



AACEI Recommended Practices (RPs) *(EVM Related)*



Current Status

RP Published 2013

- 75R-13 Schedule & Cost Reserves within the Framework of ANSI-748

Released RPs for Public Comment

- 79R-13 LOE Planning & Execution on EV Contracts (2/28/14)
<http://www.aacei.org/cgi-bin/forums/show.cgi?345/46519>
- 81R-13 EVM Required Skills & Knowledge (2/28/14)
<http://www.aacei.org/cgi-bin/forums/show.cgi?345/46511>
- 83R-13 OBS and RAM (3/2/14)
<http://www.aacei.org/cgi-bin/forums/show.cgi?345/46618>

Work in Progress / Under Tech Forum Review

- 75R-15 Estimate At Completion
 - EVM02 EVM Overview
- *“AACE International seeks public comment on its Recommended Practices in order to obtain general consensus that the product can be generally relied on by Industry as a reliable, prudent practice”*
 - *“To be considered, comments must be constructive and specific in nature”*

75R-13 Issues/Concerns



The vast majority of PMSC comments submitted were accepted with one notable exception...

- “Allocation of MR requires changes to the CA scope documentation [MR is only used with scope, budget, and schedule changes at the CA or summary level planning package (SLPP) level].”
 - ✓ Implies that MR is never applicable to rate adjustments however...
- “A change in indirect rates is a common example requiring the use of MR...”
- Through research, there now appears to be language in the IPMR Implementation Guide that is inconsistent with the IPMR DID.
 - ✓ Implementation Guide (para 4.5.2): “All MR transactions must be based on scope” (paragraph is titled Intent Regarding Allocation and Use of Management Reserve)
 - ✓ IPMR DID (para 3.2.4.6): “MR is an amount of the overall contract budget held for management control purposes and for unplanned events. MR characteristics:
 - MR shall not be used to offset cost variances.
 - MR shall never be a negative value (Column (14) of Block 8.f).”

75R-13 Issues/Concerns



•NDIA Intent Guide - Guideline 14

PMB planning process contains risks and opportunities...should identify MR contingency account for unplanned activity within the project scope. Unexpected work scope growth within the contract SOW, rates changes, or schedule slips are examples of situations that may make the amount of performance measurement budget assigned...inadequate. Management reserve is budget set aside for unplanned events that may arise during the course of the project. MR budget should be commensurate with the level of risks and opportunities identified by the project or withheld for management control purposes.

•NDIA Intent Guide - Guideline 29

MR may be used for (a) authorized work that is in-scope to the contract, but out of scope to a control account; (b) management control purposes such as scope, budget, or schedule changes to existing future scope due to rates, execution strategy, realized risks, and unplanned events, and (c) 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...

Process



- Drafts are posted on the Tech Forum for 60 days comment.
- Drafts are adjudicated and posted as an RP for public comment for an additional 60 day review.
- It takes roughly three months to get an RP from authorship to approval, sometimes more

Path Forward

- Discuss / present inconsistent IPMR language with PARCA
- PMSC to be more active in notifying and soliciting comments from members (need to stay diligent)
 - Suggestions?

To comment...

- <http://www.aacei.org/forums>
 - You will need to create Login name & password
 - Click on Earned Value Management Folder