National Defence / Défense nationale

Chief Review Services / Chef - Service d'examen

CRS / CS Ex

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Treasury Board (TB)/ Minister of National Defence (MND) Submission Process Review

July 2009

7050-47 (CRS)



Canada

Caveat

This review represents a medium level of assurance.

Table of Contents

List of Acronyms and Abbreviations

ADM(Fin CS)	Assistant Deputy Minister (Finance and Corporate Services)
ADM(IE)	Assistant Deputy Minister (Infrastructure and Environment)
ADM(IM)	Assistant Deputy Minister (Information Management)
Avg	Average
CBI	Compensation and Benefits Instructions
CCM	Change Control Management
CDS	Chief of the Defence Staff
CF	Canadian Forces
C Prog	Chief of Programme
CRS	Chief Review Services
DB	Director Budget
DFPPC	Director Force Planning and Program Coordination
DG Fin Mgmt	Director General Financial Management
DGCSS	Director General Corporate and Shared Services and Support
DM	Deputy Minister
DND	Department of National Defence
DSCS	Director Strategic Corporate Services
DSFC	Director Strategic Finance and Costing
EBP	Employee Benefit Plan
EPA	Effective Project Approval
GST	Goods and Services Tax
L1	Level 1
LTCP	Long-Term Capital Plan
MAF	Management Accountability Framework
MC	Memorandum to Cabinet
MND	Minister of National Defence
OCI	Office of Collateral Interest
OPI	Office of Primary Interest
PAG	Project Approval Guide
PCRA	Project Complexity Risk Assessment
PD	Project Director

PM	Project Manager
PMB	Program Management Board
PMO	Project Management Office
PPA	Preliminary Project Approval
SCIP	Strategic Capability Investment Plan
SRB	Senior Review Board
TB	Treasury Board
TBS	Treasury Board Secretariat
VCDS	Vice Chief of the Defence Staff

Results in Brief

The increased demand for capital project approvals to implement the Canada First Defence Strategy will put a greater strain on the Department of National Defence (DND) submission expenditure approval process. Over a six-month period, the number of project approvals will increase threefold—exceeding the current submission process capacity.

One of the goals of the current Corporate Submission Process, adopted in July 2007,[3] was to have project approval submissions ready for sign-off at the Program Management Board (PMB). In most cases submissions are still not ready for signature until six weeks after PMB. Accordingly, Chief Review Services (CRS) was requested to conduct a review of the submission process. The objective of this review was to examine the governance of the Treasury Board/Minister of National Defence (TB/MND) submission approvals for capital projects to ensure that the process is as efficient and effective as practical.

Overall Assessment

Although the Corporate Submission Process is effective[1] it could be more efficient[2] and less risk-averse. The process can be streamlined with more concurrent activity, elimination of duplicate levels of effort, and ……
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Observations and Recommendations

Submission Process Capacity. If the submission process remains the same, 35 to 66 of the planned 143 capital project submissions will not be completed over a six-month period.[4] Human resources and information tools limit the current submission process capacity. The proposed application for the Corporate Submission Tracker database meets half of the requirements.

It is recommended that the Corporate Submission Process be streamlined first, then the human resources levels be examined. Rather than a new version of the current Corporate Submission Tracker database, other solutions should be considered to streamline the process, enable performance reporting, and allow electronic signatures.

[1] Effectiveness is described as the production of an effect or the power to produce a given effect. Sawyer's Internal Auditing 5th Edition. The TB Management Accountability Framework (MAF) assessed the DND submission process as "acceptable" in February 2008.
[2] Efficiency implies minimizing the loss or waste of energy when effecting, producing or functioning. Sawyer's Internal Auditing 5th Edition.
[3] Director General Corporate and Shared Services and Support (DGCSS) is process owner of the TB submission process and developed and gained Defence Management Committee agreement to the revised process in 2007.
[4] If non-capital submissions are given a higher priority, up to 66 capital submissions could be delayed.

Roles and Responsibilities. In order to reduce the submission approval time of 156 working days by 30 percent, submission analysts need clear roles, responsibilities and accountability to eliminate duplicate effort and promote concurrent activity. By streamlining the expenditure approval process time by 50 working days, there are opportunities to reassign project management resources worth up to $21 million to other projects.

It is recommended that specific roles and responsibilities be redefined to align with core competencies, expertise and functions of analysts to eliminate duplication of effort. The Corporate Submission Process should be streamlined to optimize concurrent activity.

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Note: For a more detailed list of CRS recommendations and management response, please refer to Annex A—Management Action Plan.

Introduction

Background

In the Canadian Forces (CF) there has been an increased demand in recent years to modernize combat systems and improve the infrastructure at bases and wings across Canada. The June 2008 Canada First Defence Strategy provided the Government's investment road map to achieve the relevant CF capabilities and address Canada's security challenges in the future. Over the next 20 years, the Canadian First Defence Strategy highlighted $60 billion in equipment acquisitions as well as infrastructure improvements worth $40 billion.

