United States Government | Department of Energy
Consolidated Business Center

memorandum

DATE: NOV 27 2007

REPLY TO ATTN OF: EMCBC:MARKS EMCBC-00115-08

SUBJECT: **REQUIREMENTS FOR STANDARDIZING REPORTING AND SURVEILLANCE FOR AN EARNED VALUE MANAGEMENT SYSTEM (EVMS)**

TO: Cynthia Anderson, Deputy Chief Operating Officer, EM-3, DOE-FORS

Reference: Memorandum J. E. Surash to Distribution, "Establishing the Requirements for An Earned Value Management System, Standardizing Minimal Reporting Requirements, and Implementing an Earned Value Management System Surveillance Program" dated July 6, 2007

As stated in the referenced memo, the Office of Environmental Management previously communicated requirements for standardizing Earned Value Management System (EVMS) reporting and surveillance processes in the field. As such, the field was required to establish minimal EVMS reporting requirements by September 1, 2007, and to develop an EVMS surveillance plan by October 1, 2007. These requirements apply to projects with a Total Project Cost (TPC) greater than $20M and those that have an approved baseline at CD-2.

In an effort to provide an efficient, centralized level of support, the Environmental Management Consolidated Business Center (EMCBC) developed the attached EVMS Reporting and Surveillance procedure (IP-413-01) to be used by applicable Small Sites. This procedure has been reviewed and concurred on by the EM Office of Project Management Oversight (EM-53). This procedure requires that each applicable site report monthly EVMS progress by making use of the forms prescribed in the referenced memo and using a tailored approach. The Office of Management and Budget (OMB) contract performance report formats are included as an attachment to the procedure. In addition, the procedure requires that routine, periodic surveillances be performed against the American National Standards Institute/Electronic Industries Alliance (ANSI/EIA-748-A) Standard. The procedure includes a checklist used by the Defense Contract Management Agency (DCMA) as one of their tools in conducting EVMS compliance reviews.

With regard to implementation of this procedure, the EMCBC suggests that the Small Sites Project Offices provide the OMB report formats, or, in the alternative, a site-specific tailored version, to the site contractors for their use. In addition, it is suggested that EVMS reporting and surveillance requirements be integrated into the assessment and surveillance programs currently in place at each site.

If you need additional assistance executing these requirements at the Project Office level, please do not hesitate to contact Margaret Marks, Planning Team Lead, at 513-246-0473 or margaret.marks@emcbc.doe.gov.

Jack R. Craig
Director

Attachment: As Stated

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IP-413-01, Rev. 1
Date 11/06/07

Environmental Management Consolidated Business Center (EMCBC)

Subject: Earned Value Management System (EVMS) Reporting and Surveillance Requirements for Small Sites Projects

Policies, Procedures and Plans

APPROVED: EMCBC Director

1.0 PURPOSE

The purpose of this Procedure is to establish reporting and surveillance requirements for Earned Value Management System (EVMS) at the Small Sites Projects.

2.0 APPLICABILITY

This procedure applies to Small Site Projects managed by the EM-3.2 Office Director with a Total Project Cost greater than $20M and an approved Baseline (CD-2): Argonne National Laboratory (ANL), Mound OU-1, Brookhaven National Laboratory (BNL), Energy Technology Engineering Center (ETEC), Moab, Stanford Linear Accelerator Center (SLAC), Separations Process Research Unit (SPRU), and West Valley Demonstration Project (WVDP).

3.0 REQUIREMENTS

3.1 DOE O 413.3A, Program and Project Management for the Acquisition of Capital Assets, July 2006

3.2 Policy, EMCBC P 413.3, Subject: Program and Project Management for the Acquisition of Capital Assets, dated August 6, 2007

3.3 Memo, J.E. Surash to Distribution, Subject: "Establishing the Requirements for an Earned Value Management System, Standardizing Minimal Reporting Requirements, and Implementing and Earned Value Management System Surveillance Program" dated July 6, 2007

