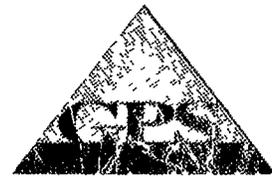


U.S. Agency for International Development

Fundamentals of Project Management & Design



GPS Technologies, Inc.



MODULE: Introduction A.I.D. Program/Project Management
MODULE NUMBER: 1.01

TABLE OF CONTENTS

INTRODUCTION TO USAID PROGRAM/PROJECT MANAGEMENT	1
Managing for Results	3
Our Vision of Managing for Results in U.S.A I.D.	4
Best Practices	7
Organizational Overview and Strategic Planning	10
Agency	11
Organizational Roles and Responsibilities	13
Agency Administrator	14
Director for Program and Policy Coordination (PPC)	14
Assistant Administrators and Deputy Assistant Administrators (AAs and DAAs)	15
Mission and Office Directors	16
Line Officers	16
Program Strategy	19
Content of Strategic Plan	20
Part I. Summary Analysis of Development Environment.	20
Part II. Proposed Strategy, Rationale, and Key Assumptions	20
Part III. Action Plan	21
Changes in Strategic Plans	22

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

MODULE: Project Design Concepts
MODULE NUMBER: 1.01

TERMINAL OBJECTIVE:

Upon completion of this module, the participant will be able to explain how strategic planning affects the U.S.A.I.D. program/project management cycle

ENABLING OBJECTIVES:

In order to accomplish the Terminal Objective, the participant will:

- Explain how managing for results can be applied to U.S.A I D. program/project management.
- Discuss the organization of U.S A I D
- Explain U.S.A.I.D. organizational role and responsibilities
- Describe the three parts of an U.S.A.I.D. strategic plan

INTRODUCTION TO U.S.A.I.D. PROGRAM/ PROJECT MANAGEMENT

U.S.A.I.D. programs and projects are managed by a variety of project management tools and techniques. The Project Management Institute defines the term *project management* as:

...the art of directing and coordinating human and material resources throughout the life of a project by using modern management techniques to achieve predetermined objectives of scope, cost, time, quality, and participant satisfaction.

The use of various project management techniques dates back in history and includes projects such as the pyramids, the Great Wall of China, the Brooklyn Bridge, and the invasion at Normandy. The formal use of project management, as we know it today, is most often credited to the US government's ballistic missile program or space program. We've all heard expressions that begin with the phrase "*...If we can put a man on the moon, why can't we...*" Regardless of how this phrase might be finished, the answer is often "*We can!*" Project management tools that were successful in the Herculean project of putting a man on the moon can be used to accomplish a myriad of remarkable things.

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Project Management can, and is being used for projects such as:

- Increased paddy rice production by small farmers
- Improved secondary health care of rural population on a sustainable basis.
- Operational capacity of National Development Bank (NDB) increased
- Forestry & Natural Resource (FNR) policies and projects implemented in target countries

Today, project management has matured and is being widely, and successfully, implemented in industry and government organizations. It has become an essential element in the strategic management of many of these organizations. As evidenced by the above examples, U.S.A.I.D. has adopted a project management approach to support its organization's strategies

Within U S A.I.D., project management is being used at all organizational units including bureaus, missions, operating units, and the Agency itself.

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APPLICATIONS & IDEAS:

5

Managing for Results

On August 3, 1993, Congress passed a law called the Government Performance and Results Act of 1993. This law was included in the Appendix.

Briefly stated, this law requires that government organizations engage in strategic planning, goal setting, project management, and are answerable to the public. U.S.A.I.D. has taken stock and is integrating the requirements and logic of the law into its way of doing business

President Clinton, upon signing the Government Performance and Results Act of 1993, said: "This law simply requires that we chart a course for every endeavor that we take the people's money for, see how well we are progressing, tell the public how we are doing, stop the things that don't work, and never stop improving the things we think are worth investing in."

To comply with this law and successfully "manage for results," government agencies, including U.S.A.I.D., must know where they are going and how they intend to get there. "Where they are going" is the objectives and goals of the agency or organization; "how they intend to get there" is the planned strategy and action plans. As the strategy is implemented and action is taken, certain measurable results let the agency know they are on the right track to achieve its objectives and goals. Identifying useful and practical ways to measure success is essential to managing for results.

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Agencies that successfully manage for results provide strong top-down leadership for effective bottom-up decision-making. They have clear policies, priorities, and operating principles, but trust their line managers to know best how these principles apply in specific circumstances. They empower managers to make decisions, and tolerate occasional failures, but hold managers fully accountable for learning from experience.

Managing for results, in other words, represents a radical shift in the way most agencies do business -- a fundamental change from a bureaucracy of working to the rules and managing inputs, towards entrepreneurial risk-taking, customer service, and a consistent concern for the performance bottomline.

U.S.A.I.D. is now fully committed to reinventing itself as a more efficient, effective and results-oriented organization -- an Agency that not only manages for results, but that achieves results of which all Americans can be proud. What follows summarizes the policy for creating such a results-oriented Agency.

Our Vision of Managing for Results in U.S.A.I.D.

We envision an Agency for International Development in which every manager is fully responsible for planning, measuring, and managing for results; understands what this means, and has the tools to do it.

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

We envision an Agency for International Development with agencywide policies, strategies, priorities, and operational guidelines that provide managers with a clear and unambiguous framework for planning, measuring, and managing for results

We envision an Agency for International Development that has clear and consistent processes through which managers identify objectives, program and deliver development assistance, assess performance, and exercise effective stewardship of scarce resources at every stage.

We envision an Agency for International Development that has a corporate information system that provides all managers with easy and convenient access to the performance information they need to plan, measure, and manage for results.

We envision an Agency for International Development in which managers have sufficient authority and clear responsibility to plan programs to achieve results, to measure progress, to redesign programs and reallocate resources to ensure results, and to be held accountable for the results achieved.

We envision an Agency for International Development in which bureaus rigorously review mission and office strategies; assess their consistency with agency and bureau policy, priorities, and objectives; ensure that mission and offices are, in fact, planning, measuring, and managing for results - and have the resources to do so; and systematically review results achieved as a basis for revising and refining country strategies and for reallocating resources within and across countries and programs.

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APPLICATIONS & IDEAS:

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FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

We envision an Agency for International Development in which Senior Managers periodically review agencywide program performance, determine which programs are working well and which poorly, direct energy and resources to resolving performance problems, effectively communicate best practices to help managers learn from experience, and actively use performance information in revising agencywide policies and strategies and allocating resources

We envision an Agency for International Development in which support and service offices provide line managers at all levels with the information and help they need to plan, measure and manage for results.

We envision an Agency for International Development which is self-confident enough to share its objectives and performance as part of the public record; an agency that tolerates occasional failures, but demands that every staff member be aware of and learn from experience.

Most emphatically, we envision an Agency for International Development which is truly the "best in its class," which is recognized worldwide as the leader in development assistance, and which effectively meets the needs of the people in the developing world it serves in a manner in which all Americans can be proud

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APPLICATIONS & IDEAS:

PMC-1:

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Over the last several years, U.S.A.I.D. has made substantial progress toward becoming a results-oriented agency. This progress includes:

- Strong leadership from new senior management in defining a clear agency vision and values, empowering line managers and encouraging teamwork, affirming the importance of performance measurement, and naming U.S.A.I.D. a government-wide “reinvention laboratory” that will reflect the best principles of results-oriented government.
- New agency wide program strategies and the ongoing development of specific operational guidance that will provide a clear framework for mission and office performance planning and measurement.
- A new draft of succinct core directives (to replace voluminous U.S.A.I.D. Handbooks 1-4) that define A.I.D.’s fundamental principles and processes in planning, measuring, and managing for results.
- Continued planning for more consistent and comprehensive agencywide information systems, including a new Automated Program and Budget Management System (APBMS) encompassing performance data that will become a key element in the A.I.D.’s corporate management information system (as outlined in the Agency’s Information Systems Plan)
- An ongoing, collaborative, effort (colloquially called PRISM) to help the Agency’s line managers articulate clear program objectives and get and use better program performance information for decision-making

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APPLICATIONS & IDEAS:

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BEST PRACTICES

To become the results-oriented, agency as described in the vision statements, U.S.A.I.D. has also begun identifying "best practices." Best practices are those practices associated with the best development results and the best use of performance indicators

In industry, the identification of best practices within a company or its competition is referred to as "benchmarking." The concept in its simplified version is to identify the best products, services, and processes, and learn from them. Once the best practices have been identified, the idea is to take the lessons learned and use them to improve the Agency, bureaus, missions, and operating units

Best Practices in Missions and Offices

Best practices include:

- Managing for results works best in missions and offices with strong and committed leadership that engages the entire staff in strategic planning.
- Strategic planning identifies ambitious, but achievable program objectives, clear strategies for achieving those objectives, explicit performance targets, and appropriate performance measures
- Portfolio reviews to assess how well alternative projects and activities fit the objectives and strategies
- Newly created cross-functional program management units (formal or ad hoc teams) oriented toward the achievement of strategic objectives.

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- Performance measurement and evaluation systems implemented to assess program accomplishments.
- Performance information is actively used in decisions to revise or terminate programs/projects, and allocate resources.

Best Practices in Bureaus

Bureau best-practices include:

- Bureau has assumed clear responsibility for assuring their mission's objectives and strategies are both ambitious and achievable, and consistent with bureau and agency goals and priorities.
- Bureaus assure missions and offices are getting and using performance information in decision-making, and differences in performance across countries and programs are fully understood and reflected in bureau decision-making.
- Bureaus routinely use performance information in reviewing programs, assessing program content, and allocating resources within and across countries.

NOTES:

APPLICATIONS & IDEAS:

Best Practices Agency-Wide

Agency-wide best practices include:

- A detailed analysis of current agency programs that includes the following:
 - ◆ the nature and distribution of mission objectives and strategies in terms of an agencywide “analytical framework.”
 - ◆ relationship between mission programs and new agencywide strategies.
 - ◆ a documented, empirical basis for assessing the extent to which the new strategies are reflected in current mission activities.

This should provide an important reference point for further policy and technical guidance regarding implementation of the new strategies.

- The ongoing development of improved Agencywide performance indicators based on these analytical frameworks that provide greater comparability and consistency, while still reflecting the diversity of field programs. The development of related menu-driven indicator selection guidance will help missions and offices select more useful and appropriate indicators for their programs while also facilitating agencywide analysis.
- The completion of A.I.D.’s annual report on agencywide program performance, and ongoing preparation of A.I.D.’s subsequent annual program performance reports.

Based on these best practices and the “Core Directives,” U S A I.D. has identified an overall policy framework that includes setting goals and objectives, strategic planning, and performance monitoring at all levels of U S A I D

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APPLICATIONS & IDEAS:

Organizational Overview and Strategic Planning

The Agency includes:

- bureaus/offices
- missions
- programs throughout the world

Each element of the Agency, including the Agency itself, is responsible for establishing a strategic planning framework which sets out clear objectives and performance measures.

All strategies developed throughout the Agency, whether Bureau, operating unit, or program, must be developed in close consultation and cooperation with the appropriate stakeholders, including implementing agents, beneficiaries, or other donors.

The objectives of setting strategic direction for Agency programs are:

1. To provide a framework for selecting, designing, and carrying out assistance activities which can achieve tangible development results.
2. To guide the allocation of scarce Agency resources, both program and operational expense funding, to maximize the impact of Agency assistance.
3. To serve as a basis for monitoring the progress and effectiveness of the Agency's programs in accomplishing their objectives

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

AGENCY

U.S.A.I.D./W establishes broad program priorities and guidance on implementing the Agency's program policy. These directives and programming guidance may apply to programs Agency-wide, to a single bureau, or to a single sector of assistance. In all cases, they must be issued or cleared by the Director for PPC.

Bureaus

Bureaus may issue strategy statements to establish program priorities specifically directed to the portfolios under their management authority. These strategy statements must be within the parameters of Agency-wide policy and programming guidance. Although strategy statements by the bureaus are optional, they provide progressively greater focus to strategic choices that are made available to the individual operating units. Bureau strategy statements may, for example, delineate how specific problems should be addressed, or may offer a menu of program priorities. Bureau strategy statements must be cleared by the Director for PPC to ensure consistency with Agency policy.

Operating Units

Individual operating units also develop strategic plans which guide management of all programs under their direction. These strategic plans must be within the parameters of Agency-wide policy and programming guidance and bureau level strategy statements. The operating unit strategic plans are subject to review by U.S.A.I.D./W.

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APPLICATIONS & IDEAS:

Country Level Programs

Developing strategic plans is important at the country program level. These strategic plans cover all U.S.A.I.D.-funded activities in the country, including those funded by U.S.A.I.D./W or the field mission. Again, strategic planning at this level must be consistent with strategic planning at higher levels within the hierarchy of the Agency.

Regional and Central Programs

Some Agency programs are handled through regional or central programs rather than country programs. The strategic plans for such programs are developed by the U.S.A.I.D./W functional office which has program management responsibilities for such activities.

Organizational Roles and Responsibilities

For consistent and effective strategic planning, well defined responsibilities are needed for U.S.A.I.D. leadership. This section describes the roles and responsibilities related to strategic planning for the following:

- Agency Administrator (A/U.S.A.I.D.)
- Director for Program and Policy Coordination (PPC)
- Assistant Administrators and Deputy Assistant Administrators
- Mission and Office Directors
- Line Officers

The source for this information is the draft "Core Directives for the Programming and Delivery of U.S.A.I.D. Assistance."

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

AGENCY ADMINISTRATOR

A/U S.A I.D is responsible for:

- Setting overall strategic direction for the Agency's program.
- Effectively communicating that direction to Agency managers, to Congress, and to those institutions which have an interest in the Agency's work, both in the U S. and abroad.
- Reporting to the Congress and other oversight agencies on the progress achieved in implementing the Agency's broad program strategies

DIRECTOR FOR PROGRAM AND POLICY COORDINATION (PPC)

The Agency's Director for PPC is responsible for ensuring that the Agency's programs conform to extant statutory requirements and program policy and to the broad strategic direction set by the Agency Administrator. In this role, the Director of PPC shall:

- Oversee the issuance of policy and program guidance defining the statutory and policy requirements of program strategy development and implementation monitoring.
- Exercise clearance authority over all strategic plans prepared pursuant to the directives below.
- Be responsible for deciding any exceptions to the requirements and standards described in these directives.

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APPLICATIONS & IDEAS:

PMC-1:

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ASSISTANT ADMINISTRATORS AND DEPUTY ASSISTANT ADMINISTRATORS (AAs and DAAs)

Operating bureau AAs and DAAs shall carry out the following responsibilities:

- To set overall direction of their bureau's programs, consistent with Agency priorities, and to provide guidance to Mission and Office Directors on any policy or management considerations specific to their bureau which are relevant to developing and implementing program strategies.
- To review strategic plans for the operational units under their management authority to ensure they conform to Agency and bureau program priorities and are appropriate to expected resource availability.
- To ensure that a strategic plan is in place for each operational program under their authority.
- To provide management support when necessary to ensure that operational units get technical and other U.S.A.I.D /W or regional support services needed to accomplish their program objectives.
- To ensure that adequate procedures for monitoring program performance are in place, both at the level of individual operating units and at the level of the bureau in U.S.A.I.D./W.
- To conduct progress reviews for the portfolios under their authority and ensure that actions are taken to respond to deficiencies that are uncovered through this process

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APPLICATIONS & IDEAS:

PMC-1:

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MISSION AND OFFICE DIRECTORS

Mission or Office Directors, or other officers with portfolio management authorities, have the following responsibilities:

- To develop a strategic plan in conformance with the requirements set out below.
- To vigorously pursue the strategic objectives defined in that plan.
- To ensure that progress or lack thereof as required by the directives below is reported with integrity and candor.
- To redirect resources from less to more productive activities as may be indicated by analysis of program performance.

LINE OFFICERS

Line Officers with program management responsibilities shall

- Contribute their professional knowledge and judgment to the development of a strategic plan as may be directed by their Mission or Office Director.
- Carry out their programs in conformance with an approved strategic plan.
- Monitor progress toward accomplishing the objectives stated in that plan.

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APPLICATIONS & IDEAS:

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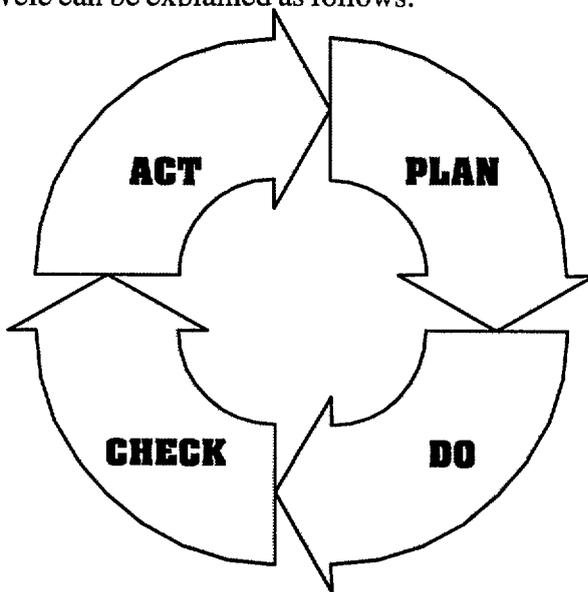
FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- Report on performance in a timely fashion and with integrity and candor, following procedures established in the appropriate mission or office guidelines.
- Develop recommendations for corrective action when program performance is unsatisfactory.

Although this section focuses most on strategic planning, there are, of course, essential activities that follow this planning. Let's take a quick look at where strategic planning fits into the concept of continuous improvement.

The responsibilities of U.S.A.I.D. leadership is structured in such a way as to support a "cycle of continuous improvement" that has been used in industry for several decades. The figure below shows this cycle which is often referred to as the Deming Cycle, Shewhart Cycle, or PDCA Cycle.

This cycle can be explained as follows:



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APPLICATIONS & IDEAS:

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Plan: Planning includes setting direction and strategies. Basically, planning is selecting opportunities for improvement and deciding what to do to take advantage of them.

Do "Do" means to take action, action based on what was planned. Without action, there is no improvement

Check: As action is being undertaken, check that it is providing the expected or needed results. Checking is best accomplished by "measuring" progress. Checking (or monitoring) progress is based on concrete measurable indicators established during planning. This step is important because if the action is not providing the appropriate results, new actions and planning is needed.

Act: Act to standardize the improvements and the processes used to achieve them. Once standardized, the results and processes are more easily repeated, and transferred to other opportunities for improvement.

This cycle, or a very similar variation, has actually been around since the 1920's. Dr. Walter Shewhart developed this cycle at Bell Laboratories. Years later a disciple of Dr. Shewhart's methods, Dr. W. Edwards Deming, introduced this cycle to Japanese industry as they rebuilt following World War II. Around 1980, after phenomenal success stories in Japan, Dr. Deming introduced his ideas to American companies including Ford, GM, and many others.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Now, take a few minutes to review the responsibilities of U.S A.I.D. leadership. Try to find where each is involved with this cycle of the Plan, Do, Check, Act

Now that we have looked at how the Agency and how its leadership sets program strategies, let's take a closer look at the program strategies themselves.

Program Strategy

As presented in the Core Directives, a strategic plan must meet four purposes:

- 1 To Define what strategic objectives will be pursued in the program portfolio, how they will be achieved, and what level of program and staff resources will be required to achieve them.
2. To provide a stable planning framework for directing the work or operational staff, setting budgets, and identifying required U.S.A.I.D./W and other support services over the planning period
- 3 To serve as a basis for agreement on how progress toward broad development objectives will be measured and reported.
4. To inform others, both within and outside U.S A I.D., about the objectives and content of the program portfolio.

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APPLICATIONS & IDEAS:

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CONTENT OF STRATEGIC PLAN

The information contained in strategic plan is that which is needed to meet the four purposes described above. Strategic plans have three major parts. These three parts are briefly described as follows:

PART I: SUMMARY ANALYSIS OF DEVELOPMENT ENVIRONMENT.

This section provides a brief narrative description of key features of the development environment. Examples include:

- Macro-economic and socio-political context
- Overall development prospects
- Analysis of key constraints and opportunities
- Other donor programs
- Accomplishments and lessons learned from prior experience

PART II: PROPOSED STRATEGY, RATIONALE, AND KEY ASSUMPTIONS

This section provides a summary of the proposed program strategy. Information includes:

- A statement of strategic objectives and brief rationale for their selection.
- A summary description of the key problem areas to be addressed in order to achieve the strategic objectives, the programmatic approaches the operating unit proposes to address those problems, and the specific program outcome(s) to be accomplished as a result.

APPLICATIONS & IDEAS:

NOTES:

- The performance indicators against which progress in implementing the strategy can be measured.
- Key assumptions which underlie the expectations that the proposed programs will be successful and will contribute to the stated strategic objectives.

PART III: ACTION PLAN

This section describes the actions needed to implement the strategy in the current fiscal year and the two successive budget years. This section is updated each year and includes the following information:

- For each strategic objective and related program outcome(s), a list of the assistance activities.
- Resource requirements.
- A plan for monitoring and reporting on progress of strategy implementation
- Alternative programming scenarios
- For GFR portfolios, a plan for coordinating activities with field missions.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Changes in Strategic Plans

Continuity in strategic direction is important for program managers, however, changes may be required as a result of:

- Dramatic changes in country conditions.
- Persistent patterns of unsatisfactory program performance.
- Major shifts in Agency program policy.

The AA of the operating bureau will authorize the mission or office to revise their strategic plans and resubmit them for review

NOTES:

APPLICATIONS & IDEAS:

MODULE: Fundamentals of Project Management
MODULE NUMBER: 1.02

TABLE OF CONTENTS

Basic Project Management Concepts	1
Project Life Cycles	5
Conceptual Phase	7
Project Definition Phase	8
Stakeholders	11
Role of the Project Team Leader	13
Leadership Skills	17
Directive and Supportive Leader Behavior ..	18
Leadership Behavior as Problem-Solving/Decision-Making Styles	19
No "One Best" Leadership Style	21
Role of Project Teams	23
Team Members	25
Team Organization Should Be Clear	25
Locate Team Members in One Place	26
Provide a Proper Team Environment	26
The Assignment Should Be Clear	26
Responsibilities of Team Members	27
Performing Project Planning Tasks	31
Roadmap to Project Management Success	32
Work Plan	33
Work Breakdown Structure	35
The Top Down Method	37
The Bottom-Up Method ..	38
Alternative Work Breakdown Structure Formats ..	39
Work Breakdown Structure Coding	40
Project Scheduling	41
Types of Schedules	43
The Use of Milestones ...	46
Network Diagrams ...	46
Project Scheduling Checklist	47

Project Staffing	48
Responsibility Matrix	48
Human Resources Loading	49
Project Budgeting	49
Component Costs	50
Projection of Project Expenditures	51
Performing Project Implementation Tasks	53
Project Control	53
Performance Standards	54
Performance Observation	56
.....	56
Comparing Planned and Actual Performance ...	56
Corrective Action	57
Monitoring and Evaluation	58
Tracking Techniques	64
Project Notebooks	64
Project Progress Reports	65
Change Management	66
Managing Changes	66
Performing Project Closeout Tasks	68
Determining the Need for Closeout	68
Why Terminate	70
Types of Project Termination	71
Projects In Trouble ..	72
Termination Strategies	73
Evaluation of Termination Possibilities ...	75
Project Close Out Meetings	77
Lessons Learned	78
Technical Objectives	78
Cost and Budget.	80
Human Resources.	82
Project Termination.	83
Technical and Managerial Implications.	84

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

MODULE: Fundamentals of Project Management
MODULE NUMBER: 1.02

TERMINAL OBJECTIVE:

Upon completion of this module, the participant will be able to manage a simple project.

ENABLING OBJECTIVES:

In order to accomplish the Terminal Objective, the participant will:

- Explain basic project management concepts
- Explain the role of project teams
- Perform project planning tasks
- Perform project close-out tasks

NOTES:**BASIC PROJECT MANAGEMENT CONCEPTS**

The traditional view of project management is that it provides a focus for using resources to accomplish a specific task. Project management is to some degree found in all organizations. Some examples of ad hoc activities using project management would include:

- Design and build a house.
- Build a health clinic.
- Design, engineer, and construct a civil engineering project such as a highway, bridge, building, dam, canal, etc.
- Design and implement a rural electrification program in a third world country.
- Research new agricultural methods.
- Revise A.I.D Handbooks.
- Implement an economic stabilization program.
- Reorganize A I.D.

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PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Project work in the engineering, architecture, construction, defense, and manufacturing environments is easy to recognize. A new plant, bridge, building, aircraft, or product is something tangible; however, the project model applies to all fields, even to our personal lives. Activities that fit the definition of a project include:

- Producing a stage play
- Writing a book
- Designing and teaching a new course
- Building (or remodeling) a house
- Designing an assistance program

Projects have an impact on the lives of all of us, yet many of us fail to appreciate the influence of project management. In the material that follows, specific examples of project results are given that affect our way of life.

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Most of us accept the notion of projects in our personal lives as the opportunities and problems encountered in our daily living. Projects are important elements of change. Projects are conceptualized, designed, engineered, and produced (or constructed); something is created that did not previously exist. A strategy is executed to facilitate the support of an organization. Projects, therefore, support the ongoing activities of a going concern. For example:

- An R&D project bridges the gap from an existing technology to a future technology
- A pipeline moves oil, gas, or water
- A canal provides a waterway over land.
- A new highway improves transportation systems in a geographical area.
- A new house improves the living standard of a family.

Projects are the leading edge of change in organizations; this change has to be managed, and that is where project management comes into play.

Project management provides for the creation and delivery of something that did not previously exist so that the project meets cost and schedule objectives. Projects are building blocks in the strategic management of organizations that, when conceptualized, designed, produced, and put into a customer's enterprise, facilitates that organization's growth and survival and help it reach its strategic objectives.

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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In a broader sense, a project is something that brings about change in an organization and has:

- Time, cost, and technical performance requirements (or objectives)
- Complexity, scope, or innovation beyond the operational work of the enterprise.
- Significant contributions by two or more functional units of the organization.
- A direct contribution to the success or failure of the enterprise

Projects come in many different sizes that can range from a small project, such as the building a rural health clinic, to a mega-project, such as rebuilding the entire economic infrastructure of a country. Projects play a role in both our professional and personal lives.

During organizational change, the use of project teams can play a key, if not dominant role, in preparing the organization for new operations. Projects are used to capture opportunity in new technology, transfer of existing technology, or economic or political conditions, which leads to enhanced living standards and future growth and survival

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APPLICATIONS & IDEAS:

Project Life Cycles

There are a number of characteristics of a project that are dynamic. This dynamism is manifest in a project, its life cycle, the organizational underpinnings that support the project, the fluid assignment of members on the project team, and the continuing interface of organizational elements. The approaches and examples below illustrate the concept of a project life cycle.

The project life cycle consists of these twelve phases:

- Strategic Planning
- Concept Development
- Feasibility Study
- Concept Revision
- Project Definition
- Requests for Proposal/Proposal Submission
- Contract Issuance
- Physical Execution of the Project
- Project Tracking and Control
- Change Management
- Project Review/Evaluation
- Project Closeout

NOTES:

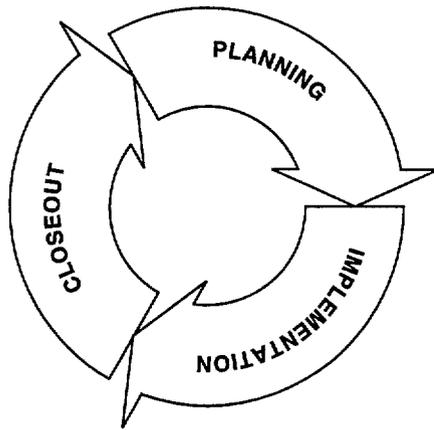
APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Projects, like organizations, always are in motion as each proceeds along its life cycle. Projects go through a life cycle to completion, hopefully on time, within budget, and satisfy the technical performance objective.

Projects can be further simplified into three distinct phases:



- Planning
- Implementation
- Close out

These three phases form the basis of the project management road map, which will be discussed later. The planning phase consists of two parts:

- conceptual phase
- project definition phase

NOTES:

APPLICATIONS & IDEAS:

Conceptual Phase

The conceptual phase provides the opportunity to determine if the project is really worth doing. This is the point where the project is tied to strategic goals and objectives. In A.I.D., this is the point at which activities such as problem analysis, stakeholder analysis, and use of logFRAME occur. A good analysis conducted at this point will provide more information and details on how to properly define and manage the project later. There are ten basic steps to the conceptual phase:

- Determine existing needs or potential deficiencies of existing organizational capabilities
- Establish strategic concepts that provide initial guidance to overcome existing or potential deficiencies
- Determine initial technical, political, legal, social, and economic feasibility of the project.
- Examine alternative ways of accomplishing the project objectives to include alternative projects.
- Provide initial answers to the following questions:
 - ◆ What will the project cost?
 - ◆ When will the project be available?
 - ◆ What will the project do?
 - ◆ How will the project be integrated into existing systems?

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- Identify the human and nonhuman resources that are required to support the project.
- Select the initial project designs that will satisfy the project objectives.
- Determine the initial project interfaces.
- Establish a project team organization.
- Verify the "strategic fit" of the project.

Project Definition Phase

The project definition phase simply tells in more detail what it is we want to accomplish, when we want to accomplish it, how we will accomplish it, and what accomplishing it will cost. The purpose of the definition phase is to establish a broad estimate of the project's cost, schedule, performance objectives, and resource requirements, and whether all work packages, projects, and organizational strategies fit together economically and technically. The definition phase allows the organization to fully conceive and define the project before the organization commits too many resources to the project. Simply stated, the definition phase dictates that we stop and take time to see whether this is what we really want before the resources are committed to put the project into production and operation. The project definition phase provides the opportunity to review and confirm the decision to continue project design and implementation.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

A project manager's opportunity to influence the project and its strategic outcome in the organization are greatest during project definition. Once the project progresses beyond this point, organizational resources (internal & external), host country resources, or other donor resources have been committed, support strategies have been synchronized, and termination of the project is more difficult. Surveillance of the project during this time is critical to determine if the probable outcomes of the project fit into the strategic plan. Cost, schedule, and technical performance risks and uncertainties are greatest during this time. Decisions that are made during and at the end of the project definition might very well cancel further work on the project and redirect organizational resources elsewhere.

Project definitions should include:

- Preparation of final project performance requirements and the project design.
- Firm identification of the human and nonhuman resources required
- Preparation of the detailed project plans that are required to support the project.
- Determination of realistic costs, schedules, and performance requirements
- Identification of those areas of the project where high risk and uncertainty exist, and delineation of plans for further exploration of these areas
- Definition of intersystem and intrasystem interfaces
- Determination of roles and requirements

NOTES:

APPLICATIONS & IDEAS:

NOTES:

- Final design and development of the Project Management System to support the project to include:
 - ◆ the facilitative matrix organization
 - ◆ the cultural ambience
 - ◆ the human subsystem
 - ◆ the planning subsystem
 - ◆ the project management information subsystem
 - ◆ the project control mechanisms
 - ◆ the selection of contemporary state-of-the-art project management concepts, processes, techniques and methodologies.

Key outputs of project definition are: First, the final agreement on the design cost, schedule, and technical performance objectives of the project; second, the suitability of the fit of the project in the enterprise strategy, third, the availability of resources, actual or planned, to support the project during its life cycle; and finally, the adequacy and suitability of a project management system to be used as a philosophy and guide to the management of the project during its life cycle.

Accuracy in the project design is a key consideration of the life cycle of the project. When cost overruns happen, an important alternative to consider is to re-design the project to identify and correct original project design errors.

Project definition is the first and most crucial step in the project planning process. Project definition lays the foundation upon which the project is based. The project definition data is used to perform the project planning tasks that are covered in the project management road maps.

APPLICATIONS & IDEAS:

Stakeholders

A project stakeholder is anyone who:

- Has an interest in the project's success
- Contributes to or is affected by the objectives of the project
- Can influence the problems to which the project responds.

A project manager must realize that the project cannot operate as a self-contained unit, and that the project is dependent upon the various stakeholders for ultimate success or failure. The project manager must communicate with the stakeholders.

A critical step in the project planning process is some form of stakeholder analysis to identify the stakeholders and the amount of influence each one has on the final outcome of the project. Stakeholder analysis can be a very simple listing of stakeholders with a description of the role of each. Complex stakeholder analysis may include identifying each stakeholder according to:

- How the stakeholder values his/her stake or interest in the project.
- The stakeholder's ability to effect action or control of the project.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

Stakeholders have some degree of control over a project. There are basically two levels of stakeholder's control:

- Complete control
- Significant control

Complete control means that the stakeholder has the means, position, and/or contacts that are required to take action that will affect the project objective.

A stakeholder with significant influence has meaningful power to impact the project objective. There are three levels of stakeholder influence.

