DOE PROJECT MANAGEMENT NEWS

Promoting Project Management Excellence

December 2023



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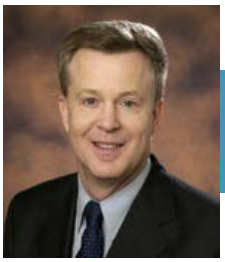
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DIRECTOR'S CORNER

A mature earned value management system (EVMS) provides a comprehensive method for measuring project performance. It allows Federal Project Directors (FPDs) and project managers to accurately track progress and cost performance. It enhances forecasting accuracy, providing a reliable basis for predicting project completion dates and final costs, while promoting transparency and accountability. Additionally, a mature EVMS supports risk management by identifying potential risks and issues early, allowing for the development of mitigation strategies. For additional information on EVMS maturity, review the snippet on page 11.

Implementing an "over target baseline (OTB)" and "over target schedule (OTS)" ahead of a project replan provides a realistic performance baseline. It highlights cost and schedule variances in advance of project re-baselining. These tools can help the FPD and project team mitigate risks and facilitate informed decision-making by providing accurate, up-to-date project performance information, including current productivity rates.

Additionally, an OTB and OTS enable the transparent assessment of the project's status, which is crucial for ensuring and maintaining stakeholder trust. See the article on page 2 for more information on OTB and OTS best practices.

Change control in project management ensures the systematic review, approval, and documentation of any changes to a project's scope, schedule, or budget. It mitigates the potential for scope creep. Effective change control contributes to risk management by identifying potential risks associated with changes. It facilitates the development of appropriate mitigation strategies. It also enhances communication and transparency among project teams and stakeholders. You can learn more about change control in the article on page 5.

With the Holiday Season upon us, I want to wish everyone in the DOE project management community a wonderful holiday season. Be safe.



Keep Charging!

Paul Bosco

Over-Target Baseline (OTB) and Over-Target Schedule (OTS): A New Way Forward

Kevin Carney, Office of Project Controls and Policy (PM-30)

During the lifecycle of a project, if there is an excessive contractor cost overrun or contractor schedule completion is time-phased beyond the contract's project completion date (without a change in scope) such that available budgets and/or durations for the remaining work are insufficient to ensure valid performance measurement, it may be necessary to conduct a reprogramming or comprehensive replanning of the remaining performance measurement baseline (PMB) that results in a total budget and/or total schedule in excess of contract budget base (CBB) or project budget base (PBB) requirements. This is commonly referred to as an over-target baseline (OTB) and/or an over-target schedule (OTS).

An OTB and/or OTS is a project management tool implemented to regain an executable PMB for performance measurement purposes. An OTB/OTS allows project managers to retain visibility into the original CBB (or PBB) and does not relieve the contractor of contractual cost or schedule commitments since there is no change to the contract cost or schedule requirements. An OTB and/or OTS can restore much needed control to a contract that has had poor execution or faces an unrealistic plan for the remaining work. The key benefits of an OTB and/or OTS reprogramming are an executable and achievable baseline plan, renewed buy-in from the project team, meaningful performance indicators, and restored confidence; both benefits and drawbacks are shown in Table 1.

Table 1. Benefits and Drawbacks to Reprogramming

Benefits	Drawbacks
• More reasonable budget objectives	• Significant effort by both parties
• More reasonable schedule objectives	• Time-consuming
• Improved management control	• Possible elimination of cost and schedule performance variances and trends (necessary for calculating cost and schedule projections)

Reprogramming does not change the scope or nature of the work on the contract and should not be done solely to improve performance for award fee or similar type evaluations.

While an OTS may be implemented without adding additional budget, normally an OTS also results in an OTB. Although a helpful (and perhaps necessary) component, implementing an OTB or OTS will not (by itself) prevent future cost growth or contain cost or schedule overruns especially if past performance trends are not factored into the replanned baseline. It also will not improve management commitment or force the earned value management system to work properly.

When is an OTB/OTS Needed?

Some typical indicators for the need of an OTB/OTS are shown in Figure 1.

Cost Indicators	Schedule Indicators	Data Accuracy Indicators
• Significant difference between estimate to complete (ETC) and budgeted cost for work remaining (BCWR) • Significant difference between the coat performance index (CPI) and the to complete performance index based on estimate at complete ($TCPI_{EAC}$)	• High level of concurrency in the remaining integrated schedule • Negative float or significant slips in the critical path of the integrated master schedule (IMS) • Incomplete or inaccurate critical path for the technical completion of the contract	• EAC less than actual incurred costs for work breakdown structure (WBS) elements • Misuse of MR that skews the reporting of performance • An Independent EAC that exceeds the budget at complete (BAC)

Figure 1. OTB/OTS Indicators

Continued on Page 3.

