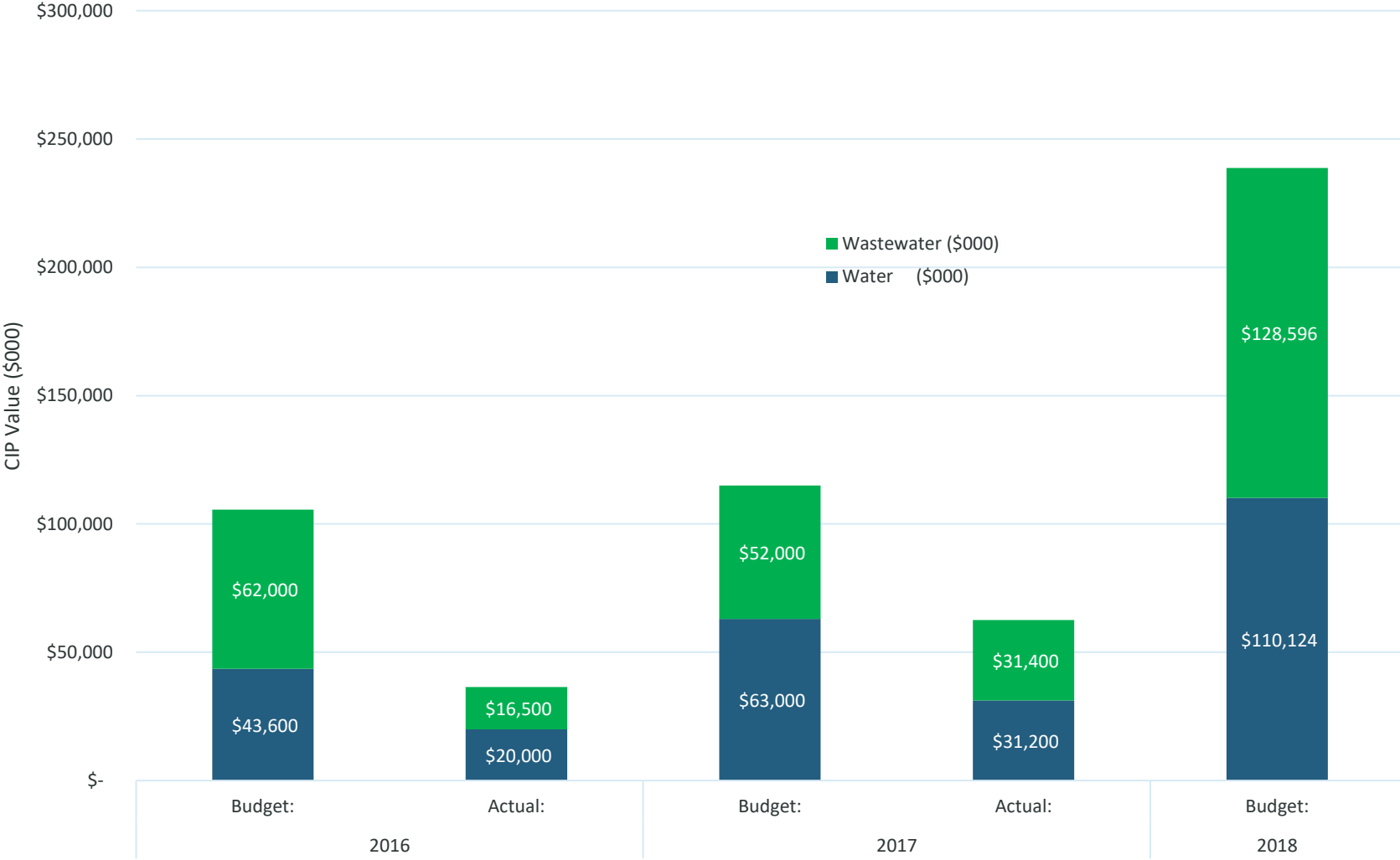
- ◆ To increase system reliability, resiliency and optimization
- ◆ To strengthen prioritization and cost-benefit analysis
- ◆ To demonstrate “Best-in-Class”
- ◆ To demonstrate agency commitment to member partners
- ◆ To reliably project cashflow and timing for securing financing
- ◆ To provide better defined timing for vendor community



