

AAPA QPI MEETING UPDATE ON CIVIL WORKS TRANSFORMATION AND PLANNING MODERNIZATION

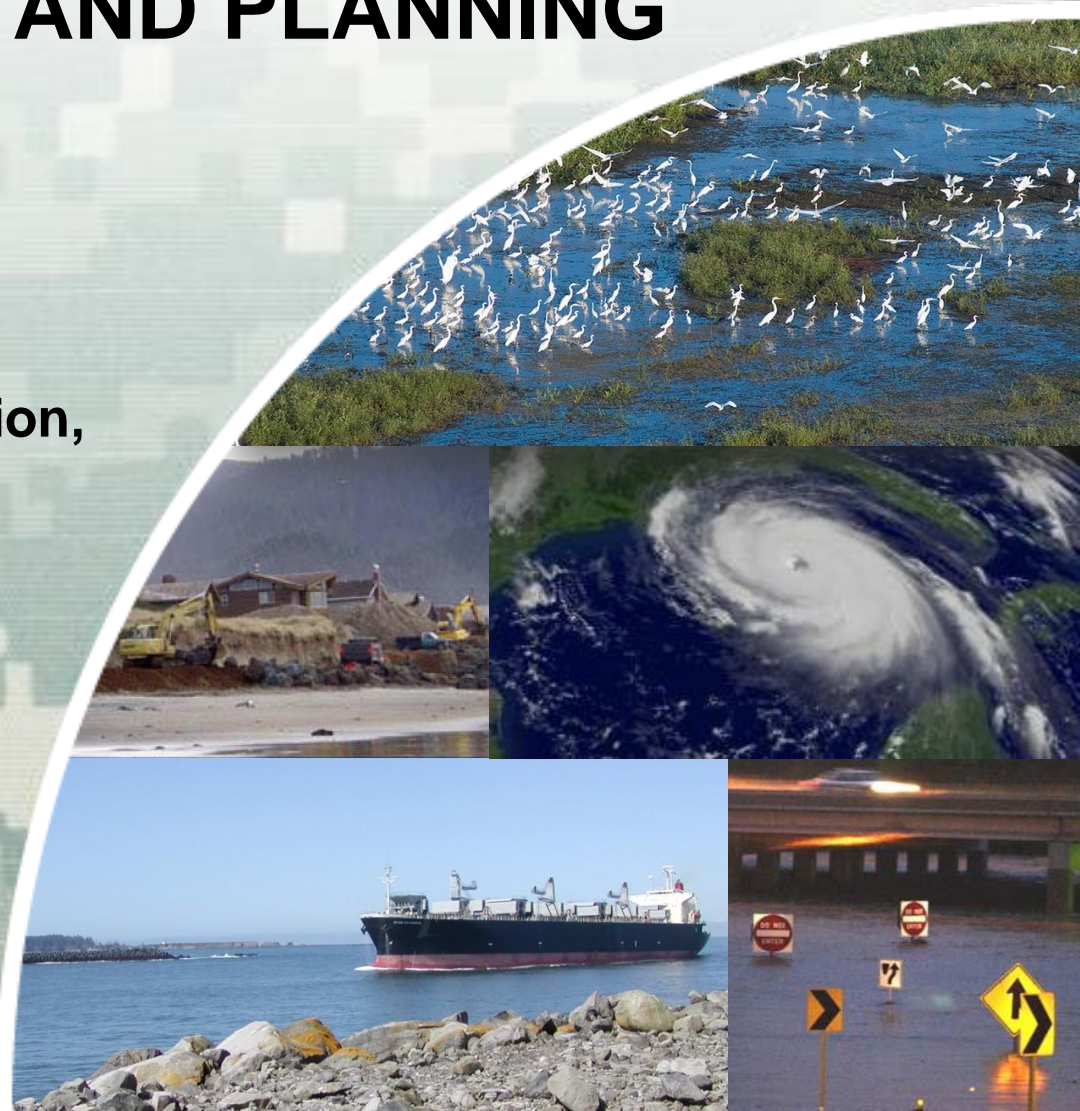
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Chief, Planning and Policy Division,
HQUSACE,