Cost Indicators	Schedule Indicators	Data Accuracy Indicators
• Early, significant, and frequent allocation of management reserve (MR) to the performance measurement baseline (PMB) for newly identified in-scope work • Insufficient MR for remaining scope or significant increase in the rate of MR usage • Control account budgets for work remaining that do not represent a reasonable chance of success • Work packages exist without budget • Inability to explain ETC basis relative to the current baseline • Estimates at complete (EAC) and budgets not taking into account adequate risk (project uncertainties).	• Unrealistic activity durations • Unrealistic or missing relationship logic between tasks • Significant number of constraints in the schedule • Insufficient schedule margin/float for the remaining scope of the contract • Schedule not horizontally or vertically integrated • Logic sequence/durations for forecasted work significantly vary from the baseline plan.	• Lack of corrective action planning/ lack of evidence of implementation • Management challenges (unrealistic cost/schedule projections) • Frequent or recurring data errors

Figure 1. OTB/OTS Indicators, continued

Mechanics of an OTB/OTS

What are the mechanics of an OTB/OTS? First, let's look at the contractor's requirement. DOE O 413.3B Contractor Requirements Document requires the Contractor to submit a request for an Over-Target Baseline (OTB) or Over-Target Schedule (OTS) to the contracting officer (CO), when indicated by performance. In such cases where the PMB no longer represents a realistic plan, the contractor should propose to the Federal Project Director (FPD) and CO (or the FPD should request the contractor propose) a revision to or restructuring of the PMB, to include an OTB and/or OTS. In addition to the proposal, the contractor must provide the following:

- an update to the most recent comprehensive estimate at complete for both cost and schedule,
- a determination of whether or not performance variances will be retained,
- detailed implementation procedures, and
- a schedule for the implementation of the rebaselining in accordance with the contractor's approved Earned Value Management (EVM)

Also, the approved integrated contractor technical, cost and schedule baseline must be maintained using appropriate change control processes (e.g., Change Control Board) as defined in the Project Execution Plan (PEP).

The CO should acknowledge receipt of the request in a timely manner (generally within 30 calendar days) and approve the reprogramming prior to the contractor implementing such a revision. It may be necessary to execute a cost growth modification to a contract to obligate additional funding without adjusting work scope.

An OTB/OTS may or may not coincide with a baseline change proposal (BCP) to the performance baseline (PB), but always involves a budget change request (BCR) to add budget and/or time to the CBB (or PBB) and PMB. Figure 2 shows the before and after of an OTB. DOE G 413.3-20, currently under revision, provides additional guidance.

An OTB does not change the CBB (which remains static); rather, it is an increment to the CBB generating what is called the total allocated budget (TAB).

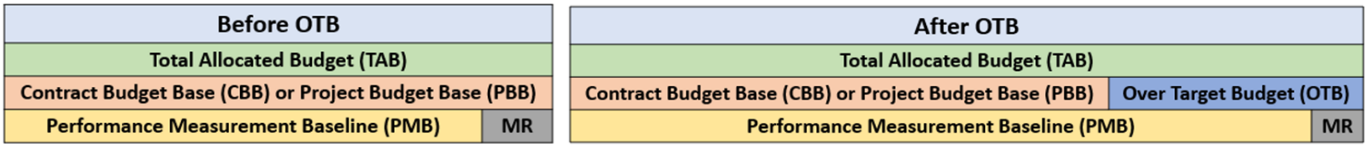


Figure 2. Over Target Baseline Before and After

Continued on Page 4.

Hence, the difference between the CBB and TAB is the OTB value. The OTB value should be reflected in the Integrated Project Management Report (IPMR) Format 1 reprogramming columns (schedule/cost/BAC) and an articulation of the OTB to include an explanation of the SPA must be in the IPMR Format 5. The estimated price value increases by the value of the OTB. Remember this is a cost growth, so NO fee would be provided to the contractor. First reporting should reflect a PM EAC Most Likely value that includes the OTB cost growth value that when compared to the CBB generates the variance (or OTB overrun value).

As shown below in Figure 3 below, Section 5f of IPMR Format 3 is the format that specifically mentions TAB as this is

Classified

CLASSIFICATION (When Filled In)

INTEGRATED PROGRAM MANAGEMENT REPORT

FORMAT 3 - BASELINE

DOLLARS IN Dollars

PENDING UPDATE TO OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average 5.0 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 the Department of Defense, Executive Services Directorate (0704-0188). 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.

