

## Section J

### Integrated Contractor Work Control Systems and Reporting Requirements Clause

#### **A. Project Control System**

##### **1. Capital Asset Projects:**

- a. DOE Order 413.3B, Program and Project Management for the Acquisition of Capital Assets, dated November 29, 2010 and its associated Guides
- b. Primavera Project Manager most current version, for scheduling activities to ensure standardization
- c. American National Standards Institute, Earned Value Management System Guidelines ANSI/EIA-748-B, dated June 2007 (or insert date of current version)
- d. Contract Performance Reports in the following five formats unless specified otherwise
  - i. Format 1, DD Form 2734/1, March 05, Work Breakdown Structure
  - ii. Format 2, DD Form 2734/2, March 05, Organizational Categories
  - iii. Format 3, DD Form 2734/3, March 05, Baseline
  - iv. Format 4, DD Form 2734/4, March 05, Staffing; and
  - v. Format 5, DD Form 2734/5, March 05, Explanations and Problem Analysis
- e. Data Item Description, DI-MGMT-81468, Contract Funds Status Report (CFSR) or Equivalent
- f. Contractor Project Performance (CPP) Upload Requirements for Project Assessment and Reporting System (PARS II), Version 1.7, dated June 25, 2011 (or insert date of current version)
  - i. Interconnection Security Agreement for Project Assessment and Reporting System (PARS II), Version 1.6, dated June 30, 2010 (or insert date of current version)
  - ii. PARS II New Contractor Information for Interconnection Security Agreement, V1.0, November 18, 2010 (or insert date of current version)
- g. EM's Environmental Cost Analysis System (ECAS) User's Guide

##### **2. Operations Activities:**

- a. Office of Environmental Management's Operations Activities Protocol, dated March 15, 2012
- b. Primavera Project Manager most current version, for scheduling activities to ensure standardization
- c. If Earned Value Management System is required, American National Standards Institute, Earned Value Management System Guidelines ANSI/EIA-748-B, dated June 2007 (or insert date of current version)
- d. Data Item Description, DI-MGMT-81468, Contract Funds Status Report (CFSR) or Equivalent
- e. Integrated Planning, Accountability, and Budgeting System – Guidance Documents, dated June 2011 or the most current version

3. **Other Reference Documents:** The following reference documents are noted for information and may be useful in providing context for reporting requirements or guidance/best practices.

- a. Federal Acquisition Regulation and Department of Energy Acquisition Regulation
- b. DOE Acquisition Guide
- c. Office of Environmental Management Corporate Work Breakdown Structure, November 9, 2011
- d. Work Breakdown Structures, MIL-STD-881C
- e. Data Item Description, DI-MGMT-81334D, Contract Work Breakdown Structure
- f. Data Item Description, DI-MGMT-81650, Integrated Master Schedule (IMS)
- g. Data Item Description, DI-MGMT-81466A, Contract Performance Report (CPR)
- h. Environmental Cost Element Structure (ECES), ASTM International Designation E: 2150-02 DOE Adjunct to ASTM 2150-02

## **B. Baseline Development and Performance Reporting**

### **1. Contract Performance Baseline Submittal**

- a. PB segments for performance planning, tracking and reporting will generally map to level 4 of the CWBS (see reference document listed in paragraph B.3) but may be tailored by mutual agreement when combining or further disaggregation maximizes efficiency for performance planning, tracking and reporting.
- b. The overall PB and PB segments must reflect the requirements of the Task Order SOW, identify key milestones and performance metrics (regulatory, DOE, and incentive) and be consistent with the estimated cost or target cost (Contract Price minus Fee) in Section B of the Task Order as agreed to by the Contractor and the Government.
- c. PB segment(s) for capital asset projects will meet requirements of DOE 413.3B to support the development of the Performance Baseline (PB) for AE approval.
- d. PB segment(s) for operations activities will consist of detailed work plans for current and succeeding fiscal years and planning level work plans for the remainder of the Task Order period of performance. PB for operations activities will include a Management Plan that documents Contractor's process for work planning and management including change control, performance tracking and reporting systems and methods. The Management Plan will also document any assumptions, regulatory requirements, safety and quality assurance management, risk management, milestones and metrics, budget profile, roles and responsibilities of the Contractor's integrated management and support team.
- e. WBS and WBS dictionary sheets will be at the level at which costs are collected. The WBS submittal shall include a cross-reference of the WBS elements to the PB segment and CLIN consistent with the *Contract Line Item Number Assignment against Contract Structure* table in Section J.
- f. The overall PB will subsume the Interim PB as currently approved in its entirety. In other words, the overall PB will be an extension of the Interim PB that includes any approved changes up-to the time when the full PB is submitted.

