

PEP TALK

Policy – EVMS - PARS

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Policy and Guidance / EVMS / PARS IIe

- New Handbooks
- New Terms and Definitions
- Training Opportunities/Snippets
- Data Driven Reviews
- Improvement Initiative
- Interpretation Handbook
- Current State/Challenges
- Planned Enhancements





New APM Handbooks

NEW

Lifecycle

NEW

**Statement
Work and
Performance
Handbook**

NEW

**APM
Glossary of
Terms
Handbook**

**Guidance Repository
Website**



Handbook Purpose

LCC Handbook - procedures, information, examples, and tools to develop consistent and defensible life-cycle cost estimates (LCCE) and perform appropriate life-cycle cost analyses (LCCA)

SOW & KPP Handbook - guidance and best practices for developing complete SOW and KPPs

APM Glossary of Terms Handbook - definitions of commonly used APM terms to ensure consistent use in documents and discussions



Some Terms and Definitions

- Authorized Unpriced Work (AUW)
- Baseline Change Proposal (BCP)
- Budget Change Request (BCR)
 - >BCR-P
 - > BCR-M
 - > BCR-C
- Contingency
- Management Reserve (MR)
- Over Target Baseline (OTB)
- Over Target Schedule (OTS)
- Undistributed Budget (UB)





Some Terms and Definitions

- New terms from S-1 memo of Dec. 1, 2014, *Improving the Department's Management of Projects*
- Project Management Risk Committee (PMRC)
- Chief Executive for Project Management (CE)
- Project Management Executive (PME)

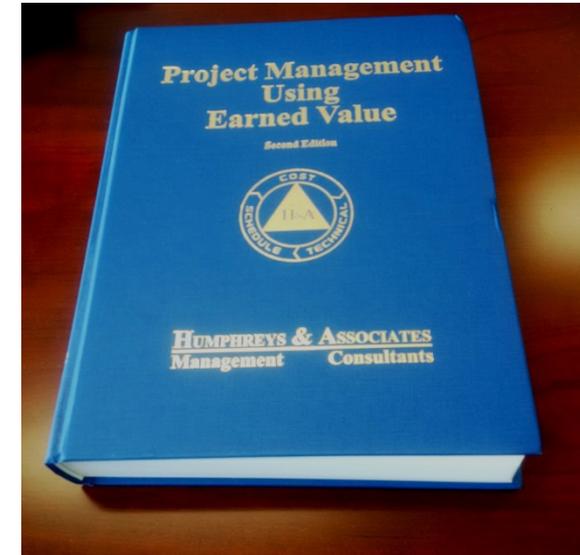


PEP Rally



Improved Training & Common Understanding

- Enhanced Federal EVMS training
 - EVMS Basic on-line: 24/7
 - DOE OLC (search EVMS)
 - Added Advanced EV course
 - <https://powerpedia.energy.gov/wiki/PMCDP>
- Encourage EV professionalism/certification
 - Earned Value Professional (EVP)
 - Planning and Scheduling Professional (PSP)
- EV training snippets for all, including contractors





EV Training Snippets

- Answers to your EVMS questions – ready when you are
- 34 web-enabled snippets – a range of EV topics
- Accessible 24/7 - 10 to 20 minutes in length
- DOE's Powerpedia
[https://powerpedia.energy.gov/wiki/Earned Value Management System#Training videos](https://powerpedia.energy.gov/wiki/Earned_Value_Management_System#Training_videos)
- PARS II Policy & Guidance section in EVMS Training Snippets library
<https://pars2e.doe.gov/policy/Lists/EVMS%20Snippets/AllItems.aspx>
- EFCOG Website
http://www.efcog.org/wg/pm_evmssg/EVMS_snippets.htm



EV Training Snippet Library

1.0 DOE Reviews: (8 ea.)

- Order 413.3 EVM Reqts
- EVMS Review Approach
- EVMS Stage 1 Surveillance
- EVMS Stage 2 Surveillance
- EVMS Stage 3 Surveillance
- EVMS Review for Cause
- EVMS Certification
- Common EVMS Findings

2.0 EV Reporting: (4 ea.)

- CPR/IPMR Purpose and Use
- CPR/IPMR FPD Quick Check
- IPMR Data Item Description
- CFSR Overview & Reconciliation with IPMR/CPR

3.0 Schedules: (4 ea.)

- IMS Initial Baseline Review
- IMS Monthly Review
- Schedule Health Metrics
- Guidance & Resources





EV Training Snippet Library (Cont.)