This increased demand in the Department's capital program puts a greater strain on DND's expenditure approval process that governs every project when seeking definition and implementation funding. From January to June 2009 there was planned to be up to 143 capital project submissions that require approval to expedite the Strategy, over three times the historical capacity of the submission process.

A CRS capital acquisition audit[5] completed in May 2008 observed that DND's current expenditure approval process that was adopted in July 2007 required 156 working days until sign-off by the Minister. The audit determined if the expenditure approval process could be improved by one month, project management resources worth $8.6 million could be moved to other capital projects. One of the goals of the July 2007 process was to have project approval submissions ready for sign-off at the PMB. In most cases, submissions are not ready for signature until six weeks after PMB.

Objective

The objective of this review was to examine the governance of the TB/MND submission approvals for capital projects to ensure that the process is as efficient and effective as practical.

Scope

The review scope was limited to DND processes and excludes other government departments. Only DND involvement with TB analysts was considered.

The review focused on capital project submissions that exceed $5 million for equipment or information system acquisitions as well as construction. Some consideration was given for the workload associated with the review of miscellaneous requirements less than $5 million.

[5] *Audit of the Chemical, Biological, Radiological and Nuclear (CBRN) Defence Omnibus Project*, http://www.crs-csex.forces.gc.ca/reports-rapports/2008/pdf/141P0809-eng.pdf.

Methodology

- Confirm whether the July 2007 Corporate Submission Process is followed;
- Interview key analysts in the organizations involved in the submission process (Director Strategic Corporate Services (DSCS), Director Budget (DB), Director Strategic Finance and Costing (DSFC), Director Force Planning and Program Coordination (DFPPC));
- Interview project sponsors and implementers who initiate the submissions;
- Analyse the submission queuing process and Vice Chief of the Defence Staff (VCDS) priority setting system known as Project Planner;
- Analyse the January 2009 Director General Financial Management (DG Fin Mgmt) submission process internal review;
- Analyse the December 2008 Assistant Deputy Minister (Infrastructure and Environment) (ADM(IE)) one-year study of the expenditure approval process for construction projects;
- Review DGCSS October 2008 Analysis of Expenditure Thresholds;
- Analyse the Corporate Submission Tracking Database before and after the new July 2007 Corporate Submission Process; and
- Compare the required flow of submissions to actual capacity.

Review Criteria

- Appropriate skills and staff size exist for the necessary capacity to prepare corporate submissions;
- Roles and responsibilities of organizations involved with the corporate submission process are clearly delineated; and
- The governance of expenditure approval submissions is a risk-based and efficient process.

Observations and Recommendations

Submission Process Capacity

Streamlining the submission process will be necessary to approve the planned 143 capital project submissions over a six-month period. Otherwise, up to 66 planned submissions will not be ready for approval.

The current capacity of the project submission process cannot accommodate the future demand of capital projects programmed by the VCDS Project Planner over a six-month period. Historical data from July 2007 to December 2008 demonstrates that approximately 35 to 40 capital projects are approved in a six-month period. From January to June 2009 there are 143 capital projects scheduled for approval. However, in the first three months only 18 have been approved at PMB. Although some submission analyst organizations have recently increased their staff levels, even once the new staff are fully trained the projected capacity as portrayed in Annex B will still not allow 35 to 66 submissions to be approved within the next six months.

Organizational Capacity. In spite of recent hiring in some key organizations, there are not enough submission analysts to address the current demand recorded in the VCDS Project Planner database. Table 1 portrays the average number of working days each organization took to staff a project submission.

Working Days	Total*	PMO	DSCS	DG Fin Mgmt	L1 Signature
January 2006 to July 2007 Avg (old process)	178	77	46	9	22
July 2007 to December 2008 Avg (new process)	156	81	45	12	2

Table 1. Submission Staffing Time. The Corporate Submission Tracking Database includes 113 projects completed under the new process that were compared to 128 projects in the old process. *Note that the total includes other sign-offs that did not require a significant amount of time. DFPPC analyst time is included in the PMO working days.

Streamlining the submission process based on the observations in this report could reduce the number of submission analysts from 33 to 19.

Although there has been an overall improvement of 22 working days per project since July 2007, the future submission demand will result in capacity issues within DFPPC, DSCS, and DG Fin Mgmt as portrayed at Annex B. An improved risk-based approach will reduce the need for more submission analysts. However, if the submission process does not change to meet the future submission demand:

- DSCS will require six more analysts;
- DFPPC will require three more analysts; and
- DG Fin Mgmt (DSFC-5) will require two more analysts.

As shown in Table 2, the February 2009 submission status report indicates how long each submission has been held at the offices listed in the table waiting for action/signature. PMO, DG Fin Mgmt, and VCDS approval times are well above the 2007 submission planning times.