16 Jan 2013



US Army Corps of Engineers
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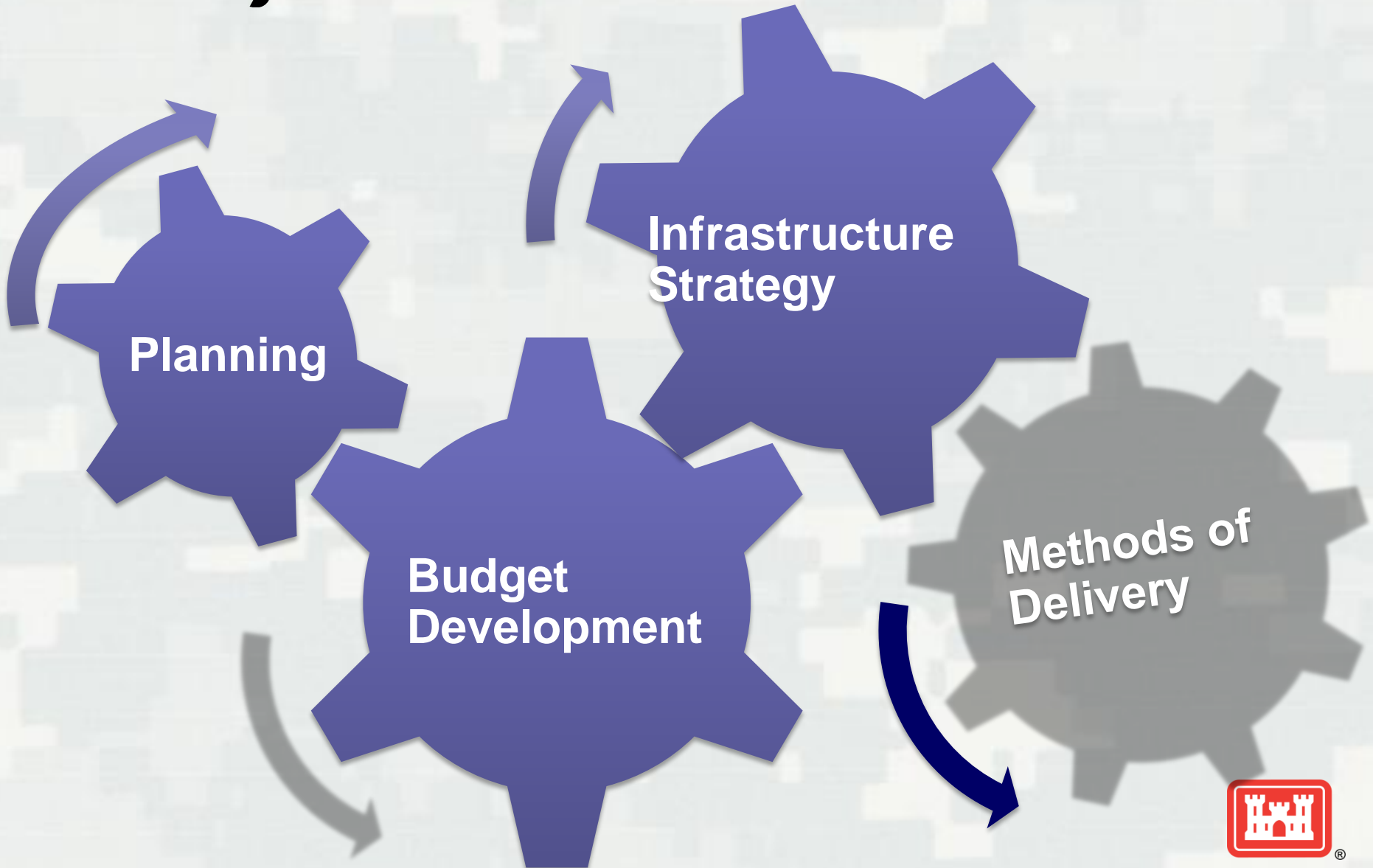


Imperatives for Action

- We are now in a non-earmark environment
- We fund too many studies/projects at less than capability
- It takes too long to get studies and projects completed
- It costs too much!!
- We make sponsors and stakeholders unhappy due to lack of timeliness and cost effectiveness
- We try too hard to justify unviable projects
- We lack emphasis on the importance of quality assurance and quality products
- In a budget constrained era, we must do what it takes to Be **RELEVANT!!**