4.0 Advance Topics: (9 ea.)

- OTB/OTS Implementation
- Integrated Baseline Reviews
- Budget vs. Funds / MR vs. Contingency
- Undistributed Budget
- Authorized Unpriced Work
- Baseline Control Methods
- FFP Subcontract and Prime EVM
- CAM Roles and Surveillance
- High Level EVM expectations

5.0 PARS II Analysis Reports: (7 ea.)

- Reports Overview
- Data Validity Reports
- Schedule Health Assessment Reports
- Variance Analysis Reports
- Trend Reports
- EAC Reasonableness and Independent EAC
- OAPM Monthly Report

6.0 Predictive Analysis: (2 ea.)

- Predictive Analysis Methods
- Applied Predictive Analysis



EVMS Requirements

primary regulation for use by agencies

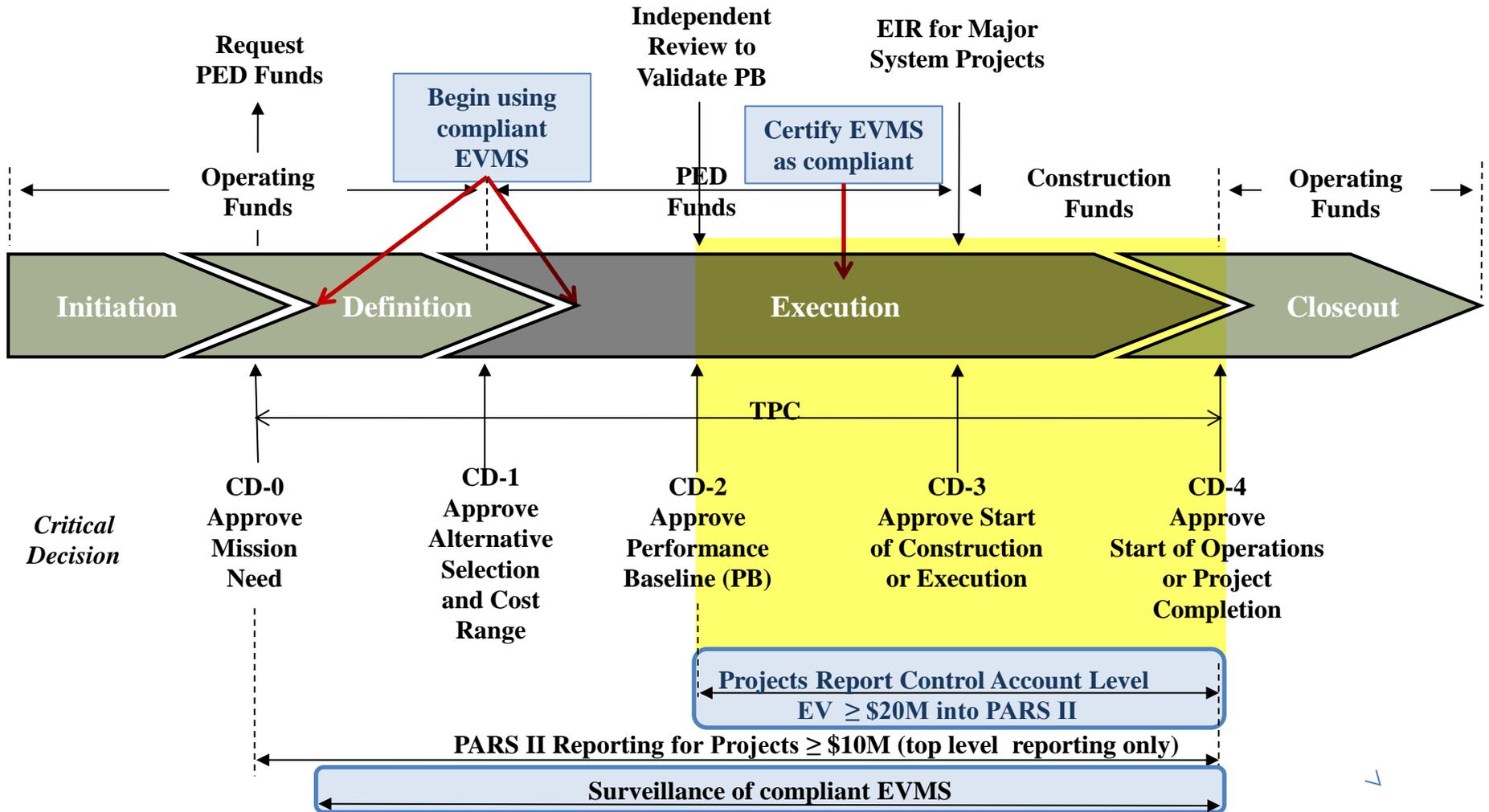
“System Acquisition”
Circular A-11

Planning Guide

- Section I.5.5.1. – EVM is critical component of risk management on major investments
- Section I.5.5.4, EVM used for major acquisitions with development effort
- DOE Order 413.3B requires EVMS compliant with EIA-748