Pre-PMB/ PMB Sign-offs	PMO	DSCS	ADM(IE)	DG Fin Mgmt	ADM(Fin CS)	VCDS
Number of projects currently reviewing	30	26	4	4	1	1
Avg working days to review	99	25.5	9	57.5	1	9
2007 planned working days	32-62	32	3	3	3	3

Table 2. February 2009 Submission Status. The DND/CF Corporate Submission bi-weekly status report prepared by DSCS depicts the status of 76 capital submissions; 66 are not ready for signature at PMB. Overtime hours have not been factored to adjust the number of working days.

Information Tools to Manage Process. The Corporate Submission Tracker database used by DSCS does not allow for timely and consistent reports for tracking and measuring the progress of submissions. Reports must be manually generated and were found to overstate the average approval time by 32 working days when compared to computer-assisted audit tests by CRS.

Although the submissions process engages several DND organizations, the current Corporate Submission Tracker, a Change Control Management (CCM) Mercury application, prevents a collaborative process. The submission stakeholders do not have consistent and clear visibility of the status of the submission. Consequently, there are several different databases used to track the status and prioritization of the submission, creating integrity concerns. There have been requirements for a more mature tool to address these concerns; however, due to resource constraints a new version of the CCM Mercury application is being pursued. It is the view of DGCSS staff that only half of their requirements will be met.

The submission process could be improved if the Corporate Submission Tracker database could include the following:

- Access to submissions by all stakeholders with version controls and electronic sign-off;
- Performance reporting to measure the level of effort (days), timeliness and quality[6] of the submission. This information is needed to satisfy TB MAF reporting requirements on the submission process and quality of submission analysis and language quality; and

[6] Quality of submissions could be measured by analyzing the number of review loopbacks that occurred for submissions.

- Standard costing templates to build the capital projects substantive and indicative cost estimates that roll up to the submission cost tables. According to DG Fin Mgmt, over 50 percent of the submissions have rounding and mathematical concerns within the mandatory submission costing tables.

Recommendations

In conjunction with ADM(Fin CS) build appropriate organizational structures with sufficient capacity once the submission process has been streamlined. **(OPI: VCDS)**

With input from ADM(Fin CS), ensure the Corporate Submission Tracker application meets the requirements for a collaborative corporate tool that collects submission data from all stakeholders, allows electronic approval, provides reporting and tracking capabilities for Secret submissions and provides performance measures to monitor and continually improve the process. **(OPI: ADM(IM))**

Roles, Responsibilities and Accountability

Submission analysts need specific roles and clear responsibilities and accountabilities to eliminate duplicate effort and promote concurrent activity in order to reduce the submission approval time by 30 percent.

Submission Analysts. There are a number of directorates engaged in the analysis of a project submission that has been prepared by a L1 sponsor or implementer. Their objective is to provide an independent review function to improve the quality of the submission. The main corporate players and their overarching roles are as follows:

- DSCS is the functional authority for the submissions process, and exercises an independent challenge function to ensure the quality of submission analysis and language quality under the MAF and DND guidelines. This includes negotiating wording and content of submissions, and exercising overall quality and version control. DSCS is also the point of contact for communications with TB analysts and DM/MND offices and for forwarding submissions to TB for approval, receiving and monitoring TB decisions, submission tracking, control, distribution and archiving of official records.
- DFPPC is responsible for exercising an independent challenge function on behalf of the VCDS to ensure submissions are aligned with departmental strategies. DFPPC sets the priority for submissions through to the final government approval authority.
- DSFC has a dual role: DSFC-2 is responsible for working with the project office to validate project cost estimates and DSFC-5 exercises the independent challenge function on behalf of the Chief Financial Officer.
- DB maintains and reports on the departmental financial accounts and provides financial, economic and resource management advice. DB is also part of DG Fin Mgmt.

Roles and Responsibilities. The January 2009 DG Fin Mgmt submission process review and CRS interviews with submission analysts identified several areas where there is duplication of effort (see Table 3). Submission analysts were not clear as to the role or responsibility of analysts in other organizations. In some cases, analysts carried out tasks that may not be within their realm of expertise. Layers of review add to the quality of the submission; however, the duplicated tasks in Table 3 amount to three weeks of additional work. The common activities done by a number of analysts identified by "X" were as follows:

- Strategic analysis is done by PMO, DFPPC, DSCS, DSFC and for those projects that require a Memorandum to Cabinet (MC), Director Cabinet Liaison.[7] Whichever submission analysts directorate has the best understanding of the overall capital program requirements should perform the strategic analysis review.
- Quality review of a submission for wording and clarity is done by DSCS, DSFC and DB.