1. CONTRACTOR	2. CONTRACT		3. PROGRAM	4. REPORT PERIOD
a. NAME: Deltek	a. NAME: SpaceShuttle		a. NAME: Inter-Planet Space Shuttle	a. FROM (YYYYMMDD): 2016 / 11 / 01
b. LOCATION (Address and ZIP Code): Herndon, Virginia	b. NUMBER: 453-58784		b. PHASE: 1	b. TO (YYYYMMDD): 2016 / 11 / 30
	c. TYPE: Cost Plus	d. SHARE RATIO: 1:1	c. EVMS ACCEPTANCE: NO: X YES (YYYYMMDD): 2011 / 06 / 12	

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)
2,210,000	80,000	2,290,000	0	2,290,000	2,528,869	-238,869

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)
2016/05/30	2012/05/30	2020/01/31	2016/01/31	2019/06/30

6. PERFORMANCE DATA

Contract Change Number / ITEM	BCWS CUMULATIVE TO DATE	BCWS FOR REPORT PERIOD	BUDGETED COST FOR WORK SCHEDULED (BCWS) (Non-Cumulative) — SIX MONTH FORECAST (Enter names of months) +1 DEC16	+2 JAN17	+3 FEB17	+4 MAR17	+5 APR17	+6 MAY17	ENTER SPECIFIED PERIODS Q3_17	Q4_17	FY_18	FY_19	ATCOMPLETE	UNDISTRIBUTED BUDGET	TOTAL BUDGET
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
a. PERFORMANCE MEASUREMENT BASELINE (Beginning of Period)	251,802	64,170	66,707	65,054	70,177	94,888	62,375	58,586	72,496	105,207	901,443	689,723	0	6,240	2,508,869
b. BASELINE CHANGES AUTHORIZED DURING REPORTING PERIOD															
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	17	17
c. PERFORMANCE MEASUREMENT BASELINE (End of Period)	315,956		66,707	65,054	70,177	94,888	62,375	58,586	72,496	105,207	901,443	689,723	0	6,257	2,508,869
7. MANAGEMENT RESERVE															20,000
8. TOTAL															2,528,869

Figure 3. Reporting an OTB on Format 3

If the cost growth or schedule delay exceeds the CBB cost and schedule targets but is not expected to impact the PB's TPC and critical decision (CD)-4 date, the OTB/OTS is managed and documented within existing contingency and/or schedule reserve levels and applicable change control thresholds. If the cost growth and/or schedule delay exceeds the PB's TPC and/or CD-4 date, a BCP is used to increase the TPC and/or extend the CD-4 date, and the OTB/OTS is managed and documented within updated contingency and/or schedule reserve levels. These two scenarios are depicted in areas 3 and 4 respectively in Figure 4 below where the PM EAC is greater than the CBB.

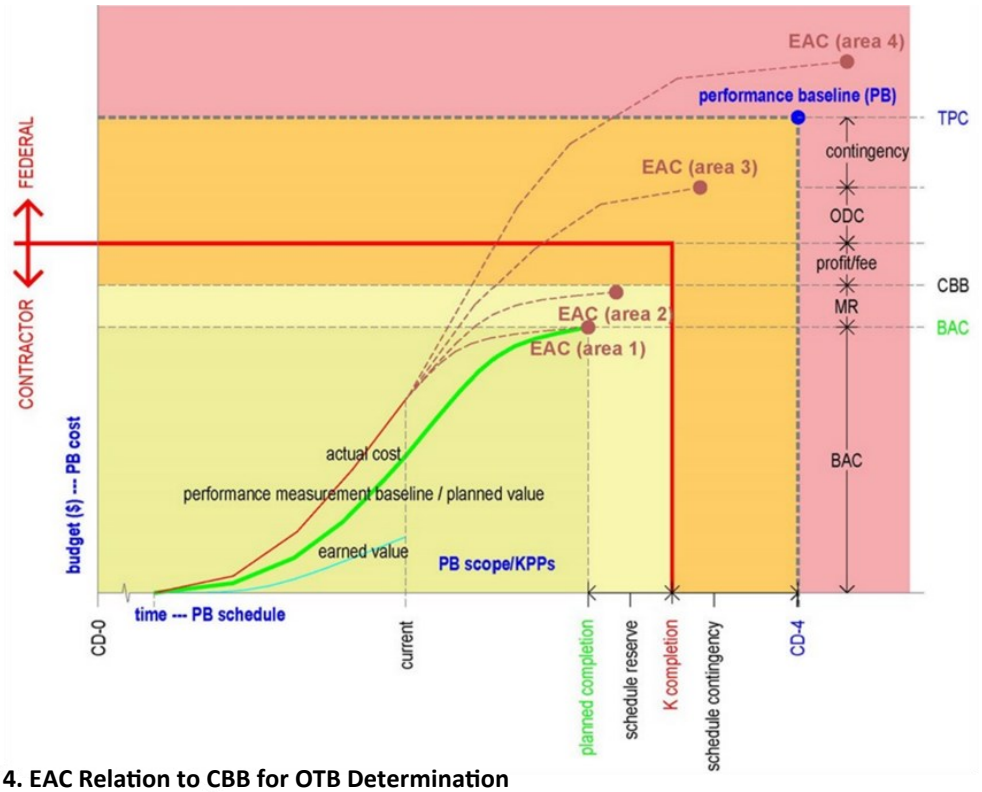


Figure 4. EAC Relation to CBB for OTB Determination

Continued on Page 5.