- Significant
- Moderate
- Low

A stakeholder with significant influence has enough authority to sway the actions that the project manager will take. Moderate influence means that the stakeholder can only apply a modest amount of control or direction. Generally, influence is dictated more by the title and position. A low degree of influence means that the stakeholder has very minimal influence on the project objective.

APPLICATIONS & IDEAS:

Role of the Project Team Leader

The project team leader or the project manager is a manager in the truest sense of the word. In managing he/she operates as the “general manager” of the project as far as the organization is concerned. In executing the managerial task of providing leadership for the project, the project manager is concerned with several key elements of the project activities:

- To organize the people and resources to support the project objectives, goals, and strategies.
- To plan for what resources are required to support the project objectives, goals, and strategy.
- To identify and use relevant information to manage the project.
- To provide leadership for the project team members
- To conduct periodic evaluation of project results and redirect or reprogram resources, as required, to keep the project moving towards its goals and objectives
- To use modern tools and techniques to facilitate the project management process.
- To maintain an awareness of the influence of the organizational cultural ambience in which the project exists.
- To keep the customer informed and happy
- To keep project owner/senior management informed of the status of the project so that they know how well the project fits into their organizational strategies

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Project management enables the responsible levels of A.I.D. management to plan, organize, and control development activity. As a management concept, project management involves the execution of the functions of planning, organization, motivation, direction, and control. Project management includes the management of a project team and coordination with a variety of outside persons, agencies, institutions, and enterprises that have, or feel that they have, a vested interest in the project.

The project manager's role includes:

Planning (What are we aiming for and why?)

- Develop project objectives, goals, and strategies.
- Develop project work breakdown structure.
- Develop precedence diagrams to establish logical relationship of project activities and milestones.
- Develop time-based schedule for the project based on the time precedence diagram
- Plan for the resource support of the project.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Organizing (What's involved and why?)

- Establish organizational structure for the team.
- Identify and assign project roles to members of the project team
- Define project management policies, procedures, and techniques.
- Prepare project management charter and other delegation instruments
- Establish standards for the authority, responsibility, and accountability of the project team.

Motivation (What motivates people to do their best work?)

- Determine project team member needs.
- Assess factors that motivate people to do their best work
- Provide appropriate counselling, and mentoring as required.
- Conduct initial study of impact of motivation on productivity.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Directing (Who decides what and when?)

- Establish "limits" of authority for decision making for the allocation of project resources.
- Develop leadership style.
- Enhance interpersonal skills.
- Prepare plan for increasing participative management techniques in managing the project team.
- Develop consensus decision making techniques for the project.

Control (Who judges results and by what standards?)

- Establish cost, schedule, and technical performance standards for the project.
- Prepare plans for the means to evaluate project progress.
- Establish a project management information system for the project.
- Prepare project review strategy.
- Evaluate project progress.

NOTES:

APPLICATIONS & IDEAS:

44

Leadership Skills

Leadership is an influence process. The project manager is responsible for the motivation and direction of project team members. To carry out these responsibilities requires that the project manager must use leadership rather than mere authority. A project team often is comprised of people from various parts of the organization and the project manager may have very minimal control over the various members of the project team. The project manager must accomplish his/her objectives by influencing the behavior of the project team members.

The primary means of influence in behavior is through leadership style. Leadership style varies a great deal from situation to situation.

The behavior of some leaders is mainly characterized by directing their follower's behaviors in terms of task accomplishment; other leaders concentrate on building relationships. Directing behavior in terms of task is known as directive behavior, while building relationships is supportive behavior. Project managers often use a variation of the two styles to accomplish their objectives. Paul Hershey and Ken Blanchard plotted these two behaviors on separate axes to produce what they call the model of situational leadership. Based on these two axes, they determined that there were the following four basic leadership styles:

- Directing
- Coaching
- Supporting
- Delegating

NOTES:

APPLICATIONS & IDEAS:

45

PMC-1:

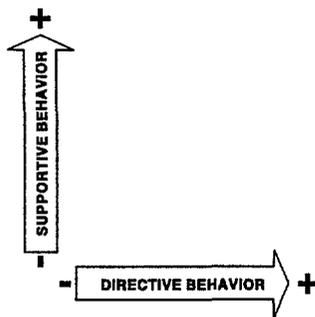
FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

Each of the four leadership styles represents different combinations of directive and supportive leadership behaviors. These combinations differ on three dimensions:

- The amount of direction a leader provides.
- The amount of supportive and encouragement the leader provides.
- The amount of follower involvement in decision making.

DIRECTIVE AND SUPPORTIVE LEADER BEHAVIOR



Directive behavior is characterized by the extent to which a leader engages in one-way communication. How well the leader spells out the follower(s) role and tells the follower(s) what to do, where to do it, when to do it and how to do it, is another element of directive behavior. The directive leader also closely supervises performance. Three words can be used to define **Directive Behavior**: structure, control, and supervise

APPLICATIONS & IDEAS:

46

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Supportive behavior is the extent to which a leader engages in two-way communication, listens, provides support and encouragement, facilitates interaction, and involves the follower(s) in decision-making. Three words can be used to define **Supportive Behavior**: praise, listen, and facilitate.

A directing type of leader is high on direction, low on support. This type of leader defines roles and goals. A directing type of leader provides specific instruction to the follower(s), and closely supervises task accomplishment. A coaching type of leader is high on both direction and support. He/she explains decisions and solicits suggestions from the follower(s), but continues to direct task accomplishment. Supporting type of leader behavior is characterized by high supportive and low directive behavior. The leader and follower(s) make decisions together and then the leader supports the followers' efforts toward task accomplishment. The delegating leader provides low support and direction. He/she turns over decisions and responsibility for implementation to the follower(s).

LEADERSHIP BEHAVIOR AS PROBLEM-SOLVING/DECISION-MAKING STYLES

Leadership style is the pattern of behaviors you use when you are trying to influence the behaviors of others as perceived by them. The basic behaviors to which subordinates respond in assessing your leadership style are based on types of problem-solving and decision-making processes that you use with them. Each of the four leadership styles can be identified with a different approach to problem-solving and decision-making.

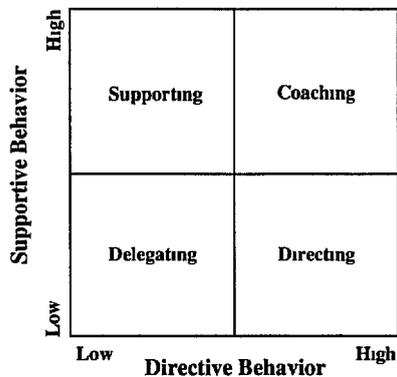
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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

High directive/low supportive leader behavior is referred to as “Directing.” The leader defines the roles of followers and tells them what, how, when, and where to do various tasks. Problem-solving and decision-making are solely initiated by the manager. Solutions and decisions are announced; communication is largely one-way, and implementation is closely supervised by the leader.

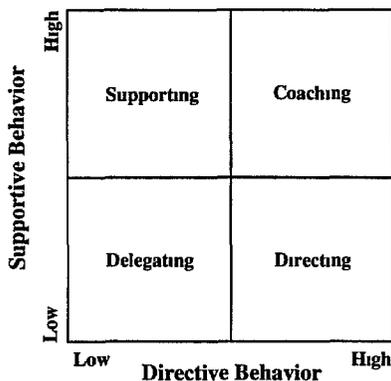


High directive/high supportive behavior (S2) is referred to as “Coaching.” In this style, the leader still provides a great deal of direction and leads with his/her ideas, but he or she also attempts to hear the followers’ feelings about decisions, as well as their ideas and suggestions. While two-way communication and support are increased, control over decision-making remains with the leader.

High supportive/low directive leader behavior (S3) is called “Supporting.” In Style 3 the control of day-to-day decision-making and problem-solving shifts from leader to follower. The leader’s role is to provide recognition and to actively listen and facilitate problem-solving/decision-making on the part of the follower. This is appropriate since the follower(s) has the ability and knowledge to do the task whenever the use of S3 is warranted.

NOTES:

APPLICATIONS & IDEAS:



NOTES:

Low supportive/low directive leader behavior (S4) is labeled “Delegating.” In Style 4, the leader discusses the problems with subordinate(s) until joint agreement is achieved on problem definition and then the decision-making process is delegated totally to the follower. Now it is the subordinate who has significant control for deciding how tasks are to be accomplished. Follower(s) are allowed to “run their own show” because they have both competence and confidence to take responsibility for directing their own behavior.

NO “ONE BEST” LEADERSHIP STYLE

Once it was generally agreed that there were four basic leadership styles that were characterized by varying degrees of directive and supportive behavior, Some writers argued that there was “one best” style - one that maximized productivity, and satisfaction, growth and development in all situations. However, further research in the last several decades has clearly supported the contention that there is no best leadership style. successful leaders are able to adapt their style to fit the requirements of the situation.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

While the need for a situational approach to leadership might make sense, it is not very helpful to practicing managers, who have to make leadership decision every day. If "it all depends on the situation," they want to know when to use which style.

A number of situational variables influence which leadership style will be appropriate in which situation. These variables include timelines, job and task demands, organizational climate, and superiors', associates/peers', and subordinates' skills and expectations. While all these factors and undoubtedly others impact the effectiveness of a particular style, if practicing managers had to examine all of the situational variables that were suggested by theorists before deciding which style to use, they would be immobilized. That is why Hershey and Blanchard based their Situational Leadership approach around the key factor that they found to have the greatest impact on your choice of leadership style - the follower(s). In particular, it was found that the amount of direction or support that a leader should provide depends on the development level that the follower(s) exhibits on a specific task, function, or objective that the leader is attempting to accomplish through the individual or group.

NOTES:

APPLICATIONS & IDEAS:

NOTES:

ROLE OF PROJECT TEAMS

Teams have an important place in our professional and personal lives. But not every group is a team and not every team is effective. In fact, one of our great frustrations is the failure of teams to function smoothly, which can be seen in comments such as “we need to act more like a team,” “the only way we can succeed is to work more like a team,” and “we need more team players.”

A group of people is not a team. **A team is a group of people with a high degree of interdependence geared toward the achievement of a goal or completion of a task.** In other words, they agree on a goal and agree that the only way to achieve the goal is to work together.

For example, “The 10,000 runners in the New York City marathon race have a common goal or purpose, however, they are not a team. They are, in fact, in competition with each other. Teamwork requires interdependence, the working together of a group of people with a shared objective. More specifically, the only way the runners can reach their goal is by competitive efforts.”

Using a track example, a relay team is a good example of a real team. Each member of the team shares a common goal and they must work together to achieve it. All members of an 800-meter relay team must do their part by running fast, passing the baton skillfully, and encouraging each other. While one person could win the 800-meter distance, a team of four people, each responsible for 200 meters, will win most of the time. The potential for teamwork exists in the relay team. However, success will be dependent upon the degree to which they behave like an effective integrated team.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The unique characteristics of an integrated team is the interdependence of its members and the satisfaction and pleasure that team members derive from their association with the group. Specifically, some of the more important characteristics of a fully integrated team are.

- Satisfaction of individual needs
- Shared interests.
- Strong sense of belonging
- Pride and enjoyment in group activity.
- Commitment to team objectives.
- High degree of intragroup interaction.
- Strong performance norms and result-orientation.

NOTES:

APPLICATIONS & IDEAS:

52

NOTES:

Team Members

Staffing a project is the first major milestone in the project formation phase. In A.I.D. the project manager has little choice, if any, of who will be on the project team. Team composition is generally determined by organizational structure. People who sit in particular positions within the organizational structure are automatically included as part of the team.

During the initial stages of team formation, it is important for the project leader to keep a close eye on the team and its activities to detect problems early and to correct them. The project manager also can influence the climate of the work environment by his or her own actions. The manager's concern for project team members, the ability to integrate personal goals and needs of project personnel with the project objectives, and the ability to create personal enthusiasm for the work itself can foster a climate that is high on motivation, work involvement, and resulting project performance.

TEAM ORGANIZATION SHOULD BE CLEAR

Project team structures are often considered very "organic" and inconsistent with formal chain-of-command principles. However, individual task responsibility, accountability, and organization interface relations should be clearly explained to all team members. A simple work breakdown structure or task matrix, together with some discussion, can facilitate a clear understanding of the team structure, even with a highly unconventional format.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

LOCATE TEAM MEMBERS IN ONE PLACE

Members of the newly formed team should be closely located, if possible, to facilitate communications and the development of a team spirit. Locating the project team in one office area is the ideal situation. However, this may be impractical, especially if team members share their time with other projects or if the team includes representatives from the host country and/or other donors. Regularly scheduled meetings are recommended as soon as the new project team is being formed. These meetings are particularly important where team members are geographically separated and do not see each other on a day-to-day basis, as may be the case when the project consists of internal and external teams.

PROVIDE A PROPER TEAM ENVIRONMENT

It is crucial for management to provide the proper environment for the project to function effectively. At the onset of the program, the project leader needs to tell the management what resources are needed. The project manager's relationship with senior management support is critically affected by his or her credibility and the visibility and priority of the project.

THE ASSIGNMENT SHOULD BE CLEAR

Although the overall task assignment, its scope, and objectives might have been discussed during the initial sign-on of the person to the project, it takes additional effort and involvement for new team members to feel comfortable with the assignment. The thorough understanding of the task requirements comes usually with the intense personal involvement of the new members with the project team. Such

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

involvement can be enhanced by assigning the new member to an action-oriented task that requires team involvement and creates visibility, such as a requirements analysis, an interface specification, or productivity study. In addition, any committee-type activity, presentation, or data gathering will help to involve the new team member, and will enable them to better understand the specific task and his or her role in the overall team effort.

Responsibilities of Team Members

The number one responsibility of a team member is to be a team player. Being a team player is a way of life. There are many ways that people in organizations can contribute to the success of a team but, in the past, we have had a limited, often one-dimensional view of the team player.

In sports, the team player throws the great block that allows the halfback to score the winning touchdown, makes the beautiful pass that leads to the important basket, or "plays hurt" in the championship game.

In the project setting, the team player supports the goals of the project without making waves, does the behind-the-scenes work that is necessary for project success.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

We now know that teamwork and being a team player are more complex. The project teams at Chrysler who are designing and manufacturing new models, the drug development teams at Merck who are bringing new compounds to market, the development assistance teams at the World Bank or A.I.D. all require a rich combination of the dimensions of effective teamwork. Although all of the elements are not present in every case, a few characteristics stand out:

- A clear mission and a plan to accomplish the mission.
- Positive relationships with and support from other parts of the organization
- Excellent communication, openness, and trust among team members.
- A blend of people, each contributing a special talent

Teamwork requires team players. Effective teamwork is based upon an effective mix of people who exhibit a variety of styles or approaches to teamwork. In our description of the characteristics of an effective team, we called this style diversity.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Another responsibility is that of shared leadership. All teams have a formal leader. A variety of titles are used to designate the position: manager, supervisor, coach, chairperson, coordinator, captain, director, or, simply, the boss. Traditionally, we give a great deal of authority and, accordingly, much responsibility to the leader for the success of the team. This is just plain wrong. Over the long haul, a team will not be successful if the leader carries the sole responsibility for ensuring that the team reaches its goals. Leadership of a team must be shared among team members. Everyone must feel and take responsibility for meeting the task and process needs of the team. If the team fails, everybody fails. This is one of the most important concepts of team effectiveness, but it is also the most difficult to teach.

In its most basic form, leadership is any action that helps a team to reach its goals. Members of successful teams use words such as our and we when referring to their teams.

In successful teams, leadership is shared. While the formal leader has certain administrative, legal, and bureaucratic responsibilities, leadership functions shift from time to time among team members, this shift, depends upon the needs of the group and the skills of the members. Behavioral scientists have categorized these functions as task responsibilities and process responsibilities.

As the name implies, task responsibilities are actions that help the team to reach its goal, accomplish an immediate task, make a decision, or solve a problem. Teams tend to be most effective in this area because, by training and temperament, people are more task oriented. Most role models and most training in education and business settings focus on what to do to accomplish a task. Consider all the books and workshops on such topics as time management, meeting planning, and goal setting.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

For process responsibilities, the emphasis is on how we go about accomplishing our task. It is the interpersonal glue that helps maintain or, better yet, exploit all of the team's resources. On the whole, teams tend to be less process oriented because traditional training stresses such axioms as "The end justifies the means" and "Winning is everything." Effective teams, however, know that the quality of their decisions is impacted by the manner in which they make their judgments

Team players can help establish the norm of shared leadership by ensuring that both the task and process functions are addressed by the team.

APPLICATIONS & IDEAS:

PERFORMING PROJECT PLANNING TASKS

The most important phase for a project's success is the Planning Phase. The purpose of the Planning Phase is to:

- Determine project deliverables and measurable success indicators.
- Determine the tasks to be completed during project execution.
- Schedule those tasks.
- Allocate human resources.
- Set a project budget.

Project planning deals with the determination of what activities and what resources have to be utilized to ensure that the project is adequately executed. Authority, responsibility and accountability have to be planned so that members of the project team know their specific role and how they relate to other members of the project team who are involved in executing work package activity. Key questions are:

- When is the activity due?
- What is the time duration of each activity?
- What human and nonhuman resources are needed to execute each activity on the project?
- What are the estimated costs and how are the budget and financial plans to be established to support the cost considerations of the budget?
- It is consistent with the objectives/mandate of the organization.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Roadmap to Project Management Success

The goals of the Roadmap to Project Management Success are:

- To meet customer expectations of quality, schedule, and budget.
- To work within organizational constraints of policies, procedures, and resources (human, material, equipment, facilities).
- To continuously improve the process by making better use of lessons learned, leadership skills, and human resources, etc.

There are many tools that can be used by project managers to help them follow the Roadmap to Project Management Success. However, because of the spectrum of projects that are managed by A.I.D., not all tools are appropriate for every project. The application of specific tools to specific projects has historically been an unconscious process.

To encourage the conscious selection of appropriate project management tools, a Project Management Checklist (Included with Work Aids) was developed. The Project Management Checklist should be completed by the project manager as the first step in the planning process.

The use of all the other tools is optional and should be based on:

- Project size and complexity.
- Project manager's experience.
- Stakeholder's expectations.
- Contract commitments.

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Refer to the foldout:
Roadmap to Project
Management Success
in the back of the book.

APPLICATIONS & IDEAS:

Work Plan

The work plan is the first step in the project planning phase and also may be used as a contract stating what will be delivered, by whom, and when. A standardized form can facilitate gathering pertinent project information and can promote effective communication among project stakeholders.

The work plan should identify the following key information.

- The Completion Date.
- The Contributors (write the names of the people who were involved in developing the work plan).
- The Immediate Customer (your boss, your host country counterpart, your agency, etc.).
- The Final End-User (always keep the end-user in mind).
- The Project Title (the project title should be a short concise statement that defines the project)
- Project Background (information pertains to the history of a project)
- Project Deliverables (the project outputs).
- Measurable Success Indicators (information that tell if your project is successful)
- Customer Support (items and services to be supplied by the customer).
- Project "What If" Plan.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Work plans are often misinterpreted because of imprecise language. Such imprecision can lead to budget and schedule overruns. Other causes of misinterpretations can include:

- No pattern, structure, or chronological order to the Statement of Work form.
- Use of "weasel" words (examples - maximize, minimize, optimize).
- Wide variation in the detailed description of work to be performed.
- Failure to get a third party review.

One of the best advantages of a well-written Statement of Work is that it can make the rest of the planning phase and the implementation phase easier. The following is a checklist for writing a work plan.

Be sure your work plan answers the following questions:

- What is the purpose (the goal) of the project?
- Why is the project to be done?
- Who is the initial customer?
- Who is the end-user (final customer)?
- What are the tangible end products (deliverables) to be delivered to the initial customer?

NOTES:

APPLICATIONS & IDEAS:

- Have the technical requirements for the deliverables been identified?
- What is the available budget?
- Have training needs been addressed?
- What kind of support is required from the customer?

Work Breakdown Structure

The Work Breakdown Structure is a systematic, graphical approach for dividing the project into the tasks that are required to complete the project.

A project manager structures the work into small, manageable elements, or tasks, in which:

- The work can be controlled.
- Authority, responsibility, and accountability can be clearly assigned.
- Progress can be measured.

A Work Breakdown Structure is a product-oriented, not time phased, task hierarchy of the work to be done. The Work Breakdown Structure is built by identifying the tasks that need to be done to complete the project. This is accomplished by means of a needs assessment or a task analysis.

A Work Breakdown Structure consists of a series of elements at different levels, which is shown as boxes, with a description of the element in the box.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In the first level, there is only one box, that describes the end product. The information in the first box is sometimes referred to as the "work objective."

At the next level, the boxes represent the elements that must be done to deliver the end product. The elements can be deliverables, interim deliverables, or just a logical "chunk" of work for the project. Elements are defined by nouns. Work Breakdown Structure is the process of successively breaking down the work that has to be done and identifying the work elements in progressive levels of detail

At the end of the process, the smallest units of work are referred to as activities or tasks. The units of work are defined by action verbs.

At the activity level, the detail is such that a determination can be made of:

- **WHO** will be the responsible person or organization.
- How much **TIME** the activity will take.
- The **COST** associated with accomplishing the activity
- How to **TRACK** the progress of the project.

Generally, a Work Breakdown Structure will have no more than three levels. The Work Breakdown Structure is hierarchical in that all activities below a box, or element, must be completed before the element is completed

NOTES:

APPLICATIONS & IDEAS:

6/2

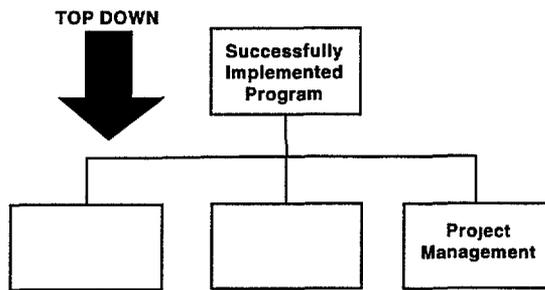
PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In some cases, where the Level III activities and tasks are large enough in scope, an "activity" may actually become a "project" for a team member. Thus that team member would be responsible for making a project plan for that "activity."

There are two main methods that are used to develop a Work Breakdown Structure. The two methods are sometimes combined.

THE TOP DOWN METHOD



The first method is called the "top-down method, (or outlining approach). The Top Down Method is a deductive approach. The following steps describe the process for developing a Work Breakdown Structure using the Top Down Method:

- 1 Start with the end product.
2. Break the end product down into major elements that are logical groupings, or possibly, the project deliverables.
- 3 Divide each major element into any sub-elements or activities

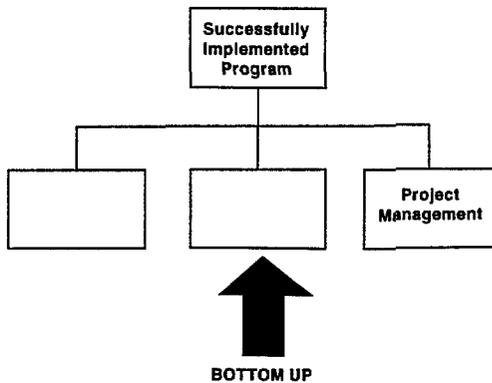
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APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

THE BOTTOM-UP METHOD



The second method is called the "bottom-up" method (or brainstorming approach). The following steps describe the basic process for developing Work Breakdown Structure using the Bottom-Up Method

1. Write all of the tasks that are associated with the project.
2. Logically group them according to similarities.

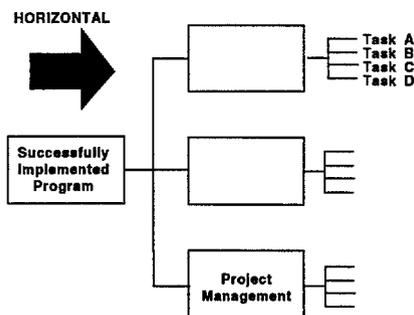
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APPLICATIONS & IDEAS:

ALTERNATIVE WORK BREAKDOWN STRUCTURE FORMATS

The Work Breakdown Structure format previously discussed is similar to that of an organizational chart. There are other methods of Work Breakdown Structure besides the top-down and the bottom-up methods.

The first alternative method is very similar to what we have seen. This method simply turns the diagram on its side.



The second method follows an outlining format. One reason that this method is becoming more common is because many project management software packages use an outlining approach.

In the outline approach, the elements are shown as roman numerals and the activities, or tasks, are shown as letters. The sub-tasks are shown as Arabic numerals. In some software packages, the numbers and letters are not used. Indentations are used to show the different levels.

NOTES:

APPLICATIONS & IDEAS:

WORK BREAKDOWN STRUCTURE CODING

An effective means of organizing a work breakdown structure is to use a standardized alphanumeric coding schemes for work breakdown structure activities. For example, "Obtain budget approval" may be number 34522 for an organization. This code may be used for several different projects at the same time. Standardized alphanumeric coding often is used by the finance/accounting divisions to track costs that are associated with all projects. Proper coding allows a project manager to summarize, sort, and filter project data to provide meaningful information to the project stakeholders.

Rules of Thumb

A couple of rules of thumb for creating Work Breakdown Structures might be helpful. Keep in mind that these are not rigid rules, merely guidelines.

The first rule of thumb establishes the total number of activities, or tasks, that you should have in a project.

- For ease of control and management, a project manager should focus on 20 to 30 tasks.
 - Focus on 20 to 30 tasks during a given time period, or
 - Focus on 20 to 30 summary tasks.

The second rule of thumb addresses the "size" of a task, which could be reference to time or budget.

- For maximum control, an individual task in a Work Breakdown Structure should represent no more than 0.5 to 2.5 percent of the total project budget or the total project duration.

NOTES:

APPLICATIONS & IDEAS:

Project Scheduling

A key output of project planning is the project master schedule, and the supporting schedules. These schedules are a graphic time representation of all necessary project-related activities. The project schedule establishes the time parameters of the project and helps the managers to effectively coordinate and facilitate the efforts of the entire project team during the life of the project. A schedule becomes an effective part of the project control system. For a project schedule to be effective, it must be:

- Understandable by the project team.
- Capable of identifying and highlighting critical work packages and tasks.
- Updated, modified as necessary, and flexible in its application.
- Substantially detailed to provide a basis for committing, monitoring, and evaluating the use of project resources.
- Based upon credible time estimates that conform to available resources.
- Compatible with other organizational plans that share common resources.

NOTES:

APPLICATIONS & IDEAS:

5/9

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

A project schedule helps the project manager see the “pushes and pulls” of a project. A project places the project activities in sequential order. Examples of other ways a schedule can help in Project Management Success are

- Anticipate events that can impact the project.
- Determine controlling sequence of activities
- Consider known resource limitations.

The type of schedule used at any given time depends on the complexity of the project and the various audiences.

Most project managers use different versions of a schedule at any given time, depending on whether the audience is:

- Upper management.
- Project team members and suppliers.
- Project customer or sponsor

The project manager should involve these stakeholders in the creation of the schedule.

NOTES:

APPLICATIONS & IDEAS:

10

TYPES OF SCHEDULES

There are three types of schedules commonly used:

- Bar, or Gantt, charts provide a graphical representation of the project schedule
- Milestone charts indicate the major project events within the schedule that occur at a certain point in time
- Network diagrams show a logical sequencing of a project's activities.

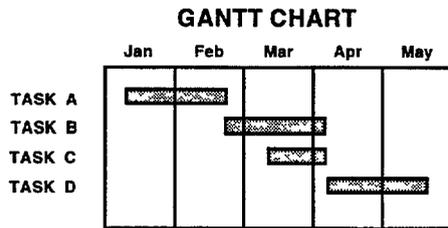
These three schedule types can supply one or more of the following types of information about the project

- Time
- Milestones
- Interdependencies
- Critical path

NOTES:

APPLICATIONS & IDEAS:

Gantt Charts



Gantt charts show the relationships among the project tasks, within the given time constraints. This type of chart has a calendar or time line in its x-axis, and activities in the y-axis. A bar is used to represent duration of the activity and is placed on the chart to show accurate start/stop times. Gantt charts are:

- Simple to construct
- Easy to interpret
- Good for management reporting

Performance Comparison Charts

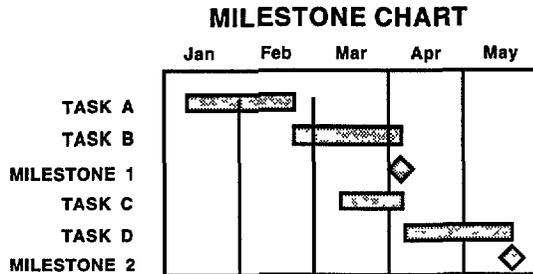
A way to extend the application of Gantt charts is by comparing the performance of activities. In this case, a hollow bar is drawn to represent the duration and start/stop of the activity, and shading is used to indicate the status of activity completion to date.

NOTES:

APPLICATIONS & IDEAS:

72

Milestone Charts



Another way to extend the application of Gantt charts is by charting scheduled milestones.

A milestone chart is a specialized form of Gantt chart that shows milestones rather than activities. In some cases though, both milestones and activities are shown on the same chart.

Milestones are selected based on.

- Importance for monitoring project.
- Ability to control course of future work
- Availability of key personnel and facilities/equipment.
- Key decisions.

NOTES:

APPLICATIONS & IDEAS:

THE USE OF MILESTONES

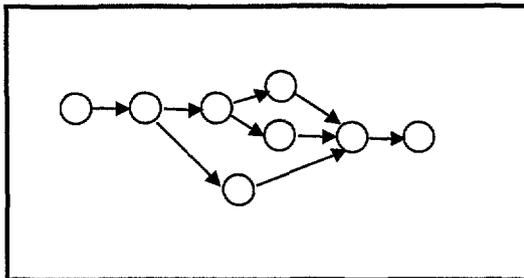
Milestones are event based, rather than time based, flags to the project manager, project director, and the client.

Milestones can be used to trigger internal project meetings, internal or client based project reviews, or the preparation of project progress reports.

If well selected during the planning process, milestones can help project and functional management monitor and support successful project completion. Typical events selected are the completion of a specific task (like a pilot module or procedure), percent spent (internal project review when 30% spent), and percent complete (client project review when 50% of the project is complete).

NETWORK DIAGRAMS

NETWORK DIAGRAM



Network diagrams show a logical sequencing of a project's activities in terms of:

- The planned flow of effort of the activities.
- The relationships between the activities

NOTES:

APPLICATIONS & IDEAS:

24

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The completed network is used to determine the project's total duration.

There are two methods used to construct a network diagram:

- The Arrow Diagram Method in which activities are represented by arrows.
- The Precedence Diagram Method in which activities are represented by boxes.

PROJECT SCHEDULING CHECKLIST

Check your Gantt chart and Network diagram to see if you can answer "yes" to the following Do they:

- List of all the activities in the Work Breakdown Structure?
- Identify the interdependencies between tasks?
- Provide a clearly defined start and end date for each task?
- Remain flexible enough to allow a change in the scope of effort?
- Appear to be easy to understand?
- Provide a means for keeping the information updated and current throughout the course of the project?

NOTES:

APPLICATIONS & IDEAS:

Project Staffing

The make up of the project team is crucial to project success. There are several staffing responsibilities that are required of the project manager:

- Developing a responsibility matrix.
- Determining staff loading.
- Resource leveling.

RESPONSIBILITY MATRIX

A responsibility matrix is used to keep track of project-related responsibilities among the project team. The responsibility matrix is a matrix-type chart with the project team members charted against the project responsibilities. Various symbols can be used to differentiate frequency or level of responsibility.

Developing responsibility matrices for each major element or activity from the Work Breakdown Structure can serve two purposes:

- To determine the preliminary project staffing needs.
- To clearly communicate project responsibilities.

NOTES:

APPLICATIONS & IDEAS:

HUMAN RESOURCES LOADING

Human resource loading techniques are used to plan the scheduling of available resources so that the project deliverables are produced on time and within budget.

A human resource loading chart is a vertical bar chart that show the number of a particular resource available per time period. The Staff Loading Chart is created by summing the resources per time period as listed on the modified Gantt chart.

Project Budgeting

A major responsibility of the project manager is developing and adhering to a budget for the project. Often he or she will be rated a success or failure as a project manager according to whether the project comes in under budget, on budget, or over budget. Overshooting the budget can have serious consequences for . An overrun may lead to a serious drain of organizational resources and may limit the ability of the mission to meet other needs or fund a particular program.

In view of the importance of budgeting, it is not surprising to find that most organizations focus much of their management attention on the budget. Consequently, most organizations have well-developed budgeting techniques that are custom-made for the organization's particular environment and operating style. In this section, we will briefly outline some of the basic principles that are common to most organizational approaches to project budgeting.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

COMPONENT COSTS

Project costs are typically made up of four components: direct labor costs, overhead, fringe benefits, and other direct costs. **Direct labor costs** are determined by multiplying the worker's hourly (or monthly) wage by the amount of time that he or she is expected to spend on the project. In most service projects, direct labor costs are the largest, single component of project cost.