Activities	PMO		DFPPC	DSCS	DSFC		DB		
	PD	PM			DSFC-2	DSFC-5	DB-3	DB-4	DB-5
Strategic review *	X	X	X	X		X			
Examine entire submission for textual quality—grammar, punctuation, etc.				X		X		X	
Review submission bilingual text				X		X		X	
Calculate submission GST and EBP				X	X			X	
Review submission accrual table						X		X	X
Compare Cost Project with SCIP, LTCP, non-strategic capital			X			X			
Re-build financial tables for accuracy check				X		X		X	

Table 3. Duplicated Tasks. A sample of duplicated activities (marked with an "X") that are occurring amongst different analysts during the review of submissions. * Note that for strategic review, independent analysis outside the PMO is required.

Standard operating procedures and checklists to guide analysts were only available from DSCS. Such procedures would provide analysts with their specific responsibilities and scope to reduce duplication of effort. As depicted in the critical path charts at Annexes C and D, there are other submission time saving measures that can be achieved by minimizing the duplication of effort:

- A streamlined process for preparing the project office's first draft submission with improved guidance could save three weeks.[8]
- The standardized cost validation templates and automated links within submission tables could save two weeks.

[7] Director Cabinet Liaison does a strategic analysis of the MC which contains many of the same elements as a corporate submission.
[8] Per Annex D—not all activities are responsible for the overall submission time. Items on the critical path dictate the length of time for a submission.

Submission Leader. It is not always clear who is ultimately accountable for a project submission. Analyst organizations and the PMO are responsible to perform their role with no single group accountable for the delivery of an end product—a complete submission.

- The Program Guidance Memorandum 02/08 indicates that the project sponsor should be accountable for the submission no matter if the project is seeking approval for the definition phase or implementation phase. However, the Project Approval Guide (PAG) indicates that usually the Project Leader changes from the sponsor to the implementer at the beginning of the definition phase.
- DSCS is the functional authority of the Corporate Submissions Process. Once the PMO has provided DSCS with the first draft of a submission, DSCS maintains version control and performs an analysis of submission as required by MAF and DND policies.
- The critical decision point for a TB submission is the endorsement of the submission's second draft by TB analysts in consultation with DSCS. Once TB analysts are satisfied with the submission, there should be very few changes.[9]

Coordination of Efforts. Analysts tend to work independently from the project sponsor to maintain their objectivity. However, in cases of "fast track" projects, the team approach for analysts can result in submissions taking less than 60 working days (see Annex E). Efficiencies could also be achieved if analysts were aligned consistently with certain environments or clients.

The submission process has benefited from a team approach. Over a three-year period, 22 percent of the capital project submissions have taken less than three months. However, 25 percent have taken more than one year to complete.

The following team-based concurrent activities could lead to savings of 4.5 to 8.5 weeks in submission staffing time as portrayed in a critical path chart at Annex D.

- Cost validation completed concurrently with the PMO completing the first draft submission could provide a savings of three weeks.
- Concurrent sign-offs at PMB could result in a saving of 1.5 weeks. It was observed that an abbreviated submission document has removed two of the three ADM(Fin CS) signatures.
- A team-based approach could reduce waiting and input time by two weeks.
- Earlier input from analysts could also remove the three-week translation time from the critical path, if there is concurrence and agreement prior to the Senior Review Board (SRB). This would allow for a savings of two weeks.

Streamlining the approval process by 50 working days by reducing duplicate effort and optimizing concurrent activity would enable the reassignment of project management resources worth $21 million to other capital projects.

[9] There has been a recent effort to limit submissions to a "2 Pass" process for TB analysts' commentary.

Communication of Changing Priorities. In Project Planner, the VCDS staff sets the priority of submissions based on four criteria that L1s apply to their projects. Concerns have been raised regarding last-minute changes and how and why the priorities changed. It is important that these priority shifts be transparent to all those organizations involved in the submission process. A change in the project priority delays the departmental approval process and creates inefficiencies in preparing a submission. For example, in Table 4 construction projects take longer than capital equipment projects.

Approval Date	All	Equipment	Construction	Variance
January 2006 to December 2008	167	146	188	42
January 2006 to July 2007	178	157	202	45
July 2007 to December 2008	156	132	175	43

Table 4. Comparison of Project Approval Times for Equipment and Construction. The average number of working days to complete a construction project is 43 working days (8.5 weeks) longer than a capital equipment project.[10]

Quality Level of Submissions. Signature-ready submissions are seldom ready for PMB meetings. However, draft submissions that are circulated to PMB members in advance are usually endorsed at PMB. Usually six more weeks are required before four of the key PMB members sign-off the final submission. The added value of the six weeks of modifications to the final submission comes into question.

- Since July 2005, PMB denied or deferred only 3.5 percent of project submissions.
- It has not been necessary to return to PMB for approval of variances between the draft and the final submissions.
- Only 17 out of 222 projects tabled at PMB over three and a half years were seeking a revised effective project approval (EPA). Twelve of these projects were construction.

