



Project Management Process

Interim Update for ERCOT Board of Directors

- ❑ During Q3 2005, KEMA performed a PMO Review that provided “Quick Hit”, Short Term, and Long Term recommendations to help improve the effectiveness of the PMO and project delivery.
- ❑ Internal process improvement team is implementing the following “Quick-Hit” recommendations to improve project delivery:
 1. Address project accountability, responsibility and basic management practices with specific focus on organizational structures and corresponding roles and responsibilities.
 2. Establish effective project reporting and communications at both the project and enterprise levels.
 3. Establish a resource utilization process that reflects accurate allocations for use in forecasting, scheduling, tracking and budgeting of projects.



“Quick-Hit” Implementation Current Status

- ❑ Project accountability, responsibility and basic management practices:
 - Established a Divisional Project Organization (DPO) within each of the four divisions to focus on project portfolio management and delivery.
 - Decentralized the Project Managers (PMs), reporting to the DPO managers, to further align projects to the divisions.
 - Establishing a stronger matrix organization by clarifying, documenting and communicating the specific project related roles and responsibilities.
 - Revising current centralized PMO to focus on project management excellence through standardized processes, procedures, tools, training and support functions for all ERCOT projects.
 - Updating impacted PMO processes and procedures and communicating to all ERCOT stakeholders.

“Quick-Hit” Implementation Current Status

- ❑ Effective project reporting and communications:
 - Redesigned the Enterprise and Project level reports.
 - Utilized the following guidelines in the redesign of the reports:
 - Deliver project/portfolio status using easily understandable, precise and timely information.
 - Simplify production of the reports.
 - Utilize consistent sources of data for both the enterprise and project level reports.
- ❑ Resource utilization process reflecting accurate allocations:
 - Developed a draft resource utilization process.
(Planning, Committing, and Monitoring Resources)
 - Performed initial prototype using MS Project Server for capturing O&M and Future Project resource demands with the currently captured Active Projects.
- ❑ Develop an updated Road-Map for addressing the Short-Term and Long-Term recommendations.
- ❑ The “Quick-Hit” recommendations are targeted to be completed by March 31, 2006.