Overhead costs are the typical expenses incurred in maintaining the environment in which the workers function. Included here are the costs of paper clips, other office supplies, the electric bill, rent, and, frequently, secretarial expenses. It should be noted that what might be treated as an overhead expense in one organization may be given different treatment in another. Consider that in an organization that does not typically use secretarial services, secretarial expenses might be included as a direct labor expense. Overhead costs tend to be relatively fixed in relation to direct labor costs. For example, if labor costs increase by 50%, overhead costs similarly tend to increase by 50%.

Fringe benefits are non-salary benefits that are derived by the worker from the organization. Fringe benefits include the employer's contribution to the worker's Social Security payments. Depending on the organization, they may also include employer contributions to the workers's health insurance, life insurance, profit sharing plan, stock options, bonuses, university tuition, and so on. Fringe benefit expenses are clearly directly proportional to direct labor costs.

NOTES:

APPLICATIONS & IDEAS:

28

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Other direct expenses are project-specific expenses that the organization does not incur with any obvious regularity. Project travel expenses, purchases of special equipment, computer time, and report reproduction costs are typical items in this category.

Estimating a budget for a project is closely tied to estimating the direct labor costs needed to carry out project tasks. Overhead costs and fringe benefit expenses are linked to direct labor costs. If we know what the direct labor costs are, we can readily estimate total project costs if auxiliary costs have been determined

An unfortunate reality of project management is that as the project is carried out, there is an ever-looming threat that project costs will be exceeded. To cope with this threat, project managers often build some "fat" into their cost estimates. One frequently used procedure is to make as realistic an estimate as possible of project costs and then to multiply this estimate by some "fudge factor" in order to take into account unanticipated problems.

PROJECTION OF PROJECT EXPENDITURES

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In order to have a good sense of how project expenditures will be made over time, it is often helpful to create a week-by-week (or month-by-month) projection of project expenditures. These expenditures will vary from reporting period to reporting period, depending on the level of activity in the project. If one were to plot out these expenditures on a graph, one would be likely to have a jagged chart with peaks and valleys. It is difficult to glance at such charts and make much sense of them because of their irregularities. Consequently, a common practice in making projections of project expenditures is to create a chart of cumulative expenditures. Each month's expenditures are added to the previous month's expenditures and, in this way, a smooth nondecreasing curve is generated. These curves are easy to understand at a glance. It is easy to see from the planned and actual cumulative budget curves those occasions when the project is spending more than planned and those when it is spending less.

NOTES:

APPLICATIONS & IDEAS:

PERFORMING PROJECT IMPLEMENTATION TASKS

Project implementation is the key to project success. The project team and the project officer in particular must be skilled in implementation tasks. This section will cover the following implementation tasks:

- Project Control
- Tracking Techniques
- Change Management

Project Control

The final management function carried out by the project team is control, which is presented in this chapter. Control is the process of monitoring, evaluating, and comparing planned results with actual results to determine the status of the project cost, schedule, and technical performance objectives. Control also is the constraining of resources through corrective action to conform to a project plan of action. Monitoring and control are universal activities that are indispensable to effective and efficient operation of the control cycle.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Control is a fact-finding and remedial action process to facilitate meeting the project objectives and goals. The primary purpose of project control is not to determine what has happened (although this is important information), but rather predict what may happen in the future if present conditions continue and if there are no changes in the management of the project. Project control enables the project manager to manage the project in compliance with the plan. The basis of effective project monitoring, evaluation, and control is an explicit statement of the project objectives, goals, and strategies that provide performance standards against which project progress can be evaluated.

There are several distinct steps in the steps in the project control cycle, these steps, in one sense, are independent. In another sense, they are interdependent in the execution of project control.

PERFORMANCE STANDARDS

Project performance standards include the expectations for the project such as the project objectives, project goals, and strategies. The strategies relate to project cost, schedule, and technical specifications. Some key standards in project control include:

- Scope of work
- Projection specification
- Work breakdown structure
- Cost estimates and budgets
- Master and supporting schedules

NOTES:

APPLICATIONS & IDEAS:

82

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- Financial forecasts and funding plans
- Quality
- Project owner satisfaction (strategic fit)
- Project team satisfaction
- Senior management satisfaction
- Stakeholder satisfaction
- Reliability
- Physical quantities of work
- Vendor/contractor performance
- Project management
- Innovation
- Resource utilization
- Productivity

It is important to recognize that performance standards are derivatives of project planning, which keynotes again the basic (but often forgotten) principal that proper planning facilitates proper control.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

PERFORMANCE OBSERVATION

Project performance must be sensed, and that is where performance observation comes into play. Performance observation is the receipt of sufficient information about the project to make an intelligent comparison of planned and actual performance on the project. Information on project performance can come from many sources, both formal and informal. Formal sources include reports, briefings, participation in review meetings, letters, memoranda, and audit reports. Informal sources include casual conversations, observations, and listening to the inevitable rumors and gossip that goes on within the project team and in other parts of the organization. Talking and listening to the project stakeholders can be a useful source of information on the project's status. Informal meetings for lunch or coffee breaks can help to provide the total information "system" the project manager needs to have to know fully what is going on. Both formal and informal information sources are needed to keep up with the project's status. Feedback during performance observation consists of relevant data on the result of the project management process and provides the basis for making a judgment on performance through doing comparative analysis.

COMPARING PLANNED AND ACTUAL PERFORMANCE

Comparing planned and actual performance based on the desired project standards gives the opportunity to get answers for two key questions about the project:

- How is the project doing?
- If there are deviations from the project plan, what caused these deviations?

NOTES:

APPLICATIONS & IDEAS:

84

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Assessment of the project's status is an ongoing responsibility of the project team and the senior managers. Information that is obtained by performance observation is compared with the performance standards that are laid down in the project plan and when analyzed, forms the basis for reaching a judgement about the project's status and whether or not corrective action is required.

CORRECTIVE ACTION

Corrective action can take the form of replanning, reprogramming, reallocating resources, or changing the way the project is managed and organized. The corrective actions that are available to the project manager center around the cost, schedule, and technical performance parameters of the project. The project owner may have finalized one or more of these parameters. Correcting a problem with one of the parameters of the project may have reverberations on one or both of the other parameters. Such potential reverberations should be considered by the project team when the alternatives for corrective action are being studied.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

MONITORING AND EVALUATION

Monitoring and evaluation are integral to control, and are key companions of the control function. Monitoring means to keep track of costs and also check systematically all project activities. Monitoring enables the evaluation, an examination and appraisal of how things are going on the project. As a direct link between planning and control, the monitoring and evaluating functions provide the information for the members of the project team to make informed decisions about the project performance. Monitoring should be designed so that it addresses every level of management that requires information about project performance and reflects the work breakdown structure of the project. Each level of management should receive the information it needs to make decisions about the project. In addition, monitoring should be consistent with the logic of the planning, organizing, directing, and motivating systems on the project.

Key project control questions that the project manager should address are:

- Where is the project with respect to schedule, cost, technical performance, objectives and goals?
- Where are the project work packages with respect to schedule, cost, technical performance, objectives, and goals?
- What is going right on the project?
- What is going wrong on the project?
- What problems are emerging?

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- What opportunities are emerging?
- Does the project continue to have a strategic fit with the goals of the mission?
- Is there anything that should be done that is not being done?
- Are the project "stakeholders" comfortable with the results of the project?
- How is the project customer image - is the customer happy with the way things are going?
- Has an independent project evaluation been conducted?
- Is the project being managed on a total "project management systems" basis?
- Is the project team an effective organization?

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Monitoring means to make sure sufficient information is gained on the status of the project so that an accurate and timely evaluation can be conducted of the project. Monitoring makes it possible to make adjustments immediately through out the project, if needed. Several questions have to be addressed by the project team in considering their monitoring and evaluation responsibilities:

- What to monitor and evaluate?
- What monitoring tools to use?
- When to monitor and evaluate?
- Who should monitor and evaluate?
- Where should the monitoring and evaluation be carried out?

All activities affecting the project and its stakeholders should be monitored and evaluated. A framework for doing the evaluation can consist of a series of key questions about the project which must be answered on an ongoing basis. If the project team can ask and get timely, credible answers to these questions, then the chances of knowing the project's true status are considerably enhanced.

Questions of this type can be used during regularly scheduled project review meetings to motivate discussions among the project team members, and to encourage the team to think retrospectively as well as prospectively about the project. Such thinking will prompt the team members to evaluate the project. Project review meetings should be held regularly by the project owner, senior managers of the project organization, the project team, and the project professionals.

NOTES:

APPLICATIONS & IDEAS:

NOTES:

A key question in reviewing any project is the degree of success that the project management team has had in the development of an integrated project management system for the project. Project evaluation must address the parts of the project (the subsystems) and the total project. The evaluation results should be expressed in terms of attainment of the project's technical performance objective, completion schedules, and final cost.

You should use management related activities to address representative key questions to evaluate the project. Assuming that a project management functions viewpoint is used as a baseline for evaluating a project, what should be measured?

Project Planning

1. Are the original objectives and goals realistic?
2. Is the plan for the availability of project resources adequate?
3. Are the original project schedule and budget realistic?
4. Is the plan for the organization of the project resources adequate?
5. Are there adequate project control systems?
6. Is there an information system for the project?
7. Were key project stakeholders brought into project planning?

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

8. Was facility planning adequate?
9. Was planning completed before the project was initiated?
10. Were potential users involved early in the planning process?
11. Was there adequate planning for the use of such management tools as project control networks (CPM/PERT), project or study selection techniques, information systems, etc.?

Project Organization

1. How effective is the current organization structure in meeting the project objective?
2. Does the project manager have adequate authority?
3. Is the organization of the project office staff suitable?
4. Have the interfaces in the matrix organization been adequately defined?
5. Do key project stakeholders understand the organization of the project office?
6. Have key roles been defined in the project?

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Program Management Process

1. Does the project manager adequately control project funds?
2. Are the project team personnel innovative and creative by suggesting project management improvements?
3. Does the project manager maintain adequate management of the project team?
4. Do the project team people get together on a regular basis to see how things are going?
5. Does the project office have an efficient method for handling engineering change requests?
6. Does the project staff seek the advice of stakeholders on matters of mutual concern?
7. Have the project review meetings been useful?

Project Accomplishments

1. To what extent have the original project goals been achieved?
2. How valuable are the technical achievements?
3. How useful are the organization/management achievements?
4. Are the project results useful in accomplishing organizational objectives?

NOTES:

APPLICATIONS & IDEAS:

5. Are the results being implemented?
6. Are the users being properly notified?
7. Is the customer happy with the project results to date?

Tracking Techniques

Two tracking techniques that are especially important in tracking your project's progress are project notebooks and project progress reports.

PROJECT NOTEBOOKS

Project managers usually accumulate a large volume of documentation during a project. A project notebook can provide a place to organize that documentation to be used as a quick reference.

A three-ring binder with tabbed sections is a useful setup for a project notebook. Suggested tabs include:

- Project plan: Statement of Work, Work Breakdown Structure, schedule, budget.
- Progress reports.
- Contact logs.
- Meeting minutes.
- Contractual documents.
- Other documents.

NOTES:

APPLICATIONS & IDEAS:

PROJECT PROGRESS REPORTS

Project progress reports are one of the best ways to track the progress of your project. Project progress reports are used to monitor the activities and compare them to your schedule and budget. Periodic progress reports should contain the following types of information:

- Status of project activities
- Schedule
- Budget
- Milestones met, missed, due
- Important meetings, correspondence
- Release or delivery of deliverables
 - ◆ Reports
 - ◆ Specifications
 - ◆ Designs

Summarize the progress of the tasks during the reporting period by noting:

- Which tasks have been completed
- Which tasks are started
- Which tasks are ready to start
- Reasons for discrepancy from the schedule

List the memos and letters sent out during the reporting period. From the Gantt chart, summarize the activities that are planned for completion during the next reporting period.

NOTES:

APPLICATIONS & IDEAS:

63

Change Management

Change management involves the use of existing information to make decisions as changes occur in a project. The project plan can help you anticipate the consequences of change and prepare a "what if" plan to handle those changes.

MANAGING CHANGES

Changes in a project can be handled by two approaches. Changes are at a low level, and can be handled by the project team members. In this case, a project manager should start that change management process by calling a team meeting.

- Explain the issue or change.
- Ask each team member how the issue or change will impact them.
- Ask for suggestions for a course of action.
- Document the issue or change and proposed action in a progress report or memo.
- Send to the appropriate personnel for approval.
- After approval is received and the work is authorized, implement your plan for the change.

A project manager must react to changes, analyze the impact on the project, and select the best course of action.

High level changes are made at a level of management above the project manager. A project manager must be able to present the right information so that the "best" decision can be made by management.

NOTES:

APPLICATIONS & IDEAS:

94

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

When presenting corrective action options, a project manager should include information on the impact of the course of action on:

- Budget
- Quality
- Schedule
- Other programs

Providing several options sometimes helps managers better understand the results of their decision. Organizing the information properly is important.

Using a "Decision Matrix" allows managers to weigh all the options. A decision matrix helps them ask the right questions. The matrix, used in conjunction with the project plan (Statement of Work, schedule, resource loading, and budget), provides a summary of several options and their impact.

The "Decision Matrix" also can be used to facilitate project team decisions.

If a project manager takes over a project in its implementation phase, two very important things for the project manager to ensure a smooth transition are:

- Review the project to date.
- Develop a new project plan (if none exists) from the current date to completion, with input from your project team (or evaluate and revise an existing plan)

NOTES:

APPLICATIONS & IDEAS:

NOTES:**PERFORMING PROJECT CLOSEOUT TASKS**

Project closeout tasks are often overlooked or at the very least, not given enough emphasis or importance. The project officer should be knowledgeable in the following areas:

- Determining the need for closeout
- Types of termination
- Project closeout meetings
- Lessons learned

Determining the Need for Closeout

Projects usually are closed out (terminated) for two basic reasons: project success or project failure. Senior managers who “own” the project and who see the project as a building block in the design and execution of organizational strategy must create a cultural ambience that encourages projects to be successful, but also allows a project to fail if it has lost its “strategic fit” in the organizations’ plans for the future. Considerations in the termination of a project are dealt with in this chapter.

Project success means that the project has met its cost, schedule, and technical performance objectives and has been integrated into the customer’s organization to contribute to the customer’s mission. A successful project means that the assistance was completed in a way that it fulfills the project objective and contributes to one of the mission’s objectives.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Project failure means that the project has failed to meet its cost, schedule, and technical performance objectives, or it does not fit in the organization's future. Failure is thus a relative factor.

Project termination comes about for several reasons:

- The project results (a product or service) have been delivered to the customer. If appropriate, service and maintenance contracts can be negotiated and consummated.
- The project has overrun its cost and schedule objectives, and/or is failing to make satisfactory progress towards attaining its technical performance objectives.
- The project owner's strategy has changed so that the project no longer has a strategic fit in the owner organization's future.
- The project's champion has been lost, thereby putting the continued application of resources on the project in doubt.
- Environmental changes have emerged that adversely influence the project's future.
- Advances in the state-of-the-art hoped for in the project (such as in research & development) have not been realized; therefore, further funding is not forthcoming.
- The project's priority is not high enough to survive in competition with higher priority projects

NOTES:

APPLICATIONS & IDEAS:

Of course the lines of demarcation between the projects falling into these situations are not always clear. These situations merely provide a framework for approaching inevitable project termination questions.

WHY TERMINATE

Most projects do not have a sharp beginning. As the project enters its life cycle and true costs, time, and performance parameters of the project become better known, senior management at some point must consider the inevitable decision of whether to discontinue the project. Project termination should not be viewed as a failure but rather as a strategic decision implemented when a project does not or may not support the organization strategies. The organization that does not make the often difficult, yet necessary, decision to terminate a project at the appropriate time can realize significant costs.

A number of factors should be considered before terminating a project. The termination decision usually does not come up at any specific instant, but rather develops slowly during the life cycle of the project. The decision is based on the information gained about the project during the project review. Unfortunately, terminating a project often is perceived as a result of someone's failure. Humans, not wishing to admit failure, often take less than an objective view of a project termination. Still, there is a need during each review of the project to evaluate whether that project continues to contribute to a strategic objective or whether the project should be terminated.

NOTES:

APPLICATIONS & IDEAS:

Types of Project Termination

There are two basic types of project termination:

- Natural or planned termination
- Unplanned

Natural termination occurs when the project goals and objectives have been met. The following tasks are generally associated with a natural termination:

- Identification of remaining deliverables
- Identification of certification needs
- Identification of outstanding commitments
- Control of charges to the project (vouchers)
- Screening of uncompleted tasks not needed
- Closure of delivery orders and work packages
- Accumulation and structuring of project historical data
- Disposing of project material, equipment, and commodities.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- Agreement with host country on remaining deliverables
- Obtaining needed certifications from contractors.
- Agreement with contractors on outstanding commitments
- Communicating closures
- Determining external requirements for audit trail data

PROJECTS IN TROUBLE

When a project is experiencing serious cost and schedule overruns, termination may be a real issue. At such times, an outside audit should be conducted by either outsiders within the owner organization or an outside agency such as a consulting firm. Audits can give insight into the reasons for the cost and schedule overruns and help to determine if the project has become a termination candidate. When a project is faced with serious cost and schedule overruns, senior managers' most important task is to create an environment that incorporates honest and frank disclosure.

If the project continues to play a vital role in the design and execution of organizational strategies and if it has sustained cost and schedule overruns, an important step must be taken to reevaluate the project as comprehensively as possible. Such review will enable senior managers to determine where the basic responsibility for cost and schedule overruns lay

NOTES:

APPLICATIONS & IDEAS:

130

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The project team may not be able to terminate a project simply because that project team may have an understandably subjective review of the project. If a project is in trouble, an audit should be conducted by an independent team, one that is not involved in the project. Such a team's effort could go beyond the audit and on into a full design review, re-costing, and development of remedial strategy to get the project back on trajectory. Senior managers who own the project also must be aware that an environment that encourages projects to succeed must also allow projects to fail if those projects lack a strategic role.

TERMINATION STRATEGIES

If a project is to be terminated, a project manager who is tasked with project termination would be wise to conduct an immediate review of the status of all work in progress, as well as the funding, schedule, and technical performance parameters. Several other things must be done

- Ensure that all project deliverables have been provided to the host country, that all project functional work is finished, and pertinent records are closed out.
- Review the status of all contracts to ensure that requirements have been accomplished or provisions made if such requirements have not been duly satisfied
- Work with the project team in developing and distributing a close out plan that provides guidance for an orderly termination of all elements of the project.
- Maintain an ongoing surveillance of the close out activities to include the close out of all records and

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

the disposition of materials

- Notify relevant stakeholders of the termination.
- Ensure that all financial matters on the project have been satisfactorily terminated.
- Assist members of the project team to find other work in the organization.
- Prepare the project history, particularly a “lessons learned” report, so that future teams in the organization can benefit from the experiences of the project.
- Conduct a post-completion audit of the project to identify strengths and weaknesses in the management of the project, what impact mistakes have had, how such mistakes can be avoided in future projects, and how that organization was affected, positively or negatively, by the project

NOTES:

APPLICATIONS & IDEAS:

102

EVALUATION OF TERMINATION POSSIBILITIES

Termination is always an option on every project. A strategy for management to use in dealing with the ever-present termination issue should include:

- Reviewing the project and its strategic context on a regular, disciplined basis
- Recognize the psychological and social forces that motivate one to “stay the course.”
- Recognize that there is a prevailing belief and cultural force that encourages the commitment of more resources to solve current difficulties and ensure that success is “just around the corner.”
- Define, with senior management participation, what constitutes both success and failure on the project. This definition is needed at the start of the project and should be reinforced at major review points during the project life cycle.
- Carefully listen to the concerns of others about the project. What are the project stakeholders saying? Are there messages coming from them that project termination is a good strategy?
- Evaluate the real ability of the project team to listen to and hear bad news. Does such news carry important news about the project’s health, continuation, or termination?
- Determine if the project manager feels that a lot of people will have their future adversely affected if the project is terminated.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- Step back and evaluate the project from an outsider's perspective. Use of an internal task force or evaluation team can help in getting such an outsider's viewpoint.
- Encourage project team members always to provide accurate information even if that information contains messages that are not palatable and might suggest that project termination is an alternative that is worthy of full consideration.
- Consider replacing key members of the project team with new people who can bring a perspective that is less influenced by the project and past events. Consider replacement of the project manager.
- Build an organizational culture which supports the philosophy which projects are experimental, temporary uses of resources to support organizational strategies that require constant surveillance to guard against a project becoming an institution in the organization.

NOTES:

APPLICATIONS & IDEAS:

Project Close Out Meetings

Once the decision has been made to close out a project, a close out meeting should be conducted. Attendees at the project meeting should be the project stakeholders

The following is a typical close out meeting agenda:

- Review the project Statement of Work
- Review actual deliverables and show how project met its measurable success indicators
- Summarize what was done well
- Identify the areas for improvement
- Request recommendations to aid in future improvements
- Determine if any additional tasks are required to complete the project. For example.
 - ◆ Documentation
 - ◆ Implementation or production of project deliverables
- List additional tasks, responsible person, and due date
- Document the lessons that were learned for project notebook
- Make the project notebook available to appropriate personnel for future projects

NOTES:

APPLICATIONS & IDEAS:

Lessons Learned

All projects eventually are terminated either because of success or failure. Projects that are successful become part of operational strategy of the project owner's organization. When a project is terminated for failing to accomplish its objectives, it usually requires the reallocation of resources. In either case, there are valuable lessons to be learned. The project should be evaluated to determine such lessons to be learned. There are five areas that should be evaluated:

- Technical Objectives
- Cost and Budget
- Human Resources
- Project Termination
- Technical and Managerial Project Implications

TECHNICAL OBJECTIVES

Postmortem evaluation of how well the project's technical objectives were accomplished can be divided into three distinct phases: the technical conceptual phase, the technical operational experience, and the ultimate technical product achieved.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In the conceptual phase, the project's technical objectives can be over- or underestimated. There can be a failure to appreciate the magnitude of the technical problems that are encountered. Post mortem evaluation of the project's conceptual phase should look at such factors as the project requirements, including primary and secondary technical objectives, the proposed technical approach, and the supporting technical services that are required. Additional concerns include performance specifications, the reasonableness of quality standards, the identification of facilities and equipment needs, and the achievement of schedule commitments.

Once the project is operational, some of the objectives set in the conceptual phase may change. Final project evaluation that is geared to the conceptual objectives may be unrealistic from the technical product originally envisioned. Changes from original technological objectives to the final technical product can occur for several reasons. The state of the art may shift after the project inception. New and better technological approaches may be dictated in order to avoid obsolescence and/or to turn out a better end product than was originally planned.

Some other facts that could modify the original technical objectives are the tendency to over-do the level of detail in the original project design, and the inclination of technical people to seek perfections. The discovery late in the project's life that there were significant flaws in the original technical approach, and pressure from management for quick and cheap results are also factors that can modify original project objectives. Initial project start-up enthusiasm, can cause the scope of technical problems to be underestimated.

NOTES:

APPLICATIONS & IDEAS:

107

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

COST AND BUDGET.

Evaluation of cost and budget achievements in relation to project objectives can, to some extent, be analyzed quantitatively. However, cost and budget evaluation should not be oversimplified inasmuch as several factors can affect original cost and budget estimates. Some cost and budget elements can be reasonably controlled, some can be anticipated, and some, such as major changes in the thrust of the project once underway, may be difficult to predict.

Assuming there was no drastic change in the technical aspects of the project, it would be meaningful to compare actual expenditures of resources against planned expenditures. Resource expenditures reviewed could include comparison of staff requirement projections against actual persons employed, overhead allocations, facilities and equipment use, supporting services required, and external resources contracted for.

Provisions can be made in the postmortem evaluation for some types of cost and budget expenditures that can be anticipated, if not directly controlled, such as contingencies for inflation, unforeseen technical difficulties, uncontrollable customer-dictated program stretch-outs, and added costs resulting from the unavailability of material, equipment, or facilities when needed.

NOTES:

APPLICATIONS & IDEAS:

108

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Some cost and budget factors that could be difficult to forecast are significant changes in the technical scope of the project resulting from internal technical miscalculations, customer-requested changes, and/or a shift in the state of the art, that would affect the final product if not accommodated. Comparative cost and budget evaluation that are based on original estimates can be inconclusive if the final project product is quite different from the project product that was originally planned.

Despite the range of difficulties indicated in evaluating cost and budget performance on a completed project, such evaluation is critical. The other four evaluation areas may score positively, but if costs and budgets are exceeded without some strong reconciliation or mitigating factors, the ability of the agency to fund other could be jeopardized. Further justification for review in this area would be to look for patterns. Are there some project expenditures that are repeatedly miscalculated? Identifying such areas could be very meaningful in providing better project managerial control. Evaluating costs could help identify project phases or functional activities where there are tendencies to consistently pad, areas of perennial overoptimism, technical incompetence, or out-and-out estimating ineptitudes.

Another consideration for cost and budget evaluation would be to review how budgets are derived and costs are experienced. Project budget changes, overhead allocation methods, and actual cost expenditures can be instrumental factors in the ultimate profitability or cost effectiveness of a project. By carefully comparing actual against planned expenditures, it might be possible to segregate areas where cost reduction would be possible without impairing the project objectives or the morale of the people that are assigned to the project. Comparison could lead to added profitability and organizational flexibility.

NOTES:

APPLICATIONS & IDEAS:

HUMAN RESOURCES.

In the final analysis, it is people who make or break organizations. Project objectives frequently are related to knowledge generation and employment. The project product may be nonstandard, somewhat intangible, and it is often difficult to comparatively evaluate. In almost all professions, hard and fast quantifiable standards of excellence for evaluative purposes are virtually impossible to synthesize. Despite subjectivity in evaluation within the profession, peers generally know who is a good doctor, scientist, engineer, lawyer, or professor. Conceding subjectivity in evaluating human factors in project management does not diminish the need or the importance of such evaluation.

- Several avenues pertaining to human factors can be explored:
- What were the internal project working relationships? Did the project people interface well with other functional support areas?
- Were there too few or too many people assigned to the project?
- What type of people were assigned?
- What qualitative and quantitative people support was required external to the immediate project?
- Was there learning and professional growth? Were the project people professionally flexible?
- What was the actual ultimate disposition of the people assigned to the project?

NOTES:

APPLICATIONS & IDEAS:

- Were there any significant accomplishments as a result of the project?
- Was there a participative/consultative environment? What about communication? Motivation? Delegation?
- Did the people assigned to the project use their time effectively? Can some productivity index on the project be established?
- Were the project people productive? To what extent?

PROJECT TERMINATION.

Project termination was discussed at some length earlier in this chapter. By way of a quick review, the project termination can be evaluated from three different perspectives: The project was concluded because its objectives were met; the project was terminated for convenience; or the project was terminated for default.

Regardless of the cause for termination procedures should carefully be examined. A quick and orderly transition should be effected whenever possible. Loose ends and delays create problems, divert resources that might be more productively used elsewhere, and add to operational costs. As stated earlier in this chapter, this is a neglected phase in the project life cycle. Winding up a project can be unglamorous and tedious. Project termination can also materially affect the final profit picture and the organization's prospects for follow-up business.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Unfortunately, unless there are obvious foul-ups that become significant problems, little managerial attention is directed to this phase. Termination problems often can be anticipated and transition from operations to project wrap-up can be expedited by establishing termination procedures and assigning qualified and responsible people to see that this phase in the project's life cycle is accomplished.

TECHNICAL AND MANAGERIAL IMPLICATIONS.

Evaluating a terminated project from a managerial perspective to some extent reviews the effort from the four previous sections, as well as provides additional insight. Managerial evaluation, while entailing some overlapping, can be justified because project performance, as perceived by technicians, might not be perceived in the same light by management.

A postmortem project evaluation, from management's position, would probably focus on such factors as the following:

- What was the customer/client reaction?
- Degree of satisfaction?
- On some type of scale from 1 to 10, with 1 being worst and 10 being best, how would the project rate and why?
- What organizational benefits can be attributed to this project?
- The organizational benefits of a post mortem project evaluation may be actual or potential follow-on projects, compatibility with organizational goals, and the effective use of available resources.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Some additional managerial considerations that might be relevant include:

- To what extent did this project contribute to the strategic objectives of the mission?
- Was it completed as planned, or did its project life extend beyond a defensible period?
- What specific technical expertise resulted from the project?
- Were there any managerial or technical innovations?
- What did the project teach us in order to provide guidance for better future performance?
- Was there any sociological significance attached to the project?
- Did the project expose potential legal or ethical consequences?

NOTES:

APPLICATIONS & IDEAS:

MODULE: Managing the A.I.D. Program/Project Design
MODULE NUMBER: 1.03

TABLE OF CONTENTS

PROJECT MEETINGS 1

- Roles & Responsibilities of Meeting Participants 1
 - Project Officers 2
 - The Facilitator 2
 - The Recorder 5
 - Project Team Members 6
 - How To Keep The Facilitator Neutral 8
- Planning Effective Project Meetings 10
 - Decide How Long The Meeting Should Be 11
 - Communicate Information About The Meeting To Each Participant . . . 12
 - Developing The Agenda 12
 - Putting It All Together 20
 - Choose a Facilitator for the Meeting 21
- Running Effective Meetings 21
 - Begin the Meeting on the Right Foot 22
 - Set the Atmosphere of the Meeting 22
 - Stick to the Agenda 22
 - Try to Make Sure that Everyone Participates 23
 - Review Actions to be Taken or Decisions Made During the Meeting 23
 - Close the Meeting 23

114

TOOLS OF ANALYSIS FOR PROJECTS	25
Steps In Problem Analysis	25
Problem Analysis Procedure	26
Define The Problem	26
Determine If The Problem Is Worth Solving	28
Find The Facts	29
Gathering Data	30
Identify Alternative Solutions	33
Specify Important Characteristics	34
Brainstorming	35
Reaching Consensus	39
Dialogue	39
Nominal Group Techniques	39
Cause & Effect Diagram	42
Steps in Constructing a Cause & Effect Diagram	43
ANALYSIS OF THE SITUATION	46
Stakeholder Analysis	46
Identify All Parties Involved	47
Take A Closer Look At Some Of The Groups	47
Problem Analysis	48
Formulate The Problems	49
Identify A Starting Point	49
Develop The Problem Tree	49
Objectives Analysis	50
Developing The Objectives Tree	51
Alternatives Analysis	52
Selecting The Alternatives	53
Selecting The Most Viable Alternative	53
Strategy Analysis	54

105

DOCUMENTATION REVIEW AND APPROVAL 82

- New Activity Description 82
 - Timing Requirements 82
 - Contents of the New Activity Description 83
 - Review and Approval 84
 - Delegation of Authority 85

- Optional Intermediate Steps 86

- Assistance Proposal 87
 - Timing Requirements 87
 - Contents of the Assistance Proposal 88
 - Review of the Assistance Proposal 92
 - Approval of the Assistance Proposal 94

- Authorization of Assistance 94
 - Timing Requirements 95
 - Authorization Memorandum 95
 - Activity Facesheet 97
 - Clearance and Signature 98
 - Official Activity File 98

2-1

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

MODULE: Project Design Concepts
MODULE NUMBER: 1.03

TERMINAL OBJECTIVE:

Upon completion of this module, the participant will be able to design a simple project.

ENABLING OBJECTIVES:

In order to accomplish the Terminal Objective, the participant will:

- Conduct a project meeting
- Explain the use of tools of analysis for projects
- Perform a situation analysis
- Develop a project plan using LogFrame
- Describe the AID Assistance Program/Project Documentation Requirements

PROJECT MEETINGS

The project team needs to have an effective way to communicate if it is to keep up with all of the information and changes that occur in the project environment. If meetings are used correctly, they can be a great way to keep the project team informed, up-to-date, engaged in the project in a positive way, and build relationships with the project team members. However, meetings must be used correctly. Ineffective meetings are a large cause of wasted time, wasted effort, and can generate frustration and conflict within the project team.

Meeting effectiveness can be improved through the use of an interactive method to conduct meetings. The interactive method increases participant involvement and meeting productivity. This unit will provide practical tools and techniques that will improve the quality of project meetings.

In this unit, we will learn about:

- Roles & responsibilities of meeting participants
- Planning effective project meetings
- Running effective project meetings

Roles & Responsibilities of Meeting Participants

One of the biggest barriers to effective meetings is a lack of clarity about roles and responsibilities. Meetings are most effective when they promote a smooth interaction between participants. The roles and responsibilities of meeting participants in a meeting, using an interactive methodology, are presented below.