4.0 RESPONSIBILITIES

4.1 Office Director

4.1.1 Ensure consistent implementation of EVMS reporting between sites.

4.2 Site Manager/Federal Project Director

4.2.1 Ensure that the Contractors at the Small Sites are submitting monthly EVMS reports in accordance with EM requirements;

4.2.2 Review contractor monthly EVMS data for completeness and accuracy;

4.2.3 Assure that environment, safety, health, quality assurance, and security requirements are met for all CD and BCP actions;
4.2.4 Ensure that monthly EVMS data is entered into IPABS Project Execution Module (PEM); and
4.2.5 Approve contractor modifications to the OMB reporting formats to accommodate site specific needs.
4.2.6 Ensure site assessment and surveillance procedures include an EVMS Surveillance Plan.

4.3 EMCBC Planning Team Program Analyst

4.3.1 Review and analyze EVMS site reports, as requested;
4.3.2 As the Small Sites IPABS Administrator, ensure completeness and timeliness of data entries.

5.0 PROCEDURE

5.1 The objective of this procedure is to ensure that project performance are consistent in accordance with (1) the Office of Environmental Management (EM) requirements per the Integrated Planning, Budgeting and Accounting System (IPABS), (2) the Office of Management and Budget (OMB) contract performance report formats, and direction provided by the Deputy Assistant Secretary for Acquisition and Project Management (EM-50) as described in Requirement 3.3 of this procedure;

5.2 Review Contractors EVMS reports to ensure compliance with EM requirements (i.e. use of OMB contract reporting formats per Attachment A);

5.3 Review Contractor EVMS reports using the ANSI/EIA-748-A EVMS Guidelines (Attachment B) to document compliance;

5.4 Enter, review and approve the following EVMS data in IPABS/PEM: BCWS, BCWP, ACPW, BAC, EAC, Management Reserve Remaining (MRR), Status of the Project, Variance analyses, Corrective Actions, and Progress Toward and Estimated Completion of Recovery;

5.5 Monthly reviews are conducted per site assessment and surveillance procedures.

6.0 RECORDS MAINTENANCE

Records should be submitted consistent with sites reporting and surveillance procedures.

7.0 ATTACHMENTS

7.1 Attachment A, Office of Management and Budget Contract Reporting Formats:

- 7.1.2 Format 1, DD Form 273411, Mar 05, Work Breakdown Structure
- 7.1.3 Format 2, DD Form 273412, Mar 05, Organizational Categories
- 7.1.4 Format 3, DD Form 273413, Mar 05, Baseline
- 7.1.5 Format 4, DD Form 273414, Mar 05, Staffing
- 7.1.6 Format 5, DD Form 273415, Mar 05, Explanations and Problem Solving

7.2 Attachment B - ANSI/EIA-748-A EVMS Guidelines

Attachment A, Office of Management and Budget Contract Reporting Formats

CLASSIFICATION (When Filled In)

CONTRACT PERFORMANCE REPORT
FORMAT 1 - WORK BREAKDOWN STRUCTURE

DOLLARS IN _____

FORM APPROVED
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average 3.1 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ADDRESS. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.

1. CONTRACTOR	2. CONTRACT		3. PROGRAM	4. REPORT PERIOD
a. NAME	a. NAME		a. NAME	a. FROM (YYYYMMDD)
b. LOCATION (Address and ZIP Code)	b. NUMBER		b. PHASE	b. TO (YYYYMMDD)
	c. TYPE	d. SHARE RATIO	c. EVMS ACCEPTANCE NO YES (YYYYMMDD)	

5. CONTRACT DATA

a. QUANTITY	b. NEGOTIATED COST	c. ESTIMATED COST OF AUTHORIZED UNPRICED WORK	d. TARGET PROFIT/ FEE	e. TARGET PRICE	f. ESTIMATED PRICE	g. CONTRACT CEILING	h. ESTIMATED CONTRACT CEILING	i. DATE OF OTB/OTS (YYYYMMDD)

6. ESTIMATED COST AT COMPLETION

	MANAGEMENT ESTIMATE AT COMPLETION (1)	CONTRACT BUDGET BASE (2)	VARIANCE (3)
a. BEST CASE			
b. WORST CASE			
c. MOST LIKELY			

