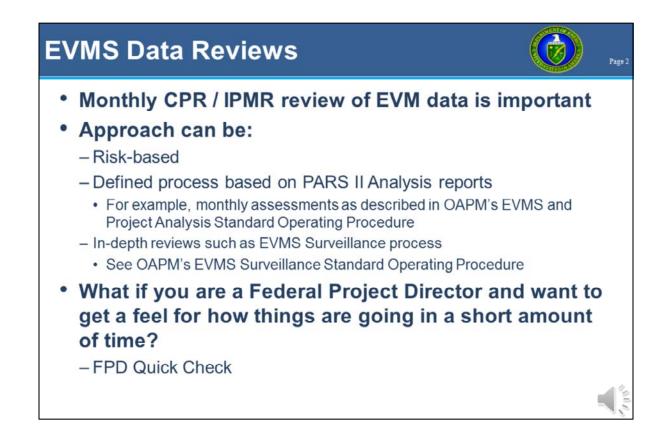


This EVMS Training Snippet, sponsored by the Office of Acquisition and Project Management (OAPM), provides a "Quick Review" perspective for the Federal Project Director of formats 1-5 of the Contract Performance Report (CPR) or Integrated Program Management Report (IPMR).



While the Federal Project Director is responsible for monthly verifications that the data from the contractor's certified EVMS is accurately uploaded into PARS 2, the FPD or Federal staff should be conducting reviews of the data for accuracy and completeness and from a performance perspective. The degree in which the data is analyzed may be risk-based, a defined process assessment based on PARS 2 Analysis reports, or in-depth reviews such as EVMS surveillance.

The intent of this Snippet is to provide an FPD level 'Quick Check' of the CPR or IPMR reports primarily for accuracy, completeness, and understanding of monthly changes.

Formats 1 – 4: Header Checks

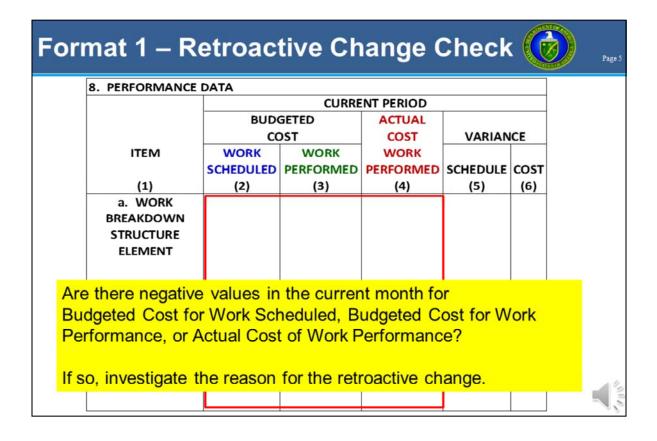


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5. CONTR	ACT DATA						110	120			
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	Ar	eview the l e entries e they cor	corre	ct?				5.			

The header information of the Formats 1 - 4 contains the project level information. Ensure that the information is accurate on each of the Format headers. Errors left uncorrected can cause reconciliation issues in the future.

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VARIANCE ADJUSTMENT																	

If there is a difference between the Most Likely and the Best Case or the Worst Case estimates at completion reported in Format 1 Blocks 6.a.1, 6.b.1, or 6.c.1, the assumptions, conditions, and methodology underlying the estimates must be explained in Format 5. It is concerning if they all are equal. Risks should be considered in the worst case and opportunities in the best case. If there is a difference between the Most Likely and the Column 15 EAC, those differences must also be explained in Format 5 in terms of risk and opportunities and senior management knowledge of current or future contract conditions.



Look at the data in columns 2, 3 and 4 of Block 8. Negative values in the current period for BCWS, BCWP, and ACWP are an indication of a retroactive change, that is something previously reported is being changed, possibly corrected. They are also identified in the PARS 2 Retroactive Change Indicator (6-Mo, PMB Level) report. That report also identifies when a change was made to history rather than represented by a negative value in the current period. These should be checked monthly, and if found, the FPD should ask why. While these kinds of changes may be acceptable when done in compliance with the ANSI/EIA-748 Guideline 30, an excessive amount may indicate the system lacks discipline.

Questions to ask when changes have been identified include:

Why was budget removed? Was scope removed? Does the rationale meet Guideline 30, e.g. 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? Why was the change made to history rather than in the current period? Also see if the adjustments brought cumulative variances to zero. If so, why was there a single point adjustment, and was it approved by DOE?

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20%)	2				

When the EAC reported in Column 15 is significantly greater than the Contract Budget Base reported in Block 6 Column 2, this could indicate a need for an Over Target Baseline. Typically the difference would be 20% or more. It should also trigger an assessment of contingency funds by the FPD, and whether there is a chance of breaching the Performance Baseline Total Project Cost. In that case, not only is an OTB up for consideration, but serves as a flag to the FPD that additional funding via a Baseline Change Proposal may be required for the project.