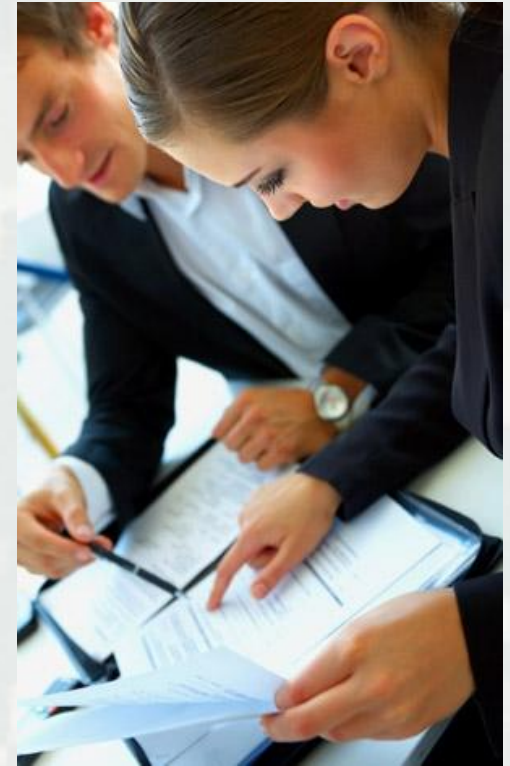


Major Transformation Initiatives



Budget Development Transformation

- Improve justification and defense of budget allocations
- Incorporate integrated water resources management concepts into budget development framework
- Implement watershed budget development process, while continuing to produce a performance-based budget
- Communicate transformational budget development processes to both internal and external audiences.
- Vertically align and integrate programs and business lines to National goals and objectives



End state: Maximized value to taxpayers of Civil Works Budget



Budget Development Transformation Accomplishments

Completed FY14 MSC Budget pilots

- Included 5-year sustainable plan that meets national objectives with focus on effects of funding decisions for each watershed/system
- Work packages to compete for annual funding within annual budget process
- Documented work package linkage to National goals/priorities and objectives, as well as how stakeholder input was obtained and shaped priorities
- Ranked work packages for each business line in the watershed/system.

Key Lessons-Learned

- Continue to advance watershed budgeting approach business process while delivering annual performance-based budget
- Consider all Stakeholder needs/projects/available funding in watershed (other Federal, tribal, state, local), including the outyears.
- Develop consistent method for defining watersheds for watershed system budgeting.
- Include OASA(CW) Staff in FY 2015 Budget EC Guidance Development.



Infrastructure Strategy

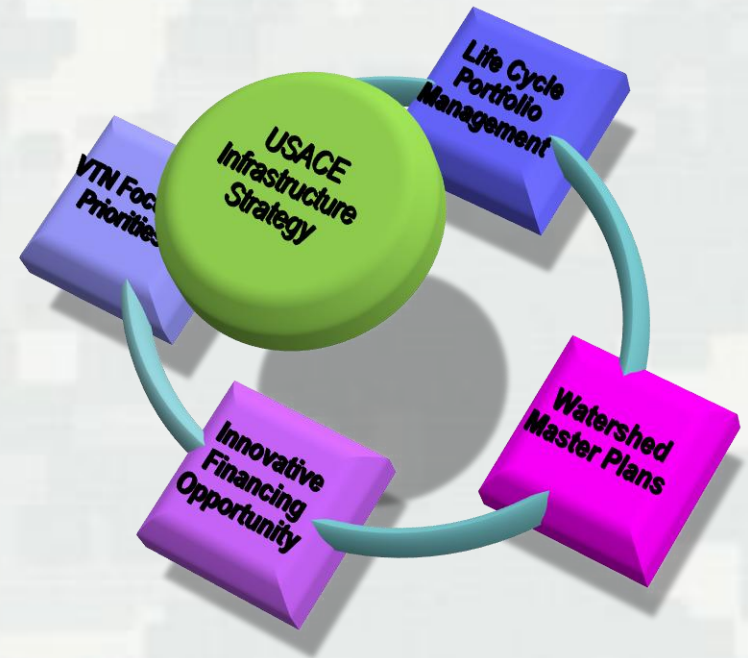
- An integrated approach to manage our assets, the life cycle of the system and seeking alternative financing:
 - ✓ **Asset Management:** Comprehensive approach to asset management
 - ✓ **Life cycle system:** Ensure future systems' viability through risk assessment and management, funding prioritization and sound decision making
 - ✓ **Alternative financing:** Provide a safe and reliable infrastructure by looking into alternative financing options
 - ✓ **CW decision making:** Develop a decision framework and process that enables a cross-cutting systems approach, supported by user friendly decision tools (WISDM, Money Ball, etc.)
 - ✓ **Strategic communication:** A robust strategy with key messages to increase national attention to water infrastructure, its value to the nation, critical needs and sustainability of our systems