In some cases where a BCP to the PB may extend for a lengthy period of time and it would be advantageous to implement an OTB/OTS in advance of BCP approval in order to regain an executable PMB for performance measurement purposes, it is appropriate for an initial OTB/OTS to be proposed, approved, and implemented, and then updated via change control when the BCP is finally approved.

In summary, an OTB and an OTS are typically tied to contractor performance, **not** scope change. Its purpose is to allow for a realistic PMB; it may or may not include a BCP to the PB. An OTB increases the TAB to over CBB, and an OTS increases the contractor Schedule Completion beyond CBB (both for contractor performance issues). Reporting of OTB/OTS changes should be on the continuum, not just one-time deal. The key to successfully executing is documented change control (in accordance with the contractor's EVM System Description). Please contact DOE PM-30 for assistance with or questions regarding determination or implementation of an OTB and/or OTS. Finally, DOE PM is in the process of updating DOE G 413.3-20, *Change Control Management Guide*, to provide clear and consistent guidance on this topic.

An Overview of the DOE Guide 413.3-20 Change Control Management Guide

Freddie Bazen, Office of Project Analysis (PM-20)



In any organization with a large number of both basic and complex capital projects, it is vital to have a framework from which to manage project changes that inevitably occur. Department of Energy (DOE) projects vary in size across a broad range of dollar values and sometimes are executed across decades, not only do change control processes need flexibility, but also need a consistent framework to provide a basis for standardization throughout all DOE locations. Thus, the DOE 413.3-20 Guide, *Change Control Management Guide,* (Guide) presents flexible, effective change control management processes for use in the execution of DOE's capital asset projects and their associated contracts.

The Guide presents a strategic approach to managing changes that emphasize preventing unintended consequences, ensuring regulatory compliance, and fostering a culture of continuous improvement. The Guide is written primarily for use by the Federal Project Director (FPD), contracting officer (CO), and other members of the integrated project team (IPT), but can be used by any organization to ensure effective change management. It is important to note that this is a guide, and as such it is not a regulatory requirement for DOE organizations, but rather provides established best practices for change control management. Some Programs may decide to use their own formats and frameworks for change control management.

However, it is essential to note that the Guide is written to best align with other regulatory requirements, specifically DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets*.

Another important facet of overall project management is having a well thought out and documented project execution plan (PEP). Within the PEP, change control methods and procedures should be clearly stated alongside the contract management plan (CMP), as appropriate. This will ensure that the IPT and key stakeholders have an established and documented change control process to follow. If adjustments are needed to the change control procedures along the way, consideration should be made to update the PEP as well.

The Guide emphasizes that the framework presented provides acceptable change control processes for all project phases. Additionally, for sites with multiple projects under a single contract, the site manager may establish change control methods for the multiple projects by issuing site instructions that would be documented in the PEPs for each project. The Guide outlines the specific items that the change control management process should address and lists them as:

- Establishes when a change is required
- Ensures that the required change is agreed upon (by the Leadership team)
- Enables the IPT to manage the actual change when and as it occurs

Continued on Page 6.

- Ensures that the contract remains aligned with the project
- Identifies who approves the changes at the various scope, cost, and schedule thresholds
- Ensures proper change documentation is completed

To have an effective change control management process, it is important to understand when a change is required. Thus, the Guide goes into detail explaining the difference between a project's performance baseline (PB) and the performance measurement baseline (PMB). The PB includes the contractor-controlled PMB, contractor-controlled management reserve (MR), and DOE-controlled contingency. The cost components also include any of the government other direct costs (ODCs) and the maximum contractor's fee (for cost plus contracts). Once the PB and PMB are understood and documented clearly, the IPT should be able to ascertain when a change is required.

Note that since projects are executed through contracts, project changes will likely drive contract changes. Thus, it is vital that the CO be involved early in any project change situation. The CO's involvement will ensure alignment between the scope of the change and the contract currently in place. If modifications to the existing contract are needed to incorporate the change, the CO, acting within the scope of their authority, will execute a contract modification as appropriate. In general, changes affecting the contract-defined scope, cost, or schedule will require a contract modification.

