

**NDIA**  
**Integrated Program Management**  
**Division**

*Clearinghouse Working Group*

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- **Handling adjustments to cumulative Earned Value, “Negative BCWP” – Posted to IPMD web site but adding more**
- **Harvesting underruns – passing to Contracts Working Group**
- **“Historical” actuals for long lead material – in CFSR Accrued Expenditure Box but BCWS in IPMR months later**
- **Proactively managing LOE – addressed in new EVMSIG – no retroactive changes**
- **Material price and usage variance with maturing BOM or “low value” material. Some using PERT method**
- **Planning in house labor that is performed by “purchased services” or vice versa – impact on labor rate and usage analysis also**

- **Work Authorizations for initial planning at contract award/ATP.**  
Form of little concern as long as we have scope of work, schedule, cost/budget
- **Handling of tasks that are in scope, but were not in original baseline which must be performed with no source of budget.**
  - PASEG states: “Each task in the IMS has both baseline and forecast dates.”
- **Undistributed Budget (UB) in the IMS**
  - EVMSIG GL6 attribute states “The IMS reflects all authorized, time-phased discrete work to be accomplished ...”

# Harvesting Example and Discussion

- Issue: Deficiency associated with harvesting budget from closed work packages to augment or create another work package.

Situation: The contractor had ***under-run on work performed*** on contract. The PM ***worked with the customer to identify additional in-scope work*** that could be performed to support the overall execution of the contract and customer mission. ***Contract was FPI.***

The Contractor believed they had the following options:

1. Refuse the additional work
2. Establish a zero budget WP for the additional work
3. OTBs are associated with poor contractor performance that can only be corrected through a replanning of the baseline; clearly the contractor has performed well!
4. Establish an Internal Operating Budget and factor the budgets for external reporting
5. Follow customer direction and establish a new WP from harvested budgets

# Harvesting Example and Discussion

To account for the additional work the contractor gleaned budget from 9 other work packages to add one additional work package to the same control account.

*Issue: Deficiency associated with harvesting budget from closed work packages to augment or create another work package.*

Contractor Response: Contractor argued that the change was done purposefully, following the change control process, and with **management direction to improve the integrity of the baseline** and accuracy of the performance measurement data.

The contractor completed more scope and **had the change not been made the contractor would have recognized a large positive cost variance which would have increase the incentive fee** under the 70/30 split. CAR was issued citing that the change harvested budgets and eliminated variances from closed control accounts thereby adversely impacted performance measurements.