7. AUTHORIZED CONTRACTOR REPRESENTATIVE

a. NAME (Last, First, Middle Initial)	b. TITLE	
c. SIGNATURE		d. DATE SIGNED (YYYYMMDD)

8. PERFORMANCE DATA

ITEM (1)	CURRENT PERIOD: BUDGETED COST WORK SCHEDULED (2)	CURRENT PERIOD: BUDGETED COST WORK PERFORMED (3)	CURRENT PERIOD: ACTUAL COST WORK PERFORMED (4)	CURRENT PERIOD: VARIANCE SCHEDULE (5)	CURRENT PERIOD: VARIANCE COST (6)	CUMULATIVE TO DATE: BUDGETED COST WORK SCHEDULED (7)	CUMULATIVE TO DATE: BUDGETED COST WORK PERFORMED (8)	CUMULATIVE TO DATE: ACTUAL COST WORK PERFORMED (9)	CUMULATIVE TO DATE: VARIANCE SCHEDULE (10)	CUMULATIVE TO DATE: VARIANCE COST (11)	REPROGRAMMING ADJUSTMENTS: COST VARIANCE (12a)	REPROGRAMMING ADJUSTMENTS: SCHEDULE VARIANCE (12b)	REPROGRAMMING ADJUSTMENTS: BUDGET (13)	AT COMPLETION: BUDGETED (14)	AT COMPLETION: ESTIMATED (15)	AT COMPLETION: VARIANCE (16)
a. WORK BREAKDOWN STRUCTURE ELEMENT																
b. COST OF MONEY																
c. GENERAL AND ADMINISTRATIVE																
d. UNDISTRIBUTED BUDGET																
e. SUB TOTAL (PERFORMANCE MEASUREMENT BASELINE)																
f. MANAGEMENT RESERVE																
g. TOTAL																
9. RECONCILIATION TO CONTRACT BUDGET BASE																
a. VARIANCE ADJUSTMENT																
b. TOTAL CONTRACT VARIANCE																

DD FORM 2734/1, MAR 05

LOCAL REPRODUCTION AUTHORIZED.

CLASSIFICATION (When Filled In)

CLASSIFICATION (When Filled In)

CONTRACT PERFORMANCE REPORT
FORMAT 2 - ORGANIZATIONAL CATEGORIES

DOLLARS IN _____

FORM APPROVED
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average .3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THIS ADDRESS. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.

1. CONTRACTOR	2. CONTRACT	3. PROGRAM	4. REPORT PERIOD
a. NAME	a. NAME	a. NAME	a. FROM (YYYYMMDD)
b. LOCATION (Address and ZIP Code)	b. NUMBER	b. PHASE	b. TO (YYYYMMDD)
	c. TYPE / d. SHARE RATIO	c. EVMS ACCEPTANCE NO YES (YYYYMMDD)	

5. PERFORMANCE DATA

ITEM	CURRENT PERIOD					CUMULATIVE TO DATE					REPROGRAMMING ADJUSTMENTS			AT COMPLETION		
	BUDGETED COST		ACTUAL COST	VARIANCE		BUDGETED COST		ACTUAL COST	VARIANCE							
	WORK SCHEDULED	WORK PERFORMED	WORK PERFORMED	SCHEDULE	COST	WORK SCHEDULED	WORK PERFORMED	WORK PERFORMED	SCHEDULE	COST	COST VARIANCE	SCHEDULE VARIANCE	BUDGET	BUDGETED	ESTIMATED	VARIANCE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12a)	(12b)	(13)	(14)	(15)	(16)
a. ORGANIZATIONAL CATEGORY																
b. COST OF MONEY																
c. GENERAL AND ADMINISTRATIVE																
d. UNDISTRIBUTED BUDGET																
e. SUB TOTAL (PERFORMANCE MEASUREMENT BASELINE)																
f. MANAGEMENT RESERVE																
g. TOTAL																

DD FORM 2734/2, MAR 05

LOCAL REPRODUCTION AUTHORIZED.