Factors that Contributed to Lower than Planned CIP Delivery

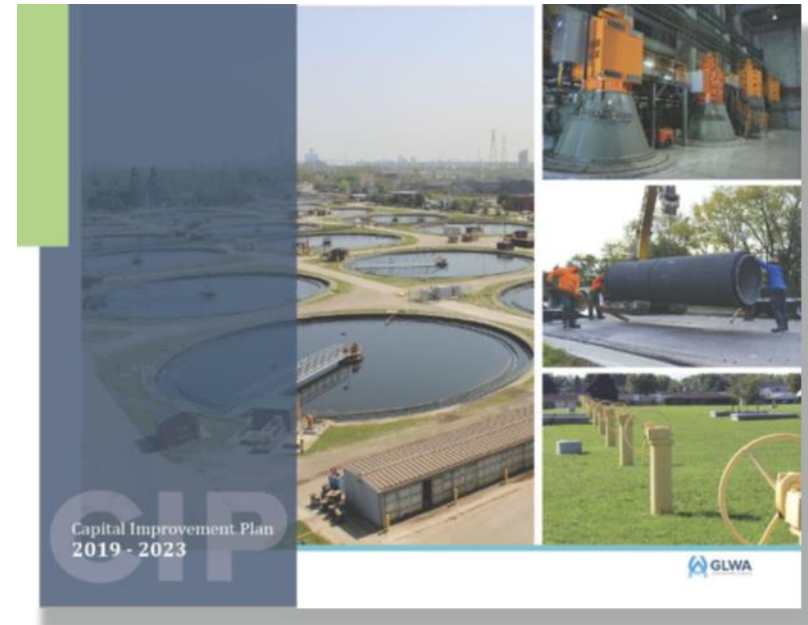
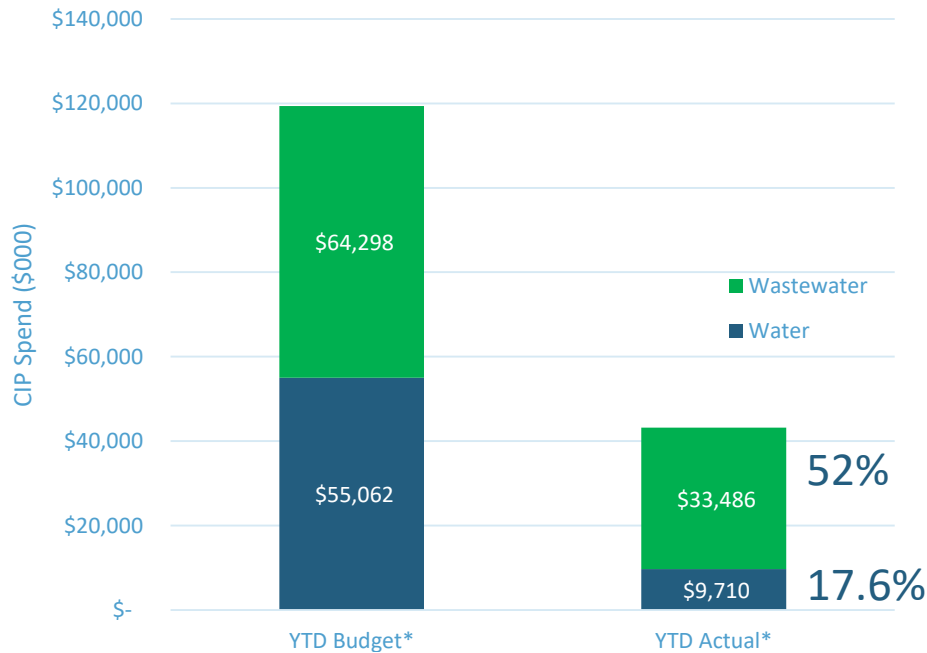
- ◆ Recently placed engineering managers observed that scope development for proposed projects should be improved
- ◆ Built Up Staff
 - ◆ Engineering
 - ◆ Procurement
- ◆ Reconsidered projects based on the recommendations of the water master plan
- ◆ Lack of access of capital funds as the predecessor entity emerged from bankruptcy