NOTES:

APPLICATIONS & IDEAS:

PROJECT OFFICERS

Some project officers may find this difficult to understand at first, but it is almost impossible to run a fair, nonmanipulative meeting when you have a personal investment in the subject matter. There is no way you can objectively lead a project team that is considering whether or not to discontinue a project of your own. Even if you try not to influence the project team, you will find that your body language reinforces those who want to keep your project going. Your eyes will light up when someone says something reinforcing. This is a natural reaction. You will shrug or frown when you disagree, or more likely, openly object. You should be in the project team to fight for your ideas, not try to lead the project team toward what you consider to be a rational decision.

It is also easy to use the leadership role as a way to “keep the floor” and do all of the talking that can result in a rubber-stamp meeting. Project officers who run their own meetings tend to be the most active participants; we find that they talk on the average more than 60 percent of the meeting time. This active participation does not allow others to contribute, and it is one more reason why participation in meetings is low. We strongly recommend that project officers do not run their own meetings.

THE FACILITATOR

The key to solve the problems of authority, participant contribution, and managerial overload is to separate the process role (often played by the project officer as chairperson) from the power or decision-making role. The project officer maintains his or her involvement in issues and responsibility to make decisions and delegates all of the procedural functions to another person, the facilitator.

NOTES:

APPLICATIONS & IDEAS:

120

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The facilitator is a meeting chauffeur, a servant of the project team. Neutral and nonevaluating, the facilitator is responsible to ensure that the participants use the most effective methods to accomplish their task in the shortest time. The project officer, as decision maker, fully participates in the meeting, fights for his or her ideas, sets constraints, and does not give up any power or responsibility.

In the Interaction Method, the role of facilitator, as in both hierarchical and horizontal organizations, is to deal with the common problems we have discussed so far. For instance, to avoid the multi-headed animal syndrome, which is the tendency of project team members to go off in different directions, the facilitator gets the project team to stick to a common subject and a common process at all times. The facilitator might say, "Hey, wait a minute. You've agreed to work on problem A, but how are you going to tackle the problem? Are you going to try to define it in more detail? If so, how are you going to try to define the problem in more detail? If so, how are you going to begin? Do you want to make a list of possible causes? Does each person want to describe the problem in his or her terms"?

How The Facilitator Works

The facilitator holds the project team back, offers a menu of possible ways to attack the problem, and waits until there is agreement on one particular process. The facilitator then helps to keep the project team on track until the problem has accomplished what it set out to do or wants to change direction. By getting all the project team members to use the same tool at the same time on the same problem, the facilitator can transform a project team from a multi-headed animal to a creative, coordinated organism.

NOTES:

APPLICATIONS & IDEAS:

121

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

To make sure that all participants have an opportunity to participate, that everyone will be protected from personal attack, and that no one is allowed to dominate the meeting, the facilitator is empowered to act as a policeman. When the project team is working well together, the facilitator may not need to do much and lets project team members speak spontaneously. When things become heated or bogged down, the facilitator steps in and becomes more forceful in his or her use of power to direct the meeting process, signals who should speak next, cutting off aggressive behavior, and keeps the project team to its agreed-upon task.

Don't confuse our definition of a facilitator with other definitions you may have heard. The Interaction Method is designed to accomplish tasks. The facilitator oils the tracks for project teams to work effectively in meetings, to accomplish something. When a project team is able to concentrate its creative energy, to work hard, and to accomplish a task in a positive and constructive fashion, project team members feel better about themselves and each other.

The facilitator agrees to remain neutral, not to contribute his or her own ideas, and not to evaluate the ideas of others. At times, it can be very hard not to get involved in the content of a meeting, so if you are a facilitator, do ask your project team to let you know if you are favoring a point of view, criticizing an idea, not letting certain people speak or cutting them off too soon, or in any other way manipulating the meeting. It is obvious that nobody can be totally neutral; you are going to have feelings and opinions about what is being said in the meeting.

NOTES:

APPLICATIONS & IDEAS:

122

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

It is the responsibility of project team members to make sure that your thoughts and feelings are not allowed to influence the meeting; ultimately, project team members have the right to remove you from the role of facilitator. This non-manipulation pact between the facilitator and the rest of the project team is one of a set of social contracts that is distinctive about the Interaction Method. It creates a self-correcting system.

It is the responsibility of the facilitator to make sure that project team members work together to keep the project team focused on the agenda, to set realistic time limits, and to be clear about organizational constraints.

THE RECORDER

Like the facilitator, the recorder is a neutral, non-evaluative servant of the project team. The role of the recorder is to create a combined short-term and long-term memory by writing down in full view of the project team the main points of what is said, using the words of the project team members. A good recorder does not inhibit or slow down the flow of the meeting.

A skillful recorder will produce a clearly legible record that captures the key ideas of the meeting on large sheets of paper that are taped or pinned to the walls of the meeting room. The record that is produced by the recorder is a kind of "group memory." The project team is seated in a semicircle that faces the flip chart. However, most of the time members of the project team are not preoccupied by the process of recording. A record of the meeting just appears in the background. Any participant can check or recall what just happened or what happened back at the beginning of the meeting by referencing the record.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

It is the responsibility of each project team member and the project officer to see that ideas are accurately recorded. This recording is the final social contract that completes the self-correcting mechanism that is built into the Interaction Method. The recorder agrees to try to capture the main ideas of the participants in the project team member, and not to paraphrase or use this central position to editorialize or to contribute personal ideas. It is up to the others to make sure the recorder is fair and accurate.

The supporting relationships between the four key roles (facilitator, recorder, project team member, and project officer) allow a novice project team to try the Interaction Method and to learn and correct itself as it goes along

PROJECT TEAM MEMBERS

As a member of your project team, you play a vital role. You and your project team members are responsible for what happens; the facilitator and recorder exist only to serve you. It is you, the project team members (along with the project officer), who meet, work, solve problems, and make decisions.

Traditionally, project team leaders have received special treatment. They are told how important they are, how they and only they should be educated in leadership skills. They read books on leadership, they attend training programs and, like the quarterback on a football team, they get all the glory or blame.

NOTES:

APPLICATIONS & IDEAS:

125

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The Interaction Method changes the role of the project team leader. The facilitator is not a leader in the traditional sense; the facilitator doesn't lead, but assists. He or she is more like a coach than a quarterback. It is the project team collectively that must lead itself. During a meeting, the project team members must decide where they are going to go and how they are going to get there. So, in the last analysis, the quality of the meeting depends on the quality of the participants.

Surely you have been in enough meetings to recognize that there are effective and ineffective project team members. Knowledge and skill are needed to be an effective project team member. Almost all of the techniques we described in the chapter on the role of the facilitator can be used by project team members because they can make suggestions about process as well as content. As a project team member with process skills, you can be a great resource to your facilitator. Or, if the meeting is being poorly run or if there isn't any leader, you can facilitate from your seat as a participant, using most of the facilitator techniques we have already described. If you never plan to run meetings but find yourself in them anyway, we still recommend that you read this book in its entirety because it will enable you to come up with suggestions that will make your time in meetings more enjoyable and productive.

If your meetings are going to be run by the Interaction Method, the following are responsibilities you assume as a project team member and techniques you can use to improve your meetings

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

HOW TO KEEP THE FACILITATOR NEUTRAL

Your first major responsibility under the Interaction Method system of checks and balances is to monitor the facilitator to make sure that he or she remains neutral and does not contribute ideas about content or evaluate those ideas of any project team member. As we said before, the job of facilitator is hard and depends on your help.

Do not spend your energy lying in wait to pounce on the facilitator at the slightest sign of non-neutrality. Be reasonable. Most of the time your facilitator will not even be aware of minor transgressions. Be practical. If the actions of the facilitator are helping and you and your project team feel good about what is happening, do not be a stickler for the rules. Rules are only helpful guidelines.

If you believe that your facilitator is consciously manipulating the project team, being unfair to certain individuals, or is using his or her power over a meeting's process to achieve some personal objective, speak out. Try positive, nonthreatening approaches first: "Facilitator, you may not be aware of this, but I think you cut off Theresa before she had a chance to finish." Or, "Facilitator, I feel you're pushing too hard. I don't think we've finished with this issue yet." Talk to your facilitator during a break. Point out what you think can be done to improve the meeting. Then, if the low-key protests don't seem to work, you and your fellow project team members have a right to stop the meeting and confront the facilitator. It may be that the facilitator is too intimately involved in the issues to be unbiased, and it may be better to rotate the role or fire the facilitator and find a new one. Whatever the problem is, if the meeting isn't working, it's time to try something else.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

You're Free To Pitch In

Being a project team member in a meeting that is run by the Interaction Method can be a liberating, positive experience. Other than the two monitoring responsibilities, you don't have to worry about the normal problems: being heard, being attacked, being cut off, being too talkative, etc. You can drop many of your protective guards. You know that your facilitator is watching out for these things, so you can, and should, totally throw yourself into the subject matter of the meeting

Concentrate on the content and don't worry too much about process. Don't try to backseat-drive a meeting. Remember: There is no one right way to solve a problem or one right process to facilitate a meeting. Particularly if you're a trained project team leader or facilitator, it's easy to fall into the trap of showing off your expertise and proving the facilitator wrong: "If I were your, I wouldn't have done such and such" Focus on the problem, not the facilitator, and don't offer advice unless you're asked, or the facilitator clearly needs it.

Listen, Listen, Listen!

Respect your fellow project team members. Be a good listener. When others speak, give them full attention. Don't cut them off or distract the attention of the project team with unnecessary movements or snide remarks. Keep a common focus. There is nothing worse than two people whispering to each other while you explain your brilliant idea.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Where To Sit

Be aware of where you sit. Don't always sit in the same place with the same people. By changing your position, you can help to shake up the seating pattern. The change in seating patterns can keep a project team from becoming physically polarized. Polarization often results in cliques that cut off the group interaction and productivity.

Don't Be Negative

Keep an open mind. Don't evaluate an idea before it has a chance to be developed. Negativism is one of the major problems of meetings. As a project team member, you can help to set a positive tone. Look for the worth in an idea. Don't jump on its faults. Try the little trick of saying what you like about an idea before you express your concerns: "What I like about your suggestion is that it could solve the infant mortality problem, but my concern is that the host country wouldn't accept it."

Planning Effective Project Meetings

Meeting for the sake of meeting is a big waste of time. There should be a goal and purpose for each meeting. Some projects have daily meetings to discuss schedules, subcontracting and contract items, financing considerations, and host country issues. These meetings all have a purpose that is to be accomplished and a goal to be reached.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In addition to determining the purpose goal, the person calling the meeting should do the following:

- Decide how long the meeting should be
- Communicate information about the meeting
- Develop the agenda
- Put it all together
- Choose a facilitator for the meeting

DECIDE HOW LONG THE MEETING SHOULD BE

A project meeting should not run more than an hour and a half without a break. Sometimes, even that is too long and an hour is more reasonable. The length of the meeting should be determined before the meeting starts. Some factors to consider in the determination of the length of the meeting are:

- The number of people in the meeting.
- The difficulty of the topic
- The number of topics.
- The project team work schedule.

Remember to stick to the meeting schedule! A meeting that goes past its finishing time will lose the interest of the project team

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

COMMUNICATE INFORMATION ABOUT THE MEETING TO EACH PARTICIPANT

An agenda is the best way to let others know the purpose of the meeting. In addition to the purpose, you should include the time of the meeting, where the meeting will be held, and if it is necessary to bring or study anything before the meeting begins. If there are stakeholders or support people attending the meeting who are not regular members, spend some extra time explaining the topic and what you expect them to contribute.

DEVELOPING THE AGENDA

We can't emphasize enough: Everyone should know what to expect before coming to a meeting. You must be explicit about what's going to happen, how the meeting is going to be run, who is going to play what roles, and the answers to the rest of the issues we have raised so far. If all participants receive a detailed agenda at least a day (preferably a week) before the meeting, they will come prepared, and most of the common causes of confusion at the beginning of the meetings will be avoided. Because most of the procedural questions will have been settled in advance, your meetings will be shorter and more effective.

When you are very busy and rushed, writing up an agenda for a future meeting can seem like a waste of time. It's not! We have designed a simple agenda form to make it easier. Filling out a form is quick (you can fill it out in five minutes), and the form itself reminds you of things you might have forgotten. A standard form is easy to read at a glance, and anyone can be trained to fill it out.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

Our form includes most of the critical information people should know ahead of time, but you may want to tailor it to fit your particular needs. If your project team has a fixed membership and meets regularly, you can design and print a form that includes all of the information that does not change from meeting to meeting, which means even less to do when you prepare your agendas.

Now we will “walk through” the agenda form and see how to fill out each item. This will also be a good way to review and categorize some of the planning issues we have discussed.

MEETING ANNOUNCEMENT/AGENDA			
Subject: _____ Today's Date: _____ Meeting Date/Time: _____ Duration: _____ Place: _____ Called by/Calling: _____		Meeting Leader(s) _____ Participants _____	
Desired Outcomes:			
Background Materials:		Please Bring:	
Order of Agenda Items	Person Responsible	Process	Time Allocated

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Name of Project Team

Most project teams have a name: Office of Procurement, Africa Bureau, HR, etc. If your project team does not have a name, you might consider giving it one. A name can help build a sense of identity and importance.

Title of Meeting

Most meetings have a name or description: annual budget review, weekly staff meeting, Project Alpha progress report, emergency meeting on political changes in Freedonia, etc. Usually, the title conveys the general topic of the meeting. In conversations with other project team members, it helps you to distinguish between different meetings that your project team may be planning to hold.

Meetings Called By

It's important to identify who convened the meeting because participants will want to know who felt the meeting was necessary and whom to contact for questions, additions to the agenda, and directions to the meeting place, as well as whom to notify if they can't attend. Include a telephone number. A meeting could be called by a project team member, a project officer/chairperson, or some other individual or project team either inside or outside your organization.

NOTES:

APPLICATIONS & IDEAS:

132

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Date, Starting Time, and Place

Obviously, when and where the meeting is going to be held are essential pieces of information. Make sure to include the number or name of the meeting room. If participants are unfamiliar with the location, send along a map with directions.

Ending Time

Meetings tend to drag on forever, if you let them. Principally, meetings so frequently run over because project teams try to accomplish too much in too short a time. We discuss this problem below under "Order of agenda items." The point is to set realistic time limits and keep to them. Begin and end the meeting on time; if you finish the agenda early, end the meeting early. Participants will appreciate that you respect their time and will take meetings more seriously. In general, meetings should be from one to two and a half hours long.

Meeting Type

There are five basic types of meetings - problem-solving, decision-making, planning, reporting, and reacting (feedback), and meetings can be combinations of these types. Each type may require different roles, numbers of people, and meeting methods. You should be clear about what type of meeting you want and plan it accordingly. For example, is it a meeting to make decisions or just to share information? Let everyone know what type of meeting it is going to be so they can arrive with a common set of expectations.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Desired Outcomes

Expectations are clearer if specific outcomes are stated. Stating expected outcomes should be done by the project team as a whole at the end of the previous meeting or by whoever is convening the present meeting. If it is the first gathering of a project team, everyone should participate in sharing expectations at the beginning of the meeting. Imagine in advance that the meeting has just finished and that it was successful. Ask yourself: What would success look like? What would have been accomplished? What problems solved, what decisions made? What other kinds of sharing and learning would have made the meeting successful? If everybody is explicit about their desired outcomes, unrealistic expectations can be dealt with in advance or at least before the meeting gets under way.

Background Materials

If there are presentations or issues that require the participants to do homework, list the background materials that are being sent out with the agenda or that participants are expected to have and review beforehand. Be realistic: Most people aren't very conscientious about reading handouts, so keep them short. Usually they are read at the last moment, so don't send them out more than a week or so in advance.

Please Bring

If you expect participants to bring something to the meeting, let them know. Items that participants should bring might include edited documents, filled-out forms, lists of names even box lunches. There's nothing worse than finding everyone settled down to a meeting and then one by one dashing out to find some piece of paper left in an office.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Project Officer/Chairperson, Facilitator, Recorder, and Project Team Members

These are the four basic roles of the Interaction Method. By having to list names on the form, you will be reminded if you have forgotten to line up a facilitator or recorder, and everyone will know in advance who is supposed to be doing what. It's essential for the facilitator and recorder to be informed of their roles because they have the responsibility for coming early and setting up the meeting room. If you list the names of all the project team members that are expected to attend, the attendees will have an opportunity to get a sense of the size and flavor of the meeting and to see what interests will be represented.

Observers and Resource Persons

We have already defined these temporary and occasional roles. Observers and resource persons should understand and agree to their roles before the meeting, and the rest of the participants should be aware of who else is going to be attending the meeting and in what capacity

Meeting Method

Everyone should know how the meeting is going to be run and understand the ground rules. We have pointed out the dangers of the so-called "structureless" meeting when you want to accomplish a task. To avoid the multi-headed animal syndrome and all the other common meeting problems, you need some structure. What's it going to be? Robert's *Rules of Order*? The Interaction Method? Some combination of the two?

NOTES:

APPLICATIONS & IDEAS:

135

Decision-Making Method and Final Decision-Maker

If decisions are going to be made, it's essential that everybody understand how they are going to be made and by whom. Who has the final say? The project team as a whole, the project officer, or some other (senior) project team or individual? Don't play games with people. If project team members don't have the power to make decisions, does not let them wait to find out.

If it's a decision-making meeting, be clear about the procedures. If you are working for a win/win solution, list the decision-making method as "consensus." But be clear about the fallback, win/lose approach, if any. If the project team can't reach consensus, what will happen? Will there be a vote, and if so, does it take a simple or two-thirds majority to win? How will ties be broken? Or if consensus can not be reached, will the manager decide? Almost any procedure can work if everyone understands and agrees to it ahead of time.

Special Notes

This is the place for any special communications: a plea to project team members to attend the meeting, a comment about the importance of the meeting, or an announcement about some special guest.

Order of Agenda Items, Persons Responsible, Process, and Time Allocated

The space set aside for "Order of Agenda Items" is the place to list individual agenda items. Be as specific as possible. The more you can define items that involve problems, the more effectively you will be able to use the creative power of the project team. Try stating them as questions (see the next chapter)

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

For each agenda item, list the person who is responsible for introducing the subject (that is, who is making the presentation, who is submitting the problem to the project team, who is responsible for this area of concern, etc.) The person who is responsible for each item should figure out with the facilitator and/or project officer/chairperson a good way to handle the issue. In a sense, each agenda item is like a mini-meeting. You have to decide what type of meeting to have: what you want to do and how you are going to do it a content and process agenda. In most cases, you won't be able to give a specific problem-solving method or technique, but you do want to communicate whether you expect the project team simply to listen to a report or to become involved in solving a particular problem or making a decision.

Then you should make a realistic estimate of time necessary to deal with the agenda item. After making estimates a few times, you will get a feel for whether an item is likely to be a ten-minute or half-hour issue. Things always seem to take longer than you think, so it's a good idea to be generous in your time allocations. An example of a completed agenda item: "Progress report on the career development program: Do we need an extension of deadline?/Richard/presentation and decision-making/20 minutes."

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Suggestion. make a first pass at listing all the agenda items, working out a process for each one and making time estimates, but not worrying about the order of agenda items. Then add up all the time allocations to see if they exceed the total amount of time set aside for the meeting. Often you will find that you have more items than available time, but it's better to discover this before rather than during the meeting. Many meetings are damned as failures because the project team had unrealistic expectations: the team tried to deal with fifteen items and managed to cover only ten. If the team had set out to handle eight issues and ended up with the same outcome (taking care of ten), the meeting would have been regarded as a great success. Plan your meeting to be a success, not a failure.

PUTTING IT ALL TOGETHER

Now it is time to order the agenda items. Philosophies about the ordering of agendas conflict. Some people feel the most difficult and challenging item should be first so the participants can deal with it while they are fresh. Others feel it should be last to build excitement or even to tire out participants so no one will have energy left to fight about the issue. In general, we favor putting reports on action items first and then dealing with issues in order of urgency and general concern. If you don't get to cover all the items, then at least you have taken care of the most critical ones.

In actuality, meetings can get totally filled with putting out little (but immediate) organizational fires while larger, long-range issues, which are equally important to the functioning of the project team, remain untouched. To counter this tendency, plan special problem-centered meetings to focus entirely on one or two larger, more complicated issues. During these meetings, all discussion of day-to-day affairs will be suspended, and the project team will devote its energies to more general problems.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In the case of project teams that are meeting for the first time and that have no prearranged procedure for putting together and ordering the agenda, you should cross out the words "Order of" and write "Suggested" on the agenda form. Allocate time at the beginning of the meeting for the agenda form. Allocate time at the beginning of the meeting for the agenda items to be modified and given priorities by the participants themselves, which gets people to "own" the meeting and to assume responsibility for what happens.

CHOOSE A FACILITATOR FOR THE MEETING

Very often it helps to have a person at the meeting who is only concerned with meeting the agenda and the time frame of the meeting. This person will make sure that everybody is heard and that the project team stays on the topic until they reach a decision. The facilitator does not have to be a member of the project team, but he/she should be.

Running Effective Meetings

After the meeting is planned and the participants are notified, the next step is to make sure that all of the topics on the agenda are discussed. Anyone in the project team can be the facilitator. In fact, everyone in the meeting should take responsibility for facilitating the meeting to some extent. The meeting will be better and faster if everyone does their part. Running an effective meeting means following six basic steps:

1. Begin the meeting on the right foot.
2. Set the atmosphere of the meeting
3. Stick to the agenda
4. Try to make sure that everyone participates.
5. Review actions to be taken or decisions made during the meeting.
6. Close the meeting.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

BEGIN THE MEETING ON THE RIGHT FOOT

Sometimes people will not talk at a meeting if they don't know everybody. Take the time to make sure that everyone knows all the participants. If you have time, let team members talk about what they do on the job or where they are from if they're from a different department.

SET THE ATMOSPHERE OF THE MEETING

Let everyone know as soon as possible what the meeting will be like. Introduce the agenda and the purpose of the meeting. Then, explain what decisions have to be made, what results are expected from the meeting, and the time that is available. If the agenda is not full, ask for additional agenda topics from the project team. If the agenda is full, begin discussion of the topics as soon as possible after you kick off the meeting.

STICK TO THE AGENDA

It is very easy to begin talking about another related topic, especially when people know a lot about it. Also, when the discussion is unpleasant, it is natural to avoid the topic and switch to something else. It is the meeting facilitator's job to make sure the agenda topics are discussed. By saying something like, "This is very interesting but we need to get back to the agenda" or "Let's take this up at another time so we can finish," the facilitator can politely bring the discussion back to the agenda. It is a good idea to leave the agenda out in full view and point to it while reminding the project team what they are there to talk about.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

TRY TO MAKE SURE THAT EVERYONE PARTICIPATES

Everyone at the meeting has a valuable opinion and should be allowed to express it; however, sometimes talkative people tend to take up the whole meeting time. The facilitator's job is to make sure that everyone gets an opportunity to speak. This can be done by asking people directly, like "Hey Sue, what do you think we should do?" Or you can cut in on people doing most of the talking by saying something like, "I believe we understand your opinion, Al, let's see what Sally has to say about this "

REVIEW ACTIONS TO BE TAKEN OR DECISIONS MADE DURING THE MEETING

At the beginning of the meeting, assign a person to record all of the notes of the meeting. Have that person pay special attention to decisions that are made and actions that will be taken. At the end of the meeting, have that person review all of the decisions and actions to be taken and make sure that all of the meeting members agree with them. Take the time then to see if any support is necessary from others at the meeting to complete the actions.

CLOSE THE MEETING

After reviewing the actions to be taken and the decisions to be made, review the agenda and make sure that all of the meeting goals have been accomplished. If not, set another meeting time while the people are still in the room. Ask if there is anything else that needs to be brought up or if additional discussion is necessary for any topics. Inform the people that the meeting notes from this meeting will be available for review

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

If all of the agenda items have not been met, then decide what should be done. The project team may decide to continue the meeting or schedule one for another time. You may decide to let someone else make the decision or have someone gather more information before a decision is made. Thank everyone for their participation and conclude the meeting, on time!

NOTES:

APPLICATIONS & IDEAS:

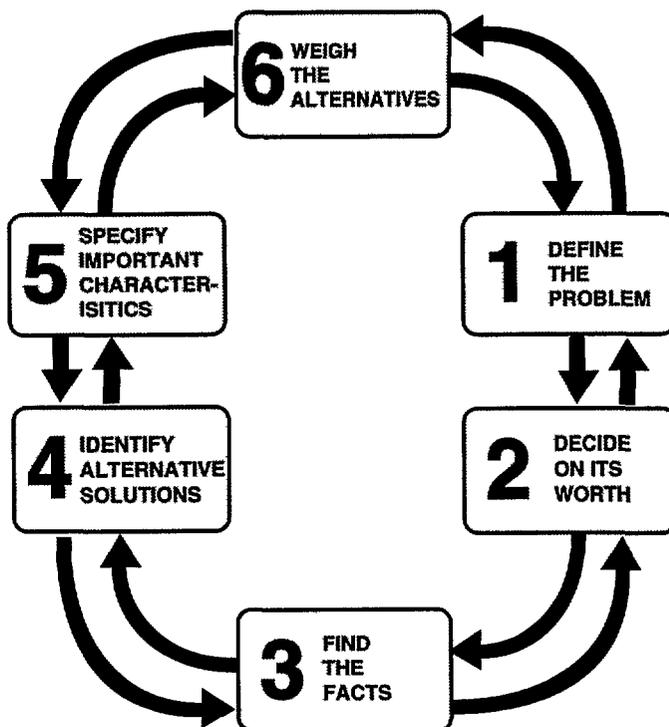
142

NOTES:

TOOLS OF ANALYSIS FOR PROJECTS

Steps In Problem Analysis

There are six steps involved in the problem analysis process. The steps are presented in the model illustrated below.



The six steps include

1. Define the problem
2. Decide on its worth
3. Find the facts
4. Identify alternative solutions
5. Specify important characteristics
6. Weigh the alternatives

APPLICATIONS & IDEAS:

Problem Analysis Procedure

STEP 1. DEFINE THE PROBLEM

A problem exists when there is a significant difference between what is happening and what should be happening. A program/project should solve and prevent human problems. Other problems are important only when they affect human living conditions.

A project officer must be skilled at identifying a problem, weighing its impact on the people, and deciding on the best solution.

When a problem becomes apparent, it must be clearly defined. To do so, answer these questions:

1. What is happening? (Describe the actual situation)
2. What, ideally, should be happening? (Describe the desired situation.)

A problem is not necessarily something undesirable. Some problems provide an opportunity for positive change. A situation that negatively and repeatedly affects people, should probably be changed. The change should improve or correct the condition. Whether the problem concerns one hundred, two hundred, or thousands of people, the process for change is similar.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

Examples of Problem Definitions:

Actual situation - Freedomia has one of the highest infant mortality rates - 71 infant deaths per 1,000 live births.

Desired situation - The infant mortality rate should be more in line with its neighbors - 20.8 infant deaths per 1,000 live births.

Actual situation - Freedomia has had one of the weakest and least developed private sectors on the continent. The private sector is dominated by a few closely held commercial, industrial, and banking groups.

Desired situation - The private sector must move towards an open market economy.

Actual situation - Raw industrial and residential waste are commonly deposited in rivers because of a lack of adequate sanitation facilities

Desired situation - Increased availability to sanitation facilities through the country.

APPLICATIONS & IDEAS:

NOTES:

STEP 2. DETERMINE IF THE PROBLEM IS WORTH SOLVING

Problem analysis requires time and energy. Some problems are simple and not important enough to warrant any effort. U.S.A.I.D certainly should not devote resources to every problem that surfaces.

Benefits of Problem Solving

Three benefit areas may be realized from problem solving:

1. **CORRECTION** - Something is happening that is causing difficulties.
2. **PREVENTION** - Something is happening (or about to happen) that may cause difficulties in the future.
3. **FACILITATION** - Things happening are beneficial, and we want more of the same

For example, a report issued by the Center for Disease Control states that diarrhea is the leading reported cause of death for infants in third world countries. We may decide to correct this problem:

1. If we can detect a specific cause of the problem in a given country, we want to correct that problem
2. Perhaps diarrhea is not currently a problem, but we can identify situations that may cause the problem in the near future. We want to prevent it from occurring.

APPLICATIONS & IDEAS:

3. Perhaps a local village is already taking preventive measures, but not at a pace that we feel is necessary. In this situation, we would want to facilitate the preventive measures.

We must be very sure that solving a problem will actually benefit the recipient's country and/or its people. The following guidelines can be used to determine if the problem is worth solving:

1. Does it impact the local quality of life? Does it adversely affect health or living conditions? Can it help to improve the local economy?
2. Is it important? Is there a significant "payoff"? Is there a large gap between the expected and the actual situation? Or is there a small gap that makes a big difference? You should be able to state exactly how the local recipients will benefit from the solution.
3. Is it feasible? Do you have the resources and the authority to deal with the problem or at least make recommendations for dealing with it?
4. Is it practical? Some cost is usually associated with solving a problem, are you sure that the benefits outweigh these costs?

STEP 3. FIND THE FACTS

Fact-finding is conducted for two purposes:

- To gather data
- To "test" leads

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

STEP 4. GATHERING DATA

Fact-finding involves asking who, what, when, and where. These questions impose boundaries around the problem that help to discriminate between relevant and irrelevant information.

Three properties affect the quality of information:

1. Is it Accurate?

Inaccurate data can lead to an incorrect decision.

2. Is it Current?

Insist on current information "Current" normally means within the last ninety days.

3. Is it Complete?

Gathering information costs money and has a point of diminishing return. You need a plan for gathering enough, but not too much, information.

Making sure the data is complete is often difficult. It is best to use some kind of systematic guide in your fact-finding. A guide helps you to spot holes in the information and indicates where to investigate further.

NOTES:

APPLICATIONS & IDEAS:

Testing Leads

Gathering facts begins to uncover information that suggests the cause of the problem. It is dangerous, however, to jump to a conclusion too early. Because project designers frequently engage in decision making, they develop habitual ways of looking at problems. Because our favorite explanations “seem to work” most of the time, we often fail to question them, even when better ones are offered. Keep an open mind, and don’t consider first hunches as the “real cause.” Instead, treat each possible explanation as a lead - a lead that must be tested before you accept it. There are several ways to test a lead.

- Begin by examining the facts and noting the differences between what is and what is not
- Reflect back and note recent changes that could influence these differences.
- Make a list of possible explanations. Include all of those things you think could be influencing the situation.
- Compare the list of leads against the facts you have gathered. How well do they fit? Ask, “Why does this fact affect all of the elements that are involved in the problem and not affect the elements that are not involved?”

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Fact-finding involves.

- WHO
 - Who is involved?
 - Who is not involved but could (realistically) be?

- WHAT
 - What events, behaviors, equipment, and/or materials are involved?
 - What events, behaviors, equipment, and/or materials are not involved?

- WHEN
 - When does the problem occur?
 - When does the problem not occur?

- WHERE
 - Where does the problem occur? (e.g., at a physical location or at a step within a procedure)
 - Where does the problem never occur?

NOTES:

APPLICATIONS & IDEAS:

STEP 4. IDENTIFY ALTERNATIVE SOLUTIONS

Once you have isolated a problem and found it worthy of your time and energy, you must devise a method to solve the problem. Most of us solve problems each day by making simple, routine decisions. These solutions of habit often work. However, we may be overlooking a viable, more effective alternative. This alternative solution could result in a more effective means of problem resolution.

Arriving at a decision involves identifying alternative actions and choosing the one that will best yield the desired result.

Experience also plays a role in making decisions. With the innumerable situations in an office or field setting, there can be no exact formulas. The process of identifying alternatives depends on the situation. Ideally, guidelines for each type of situation should be provided but that would make this course excessively long.

For any given situation, the more alternative solutions you can generate, the greater the likelihood that the one you choose will give your desired result

Alternatives can be generated by various means, for example:

- Talk to others who have expertise in the problem area
- Brainstorm with a small group of peers
- Use your experience or intuition
- Research books or articles dealing with similar problems

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Characteristics of the alternatives must be defined and evaluated. This process of defining and evaluating is important. A final decision is based on a comparison between the alternatives and the desired result.

STEP 5. SPECIFY IMPORTANT CHARACTERISTICS

Before you decide on a solution, you should have a clear picture of your ideal situation.

One technique is to visualize the perfect solution (or ideal situation) and list its characteristics. For example, an ideal solution to a health problem might have the following characteristics:

1. It is inexpensive.
2. It uses existing facilities.
3. It does increase dependence on the government.

For each alternative, you should list its characteristics. Then, using the definitions below, you should categorize each characteristic.

A - **ABSOLUTE** characteristics are those that must be present for an alternative to be selected. If an alternative lacks absolute characteristics, eliminate it as a possibility.

B - **BENEFICIAL** characteristics, though desirable, do not have the power of "absolutely necessary" characteristics. Other characteristics are more important.