**C. Performance Reporting**

<b>PB Segment</b>	<b>Reporting Requirement</b>
<p><b>Capital Asset Projects</b> where EVMS is required</p>	<p><u>Post CD-2</u>: Contract Performance Reports (CPR) formats 1 through 5 and a Contract Funds Status Report (CFSR). The reports shall be consistent with paragraph A.1. The CPR data shall accurately reflect how work is being planned, performed, and measured and shall be consistent with the actual Task Order status. The reports will include the earned value analysis of the prior month, and Format 5 Variance Analyses are required for Control Accounts (CA) with current or cumulative cost or schedule variances exceeding thresholds established by the CO.</p> <p>[Note: PARS II is the central repository for key Departmental-level project information. No later than the <u>last workday of every month</u> EV data is provided from Contractor's systems directly into PARS II. The data must be current as of the closing of the previous month's accounting period. DOE 413.3B requires EV reporting into PARS for projects with TPC &gt; \$20M. <u>The CO will establish requirement for EV reporting for projects below TPC \$20M</u>].</p> <p><u>Pre CD-2</u>: Monthly Performance Report will include narrative description of scope accomplished, cost incurred Vs. plan and status of PB milestones and deliverables.</p>
<p><b>Capital Asset Projects</b> where EVMS is not required</p>	<p>Monthly Performance Report will include narrative description of scope accomplished, cost incurred Vs plan and status of PB milestones and deliverables.</p>
<p><b>Operations Activities</b></p>	<p>Monthly Performance Report will include narrative description of scope accomplished, progress on corporate and Task Order specific performance metrics and PBIs, costs incurred Vs. plan and status of PB milestones, and deliverables.</p> <p>If the Task Order requires EV reporting EV data is included in the Contractor's Monthly Performance Report for each PB segment to include Contract Performance Reports (CPR) formats 1, 3 and 5.</p> <p>If the PB segment consists primarily LOE activities, the status report will tabulate planned Vs actual cost by major functions as agreed to between the Contractor and the CO.</p> <p>[<u>Note</u>: IPABS is the central repository for EM planning and performance data. Contractor Monthly Report is used by the site or field office to enter the monthly performance data into IPABS.]</p>

## D. Baseline Terms

DOE and EM use baseline terms to communicate Task Order and project status. Therefore it is critical for Contractors working on DOE contracts and Task Orders to understand and use consistent terminology to promote effective communication and performance.

### 1. Performance Baseline (PB)

- (a) Performance Baseline (PB) represents the collective key performance, scope, cost, and schedule parameters for a Task Order. Task Order Budget Base is the cost element of the PB and equals the Task Order Price minus Fee.

Many EM contracts and Task Orders include multiple capital asset projects as well as multiple operations activities. The PBs for each capital asset project and each operations activity in a Task Order that has multiple projects and operations activities are called PB segments. Contract segments may be pre-defined in a Task Order as CLINs, but may also be identified later during Task Order execution as the performance measurement approach becomes clearer and the Contractor and DOE mutually agree to further sub-divide (“chunk”) larger activities or projects into more manageable segments. The overall PB or simply the PB for a Task Order with multiple projects and operations activities is the sum of all the PB segments.