There are frequent loopbacks in the submission staffing process when modifications to the submissions are made. A review of the DSCS Corporate Submission Tracker database attributed the percentage of loopbacks to different organizations. The standard submission should have 13 decision points including the approval by the MND. As shown in Table 5:

Approval Date	Total
January 2006 to December 2008 % > Avg	45%
July 2007 to December 2008 % > Avg (current process)	27%

Table 5. Submission Loopback Analysis. 27 percent of the capital project submissions in the current process had higher than the standard number (13) of decision points.

[10] Combat system acquisitions to satisfy operational requirements often have a higher priority than infrastructure projects.

- For the 113 submissions in the current process between July 2007 and December 2008, 27 percent of the submissions had more reviews than the 13 that were necessary.
- A further analysis of loopbacks for 29 projects (the 27 percent above average) in the same time frame found that 55 percent of the time DSCS initiated a loopback and 72 percent of the time DG Fin Mgmt initiated a loopback. It is difficult to ascertain what modifications were requested. However, upfront quality and review would reduce submission cycle time significantly.

Recommendation

In conjunction with ADM(Fin CS), redefine specific roles and responsibilities to align with core competencies, expertise and functions of analysts to eliminate duplication of effort. Streamline the process to optimize concurrent activity as portrayed in Annex D and link these processes to the PAG updates planned for December 2009.[11]
(OPI: VCDS)

[11] CBRN CRS audit report management action plan indicated the PAG updates to be completed by December 2009 http://www.crs-csex.forces.gc.ca/reports-rapports/2008/141P0809-eng.asp#_Toc202171100.

Risk-Averse Approval Process

To align with the TB project management policy and Web of Rules initiatives, a risk-based approval process can reduce the level of review effort for low-dollar and low-risk projects.

Alignment with TB Risk-Based Policy. In June 2007, TB established a risk-based policy for project approval.[12] TB approval of projects would only be required if the complexity of the project is greater than the Department's project management capacity irrespective of the project value. DND's Organization Project Management Capacity Assessment has been determined to be Level 3 Evolutionary—the second highest level. Therefore, Project Complexity Risk Assessments (PCRA) that are Level 3 or lower do not require approval by TB—only projects with a Level 4 PCRA.[13] Once implemented, the Department's submission approval process should require less liaison with TB analysts for lower-risk projects that presently exceed the current MND expenditure approval thresholds.

The 2008 TB Web of Rules initiative[14] and MAF policy requirement for submissions directed departments to take measures to streamline their current policies and procedures that burden business processes by utilizing a risk-based approach. The DND capital project submission approval process is not risk-based. All projects over $5 million are reviewed with the same level of scrutiny. The current average capital project submission approval time is 156 working days (7.3 months). Every project must go through this approval process twice: once for preliminary project approval (PPA) to obtain the definition funding, and again for EPA to obtain the implementation funding—a total of 312 working days.

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[12] TB Policy on the Management of Projects 7 June 2007. Full implementation by 1 April 2011.
[13] TB will have the option to approve/review all projects (independent of PCRA scoring) if it deems the project to be higher risk or higher profile.
[14] TBS 6 August 2008. Request for DND Web of Rules action plan by 19 September 2008.

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[17] The cost validation process is more thorough for a submission compared to an MC.

Annex A—Management Action Plan

CRS Recommendation

1. In conjunction with ADM(Fin CS) build appropriate organizational structures with sufficient capacity once the submission process has been streamlined.

Management Action

The recommendation is supported and will be considered in our action plan after the work on streamlined submission process related to recommendations 2, 3, 4 are completed.

OPI: VCDS **Target Date**: June 2010

CRS Recommendation

2. With input from ADM(Fin CS) ensure the Corporate Submission Tracker application meets the requirements for a collaborative corporate tool that collects submission data from all stakeholders, allows electronic approval, provides reporting and tracking capabilities for Secret submissions and provides performance measures to monitor and continually improve the process.

Management Action

ADM(IM) Client Relationship Management personnel will work with stakeholders (ADM(Fin CS) and VCDS) to achieve an understanding of the capability deficiency and then will initiate steps (subject to funding) to address the deficiencies.

OPI: ADM(IM) **Target Date:** April 2010

CRS Recommendation

3. In conjunction with ADM(Fin CS), redefine roles and responsibilities to align with core competencies, expertise and functions of analysts to eliminate duplication of effort. Streamline the process to optimize concurrent activity as portrayed in Annex D.

Management Action

C Prog will work with ADM(Fin CS)/ADM(IE) to review and identify and further rationalize roles, responsibilities, processes and deliverables as they relate to both initiative management and corporate submission development. CRS is requested to provide staff assistance in the review of the roles, responsibilities, processes and products of applicable OPI and OCI organizations and development of formal Standard Operating Procedures and Terms of Reference.

OPI: VCDS **Target Date:** April 2010

ANNEX A

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CRS Recommendation

5. Perform post-verification compliance reviews for submission quality under MAF and cost validation to ensure rigor in a delegated submission process.

Management Action

For projects that have received delegated authority for cost validations and quality control, ADM(Fin CS) will implement a post approval verification process that samples both the cost validation process and quality control process to ensure appropriate policies and procedures are being adhered to.