End state: RELIABLE, SUSTAINABLE INFRASTRUCTURE!



Infrastructure Strategy Actions to Date

- Developed national inventory of Corps assets
- Completed Asset Management Portfolio Analytics (AMPA) case study using FY14 budget work packages
- Completed Maintenance Management Improvement Plan (MMIP) pilots
- Completed first White Paper on analysis of alternative financing options
- Watershed budget pilot partnering with SPD
- Developed initial decision support software WISDM and iBET
- Developed initial process to complete condition assessments for Corps assets



Methods of Delivery

- Relook our methods of delivery to be more efficient, cost-effective & timely
- Link technical capabilities to desired levels of service
- Integrate a Human Capital Plan to maintain core competencies
- Improve operation and management of our water infrastructure-reduce enterprise risk
- Focus areas-Centers of Expertise (CXs):
 - Dam safety, inland navigation design and deep draft navigation economics



Methods of Delivery Accomplishments

- **National Technical Competency Team Study**
 - Technical competence focus
 - Focusing on enhancing / maintaining competencies
 - Need business process changes
- **Regional and National Production Centers in selected key CW competencies**
 - Dam Safety
 - Inland Navigation
- **Dam Safety Production Centers**
 - ▶ 7 National Centers Identified
 - In various states of implementation
 - ER 10-1-51 issued outlining the MCX role
 - ▶ Plan of Operations finalized in 2012
- **Inland Navigation Design Center**
 - ▶ National Plan proposed
 - ▶ One center with two locations
 - ▶ Undergoing final approval
- **Regions realigning to improve technical support**



