



# Change Management

- American Recovery and Reinvestment Act of 2009 (ARRA)
- A new beginning for project management and project delivery at WisDOT
- All layers of our organization must be actively engaged in the change management process



# Change Management

- The Change Management process discussion that follows applies to ARRA projects on both the state system and the local system of highways



## American Recovery and Reinvestment Act State and Local Highway Projects

### Change Management





# ARRA Website

- New website has training information and other information about ARRA projects
  - Training Powerpoints
  - Policy, including CM Report
  - Forms
  - FHWA Checklists
  - Links to other ARRA sites
- <http://roadwaystandards.dot.wi.gov/standards/arra/index.htm>



# Change Management Overview

- ARRA Project Oversight
- ARRA Key Elements
- Roles and Responsibilities



# ARRA Project Oversight

- Project team
- Region/Bureau Change Management Team
- Division Change Management Team
- Executive Change Management Team – Oversight Committee

# Executive-level P.M., Oversight and ARRA

Monthly or as needed

Exec Level Oversight



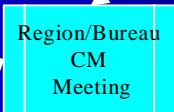
DTSD Program Level Change Management

4th Week of the Month or as needed



Region/Bureau Level Change Management

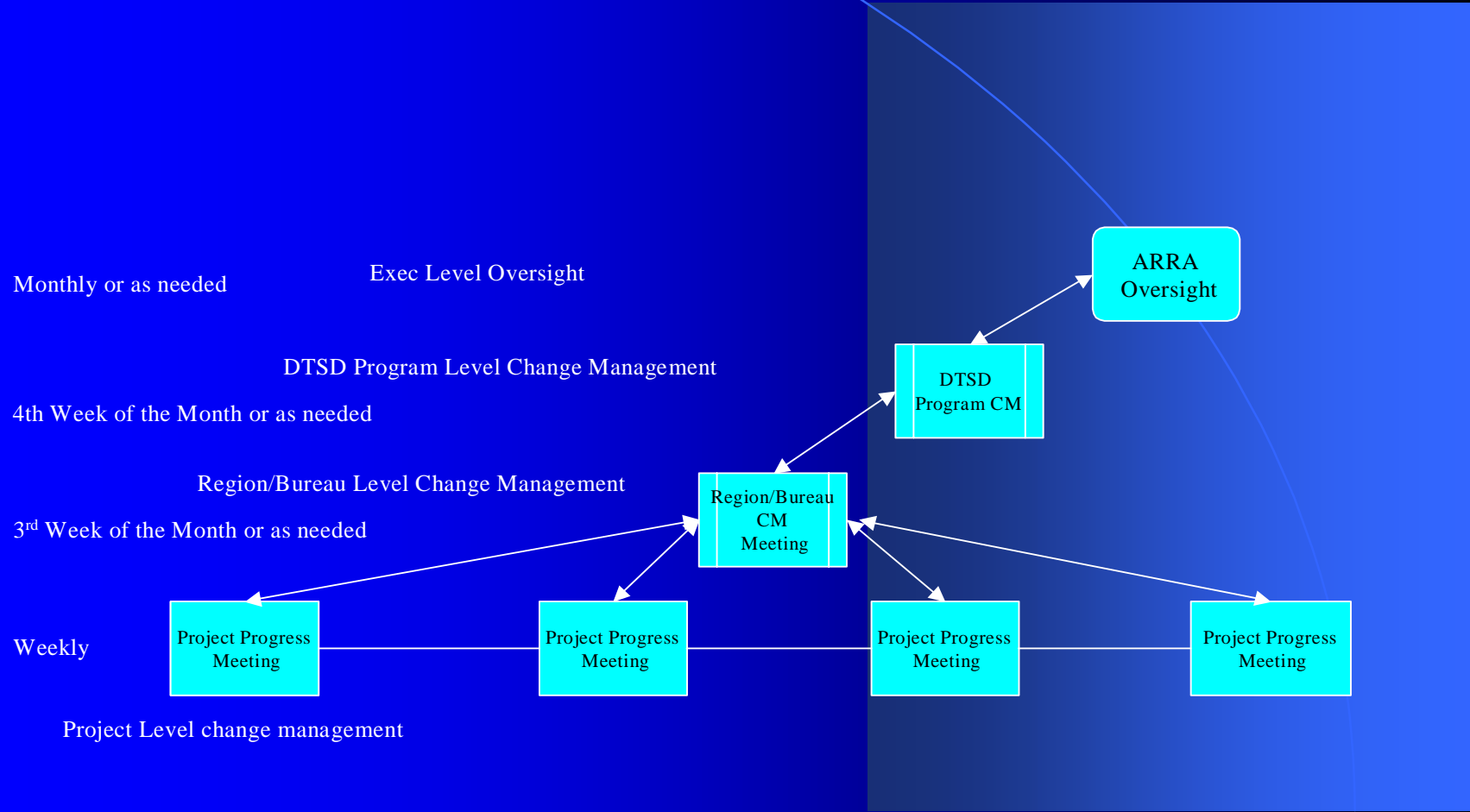
3<sup>rd</sup> Week of the Month or as needed