OPI: ADM(Fin CS) **Target Date:** December 2009

Annex B—Submission Process Capacity Analysis

Based on the projects programmed in the VCDS Project Planner, the current submission demand requires the analysts calculated below.

Type of Submission	Project Planner Count	% of Count
Capital	72	31%
Construction	86	36%
Realty	12	5%
CBI	14	6%
22 other types	53	22%
Total	**237**	**100%**

Table 9. Project Planner January to June 2009. 166 of the 237 projects were deemed to be capital projects. Table 7 shows there are only 143 projects greater than $5 million. At the time of review only 15 projects had been approved in the first three PMB meetings in January to April 2009. This is consistent with the 35-40 historical submission capacity that could be completed in a six-month period.

Submission Analyst Shortfall/ Surplus		DFPPC	DSCS	DSFC-2
Ser	**Current Capacity**			
1	Submissions/month	20	18	32
2	Number of analysts	16	9	8
3	Analyst capacity (submissions/month)	1.25	2	4
4	Target submissions for 6 months – current approval threshold of $5M	143	174	174
5	Baseline capacity for 6 months	120	108	192
6	Additional analysts needed to meet target (currently)	3	6	-1
7	Additional analysts needed to meet target (increased efficiency 30% per Annex D)	-1	2	-3
8	Additional analysts needed to meet target (delegation to $30M Table 6)	-7	-2	-5

Table 10. Capacity of Submission Analysts. There is a shortfall of meeting the capital project submission demand in the range of 35 to 66 projects. A similar analysis was completed based on actual days to complete which indicated the DG Fin Mgmt was short two people.

1. Submission per month is the capacity per analyst times the number of analysts once new hires are fully trained and performing efficiently.
2. Analysts' numbers derived from interviews and organization charts.
3. Based on interviews and VCDS documentation DFPPC 1.25 capital projects per analyst per month capacity (they are also reviewing miscellaneous requirements), DSCS 2 per month per analyst, DSFC-2 1 per week.
4. 143 submissions is the number of capital projects in the project planner database period January – June 2009 that are greater than $5 million. 174 projects is the assumption that DSCS and DSFC-2 must also handle the other 94 (237-143) submissions. From interviews it was concluded three non-capital can be staffed for every one capital. This creates an equivalent work load of 174 capital projects.
5. Submission/month times six months.
6. Additional analysts is based on the shortfall from target submission (serial 4) and calculating how many analysts would be required to meet this shortfall.

Annex C—Current Submission Process Critical Path

Step	OPI	Submission Activity	Duration (weeks)
-3	PMO	Consults DFPPC	2
-2	PMO	Consults DSCS	2
-1	PMO	Consults DSFC	2
0	**PMO**	**Opens the yellow docket**	0.2
1	PMO	Finalizing 1st draft	**10**
2	DFPPC	Guides PMO on submission	5
3	DSFC-2	Conducts cost validation	3 + 2
4	DSCS	Comments on draft and conducts strategic review	**(3) +** (3)
5	PMO	Prepares for SRB	**2**
6	**SRB**	**Endorses the submission**	**0.2**
7a	PMO	Reworks 2nd draft	2
8	PMO	Conducts translation	3
7b	DSCS	Assesses PMO clarification/finishes 2nd draft	2
9	DSCS	Final review on language quality	**1**
10	DSCS	Final quality control review	**1**
11	DFPPC/OPI	Contacts PMB secretariat for PMB meeting	3
12	DFPPC	Helps OPI prepare for PMB	1
13	**PMB**	**Endorses the submission**	**0.2**
14	DG Fin Mgmt	Pre-PMB sign-off	**2.4**
14.1	DSFC-5	Strategic review	1.2
14.2	DB	Cost allocation	1.2
15	DSCS	Pre-PMB sign-off	**0.2**
16	L1 Sponsor	Pre-PMB sign-off	**0.2**
17	L1 Implementer	Pre-PMB sign-off	**0.2**
13	**PMB**	**Endorses the submission**	0.2
18	VCDS	Senior Management sign-off	**0.4**
19	ADM(Fin CS)	Senior Management sign-off	**0.1**
20	CDS	Senior Management sign-off	**0.1**
21	DM	Senior Management sign-off	**0.6**
22	MND	Senior Management sign-off	**1.6**
Critical Path in RED		**Total Duration (Working days)**	**155**

