Updated 2/5/15

Project Contingency Buffer Activity

Adding a P6 Activity to help PMs effectively manage schedule risk

Purpose

The purpose of this one-pager is to provide guidance to Project Managers, Shared Service Center (SSC) schedulers, and project team members on the inclusion and use of a Project Contingency Buffer activity.

Background

MnDOT has recently started base-lining the pre-construction services necessary to deliver highway and bridge projects. Base-lining includes obtaining buy-in on the schedule logic, activity durations, and commitments on delivery dates from all parties responsible for performing tasks on the project. In FY 16, the base-line commitment delivery dates were based off of the P6 Early Finish Dates.

The Project Management Leadership Group (PMLG) recently requested to baseline FY 17 and FY 18 using P6 Late Finish Dates. MnDOT leadership expressed concern about the risk of delivering projects late by using the late date (running too many activities critical or near critical). To mitigate leadership concerns, the PMLG has proposed adding a Project Contingency Activity for the Project Manager to manage risk on the project.

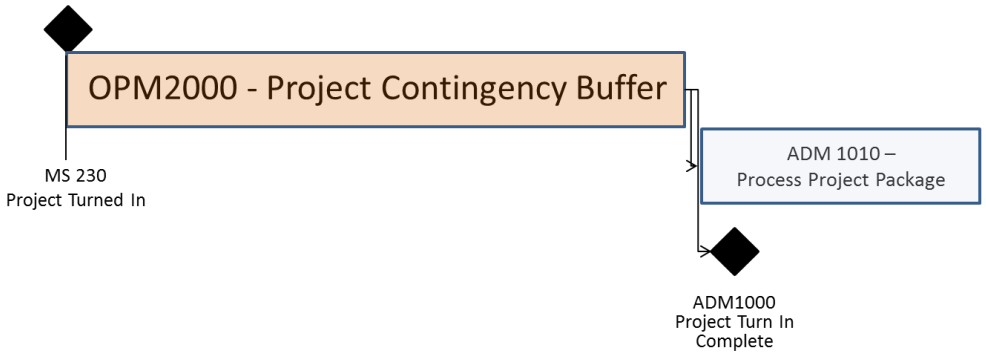
Project Contingency Activity

Activity Purpose

This activity allows Project Managers to effectively manage project schedule risk. Without this contingency, there is no float in the project schedule. This minimizes the ability of the Project Manager to recover the schedule if an activity is delivered late.

Schedule Location

This activity will be placed between Project Turn-in and the Pre-Letting process as shown below:



Placing this activity here requires the lowest risk of missing activities that need to flow through the buffer. Schedulers only need to add this activity between two existing milestones and the Process Project Package activity versus searching for all predecessors that need to tie-in.

Placing this activity between Advertisement and Award was also considered, but this would impact Pre-Lettings ability to effectively plan resources. Placing this activity at the end of the schedule would also conflict with Pre-Lettings project turn-in calendar that PMs and functional groups use, causing confusion.

Activity Duration

The minimum duration will be 10 days (5 day work week). This minimum duration is required to minimize leaderships concern with running too many activities with 0 or low float. Project Managers can initially base-line projects with increased duration. A maximum duration of 25 days should be considered. **Long maximum durations may unnecessarily push the dates before other priority work and make resource planning difficult for all users.**

Responsibilities of the Project Manager

The Project Manager:

- Owns and updates this activity (See Note 1)
- Must communicate with each activity owner if their due date changes. Due dates will change when you modify the buffer activity duration.
- Must closely monitor activities that do not use MS 230 (Project Turn-in) as a successor activity. For example, permitting or r/w activities may be tied to the Letting Milestone. The buffer activity does not provide contingency for these items.
- Should not use excessive durations on the buffer activity. This will have a negative impact to the overall program by limiting functional group abilities to properly plan work. If a certain activity has risk, consider increasing the duration of that activity versus increasing the buffer activity.

Note 1: By not updating this activity, projects may show false negative float (e.g. If you have 20 days of contingency and your float shows negative 5 Days, you are still +15 Days). The WIG Scoreboard is not going to filter this, it will report negative float whether it is false or not.

Float Ownership & When to Use

The Project Manager owns the contingency activity. The primary purpose is to manage unexpected items that arise, NOT to simply extend the duration of existing activities.

Activity owners are committed to the Late Finish Dates in their schedule. If an activity owner is not able to deliver on-time, they must contact the Project Manager to develop a recovery strategy. Activities owners are not to assume the contingency is for their activity. The Project Manager is to notify the activity owners (and obtain buy-in) if their due dates change because the Project Contingency Buffer activity has been reduced.

Information for SSC Schedulers

When adding this activity to a schedule, SSC schedulers must:

1. Place a new activity in the Ongoing Project Management node of the WBS.
2. Use Activity ID OPM2000
3. Use Activity Name "Project Contingency Buffer"
4. Assign Ownership to the Project Manager
5. Assign a minimum 10 day duration
6. Add predecessor: MS_230 Project Turned In
7. Add successors: ADM1000 Project Turn In Complete and ADM1010 Process Project Package

When to use Requirement

This activity is required on **all** FY 17 and beyond projects.

FY 16 will not be using this requirement. These projects are already base-lined with agreed upon dates. Many of these projects (over 40%) are already in negative float. Adding this activity would require significant effort to determine the appropriate duration with limited value for the amount of effort the PM, functional groups, and SSC would need to go through.