C - **CONVENIENT** characteristics are those that would be nice to have, like decoration on a cake. They are not necessary; they would simply make the solution more appealing.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

This process gives a fair comparison between the desired solution and each alternative. You should now choose the alternative that meets these criteria:

- It has all the absolute characteristics
- AND
- It has the greatest number of beneficial and convenient characteristics

Brainstorming

Brainstorming is a methodology for using a group of people to stimulate the production of ideas. It is almost always more effective than trying to generate ideas alone.

Brainstorming can be used in two ways:

1. **Structured** — In this method, every person in a group must give an idea as their turn arises in the rotation or pass until the next round. This method often forces even shy people to participate but can also create a certain amount of pressure to contribute.
2. **Unstructured** — In this method, group members simply give ideas as they come to mind. This method tends to create a more relaxed atmosphere but also risks domination by the most vocal members.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

In both methods, the generally accepted guidelines are as follows:

- Strive for quantity of ideas to maximize the effectiveness of the team process
- Ideas generally begin to flow when the team members ask themselves questions based on the five W's and H: "What, Why, When, Where, Who, and How?"
- Never criticize ideas. No idea should be treated as stupid. To criticize or belittle someone is a surefire way to curtail creativity
- Write every idea on a flip chart. Having the words visible to everyone at the same time avoids misunderstandings and reminds others of new ideas
- Everyone agrees on the question or issue being brainstormed. Write it down, too.
- Record the words of the speaker on the flip chart as spoken. **DO NOT INTERPRET** The leader may have to abbreviate a lengthy idea in to a few words. It is permissible to abbreviate, however when abbreviation occurs, the originator must agree.
- Do it quickly; 5 to 15 minutes works well.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

- Be creative, new ideas will be generated by thinking big. Combinations of existing concepts may lead to new and exciting creations. A shot of fantasy can aid in shedding the bonds that prevent us from doing creative thinking. Put yourself in the "other person's" place.
- Leave the Brainstorming Chart posted when possible. It will likely receive a lot of attention and may have ideas added to it by members and others. Members should feel free to add to the chart at any time. If visitors drop in during the brainstorming session, they may be invited to join in. If so, the rules should be explained to them to avoid possible confusion and embarrassment.

APPLICATIONS & IDEAS:

155

Consensus Management

The decision making method that is used when working in a team affects not only the quality of the decision but also the level of participation and frustration of the people whose lives are impacted by the decision. To maximize the buy-in from all of those involved in the decision and to base decisions on the best information possible, teams must strive to make decisions by consensus, whenever possible.

A consensus decision is one that all teams can understand and support without feeling that they are compromising anything important. It is not necessarily everyone's first choice, but everyone has been heard and must live with the decision.

If each team member can check off each of the statements below, the team has reached consensus:

- I believe everyone understands my point of view.
- I understand everyone else's point of view.
- I may or may not prefer this decision.
- I support this decision because:
 - It was reached openly
 - It was reached fairly.
- It was the best decision for us at this time.
- We all agree on a single alternative

NOTES:

APPLICATIONS & IDEAS:

Reaching Consensus

Reaching consensus is based on the effective use of two distinct types of communication:

- Dialogue
- Discussion

The purpose of each is discussed below.

DIALOGUE

The purpose of dialogue is to allow everyone to express their point of view, to get everyone's opinion in an open, non-challenging exchange. By engaging in dialogue, the project team is seeking resolution or agreement

Nominal Group Techniques

When selecting which problems to work on and in what order, it often happens that the problem that is selected is that of the person who speaks the loudest or who has the most authority. Selection of these problems often creates a feeling in the team that "their" problem will never be worked on. This feeling can lead to a lack of commitment to work on the problem selected, and the selection of the "wrong" problem in the first place. The nominal group technique tries to provide a way to give everyone in the group an equal voice in problem selection

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The steps in the process are as follows:

1. Have everyone on the team write the problem that they feel is most important. If the team members do not write the problem out, you need to get them written on a flip chart as they are being communicated. If people do produce written problems, collect them when they are finished. Everyone may not feel comfortable writing, but it may make them feel safer talking about sensitive problems at the beginning.
2. Write the problem statements where the team can see them.
3. Check with the team to make sure that the same problem has not been written twice (it might be written in slightly different words). If a problem is repeated, combine the two items into one item.
4. Ask the team members to write on a piece of paper the letters that correspond to the number of the problem statements that the team produced. For example, if the team developed five problem statements, everyone would write the letters A through E on the paper.
5. Make sure that each problem statement has a letter in front of it. Then ask the team members to vote on which problem is the most important by putting a five (5) next to that problem's letter. The problem list might look as follows:
 - A High Infant Mortality
 - B High Incidence of Communicable Disease
 - C Insufficient Food Supply
 - D Over Population
 - E Low Standard of Living

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

Each team member's paper would look like this:

- A. _____
- B. _____
- C. _____
- D. _____
- E. _____

So if a team member thought that "Insufficient Food Supply" was the #1 problem, their paper would look like this:

- A.
- B.
- C. 5
- D.
- E.

Everyone then has to complete the list by voting what is second most important, third most important, etc.

- A. 2, 5, 2, 4, 1
- B. 1, 4, 5, 5, 5
- C. 5, 2, 1, 1, 2
- D. 4, 1, 3, 3, 4
- E. 3, 3, 4, 2, 3

An alternate ranking approach involves the "one half plus one" rule. When dealing with a large number of items, it may be necessary to limit the items to be considered. This rule suggests ranking only one half of the number of items plus one. e.g., if 24 items were generated, team members would only rate 13 items

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

6. Add up each line of number across. The item with the highest number is the most important one to the total team. In this case, "B" (High Incidence of Communicable Disease) would be the most important item with a total of "20". You would add up the numbers for each item and put them in order.
7. You would then work on item B first, and then move through the list.

Cause & Effect Diagram

The Cause & Effect diagram was developed to represent the relationship between some "effect" and all of the possible "causes" that influence it. The effect or problem is stated on the right side of the chart and the major influences or "causes" are listed on the left.

Cause & Effect diagrams are drawn to clearly illustrate the various causes that affect a process through sorting out and relating the causes. For every effect, there are likely to be several major categories of causes. The major causes might be summarized under four causes such as: Government, Resources, People, and Delivery System. You may use any major category that emerges or helps people think creatively.

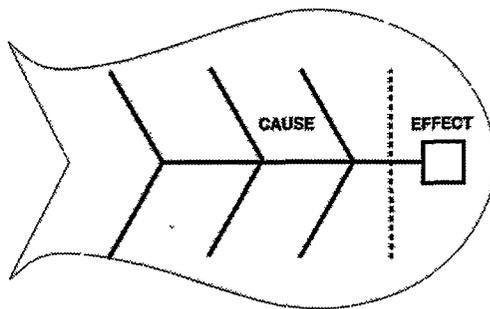
NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

A well-detailed Cause & Effect Diagram will take on the shape of fish bones, hence, the alternative name Fishbone Diagram. From this well-defined list of possibilities of probable causes, the most likely are identified and selected for further analysis. When examining each cause, look for things that have changed, deviations from the norm, or patterns. Remember, look to cure the cause and not the symptoms of the problem. Push the causes back as much as is practically possible.



STEPS IN CONSTRUCTING A CAUSE & EFFECT DIAGRAM

- 1 Generate the causes that are needed to build a Cause & Effect Diagram in one of two ways:
 - Structured brainstorming about possible causes without previous preparation.
 - Ask members of the team to spend time between the meetings, using simple check sheets, to track possible causes and to examine the production process steps closely

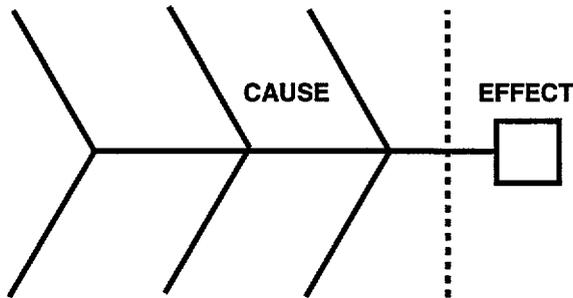
APPLICATIONS & IDEAS:

NOTES:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

2. Construct the actual Cause & Effect Diagram by:



- Placing the problem statement in the box on the right.
- Drawing the traditional major cause category steps in the production process or any causes that are helpful in organizing the most important factors.
- Placing the brainstormed ideas in the appropriate categories
- For each cause ask, "Why does it happen?" and list the responses as branches off the major causes.

NOTES:

APPLICATIONS & IDEAS:

167

3. Interpretation

In order to find the most basic causes of the problem:

- Look for causes that appear repeatedly.
- Reach a team consensus.
- Gather data to determine the relative frequencies of the different causes.

Construction/Interpretation Tips for Cause & Effect Diagrams

- Try not to go far beyond the area of control of the group in order to minimize frustration.
- If ideas are slow in coming, use the major cause categories as catalysts, e.g., "What in Government is causing . . . ?"
- Use as few words as possible
- Make sure everyone agrees completely on the problem statement.

NOTES:

APPLICATIONS & IDEAS:

ANALYSIS OF THE SITUATION

The purpose of development projects is to induce change based on results that are desired within the project environment and society as a whole. Before project planning takes place, there must be general agreement about what the improved situation should be. This will make it possible to agree on the purpose and the goal.

Development projects do not exist in a social vacuum, therefore it is necessary to describe the desired future situation in very specific and measurable terms. Accurate project definition is only possible with appropriate analysis. Five elements of situation analysis should be conducted to ensure accurate project definition, these are:

- Stakeholder Analysis
- Problem Analysis
- Analysis of Objectives
- Strategy Analysis
- Alternatives Analysis

Stakeholder Analysis

Lack of knowledge among development planners both on the donor and partner side about the people affected by the development project (stakeholders) has proved to be a common cause of problems. Organizations, authorities at different levels, and interest groups, have different motives and interests. The analysis of interests and expectations of the various stakeholders is of fundamental importance both early on in the project planning and during the implementation of the project.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

A fundamental requirement of all development projects is to make sure that objectives reflect the needs of society and the stakeholders and not merely the needs of institutions. All parties whose views it is necessary to investigate in order to understand the problem should be listed. It is also important to list all groups likely to be affected by a possible development project in the area whether they are effected positively, negatively, directly or indirectly.

IDENTIFY ALL PARTIES INVOLVED

- Write down all persons, groups, and institutions affected by the problem environment
- Categorize them, e.g. interest groups, individuals, organizations, authorities, etc.
- Discuss whose interests and views are to be given priority when analyzing the problems. Specify gender.

Based on the information available and the insight and experience of the individual team members, a more detailed analysis can be made of a selection of the groups identified. The team members should decide on the criteria to be used in this analysis. Once the criteria are established, the main characteristics of the individual groups should be identified accordingly.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

TAKE A CLOSER LOOK AT SOME OF THE GROUPS

- Select the most important groups
- Make a more detailed analysis of these groups, e.g. in terms of:
 - ◆ Problems: The main problems affecting or facing the group (economic, ecological, cultural, etc.)
 - ◆ Interests: The main needs and interests as seen from the group's point of view.
 - ◆ Potential The strengths and weaknesses of the group.
- Linkages: Main conflicts of interests, patterns of cooperation or dependency with other groups.
- Decide whose interests and views are to be given priority when the analysis of problems is carried out.

Team members must be able to agree on whose interests and views are to be given priority when the analysis of problems are carried out. The consensus management techniques covered earlier in this module are useful in trying to reach agreement. Relevant issues the team should keep in mind are.

- Which are the groups most in need of external assistance?
- Which interest groups should be supported in order to ensure positive development?
- What conflicts would occur by supporting given interest groups and what measures can be taken to avoid such conflicts?

NOTES:

APPLICATIONS & IDEAS:

Problem Analysis

Once the stakeholders have been determined through stakeholder analysis, the problem can then be analyzed. It is important that all possible options remain open during problem analysis. The aid at this early stage is to establish an overview of the situation. Later in the process, the perspective will be narrowed and deepened in order to prepare for project design.

FORMULATE THE PROBLEMS

- Identify existing problems — not possible, imagined or future ones
- A problem is not the absence of a solution — but an existing negative state.
- Only one problem per card.

IDENTIFY A STARTING POINT

Each team member should write down a suggestion for a focal problem, i.e. describes what he/she feels is the central point of the overall problem. The theme guiding the discussion and overall selection of the focal problem is the interests and problems of the interest groups, persons, and institutions involved. Using consensus management techniques, the team should discuss each proposal and try to agree on one focal problem. If the team cannot agree after using consensus management techniques, then

- Arrange the proposed problems in a problem tree according to the causal relations between them,
- Try again to agree on the focal problem on the basis of the overview achieved in this way.

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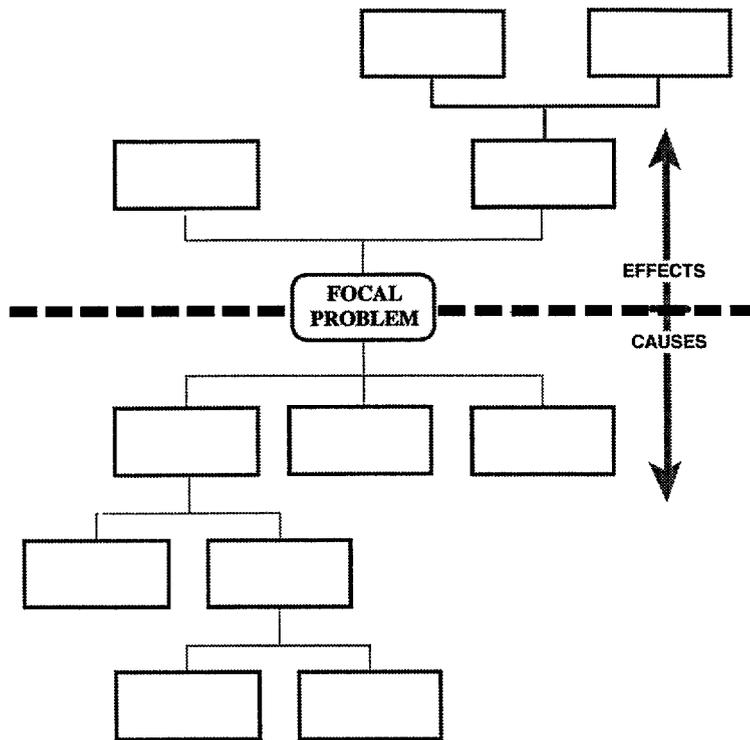
APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

DEVELOP THE PROBLEM TREE

The substantial and direct causes of the focal problem are placed parallel underneath it. The substantial and direct effects of the focal problem are placed parallel in the line above it. Causes and effects are further developed along the same principle to form the problem tree. Review the problem tree, verify its validity and completeness, and make necessary adjustments.



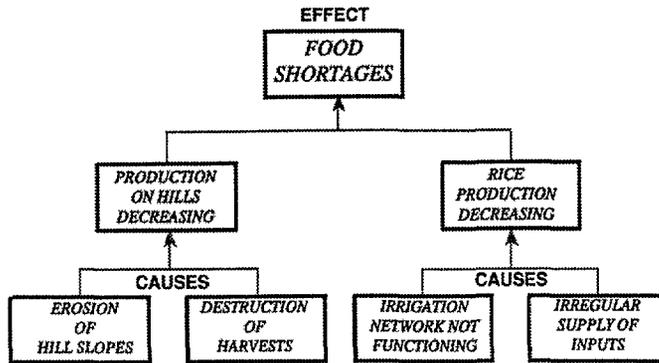
The Problem Tree

The problem analysis can be concluded when the team members are convinced that all essential information has been included in the diagram in order to explain the main cause and effect relationships which characterize the problem.

NOTES:

APPLICATIONS & IDEAS:

NOTES:



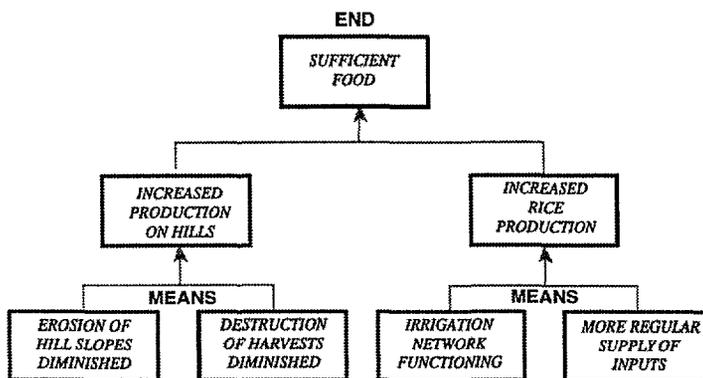
Simplified Diagram of Problem Tree

Objectives Analysis

In the Objectives Analysis, the problem tree is transformed into a tree of objectives (future solutions of the problems) and analyzed

DEVELOPING THE OBJECTIVES TREE

Working from the top downwards, all problems are reworded into positive statements. The focal problems is similarly transformed into an objective and is no longer highlighted. Difficulties in rewording may be solved by clarifying the original problem statement.



Objectives Tree

APPLICATIONS & IDEAS:

169

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

If the statements do not make sense after being reworded from problems, write a replacement objective, or leave the problem unchanged. Check to make sure that meeting objectives at one level will be sufficient to achieve the objectives at the next level.

- Problems: "If cause A, then effect B"
- Objectives: "Means X in order to achieve end Y"

NOTE: Every cause—effect relationship does not automatically become a means—end relationship. Rewording will be the determining factor.

Working from the bottom upwards, ensure that cause—effect relationships have become means—end relationships. Finally, draw lines to indicate the means—ends relationships in the objectives tree

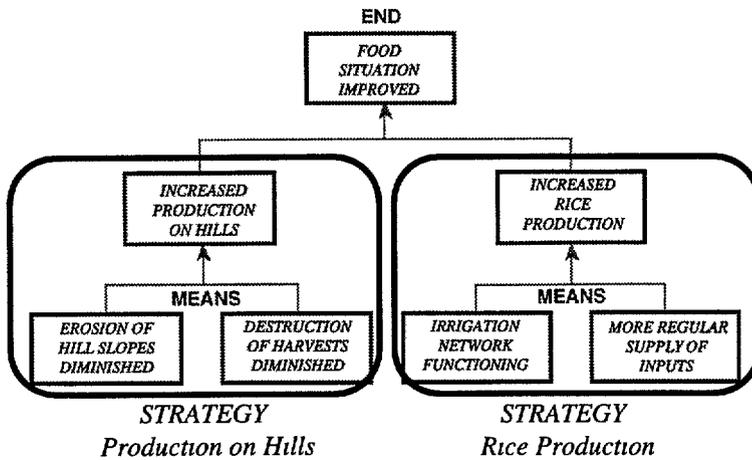
NOTES:

APPLICATIONS & IDEAS:

Alternatives Analysis

The purpose of the alternatives analysis is to identify possible alternative options, assess the feasibility of the options, and agree on a single project strategy.

SELECTING THE ALTERNATIVES



Possible alternative means—end branches in the objectives tree which could become possible projects are identified and circled. The circles means—end branches constitute the alternative options. Alternative options are numbered or labeled, e.g. “production approach”, “income approach”, “training approach”, etc. The team members should then refer to the results from the stakeholder analysis and discuss alternative options in the light of which stakeholders would be affected by those results and the ways that they would be affected

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

SELECTING THE MOST VIABLE ALTERNATIVE

The alternative options should be considered in terms of the following criteria:

- Total cost
- Benefits to priority groups
- Probability of achieving objectives
- Social risks

The team members should also agree on any other criteria to use when assessing the viability of the alternatives. Some examples might be.

- **Technical:** Appropriateness, use of local resources, market suitability, etc.
- **Financial:** Costs, financial sustainability, foreign exchange needs, etc.
- **Economic.** Economic return, cost effectiveness, etc.
- **Institutional** Capacity, capability, technical assistance inputs, etc.
- **Social/Distributional:** Distribution of costs and benefits, gender issues, socio-cultural constraints, local involvement and motivation, etc.
- **Environmental.** Environmental effects, environmental costs vs. benefits

NOTES:

APPLICATIONS & IDEAS:

Strategy Analysis

In the objectives tree, the different clusters of objectives of the same type are called strategies. The strategies that have been selected from the alternatives are then compared to the strategic plan to assure that there is a supporting relationship. The relationship to the strategic plan is important to ensure:

- The development needs and opportunities in the particular country, region, or sector are in agreement with the mission, goals and strategic objectives of the agency.
- Host country, regional, or sectoral development needs are seen in the context of the U.S. government's assistance objectives as identified in legislation, executive orders, or other policy statements issued by the legislative and/or executive branch.
- Program strategies focus on those areas where is determined that agency assistance can achieve significant program results within the planning period and where those results can achieve sustainable development impact
- The volume and stability of projected resource flows and the proper staff resources are available to assure project success.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Particular attention should be paid to the strategy, rationale, and key assumptions section of the strategic plan. The team should assure that the following elements of the proposed program/project strategy are considered:

- The nature of the problems which need to be addressed if the strategic objective is to be achieved.
- The feasibility and appropriateness of the proposed approach to the identified problems.
- The compatibility and consistency with other related donor activity
- The commitment and political will of the host country and/or other development partners to support and sustain the approach
- The availability of suitable institutional partners and suitable delivery mechanisms

The team should also compare the strategy to the action plan section of the strategic plan. The action plan section describes the actions necessary to implement the strategy in the current fiscal year and the two successive budget years. The program/project strategy must support the action plans identified in the strategic plan.

NOTES:

APPLICATIONS & IDEAS:

LOGICAL FRAMEWORK

Inadequate planning is a persistent problem in international development assistance. Planning documents are often clear about the physical, financial, and personal inputs needed. One element that is often lacking is a clear statement of overall program or project objectives and the desired impact upon the recipients. A common problem is that projects which don't adequately address the objectives and their desired impact often fail to reach their maximum potential.

HIERARCHY TO CAUSE & EFFECT	PERFORMANCE MEASUREMENT	MEANS OF VERIFICATION	EXTERNALITIES RISKS & ASSUMPTIONS
GOAL		EVALUATION PLAN	GOAL TO STRATEGIC OBJECTIVE
PURPOSE	EOP	EVALUATION PLAN	PURPOSE TO GOAL
OUTPUTS	TOR	MONITORING SYSTEM	OUTPUT TO PURPOSE
ACTIVITIES	INPUTS	MONITORING SYSTEM	ACTIVITIES TO OUTPUT
			CONDITIONS PRECEDENT

Organization of a LogFRAME

Rationale and Antecedents of logFRAME

The logical framework (LogFRAME) was developed in response to the above problem. LogFRAME is not a miracle tool that will assure that programs or projects adequately address the objectives and their desired impact in order to reach their maximum potential.

APPLICATIONS & IDEAS:

NOTES:

125

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The LogFrame is a project improvement tool. It is used during project planning to develop the overall design of a project. The LogFRAME can also be used to improve project implementation planning, monitoring and evaluation. LogFRAME forces the project design team to:

- Set project objectives
- Define indicators of success
- Clarify logical linkages in the project plan
- Define critical assumptions underlying the project
- Identify key activity group
- Identify means of verifying project accomplishments
- Define resources required for implementation

The LogFRAME was initially developed for U.S. AID in 1970. A number of other Bilateral and Multilateral donors currently use the LogFRAME.

Review of Objectives/Cause & Effect

Human nature causes people to focus their energies on maximizing their needs, wants, and desires. Most people try hard to achieve the goals they set for themselves. This is not an easy task unless the person knows what they want. The result of people not knowing exactly what they want is the confusion of motion with progress. People seem to believe that as long as they walk fast and look busy, are working hard and getting tired, that they are getting things done and are achieving.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

Most projects produce results and use resources, the question is, whether those results are directed towards real needs and problems. Activity without direction is usually non-productive. Objectives provide the direction needed to ensure project success.

An objective is a statement of the results we desire, specifically an objective expresses an intent that describes a proposed change which is measurable and observable.

Most planners and managers have seen projects designs where specific outputs are clearly defined and broad goals are outlined. Most organizations focus their attention on these two levels to evaluate the cost/benefit values of undertaking a project. Logical steps are often left out. How are inputs converted into benefits? What is the relationship between different levels of objectives?

CAUSE AND EFFECT

For every effect there is one, and typically more than one, cause. A effect can be defined as the net result of a cause or a group of related causes.

Effects are easily identified. They show up as "problems" or other end result. To understand an effect, it is essential to determine the contributing factors (causes) that led to it. Most effects are from a complex conglomeration of causes, with some causes contributing more than others. Therefore, it is often necessary to use a systematic method of analysis to thoroughly analyze the problem.

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

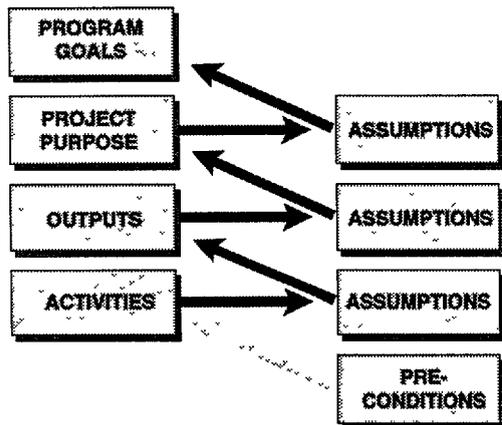
The single most important concept in a development project design is separating cause from effect. The problem analysis discussed previously uses the problem tree to accomplish this separation. Once the cause and effect relationship have been identified, the team can then build the vertical logic necessary to support the program or project.

Vertical Logic

The vertical logic of a project is the project hypothesis. It describes the progressive levels of logically linked project results. The LogFRAME is based on the premise that a development project is seen as a set of causally linked hypotheses. These are described at four levels:

- Activities
- Outputs
- Purpose
- Goal

The hypotheses should be linked as follows:

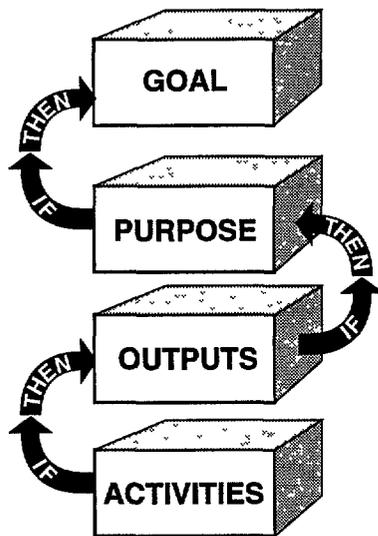


APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- If the Activities take place, then the outputs will be produced.
- If the Outputs are produced, then the purpose will be achieved.
- If the purpose is achieved, then the goal will be met.



The logical link is weakened by the inaccuracy of information and by the uncertainties of the project environment. Even though the information is imperfect, the team should try to develop the best hypothesis possible based on the empirical evidence at hand. The better the hypothesis the better the design. LogFRAME will help improve the hypothesis by forcing the team to separate the levels of results, thus making the logic clear and explicit. The team is then freed up to focus on areas of uncertainty as well as risks and assumptions

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

A simple hypothesis is not enough to assure that the next higher level of the vertical logic will be achieved. The team must identify the key assumptions in order to help focus attention on the weakest areas of the program/project design

IDENTIFYING KEY ASSUMPTIONS/RISKS/EXTERNAL FACTORS

Uncertainty increases at each level of the vertical logic, therefore it becomes increasingly important to identify the critical aspects of each link between the levels -those within the project and those outside of the project control.

The uncertainties of the process are explained by external factors (or assumptions) at each level. These external factors are outside the direct control of the project, but have to be fulfilled for the development process to succeed. The hypothesis at each level of a well-designed project is that all items in the project are necessary to achieve the results at the next higher level. All items in the project plus the assumptions made about the external factors will be sufficient to produce results at the next higher level.

Measurement and Defining Performance Targets

Statement of goal, purpose, outputs, and activities are often subject to misunderstanding or are open to different interpretations by those involved with the project. Goal and purpose statements in particular tend to be ambiguous. It is not uncommon for each person looking at a purpose statement have a different interpretation of that purpose statement. The vertical logic statements can be clarified by identifying how success can be recognized.

NOTES:

APPLICATIONS & IDEAS:

180

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

INDICATORS

Objectively verifiable indicators are the means for establishing what conditions must be present in order to signal successful achievement of the logic statement. Once the team has developed clear indicators, it should be possible to easily collect information on those indicators and thus monitor and evaluate the project.

EOPI

The purpose statement is of major importance in the project design, therefore the indicators at that level have a special name in the LogFRAME: End of Project Impact (EOPI). The purpose and its EOPI are the main focus for program and project dialogue. The purpose is often extremely complex — involving such factors as organizational viability, changes in behavior, and improvement in systems performance. The rule for selection of the EOPI is: if all EOPI conditions are met, then there would be no plausible alternative explanations for achievement of the purpose.

TARGET AND SUFFICIENCY

Indicators and targets bring the project to life and add meaning to the necessary and sufficient conditions. As indicators and targets are developed, the hardest question to answer often becomes — “How much is enough?” The answer should be “Enough to give confidence that the next level objective will be achieved.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Targets must reflect the idea that the amount of accomplishment required at one level will ensure the achievement of the next higher level. The number of indicators required should be as few as possible while still allowing the measurement of important elements the project. As available resources become limited, it becomes more and more important to limit the number of indicators and at the same time increase the confidence that the indicators measure the most important elements of the project.

There are four attributes of a good indicator:

- Practical
- Independent
- Objectively verifiable
- Targeted

Indicators must measure what is important, must measure change that is attributable to the project, and must be cost-effective.

Means of Verification

The next step in clarifying the objective in a logical framework is to ask the following question: "How are we going to be able to verify our indicators?" The indicators allow us to monitor progress towards objectives and eventually to prove (or disprove) achievement of them. The means of verification(MOV) specifies the sources of data we use to check progress towards our objectives.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Means of verification are an important element in project monitoring and evaluation and are an integral part of the overall project design. They provide a basic roadmap that tell the project officer or evaluator where to get information on various aspects of project performance. The value of an indicator is limited by the means available to verify it. Some common sources of data for measuring project success are:

- Key informant interviews with project beneficiaries and staff.
- Routine project records and reports.
- Data collected by other Bilateral and multilateral agencies.
- Data collected by government ministries.
- Data collected from special surveys and studies.

The choice of the MOV is determined by the importance of the data needed, the availability of alternative sources, and the monitoring and evaluation capabilities of particular institutions and personnel as well as the availability of funds.

Assumptions

Assumptions are a critical factor in a development project. This is a world full of uncertainty driven by external factors over which we have little control. Project designers must come to terms with these external conditions. All of the necessary and sufficient conditions both within the control(hypothesis) and outside of the control(assumptions) of the project team must be defined.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The method for identifying and responding to assumptions and risks is as follows:

- Identify assumptions
- Refine assumptions
- Analyze assumptions
- Manage killer assumptions

IDENTIFYING ASSUMPTIONS

Develop a rough set of assumptions. What kind of risks to project success are people concerned about the most? This can be done using brainstorming techniques. The important concept is to use the if/and/then logic to make sure that your assumptions are at the correct level. Once the most obvious assumptions have been identified, move level by level to complete the identification.

Identify assumptions which are critical to project success, but about which there is some doubt. The next step is to improve and refine the assumptions.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

REFINE ASSUMPTIONS

Useful assumption statements are developed by asking the question: "What could happen to make this assumption fail?" For example if a very general project assumption is that "seed will be available at the start of the planting season," the question to ask is: "What could happen to delay availability of seed?" The response might be that there is a likelihood that a dock strike will occur. In this case we are making an underlying assumption that the dock strike will not occur. The question that follows is: "What could happen to make the dock strike occur?" Suppose that we find that the government is scheduled to sign a contract with the dockworkers union two weeks before the seed is scheduled to arrive at the port and there is a possibility that the government will not accept the union's demands. The project team could check with the union and with the appropriate government officials to determine the probability that the contract will be signed on time. If the probability appears high, instead of the original assumption ("Seed available at the start of the planting season") the project officer will know then to keep an eye on negotiations between the government and the dock workers and, if it appears likely that the contract will not be signed, the project can be replanned accordingly.

ANALYZE ASSUMPTIONS

Once the basic assumptions have been identified at each level of the project, the project team should single out the assumptions that are most critical to project success. Identifying these critical assumptions will not make them go away, they still have to be dealt with

NOTES:

APPLICATIONS & IDEAS:

185

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The next step is to refine the assumptions by moving from general to specific. The question "What could make this assumption fail?" is used to produce specific assumption statements. Once the specific assumption statement is developed, the importance of the assumption statement is considered by asking:

- Is the assumption important?
- Is it likely to fail?
- What can be done about it?