The Guide goes on to distinguish the difference in changes for management & operating (M&O) contracts vice non-M&O contracts. The Guide explains that for M&O contracts, contract changes are infrequent because the M&O contract statement of work is usually broad, and the changes clause allows significant flexibility when issuing change orders. However, for non-M&O contracts, changes will likely be required more often. For M&O contracts, the Guide notes that the M&O contract change process is defined by the DOE Acquisition Regulation (DEAR) Part 970. For non-M&O contracts, a detailed six-step contract change process is presented.



Project level change control boards (CCB) are discussed and should be established to support the decision maker. The CCB should be well represented from all stakeholders and should establish a stand-alone charter or use the one previously created for the PEP. The CCB functions to support the project management and contract management decisions by the approval authority. The CCB should conduct special board meetings to review specific project or contract change proposals. CCB members, as part of the IPT, usually participate in regular project reviews to ensure they remain current in the project's status.

Appropriate approval levels are another aspect the guide discusses in detail. Consideration should be given to the thresholds of any forecasted change and who the approval authority will be based on Departmental and regulatory requirements. For example, in some cases the change may be within the authority of the M&O contractor, but in other cases, it may need to go to as high as the Chief Executive for Project Management (CE — who is likely the Deputy Secretary) for approval.

The DOE Order 413.3B requirements for processing and approving a project change should also be followed closely. Site visits and in-depth analysis by organizations outside of the IPT are often required for project related changes. For post critical decision (CD)-2, *Approve Performance Baseline*, changes that require baseline change proposals (BCPs), usually result in extensive teamwork and the extensive exchange of information between the IPT and independent review agencies (such as the Program office or the Office of Project Management (PM)), to execute the upfront requirements to support the approval of the BCP. Analysis from these independent agencies include conducting independent cost estimates (ICE), external independent reviews (EIR) and/or independent project reviews (IPR), that provide additional detailed information to change control leadership and Project Management Executives (PME) for decision making during the change management process.

An effective and approved earned value management system (EVMS) for the project is also a key component to the change management process. A compliant and credible EVMS will generate and track metrics that can be used to compare current project and projected performance to the project's baseline.

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If a project change is needed, the requirement must be clearly identified and impacts on scope, schedule and cost must be quantified. All impacts should of course consider expected risk (both opportunities and threats) due to the change. These impacts must then be documented and appropriately captured in the EVMS.

The Federal Acquisition Regulation (FAR) is another important regulation that should be considered in the development of and execution of the change management processes. The FAR has numerous statutory requirements that must be taken into account in any change management process. The FAR currently includes more than a dozen variations of the contract changes clause applicable to various types and kinds of contracts. Each identifies what can be changed, the equitable adjustment that will result and the contractor's obligation to claim the equitable adjustment in a reasonable time. The clauses also address the contractor's obligation to continue performance of the contract as changed. Thus, as noted earlier, it is vitally important to keep the CO closely involved early and in all aspects of change management.

Change control documentation is discussed in detail within the Guide. The change control processes must incorporate formal documentation that provides traceability, transparency, accountability of changes and ensures the integrity and alignment of the project and contract scope, cost, schedule and budget.

The Guide outlines specific documentation and where that documentation should be captured to ensure all aspects as described above are captured.

As noted earlier, the scope and breadth of DOE projects can be very large. Thus, tailoring of change control management processes and procedures should be considered based on each project or group of projects at a site. Depending on the complexity, size, and duration of the project, the FPD and CO, in consultation with site and Program Management Support Offices (PMSO), may propose a modified-scope change control process.

In summary, DOE Guide 413.3-20 *Change Control Management Guide* offers a comprehensive roadmap for navigating the complexities of change within DOE. By comprehensively understanding and implementing the principles outlined in this Guide, DOE FPDs and IPTs can best prepare themselves for the inevitable project changes that most likely will occur throughout the phases of project, and best position their project for success.

Should you have any questions on the DOE Guide 413.3-20 *Change Control Management Guide*, please contact your assigned PM-20 Project Analyst.



Coming Soon—A New Integrated Project Management Excellence Award

Kevin Carney, Office of Project Controls and Policy (PM-30)

The Department of Energy (DOE) integrated project teams (IPTs) provide project management for DOE projects across the complex. Each year, the Secretary of Energy recognizes completed projects that have demonstrated excellence in the project management discipline. Three awards are given to projects:

1. The Project Management Excellence Award is presented to a project team that has demonstrated exceptional results in completing a project within cost and schedule.
2. The Project Management Achievement Award is presented to project teams that have demonstrated significant results in completing projects within cost and schedule.
3. The Project Management Improvement Award is presented to a project team that has implemented ideas, methods, or processes that led to measurable improvements in project management.



Additionally, the Department recognizes Federal Project Directors (FPDs) who have demonstrated excellence in project management. The FPD of the Year Award is presented to the FPD who has demonstrated exceptional leadership and project management acumen.

