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# **NDIA PMSC DOE Briefing**

**Newton Square, PA**

**September 11, 2013**

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# DOE Use of NDIA PMSC Intent Guide

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- New perspectives
- Lack of integrated understanding of intent
- Use NDIA PMSC intent paragraph for compliance to the ANSI-EIA 748



# Examples – Work Authorization

*Intent Guideline 9* Through a work authorization process, establish budgets for all authorized work to be done by the responsible organizational elements. No work should begin before the effort is authorized by an initial work authorization. As budgets and schedules are established and approved for all the authorized work at the control account level, the work authorization is updated as required. The control accounts identify the appropriate cost elements (labor, subcontract, material, and other direct costs). It is important to include all resources required to accomplish the work scope.

DOE misinterpretation: Omitted



# Examples – Work Authorization

## Clarification

1. The period of performance start must be earlier than or equal to the first budgeted period and first actual charge
2. The period of performance end must be later than or equal to either the last budget period or last direct cost actuals, whichever is latest.
3. The finish must be later than or equal to the last ETC period forecast
4. For compliance with 1-3 above, the contractor may use one set of dates or two (baseline and forecast) in the Work Authorization period of performance
5. Work Authorization budget needs to be consistent with the schedule and scope.
6. The Work Authorization scope determines MR allocation allowance.
7. The Work Authorization should be approved by both the CAM and Project Manager. It should be signed in a timely manner with the change control process.



# Examples – Management Reserve

## *Intent Guideline 14*

Identify and control management reserve and undistributed budget.

Management reserve is budget set aside for unplanned events that may arise during the course of the project. Because management reserve is budget that is not yet tied to work, it does not form part of the performance measurement baseline. The management reserve budget should be commensurate with the level of risks identified by the project and/or withheld for management control purposes.

## *Intent Guideline 8*

The PMB represents the time-phased scope, schedule, and associated budget through the end of the contract.

## *Intent Guideline 29*

Management reserve may be used for future work when additional in-scope work has been identified. Management reserve, therefore, may not be applied to completed work packages, except to compensate for the effect of routine accounting adjustments in accordance with the organization's accounting practice.



# Examples – Management Reserve

## DOE Misinterpretation – Omitted

### Clarification:

1. Management Reserve has two components:  
Budget and Remaining.
  - a. Budget allocation is limited to scope changes or rates (not for replanning of future inefficiencies).
  - b. Changes allocating MR must be within scope of the contract, however be out of scope (a change) to CA level scope.
  - c. Remaining MR can offset overruns. Contract overrun is calculated as CBB-EAC.



# Examples – Accounting

## *Intent Guideline 16*

Accumulate direct costs in the formal accounting system in a manner consistent with the way the related work is planned and budgeted. Actual costs reported in the performance reports agree with the costs recorded in the general books of account (accounting system) or can be explained as timing differences. At a minimum, actual costs are collected at the control account level to enable summarization of cost by both the WBS and OBS. Timing differences that may occur between the accounting system and project performance reports must be reconcilable. Of particular interest is the accounting for material (i.e., at consumption, receipt, inventory acceptance, or inventory release). **The basic requirement is to account for materials in a manner consistent with the way in which materials are budgeted. Subcontracts also require special consideration.** Subcontract costs must be accrued in a timely manner consistent with the schedule status. This may require the use of estimated costs and/or the equivalent import from the subcontractor's books of record or report.



# Examples – Accounting

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*DOE misinterpretation. Omitted*

*Clarification:*

1. Accounting, Material, and subcontractor consistency with plans and budgets refers to the Control Account consistency and timing. The Disclosure Statement determines the element of costs and the burdens and these frequently may be different than the budgeting categories.



## Examples – Other

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Scheduling – Recommend a reference to the PASEG as clarification to G/L 6 and reconciliation in the PASEG to the GAO Schedule Guide when final.

Subcontracts – Recommend language the prime contractors responsibilities with FFP subcontractor.

AUW – Recommend adding IPMR DID guidance regarding scope inconsistencies.



# DOE EVM Initiatives

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- Conducted two Review for Causes to new process
- Developing EVM training snippets for public use



# DOE EVM Initiatives

- 1) The purpose and use of the 5 CPR formats (May be Longer)
- 2) How to review the contractor CPR report
- 3) How to review the IMS
- 4) PARSII Reporting Overview
  - a. 9 separate models by report.
- 5) Factors indicating a program trend is negative
  - a. With EVM data
  - b. With EVM data elements (manpower, BEI etc) where SPI and CPI may not be indicative.
- 6) DOE Surveillance Approach
  - a. Stage 1 surveillance
  - b. Stage 2 surveillance
  - c. Stage 3 surveillance
  - d. Review for cause
  - e. Certifications
  - f. Review expectations based on type: Scope, team size, outcomes
  - g. Corrective Action Request (CAR) and Corrective Action Plan (CAP)



# DOE EVM Initiatives

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## 7) Advanced EVM Topics

- a. Over Target Baseline/Over Target Schedules – When needed and how to handle
- b. Single Point Adjustments
- c. MR/Contingency and Budget versus Funds did you purposely not list the others?
- d. Undistributed Budget
- e. Authorized Unpriced Work
- f. Types of BCPs – what they mean to the Performance Baseline (PB) and the PMB
- g. Fixed price Subcontractor EVM Management
- h. CAM Roles and Effective Control Accounts
- i. High level EVM expectations (Work Authorization, Scheduling, Variance Analysis, EAC, Revisions)

## 8) Other

- a. Common DOE Surveillance Findings
- b. Scheduled Health Metrics
- c. Scheduling Guidance Resources
- d. DOE use of the EVM data
- e. 413.3 EVM requirements
- f. IPMR DID
- g. Integrated Baseline Reviews