Format 1 – Accuracy of OTB Reporting

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If an OTB has been approved, it needs to be reported accurately on the Format 1. The FPD should check the areas highlighted, that is blocks 5.i, Block 8 Columns 12a, 12b, and 13, and Blocks 9.a. and b. If these are not completed properly, the FPD needs to notify the contractor that corrections are required.

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f. MANAGEMENT RESERVE															•		
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Does it agree with Format 2 Column 14 of Block 5.f?	Identify Fo	orma											•	sho	own ab	ove).

Accuracy in reporting Management Reserve is also important. The FPD should look at Format 1, Column (14) of Block 8.f for the total amount of budget identified as MR as of the end of the current reporting period. The value shown as MR in Formats 1, 2, and 3 must all agree so the next step is to compare the Format 1 MR value to the Format 2, Column (14) of Block 5.f. Also compare the value to Block 6.b of the Format 3. Lastly, check whether any MR was allocated to WBS elements during the reporting period. If there were allocations, these must be explained in Format 5?

Format 3 – OTB/OTS Checks

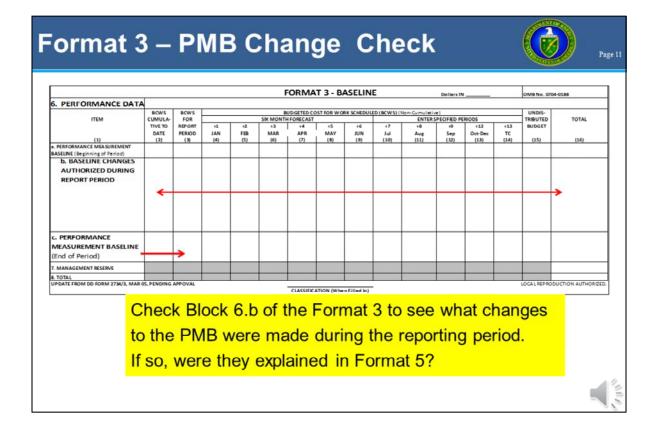


		RATED PROGRAM MANAGEMEN FORMAT 3 - BASELINE	NT REPORT	Dollars IN	PENDING UPDATE TO OMB No. 0704-0188
TIATED COS	ORIGINAL NEGOTIATED COST b. NEGOTIATED CONTRACT CHANGES		e. CONTRACT BUDGET BASE (c. + d.)	f. TOTAL ALLOCATED BUDGET	g. DIFFERENCE (e f.)
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Block	ls the value of Blo Government? Compare the date	s 5.j. and 5.	k.		he edule (OTS)
					Target Sch

A difference between blocks 5.e - the CBB, and 5.f - the total allocated budget, is reported in Block 5.g. (outlined in yellow). This difference reflects an Over Target Baseline which would be reported on other formats as well. Without an OTB there should be no difference so the FPD should report any inaccuracies to the contractor for correction. Also note block 5.j Planned Completion Date, outlined in green. In the case of an Over Target <u>Schedule</u> or 'OTS', the planned completion date would exceed or be later than the contract completion date reported in block 5.k.

		INTEGRATED	PROGRAM MANAGEMENT REPORT FORMAT 3 - BASELINE		Dollars IN	PENDING UPDATE TO O MB No. 0704-0188	
5. CONTRACT	DATA						
a. ORIGINAL NEGOTIATED (COST b. NEGO TIA TED CONTRACT CHAN GES	c. CU RRENT NEGOTIATED COST (a. + b.)	d. ESTIMATED COST OF AUTHORIZED UNPRICED WORK	e. CONTRACT BUDGET BASE (c. +d.)	f. TOTAL ALLOCATED BU DGET	g. DIFFERENCE (ef.)	
h. CONTRACT START DATE (YYYYMMDD)	i. CON TRACT DEFINITIZZ	ATION DATE	j. PIANNED COMPLETION DATE (YYYYMMDD)		k. CONTRACT COMPLETION DATE (YYYYMMDD)	I. ESTIMATED COMPLETION DATI (YYYYMMDD)	
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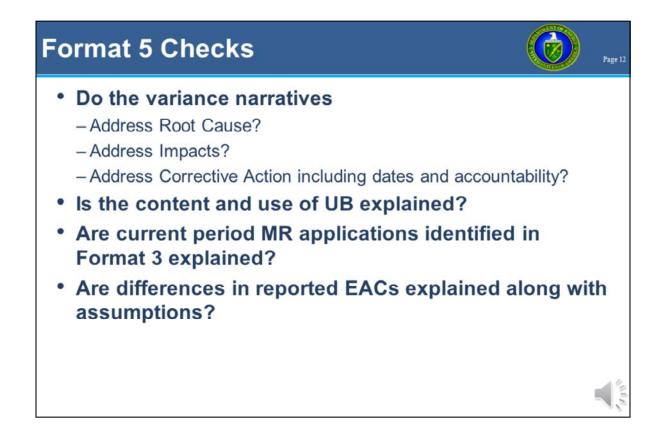
On the Format 3, the FPD should check the contract and estimated completion dates. Is there a difference between Blocks 5.k. and 5.l.? Block 5.l. is the planned completion date consistent with the EAC. If there is a significant schedule variance on the project, the FPD should expect to see an estimated completion date later than the contract completion date.