GLWA CIP Budget vs. Actual



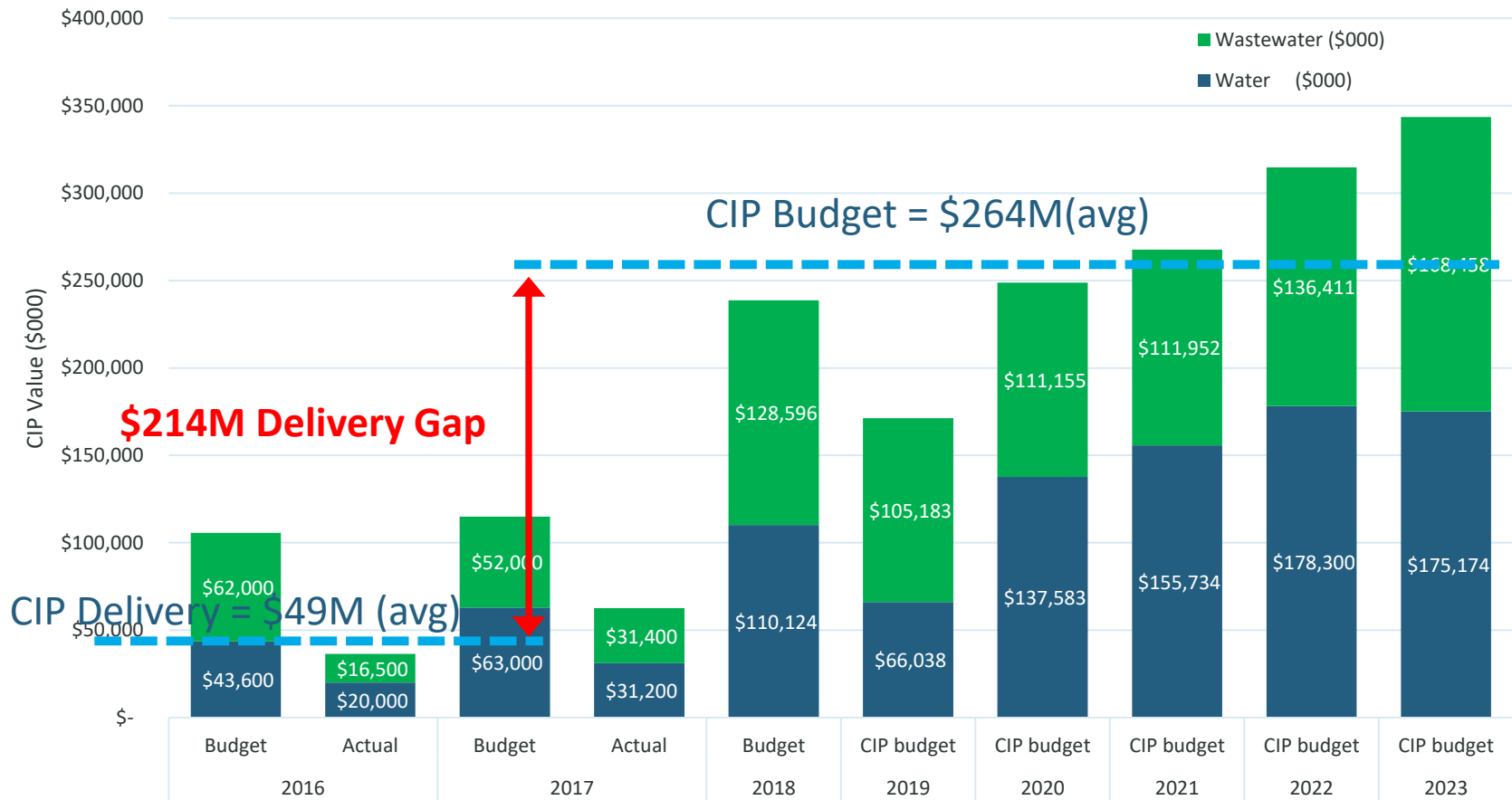
* FY 2016 and FY 2017 numbers provided by Financial Services Area. FY 2018 numbers extracted from 12/30/17 Construction Work-in-Progress report.

