# U.S. GOVERNMENT PMIAA

## PROGRAM MANAGEMENT IMPROVEMENT AND ACCOUNTABILITY ACT

Striving for Better Projects Through Better Project Management

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# Presenter

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  - *MBA from the Johns Hopkins University Carey Business School*
  - *Current Roles:*
    - Booz Allen Hamilton: Program Director, Business Systems Regulatory Compliance
      - *Business Systems Focal Point*
      - *EVMS, Purchasing, Estimating, Accounting, MMAS, and Property Management*
    - Georgetown University: Adjunct Professor, Project Management (Graduate-level)
    - University of Maryland: Adjunct Professor, Project Management (Undergrad-level)
    - Vice President of Communication, College of Performance Management
    - Co-Dean, Government Education Track, College of Performance Management
    - Co-Lead, Contracts Working Group, National Defense Industrial Association, Integrated Program Management Division
    - Course Developer and Leader, American Management Association
  - *Past experience in PM, Project Controls, Program, Pricing, etc.*

# What is the PMIAA?

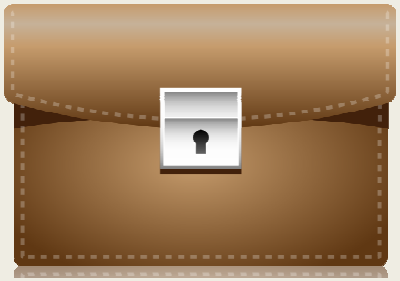
- S.1550 - Program Management Improvement and Accountability Act
  - *https://www.congress.gov/bill/114th-congress/senate-bill/1550*
- Act history:
  - *Developed in 2015 – intended for non-DOD federal organizations*
  - *Cleared both Senate and the U.S. House of Representatives in September 2016, but needed minor revisions*
  - *U.S. Senate unanimously approved it December 1, 2016*
  - *Then-President Obama signed it December 14, 2016*

# U.S. Government Performance Background – Sources for Concern

- GAO, U.S. Congress, U.S. Government Agencies
  - *In 2015, the GAO released a report on its list of high-risk projects.*
  - *The report found challenges in a majority of the 32 programs on the list.*
  - *Highlighted key areas for improvement:*
    - Managing certain projects at the U.S. Department of Defense,
    - Managing risks and improving healthcare at the U.S. Department of Veterans Affairs,
    - Management of oil and gas revenues.
    - Report concluded that there was an urgent need for better project management standards to improve efficiency across government agencies.
- PMI Pulse of the Profession Report
  - *Only 64 percent of government strategic initiatives ever meet their goals and business intent*
  - *Government entities waste $101 million for every $1 billion spent on project and programs*
  - *Report claimed adoption of industry best practices for PM would help eliminate this waste*

# Many Recent White Papers Address the Topic of Better PM – at Portfolio Level

- "View from Above: The Power of Portfolio Management," April 2013
  - *Portfolio Management improves Program and Project performance*
- "Using PMI Standards Framework to Improve U.S. Federal Government Capital Investment Outcomes," March 2015
  - *Move to three tier Portfolio, Program, Project structure*
  - *Federal Government can use Industry Standards Framework*
- "Improving Program Management in the Federal Government," July 2015
  - *Written in partnership with the National Academy of Public Administration (NAPA)*
  - *Basis for PMIAA law signed by President Obama, Dec 2016*
- "Time to Update OMB Capital Programming Guidance," February 2017
  - *A-11 and CPG needs updating to Industry Standards*
  - *Go beyond PMIAA law (signed Dec 2016)*



# Some Arguable Conclusions

- Strong belief in a need to bring Government PM practices into alignment with the best practices of the private sector
- British Government already had standards for PM written into law – it's time to get with it
- Argument for additional countries adopting similar methods

# PMIAA Objectives

The PMIAA reforms federal program management policy in four important ways:

- Creating a formal job series and career path for program managers in the federal government.
- Developing a standards-based program management policy across the federal government.
- Recognizing the essential role of executive sponsorship and engagement by designating a senior executive in federal agencies to be responsible for program management policy and strategy.
- Sharing knowledge of successful approaches to program management through an interagency council on program management.

# Who is Responsible for Implementation?

- Office of Management and Budget at the head.
- Newly-formed Program Management Policy Council will work with two other departments—the Office of Personnel Management and the Government Accountability Office.
- Purpose is to collect data about the implementation process across 14 federal Executive Agencies.

# What Is To Be Implemented? OMB Perspective

Deputy Director for the OMB must take on additional functions:

- adopt and oversee implementation of government-wide standards, policies, and guidelines for program and project management for executive agencies;
- chair the Program Management Policy Council (established by this Act);
- establish standards and policies for executive agencies consistent with widely accepted standards for program and project management planning and delivery;
- engage with the private sector to identify best practices in program and project management that would improve federal program and project management;
- conduct portfolio reviews to address programs identified as high risk by the GAO;
- conduct portfolio reviews of agency programs at least annually to assess the quality and effectiveness of program management; and
- establish a five-year strategic plan for program and project management.

# What Is To Be Implemented? Agency Perspective

- By December 14, 2017, each federal agency that currently requires a CFO must now designate a Program Management Improvement Officer (PMIO) who will serve on a Program Management Policy Council (PMPC) and must:
  - *implement agency program management policies; and*
  - *develop a strategy for enhancing the role of program managers within the agency*
- By March 2018, they are expected to implement those processes and have the appropriate personnel trained on those policies
  - *"No later than 90 days after the standards have been sent, all federal executive agencies must create regulations necessary to implement the standards."*
- By June 2018, they are expected to map out PM job roles and career paths
  - *"No later than 180 days after the standards are published, procedures that map out skills, competencies, and career paths for program and project managers should be established within all federal agencies."*

# Within One Year of Enactment…

- The OPM must issue regulations that:
  - *Identify key skills and competencies needed for an agency program and project manager,*
  - *Establish a new job series or update and improve an existing job series for program and project management within an agency, and*
  - *Establish a new career path for program and project managers*
- They must also produce a five-year strategic plan.