Critical assumptions should be reviewed using the critical assumptions matrix. The project team should be looking for assumptions which are highly critical and have a low probability of holding true. These assumptions should be stated in terms of their probability. The team should gather the minimum amount of information to have confidence in the assumption. The amount of analysis focused on the assumptions depends on the importance of the assumption and the amount of time and money available to the project team to spend on analysis of assumptions. If the assumption is highly critical to the success of the project and has a low probability of holding true, it is known as a killer assumption.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

MANAGING KILLER ASSUMPTIONS

There are several alternatives to killer assumptions:

- Do nothing
- Change project design
- Add a new project
- Abandon the project
- Monitor the assumptions closely during the project

The project team can continue with the project as is and “do nothing”. If this is the case, the team will have to accept a lower probability of success. However, when the probability of success drops substantially due to an invalid assumption, steps need to be taken to rectify the situation. The first question to ask, “Is there something the project team can do to effect the necessary change?” If there are no means to rectify the problem, then two other possibilities arise:

- The objectives of the project could be modified
- The project could be abandoned as unworkable, thereby freeing resources for alternative projects.

If each of the assumptions in the project design are handled in this manner during the design phase, the project officer should have a realistic idea of what the probabilities of success are and will be able to anticipate the kind of difficulties that might arise during the project.

NOTES:

APPLICATIONS & IDEAS:

157

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Assumptions are useful in the planning phase, the implementation phase and in the evaluation phase of the project. Once the project begins, the project officer must monitor the assumptions on a regular basis to assess their continuing validity. If an assumption proves to be invalid, steps must be taken to rectify the situation.

Manageable Interest

Manageable interest refers to the tasks (outputs) that a project officer should be willing to accept responsibility for producing if given the resources agreed upon at the start of the project. In a well designed project, each task is necessary for accomplishing higher objectives (purpose & goal) that motivate the project. Achieving the higher objectives does not automatically follow from achieving the task because there are important factors outside the project that are necessary too. The hypothesis of a development project is that the purpose will be accomplished if the project outputs are produced and the project assumptions hold true.

Management interest depends upon a person or institution's point of view. The project officer is considered responsible for achieving the project outputs. They are within his/her "manageable interest." The judgment that the development impact (purpose & goal) will follow is "beyond his/her manageable interest."

The concept of "manageable interest" helps to clarify what the project officer should feel responsible for and why. In the process, the project officer's objectives are clarified and project evaluation becomes an opportunity for the project officer to call attention to problems and the need for corrective action.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Design Checklist

Once the project is designed, it is important to check the project design using the project matrix. The project matrix is a one page summary of the project design.

Goal	Indicators	Goal to strategic objective
Purpose	E O P I	Purpose to goal
Outputs	T O R	Output to purpose
Activities	Inputs	Activities to output

NOTES:

APPLICATIONS & IDEAS:

187

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

A basic principle in all development projects is that they should be designed to satisfy the needs of people, not the internal needs of institutions. It is therefore necessary to clarify which are the intended beneficiaries (target groups), and what other groups will be affected, positively or negatively. Once the project is designed, ensure that the target groups are:

- Specified in the indicators column at the level of goal, purpose, and output
- Precisely defined
- Specified at the correct project level

GOAL

The goal is the main overall objective that the project is meant to contribute to in the long run. Once the goal has been formulated, ensure that.

- It is consistent with U.S. A.I.D. strategic plans
- It is consistent with the development policy of the host country
- It represents a sufficient justification for the project
- It is not too ambitious
- Target groups are explicitly defined
- It is expressed as a desired end, not as a means (a process)
- It is expressed in verifiable terms
- It does not contain two or more objectives which are causally linked (means-ends)

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

PURPOSE

The purpose is evaluated next. The purpose sets forth the operational purpose (the situation that is expected to prevail as a consequence of the project). The purpose or its indicators should specify the intended benefits for the target group. Once the purpose has been defined, ensure that:

- It consists of one single objective
- The target groups of the project are specified
- It can be expected to contribute significantly to the fulfillment of the goal.
- It is realistic
- It is outside the immediate control of the project itself
- It is formulated as desired state, not a process
- It is precisely and verifiably defined

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

OUTPUTS

Outputs are the results that can be guaranteed by a project as a result of its activities. Once the outputs have been identified, ensure that:

- All essential outputs necessary for achieving the project objective are included
- Only the outputs which can be guaranteed by the project are included
- Each output can be seen as a necessary means to achieve the purpose
- All outputs are feasible using the resources available
- The outputs are precisely and verifiably defined

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

ACTIVITIES

The activities are the work, the investigations, or the tasks to be carried out by the project team. When the activities are described, ensure that:

- All essential activities necessary to produce the anticipated results are included
- All activities contribute to the output level above
- Only those activities to be performed by the project are included
- Activities are stated in terms of actions being undertaken rather than completed outputs
- The time available for each activity is realistic
- The activities are appropriate to the situation in the host country in terms of institutions, ecology, technology, culture, etc.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

INPUTS

Inputs are all of the resources to be used in the project in terms of funds, personnel, materials, services, etc as provided by A.I.D., other donor partners, or the host country. Once the inputs are described, ensure that:

- The inputs can be related directly to the specified activities
- The inputs are necessary and sufficient conditions to undertake the planned activities
- The level of detail is adequate but limited to comprehensibility
- The inputs are precisely and verifiably defined (quantity, quality, cost)
- The resources are appropriate for the situation in the host country, in terms of organization, gender, culture, technology, environment, etc.

NOTES:

APPLICATIONS & IDEAS:

1988

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

EXTERNAL FACTORS

It is important to identify external factors as early as possible and to take these into consideration when the project is designed. Once the external factors have been formulated, ensure that:

- There are formulated as desirable positive conditions
- They are linked to the correct project level
- Factors which are not important are not included
- If there are factors which are both important and unlikely to occur (killing factors) the project should either be redesigned to avoid them - or abandoned
- The remaining factors are precisely and verifiably defined

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

INDICATORS

Indicators are useful only to the extent that the means of verification can be generated. Once indicators have been specified, ensure that:

- They are specific in terms of quantity, quality, time, location, and target group
- The means of verification is available (statistics, observation, records)
- If not, check that the information can be generated at reasonable cost
- It is relevant as a measurement of the achievement of objectives
- The means of verification is reliable and up-to-date
- The collection, preparation, and storage of information is an activity within the project and the necessary inputs for it are specified in the project matrix

Financial/Economic Overview - IRR

Economic and financial analyses are used to determine the value or benefits derived from a particular project. Analyses are performed by identifying the technical inputs and outputs for a proposed project. A dollar value is then applied to each of the inputs and outputs and the project is then reviewed in terms the effects of that project.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

FINANCIAL ANALYSIS

Financial analysis of a project determines whether the project is financially viable and what level of profits are to be derived from the project. Financial analysis does not estimate whether or not the society (economy) is going to benefit as a whole from the project.

ECONOMIC ANALYSIS

Economic analysis of a project determines the true value of a project to the host country as a whole. The society as a whole would benefit from a project only if the net real national income changes positively as a result of the project. The economy will be better off if, after all transactions have been made a true scarcity values of all items, there is a net positive return from the project. Economic analysis is conducted in order to estimate the true value of a project to a nation as a whole. Financial accounts are then adjusted to reflect economic values.

PROCESS OF ADJUSTMENT

Once financial prices for costs and benefits of a project have been determined, the economic value of the project is estimated. The financial prices are adjusted as needed to reflect economic values for both inputs and outputs and to account for external factors.

NET PRESENT VALUE AND INTERNAL RATE OF RETURN

Net present value is the discounted measure of a project's net worth. In financial analysis it is the present worth of the income flow. In economic analysis net present value is the present worth of the incremental national income.

NOTES:

APPLICATIONS & IDEAS:

197

Internal Rate of Return is the discount rate that makes the net present value of the incremental cash flow equal to zero. It is the maximum interest that a project could pay for the resources used if the project is to recover its investment and operating cost and still break even. In other words, it is the return for capital invested in the project.

Communicating Using the LogFRAME

The LogFRAME provides a simple and straightforward approach for describing a project to stakeholders, project team members, colleagues, legislative committees, etc. The description can be presented in such a manner that the presenter does not have to be knowledgeable in LogFRAME technique or its specialized terminology.

A step-by-step approach is as follows:

- 1 "The overall goal of this project is to ... (project goal)."
- 2 "In order to achieve/contribute to this sectoral goal, the project will ...(project purpose)."
- 3 "The project will achieve this objective by taking direct responsibility for .. (project outputs)."
- 4 "Let me describe the logic and strategy of the project in somewhat greater detail. We believe that if we ...(project activities) and if ...(activities level assumptions), we will achieve our targets of ...(outputs OVI's). We estimate that this will cost approximately ..(activity OVIs)."

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- 5 "In addition to reaching these targets, several other things must happen if the project is to achieve its major objective of ...(purpose EOPI). These other factors, outside our direct control, include ...(output level assumptions)."

- 6 We believe that if we can achieve the major objective of this project, (project purpose), we are likely to achieve, or contribute meaningfully to, the project overall goal of (project goal). The achievement of this goal is, however, affected by factors outside of this project. These include... (purpose level assumptions). It is our judgment that all of these factors taken together will be sufficient to realize this goal and that the proposed project is an important and cost effective element in this strategy.

NOTES:

APPLICATIONS & IDEAS:

DOCUMENTATION REVIEW AND APPROVAL

Personnel involved in planning A.I.D. assistance activities must properly document the analysis and planning activities used to carry out their responsibilities. The documentation required involves the following documents:

- New Activity Description
- Assistance Proposal

New Activity Description

The New Activity Description document is intended to provide the appropriate AID/W operating bureau an early opportunity to review a proposal for initiating new assistance so as to.

- determine its consistency with Agency policy and the approved strategic plan prior to making a budgetary commitment to that proposal;
- provide, as needed, guidance concerning any policy or relevant design issues associated with the proposal; and
- make a determination concerning the location for final approval of the assistance activity.

TIMING REQUIREMENTS

A New Activity Description should be submitted with the Action Plan for any new activity proposed for funding in the following budget cycle. Under circumstances, or in cases where operating units are asked to revise the description of a new initiative, New Activity Descriptions may be submitted outside the Action Plan process.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

CONTENTS OF THE NEW ACTIVITY DESCRIPTION

A New Activity Description will include only the information needed to meet the purposes description. Generally, this will include:

- all basic activity data such as title, number, funding source and projected level of resources required;
- the strategic objective and program outcome being supported, the purpose(s) of the new activity, the expected results of the assistance, and its relationship to other donor activities,
- the types of interventions anticipated and the kinds of management costs expected for A.I D (in terms of FTEs, OE, and/or technical support from AID/W);
- as applicable, a statement of the dialogue agenda and host country policies to be addressed;
- design and analytical work to be completed in preparing the assistance activity for approval and obligation, including any policy issues and/or program innovations to be explored
- timetable and resource requirements for developing the Assistance Proposal

recommendations for review and approval authorities a preliminary logframe, objectives tree, or other analytical tool which presents in form the linkage of the proposed activity to the approved program strategy it supports, and the planning assumptions being made regarding the achievement of objectives.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

New Activity Descriptions need not repeat any analytical or descriptive background and rationale that is provided in the overall strategic planning document. It is expected that the narrative portion of a New Activity Description will not exceed four (4) pages.

REVIEW AND APPROVAL

Every New Activity Description is to be reviewed by the appropriate AID/W operating bureau as an integral part of the bureau's review of the unit's Action Plan. Bureau review of New Activity Descriptions will consider the purpose, as well as the priority of the proposed activity relative to other proposed bureau activities and the overall availability of bureau resources.

In the case of activities formulated and managed by A.I.D./W units, it is A.I.D. policy that representatives from the relevant operating bureaus will participate in the review of NADS to ensure coordination among all A.I.D. financed programs. Because of the Agency-wide impact of activities managed by the Global Programs, Field Support and Research Bureau (GFR), NADs proposed for the GFR portfolio must also be cleared by the Deputy Administrator

Approval of a New Activity Description constitutes authorization to proceed with further planning of the Assistance Proposal. Approval may be subject to certain specified conditions to be followed by the mission or office in planning. New Activity Description approval will be accompanied by a determination of where final approval authority will lie for the new activity

NOTES:

APPLICATIONS & IDEAS:

282

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

DELEGATION OF AUTHORITY

Approval authority for field activities is usually delegated to Mission Directors. Exceptions to this policy may be made in the following circumstances:

- where the activity raises significant policy issues;
- where the activity incorporates an innovation not yet tried within the sector or region, or may be considered particularly high-risk;
- where the activity will require significant AID/W or bureau-wide implementation support; or
- where there is insufficient personnel at the mission level to ensure a broad and thorough review of the Assistance Proposal.

All other Assistance Proposals will be reviewed for approval by the appropriate AA or his/her designee. Again, because of their Agency-wide impact, GFR Assistance Proposals may be made subject to the clearance of the Deputy Administrator, unless the Deputy Administrator determines otherwise at the time of New Activity Description approval

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Optional Intermediate Steps

It is A.I.D. policy that any reports or reviews following New Activity Description approval, and prior to the presentation of Assistance Proposals, are optional. Unless directed otherwise at the time of approving the New Activity Description, the officer with delegated authority for approval has the responsibility to determine whether some preliminary documentation or review is required prior to further development of the assistance activity.

The purpose of such intermediate steps is to determine whether analysis and planning of the proposal should proceed. Effort should focus on those areas of greatest uncertainty regarding the feasibility of the proposed assistance.

Any decision on the part of AID/W to require an intermediate review must be based on the assurance that such a review will add significant value to the development of the assistance proposal and be consistent with the criteria for Delegations of Authority.

NOTES:

APPLICATIONS & IDEAS:

Assistance Proposal

There are several purposes of the Assistance Proposal, these are:

- to present the information needed by the approving officer to make a determination as to whether the proposal represents an appropriate use of USG funds;
- to serve as a guide for the early implementation of the activity; and
- to provide a framework for monitoring the impact of the activity on the strategic objective and related program outcome supported by the assistance effort. In the process of meeting these three objectives, the Assistance Proposal also provides a basis for authorizing the new assistance and for negotiating and obligating A.I.D. funds.

TIMING REQUIREMENTS

An Assistance Proposal must be reviewed and recommended for approval by the appropriate unit prior to the authorization of assistance and obligation of A.I.D funds Assistance Proposals should be scheduled in a manner which allows orderly completion of all of the steps leading to and through the obligation of funds

NOTES:

APPLICATIONS & IDEAS:

205

CONTENTS OF THE ASSISTANCE PROPOSAL

The Assistance Proposal must record the conclusions reached by completing the six core tasks of the assistance planning process. The text of the Assistance Proposal will vary widely depending on the magnitude and type of activity being proposed, but will in no case exceed 30 (thirty) pages. A two-three page executive summary may be included for texts exceeding 12 pages.

When an operating unit has chosen to plan at the program level, a single Assistance Proposal may be used as long as each activity to be authorized is clearly delineated in the Assistance Proposal

Statement of Problem/Opportunity, Activity Purpose, and Assistance Interventions

This section of the Assistance Proposal will:

- clarify the problem or opportunity to be addressed by the assistance;
- identify the specific purpose(s) of the proposed activity and how it will contribute to the strategic objective and program outcome supported by the assistance; and
- describe the types of interventions being proposed and the rationale for their selection.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

A case for affirming the plausibility of program impact must be presented in this section, including: the basis for asserting that the planned interventions are feasible and appropriate in the context in which they will be carried out; any existing evidence which confirms that the proposed approaches will work and achieve the results being sought; and the criteria to be used for measuring performance.

A LogFRAME, objectives tree, or equivalent analytical tool will be included in the Assistance Proposal to demonstrate in summary form the hierarchy of objectives (e.g., purpose - program outcome strategic objective) which link the assistance activity to the approved program strategy, the categories of inputs to be financed, indicators for measuring performance, and the planning assumptions being made regarding the achievement of objectives

Plan of Action

The purpose of this section of the Assistance Proposal is to describe how the proposed activity will be carried out in the assistance environment, i.e., "how it will work." It identifies all of the institutional actors related to the success of the activity, whether host country, other donors, or other agencies of the U.S. Government. It describes the actions and/or activities to be undertaken by other participants, the conditions to be placed on the disbursement of A.I.D resources, and the institutional arrangements to be made for implementation.

The significant conditions to be placed on the disbursement of A.I.D resources must be identified. In instances where an incremental approach to design is being followed, the plan of action must include guidelines for the design, review, negotiation and approval of future interventions (and related conditionality), as they are identified.

NOTES:

APPLICATIONS & IDEAS:

207

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Definition of Success

The purpose of this section of the Assistance Proposal is to define what circumstances in the assistance environment will indicate that the activity has been successful. This section will describe:

- the conditions which will exist when the activity terminates
- indicators for monitoring progress during implementation
- criteria for measuring impact on the program outcome and strategic objective
- the time-frame within which this impact is expected it also will describe procedures for monitoring and evaluating the assistance activity in a manner which conforms with and supports the assessment of progress at the strategic level.

The estimated program costs of monitoring performance and evaluating impact must be included in the activity budget . Cost estimates should include the resources required throughout the life of the activity to identify and define performance targets, collect and analyze data, and report on findings.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Analysis of Key Assumptions and Related Risks

The purpose of this section of the Assistance Proposal is to provide the approving officer a clear understanding of the risks associated with the proposed activity prior to authorization. This section will document the principal assumptions and risks to successful implementation and sustained development impact, and recommend how those risks can be managed during implementation. As appropriate, it will identify the point at which A.I.D. should consider terminating its assistance if the identified risks are realized.

Financial Plan

This section of the Assistance Proposal contains four discrete elements. The applicability of each element and the level of specificity provided will vary depending on the type of design option being used.

This section of the Assistance Proposal will outline the resource requirements for A.I.D. and counterpart funding during the life of the activity. In general, the financial plan will include an overall budget for the assistance activity, a projection of cash flow needs per fiscal year and a more detailed budget for the first year of implementation.

It will include a summary of expected obligation actions and specify the obligation instrument(s) to be used, funding levels for each, and an estimated obligation schedule.

When appropriate, the plan will identify any recurrent costs to participating organizations that may be required to sustain the benefits of the assistance, either during the life of the activity or once funding ceases. This section of the Assistance Proposal will also document the steps that are to be taken to ensure those costs are covered.

NOTES:

APPLICATIONS & IDEAS:

209

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The fourth section of the Assistance Proposal will identify the management costs to A.I.D. of implementing the activity, in terms of program and operating expenses, FTES, and/or required technical support from A.I.D./W bureaus.

Management Procedures Addressed in the Assistance Proposal

The purpose of this section of the Assistance Proposal is to describe the arrangements being made to ensure the prudent management of A.I.D. funds. The degree of detail provided will vary according to the size and nature of the activity and the type of design option being used.

This section of the Assistance Proposal will describe A.I.D. and counterpart systems for tracking resources, monitoring results, reporting, and conducting evaluation and audits. If the acquisition of goods and/or services is involved, it will also include a procurement plan.

If other participating organizations are to manage USG funds, their internal controls and procurement procedures must be deemed satisfactory by A.I.D., and so noted in the Assistance Proposal. If one of the purposes of the proposed activity is to develop this type of institutional capability in a participating organization, then plans for managing A.I.D. funds prior to obtaining the certification must be included.

REVIEW OF THE ASSISTANCE PROPOSAL

The purpose of reviewing the Assistance Proposal is to assist the approving officer in making his/her determination as to whether the proposed activity is ready for authorization. The review process accomplishes this by holding the design up to examination to determine whether all critical issues and conditions have been thought through and to assure that all requirements and standards for planning A.I.D.-financed activities have been met.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Reviews of Assistance Proposals will be conducted in accordance with the procedures established for that purpose in the operating unit responsible for approving assistance. The approving officer is accountable for the integrity and quality of the review process. He/she has the responsibility to ensure that an adequate process is in place and that reviews are tailored to the nature of the activity and the information needed for approval, taking into consideration such variables as: the magnitude and complexity of the proposed assistance, key policy issues, the degree to which senior managers have been involved in the planning process, the nature of any intermediate reviews, previous experience with the substantive focus of the activity, and the critical skills required for making a decision on the proposal under review.

Participation in reviews of Assistance Proposals in the field may be broadened to include representatives from neighboring missions, regional support offices, or AID/W as may be warranted to ensure an adequate range of professional expertise.

Reviews of all regionally and centrally funded programs managed in A.I.D./W will include participation, as appropriate, by representatives from other bureaus to ensure compatibility of the Assistance Proposal with other assistance efforts.

NOTES:

APPLICATIONS & IDEAS:

211

APPROVAL OF THE ASSISTANCE PROPOSAL

The review of an Assistance Proposal results in a recommendation to approve or disapprove the proposed assistance, including any guidance for changes or further design. If approval is recommended, the appropriate office will finalize requested changes in the Assistance Proposal as well as initiate parallel processing actions needed to authorize the assistance (e.g., Congressional Notifications, any required budget modifications, waiver requests, and preparation of the Authorization Memorandum).

Formal approval of the proposed assistance occurs when the approving official signs the Authorization Memorandum approving the assistance activity.

Authorization of Assistance

Authorization is an internal A.I.D. procedure which officially approves the proposed activity and establishes the parameters for negotiating and obligating funds. In meeting these purposes, the authorization sets out the basic scope and fundamental conditions of the activity and establishes the total planned level of funding-

Authorization is required for all activities financed by A.I.D., regardless of the assistance type, the source and method of financing, or the amount of assistance.

NOTES:

APPLICATIONS & IDEAS:

TIMING REQUIREMENTS

The act of authorizing assistance follows review of the Assistance Proposal and precedes the obligation of resources. Since authorization is an internal A.I.D procedure, it may precede the appropriation and allotment of funds for that activity. Once executed, it provides the "green light" to proceed with the negotiation and obligation of assistance, subject to the availability of funds and A.I.D. OYB allotment procedures.

Contents of the Authorization Package

The authorization package includes:

- an Authorization Memorandum
- the Assistance Proposal, as an attachment
- an Activity Facesheet.

AUTHORIZATION MEMORANDUM

The purposes of the Authorization Memorandum are to:

- document in writing-that legal and Agency requirements have been met for approval of the activity
- clearly delineate the essential terms and conditions of the activity to be undertaken
- identify any waivers required for implementation
- provide for the formal approval and authorization of the proposed activity.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The Authorization Memorandum must include:

1. the Action(s) being requested (e.g., approval of the activity, including pertinent data such as title and number, country, purpose of the assistance, type and level of resources);
2. a summary of Issues which, in the officer's view, must be documented;
3. a summary of Preauthorization Steps completed, including:
 3. the method and date of review;
 - ♦ the completion of Statutory Checklists, and their location;
 - ♦ the date the Congressional Notification was submitted and when it will expire
 - ♦ identification of the specific Delegation of Authority which enables the official to make the approvals being requested,
4. as needed, any waiver Requests required for implementation of the activity, including-serial numbers. The justification for such waivers are to be included in the Assistance Proposal and reviewed as part of the overall design;
5. the specific Authorization being made, which identifies the amount of funds approved and describes the essential terms and conditions of the activity,
6. Clearances of all appropriate offices;
7. Signature space for the approving official

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

The number of conditions and covenants in the Authorization section should be limited to only those considered most essential since the language may not be subsequently modified without formal written concurrence of the approving official and clearance of the legal officer. Additional conditions and covenants, however, may be included in the appropriate obligating documents. The Authorization section must include the phrase "such other terms and conditions as A.I.D. may deem appropriate" to permit inclusion of such additional conditions and covenants in obligating documents.

In the event the approving official did not participate in the review of the Assistance Proposal, the Authorization Memorandum must clearly identify any special concerns or issues that the official must be aware of prior to signing the Memorandum.

Waivers that must be approved by officials other than the approving officer should, when practicable, be approved by such officials before the Authorization Memorandum is submitted for signature, and included as an attachment to the Memorandum

The Assistance Proposal should be attached to the Authorization Memorandum and must reflect all the changes required as a result of the review process.

ACTIVITY FACESHEET

The purpose of the Activity Facesheet, which is also attached to the Authorization Memorandum, is to record in one location all data required by the Agency's archive and accounting systems for an authorized activity. When an operating unit has aggregated several related activities into a single Assistance Proposal and Authorization Memorandum, a facesheet will be included for each activity.

NOTES:

APPLICATIONS & IDEAS:

225

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

CLEARANCE AND SIGNATURE

Authority to sign the Authorization Memorandum resides with the officer to whom project approval authority has been delegated.

Preparation and clearance of the Authorization Memorandum will follow procedures established for that purpose by the operating unit responsible for approving the activity. These procedures will, at a minimum, require that the Authorization memorandum and Assistance Proposal be reviewed and cleared by the chief project development/program officer, the controller, the legal advisor, the chief technical officer for the proposed assistance, and as appropriate, the contracting officer. Their respective clearances represent their concurrence that the Assistance Proposal and Authorization Memorandum meet all applicable Agency requirements.

OFFICIAL ACTIVITY FILE

Operating units are required to maintain official files for all assistance activities. Such files will include documentation recording the official actions taken in the course of planning and implementing the assistance activity. In addition to the required documents stipulated in this chapter, planners will send to the official file the following items

- requests for assistance from the host government and other development partners
- the statutory checklist completed for authorization
- a record of any intermediate analyses or reviews conducted as part of the design process.

NOTES:

APPLICATIONS & IDEAS:

MODULE: Contract Management
MODULE NUMBER: 1.04

TABLE OF CONTENTS

**LAWS AND REGULATIONS AFFECTING A.I.D. PROJECT OFFICERS IN THE
PROCUREMENT PROCESS 1**

- Constitution 2
- Code of Federal Regulations 3
- Federal Acquisition Regulation System 4
 - Federal Acquisition Regulation (FAR) ... 4
 - Agency for International Development Acquisition Regulations (AIDAR) . . 5
- Procurement Integrity Act 6
- Procurement Ethics 7

THE PROCUREMENT PLANNING PROCESS 8

- Types of Contracts 8
 - Fixed-price Contracts .. 8
 - Cost Reimbursement Contracts 9
 - Indefinite Quantity Contracts..... 9
- Methods of Financing 10
 - Direct Reimbursement ... 10
 - Direct Letters of Commitment .. 10
 - Bank Letters of Commitment .. 10
 - Direct Payments 11
- Procurement Administrative Lead Time... 11
- Formal Acquisition Plan .. 11
- Competition in Contracting . . . 12
 - Full and Open Competition . . . 12
- Exceptions to Full and Open Competition 13
- Sourcing 14
 - Three Sources (Small Purchases) 14
 - Commerce Business Daily ... 15
- Small Purchases . . . 15
- Grants 15

Host Country Contracting 16

PREPARING DOCUMENTS TO SUPPORT THE SOLICITATION PROCESS 20

Project Implementation Order/Technical Services 20

 Statement of Work 21

 Deliverables 23

 Delivery Schedule. 24

 Reports 25

 Budget. 25

 Evaluation Criteria 26

Difference Between PIO/T, C, and P 27

Request For Proposal (RFP) Elements 28

 Solicitation/Contract Form (Section A) 28

 Supplies or Services and Price/Costs (Section B) 29

 Statement of Work (Section C) 29

 Packaging and Marking (Section D). 30

 Inspection/Acceptance (Section E) 31

 Delivery Schedule (Section F) 31

 Contract Administrative Data (Section G) 31

 Special Contract Requirements (Section H) 31

 Clauses (Section I) 32

 Attachments (Section J) 32

 Representations and Instructions (Section K)..... 32

 Instructions, Conditions, and Notices to Offerors (Section L) ... 33

 Evaluation Factors for Award (Section M) 33

THE CONTRACTOR SELECTION PROCESS 34

 Technical Evaluation Committees 34

 When Technical Evaluations Are Used 34

 How Technical Evaluations Work 35

 What Technical Evaluation Committees Use 35

 Discussions With Offerors 37

 Rules 37

 Best & Final. 38

 Protests 39

218

THE PROJECT OFFICER'S ROLE IN CONTRACT ADMINISTRATION 41

- COTR 41
 - Contracts 41
 - Grants 42
 - Cooperative Agreements 42
 - Contract Requirements 43
- Inspection and Acceptance 43
- Financial Controls. 44
- Contract Modifications 44
- Informal Commitments.. 45

THE PROJECT OFFICER'S ROLE IN CONTRACT CLOSEOUT 46

- Confirmation That Requirements Have Been Made 46
 - Verify that the Contract is Physically Complete 46
 - Obtain All Forms, Reports, and Clearances Required at Closeout 47
 - Verify That Other Applicable Terms and Conditions Have Been Met 48
 - Settle Outstanding Issues 48
 - Verify That There Are No Outstanding Contract Disputes 48
 - Make Final Payment or Collect Overpayment from the Contractor 49
 - Identify and Recommend Deobligation of Excess Funds 49
 - Prepare Contract Completion Statement and Dispose of Files 50
- Property Disposal..... 50

219

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & PROJECT DESIGN

MODULE: Contract Management
MODULE NUMBER: 1.04

TERMINAL OBJECTIVE:

Upon completion of this module, the participant will be able to describe the A.I.D. contract management process.

ENABLING OBJECTIVES:

In order to accomplish the Terminal Objective, the participant will:

- Explain the A.I.D project officer's responsibilities regarding laws, policies, and regulations in the procurement process.
- Describe the procurement planning process.
- Prepare documents to support the solicitation process.
- Explain the contractor selection process.
- Explain the project officer's role in contract administration
- Describe the project officer's role in contract close-out.

270

**LAWS AND REGULATIONS AFFECTING A.I.D.
PROJECT OFFICERS IN THE PROCUREMENT
PROCESS**

The Government's ability to procure supplies and services is based upon law and is limited by law. The Government is a sovereign body; therefore, it has special powers and immunities. These powers and immunities give the Government certain advantages in the making of contracts but also impose unique limitations on its contractual authority. There are literally thousands of laws and regulations that control or affect the procurement process. These laws and regulations are necessary because of the unique status of the Federal Government.

No one person is capable of knowing all of the laws and regulations. In fact, no one segment of acquisition uses or is affected by them all. Nevertheless, all of the personnel that are involved in the procurement process are required to follow these laws and regulations. It is the Project Officer and the Contracting Officer, together, who monitors the performance of the contract and ensures adherence to all applicable laws. No other individuals have more opportunity to affect the success or failure of A.I.D. projects, and few others have more influence on the attitude with which the contractor addresses issues of legal compliance.

Contracts between A.I.D. and contractors may take a number of different forms. For example, A.I.D. has developed contracts for the acquisition of supplies, services, research and development projects, commodities, and much more. Each of these contracts had two or more parties, the offeror (contractor) and the acceptor (A.I.D.). These competent parties reached mutual agreement on terms and conditions and passed consideration (something of value) between them to create a mutual legal obligation that they were bound to fulfill.

NOTES:**APPLICATIONS & IDEAS:**

In fulfilling a contractual obligation, all parties are required to adhere to the laws and regulations of the United States. Whether an A.I.D. employee agrees or disagrees with the wisdom of any required provision has no bearing on the decision; the laws must be faithfully executed.

Constitution

The expression "a law" ordinarily is used in connection with a statute that is enacted by the Congress of the United States. Such laws are based upon the Constitution of the United States, which is the guiding legal document for all laws. The Constitution of the United States is the supreme law of the land by which all public authority must be administered. The Constitution empowers the Congress (Legislative Branch) to make Public Laws. The Constitution does not, however, specifically address that the Government has the right to enter into contracts. It was not until 1831 that the Supreme Court, in a "landmark" decision (United States versus Tingey), declared that the Federal Government has:

- Inherent Power, based on sovereignty, to enter into contracts, and
- Implied powers, for the proper performance of its duties.

The Court also stated guidelines to apply to determine the validity of a Government contract:

- Is the Government authorized to act?
- Is the act performed by someone having the authority to act?

NOTES:

APPLICATIONS & IDEAS:

Both of these questions must be answered in the affirmative and both apply today.

Code of Federal Regulations

The Code of Federal Regulations (CFR) is a catalog or codification of the rules (published in the Federal Register) that concerns the executive departments and agencies of the Federal Government. The CFR is organized as indicated below:

- The CFR is divided into 50 titles. Each title represents broad areas that are subject to regulation by the Federal Government.
- Each title is divided into chapters. Each chapter usually contains the name of the issuing agency and is further subdivided into parts that cover specific regulatory areas.

There are a number of rules and regulations that apply to the Federal acquisition process and have Government-wide force and effect. Some of these rules and regulations are codified in the Federal Acquisition Regulation System.

NOTES:

APPLICATIONS & IDEAS:

Federal Acquisition Regulation System

The Federal Acquisition Regulation System is in Title 48 of the CFR. The system was established for the codification and publication of uniform policies and procedures for acquisition by all executive agencies. The system for A.I.D. consists of the:

- Federal Acquisition Regulation (FAR), and
- Agency for International Development Acquisition Regulations (AIDAR).

