

memorandum

DATE: January 3, 2005

REPLY TO
ATTN OF: EM-32 (E. Merrill, 301-903-8185)

SUBJECT: Integrated Planning, Accountability and Budgeting System and Earned Value Management Systems Reporting Guidance

TO: Distribution

The purpose of this memorandum is to transmit formal guidance regarding:

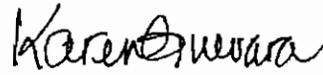
- (1) the requirement to input monthly Baseline Cost of Work Scheduled (BCWS) into the Integrated Planning, Accountability and Budgeting System (IPABS);
- (2) the deadline for placing Earned Value Management System (EVMS) and other project performance information into IPABS; and
- (3) IPABS EVMS narrative information.

As stated in the July 13, 2004, memorandum from then-Assistant Secretary Roberson, sites are required to provide budgeted cost of work scheduled (BCWS) in IPABS for each project for all months of the current fiscal year. Please note that in order to be compliant with the requirements of the Headquarters Configuration Control Board (CCB), it is mandatory that the FY 2005 annual BCWS total for each project equal the FY 2005 slice of the project's baseline cost under configuration control. The system has been configured to enforce this requirement. The monthly BCWS fields will not be locked, and changes to the BCWS will remain at the discretion of the field. However, changes to the monthly BCWS cannot impact the annual cost total without submission of a Baseline Change Proposal to the CCB.

Once a month, the Assistant Secretary for Environmental Management personally reports on project EVMS performance data to senior Department officials. To allow Headquarters analysts time to review and comment on sites' EVMS data before it is locked down in IPABS for transmission to other Department offices, sites are to enter their EVMS information into the IPABS system five (5) calendar days prior to the end of the reporting month beginning with the February 2005 data submission (month end January 2004 data) to IPABS.

The Field Offices have begun reporting a detailed explanation of the EVMS cost and schedule variances in the IPABS database. To date, the information has met or exceeded the expectations of the Headquarters analysts. However, there have been several requests for formal transmission of the data requirements for the IPABS EVMS data fields. In response, Attachment 1 provides a summary description of the data requirements for these fields.

I would like to thank you and your staff for their ongoing efforts and responsiveness in implementing these requirements. Should you or your staff have questions or comments, please contact Leonard Mucciari at (202) 586-5620 or Ethan Merrill at (301) 903-8185.



Karen C. Guevara

Director

Office of Project Planning and Controls

Office of Business Operations

Attachment

Distribution

Robert F. Warther, Manager, Ohio Field Office (OH)
Keith A. Klein, Manager, Richland Operations Office (RL)
Roy J. Schepens, Manager, Office of River Protection (ORP)
Frazer R. Lockhart, Manager, Rocky Flats Project Office (RFPO)
Jeffrey M. Allison, Manager, Savannah River Operations Office (SR)
Lloyd Piper, Acting Manager, Carlsbad Field Office (CBFO)
William E. Murphie, Manager, Portsmouth/Paducah Project Office (PPPO)
Jack Craig, Manager, Consolidated Business Center (CBC)
Sandra L. Johnson, Director, Western Sites Project Office (WSPO)
Rodrigo V. Rimando, Jr., Brookhaven Project Director
Elizabeth D. Sellers, Manager, Idaho Operations Office (ID)
Gerald Boyd, Manager, Oak Ridge Office (OR)
Bruce B. Scott, Director, Office of Infrastructure and Facilities Management, NA-50

cc:

Mark W. Frei, Deputy Assistant Secretary for Business Operations, EM-30
Dr. Barbara D. Male, Deputy Assistant Secretary for Performance Intelligence and Improvement,
EM-40
Jay Rhoderick, Director, EM-43

Attachment I: Integrated Planning, Accountability and Budgeting System (IPABS)
Earned Value Management Systems (EVMS) Reporting Guidance

Introduction:

These examples are designed to provide better guidance regarding Headquarters expectations and to provide a more detailed explanation of the causes of the cost and schedule variances reported in IPABS. This information will be used to brief the Assistant Secretary for Environmental Management on a monthly basis and in support of briefings to the Deputy Secretary regarding project performance. It will also serve, in part, as a basis for the Project Assessment Reporting System (PARS) narrative and will give the Deputy Secretary a better understanding of the monthly project status. Therefore, it is very important that specific and detailed information be provided to describe an accurate picture of the project. It is now necessary to understand the exact scope of work, the reasons for the increased (or decreased) costs, changes in project schedules, when the project is expected to recover, and the impacts on the estimate at completion (cost and schedule). The following is an explanation of what is expected for each question and should serve as a guide only. The accuracy of the responses will depend on actual actions taken on the project. The examples below are intended as a guide to help understand the kind of details Headquarters is expecting and are not all inclusive or standards to follow. Both monthly and cumulative variances should be addressed.