CLASSIFICATION (When Filled In)

CLASSIFICATION (When Filled In)

CONTRACT PERFORMANCE REPORT
FORMAT 3 - BASELINE

DOLLARS IN _____

FORM APPROVED
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THIS ADDRESS. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.

1. CONTRACTOR	2. CONTRACT		3. PROGRAM	4. REPORT PERIOD
a. NAME	a. NAME		a. NAME	a. FROM (YYYYMMDD)
b. LOCATION (Address and ZIP Code)	b. NUMBER		b. PHASE	b. TO (YYYYMMDD)
	c. TYPE	d. SHARE RATIO	c. EVMS ACCEPTANCE NO YES (YYYYMMDD)	

5. CONTRACT DATA

a. ORIGINAL NEGOTIATED COST	b. NEGOTIATED CONTRACT CHANGES	c. CURRENT NEGOTIATED COST (a. + b.)	d. ESTIMATED COST OF AUTHORIZED UNPRICED WORK	e. CONTRACT BUDGET BASE (c. + d.)	f. TOTAL ALLOCATED BUDGET	g. DIFFERENCE (e. - f.)

h. CONTRACT START DATE (YYYYMMDD)	i. CONTRACT DEFINITIZATION DATE (YYYYMMDD)	j. PLANNED COMPLETION DATE (YYYYMMDD)	k. CONTRACT COMPLETION DATE (YYYYMMDD)	l. ESTIMATED COMPLETION DATE (YYYYMMDD)

6. PERFORMANCE DATA

ITEM	BCWS CUMULATIVE TO DATE	BCWS FOR REPORT PERIOD	BUDGETED COST FOR WORK SCHEDULED (BCWS) (Non-Cumulative)											UNDISTRIBUTED BUDGET	TOTAL BUDGET
			SIX MONTH FORCAST						ENTER SPECIFIED PERIODS						
			+1	+2	+3	+4	+5	+6							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
a. PERFORMANCE MEASUREMENT BASELINE (Beginning of Period)															
b. BASELINE CHANGES AUTHORIZED DURING REPORT PERIOD															
c. PERFORMANCE MEASUREMENT BASELINE (End of Period)															
7. MANAGEMENT RESERVE															
8. TOTAL															

DD FORM 2734/3, MAR 05

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CLASSIFICATION (When Filled In)

CLASSIFICATION (When Filled In)

CONTRACT PERFORMANCE REPORT
FORMAT 4 - STAFFING

FORM APPROVED
OMB No. 0704-0188

The public reporting burden for the collection of information is estimated to average 5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THIS ADDRESS. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.

1. CONTRACTOR	2. CONTRACT		3. PROGRAM	4. REPORT PERIOD
a. NAME	a. NAME		a. NAME	a. FROM (YYYYMMDD)
b. LOCATION (Address and ZIP Code)	b. NUMBER		b. PHASE	b. TO (YYYYMMDD)
	c. TYPE	d. SHARE RATIO	c. EVMS ACCEPTANCE NO YES (YYYYMMDD)	

5. PERFORMANCE DATA (All figures in whole numbers)

ORGANIZATIONAL CATEGORY	ACTUAL CURRENT PERIOD	ACTUAL END OF CURRENT PERIOD (Cumulative)	FORECAST (Non-Cumulative)											AT COMPLETION
			SIX MONTH FORECAST BY MONTH (Enter Names of Months)						ENTER SPECIFIED PERIODS					
			+1	+2	+3	+4	+5	+6						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
6. TOTAL DIRECT														

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CLASSIFICATION (When Filled In)

CLASSIFICATION (When Filled In)

CONTRACT PERFORMANCE REPORT
FORMAT 5 - EXPLANATIONS AND PROBLEM ANALYSES

FORM APPROVED
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average 30 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THIS ADDRESS. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.