FEDERAL ACQUISITION REGULATION (FAR)

The Federal Acquisition Regulation (FAR) is assigned Chapter 1 of Title 48 in the CFR. The FAR was created to provide a single, uniform acquisition regulation to all executive agencies. The FAR became effective on April 1, 1984. Basically the FAR was the result of a merger of the two major procurement regulations: the Defense Acquisition Regulation (DAR) and the Federal Procurement Regulation (FPR), along with the National Aeronautics and Space Administration Procurement Regulations and the procurement regulations of other executive agencies

The material in the FAR is based on:

- Statutes
- Executive Orders (EOs)
- Office of Management and Budget (OMB) Circulars
- Office of Federal Procurement Policy (OFPP) Policy Letters
- Previously existing regulations (especially the DAR and the FPR)

NOTES:

APPLICATIONS & IDEAS:

- Decisions by the Comptroller General (head of the General Accounting Office), decisions by the Board of Contract Appeals (BCA), the Courts, and common law.

The FAR is the basic regulation that is essentially a statement of policy. However, the FAR also includes some procedural detail. The FAR permits A.I.D. to issue supplementing regulations (AIDAR) because the agency is uniquely organized and it has acquisition needs that are unique to its mission.

AGENCY FOR INTERNATIONAL DEVELOPMENT ACQUISITION REGULATIONS (AIDAR)

Chapter 7 of Title 48 of the CFR is reserved for the A.I.D. acquisition regulations. The AIDAR:

- Does not unnecessarily repeat, paraphrase, or otherwise restate FAR material.
- Does not conflict with and is not inconsistent with the FAR (except as required by law or when a deviation is authorized).
- Is limited to regulations that are necessary to implement FAR policies and procedures within the agency.
- Is limited to additional policies, procedures, solicitation provisions, or contract clauses that supplement the FAR to satisfy the specific needs of A I D

AIDAR supplements to the FAR are preceded by the number "7." For example, FAR 2.201 stipulates the alternative meanings of "Head of Agency" It is up to A.I.D. to stipulate the meaning of "Head of Agency" in A.I.D., which happens to be AIDAR 702.170-9 The position of the 7 is three places in front of the decimal; therefore, in this example it was necessary to add a 0 between the 7 and the 2

NOTES:

APPLICATIONS & IDEAS:

If an agency needs to supplement the FAR and there is no counterpart in the FAR, the agency will identify such material by adding the numbers "70" and up at the end of the FAR number. For example, if the AIDAR added something new to FAR Subpart 15.613, it is numbered in the AIDAR as 715.613-70. The second addition at the location would be 715.613-71. A whole subpart added to FAR Part 22.103 would be numbered 722.170.

Procurement Integrity Act

The Procurement Integrity Act restrictions apply to "Government procurement officials" who participate on the behalf of the Government during the conduct of a procurement. To further clarify, "Procurement Officials" also include employees of contractors, subcontractors, and individual consultants, experts, or advisors acting on behalf of A I.D with respect to any phase of a particular contract action.

During the conduct of a procurement, government procurement officials and competing contractors for that contracting action may not, directly or indirectly, discuss any future employment or business opportunities. This prohibition exists only during the conduct of the procurement action. The Procurement Integrity Act does not prohibit employment discussions after the contract is awarded, modified, or extended. This prohibition covers all persons who have had substantial and personal involvement in the procurement.

In 41 U.S.C. 423, the Congress established additional prohibitions--and additional administrative, contractual, civil, and criminal penalties--with respect to:

- Bribes and gratuities.
- The unauthorized disclosure of source selection and proprietary information.

NOTES:

APPLICATIONS & IDEAS:

Furthermore, this section of law establishes additional post employment restrictions on Government officers and employees who served as procurement officials prior to separation from the Government. See Section 3.104 of the FAR for the effective dates and implementation of statutory requirements for procurement integrity. Part 3, Subpart 3.104 of the FAR addresses procurement integrity.

Procurement Ethics

Part 3 of the FAR describes the policies and procedures regarding improper business practices and personal conflicts of interest. In general, it states that Government business shall be conducted in a manner above reproach and without conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships

This part also addresses that no Government employee may solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or anything of monetary value from anyone who.

- Has or is seeking to obtain Government business with the employee's agency
- Conducts activities that are regulated by the employee's agency, or
- Has interest that may be substantially affected by the performance or nonperformance of the employee's official duties

AIDAR contains the A I.D exceptions to these guidelines and prescribes the disciplinary measures for persons violating these standards of conduct

NOTES:

APPLICATIONS & IDEAS:

THE PROCUREMENT PLANNING PROCESS

Procurement planning refers to the development of a plan of action, with milestones, that begins with receipt of the procurement request and ends with contract award and delegation of contract administration.

The procurement plan is a comprehensive document that serves as the principle tool for the management and monitoring of procurement activities. The plan provides an outline of the steps that must be taken to accomplish the procurement, and it specifies how, when, and by whom those steps must be taken. Procurement planning provides the framework for satisfying a requiring activity's need in an effective, economical, and timely manner. The plan also must be reviewed and revised throughout the procurement cycle, as needed.

Types of Contracts

There are several types of contracts that may be used in A.I.D. direct contracting, including for example, fixed-price; cost reimbursement; and indefinite quantity contracts. Further details regarding each type are addressed in Part 16 of the FAR.

FIXED-PRICE CONTRACTS

The benefit of the fixed-price contract is that the prices are fixed for the specified work that is to be performed, thereby eliminating A.I.D.'s vulnerability to cost overruns. Use of a fixed-price contract requires a very comprehensive, detailed, and unambiguous statement of work so that offerors will be able to accurately propose costs that will be valid

NOTES:

Refer to the foldout:
Steps & Responsibilities
in the Acquisition Cycle
in the back of the book.

APPLICATIONS & IDEAS:

COST REIMBURSEMENT CONTRACTS

The Cost Reimbursement type of contract, which is frequently used by A.I.D., normally is used to acquire technical services and research and development services when it is not possible to draft definitive specifications for the statement of work. Contractors are reimbursed for actual expenses that are incurred and they receive a fixed-fee that is based on the estimated costs of performing the work that is described in the contract. A.I.D. assumes all risks for cost overruns under a Cost Reimbursement contract.

INDEFINITE QUANTITY CONTRACTS

There are several multiple order type contracts that A.I.D. used to acquire supplies and services where the exact time or amount of supplies or services is not known at the time that the contract must be awarded. A.I.D. uses the Indefinite Quantity Contracts (IQC) to obtain quick response technical assistance for periods up to 120 days. Fixed Price and Cost Reimbursement contracts can also be Indefinite Quantity.

The IQC, like other contracts, is awarded on a competitive basis. The Request for Proposal (RFP) is synopsisized in the Commerce Business Daily (CBD) and often the RFP states that multiple contract award will be based on the single solicitation. The competitive procedures are similar to "Full and Open" competition, with the Project Officer playing a central role in the development of the statement of work and evaluating the proposals.

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APPLICATIONS & IDEAS:

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Methods of Financing

Some common methods of financing that A.I.D. uses include (1) Direct Reimbursements to Borrowers/Grantees, (2) Direct Letters of Commitment to Suppliers/Contractors, (3) Letters of Commitment to U.S. Banks, and (4) Direct Payments by A.I.D. pursuant to the terms of A.I.D. direct contracts, purchase orders, or grants agreements. Use of these methods is briefly summarized below.

DIRECT REIMBURSEMENT

A.I.D. reimburses the borrower/grantee for payments made. This method of financing gives A.I.D. an opportunity for a thorough review of the transaction before A.I.D. funds are disbursed.

DIRECT LETTERS OF COMMITMENT

A.I.D. issues direct letters of commitment to suppliers and contractors and makes payments directly to them on receipt of invoices and supporting documentation.

BANK LETTERS OF COMMITMENT

The letter of commitment method uses established commercial banking channels to process payments to suppliers and contractors. The bank letter of commitment method of financing can be used for all U.S. Dollar procurement of equipment, materials, and services under project assistance. This method is also the usual way that commodity import programs are financed, except in the case of large volume purchases from a single supplier.

APPLICATIONS & IDEAS:

DIRECT PAYMENTS

Contracts, purchase orders, and grant agreements may include language that provides for direct payments by A.I.D. without additional documents.

Procurement Administrative Lead Time

Once a Project Implementation Order/Technical Services (PIO/T) is accepted by the contracting office, the Procurement Administrative Lead Time (PALT) starts. The PALT is the time (number of days) it takes the contracting office to award a contract; this "time" begins at the date the contracting office accepts a PIO/T from the requiring activity. PALT is used as a performance measurement tool at contracting offices. This is a useful tool because the PALT establishes the length of time it takes to award a contract on a given requirement, which can be used for future lead time predictions on similar requirements.

PALT will impose a time schedule on the procurement action; therefore, it is very important to be realistic in estimating an award date. Reviewing previous similar procurement actions and conferring with the Contracting Officer can be extremely helpful when making this estimation.

Formal Acquisition Plan

A formal acquisition plan reduces to paper the process by which the efforts of all of the personnel that are responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency's need in a timely manner and at a reasonable cost. The plan includes developing the overall strategy for managing the acquisition.

NOTES:

APPLICATIONS & IDEAS:

A formal acquisition plan covers the identification of the need and securing of funding by the requiring activity, the procurement of the needed supplies or services by the contracting activity, quality control by the user, and ultimately, disposition of property.

Competition in Contracting

In 1984, Congress passed the Competition in Contracting Act (CICA) that provides for Executive Agencies to use "competitive procedures" in acquiring property and services. Competitive procedures are the procedures under which an agency enters into a contract pursuant to "full and open competition." The CICA also excepted certain categories of procurements from its competitive requirements. Among these exceptions were seven categories of circumstances that require written justifications by the Contracting Officer, management approvals at certain dollar levels, and public notice as appropriate to the particular circumstances.

FULL AND OPEN COMPETITION

Full and open competition means that all responsible sources are permitted to compete for Government contracts. In other words, competition allows all qualified contractors an equal opportunity to win a contract.

In Full and Open competition, the Project Officer prepares the PIO/T document and forwards it to the Contracting Officer. The Contracting Officer deals with any remaining set-aside issues and publishes a notice of the RFP in the "Commerce Business Daily Synopsis of the U.S. Government Proposed Procurement Sales and Contract Awards," published by the U.S. Department of Commerce. Because the contents of the RFP are the responsibility of the Project Officer, he/she assists in its preparation, including any revisions of the criteria to be used in the evaluation of all proposals.

NOTES:

APPLICATIONS & IDEAS:

EXCEPTIONS TO FULL AND OPEN COMPETITION

Although competition is the overriding philosophy of public contract regulations, certain situations arise when full and open competition is not possible. If these situations fall into one of several categories authorizing the award of a contract on a noncompetitive basis, negotiations without formal solicitation of proposals from more than one source may be undertaken. In all cases where noncompetitive procurements are conducted, a comprehensive written justification must be submitted for approval by an authorized official. Under no circumstances is a lack of forward planning a justifiable exception to full and open competitive procedures

Competition may be other than full and open when:

- Only one firm can meet the need
- Time does not permit full and open competition.
- The source must be available in case of national emergencies or industrial mobilization, or to provide an essential engineering/R&D capability.
- Limited by an international agreement
- Authorized or restricted by statute
- Disclosure of the need would compromise national security
- Otherwise in the public interest

NOTES:

APPLICATIONS & IDEAS:

Part 6 of the FAR describes these statutory exceptions in detail to include that these cannot be justified on the basis of lack of advanced planning or the availability of funds. The FAR further qualifies these exceptions to state that offers shall be solicited from as many potential sources as practicable.

Sourcing

Sourcing is performed in order to increase competition, broaden industry participation in meeting Government requirements, and to assist small business concerns, disadvantaged business concerns, and labor surplus area concerns in obtaining contracts and subcontracts

As required by the Small Business Act and the Office of Procurement Policy Act, contracting officers shall disseminate information on proposed contracts as stipulated in Part 5 of the FAR.

THREE SOURCES (SMALL PURCHASES)

For purchases that are greater than 10% of the small purchase limitation (\$25,000), quotations are to be obtained from a reasonable number of sources to promote competition to the maximum extent practicable and ensure that the purchase is advantageous to the Government, price and other factors considered, including the administrative cost of the purchase. Generally, three sources from the local trade area are considered sufficient.

For contract actions that are expected to exceed the small purchase limitation the information on the proposed contract is synthesized in the Commerce Business Daily

NOTES:

APPLICATIONS & IDEAS:

COMMERCE BUSINESS DAILY

The Commerce Business Daily (CBD) is the public notification media in which U.S. Government agencies identify proposed contract actions and contract awards. The CBD is published by the U.S. Department of Commerce in five or six daily editions per week, as necessary. Part 5, subpart 5.2 of the FAR, gives specific guidance on synopsising contract information in the CBD.

Small Purchases

Small purchases are purchases for supplies, nonpersonal services, and construction where the total amount does not exceed \$25,000. For purchases lower than this dollar amount, simplified small purchase procedures generally are used. They include the use of imprest funds (petty cash), purchase orders, or blanket purchase agreements. These simplified procedures are for the purpose of (1) reducing administrative costs of purchasing and (2) improving opportunities for small business concerns and small disadvantaged business concerns to obtain a fair proportion of Government contracts. The FAR prescribes that the procedures in Part 13 are to be used to the maximum extent that is practicable when small purchase procedures are selected.

Grants

Unlike contracts, grants are forms of assistance that provide specific sums for activities to benefit the public through A.I.D.'s programs. Grants are based on a conditional gift to an individual or organization whose program or project helps to achieve the goals of the Foreign Assistance Act.

NOTES:

APPLICATIONS & IDEAS:

A grant is an instrument that is used when A.I.D. wishes to transfer money, property, or services to a grantee in order to accomplish A.I.D.'s goals through the support or stimulation of the grantee's own program or project, without substantial involvement by A.I.D. during the performance of the proposed activity

While the standard for contracting is providing the contract's stated requirements for use and benefit of the government, the standard for assistance instruments is that the grantee or recipient use his or her "best efforts" to achieve the purposes that are stated in the grant.

Grants must comply with the terms of the Federal Grants and Cooperative Agreements Act and with OMB Circular A-110. "Grants and Agreements with institutions of Higher Education, Hospitals, and other Nonprofit Organizations - Uniform Administrative Requirements" A.I.D Handbook 13 is the regulatory guide for all Project Officer questions concerning assistance. The negotiator, drafter, and supervisor of assistance instruments is the Grant Officer, assisted by the Project Officer who monitors and reports on the recipient's compliance with the terms of the agreement

Host Country Contracting

A.I.D. often determines that its host country has, or may be able to develop, the capability to complete all contracting functions itself. A.I.D. uses a different method to achieve its assistance goals in these circumstances. Where the host country, either its agency or minister, is the contracting party, A.I.D.'s role is dramatically changed to that of a third party, but one with very special ties to the procurement for which A.I.D. is supplying funds.

NOTES:

APPLICATIONS & IDEAS:

Host country contracting is conditioned upon compliance with A.I.D. regulations, and this special arrangement demands conscientious monitoring by Project Officers and Contracting Officers. Such monitoring is made even more challenging by the fact that though contracting particulars vary widely from country to country, the United States Government's goal of competition in contracting is still the organizing principle for A.I.D.-funded procurements.

Some factors that must be considered when determining Direct Vs. Host Country contracting:

1. Does the Host Country agency have contracting capability?
 - a. Do they have a technical staff for monitoring and directing the project?
 - b. Do they have a contracts/procurement section capable of negotiating, awarding, and administering?
 - c. Do they have adequate legal counsel?
 - d. Do they have a voucher examination and payment procedure?
 - e. Are contract approval and voucher approval authorities at a realistic level?
2. Are other Host Country agencies involved in the approvals processes? The processes may be involved and time consuming.
3. Are there local laws regarding advertising, number of bids required, special approvals, etc., which may encumber the procurement process?

NOTES:

APPLICATIONS & IDEAS:

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4. Are the host government officials familiar with A.I.D. country contract procedures and approval requirements?
5. Has the Host Country agency had a good record of letting and administering contracts?
6. Are host government officials familiar in dealing with U.S. firms?
7. Are qualified U.S. firms or individuals agreeable to dealing with other governments? (In the case of universities, their policies or state laws may preclude this.)
8. Is a cost reimbursement contract contemplated? In some cases, host governments are not familiar with this contract mechanism and may require an extensive learning process
9. Are audit facilities available?
10. What are the expected lead times for Host Country vs. A.I.D. direct contracts, and what is their relationship to critical implementation schedules?
11. Is it essential that the contract be intensively managed? Who is in the better position to do so?
12. Does the continued existence of the government agency appear likely?
13. Is a long term relationship between the contractor and the Host Country beyond the period of A I D funding, desirable or likely?

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

NOTES:

- 14 Is the contract of a sensitive nature? In some cases, it might be desirable to have the country do contracts that might be sensitive by U.S. standards and, in other cases, it may be desirable for A.I.D. to do contracts that might be sensitive by Host Country standards.
15. Is the Host Country method apt to result in a transfer of knowledge?
16. Is the A.I.D. mission staffed to provide advice and guidance to Host Country officials during the contracting process?
- 17 Is the contracted project apt to be terminated? Is so, a direct relationship between A.I.D. and the contractor may facilitate the claims settling process.
- 18 Do proposed contracts have to interrelate with one another and are the agencies or persons involved in a position to see that they do?
- 19 Is the project susceptible to FAR procedures?
- 20 Are the local contractors apt to be more responsive if their contract is with their own government rather than A.I.D.?

APPLICATIONS & IDEAS:

PREPARING DOCUMENTS TO SUPPORT THE SOLICITATION PROCESS

When a Project Officer is officially designated after the approval of the project in question, he/she must initially become fully familiar with the project's background and objectives by studying the documents relating to it. These documents will clarify what the proposed contracts are to accomplish and what will be needed.

Project Implementation Order/Technical Services

When requirements have been properly defined and offeror evaluation criteria established, it may be time to prepare a Project Implementation Order/Technical Services (PIO/T). This is an internal A.I.D. communication from project personnel, or acquisition planners, to the contracting staff, requesting that procurement action be taken (it is in many respects like a "request for contract" document used by some other agencies).

The PIO/T contains a Work Statement, Evaluation Criteria, and Relative Importance of Price, but it also includes a complete Cost Estimate and the total amount of funds requested for the project (one very good reason not to let a PIO/T fall into the hands of potential offerors!), as well as a variety of other items of information that is necessary for A I D contracting. The PIO/T is completed on form A.I.D. 1350-1, which should form the basis for all future actions in connection with the requirement.

The text that follows lists the individual headings of a PIO/T and briefly describes each. The Project Officer's thoughtfully prepared PIO/T can determine the success of any A I D project. The importance of this task cannot be overemphasized.

NOTES:

Refer to the foldout:
Typical Omissions &
Deficiencies in PIO/T's
in the back of the book.

APPLICATIONS & IDEAS:

SCOPE OF WORK

The term "Scope of Work" should not be confused with the "Statement of Work" (SOW) itself, as it sometimes is. A Scope of Work is a summary of the entire SOW. The Scope of Work succinctly describes the purpose of the work and the desired end product.

In the Scope of Work, the "big picture" of a project is presented in concise form. Broad, nontechnical terms should be used. The actions to be performed by the contractor and the results or products that are expected by the Government are summarized.

STATEMENT OF WORK

The elements of a Statement of Work (SOW) can vary with the objective, complexity, size, and nature of the work to be performed. Experience shows, however, that a flexible, six-part format provides a practical discipline for document drafting. The suggested six parts are.

- Introduction/Background/Scope of Work
- References (applicable documents)
- Requirements (both "do-ables" and "deliverables")
- Progress/Compliance
- Transmittal/Delivery/Accessibility
- Notes/Attachments/Control Considerations

Such a breakdown into six topical parts is not intended to oversimplify any problem. The purpose of this breakdown is to enable the SOW writer to focus attention on key topics and prevent overlap and confusion among related but dissimilar specification provisions.

NOTES:

APPLICATIONS & IDEAS:

The following suggestions may be useful to SOW writers:

- Even though the six-part format is suggested as a guide for the “kickoff” and for getting the job done, this does not mean that the SOW has to be broken down into paragraphs with headings and subheadings. The SOW can be an ordinary expository piece of writing that reflects an orderly progression of ideas based on an underlying but not explicit six-part structure. Simply use the six-part structure as a checklist.
- State objectives Avoid telling the contractor how to do a task unless certain tasks (possibly the format of a report) must conform to established agency requirements.
- Remember that any provision that takes control of the work away from the contractor, even temporarily, may result in relieving the contractor of responsibility.
- Insist on (a) progress reports and (b) an end-product as described in the scope of work
- If the six-part format is not quite right, design your own. But don't try to start from scratch each time you have to put together a scope of work

In writing the final version of the SOW, you may need to combine or rearrange elements in individual sections to fit particular circumstances. Your main objective should be to arrange and present the elements in a manner that is logical and readable, emphasize the most important elements and convey exactly what is required of the contractor.

NOTES:

APPLICATIONS & IDEAS:

The importance of the language to be used in an SOW cannot be overemphasized. An ill-chosen word or phrase can literally destroy any chance for a meaningful completion of project objectives. This is because an ambiguous provision in an agreement will generally be interpreted against the drafter of that provision. Because the Government prefers its own terms and conditions, the burden of careful preparation falls squarely on the technical and contracting personnel. If the SOW does not specify what is wanted or does not state it well, the contract will be poor and result in continuous contract management and administrative problems and higher costs.

Moreover, it should be remembered that SOWs often have to be read and interpreted by persons of varied backgrounds, including lawyers and buyers, as well as the individuals involved in transportation, security, quality control, inspection, etc; therefore, the SOW should be worded to make more than one interpretation virtually impossible. In this context, well-written SOWs will enable the Government to satisfy the requirements with better contracts and less costs and effort.

DELIVERABLES

Any product or tangible end result expected from each task, stage, or area of the work and, at contract completion, is called a deliverable/end result. The result may be a tangible deliverable (a product such as magnetic tapes, graphics, equipment, etc., or an interim or final report) It may be an intangible yet real result (completion of an analysis or evaluation, for example). For a term-type R&D contract, the deliverable may be whatever data has been accumulated.

NOTES:

APPLICATIONS & IDEAS:

243

Regardless of the medium, the criteria that the deliverable must meet to be deemed acceptable by the Government must be spelled out. For example, if the deliverable is data, identify and describe the specific types of data that are required and any standards to which the data must conform. If the deliverable is a report, specify the desired format and content

DELIVERY SCHEDULE

A delivery schedule must be included within the solicitation and resulting contract. This schedule specifies the date or estimated period of performance for the key tasks and end results. If elapsed time (days from contract award) is being used, calendar days or work days must be specified.

When dealing with schedules, there is an exception to the general rule of specification preparation. Normally, the schedule is contained in the body of the contract, but in the case of many services, the schedule becomes very involved and might be confusing if it were separated from the SOW; therefore, a schedule of delivery or period of performance might be included for every end product that is covered by the SOW.

Part 12 of the FAR lists some areas to consider when establishing a contract delivery or performance schedule.

- Urgency of need
- Time requested for each stage of work
- Market conditions
- Transportation time
- Industry practices

NOTES:

APPLICATIONS & IDEAS:

284

- Capabilities of small business concerns
- Administrative time for obtaining and evaluating offers and for awarding contracts
- Time for contractors to comply with any conditions precedent to contract performance
- Time for the Government to perform its obligations under the contract

REPORTS

As mentioned earlier, a report can be a deliverable item that includes preparation specifications. Some reports are not considered deliverables because they are not the final result of the task but only a management tool for monitoring progress toward the completion of an "end-product," i.e. product, report, study, analysis, evaluation. Regardless of the type of report, the specific information that is required must be spelled out in the SOW.

BUDGET

The budget includes the Government's cost estimate of the work that is anticipated in the SOW. The budget should be detailed to the extent possible to justify its relationship to the funding that is available and the work that is required. The budget forms the basis for the Government's negotiation position.

NOTES:

APPLICATIONS & IDEAS:

EVALUATION CRITERIA

Often A.I.D. needs an item that possesses a particular attribute but only to a certain level or degree. For example, an item may be needed that operates at speeds up to a given rate but is not needed for speeds in excess of that rate. In such a case, the criterion for the contractor selection would be whether or not the offered item would meet the stipulated speed requirement. Clearly an offeror proposing to deliver an item that will not operate as fast as required would not be selected for award. If, however, an item would meet the stated speed requirements, its offeror could be considered for award insofar as that criteria is concerned. Such a criteria is sometimes called a go/no-go criterion because it works to select by acceptance or rejection.

When go/no-go criteria relate to the physical characteristics of a desired product, we should expect to find them expressed in the document that describes what A.I.D. needs to acquire (e.g., the specification or purchase description). Required minimum characteristics (e.g., "must be capable of speeds up to 55 m.p.h.") need not be repeated as selection criteria in the solicitation.

If, however, it is essential that the device being purchased go at least 55 m.p.h. but A.I.D.'s needs will be better served the faster the device can travel, it is appropriate to reference, or at least reflect, the minimum requirement in the part of the solicitation that sets forth the criteria to be used in making selection for award. For example, the appropriate variable criterion concerning speed might be stated in terms of the speeds attainable by the proposed device in excess of 55 m.p.h., together with a reference to the specification provision calling for a capability of at least 55 m.p.h.

NOTES:

APPLICATIONS & IDEAS:

246

In some instances, it is important that A.I.D. obtain not merely an adequately qualified contractor but the best qualified contractor. Again, it is sometimes important to obtain a product that will not merely meet certain "minimum" essential requirements but the highest degree reasonably attainable within the state of the art. In such cases, selection of the most advantageous proposal is appropriately determined in part by evaluating the degree to which the needed characteristics are possessed by each offeror. The higher the degree, expressed in terms of an adjective (e.g., "excellent," "good") or numerical rating, the greater the indicated advantage to the Government.

It is sometimes useful to refer to selection criteria of this sort as "variable" or "scorable" criteria, as contrasted with go/no-go criteria. In using variable criteria, the evaluator asks such questions as, "To what degree?" "How much?" "How well?" and assigns a rating or score.

Just as a Contracting Officer compares prices that are bid on an invitation for bid (IFB) to see which bid is, costwise, most advantageous to the Government, so may an evaluator also, by using variable criteria, compare proposals in terms of factors other than price to see which proposal offers the greatest value to the Government in those terms.

Difference Between PIO/T, C, and P

The main difference between these three Project Implementation Orders is in what they solicit for, e.g., a PIO/T solicits for technical services, a PIO/C solicits for commodities; and a PIO/P solicits for participant training. The content of each PIO has the same basic requirements, however, there are differences between each that warrant individual coverage of each.

NOTES:

APPLICATIONS & IDEAS:

Request For Proposal (RFP) Elements

An RFP is a solicitation document, drafted by a Government agency, that contains a description of what the Government wants to buy and all of the solicitation provisions and contract clauses that will govern the contract when it is awarded.

The purpose of the RFP is to communicate formally the Government requirements to prospective contractors. This communication will stimulate proposals which, in turn, will facilitate the selection of the source(s) best qualified to fulfill the requirements in the manner most advantageous to the Government.

SOLICITATION/CONTRACT FORM (SECTION A)

The solicitation/contract form provides basic information on the RFP. It also serves as the award document if executed by the Contracting Officer. Some of the information includes:

- Solicitation Number
- Name and address of the issuing authority
- Number of pages
- Where proposals are to be sent
- Date, hour, and place of closing
- Type of solicitation
- Minimum bid acceptance period
- Discount for prompt payment
- Acknowledgment of amendments
- Name and address of offeror
- Name and telephone number of buyer
- Table of contents filled out, showing page numbers
- Place for name and address of offeror
- Place for name and title of person authorized to sign
- Place for signature of offeror

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

- Place for telephone number of offeror
- Includes award portion in lower segment of form
- Offer acceptance period

The contract specialist can find most of the information that is necessary to fill in this section from the purchase request and from the contracting office. Part 15 of the FAR addresses preparing RFPs.

SUPPLIES OR SERVICES AND PRICE/COSTS (SECTION B)

This section briefly describes the supplies or services to be acquired and provides the location in the RFP for the offerors to fill in their priced offers. Some of the information includes:

- Item number/part number
- Incidental deliverable (manuals or reports)
- Term of Contract

There are no specific FAR references for this section.

STATEMENT OF WORK (SECTION C)

The Statement of Work is that part of the RFP or of the resulting contract that:

- Describes the system, item, or objective to be developed or produced. The SOW simply describes the work to be done.
- Sets forth the methods by which the Government determines that its requirements have been met.
- Identifies the technical and management data to be delivered under the contract.

NOTES:

APPLICATIONS & IDEAS:

249

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

If the SOW does not present exactly what is wanted or does not state it well, then the SOW could generate many contract management problems for both the Contracting Officer and the Requiring Agency.

There are many areas that the SOW impacts:

- Extent of competition
- Source selection factors
- Type of contract
- Number and size of "Changes"
- Performance measurement.

PACKAGING AND MARKING (SECTION D)

Sometimes special packaging and marking is required to prevent deterioration and damage to delivered items. This element of the RFP describes how the packaging and marking requirements affect the contract bid prices. Some examples of these requirements are:

- Packaging (paper carton, metal container)
- Preservation (water sealed, salt water protection)
- Packing (nesting for sensitive electronic parts, styrofoam)
- Marking ("Handle with Care," "Store at Room Temperature")

Part 10 of the FAR covers packaging and marking requirements

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

INSPECTION/ACCEPTANCE (SECTION E)

This element of the RFP describes how quality and reliability requirements are part of the specifications and how they affect the prices offered. Any special or specific inspection requirements not covered by contract clauses or by specifications should be listed here. Part 46 of the FAR covers Contract Quality Requirements and Contract Clauses.

DELIVERY SCHEDULE (SECTION F)

This element establishes the date(s) for delivery of supplies or the period of performance of services. It measures the acceptability of a contractor's performance against time as well as specification/quality requirements, and describes how these requirements may affect the prices offered. Part 12 of the FAR addresses delivery and performance schedules

CONTRACT ADMINISTRATIVE DATA (SECTION G)

This element identifies the name and location of the Government activity that will (1) administer the awarded contract and (2) make payments under the contract. Direction for where the contractor should send invoices and other contract administration matters is also included. Reference to Contract Administration Office Functions can be found in Part 42 of the FAR

SPECIAL CONTRACT REQUIREMENTS (SECTION H)

This element provides a location for requirements that may occur on a contract-by-contract basis (e.g., special security requirements pertaining to classified materials). There are no specific FAR references pertaining to this element

NOTES:

APPLICATIONS & IDEAS:

257

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

CLAUSES (SECTION I)

This section simply locates all clauses that are applicable to the RFP into one section. Part 52 of the FAR contains references for prescriptions for the use of clauses. A matrix of clauses and provisions that contains a column for each principle type and/or purpose of the contract also is provided in Part 52 of the FAR.

ATTACHMENTS (SECTION J)

This element provides a central location for any special information or requirements that are not appropriate for including in other sections. This special information might include the names and addresses for the contractor to contact for technical data or specification that are required to perform the work. There are no specific FAR references to address this section.

REPRESENTATIONS AND INSTRUCTIONS (SECTION K)

This element of the RFP contains provisions that require representations, certifications, or submission of other information by offerors to determine whether or not an offeror is eligible for award (e.g., is offeror a small business? a manufacturer or dealer?) Many of the actions require the checking of an appropriate box or filling in a blank. Part 52 of the FAR addresses this section.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS (SECTION L)

This element describes the special requirements pertaining to preparation and submission of the proposal and instructs prospective offerors to submit technical proposals in severable parts (separation of technical and cost/pricing data). Provisions that affect the award of a contract but do not become a physical part of the contract are one example of what might be included here. There are no specific FAR references that address this section.

EVALUATION FACTORS FOR AWARD (SECTION M)

This section tells the prospective offerors how the proposals will be evaluated. Price related factors such as multiple award considerations, options, transportation costs, and economic price adjustment can be included. Technical/management evaluation criteria such as factors and subfactors and the relative importance that the Government places on those factors can also be included. The selection of the successful offeror can be based only on those evaluation factors that are stated in the RFP. Reference Part 15 of the FAR for evaluation factors.

NOTES:

APPLICATIONS & IDEAS:

THE CONTRACTOR SELECTION PROCESS

After the proposals that have been submitted by prospective contractors in response to a particular solicitation have been received, stored, and tabulated, they then must be evaluated.

Technical Evaluation Committees

When technical proposals are solicited from prospective contractors, technical personnel in the requiring activity are responsible for evaluating these proposals on the basis of technical factors and recommending the firms for subsequent award. The evaluation may be conducted by an individual or a committee.

A technical evaluation committee is composed of a Chairperson representing the project office, a representative of the contracting office, and as appropriate, representatives from the desk, the Mission, the host government, and other concerned offices. These committees are established by the cognizant Bureau. The function of a technical evaluation committee is to evaluate all technical proposals in accordance with the evaluation criteria spelled out in the RFP.

WHEN TECHNICAL EVALUATIONS ARE USED

While the lowest evaluated price is properly determined, the deciding factor in many source selections, the Government may select the source whose proposal offers the greatest value in terms of quality and technical merit. In other words, when the lowest price is not the main deciding factor for awarding a contract, then some type of technical evaluation of the potential contractor/proposal is needed.