2018 GLWA CIP Performance – Year-to-Date



* FY 2018 YTD numbers as of 12/31/2017, provided by Financial Services Area. YTD Budget number calculated using straight-line cash flow for first 6 months of 2018. Note that the FY 2018 Budget is at 80% of CIP request.

GLWA Projected CIP Delivery Gap



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- ◆ Why Focus on CIP Execution?
- ◆ What is Program Management?
- ◆ Program Management Costs
- ◆ Schedule

Program Management

The centralized coordinated management of a specific program to achieve its strategic goals, objectives and benefits

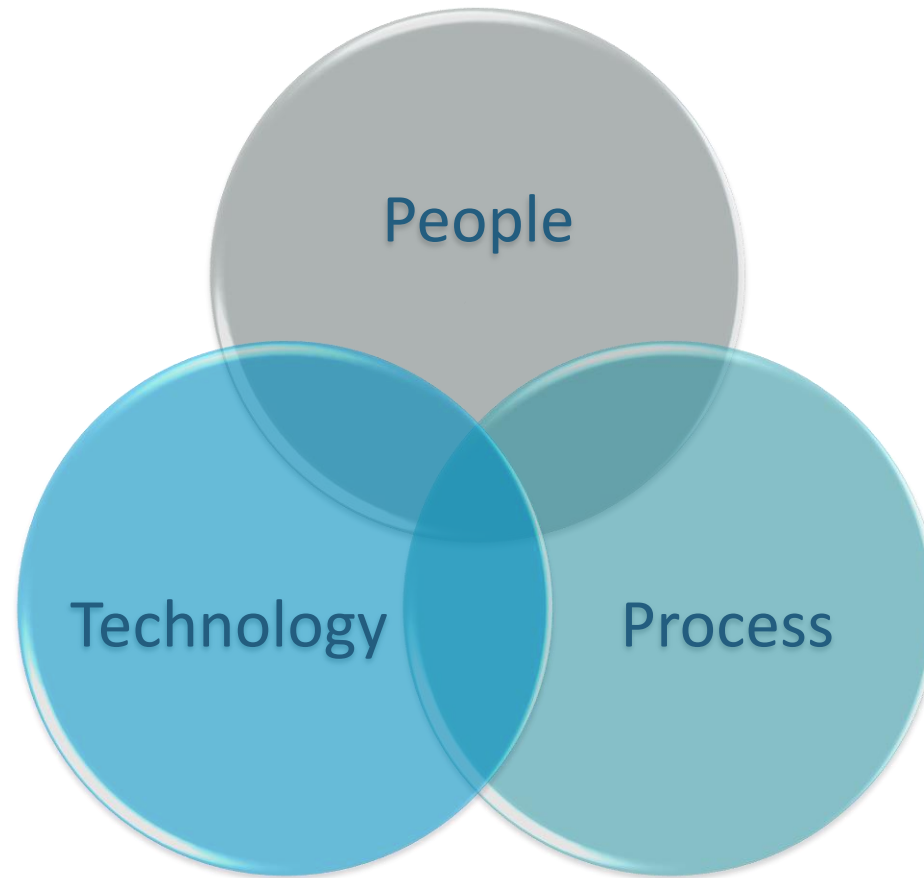
– Project Management Institute

Program Management Drivers

We recognize the need to improve:

- 💧 Optimize the cross-functional CIP team's organizational structure
- 💧 Streamline the complex and cross-functional business processes
- 💧 Standardize, document and implement the optimized business processes
- 💧 Increase resource capacity through training on critical skill sets
- 💧 Implement improved project control tools
- 💧 Obtain specialized expertise
- 💧 Implement improved tools for tracking and measuring CIP delivery

What Program Management Can Do



What Program Management Can Do cont'd

People

- Augment GLWA Staff to increase CIP throughput
- Provide specialized expertise, as needed
- Assess capacity and capability
- Recommend staff development initiatives
- Recommend organizational alignment of CIP resources

What Program Management Can Do cont'd

Process

- ◆ Validate current CIP Cost estimates and project packaging/scopes
- ◆ Improve CIP delivery business processes
- ◆ Develop CIP Standards for Design and Construction, integrating Asset Management principles
- ◆ Develop refined project spending curves to accurately predict cashflow
- ◆ Track and report KPIs

