



\$6B Program Adopts eGov RPM to Track Risks

Department of Energy

Office of Environmental Management

In 2009, the *American Recovery and Reinvestment Act (ARRA)* invested \$6 billion in 91 projects across U.S. Department of Energy (DOE) Office of Environmental Management (EM) sites in 12 states to accelerate the cleanup of the environmental legacy of the nation's nuclear energy and weapons programs. Initially, EM HQ did not have enough real-time visibility into field site risks for effective risk management. So, EM began an enterprise-level risk initiative that included an EM Headquarters (HQ) risk registry of all critical *ARRA* risks to provide greater HQ visibility and involvement into risk handling actions where necessary. The *ARRA* team at EM selected eGov Risk Portfolio Manager™ (eGov RPM) as their risk management tool, which would play a role in management decisions that eventually resulted in more than a quarter of a billion dollars in savings.

EM Adopts eGov Risk Portfolio Manager

Prior to the implementation of eGov RPM for *ARRA* projects, EM managed its project risks mostly at the field sites—and didn't have a full enterprise view of risk. Naturally, this state of affairs created potential project management issues at the program level. For instance, some field site project risks were largely unknown or unclear to EM HQ. So, risks were usually uncovered as a reaction to incidents captured in project monthly reviews. This reactive nature of tracking risks had to change because of the high profile nature of *ARRA*; its requirement for an unprecedented degree of transparency; and the need to be in full compliance.

eGov RPM Resolves Problems, Obstacles, or Challenges

Following implementation of eGov RPM, EM improved transparency and has completed 84 of 124 *ARRA* projects using eGov RPM to meet *ARRA* requirements. EM field sites around the county were able to enter all of their risks into a central risk repository. Additionally, EM field sites and HQ could see the full range of risks to their organization, the probability of those risks occurring, and possible impact to their organizations. eGov RPM has had a significant advantage as a communication medium. In addition to its application in risk management, field sites have become more open to sharing risks and making the detail of the risk clear to all concerned stakeholders. This has improved EM's ability to avoid risks when possible, and mitigate impact effectively should a risk be triggered. The overall effect has been higher risk awareness, where all stakeholders take an active role in the risk management process.

An eGov RPM Case History



eGov RPM Saves DOE Money and Provides Greater Information for Better Decision Making

EM has shifted toward more task-based contracting. This transition has required a lot more project management oversight to demonstrate due diligence and execution. To ensure the critical success metrics were met, effective risk management was imperative. Project risk management directly relates to the management reserve and contingency funding set aside at a project's outset so that projects can complete within cost constraints. eGov RPM helped the *ARRA* team make better executive decisions, which resulted in the ability to reallocate approximately \$300M of *Recovery Act* money back into additional project scope. In addition to the bottom line savings, eGov RPM has facilitated a higher level of communication and teamwork than existed previously within EM. eGov RPM has also allowed for EM to report program risks into a higher level repository which is maintained by the DOE Chief Financial Officer's (CFO) Office of Risk Management (ORM).

The Future

eGov RPM has opened the door to standardizing project risk management within EM. Going forward, the progress made through the use of eGov RPM can be continued and expanded upon.



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