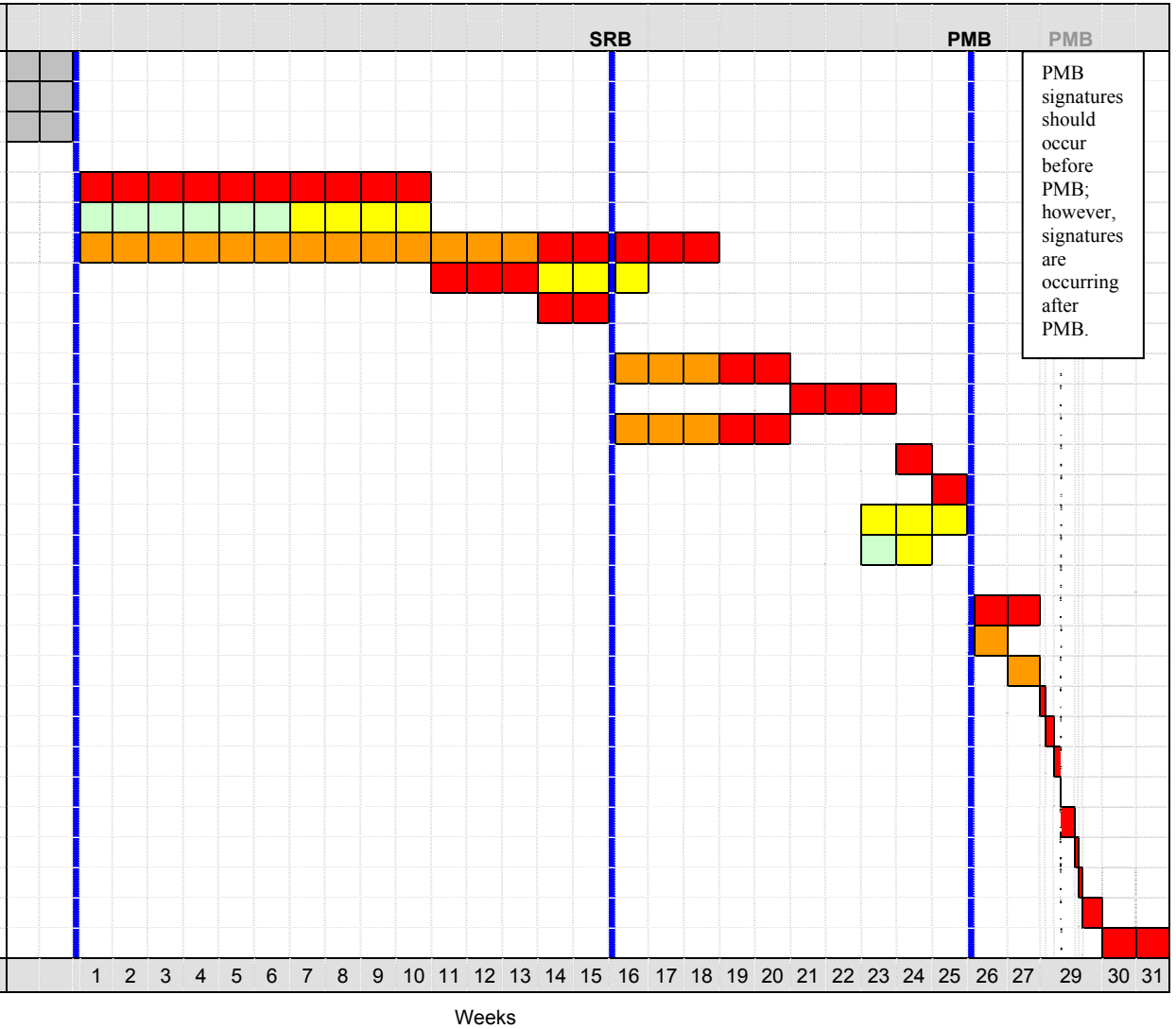

Table 11. Current Submission Process Critical Path. This flowchart depicts all the activities required to process a standard submission.

Critical Path | **Concurrent activity not on critical path** | **Activity currently not on critical path** | **Variable time for activity**

Annex D—Proposed Process Activities with Critical Path

Step	OPI	Submission Activity	Duration (weeks)
-3	PMO	Consults DFPPC	2
-2	PMO	Consults DSCS	2
-1	PMO	Consults DSFC	2
0	**PMO**	**Opens the yellow docket**	0.2
1	PMO	Writes 1st draft	**6**
2	DFPPC	Program requirements/alignment review	5
3	DSFC-5	Financial review	5
4	DSFC-2	Conducts cost validation	3
5	DSCS	Quality of analysis and language	**1 + 1**
5.1	Analysts	Conduct Pre-SRB meeting	0.1
6	PMO	Prepares for SRB	**2**
7	**SRB**	**Endorses the submission**	**0.2**
8a	PMO	Reworks 2nd draft	**1**
9	PMO	Translation	**3**
8b	DSCS	Assesses OPI clarification and finishes 2nd draft	4
10	DSCS	Final review on language quality	**1**
11	DSCS	Final quality control review	**0.6**
12	DFPPC	Helps OPI to prepare PMB presentation	1
13	PMO	Contacts PMB secretariat for PMB meeting	**3**
14	DG Fin Mgmt	Pre-PMB sign-off	0.6
14.1	DSFC-5	Strategic financial validation	0.3
14.2	DB	Cost allocation	0.3
15	DSCS	Pre-PMB sign-off	0.6
16	L1 Sponsor	Pre-PMB sign-off	0.6
17	L1 Implementer	Pre-PMB sign-off	0.6
18	**PMB**	**Endorses the submission**	**0.2**
19	VCDS	Senior Management sign-off	0.2
20	ADM(Fin CS)	Senior Management sign-off	0.2
21	CDS	Senior Management sign-off	**0.6**
22	DM	Senior Management sign-off	**0.6**
23	MND	Senior Management sign-off	**2**
Critical Path in RED		**Total Duration (Working days)**	**106**