What Program Management Can Do cont'd

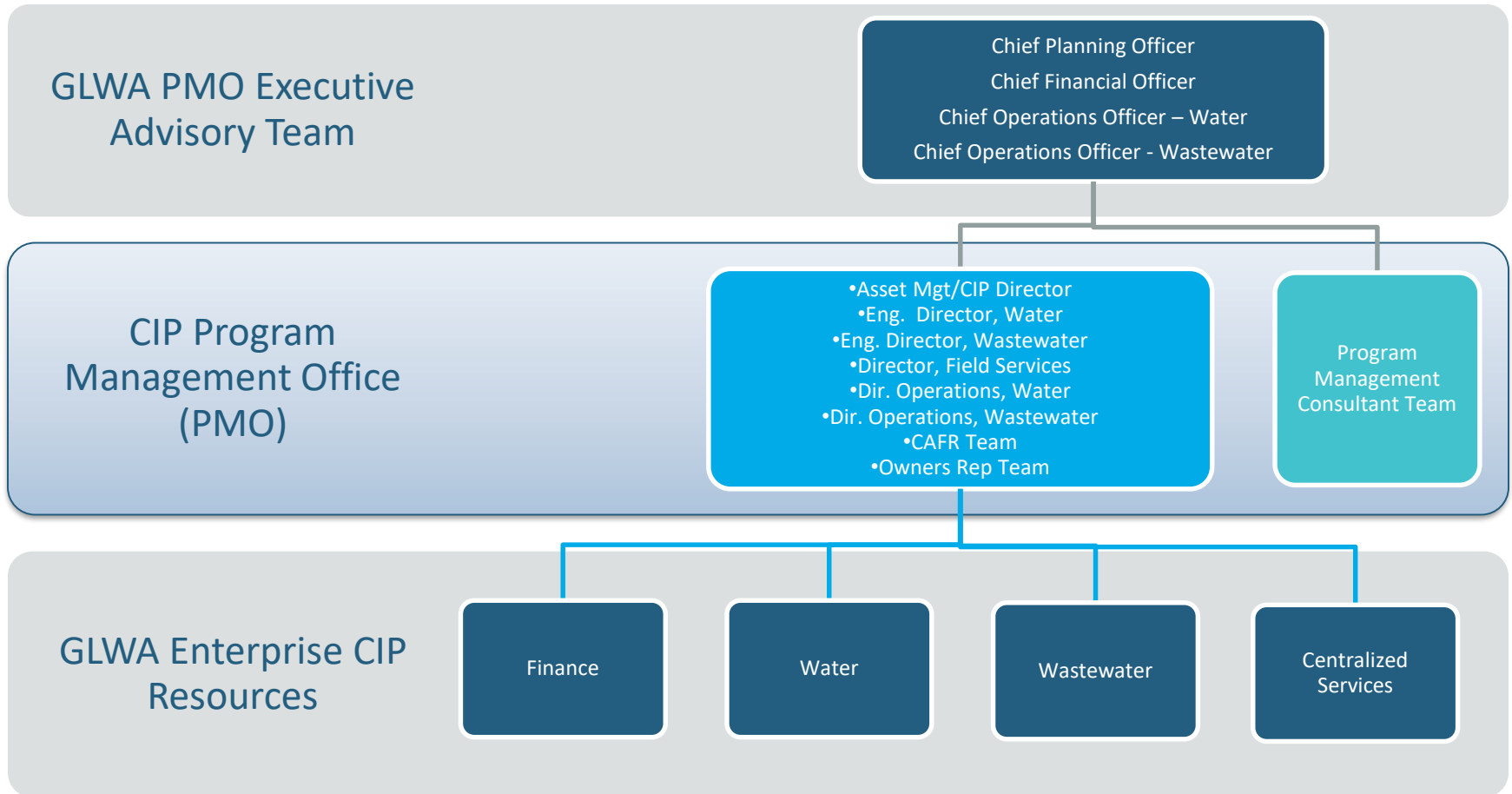
Technology

- ◆ Recommend/Implement Project Management Information System (PMIS)
- ◆ Recommend project scheduling software to interface with PMIS
- ◆ Recommend Program Management Office Content Management system