Continued on Page 8.

To improve and reinforce good project management behavior and project success, DOE, working with its Energy Facilities Contractor Group (EFCOG) partners, is developing a new award for in-process and completed projects, intended to strengthen the project management environment and maturity through recognition of "Excellence" in integrated project management.

The new award will leverage the principles defined in the Integrated Project/Program Management (IP2M) Maturity and Environment Total Risk Rating (METRR) using earned value management systems (EVMS). The IP2M METRR is an assessment technique developed as part of a DOE-sponsored joint research study led by Arizona State University that represents more than fifteen government and industry organizations (https://ip2m.engineering.asu.edu/). The IP2M METRR, pronounced "IP2M Meter," defines maturity levels for each of the 56 attributes across the ten management subprocesses to facilitate a consistent method for not only assessing the compliance of an EVMS with industry standard EIA-748, but also to ensure that project/program participants are working with accurate, timely, and reliable information to manage their work, leading to successful project/program performance.

While the exact parameters of the award are still being developed, the award will focus on the following topics:

1. Quality data/Project Assessment and Reporting System (PARS) reporting by the Contractor – submissions that are current, accurate, complete, repeatable, auditable, and compliant (CACRAC)
2. Quality PARS - overview and assessment (OA) by the Federal team;
3. IP2M METRR – use of the tool to identify/improve project maturity;
4. IP2M METRR – use of the tool to identify/improve project environment; and
5. Demonstrated Actions to sustain/improve each of these.

More details will be provided in future newsletter articles. The roll-out of the new award will be presented at the spring 2024 Project Management Workshop. The first award is targeted for 2025, at the Project Management Workshop, and then annually thereafter. There may be multiple qualified award winners in any given year, and an integrated project team may be a repeat winner in a subsequent year.



Handling DOE Directed Site Shutdown on Projects Reporting Earned Value

Robert Loop and Amber Young, Office of Project Controls and Policy (PM-30)

Background on Department of Energy (DOE) Directed Site Shutdown

A site closure by DOE is a force majeure type event. Force majeure refers to unforeseeable circumstances that prevent fulfillment of a contract and is typically invoked in extreme situations that are beyond the control of the involved parties. Force majeure terms are common in contracting to refer to events that are infrequent and catastrophic to project performance. Examples include tornados, hurricanes, pandemics, major safety issues, war, and civil unrest. In any force majeure case, non-recurring costs are incurred.

The definitions of recurring and non-recurring costs from the Defense Acquisition University (DAU) online glossary are:

- Recurring costs are costs for items and services that reoccur, especially at regular intervals. Recurring costs are incurred each time a unit of equipment is produced, such as direct labor and direct materials.
- Non-recurring costs are costs that will occur once or occasionally for a particular cost objective. NRCs include preliminary design effort, design engineering, and all partially completed reporting elements manufactured for tests.

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The Federal Acquisition Regulation (FAR) defines change order accounting (APR 1984) that may be used for force majeure impacts:

> The contracting officer may require change order accounting whenever the estimated cost of a change or series of related changes exceeds $100,000. The contractor, for each change or series of related changes, shall maintain separate accounts, by job order or other suitable accounting procedure, of all incurred segregable, direct costs (less allocable credits) of work, both changed and not changed, allocable to the change. The contractor shall maintain such accounts until the parties agree to an equitable adjustment for the changes ordered by the contracting officer or the matter is conclusively disposed of in accordance with the Disputes clause.

By its very nature, a force majeure site closure incurs non-recurring costs that can distort the original basis of estimate for the project. These non-recurring costs must be tracked and be distinct from the costs for scope defined in the work breakdown structure dictionary and project execution plan. Change order accounting is commonly used during indeterminate shutdowns, as they are usually over the $100,000 threshold.

Accounting Options During Force Majeure Event

Option 1 - Charge the non-recurring costs due to the force majeure to new charge numbers in existing control accounts impacted by the event but do not change the basis of estimate for these control accounts. Doing so would make it appear the overage is for an over target baseline due to performance, and this would result in inconsistencies in the integrated master schedule, associated budgets and the performance measurement baseline, variance reports, estimates at complete, change control, and risk management as the project keeps reporting the increased overrun on the existing control accounts when in fact no work is being accomplished in them per DOE direction.

Option 2 - Open new control account(s) and charge number(s) as appropriate for the non-recurring scope associated with the force majeure. This keeps the exiting control accounts tied to project scope and puts the non-recurring scope into a separate control account(s).

Recommended Steps to Handle DOE Directed Site Shutdowns of an Indefinite Duration

This can be used for weather, safety, or other DOE directed site closures lasting more than one month and based on contracting officer direction to suspend operations for a period or until notified to resume.