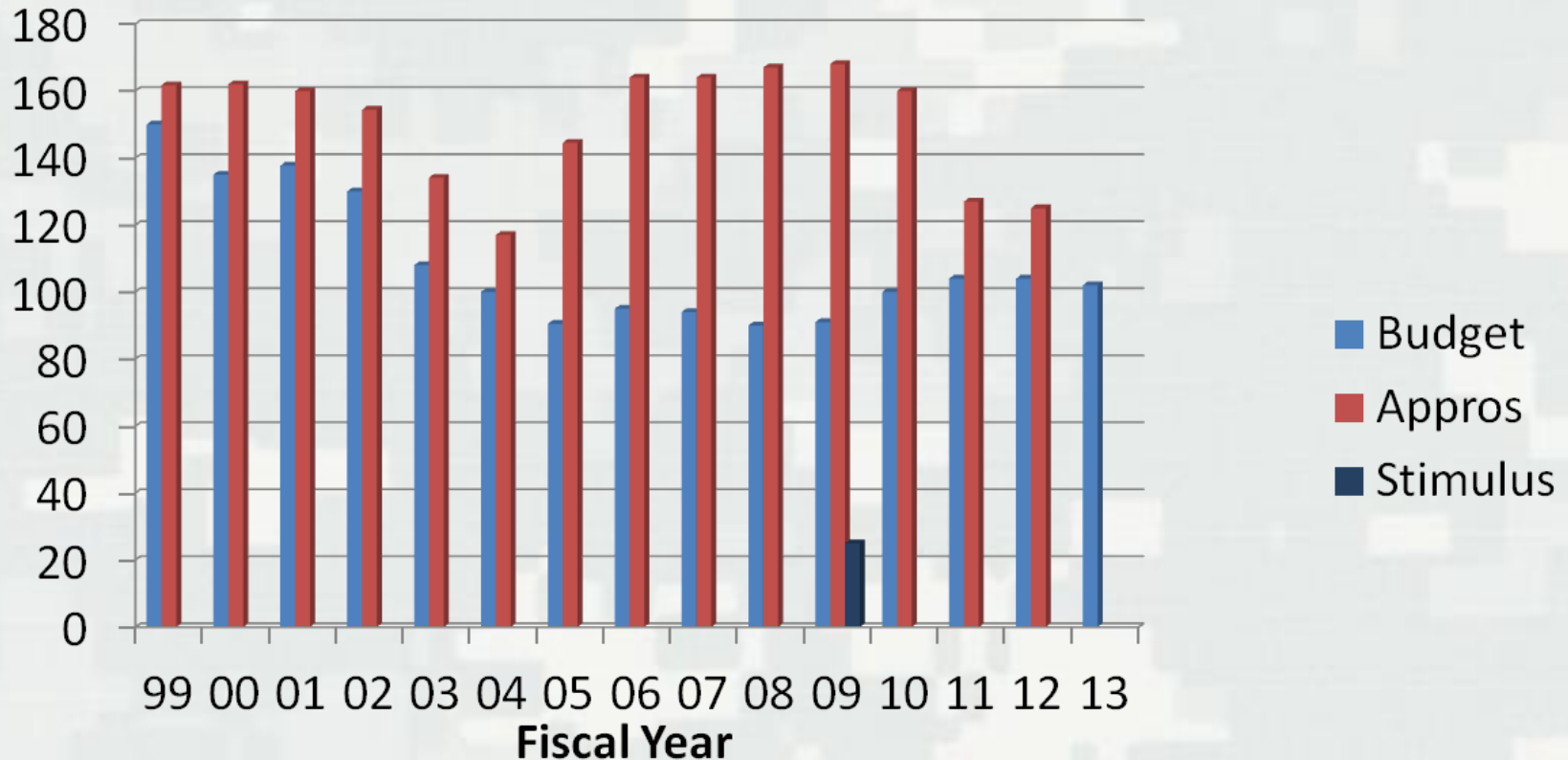
Planning Modernization: Top Four Performance Priorities

- Improve planning project delivery (investigations and CG) and instill accountability at all levels
- Develop a sustainable national & regional planning operational and organization model
- Improve planner knowledge and experience (build the bench)
- Modernize planning guidance and processes



General Investigations

Budget vs. Appropriation



Planning Modernization Accomplishments

- Issued Feasibility Study Execution Guidance Memorandum
- Reduced Active Feasibility Study Port by One Third
- Completed 23 Chief's Reports Post WRDA 2007
- Further Implementation of PCXs
- Completed a Report on U.S. Port and Inland Waterway Modernization
- Finalized Certification of the Container Model
- Planning Toolbox Website (www.corpsplanning.us)
- Mandatory Training Guidance for Planners
- Updated Planning Core Curriculum & Planning Associates Program
- Implemented National Civil Works Pilot Program
- Reissued Environmental Operating Principles
- Issued Planning Guidance including SMART Planning



Planning Modernization Key Actions

- Revise and issue policy guidance to be consistent, clear, integrated and implemented early in the study
- Refresh review process (EC 1165-2-214)
- Develop WRDA legislative proposals
- Complete High Priority Studies resulting in Chief's Reports
- Enhance Planning Regionalization – Support MSC's ongoing evaluations
- Enhance Planning Toolbox (Website at www.corpsplanning.us)
- Implement Planner Certification Program
- Continued implementation of 3x3x3 (Planning Charettes)
- Work w/partners, other agencies & stakeholders to build & foster relationships and implement 3x3x3