# Within Five Years of Enactment…

- The GAO must issue a report examining the effectiveness of:
  - *the standards, policies, and guidelines for program and project management;*
  - *the strategic plan;*
  - *Program Management Improvement Officers; and*
  - *the Program Management Policy Council.*

# What U.S. Government Agencies are Likely Affected?

- Commerce
- Agriculture
- Defense
- Education
- Energy
- Health and Human Services
- Homeland Security
- Housing and Urban Development
- Interior
- Justice
- State Department
- Labor
- Transportation
- Treasury
- Veterans Affairs *
- EPA *
- NASA *

* *Those agencies whose members have expressed to me they believe they are or will be affected.*

Note: "The bill exempts the Department of Defense (DOD) from such provisions to the extent that they are substantially similar to: (1) federal provisions governing the defense acquisition workforce; or, (2) policy, guidance, or instruction of DOD related to program management."

# What Are People Saying?

- "I believe that this is the beginning for a much brighter tomorrow for the profession of program and project management"
  - *Al Zietoun, President, PM Solutions and Outgoing PMI Board Member*
- "In sum, the [OMB], which unofficially was always the largest project portfolio management office in the world, now officially has to follow industry standards when determining the effectiveness of its constituent agencies."
  - *Akshatha Kamath, Simpilearn*
- "PMIAA legislation is a win for efficiency in government and can be considered a win for the customers of government agencies."
  - *Stephanie Thum, Capital Management Consultant Services, Inc.*
- "PMIAA will help maximize efficiency within the U.S. federal government, thereby generating more successful program outcomes and increasing the value that Americas receive for their tax dollars."
  - *Mark A. Langley, PMI President and CEO*

# What Could this Mean for Government PMs?

- Potential for the development of a clearer career path – an official job series with standard criteria (could also make life easier for Government HR)
- PMs could have the ability to have short-term and long-term impact that has meaning for them personally
- Potential to take on the PMIO role
- There is risk in the ‘wrong’ PMIO being picked and Government PMs being stuck required to follow arbitrary processes that do not fit into existing structure and culture

# What Could this Mean for Industry PMs?

- The PMIAA specifically requires the Office of Budget and Management to interact with industry leaders to identify best practices in project management.
- Apart from encouraging greater public-private partnership, this move could arguably result in more certified PMPs being brought into government,
- This may increase the overall value of Project Management certifications in both the United States government and private sector.
- Could get shut out if agencies decide to adopt completely different processes and bring PM solely in-house.

# What Could this Mean for Government Vendors ?

- PMIAA requires executive agencies to work with vendors who follow industry best practices in project management.
- Therefore, vendors to executive agencies of the federal government should ensure that their personnel have project management certifications,
- Like some U.S. Government Federal Acquisition Regulations, this could mean the Government may impose the requirement that contracts to foreign entitles be granted to those that demonstrate similar characteristics in PM.

# What Could this Mean for FMS to Australia?

- First a little about Foreign Military Sales (FMS):
  - *The U.S. Department of Defense's Foreign Military Sales (FMS) program facilitates sales of U.S. arms, defense equipment, defense services, and military training to foreign governments.*
  - *The purchaser does not deal directly with the defense contractor; instead, the Defense Security Cooperation Agency serves as an intermediary, usually handling procurement, logistics and delivery and often providing product support, training, and infrastructure construction (such as hangars, runways, utilities, etc.).*

# What Could this Mean for FMS to Australia?

- Australia has significant FMS dealings with the U.S. Government and, according to publicly available data (AusTender), appears to be on the rise
  - *Nearly 20% of Australian Department of Defence dollars were committed to FMS 2015-2016 – has doubled since 2010*
  - *Sustainment represents 12-56% of the total value*
  - *Some analysts are concerned about the impact to Australian Defence production and other opportunities*
- Arguably, Australian Defence costs could benefit from better U.S. Government project management, should intended impacts be realized
- Alternatively, the ADF may wish to consider bringing discipline to PM in order to bring these jobs and opportunities to the Australian people.

# Not the U.S. Government's First Rodeo…

- FAC-P/PM - The Federal Acquisition Certification for Program and Project Managers introduced in 2007
  - *A 'recommended' certification program for government PMs administered by the Federal Acquisition Institute*
- American Recovery and Reinvestment Act (ARRA) in 2009 urged agencies to set up ARRA portfolio oversight within a dedicated PMO
- PARCA – Performance Assessments and Root Cause Analyses (PARCA)
  - *Brought into existence via the reforms called for by the Weapon Systems Acquisition Reform Act (WSARA) of 2009*
  - *The central office for Major Defense Authorization Program (MDAP) performance assessment, root cause analysis, and earned value management*

# Pragmatism Prevails?

- Bandwagon Consultants
- The Act itself is a little vague
  - *Simply says to put practices in place that are in keeping with commercial and Federal best practice – I can drive a mac truck through that…*
  - *OR a zealot could built a mouse trap for Federal PMs*
- Potential for lazy *in toto* adoption by agencies of existing standards and declaration of victory
  - *PMBOK Guide*
  - *Project Management ISO (ISO 21500)*
- Potential barriers to success
  - *Overshadowed by other U.S. Government issues and initiatives*
  - *Government restructuring efforts*
  - *Hiring freezes*
  - *Potential Government Shutdowns/Continuing Resolutions Issue*
  - *Discernment of where this fits with PARCA and other efforts, exemptions for DoD?*

# Questions?

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