Common examples are:

- Pandemics – such as what happened with COVID
- Weather – Winter shutdowns, natural disasters, tornado or hurricane damage
- Major safety or unrest – Riots, wars, strikes, or DOE activity that requires suspension of project performance

COVID is a quintessential example of a partial shutdown where essential personnel were required to report while others are not. Any partial closure should have a split approach with some project expenses in existing control accounts and other expenses due to the DOE directed site shutdown in a new control account(s). While social distancing and mask requirements may reduce the productivity of project performance, both efficient and non-efficient project performance result in recurring costs charged to the project. Only non-recurring, non-project work due to DOE direction should be segregated and charged as non-recurring cost to the project.

Recommended Steps

1. Reach agreement with the Contracting Officer on how the change and collection of recurring and non-recurring costs will be consistently handled.
2. Open a new control account that reports to the total project. See example 1.99 in the table below.

1	Total Project Level
1.1	Project's Contract Budget Base Level
1.1.1	Performance Measurement Baseline Level
ETC	
1.99	Site Closure DOE Direction (Non-Recurring)

3. All non-recurring work is charged to the new control account. This preserves the PMB from charges not related to completion of the baselined project work and is consistent with change order accounting which is appropriate for this situation.
4. Identify the new control account with a clear and distinct title: e.g., "Site Closure DOE Direction (Non-Recurring)".
5. FPD and CO should be briefed on the costs incurred monthly.
6. Estimate at completion (EAC) is updated monthly. Most likely EAC must grow by the actuals accrued. Worst case EAC should include a projection of the shutdown duration. EAC for the remaining activities should be changed as appropriate to model restart activities.
7. Collection of budgeted cost for work performed (BCWP) on discrete and level of effort (LOE) activities should be suspended in a full shutdown.

Continued on Page 10.

8. For partial shutdown there should be schedule relationships and limited normal project work. This will slip the LOE and discrete month-by-month as the event continues, creating the realistic gap in performance with a duration of the extent of the shutdown. This may be replanned with contingency planning and FPD approval to reduce the impact.
9. Customer should consider authorized unpriced work monthly to add budget equal to the actuals. This could be a not to exceed or multiple month allocation. See step 1 above. This would allow budget and actuals for the new control account.
10. New control account scope should be defined by the CO. Recommendations include productive work during the time they cannot be onsite due to DOE direction such as training, contingency planning, staff meetings, etc.
11. New shutdown control account charge number(s) are closed at the end of the site shutdown direction. The actuals are the full non-recurring force majeure cost and are submitted for formal authorization.
12. New post shutdown charge numbers are opened in all prior work packages that are still incomplete.
13. While typical reporting may be suspended during a full shutdown, shutdown condition reporting objectives should be agreed upon.
14. Control needs to be in place for all new control account and/or charge numbers during and after shutdown so that the recurring and non-recurring costs are appropriately segregated.

Summary

This process outlined meets the stringent requirements change order accounting of the full cost impact of the force majeure event by ensuring that project costs related to the shutdown are segregable. It is also cost effective in that it minimizes the need for over target baseline due to the non-recurring effort and for control account managers and project controls implementing temporary and conflicting fixes on existing project control accounts.

Mark your calendar!

2024 DOE Project Management Workshop

Washington DC ***April 2-3, 2024****

**** Plus: Optional Project Controls Session April 4, 2023***

A limited block of rooms (Book Early!) for the PM Workshop has been reserved at the venue: Hilton Washington DC National Mall the Wharf, 480 L'Enfant Plaza SW, Washington DC. Ctrl+Click to follow the hotel link :

2024 DOE Project Management Workshop- Room Reservation Link

PM-MAX IS NOW PM-CONNECT!



The new link is https://community.connect.gov/x/IICfQg.
(Old MAX links should automatically transfer to Connect.gov in the short run.)

IP2M METRR Training of the Month
IP2M METRR—What Is EVMS Maturity?

The Integrated Project/Program Management (IP2M) Maturity and Environment Total Risk Rating (METRR) using EVMS is a novel assessment mechanism developed as part of a DOE-sponsored joint research study led by Arizona State University and representing more than fifteen government and industry organizations.

Click here to view IP2M METRR - What is EVMS Maturity?

