Department of Energy
Earned Value Management Compliance Review Update

NDIA Program Management Systems Committee Meeting

April 28, 2004

- DOE participation in DTRA Washington Group International Review
  - Purpose was to recognize WGI EVM system for DOE tasks on DTRA contract
  - Participation helped to refine process and working relationships between DCMA and DOE

Sandia (Lockheed Martin) Review

- Review conducted in April

- DCMA, DOE and Lockheed Martin team

- Helped to further refine and validate process

- Sandia will continue to expand system to other programs

- Will continue to monitor its implementation as they move forward

- Support by DCMA and Lockheed Martin significantly contributed to successful review

- University of Tennessee/Battelle Institute (Oak Ridge National Laboratory)

- University of California (Lawrence Livermore National Laboratory)

- Bechtel National Corp (Hanford)

- BWXT (Fernald Environmental Cleanup)

Challenges

- Steep learning curve for some suppliers in EVM concepts and processes
    - Universities
    - Large construction contractors
    - Environmental remediation contractors
- Culture and management processes are greatest obstacles
    - Level of effort versus discrete identification of tasks
    - Non-product oriented Work Breakdown Structures
    - Fixed price
    - Et al
- Learning curve is lower for DOE systems acquisition programs

DOE EVM Application Guide

- Intended to smooth learning curve
- Focus on relating criteria/guidelines to non-traditional (non-system) work
  - Schedule of values for fixed-price work
  - Rolling wave planning for environmental work
  - Et al
- DOE recognizes that fundamentally there are no obstacles to implementing EVM for fixed priced, construction, R&D, Environmental cleanup
- Obstacles are traditional "construction" and remediation management methods

Summary

- EVM implementation and compliance review is continuing

- Progress is slow but real progress is being made

- Have nearly reached critical mass to overcoming obstacles

- Expect to be over the hump by year end