Weekly



Project Level change management





# ARRA Project Oversight

## State System

- Project level CM – PL, PM and Sup
- Region level CM – PM, Sups, Mngr (PD Chief) and Dir
- Division level CM – Region Directors, BPD Director & DTSD Administrator's Office
- Executive level CM – Administrators and Secretary's Office



# ARRA Project Oversight

## Local System

- Project level CM – PL, MC and LPPM
- Bureau level CM – MCs, LPPMs, Mngr (Local Project Delivery Section Chief) and BPD Dir
- Division level CM – Region Directors, BPD Director & DTSD Administrator's Office
- Executive level CM – Administrators and Secretary's Office



# ARRA Key Elements

- Scope/cost change control
- Schedule change control
- Issue/risk management
- Communication
- Regular program/project reporting



# Scope/Cost Change Control

- Identify early
- Assess quickly
- Evaluate thoroughly
- Resolve promptly
- Mitigate efficiently



# Scope/Cost Change Control

- Each project will have a set cost
  - Contract amount +
  - Construction delivery +
  - Construction reserve
- Project cost must be monitored by anticipating
  - Overruns/underruns
  - Scope changes
  - Contract modifications



# Scope/Cost Change Control

## Overruns/underruns

- Quantities for all items should be monitored for potential changes from plan quantity
- Bid items should also be “projected” to determine potential final quantities



# Overrun/Underrun Spreadsheet

Projected Contract Amount (Include Contract Modification Quantities)		Project ID : 9999-99-99			Completed By : Joseph E. Blow		
		Contract ID : 20090101001			Date : January 1, 2010		
Item Description	Item Code	Units	Initial Quantity	Revised Quantity	Over/Under or New Quantity	Unit Price	Estimated Cost Over/Under
REMOVING PAVEMENT	204.0100	SY	120.00	150.00	30	\$ 24.80	\$ 744.00
REMOVING ASPHALTIC SURFACE MILLING	204.0120	SY	320.00	370.00	50	\$ 33.50	\$ 1,675.00
BASE AGGREGATE DENSE 1 1/4-INCH	305.0120	TON	120.00	100.00	-20	\$ 51.10	\$ (1,022.00)
HMA PAVEMENT TYPE E-3	460.1103	TON	182.00	197.00	15	\$ 115.00	\$ 1,725.00
SILT FENCE	628.1504	LF	200.00	250.00	50	\$ 2.50	\$ 125.00
<b>Change order items</b> <i>Add additional data rows above as needed.</i>							
REMOVING CURB AND GUTTER	204.0150	LF	-----		150	\$ 3.50	\$ 525.00
CONCRETE CURB	601.0105	LF	-----		150	\$ 10.00	\$ 1,500.00
			-----				
<i>Add additional data rows above as needed.</i>							
<i>Add rows by selecting an entire blank row with yellow input cells by clicking on the row number to the left of column A. Select "Copy" from the Edit menu (Ctrl+C). Extend the selection downward by selecting additional row numbers to the left of column A. Select "Insert Copied Cells" from the Insert menu.</i>					<b>Total over/underrun</b>	\$	<b>5,272.00</b>
					<b>Original Contract amount</b>	\$	<b>1,125,000.00</b>
					<b>Projected Contract amount</b>	\$	<b>1,130,272.00</b>