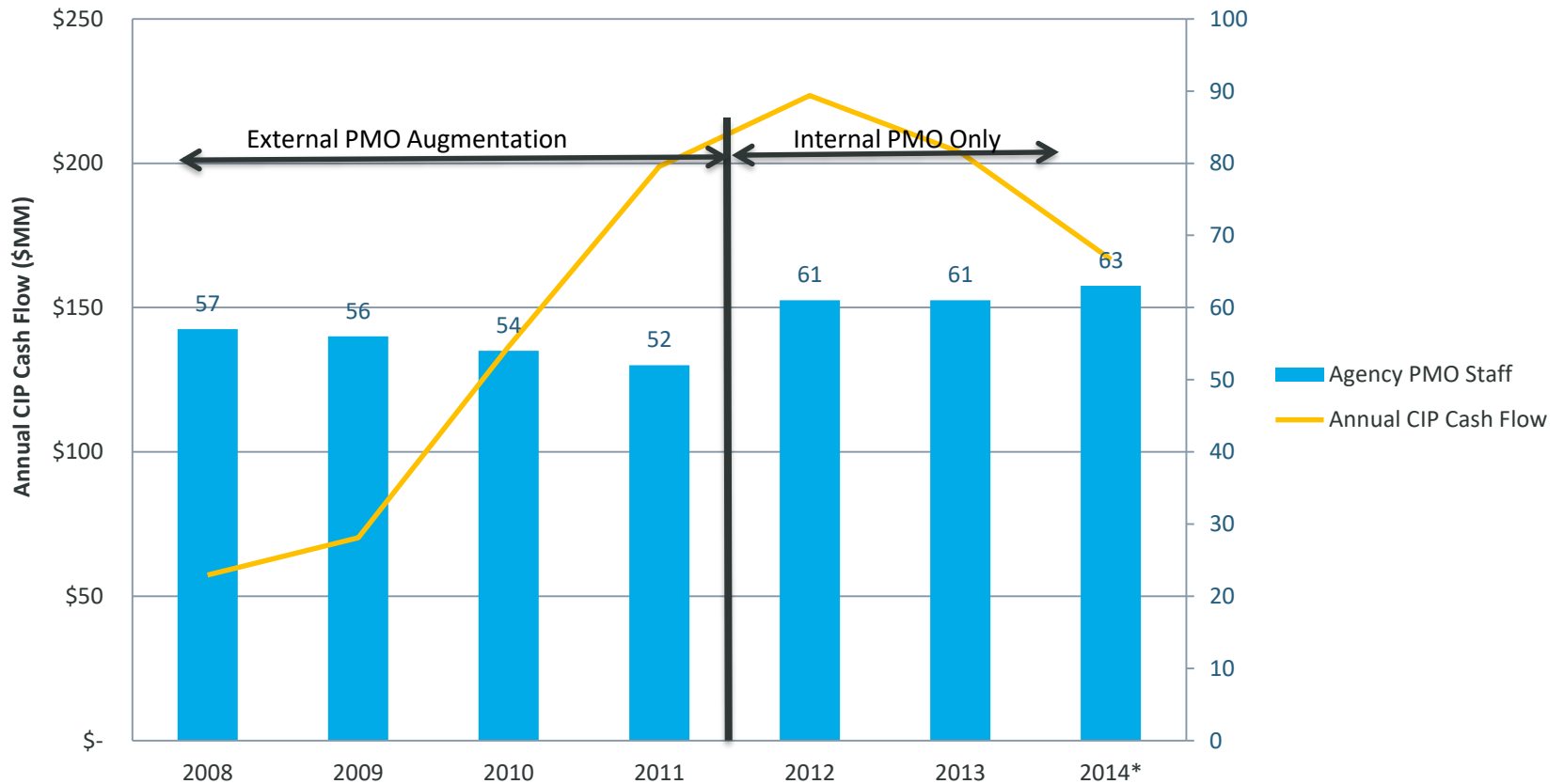
What Program Management Won't Do

- ◆ Eliminate Change Orders
- ◆ Reduce Expenses in the Near Term
- ◆ Assume Contract Liability
- ◆ Last Forever

Where Will Program Management Likely Fit Within GLWA?



