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## **UNDERTAKING J2.2**

### **Undertaking**

OPG was requested to provide a specimen of a Project Execution Index (PEI).

### **Response**

Attached is a general information sheet associated with Project Execution Indices as well as an illustrative example of a PEI from the Niagara Plant Group.

## **Project Execution Index (PEI)**

### **General**

The Project Execution Index (PEI) (also known as the Planning and Project Execution and Effectiveness Index) is an assessment of the quality and effectiveness of the Plant Groups to plan and execute major projects and major outages.

The PEI forms part of the Annual Incentive Plan for the Plant Group Manager.

A sample table of projects that are included to calculate the 2008 Niagara Plant Group PEI is attached.

### **Evaluation Criteria**

- Release Date (planned vs. actual)
- Schedule (Start/Duration/Completion Date). Use Key Project Milestone Dates for multi-year projects.
- Scope Control/Growth
- Project Cost Accuracy (budget vs. actual)
- Project Management (e.g. Project Charter, Project Execution Plan, Project Risk Management, Project Controls/Monitoring)

### **What's Included**

- All Major projects/outages, both OM&A and Capital; with total project costs greater than \$500k (if there are not enough projects exceeding \$500 k, then lower value projects should be included).
- Already released (approved) projects, or projects planned for release in 2008.

### **Evaluation**

The projects are tracked during the year and final index is calculated at year end.

An index score of above 1.0 means the project deliverables associated with release date, schedule, scope, cost and project management for projects in the PEI table, have been met.

Note that a prerequisite to getting a 1.0 is that the desired project result/deliverable(s) is achieved (e.g., runner upgrade completed and capacity and efficiency gains are achieved). Projects delayed due to Independent Electricity System Operator (IESO) and other external changes / factors will be considered for exclusion from the scoring calculation if they are out of local Plant Group control.

External/Uncontrollable Factors which may also be considered in evaluation include:

#### **Cost**

- Were cost changes incurred due to changes in the outage length initiated by IESO/PMC or others? Details must be provided.
- Were there unpredictable cost increases in material/labour/contract (e.g. excessive steel price escalation due to high world demand)?

#### **Schedule**

- Was this work required to be completed during a planned outage?

- Were there other external factors (e.g., transmission outage, high/low water levels) that impacted the schedule negatively?
- Was the actual timing of the start or completed work affected by decisions made by IESO/PMC/others?

**Niagara Plant Group 2008 Project Execution Index Table**

Project	Project SAP PID	Proj. No.	Scheduled Release (Q1, Q2, Q3, or Q4)	Release Date met? Yes = 1 No = 0	Scheduled In-service (Q1, Q2, Q3, or Q4)	I/S Date met? Yes = 1 No = 0	Scope Control and Completion (Identify Major Scope Items for Project)	Major Scope Changes/ Defic.? Yes = 1 No = 0	Cash Flow/Cost in 2008 (in \$k)	Within budget? Yes = 1 No = 0	Project Documents to be completed in 2008 (list them)	Project Documents Completed? Yes = 1 No = 0
SAB 1 - Unit 7 Frequency Conversion	SAB10032	1	17-May-07		Q1-09		Runner delivered, Gen reassembly I/P		23,364		Progress Reports	
SAB 1 - Unit 9 Upgrade, New Generator, Runner, Tx	SAB10047	2	Q3-08		2010		BCS presented to Board		6,000		BCS, PEP	
SAB 1 - Concrete Restoration Phase 2 - Powerhouse (Upper)	SAB10065	3	Q3-08		Q2-09		Construction started		2,600		PC, BCS	
SAB 1 - Elevator #1 Shaft (Elevator and Exit Gallery Rehab) (Capital Project)	SAB10084	4	Q4-08		Q4-09		BCS released		1,100		PC, BCS	
DeCew Falls 1 - G6 Rehab Turbine & Generator	DCW10006	5	11-Jul-07		Q1-09		Unit disassembled		733		Progress Reports	
SAB 2 - Forebay Debris Removal	SAB20046	6	Q2-08		Q4-08		Clamming complete		555		PC, BCS	
DeCew Falls - Port Colborne Boom Purchase and Installation	DCWM0011	7	Q2-08		Q4-08		Equipment delivered/installed		480		PC, BCS	
DeCew Falls 1 - Unit 6 Overhaul - Capital Project Replacements	DCW10015	8	11-Jul-07		Q1-09		Runner delivered & Installed		469		Progress Reports	
SAB 2 - Admin. Parking Lot Rehab and New Asphalt	SAB20035	9	Q2-08		Q4-08		Parking lot paved		400		PC, BCS	
PGS Units 3 & 4 Rotor Spider Repair	SABP0026	10	11-Oct-07		Q4-09		Outage approved/completed		530		Progress Reports	
SAB 2 - Trashracks - Phase 2 & 3	SAB20038	11	Q3-08		Q4-08		Trashracks fabricated & delivered		300		PC, BCS	
PGS - Dyke Foundation Grouting	SABP0022	12	Q3-08		Q4-10		Investigation & Definition Phase Release		300		PC, DBCS	
SAB 1 - Governor Assessment & Refit	SAB10022	13	Q1-08		Q4-11		Equipment on site		283		PC, BCS	
DeCew Falls - Transformer Oil Containment Modifications	DCW20020	14	Q3-08		Q3-09		BCS released		200		PC, BCS	
SAB - PLC - I/O Expansion for Data & Status	SABP0014	15	23-Nov-07		Q4-10		Miscellaneous PLCs installed		248		Progress Reports	
PGS - Gantry Crane Overhead Door Rehabilitation	SABP0023	16	12-Sep-07		Q4-08		Door rehab complete		471		Progress Reports	
DeCew Falls - Unit 8 Overhaul - Capital Project Replacements	DCW10016	17	Q2-08		Q4-09		BCS released		100		PC, BCS	
SAB 1 - Concrete Restoration Phase 1, Screenhouse West Exterior Wall	SAB10042	18	30-Jun-06		Q4-08		Project completed		550		PCR, PIR	
PGS - Transformer Replacement Program	SABP0025	19	Q4-08		Q4-13		BCS released		50		PC, BCS	
<b>Scoring To Be Completed at Year End</b>												
<b>Item/Criteria Score</b>												
<b>Project Portfolio Score (Average of all items)</b>												
Score of 1.0 or greater is required to achieve or better incentive plan targets												

1) If in-service date for a particular project is not in 2008, put date for information. It will not be used in the calculation.

2) Project Cost Threshold: Include project with PROJECT COST including total cost for multi-year projects (eg, If project has cash flow of \$400k in 2008 and \$200 in 2009, it should be included.)

3) See attached Word document for general information and an explanation of the PEI index.

4) PC - Project Charter BCS - Business Case Summary DBCS - Definition BCS PCR-Project Completion Report PEP - Project Execution Plan PIR - Post Implementation Review

5) SAB 1 - Sir Adam Beck 1 SAB 2 - Sir Adam Beck 2 PGS - Pump GS DC - DeCew Falls