# Scope/Cost Change Control

## Scope changes

- Potential changes in scope that will impact the project cost should be monitored



# Scope/Cost Change Control

## Contract modifications

- Follow current practice on approval authority
- Higher cost modifications need higher level of approval



# Approval Authority – Contract Modifications

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<b>Construction Contract Change Management, Approvals (If no other cost management rules apply)</b>						
	<i>Project Manager</i>	<i>Supervisor/LPPM</i>	<i>Chief</i>	<i>Region/Bureau</i>	<i>Division</i>	<i>Oversight</i>
<i>Contract Mod, quantity increase or decrease</i>	<\$25,000	<\$50,000	<\$100,000	<\$500,000	<\$1,000,000	>\$1 Million
<i>Timeline</i>	1-2 days	2 days	2 days	5 working days	10 Days	10 Days +
FHWA approvals will remain the same.						
See FDM 5-2-1, CMM 2.42						



# Scope/Cost Change Control

- Project team can manage changes to a budget of  $\frac{1}{2}$  **the construction reserve or \$50,000, whichever is less**
- Potential changes should be discussed with project manager
- First choice is to stay within the project budget by using a Scope/Cost strategy



# Scope/Cost Change Control

- Scope/Cost strategies:
  - Shortening project limits
  - Eliminating low risk work
  - Considering contractor cost saving proposals
- Strategies should be developed early in a project and saved in a ‘cost savings contingency plan’
- Strategies should ‘not’ be included that impact overall quality or reduce safety objectives



# Scope/Cost Change Control

- If costs changes cannot be handled within a project, the request to increase the project budget should be forwarded to the Region or Bureau Change Management Team by filling out a Change Management Request form [Page 5 of Change Management Report]



## ARRA PROJECT CHANGE MANAGEMENT REQUEST

Date:  
Project ID:  
Submitter:

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Issue Description (include item(s) to be changed):

Reason for Change:

Justification (include options considered):

Cost Implication:

Criticality of the modification:

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Decision:

Decision Date:

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Approval level:

- Project team                       Region/Bureau Change Management team  
 Division Change Management team     Oversight team



# Authority Levels – Total Project Costs

Higher cost modifications need higher level of approval

Total Project Costs Management, Authority Levels				
Total project costs include the construction contract amount, construction delivery amount and reserve				
	<i>Project Level</i>	<i>Region/Bureau Level</i>	<i>Division Level</i>	<i>Oversight</i>
<i>Anticipated Project Costs (total)</i>	Let amount and delivery + 50% Reserve or \$50,000 *	Let amount and delivery + 100% Reserve or \$500,000 *	Costs Over Total Project Cost or \$1,000,000 *	Costs Over Total Project Cost and > \$1,000,000
<i>Increase or decrease</i>				
			* The lesser of the 2 amounts	

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# Schedule Change Control

- Monitor changes from contractor's schedule.
- Report when schedule change causes:
  - Causes travel delays exceeding FHWA guidelines
  - Impacts major travel weekends
  - Delays completion to winter or following year
  - Increases project cost significantly



# Schedule Change Control

- Project Closeout Timeline
  - Contractor notifies project leader when project is substantially complete
  - Project leader promptly inspects work and creates punch list
  - Contractor completes all work and submits required documentation
  - Project leader grants Final Acceptance



# Schedule Change Control

- Project Closeout Goals
  - Finals to project manager 1 month after project completion
  - Tentative/final estimate – 4 months after Final Acceptance
  - Final Estimate – 6 months after Final Acceptance



# Schedule Change Control

- To meet project closeout goals
  - Quantity Management
    - Measure as items are completed
    - Complete earthwork comps as work is done
    - Verify quantities with contractor
  - Materials
    - Require tests/certifications prior to installation
  - Dispute/Claim Avoidance
    - Resolve disputes as you go



# Issue/Risk Management

- Anticipate issues and risks that could affect project scope, safety, schedule or budget
- Submit Issues/Risks on Monthly Data Collection Form

# Monthly Data Collection Form

## Recent Accomplishments

Project Number	Notes

## Key Work Scheduled

Project Number	Notes

## Top Issue List

Project Number	Issue	Status	Action Required	Anticipated Completion Date	Latest Date to Resolve Issue	Next Person/agency to Take Action

Issues listed here should be more than potential, but rather should be things happening right now that are affecting or will shortly be affecting the project scope, schedule and/or cost.