NOTES:**APPLICATIONS & IDEAS:**

HOW TECHNICAL EVALUATIONS WORK

The technical evaluations of proposals must be conducted as objectively as possible and should not be influenced by pricing or other nontechnical factors; therefore, the cost and pricing information should be separated from technical information in the proposal before it is forwarded to the technical evaluation committee.

Contract Information Bulletin 85-17 (CIB) sets forth the procedures to be followed to ensure that past contractor performance is given systematic consideration in the awarding of new A.I.D. contracts. This CIB applies to all new direct A I D. contracts (except personal services contracts) over \$100,000 including "8(a)" contracts and all Indefinite Quantity Contracts regardless of value. In addition, this CIB can be applied to new A.I.D. direct contracts under \$100,000 at the discretion of the contracting officer.

WHAT TECHNICAL EVALUATION COMMITTEES USE

Technical evaluation factors are used when the quality of technical performance is important relative to price. Only the evaluation factors that are specified in the solicitation can be applied. Some potential technical evaluation factors are.

- Understanding the problem
- Technical approach to methodology
- Qualifications of key personnel
- Experience in performing the same or similar work
- Management capability

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Sometimes the only issue is whether the contractor's technical proposal is or is not acceptable. In these cases, the technical evaluation factors are used only on a go/no-go basis.

In other cases, proposals are scored or rated against the factors by technical personnel to help determine which offerors have the best potential for successfully completing the work. Higher rated proposals are given more favorable considerations than lower rated proposals. At times, based on technical rankings, a contract will be awarded to an offeror with a higher price than an offeror that ranked lower on technical factors.

Some technical factors address the capability of the offeror to perform the work, as opposed to the technical merits of the proposal. When used in ranking proposals, such factors are often referred to as "business management" factors. When applied on a go, no-go basis, these other factors serve as "special standards of responsibility."

To achieve the goal of identifying the "best offeror, the evaluation factors must be reliable and valid. To be reliable, a factor should cause comparable evaluators to consistently evaluate the same proposal. To be valid, an offeror ranking high on the factor should, in fact, have a higher probability of successfully performing the work than an offeror that ranks low on the factor.

NOTES:

APPLICATIONS & IDEAS:

Discussions With Offerors

Upon the completion of technical and cost evaluations, it must be decided whether to proceed to contract award without oral or written discussions or to establish a competitive range and conduct such discussions. Discussions with offerors is not automatic--meaning that you have the discretion to perform written or oral discussions. An award should not be made without further exploration and discussions when:

- There is uncertainty as to the pricing or technical aspects of any proposals
- The circumstances of the competition, including the pattern of prices obtained, reasonably put you on notice that award on the basis of initial proposals may not result in the lowest overall cost to the Government.

RULES

Some of the basic ground rules of discussions are:

- Never indicate to offerors that they will win the contract
- Never give one offeror an advantage by disclosing information about other offeror's prices or technical proposals.
- Never cite non-existent regulations or make false statements.
- Never disclose the Government cost estimate
- Never allow team members to disagree (unless planned) during discussions

NOTES:

APPLICATIONS & IDEAS:

- Never allow deadlines to affect the course of discussions.
- Do not use the same strategies/tactics all the time.
- Do not engage in technical leveling or transfusion
- Do not use auction techniques.

BEST & FINAL

At the conclusion of discussions, you must request offerors remaining in the competitive range to submit a "best and final offer" (BAFO). The written request shall include:

- Notice that discussions are concluded
- Notice that this is the opportunity to submit a best and final offer
- Common cutoff date and time that allows a reasonable opportunity for submissions of written best and final offers
- Notice that if any modification is submitted, it must be received by the date and time specified and is subject to the Late Submissions, Modifications, and Withdrawals of Proposals provision of the solicitation

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

If the discussions have been successful, one or more of the offerors will submit a BAFO that meets the expectations of the Government (e.g., a superior technical proposal at a competitive price). To determine the highest ranking BAFO, the new offers must be evaluated by.

- Obtaining rankings on technical factors
- Applying price-related factors
- Determining the overall ranking of each offer

As mentioned earlier, only the evaluation factors that are specified in the solicitation can be applied and the offers must be ranked against those factors and not each other. After receipt of best and final offers, discussions should not be reopened unless it is clearly in the Government's interest to do so. If discussions are reopened, an additional request for best and final offers to all offerors still within the competitive range must be issued.

Protests

Protest is defined as a written objection by an interested party to a solicitation for offerors for a proposed contract for the acquisition of supplies or services, or a protest could be a written objection by an interested party to a proposed award or award of such a contract

"Interested party" for the purpose of filing a protest means an actual or prospective offeror whose direct economic interest could be affected by the award of, or failure to award, a contract

NOTES:

APPLICATIONS & IDEAS:

259

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

Protests are filed when one offeror feels that another offeror won a contract unfairly. There are specific procedures for filing protests. The action that is taken will be affected by whether the protest is submitted before or after the award, and whether it is filed with A.I.D , the General Accounting Office, or the General Services Board of Contract Appeals (GSBCA) for automatic data processing (ADP), and whether the protest is sustained or denied. Protests against award in negotiated acquisition shall be basically treated the same as in sealed bidding.

NOTES:

APPLICATIONS & IDEAS:

260

THE PROJECT OFFICER'S ROLE IN CONTRACT ADMINISTRATION

Contract administration may be performed by the contracting officer who awarded the contract. The contracting officer may **delegate** to one or more representatives responsibility to perform specified functions such as the Contracting Officer's Technical Representative (COTR).

COTR

The COTR works for or represents the requiring activity and manages the performance of the contractor from a technical perspective. The COTR performs tasks specifically delegated in writing and may not enter into or modify a contract or otherwise perform functions reserved for a contracting officer.

CONTRACTS

Typical post-award contract administrative duties for a COTR include:

- Monitoring technical performance by reviewing progress reports, making plant visits, etc
- Inspecting deliverables and preparing receiving reports
- Comparing progress with delivery schedules and cost objectives
- Advising the Contracting Officer of suspected problems with contract performance
- Providing technical assistance to the Contracting Officer regarding changes and modification.

NOTES:

APPLICATIONS & IDEAS:

GRANTS

Grants are not managed by A.I.D. personnel. The grantee establishes the goals for the program. These goals are then approved by A.I.D. and included in the grant. The *grantee* is responsible for planning and implementation to achieve those goals. A.I.D.'s role in agreeing to support the program is to measure and evaluate the grantee's progress in achieving those goals. This is accomplished by the use of program and fiscal reports and through the contact maintained by the COTR.

Informal relationships with the grantee are generally carried out by the COTR, and consist primarily of coordination of the grant program with on-going A.I.D. direct programs, information exchange, and guidance in A.I.D. reporting and evaluation requirements.

COOPERATIVE AGREEMENTS

The basic distinguishing criterion between grants and cooperative agreements is that for cooperative agreements, substantial involvement is anticipated between A.I.D. and the recipient during performance of the activity. A cooperative agreement is used when:

- The principal purpose of the relationship is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute
- A grant would be appropriate except that substantial involvement is anticipated between A.I.D. and the recipient during performance of the proposed activity

NOTES:

APPLICATIONS & IDEAS:

252

Some of the activities that would indicate substantial involvement are:

- Review and approval of one stage before work can begin on a subsequent stage during the period of the agreement
- Review and approval of the substantive provisions of subordinate agreements or contracts
- Involvement in the selection of key recipient personnel
- Agency and recipient collaboration or joint participation
- Monitoring to permit specified kinds of direction or re-direction of the work because of interrelationships with other projects

CONTRACT REQUIREMENTS

The requirements that are spelled out in the Statement of Work are the governing criteria for meeting contract requirements. The COTR must be cognizant of these requirements to properly manage the contract.

Inspection and Acceptance

As the Project Officer, you are responsible for defining the specifications for inspection, testing, and other contract quality requirements essential to ensure the integrity of the supplies or services

NOTES:

APPLICATIONS & IDEAS:

Acceptance criteria can be broken down into four basic areas

- **What:** constitutes acknowledgment that the supplies or services conform with applicable contract quality and quantity requirements
- **When:** takes place before delivery, at the time of delivery or after delivery, depending on the provisions of the terms and conditions of the contract
- **How:** is evidenced usually by execution of an acceptance certificate on an inspection or receiving report form or commercial shipping document/packing list
- **Where:** specifies the place of acceptance

Financial Controls

The main COTR responsibility regarding the financial control of a contract involves approving vouchers that are submitted by contractors. This is a type of acceptance where the COTR receives the voucher and makes a determination as to whether or not the performance of the activity warrants approval of the voucher.

Contract Modifications

A contract modification is defined as any written change in the terms of a contract. Only Contracting Officers acting within the scope of their authority may legally execute contract modifications.

NOTES:

APPLICATIONS & IDEAS:

264

Informal Commitments

Any commitment from the COTR regarding a contract item is not allowed. As mentioned in the previous paragraph, only the Contracting Officer may legally execute contract modifications. If a commitment from a COTR to a contractor occurs, then the responsibility for that commitment is the personal responsibility of the COTR--not A.I.D.'s

NOTES:

APPLICATIONS & IDEAS:

265

THE PROJECT OFFICER'S ROLE IN CONTRACT CLOSEOUT

Contract closeout refers to the procedure of verifying that all administrative matters have been concluded on a contract that is otherwise physically complete, i.e., the contractor has delivered the required supplies or performed the required services and the Government has inspected and accepted the supplies or services.

Confirmation That Requirements Have Been Made

It is the Government's policy that the contracting officer administering the contract sign a contract completion statement confirming that all administrative actions have been performed.

VERIFY THAT THE CONTRACT IS PHYSICALLY COMPLETE

A contract is physically complete when one of two events has occurred.

- All of the required supplies or services have been delivered or performed, inspected, and accepted and all existing options have been exercised or have expired.
- A contract termination notice has been issued to the contractor.

NOTES:

APPLICATIONS & IDEAS:

2/6/94

OBTAIN ALL FORMS, REPORTS, AND CLEARANCES REQUIRED AT CLOSEOUT

The purpose of a structured contract closeout is to ensure that there are no further administrative actions necessary on the contract. Part of the task of closeout is to ensure that all of the paperwork has been submitted to the proper authority. Forms, reports, and clearances that may be outstanding after a contract is physically complete include:

- Contractor's final invoice.
- Contractor's closing statement or release of claims.
- Final patent report.
- Clearance for the final royalty report.
- Plant clearance report
- Property clearances.
- Closeout audit report for cost type contracts.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

VERIFY THAT OTHER APPLICABLE TERMS AND CONDITIONS HAVE BEEN MET

Administrative tasks that are incidental to the performance of the contract may need to be accomplished before you can close out your file. The final contract payment cannot be authorized until the contractor has accomplished all administrative tasks, such as:

- Return or other disposition of government-furnished property.
- Proper disposition of classified material.
- Settlement of terminated subcontracts.
- Procedural requirements of termination proceedings.

SETTLE OUTSTANDING ISSUES

There may be unsettled issues that are related to the basic contract performance that have not yet been resolved. These kinds of unsettled issues include:

- Disallowed costs.
- The award amount of an award-fee contract.
- Contractor settlement costs under terminated contracts

VERIFY THAT THERE ARE NO OUTSTANDING CONTRACT DISPUTES

There may be some issues that the contractor may not have raised as issues yet. To avoid having to reopen a file that has been closed, it is a good idea to request a release of claims from the contractor as a condition of final payment.

NOTES:

APPLICATIONS & IDEAS:

When a contractor provides a conditional release, the file should be documented with as much information as you can gather on the particular issues that the contractor excepts from the general language of the release. If the contract does pursue the issue a year after closeout, the memories of your contract administration team may very well be blurred or forgotten.

MAKE FINAL PAYMENT OR COLLECT OVERPAYMENT FROM THE CONTRACTOR

You may not have an active role in the final payment. The payment office may make payment based on the contractor's invoice and its receipt of a receiving report. On more complex requirements, you generally have a more active role. Overpayments may result from a variety of reasons, including:

- Adjustments after an audit on a cost-type contract
- Unliquidated progress payments

IDENTIFY AND RECOMMEND DEOBLIGATION OF EXCESS FUNDS

Identify the amount of any funds that are remaining on the contract and, if there is no known potential for future use of these funds on this contract, they should be recommended for deobligation. This step is becoming increasingly important in order to use scarce funds to their maximum benefit.

NOTES:

APPLICATIONS & IDEAS:

PMC-1:

FUNDAMENTALS OF PROJECT MANAGEMENT & DESIGN

PREPARE CONTRACT COMPLETION STATEMENT AND DISPOSE OF FILES

The Contract Completion Statement is the primary responsibility of the Contracting Officer. The Project Officer only needs to be aware that this document needs to be prepared.

Some of the information in your contract files must be kept for a specific number of years. These recordkeeping retention requirements are sometimes the result of a legal requirement and sometimes the result of administrative regulations.

Property Disposal

When a contract has ended or is terminated, the serviceable or usable property acquired during the contract must be disposed. A.I.D. may exercise its right to require delivery of any contractor inventory. If the agency does not exercise these rights, the contractor inventory shall be disposed of by several different methods.

The property can be purchased by the prime contractor or subcontractors, donated to eligible donees, sold at public auction, used within the Government, or destroyed. Part 45 of the FAR addresses the various disposal or redistribution methods used in contract closeout.

NOTES:

APPLICATIONS & IDEAS:

PUBLIC LAW 103-62--AUG.3,1993

Public Law 103-62
103d Congress

An Act

To provide for the establishment of strategic planning and performance measurement
in the Federal Government, and for other purposes.

*Be it enacted by the Senate and the House of Representatives of the
United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Performance and Results
Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a)FINDINGS--The Congress finds that--

(1) waste and inefficiency in Federal programs undermine the
confidence of the American people in the Government and reduces the
Federal Government's ability to address adequately vital public needs;

(2) Federal managers are seriously disadvantaged in their efforts
to improve program efficiency and effectiveness, because of insufficient
articulation of program goals and inadequate information on program
performance; and

(3) congressional policymaking, spending decisions and program
oversight are seriously handicapped by insufficient attention to program
performance and results.

(b)PURPOSES.--The purposes of this Act are to--

(1) improve the confidence of the American people in the
capability of the Federal Government, by systematically holding Federal
agencies accountable for achieving program results;

(2) initiate program performance reform with a series of pilot
projects in setting program goals, measuring program performance
against those goals, and reporting publicly on their progress;

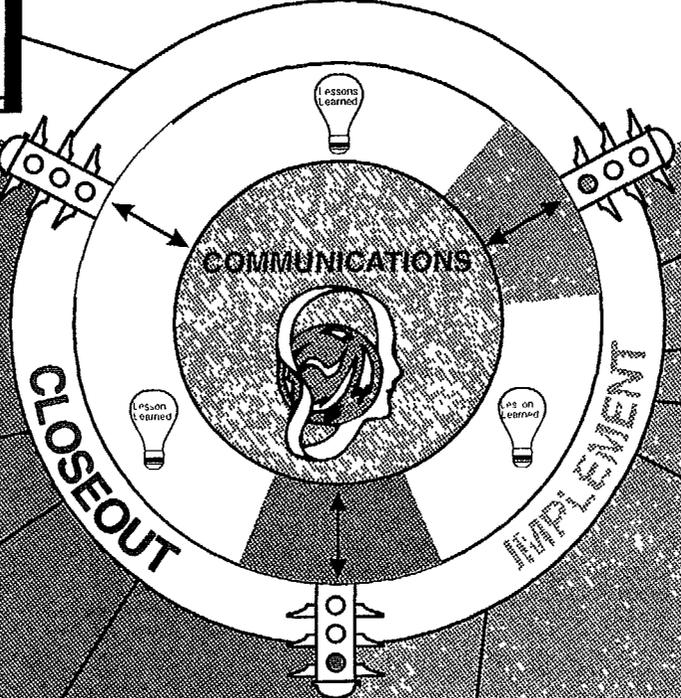
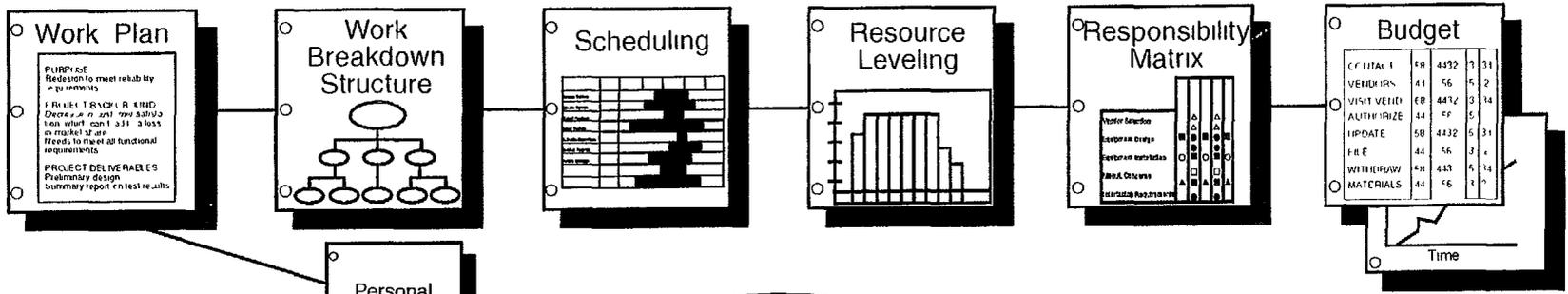
(3) improve Federal program effectiveness and public
accountability by promoting a new focus on results, service quality, and
customer satisfaction;

(4) help Federal managers improve service delivery, by requiring
that they plan for meeting program objectives and by providing them
with information about program results and service quality;

(5) improve congressional decisionmaking by providing more
objective information on achieving statutory objectives, and on the
relative effectiveness and efficiency of Federal programs and spending;
and

(6) improve internal management of the Federal Government.

Roadmap to Project Management Success



Document Lessons Learned

Personal Project Notebook

Closeout Meeting

Evaluate Measurable Success Indicators

Personal Project Notebook

Reports

SUMMARY OF PROJECT RESULTS
 Description of project
 Planned vs. actual
 Summary of project results
 Completion of project
 Finalize project
 Self-evaluation

Monitoring



Contact Log

John Doe	283 1725
Mary Jones	247 9876
Bill Henry	548 9459

Project Controls

- Financial Plans
- Contracts
- Accruals

Leadership

Meetings

MEETING ANNOUNCEMENT/AGENDA

Meeting
 Leader(s): John Kellerman
Evelyn Parker

Subject: TQM Project Proposal for Mission
 Today's Date: 3/28/94
 Meeting Date/Time: 4/6/94 2:30 PM
 Duration: 2 1/2 Hours
 Place: 3rd Floor Conference Room
 Confirm by Calling: John Kellerman

Participants:

Prahbat Chandra
 Joanne Lieberman
 Ulanda Defoe
 Jenns Olafson

Desired Outcomes:

- Approve the Goal, Purpose, & Outputs developed at the previous meeting.
- Develop the Activities portion of the vertical logic for a Logframe to support a TQM project proposal to the Mission Director.
- Set the meeting time and date to determine Inputs portion of the Logframe

Background Materials:

- Strategic Planning Handbook
- TQM Guidebook

Please Bring:

- Stakeholder Analysis Worksheets
- Objectives Heirarchy
- LogFRAME Worksheets

Order of Agenda Items	Persons Responsible	Process	Time Allocated
● Previous work accomplished to date.	Evelyn parker	Presentation	:20
● Develop Activities	Prahbat Chandra	Brainstorm	2:00
● Next meeting	John Kellerman	Discussion	:10

MEETING RECAP

Participants:

John Kellerman Ulanda Defoe
 Evelyn Parker Jenns Olafson
 Prahbat Chandra
 Joanne Lieberman

Additional Copies to:

Jeanne Fremont-Clarke

Subject: TQM Project Proposal for Mission

Date of Meeting: 3/28/94

Recap Prepared by: _____

Content Summary:

Goal, Purpose, and Output statements for logframe were presented and approved by the team.

A list of Activities to support the outputs generated in the previous meeting was developed and agreed upon by the team. (See attached list.)

Decisions Reached:

Each team member will develop a potential list of indicators and means of verification for discussion at the next meeting.

Next meeting to be held on May17, 1994 at 1:30 PM Same location.

Actions to be Taken	By Whom	When
Review Inputs	John Kellerman	4/22/94
Develop lists of potential indicators & MOV's to support the vertical logic.	Entire team	5/16/94
Schedule confrence room for next meeting	John Kellerman	5/9/94

PROJECT DESIGN CHECKLIST

HIERARCHY TO CAUSE & EFFECT	PERFORMANCE MEASUREMENT	MEANS OF VERIFICATION	EXTERNALITIES RISKS & ASSUMPTIONS
GOAL (Sector or Program Objective)		EVALUATION PLAN	GOAL TO STRATEGIC OBJECTIVE
PURPOSE (Impact)	END OF PROJECT IMPACT	EVALUATION PLAN	PURPOSE TO GOAL
OUTPUTS (Deliverables)	T.O.R. (Basic Terms Of Reference for each output)	MONITORING SYSTEM	OUTPUT TO PURPOSE
ACTIVITIES (Components, Key Clusters)	INPUTS (Budget, People, Time, Materials)	MONITORING SYSTEM	ACTIVITIES TO OUTPUT
			CONDITIONS PRECEDENT

- 1 The project has one project purpose
- 2 The outputs are stated as results
- 3 The goal is clearly stated
- 4 The *if/then* relationships between the project purpose and goal is logical and does not skip steps
- 5 The outputs plus the assumptions at that level produce the necessary and sufficient conditions for achieving the project purpose
- 6 The project purpose plus the assumptions at that level produce the necessary and sufficient conditions for achieving the goal
- 7 The vertical logic among activities/components, outputs, project purpose, and goal is realistic as a whole
- 8 The project purpose indicators have quantity, quality, and time measures
- 9 The Means Of Verification column identifies where the information for verifying each indicator will be found
- 10 The activities/components identify any actions required for gathering Means of Verification
- 11 When reviewing the project LogFrame, you can define the evaluation plan for the project

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Logical Framework & Good Project Design

<p style="text-align: center;">Goal</p> <p>The higher-level objective towards which the project is expected to contribute</p> <p>(Mention Target Groups)</p>	<p style="text-align: center;">Indicators</p> <p>Measures (direct or indirect) to verify to what extent the development objective is fulfilled.</p> <p>(Means of verification should be specified)</p>	<p style="text-align: center;">Goal to strategic objective</p> <p>Important events, conditions, or decisions necessary for sustaining objectives in the long run</p>
<p style="text-align: center;">Purpose</p> <p>The effect which is expected to be achieved as the result of the project</p> <p>(Mention Target Groups)</p>	<p style="text-align: center;">E.O.P.I</p> <p>Measures (direct or indirect) to verify to what extent the immediate objective is fulfilled.</p> <p>(Means of verification should be specified)</p>	<p style="text-align: center;">Purpose to goal</p> <p>Important events, conditions, or decisions outside the control of the project which must prevail for the development objective to be attained</p>
<p style="text-align: center;">Outputs</p> <p>The results that the project management should be able to guarantee</p> <p>(Mention Target Groups)</p>	<p style="text-align: center;">T.O.R</p> <p>Measures (direct or indirect) to verify to what extent the outputs are produced</p> <p>(Means of verification should be specified)</p>	<p style="text-align: center;">Output to purpose</p> <p>Important events, conditions, or decisions outside the control of project management necessary for the achievement of the immediate objective</p>
<p style="text-align: center;">Activities</p> <p>The activities that have to be undertaken by the project in order to produce the outputs</p>	<p style="text-align: center;">Inputs</p> <p>Goods and services necessary to undertake the activities.</p>	<p style="text-align: center;">Activities to output</p> <p>Important events, conditions, or decisions outside the control of project management necessary for the production of outputs</p>

ELEMENT	UCF*	TYPICAL OMMISION	ACTION	TYPICAL DEFICIENCIES	ACTION
Approvals & Reviews	N/A	Missing one or more approvals or reviews required by agency policy	Return PIO/T to requiring activity.	Need for additional justifications and/or waivers (based on analysis of other omissions and deficiencies).	Obtain prior to issuing the solicitation.
Funding	N/A	Did not cite both (a) source of funds and (b) amount of funds. OR No supporting documentation for absence of a fund citation.	Return PIO/T to requiring activity.	Wrong fund citation. Funds are not realistic.	Obtain a corrected PIO/T.
Quantity	B	No quantity specified OR No unit of issue OR No independent government cost estimate.	Obtain from requiring activity prior to accepting the PIO/T.	Quantities or units are not consistent with the requirement, as finally definitized.	Discuss problem with the requiring activity. Document discussions and enter the description, as revised, in the solicitation.
Description of Requirement	C	Missing	Return PIO/T to requiring activity.	Description is vague, ambiguous, overly restrictive, and/or insufficiently restrictive.	Discuss problem with the requiring activity. Document discussions and enter the correct quantity and units in the solicitation.
Packaging & Marking	D	Missing		Proposed packing & marking instructions are vague, ambiguous, overly restrictive, or inconsistent with the requirement. OR Special instructions are necessary given the requirement (e.g., long storage time or overseas shipments)	Discuss problem with the requiring activity. Document discussions and enter special packing and marking instructions, if any, in the solicitation.

* NOTE Element refers to an element of the PIO/T UCF refers to the Uniform Contract Format, and this column lists the section of the UCF in which that element of the PIO/T will be incorporated

ELEMENT	UCF*	TYPICAL OMMISION	ACTION	TYPICAL DEFICIENCIES	ACTION
Contract Administration	G	No COR/COTR identified	Obtain name(s) from requiring activity	Proposed special contract administration requirements are vague, ambiguous, overly restrictive, or are not consistent with the specification or statement of work. OR Special contract administration procedures are necessary, given the requirement	Discuss problem with the requiring activity. Document discussions and enter the special contract administration requirements, as revised, in the solicitation.
		No special requirements	Identify the applicable clause(s), if any(e.g., FAR 52.242-2). Ask requiring activity if there are any special contract administration requirements		
Special Provisions & Clauses	H-L	None identified	Ask requiring activity if any are needed.	Proposed revisions or clauses are inconsistent with requirement, vague, ambiguous, overly restrictive, or otherwise not applicable	Independently determine the provisions and clauses to include in the solicitation.
Evaluation Factors	M	None Provided	Ask requiring activity if award will be on "low price" (solely on the basis of price and price related factors) or "best value" (on the basis of price and technical and business management factors).	Proposed evaluation factors are not reliable or valid, given the specification or statement of work	Discuss problem with the requiring activity. Document discussions and enter the evaluation factors, as revised, in the solicitation.
Sources	N/A	Only one source recommended OR Requests restricting competition to specified sources.	Question whether the requiring activity is requesting "other than full and open competition" or "full and open competition after the exclusion of sources." If so obtain the necessary justification.	Proposed restrictions on competition are not valid.	Discuss problem with the requiring activity. Document discussions and determine whether or not to restrict competition.
		No sources recommended. Plan not provided	Ask requiring activity if it knows of any sources.		

* NOTE Element refers to an element of the PIO/T UCF refers to the Uniform Contract Format, and this column lists the section of the UCF in which that element of the PIO/T will be incorporated

STEPS AND RESPONSIBILITIES IN THE ACQUISITION CYCLE

PRESOLICITATION PHASE		SOLICITATION-AWARD PHASE		POST-AWARD ADMINISTRATION PHASE							
<p>REQUIREMENT</p> <p>Steps 1 An Acquisition need</p>	<p>PILOT</p> <p>Steps 1 Certification of 2 Evaluation of funds 3 Commitment of funds</p>	<p>FUNDING</p> <p>Steps 1 Schedule 2 Statement of Work/ 3 Drawings 4 Delivery dates 5 Special conditions 6 Any necessary approvals from higher authority 7 Other (if required) 8 Cost Estimates (if/when)</p>	<p>SOLICITATION DOCUMENT (IFB)</p> <p>Steps 1 Review IFB 2 Specifications are clear 3 Drawings 4 Delivery schedule 5 Familiarize self with technical details 6 Determine that conditions for Sealed Bidding are present 7 Adequate time for preparation of proposal 8 Disposition of required supplies 9 Appropriate number of suppliers 10 Control and administration information on where information on where to obtain 11 Alternate bids 12 Price escalation 13 Special qualifications 14 Assemble solicitation list 15 Maximize full and open competition 16 Stripdown required 17 Ensure that amendments and extra information furnished to all invitees</p>	<p>SEALING BIDDING</p> <p>Steps 1 Review IFB (as in Sealed Bidding) 2 Copying of IFB 3 Obtain necessary approvals 4 Prepare source list and coordinate it with required personnel as necessary 5 Determine pricing arrangement on tentative basis 6 Determine number of sealed bids 7 Determine pricing data 8 Determine what GFR is required and its availability 9 Determine requirements for cost information from proposals 10 Obtain legal and technical approvals as required 11 Distribute RFP 12 Issues that amendments and extra information furnished to all invitees 13 Schedule proposal conference if any</p>	<p>SEALING BIDDING</p> <p>Steps 1 Open and read bids at time specified 2 Bids are opened 3 Arrange for examination of bids and abstract, if requested 4 Determine responsibility for release of any bids or modifications 5 Note possible mistakes in bids and follow contract procedures 6 Determine responsiveness 7 Determine low bidder's responsibility 8 Receive and resolve any protests</p>	<p>CONTRACTING BY NEGOTIATION</p> <p>Steps 1 Review offers 2 All questions are answered 3 Price breakdowns are included as required 4 Arithmetic is correct 5 Award deadline is specified 6 All amendments received 7 Review offeror's proposal 8 Appropriate official approval 9 Obtain technical evaluation of offers 10 Obtain cost price and profit analysis as required 11 Business evaluation 12 Special offers to negotiate with</p>	<p>NEGOTIATION</p> <p>Steps 1 Preparation- Obtain information on Department and personnel who will perform the contract 2 Names of officers/representatives and negotiators 3 Location where work will be performed 4 Availability of personnel who will perform the work 5 Need for any Government financing 6 Review offeror's make-or-buy proposal, pricing and accounting systems 7 Evaluate need for GFR 8 Negotiation- Use appropriate techniques to: a. Evaluate offeror's position and alternatives b. Set limits c. Explore alternatives in case of disagreement d. Make sure that all important issues are resolved and understood by both parties</p>	<p>AWARD</p> <p>Steps 1 Determine responsibility of offeror 2 Obtain necessary clearance 3 Execute the award/contract 4 Notify unsuccessful bidders/officers 5 Publicize award in Business Daily 6 Obligate funds</p>	<p>CONTRACT ADMINISTRATION</p> <p>Steps 1 Obtain progress reports as required 2 Monthly production progress report 3 Material inspection and receiving 4 Progress reports 5 Financial Management report 6 Cost report on PERT (if required) 7 Labor management information 8 Avoid internal contractor 9 Follow appropriate procedures for changes and contract modifications</p>	<p>TERMINATION</p> <p>Steps 1 Obtain necessary approvals 2 Budget and funds 3 Substantive and related requirements 4 Frequency of other activities 5 Notify contractor avoiding advance notice 6 Termination 7 Labor management 8 Negotiate settlement 9 Make equitable adjustment for continued portion of contract if any 10 FALLT</p>	<p>COMPLETION</p> <p>Steps 1 Inspection 2 Acceptance 3 Payment</p>
<p>Prime 1 Project Officer</p> <p>Secondary 1 Contracting Officer</p>	<p>Prime 1 Budget and Fiscal Officer</p> <p>Secondary 1 Project Officer 2 Contracting Officer</p>	<p>Prime 1 Project Officer</p> <p>Secondary 1 Approving Official 2 Specifications writer (usually technical) 3 Contracting Officer</p>	<p>Prime 1 Contracting Officer**</p> <p>Secondary 1 Project Officer 2 Legal (if required) 3 Cost and price analysis 4 Technical advisors to CO</p>	<p>Prime 1 Contracting Officer</p> <p>Secondary 1 Project Officer 2 Legal 3 Cost and price analysis</p>	<p>Prime 1 Contracting Officer</p> <p>Secondary 1 Members of negotiating team</p>	<p>Prime 1 Contracting Officer</p> <p>Secondary 1 Approving Official 2 Budget and Fiscal Officer</p>	<p>Prime 1 Contracting Officer 2 COR/CO/OTR</p> <p>Secondary 1 Property Officer</p>	<p>Prime 1 Contracting Officer 2 COR/CO/OTR</p> <p>Secondary 1 Legal Counsel 2 Cost/price analysis</p>	<p>Prime 1 Contracting Officer 2 COR/CO/OTR</p> <p>Secondary 1 Property Officer 2 Office of Finance</p>		

*Prime Individual with main responsibility for successful completion of each step. Including obtaining necessary inputs from those who have secondary responsibility.

**It should be recognized that final responsibility for the legality and acceptability of the solicitation process rests with the Contracting Officer.

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