1. CONTRACTOR	2. CONTRACT		3. PROGRAM	4. REPORT PERIOD
a. NAME	a. NAME		a. NAME	a. FROM (YYYYMMDD)
b. LOCATION (Address and ZIP Code)	b. NUMBER		b. PHASE	b. TO (YYYYMMDD)
	c. TYPE	d. SHARE RATIO	c. EVMS ACCEPTANCE NO YES (YYYYMMDD)	

5. EVALUATION

Discussion should include but is not limited to:

Summary Analysis

- Summary of Overall Contract Variances
- Differences between EAC's (Blocks 6.a. 6.b, 6.c, or Block 8.15)
- Changes in Undistributed Budget
- Changes in Management Reserve
- Significant timephasing shifts in Baseline (BCWS) (Format 3)
- Significant timephasing shifts or Overall Changes in Forecasted Staffing (Format 4)
- Discussion of Over Target Baseline and/or Over Target Schedule incorporation

Analysis of Significant Variances: (identify and describe each)

- Type and Magnitude of Variance
- Explanation of Significant Reasons
- Effect on Immediate Task
- Effect on Total Contract
- Corrective Actions Taken or Planned

DD FORM 2734/5, MAR 05

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Attachment B, ANSI/EIA-748-A EVMS Guidelines

Back to Index

ANSI/EIA-748-A EVMS Guidelines

Guide Line

Control Account Manager: _____

Project Control Engineer: _____

Organization

1 Define the authorized work elements for the program. A work breakdown structure (WBS), tailored for effective internal management control, is commonly used in this process.

One WBS per project	
All Contract Line Items and End Items	
WBS elements for reporting; WBS dictionary	
Down to Control Account (minimum)	
Definition of Work Scope	
Evolves with program requirements	

2 Identify the program organizational structure including the major subcontractors responsible for accomplishing the authorized work, and define the organizational elements in which work will be planned and controlled.

Organizational Breakdown Structure	
All work assigned	
Include major Subcontractors	

3 Provide for the integration of the company's planning, scheduling, budgeting, work authorization and cost accumulation processes with each other, and as appropriate, the program work breakdown structure and the program organizational structure.

Schedules - Master, Intermediate and detail	
Manufacturing Requirements Planning (MRP) or Enterprise Requirements Planning (ERP) schedule	
Control Account Plans	
Performance reports by WBS and OBS	
Responsibility Assignment Matrix (RAM)	
Statement of Work	
Work Authorization	
WBS and OBS	

4 Identify the company organization or function responsible for controlling overhead (indirect costs).

Organizations assignment/Authority (Org Chart)	
Overhead Process - resources assigned, budgets established, expense controlled	
Chart of Accounts	

5 Provide for the integration of the program work breakdown structure and the program organizational structure in a manner that permits cost and schedule performance measurement by elements of either or both structures as needed.

RAM - Control account is the intersection of the WBS & OBS	
Performance elements	

ANSI/EIA-748-A EVMS Guidelines

Guide

Line

Control Account Manager: _____

Project Control Engineer: _____

Planning, Scheduling and Budgeting

6 Schedule the authorized work in a manner which describes the sequence of work and identifies significant task interdependencies required to meet the requirements of the program.

Expected logical sequence of work, relationships and interdependencies	
Clear definition of start and completion of task (discrete work)	
Can be summarized by either WBS or OBS from detail tasks	
Traceable to the WBS and Statement of Work (SOW)	
Includes critical target dates, milestones, contractual events, accomplishment criteria, and project decision points	
Task durations are meaningful (usually short)	
Basis for measuring performance	
Provides current status and forecasts of completion dates	
Supports development of critical path	

7 Identify physical products, milestones, technical performance goals, or other indicators that will be used to measure progress.

Objective completion criteria to measure progress	
Interim milestones and lower tier tasks to measure progress	
Control Account Plans	

8 Establish and maintain a time-phased budget baseline, at the control account level, against which program performance can be measured.