EM has put in place a Corporate Work Breakdown Structure for its entire program scope. See reference document listed in paragraph B.3. Level 4 of the CWBS are the Activity Building Blocks (ABBs). The PB segments may map to one or more ABBs, but an ABB can only be part of one PB.

- (b) Performance Measurement Baseline (PMB) is the baseline cost that encompasses all Contractor project work packages and planning packages, derived from summing all the costs from the Work Breakdown Structure (WBS). Management reserve (MR), contingency, fee, and DOE direct costs are not part of the Performance Measurement Baseline. The PMB is the benchmark used within EVM systems to monitor project (and Task Order) execution and performance in the Task Order. A PMB must be in place and under configuration control for projects past CD-2.

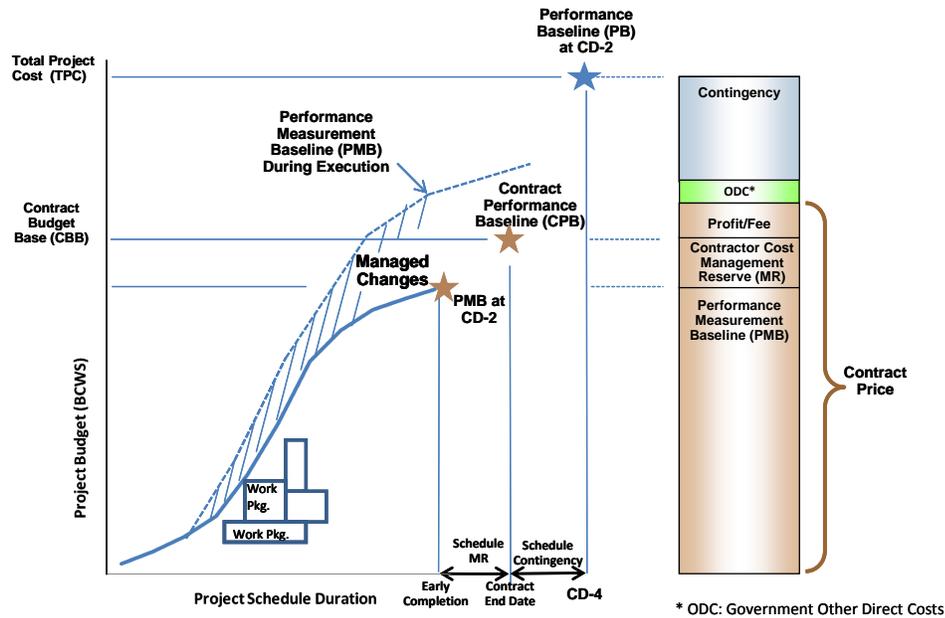
### 2. Baseline Terminology for Capital Asset Projects

- (a) Performance Baseline (PB) is the collective key performance, scope, cost, and schedule parameters, which are defined for all capital asset projects at Critical Decision (CD)-2 (See Figure 1). Performance Baseline includes the entire project budget and represents DOE's commitment to Congress.

$$PB = PMB + MR + Contingency + Fee + ODCs$$

- (b) PB Segment for a Capital Asset project represents the Contractor's work plan for planning and executing a capital asset project as a stand-alone portion of the overall PB. Depending on the stage of a project with respect to its acquisition

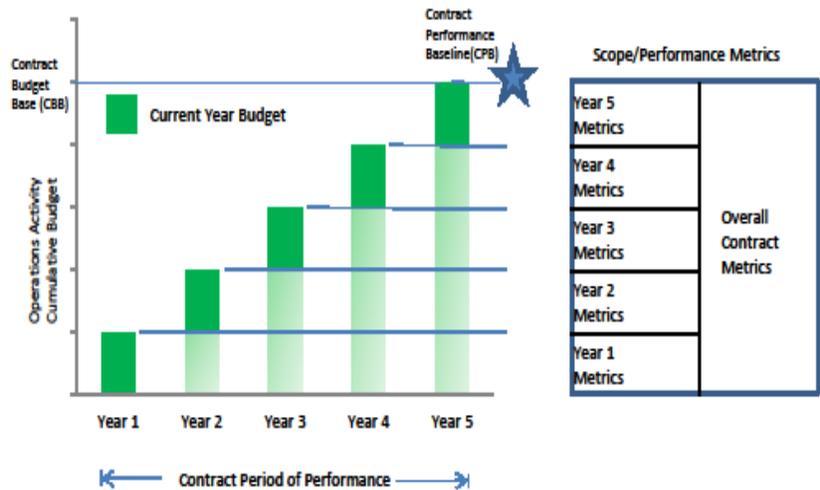
cycle, i.e. at CD-0 versus at CD-3, the PB documents required to be submitted will vary. For example, the PB for a project that is between CD-0 and CD-2 will include all applicable documents for the stage of the project as specified in DOE O 413.3B, and a plan to get to CD-2 through CD-4.



