AAPA QPI MEETING
UPDATE ON CIVIL WORKS
TRANSFORMATION AND PLANNING MODERNIZATION

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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

Planning

Budget Development

Infrastructure Strategy

Methods of Delivery
**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
**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 Portfolio 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”
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.
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

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