



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 89
AGENDA DATE: Thu 06/23/2005
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SUBJECT: Authorize execution of a contract with INTERNATIONAL INSTITUTE OF LEARNING, New York, NY, for project management training for Austin Energy in an amount not to exceed \$60,750.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Amended Operating Budget of Austin Energy.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing
DEPARTMENT: for Austin Energy;

DIRECTOR'S
AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Dolores Castillo, 512-322-6466

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Critical Business Need.

MBE / WBE: This contract will be awarded in compliance with M/WBE Ordinance. No subcontracting opportunities were identified; therefore, M/WBE goals were not established for this purchase. This contract is for the purchase of training services provided by the manufacturer.

This contract will provide two training curriculums and all necessary training materials for project management training to Austin Energy's executive staff and for functional line managers and project support staff. Austin Energy's General Manager implemented a Corporate Project Management initiative within the utility to improve management of projects within Austin Energy. This action is responsive to the City Auditor's May 24, 2005 briefing to the Audit and Finance Committee, stating that improvement is needed in AE's project tracking to enable effective decisions and accountability. Within the next five years Austin Energy will be managing over 270 major CIP projects at an estimated cost of \$380 million. The executive training will be given to up to 15 members. General principles of project management will be provided to approximately 195 members. All training will be performed at Austin Energy.

The implementation of a project management initiative within Austin Energy was based on using the Kerzner Approach® methodology. Dr. Harold Kerzner has profiled the Kerzner Approach® in his Project Management Executive Overview program and General Principles of Project Management, making this program unique to International Institute for Learning, Inc. (IIL). The Kerzner Approach® is a registered trademark with IIL. In order to be consistent with training already received by project managers and to address issues and implement recommendations, it is imperative that AE continue to utilize the Kerzner Approach® both for AE executives and project management staff. The methodology consists of the following 16 point system to Project Management maturity:

- Adopt a project management methodology and use it consistently
- Implement a philosophy that drives the Company toward project management maturity and communicate it to everyone
- Commit to developing effective plans at the beginning of the project



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- Minimize scope changes by committing to realistic objectives
- Recognize that cost and schedule management are inseparable
- Select the right person as the project manager
- Provide executives with project sponsor information, not project management information
- Strengthen involvement and support of line management
- Focus on deliverables rather than resources
- Cultivate effective communication, cooperation, and trust to achieve rapid project management maturity
- Share recognition for project success with the entire team and line management
- Eliminate non-productive meetings
- Focus on identifying and solving problems early, quickly and cost-effectively
- Measure progress periodically
- Use project management software as a tool – not as a substitute for effective planning
- Institute an all-employee training program with periodic updates based on documented lessons learned