**Figure 1 – Performance Baseline at Contract Award, Key Terms and Relationships for Capital Asset Projects**

### 3. Baseline Terminology for Operations Activities

- (a) Fiscal Year Work Plans (FYWP): FYWPs are annual work plans that define the work scope to be accomplished in each fiscal year thru the Task Order period of performance based on planned budget allocations. FYWP for each operations activity provides the scope, cost, schedule, performance metrics, milestones, assumptions, and risks associated with the operations activity. Even though the FYWP is a Federal document, it is based on the Contractor’s PB segment for the operations activity (See Figure 2 below).
- (b) PB Segment for an Operations Activity: A PB segment for an operations activity represents the Contractor’s work plan for planning and executing an operations activity through the Task Order period of performance in accordance with the requirements of the Operations Activities Protocol.



**Figure 2 – Contract Performance Baseline for an Operations Activity**

**4. Other Baseline Terms**

- (a) Interim PB: An Interim PB is generally required within 90 days from Notice to Proceed and will cover the first approximately 15 months of the Task Order. The Interim PB must match the scope and cost for this period in the Task Order. When the Task Order includes multiple projects and operations activities the Interim PB allows tracking of the scope, cost and schedule for each PB segment until the full PB with its unique segments are in place.
- (b) PBS Life Cycle Cost: In 1997, EM organized its entire cleanup program at each site into a corporate Project Baseline Summary (PBS) structure. EM formulates its annual budget request to Congress using the PBS structure and maintains configuration control of lifecycle cost estimates for each PBS. PBSs include costs for both capital asset projects and operations activities through completion of cleanup at each site.

PBS Life Cycle Cost =

$$\text{Prior actual costs} + \text{Task Order(s), Fee, Contingency, and Other DOE Costs} + \text{Estimate of cleanup work through completion}$$

- (c) Work Breakdown Structure (WBS): The WBS is a deliverable-oriented hierarchical decomposition of the work required to accomplish the project objectives and produce the contractual deliverables. The WBS should subdivide the work into smaller, independent pieces of work; with each descending level of the WBS representing increasingly detailed definition of the planned project work. Contractor’s WBS will flow down from Level 4 of EM’s Corporate WBS (CWBS) - see reference document listed in paragraph B.3. The WBS provides the basis for all work control system components, including estimating, scheduling, budgeting, performing, managing, and reporting. Cost and schedule estimates should be developed using activity or commodity-based cost estimating techniques to facilitate review and approval by DOE.

- (d) Management Reserve (MR): MR is Contractor's management reserve established after Task Order award from within the Task Order Budget Base to effectively manage Task Order work scope. MR is not a separately priced cost element in a Contractors' cost proposal. The expectation is that the Contractor's proposal takes into consideration any performance risks associated with delivery of the proposed scope of work.
- (e) Typical Baseline Documents:
- i. WBS and WBS dictionary
  - ii. Integrated RLS with monthly Budget Cost of Work Planned when EV is required
  - iii. Annual work plans for Operations Activities
  - iv. Basis of cost and schedule estimates
  - v. Documentation of risks, assumptions, Risk Analysis, determination of a Management Reserve (MR) and a Risk Management Plan
  - vi. Contractor's Project Management Plan including Change Control process