1. Project Status:

This is an overall assessment (health) of the project (scope, schedule, and cost) in a summary. It should reflect the current month project performance and should indicate whether the project performance is unchanged, recovering, or declining. Is everything going according to plan? What has been completed in the past month (accomplishments), (e.g., foundation poured in building 345, 1,000 tons of debris from XXX shipped off site to the Nevada Test Site, three additional monitoring wells installed in area C, etc.). What is the schedule status, including an assessment, e.g., project remains on schedule, but the schedule trend indicates that the contractor (XXX) has lost ground over the past few months (3, 4, 6 months) due to more soil removal than expected in area A, equipment XXX not received in time to begin digging well ZZZ in YYY, etc.) Status of cost, including an assessment (e.g., contractor XXX is under running Decontamination and Decommissioning (D&D) of XXX because explosives were used instead of jack hammers; or costs are slightly above the plan because Transuranic (TRU) shipments have been delayed and truckers were required to spend an extra week on the road, etc.). What is the estimate at completion for the project, including an assessment (e.g., the estimate at completion has increased for the third month in a row in Work Breakdown Structure (WBS) XXX because a second subcontractor was added at a cost of \$ZZZ to complete excavation). What is the status of management reserve (MR) or contingency including an assessment (e.g., the MR has been decreasing over the past three months from \$XXX to

TTTT to cover the increases in within scope of work in WBS elements ZZZ, XXX and YYY. At the current expenditure rate the contractor will be out of MR by March 2010. (NOTE: MR should not be used to cover negative cost variances.)

2. The Root Cause Explanation of Variances:

This is the detailed explanation of root cause of the Schedule Variance, Schedule Performance Index, Cost Variance, and Cost Performance Index by Project Baseline Summary (PBS) element. This should be a future breakdown of the summary information provided above. Again, be specific, describe the causes of the cost and schedule variance (e.g., XXX was able to ship 10,000 tons of debris instead of the planned 5,000 tons because rail cars were used instead of the planned trucks, two additional monitoring wells were installed instead of planned four in area Z because the results of X samples taken indicated that Z levels in the water were less than expected, or additional crews were needed in XXX because the amount of ZZZ was under estimated and to maintain the schedule of XXX for the closure of area Z, additional crews were needed, etc.)

3. Corrective Actions Planned/Taken:

This should be an explanation of the corrective actions that are planned or already taken to address the variances identified in question number 2. Again these should be specific actions by PBS. (e.g., subcontractor XXX was brought on site to assist in the D&D of ZZZ, an additional shift will be added starting in month (June) for four months (September) to maintain the schedule to transfer area Z to XXX in October, the four shipments of TRU that were missed in June will be rescheduled in August, The D&D of building ZZ planned for July has been slipped to September to allow the crew to work on building TTT to maintain closure schedule of area Z, etc.)

4. Progress Toward an Estimated Completion of Recovery:

This should be an explanation of whether the corrective actions planned/taken are expected to result in recovery and if so, when (e.g., subcontractor XXX was brought on site to assist in the D&D of ZZZ two months ago; the contractor expects to fully recover schedule in another two months (by Month XX) but does not expect to see cost recovery, as there are no actions that can be taken to reduce cost of remaining work. Or an additional shift will be added starting in month (June) for four months (September) to maintain the schedule to transfer area Z to XXX in October, the cost of this corrective action for area Z is expected to be offset by cost savings in the D&D of area Q; cost and schedule should be fully recovered by February. Or the four shipments of TRU that were missed in June will be rescheduled in August; the contractor expects to recover project schedule by continuing to package and stage TRU waste over the next two months, so that by September, the site TRU shipments will be on track for the year; however, project cost is not expected to recover from the two-month shipping slippage.

If you have any additional questions on what is expected, contact your Office of Project Planning and Controls POC, Lenny Mucciario at (202) 586-5620 or Ethan Merrill at (301) 903-8185. If you have IPABS technical issues contact Michelle Primack at (202) 586-8194.