While the IPMR Format 3 is the same basic structure as the CPR Format 3, there are two significant differences; notice the red arrows. The first is in Block 6.b. The area is not shaded from Column 2 through Column 15, as it was in the CPR Format 3 (see double headed arrow). The contractor is now required to list all significant baseline changes that have occurred during the reporting period in the respective column. This list should specify any contract changes, authorized unpriced work transactions, transactions involving Management Reserve, Undistributed Budget, and any significant PMB re-time phasing. Also, all significant authorized baseline changes should be listed individually, whether priced or unpriced, and all other changes should be summarized and titled "other." The term "significant" may be defined by the Government or determined by the contractor if undefined. While listed here in Format 3, the reasons for any of these changes must still be discussed in Format 5.

The second difference -- or change in Format 3 is that Block 6.c, Column 3, is not shaded (see single headed arrow). Consequently, any PMB change in the current period will be clearly noted. A current month BCWS change <u>needs</u> to be discussed in Format 5. Otherwise, it could be viewed as a "Freeze Period" violation.

The information on this report is very helpful for the FPD to monitor how the baseline plan is changing every month. If any MR was applied to any WBS elements during the report period, verify whether it was explained in the Format 5 narrative as required.



Many items are required to be addressed in the Format 5. Key areas to review include:

The Variance narratives; do they address the root cause, impacts, and corrective action including dates and accountability for actions taken and planned? The variances and corrective actions are essential pieces of information in making predictions of future performance. If they are not explained to your satisfaction, discuss this with the contractor and request better details. Lack of sufficient information is a common finding when EVMS surveillance is conducted.

Next, is the content and use of undistributed budget explained? If allocation of undistributed budget is reported in the Format 3 for the current period, is it thoroughly explained in Format 5 including the control accounts receiving the scope and budget? Are current period uses of MR identified in the Format 3 explained in the Format 5?

Lastly in this quick check, it is essential that the FPD understand the contractor's Estimates at Completion. Recall if there is a difference between the Most Likely and the Best Case or the Worst Case amounts reported in Format 1 Blocks 6.a.1, 6.b.1, or 6.c.1, the assumptions, conditions, and methodology underlying the estimates must be explained in Format 5. If there is a difference between the Most Likely and the Column 15 EAC, those differences must also be explained in Format 5 in terms of risk and opportunities and senior management knowledge of current or future contract conditions. Review these entries and look for changes since the prior period and how they are explained. If you are aware of issues that are occurring and they are not reflected in the EAC's, question the contractor.

DOE OA	PM EVM Home Page
ENERGY.GOV Office of Managem SERVICES OPERATION	
Home - Operational Management	Project Management » Earned Value Management
EARNED VALU	E MANAGEMENT
Aviation Management Executive Correspondence Energy Reduction at	Earned Value Management (EVM) is a systematic approach to the integration and measurement of cost, schedule, and technical (scope) accomplishments on a project or task. It provides both the government and contractors the ability to examine detailed schedule information, critical program and technical milestones, and cost data.
HQ Facilities and Infrastructure Freedom of Information	EVMS Surveillance Standard Operating Procedure (ESSOP) - 25 Sep 2011 (pdf) EV Guideline Assessment Templates - (MS Word) DOE EVMS Cross Reference Checklist - (pdf)
Act Financial Assistance Information Systems Procurement and Acquisition	DOE EVMS Risk Assessment Matrix - (MS Word) Formulas and Terminology "Gold Card" - Sep 2011 (pdf) Slides from the OECM Road Show: Earned Value (EV) Analysis and Project Assessment & Reporting System (PARS II) - May 2012 (pdf) DOE EVM Guidance
Project Menseement	EVM TUTORIALS
Earned Value Les both Learned Reviews and Validations Documents and Publications ACA and CAP	Module 1 - Introduction to Earned Value (pdf 446.86 kb) July 17, 2003 This module is the introduction to a series of online tutorials designed to enhance your understanding of Earned Value Management. This module's objective is to introduce you to Earned Value and outline the blueprint for the succeeding modules. This module defines Earned Value management. It looks at the differences between Traditional management and Earned Value management, examines how Earned Value management fits into a program and project environment, and defines the framework necessary for proper Earned Value management implementation.
http://energy.gov/manage	ement/office-management/operational-management/project-management/earned-value-management
Career Development Program	
Real Estate History	5

This concludes the FPD Quick Check review. For information relative to EVMS procedures, templates, helpful references, and training materials, please refer to OAPM's EVM Home page. Check back periodically for updated or new information.

Thank you