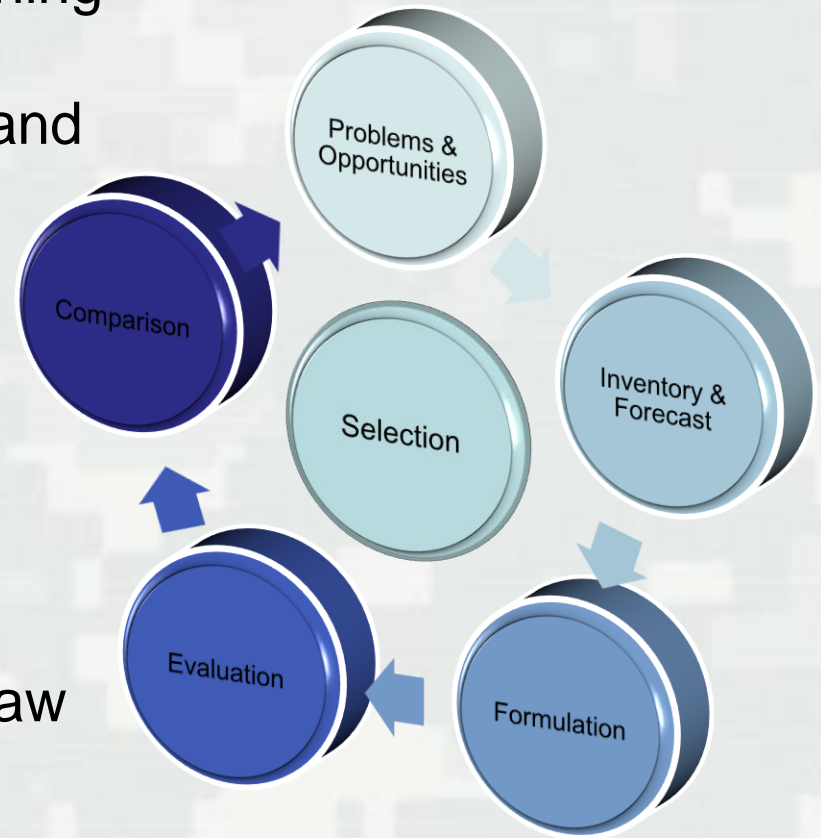
The “3x3x3” Rule for Feasibility Studies

- Applies to Feasibility Studies that did not have a feasibility scoping meeting by 31 Dec 2011
- Under \$3M total
- Within 3 years
- Using 3 levels of enhanced vertical teaming – the District, Division and Headquarters
- 100 page main report, with appendices that fit in a 3” binder
- Follow National Environmental Policy Act Guidance
- Exceptions to the 3x3x3 Rule Approved by the DCG-CEO after Senior Leader Panel Endorsement