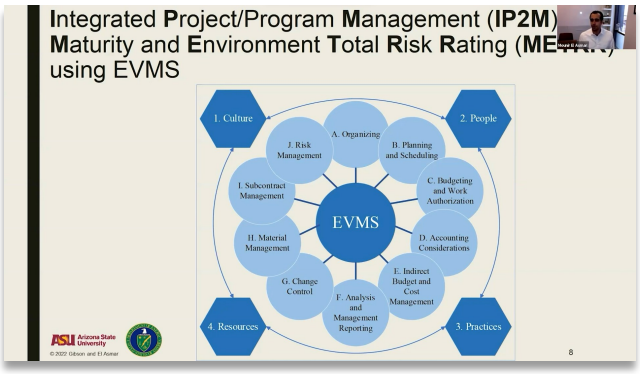
Summary: This session defines EVMS maturity, as well as its 10 sub-processes and 56 attributes. Each attribute has an agreed-upon description and items to consider during an assessment, complete with a maturity table and clear descriptions of each maturity level.

Continuous Learning Points (CLPS): Reviewing one hour of snippets will equate to one CLP. To receive credit, FPDs can submit a CLP request under the PMCDP menu in their ESS account. All others may send an email (indicating the snippets viewed) through their respective supervisor to DL-PM-40 to receive a certificate with the appropriate CLPs awarded.

You can find additional IP2M METRR Training at the following links:

https://www.energy.gov/projectmanagement/articles/ip2m-metrr-asu-evms-study
OR
https://community.connect.gov/display/DOEExternal/PM+EVMS+IP2M+METRR+Training

IP2M METRR Publications can be found at https://ip2m.engineering.asu.edu/publications/.



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Your feedback is valuable to us! Please rate your experience with this edition of the newsletter on a scale of **1 to 5**, rating of 5 stars being highly satisfied and 1 star being highly dissatisfied.

☆☆☆☆☆

Click here!

PMCDP FY2024 Training Schedule

The training schedule is posted on PM-CONNECT. Save the direct link to the Project Management Career Development Program training schedule to your favorites: https://community.connect.gov/x/BgZcQw

Course Title	LN Code	Dates	CLPs	Details
Project Risk Analysis and Management	001033	December 11-15, 2023	28	10:30am-4:30pm ET Webinar Daily
Advanced Risk Management	001042	December 11-15, 2023	32	10:30am-4:30pm ET Webinar Daily
Cost & Schedule Estimation	001044	January 8-12, 2024	40	10:30am-4:30pm ET Webinar Daily
Executive Communications	001031	January 16-18, 2024	24	10:30am-4:30pm ET Webinar Daily
Program Management and Portfolio Analysis	001025	January 29-February 2, 2024	40	10:30am-4:30pm ET Webinar Daily
Capital Planning for DOE 413.3B	002152	February 6-20, 2024	16	12-3pm ET Tuesdays/Thursdays
Leadership Through Effective Communication	002366	February 13-15, 2024	24	10:30am-4:30pm ET Webinar Daily
Advanced Earned Value Management Techniques	002689	February 27-March 1, 2024	32	10:30am-4:30pm ET Webinar Daily
Project Management Systems and Practices	001024	March 4-8, 2024	40	10:30am-4:30pm ET Webinar Daily
Project Management Simulation	001029	March 11-15, 2024	40	10:30am-4:30pm ET Webinar Daily
LEED for New Construction and Existing Buildings	001936	March 19-21, 2024	20	10:30am-4:30pm ET Webinar Daily
Strategic Planning	001043	March 26-28, 2024	24	10:30am-4:30pm ET Webinar Daily

Find up-to-date information and resources anytime!

All PMCDP Course Descriptions and Course Materials can be found in the Course Catalog on PM-CONNECT

Save the direct link to your favorites: **https://community.connect.gov/x/UAT3Rw**



Or, download the Interactive Curriculum Map: **https://community.connect.gov/x/sQd1Qw**

Have a question, a bug or glitch in a PMCDP online course, or want to provide feedback? Submit your questions through: **PMCDPOnlineCourseSupport@hq.doe.gov**.

Contact Us!

The Office of Project Management welcomes your comments on the Department's policies related to DOE Order 413.3B. Please report errors, omissions, ambiguities, and contradictions to: PMpolicy@hq.doe.gov. Propose improvements to policies at: https://hq.ideascale.com.

If you have technical questions about PARS, such as how to reset your password, please contact the PARS Help Desk at: PARS_Support@Hq.Doe.Gov. And, as always, PARS documentation, Frequently Asked Questions (FAQs) and other helpful information can be found at Support : PARS Support (doe.gov). The current PARS reporting schedule is located on PM-MAX at the following link: https://community.connect.gov/x/m4lIY

Need information to apply for FPD certification? The Certification and Equivalency Guidelines (CEG) can be found here: https://community.connect.gov/x/IQd1Qw

Can't put your finger on a document or information you were told is available on PM-CONNECT? Looking for information on DOE Project Management? Submit your questions and queries to: PMWebmaster@doe.gov.

To reach the Professional Development Division (PM-40) team:



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If you would like to contribute an article to the Newsletter or want to provide feedback, please contact the Editor at DL-PM-40.