External PMO Resources Are Temporary

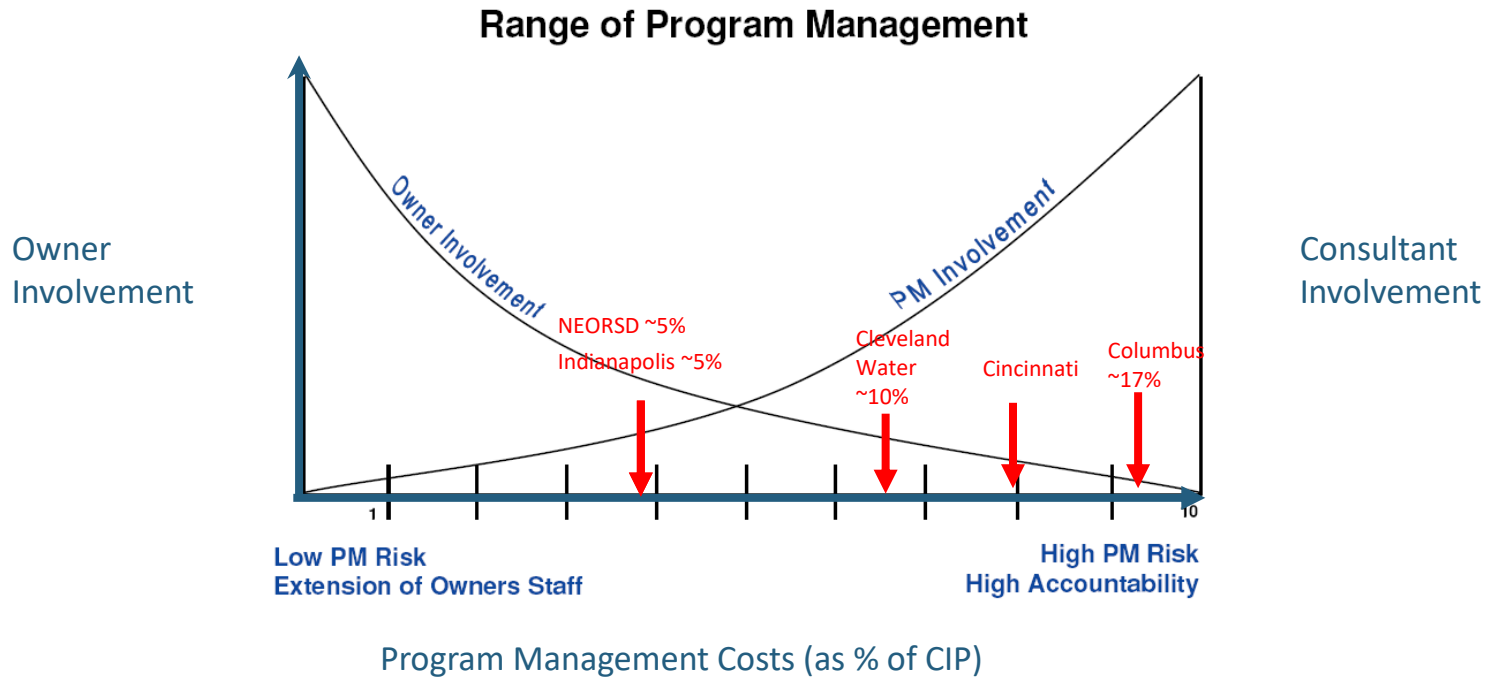


Example, Northeast Ohio Regional Sewer District, Cleveland, Ohio

Agenda

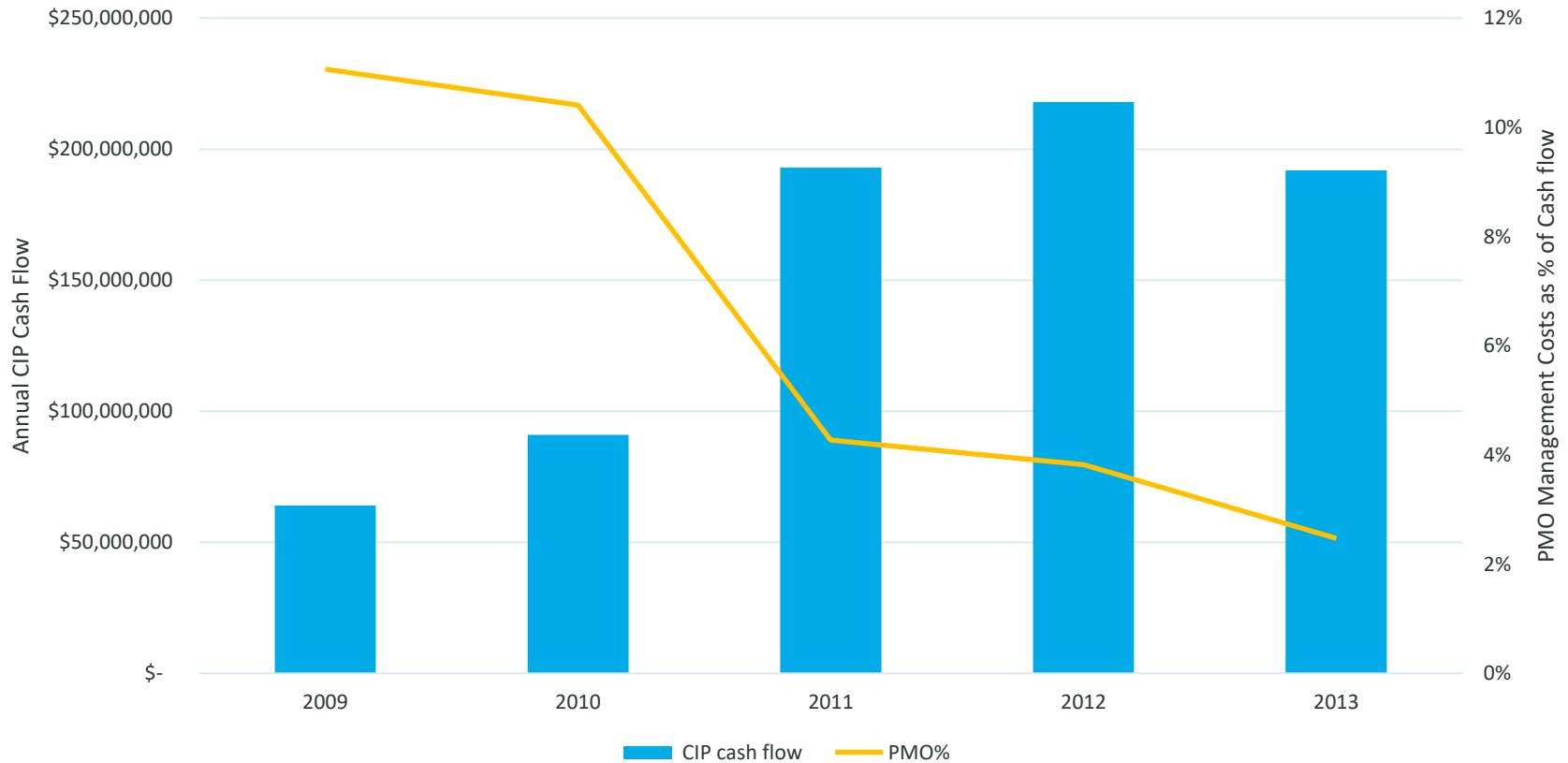
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Owner Involvement Offsets Program Management Costs



PMO costs decrease as % of CIP as program size increases

Ex. NEORS D CIP Program



Program Management Cost Comparisons

Program	Avg. Annual CIP Value	Annual Program Administration (Outsourced)	% of Program Costs
Cleveland Water	\$ 39.5 M	\$3.8 M	10%
Columbus*	\$ 68.4 M	\$11.6 M	17%
NEORSD*	\$126M	\$6.3M	5%
Indianapolis*	\$145 M	\$7.6 M	5%
GLWA	\$264M	TBD	<5%

** Denotes utilities with large CSO programs under EPA mandates with schedule drivers*

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Proposed Schedule



Thank you

Questions?