## Anticipated Overruns/Underruns

Project Number	Over	Month/year overrun expected to occur	Under	Month/year underrun expected to occur	Estimated Total Cost at Completion	What Caused It? What is being done about it?

Please list here over/underruns that you expect to occur in the future including those you have submitted for approval and those you believe you will submit for approval at some point in the future



# Communication

- Be aware of heightened transparency and accountability expectations
- Be proactive in communicating potential risks
- Forward all media requests to Region Communication Managers (RCMs)
- Report project visits by outside agencies to RCM
- Report Open Records requests to RCM and Region Open Records Coordinator



# Regular Program/ Project Reporting

- Weekly: hold project team meetings
- End of month: project leader submits project data collection form to the project manager
- 1<sup>st</sup> full week of the month (or earlier): project manager reviews and sends project data collection form to region/bureau PPA



# Regular Program/ Project Reporting

- 2<sup>nd</sup> full week of the month: PPA submits the draft monthly report to the Region/Bureau Change Management Team for review
  - If there are any, project manager submits Change Management requests to the Region/Bureau Change Management Team
- Middle of the month – report complete for the prior month



# Regular Program/ Project Reporting

- 3<sup>rd</sup> full work week: Region/Bureau Change Management Team meets to discuss the monthly report, especially issues/risks
  - If there are any, Region/Bureau CM Team discusses CM requests
- 4<sup>th</sup> full work week: Division Change Management Team reviews monthly reports and discusses any items elevated from the Region/Bureau CM teams



# Roles and Responsibilities

## Project Leader

- Meet weekly with the project team
- Track cost overruns/underruns, scope changes and contract modifications
- If the project team cost threshold is exceeded, submit Change Management request to the Project Manager
- Monitor the construction schedule, if significant changes report to the PM
- Monitor Issues and Risks and forward any concerns to the PM
- Fill out the monthly report data collection form monthly and forward to the PM
- Meet project close-out expectations



# Roles and Responsibilities

## Project Manager

- Meet weekly with the project team
- Review cost overrun/underrun, scope changes and contract modifications submitted by the project leader
- Review Change Management request forms and forward to the region/bureau Change Management team after discussion with the Supervisor/LPPM and if they cannot be resolved by the project team
- Report significant schedule changes to the region/bureau Change Management team after discussion with the Supervisor/LPPM
- Forward significant Issues and Risks to the region/bureau Change Management team after discussion with the Supervisor/LPPM
- Review the monthly data collection form and forward to the region/bureau PPA after discussion with the Supervisor/LPPM
- Monitor project close-out and ensure expectations are met



# Roles and Responsibilities

## Supervisor/LPPM

- Meet weekly with the project team as needed
- Review cost overrun/underrun, scope changes and contract modifications with the Project Manager
- Review Change Management requests with the Project Manager prior to submittal to the region/bureau Change Management team
- Review significant schedule changes with the Project Manager prior to submittal to the region/bureau Change Management team
- Review significant Issues and Risks with the Project Manager prior to submittal to the region/bureau Change Management team
- Review the monthly data collection form with the Project Manager prior to submittal to the region/bureau PPA



# Roles and Responsibilities

## Region/Bureau CM Team

- Meet monthly to review the monthly report and change management requests
- If region/bureau Change Management team cost threshold is exceeded, submit Change Management request to the Division Change Management team
- Report significant risks/issues to the division Change Management team



# Roles and Responsibilities

## DTSD CM Team

- Comprised of the region Directors, BPD Director and Division Administrators
- Meet monthly to review the monthly report
- If Division Change Management team cost threshold is exceeded, submit Change Management request to the Oversight team
- Report significant risks/issues to the Oversight team



# Preconstruction Meeting Checklist

- General Requirements
  - All correspondence with FHWA to include “ARRA” in the subject line
  - Special statement required in notice
  - Invite US Dept of Labor
  - Invite FHWA Area Engineer
- Additional agenda items on handout



# Change Management

*QUESTIONS?*