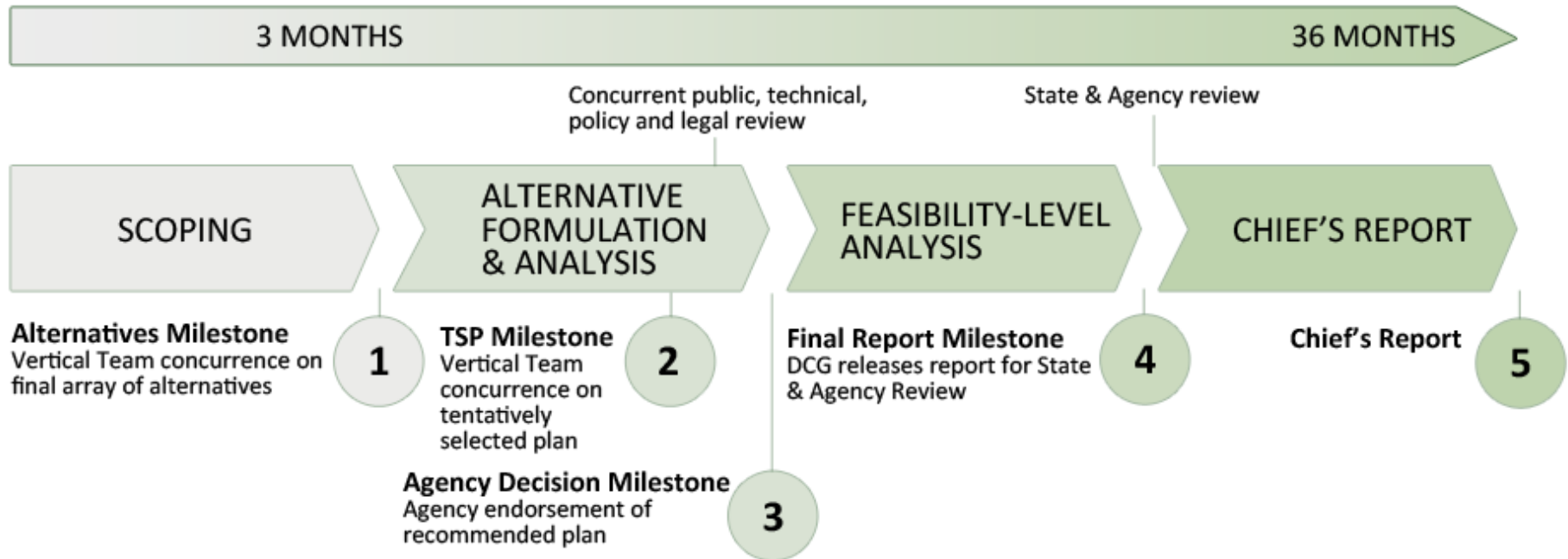


SMART Planning

- Focuses on incremental decision making in a progressive 6-step planning process
- Identifies next decision to be made and manages uncertainty in making it
 - Only collect data needed
 - Make decision
 - Move on to next decision
- Incorporates quality engineering, economics, real estate and environmental analysis
- Fully compliant with environmental law (NEPA, etc...)
- Includes public involvement



Feasibility Study Process



- Apply critical thinking throughout the study
- Focus on early identification of Federal interest
- Have PDT prepare for appropriate decision-based milestone meetings
- Target Completion: No more than 3 years for Chief's Report



A Report to Congress
Addressing “the Critical
Need for Additional Port
and Inland Waterway
Modernization to
Accommodate Post-
Panamax Vessels”

U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels



Institute for Water Resources

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June 20, 2012



Bottom Line Up Front

- U.S. population growth increasing 110 million within 30 years
- U.S. imports and exports projected to increase significantly
- Worldwide numbers of post panamax vessels increasing
- Opportunities for economically justified port expansion are expected to be greatest along the Southeast and Gulf coasts
 - ▶ Corps is conducting 17 port specific studies to identify expansion needs
- Increased grain exports can be expected as a result of transportation cost savings associated with the use of larger vessels
 - ▶ The capacities of the Inland Waterways serving the export market need to be maintained to take advantage of this opportunity



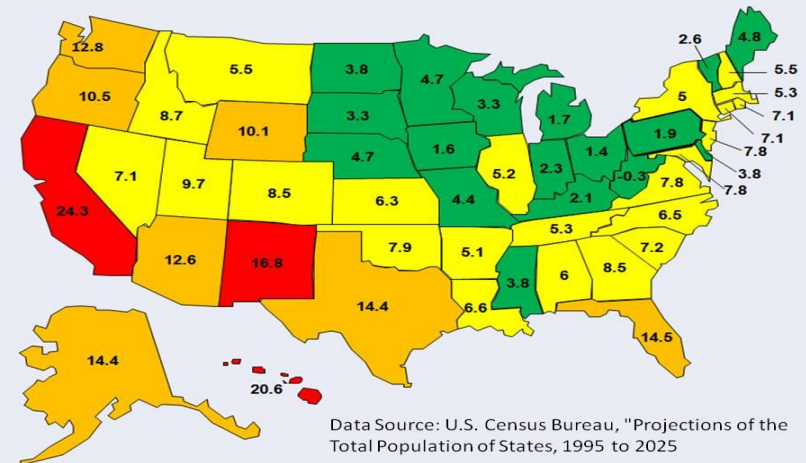
- Population and incomes are growing worldwide and within the U.S. (32% increase within 30 years)
- Trade follow growth in population and income. It has increased 100-fold since 1950
- Imports expected to grow more than fourfold and exports expected to grow more than sevenfold over 30 years.



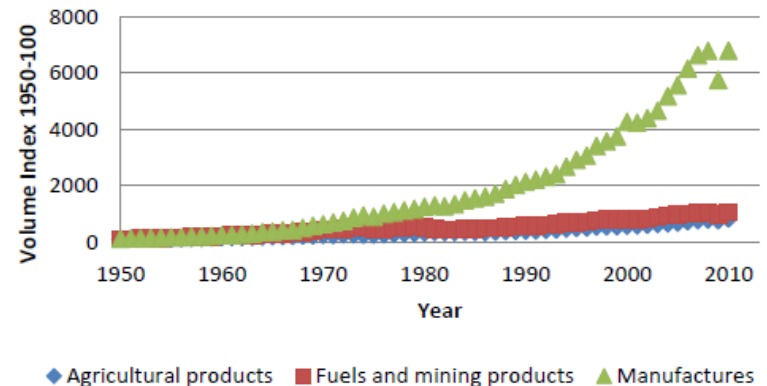
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U.S. Population Growth by State 2015-2025