Performance Measurement Baseline (PMB) - within 90 days of contract award	
Compares work accomplished (performed) with work scheduled and actual cost at the control account level	
BCWP vs. BCWS vs. ACWP	
Planning packages	
Summary level planning packages	
Over-target Baseline (OTB)	
Management Reserve	
Work authorization document	

9 Establish budgets for authorized work with identification of significant cost elements (labor, material, etc.) as needed for internal management and for control of subcontractors

Control Account Plans (CAP) and Work Package Plans include appropriate direct cost elements	
Labor - Hours and Dollars	
Subcontract Labor - Hours and Dollars	
Material	
Travel	
Depreciation for equipment, facilities unique to this program/project.	
Other Direct Costs	
Natural flow of work (don't front load)	
Related to contract events that will be supported by completion of this effort	
RAM dollarized	
Bill of Materials (BOM)	

ANSI/EIA-748-A EVMS Guidelines

Guide

Line

Control Account Manager: _____

Project Control Engineer: _____

10 To the extent it is practicable to identify the authorized work in discrete work packages in hours, dollars and/or other measurable units.

Uniquely defined Work packages - where the work is performed	
Planning Packages	
Assigned to a single organizational element or IP Team aligned with functional disciplines	
Scheduled start and completion dates; with interim milestones where possible	
Duration - reasonable	
Level of effort	

11 Provide that the sum of all work package budgets plus planning package budgets with a control account equals the control account budget

Control account plan total budget	
Work package budget	
Planning package budget	
Budget Log	

12 Identify and control level of effort activity by time-phased budgets established for this purpose. Only that effort which is unmeasurable or for which measurement is impracticable may be classified as level of effort.

Held to lowest practical level (10-20% max)	
When level of effort is mixed with a discrete control account, ensure visibility of both	

13 Establish overhead budgets for each significant organizational component of the company for expenses which will become indirect costs. Reflect in the program budgets, at the appropriate level, the amounts in overhead pools that are planned to be allocated to the program as indirect costs.

Overhead (The project or program management, computing)	
Burden (Corporate Allocations - management, computing, etc.)	
Usage and Occupancy	
General and Administrative Expense	
Organization chart - identify organization(s) maintaining and managing indirect costs	
Overhead policies and procedures are traceable, rational	
Chart of Accounts	
Consistent and proper accounting (Cost Accounting Standards Board (CASB)	

14 Identify management reserves and undistributed budget.

Program Control Log (sometimes called a Budget Log)	
PMB (showing monthly changes identifying contract mods, current value and changes to management reserve)	
Cost Performance Reports (CPRs)	

15 Provide that the program target cost goal is reconciled with the sum of all internal program budgets and management reserves.

Program Control Log (sometimes called a Budget Log)	
Contract Budget Base (total Contract Value less Fee)	
Program Management Reserve	
Undistributed Budget	
Planning Packages	
Performance Measurement Baseline (Direct Costs, Indirect Costs, Functional Management Reserve (not recommended))	

ANSI/EIA-748-A EVMS Guidelines

Guide

Line

Control Account Manager: _____

Project Control Engineer: _____

Accounting Considerations

16 Record direct costs in a manner consistent with the budgets in a formal system controlled by the general books of account.

For each control account and each cost element within the control account there should be a unique charge line. (minimum)	

17 When a work breakdown structure is used, summarize direct costs from control accounts into work breakdown structure without allocation of a single control account to two or more work breakdown structure elements.

WBS Structure (roll-up scheme) showing hierarchy of WBS elements, control accounts and work packages.	
Monthly CPR Report	

18 Summarize Direct Costs from the control accounts into the contractor's organization elements without allocation of a single control account to two or more organizational elements.

Organization chart; OBS structure (roll-up scheme)	
Program established charging structure that matches to OBS and WBS	
An EVMS system should be able to roll costs in various ways - by WBS, by control account, by cost element; by cost element by control account; by Subcontractor by control account, by WBS; by functional organization by control account, by cost element; and any other way you can think of - flexibility.	

19 Record all indirect costs which will be allocated to the project.

Cost collection account structure - identifies chargeable items to cost centers	
Cost collection mapping.	

20 Identify unit costs, equivalent unit costs, or lot costs when needed.

Primarily used for manufacturing - MRP and ERP systems	

21 For EVMS, the material accounting system will provide for:

1) Accurate cost accumulation and assignment of costs to control accounts in a manner consistent with the budgets using recognized, acceptable costing techniques.	
2) Cost performance measurement at the point in time most suitable for the category of material involved, but no earlier than the time of progress payments or actual receipt of material	
3) Full accountability of all material purchased for the project including the residual inventory.	
Usage accountability - accepted costing techniques.	