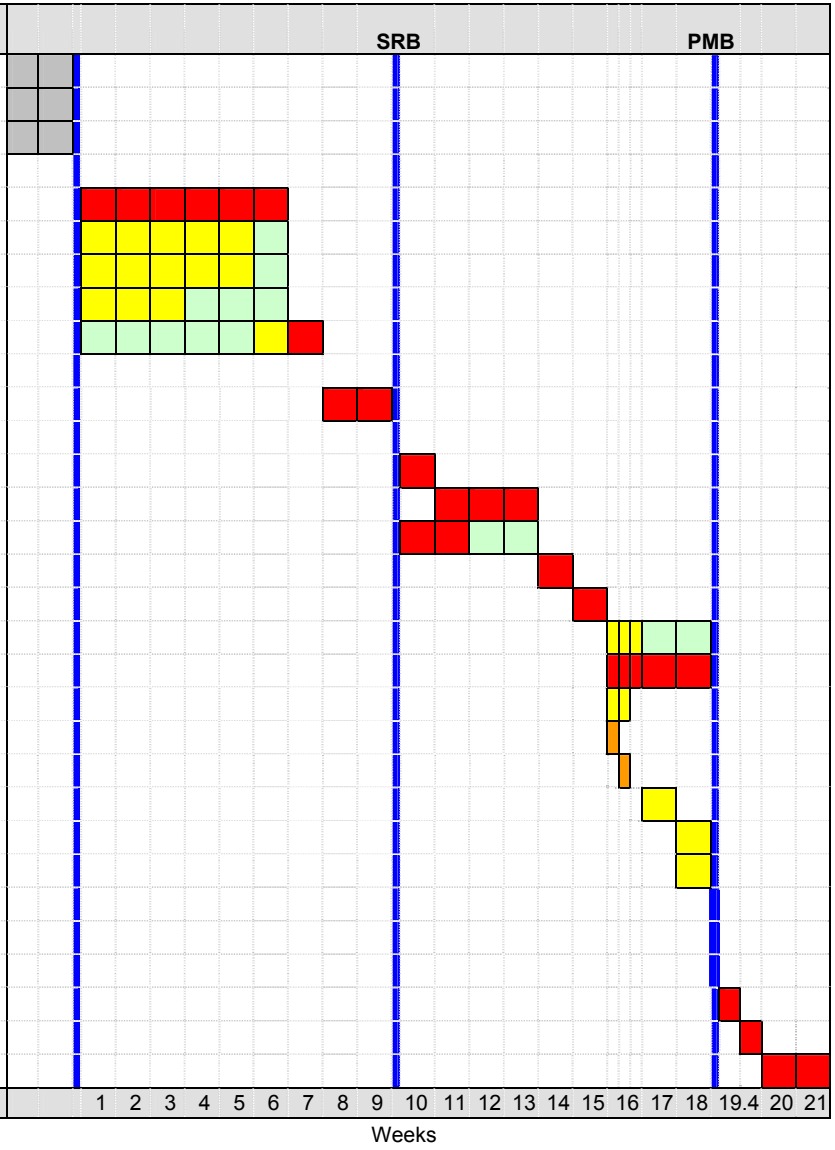

Table 12. Proposed Process Activities with Critical Path. This flowchart depicts a proposed critical path that incorporated more concurrent activities taking place to eliminate wait times, which help reduce the total duration to 106 working days.

Critical Path | **Concurrent activity not on critical path** | **Activity currently not on critical path** | **Variable time for activity**

Annex E—Historical Submission Approval Times

Working Days	Months	Submissions	Percent of Submissions	Cumulative Percentage
<60	<3	52	22%	22%
60-80	3-4	7	3%	24%
80-100	4-5	10	4%	29%
100-120	5-6	15	6%	35%
120-140	6-7	13	5%	40%
140-160	7-8	27	11%	51%
160-200	8-10	32	13%	65%
200-240	10-12	26	11%	76%
240-300	12-15	33	14%	89%
>300	>15	26	11%	100%
Totals		**241**	**100%**	

Table 13. Corporate Submission Tracker Database January 2006 to December 2008. This table portrays the range of approval times for 241 capital projects. The 52 "fast track" projects completed in less than 60 working days represent a team approach with considerable overtime by the PMO and DSCS.