**World Merchandise Trade Volume
by Major Project Group
1950-2010**

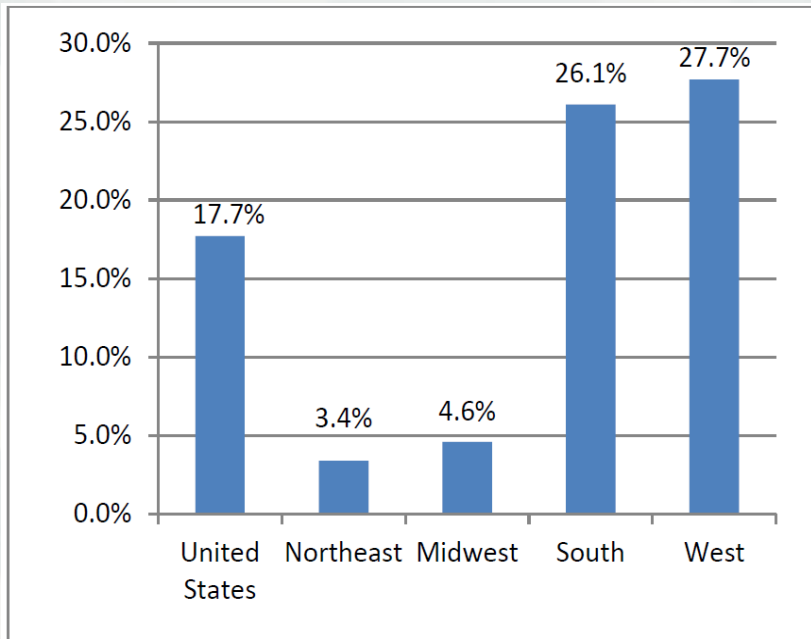


Source: World Trade Organization; International Trade Statistics. 2011



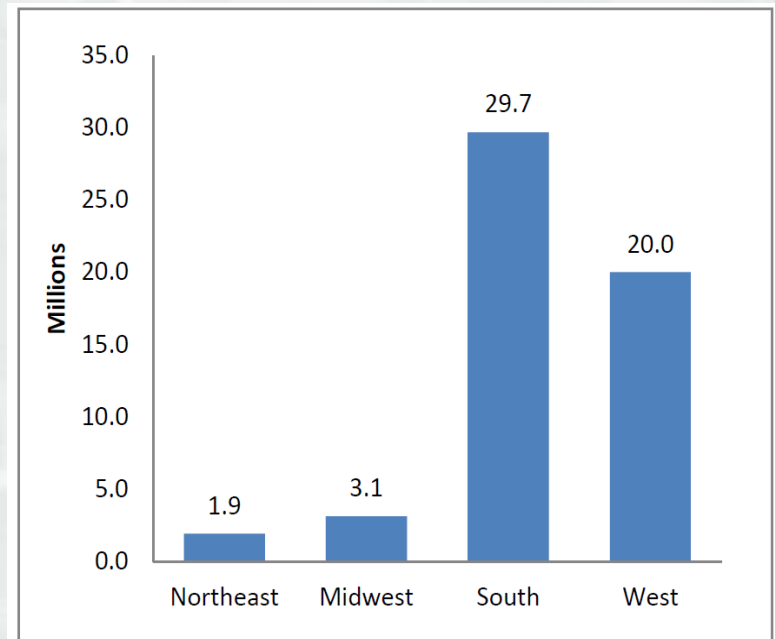
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In the U.S. population growth is expected to be greatest in the South and West.



Source: U.S. Census Bureau, Population Division; 2005 Interim State Population Projections

Figure 5: Percent Change in Population by Region of U.S. 2010-2030



Source: U.S. Census Bureau, Population Division; 2005 Interim State Population Projections

Figure 6: Change in Population by U.S. Region 2010-2030



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Questions?



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