Analysis and Management Reports

22 At least on a monthly basis, generate the following information at the control account and other levels as necessary for management control using actual cost data from, or reconcilable with, the accounting system.

1) Comparison of the amount of planned budget and the amount of budget earned for work accomplished. This comparison provides the schedule variance.	
2) Comparison of the amount of the budget earned and the actual direct costs for the same work. This comparison provides the cost variance.	
Cost Performance Report	
BCWS, BCWP, ACWP, Schedule Variance, Cost Variance, Variance at Completion, Variance Analysis Report (VAR)	
Variance thresholds to establish reporting criteria for VARs.	

ANSI/EIA-748-A EVMS Guidelines

Guide Line

Control Account Manager: _____

Project Control Engineer: _____

23 Identify, at least monthly, the significant difference between both planned and actual schedule performance and planned and actual cost performance, and provide the reasons for the variances in the detail needed by program management.

Variance Analysis Report (VAR)	
Reason, Action, Impact Statements (Root Causes, Action Plans)	
Update EAC if necessary	
Analyze Schedule impact on whole program	

24 Identify budgeted and applied (or actual) indirect costs at the level and frequency needed by management for effective control, along with the reasons for any significant variance.

Indirect Variance Analyses	
Thresholds	
Reason, Action, Impact Statements (Root Causes, Action Plans)	
Update EAC if necessary	

25 Summarize the data elements and associated variance through the program organization and/or work breakdown structure to support management needs and any customer reporting specified in the project.

Use the same data, information and variance explanations for internal and external reporting	

26 Implement managerial action taken as the result of earned value information.

Follow-up of action plans to verify implementation.	
Risk management data and metrics.	
Management action plans and review briefings.	
To complete performance index (TCPI)	

27 Develop revised estimates of cost at completion based on performance to date, commitment values for material, ad estimates of future conditions. Compare this information with the performance measurement baseline to identify variances at completion important to company management and any applicable customer reporting requirements including statements of funding requirements.

Evaluate performance to date efficiency achieved by performing organizations for complete work and comparing it to remaining budget.	
Operational Metrics	
Basis of estimates	
Risk Management Plans (identification, mitigation, and opportunities)	
Earned Value Metrics	
EACs	
Material and subcontractor performance data	

Guide

Line

Control Account Manager: _____

Project Control Engineer: _____

Revisions and Data Maintenance

28 Incorporate authorized changes in a timely manner, recording the effects of such changes in the budgets and schedules. In the directed effort prior to negotiation of a change, base such revisions on the amount estimated and budgeted to the program organizations.

Contractual change documents.	
Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)	
Control Account/work package/planning packages	
Master schedules, intermediate schedules, detailed schedules	
Statement of Work (SOW), WBS, and WBS dictionary.	
Work authorization documents	
CPRs and applicable management reports	

29 Reconcile current budgets to prior budgets in terms of changes to the authorized work and internal replanning in the detail needed by management for effective control.

Contractual change documents.	
Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)	
Control Account/work package/planning packages	
Master schedules, intermediate schedules, detailed schedules	
Statement of Work (SOW), WBS, and WBS dictionary.	
Work authorization documents	
CPRs and applicable management reports	

30 Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs, earned value, or budgets. Adjustments should be made only for correction of errors, routine accounting adjustments, effects of customer or management directed changes, or to improve the baseline integrity and accuracy of performance measurement data.

Retroactive change control process including approval of internal management and external customer.	

31 Prevent revisions to the program budget except for authorized changes.

Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)	

32 Document changes to the performance measurement baseline.

Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)	

EMCBC RECORD OF REVISION

DOCUMENT

If there are changes to the controlled document, the revision number increases by one. Indicate changes by one of the following:

- Placing a vertical black line in the margin adjacent to sentence or paragraph that was revised.
- Placing the words GENERAL REVISION at the beginning of the text.

Rev. No.	Description of Changes	Revision on Pages	Date
1	Original procedure	All	11/6/07