EVMS Requirements Tied to DOE's Acquisition Lifecycle



Typical DOE Acquisition Management System for Line Item Capital Asset Projects



EVMS Expectations

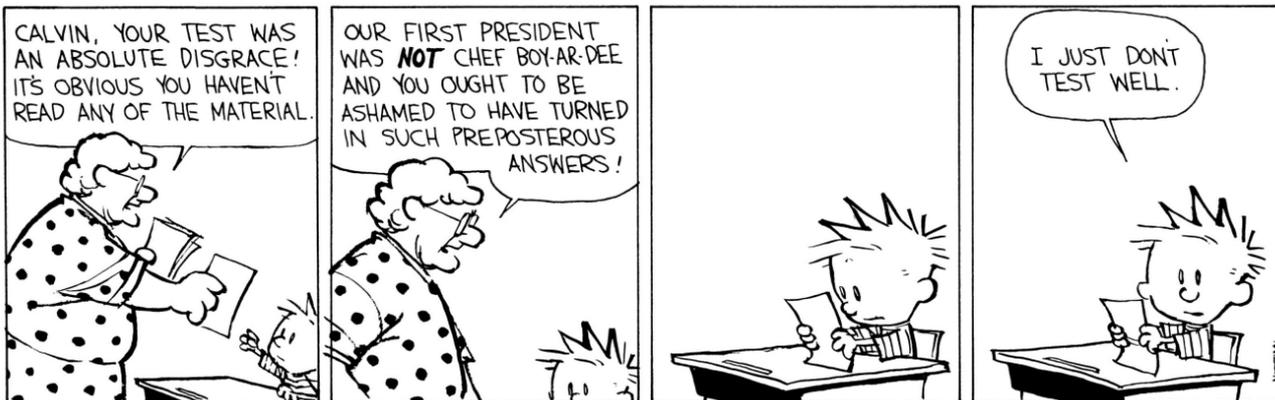
- Embrace as primary project/contract management tool
- Communicate in EVMS terms
- Front-end planning - integrate scope, cost, schedule; identify and manage risks
- Contractor's EVMS compliant with EIA-748
- Reliable, accurate, consistent, timely, auditable data
- Assessments that reflect actual conditions
- Enable realistic forecast
- Basis for management decisions at field and HQ levels
- Be consistent with DoD (PARCA/DCMA)

TO BE THE BEST



Why More Issues

- Continuous Improvement
- Federally led reviews
- Enhanced knowledge
- Better tools
- More sophisticated analytic capabilities
- Individual vs grouped CARs





Common EVMS Issues

- Planning and Scheduling
- Element of Cost (EoC)
- Integration of Cost and Schedule
- Baseline Control
- ETC/EAC
- Variance Analysis
- CAMs
- MR and Contingency (Budget vs Funds)





Other EVMS Issues

- Surveillance
 - Contractor
 - Site/Program
- Root Cause Analysis
 - VARs ~ Performance Issues
 - CARs ~ System Issues
- EVM Cost and Schedule systems
 - Licenses not current - Not maintained up to date
 - Current versions properly implemented enable compliance





Improving EVM and PM Integration

People

- Resource Mapping
- Roles and Responsibilities
- Training

Processes

- External Policies, Procedures, Regulations, Guidance, Best Practices
- DOE-wide Policies, Guides, Handbooks
- OAPM Standard Operating Procedures

Systems

- Reporting Systems
- Analysis Tools

Communication

- Transmit
- Receive

- **H&A collecting input for gap analysis to identify strengths, weaknesses, technical and cultural barriers, opportunities**
- **Create an executable corrective action plan - invest in the future**



Preliminary Survey Results

- Surveys to date: Feds = 41 / Contractors = 42
- We are hearing you! Message is:

CONSISTENCY



EVMS Interpretation Handbook

- Define basis of compliance with EIA-748
- One source document for assessing compliance
- Compiles and synthesizes applicable elements from EVMS body-of-knowledge documents
 - NDIA EVMS Intent Guide, NDIA Planning and Scheduling Excellence Guide (PASEG), DoD EVM Implementation Guide (EVMIG), Bowman Interpretive Guide, DOD EVMS Interpretation Guide, other relevant documents
- Uniform and consistent application across complex, across reviews, and across time
- Specific and detailed expectations of what constitutes compliance in a line of inquiry format



Enhanced Data Analytics

- Data-driven approach (consistent with DCMA)
- Recent data-driven review issues – datify compliance reviews and performance assessments
- Consistent PARS II and EVMS review data submissions
 - UN/CEFACT XML Schema
- Analyze data sets to detect patterns and uncover issues before they appear
- Targeted compliance and surveillance reviews
 - Increased efficiencies; reduce footprint and resource needs
 - Identify and localize issues; optimize surveillance and avoid disruptions

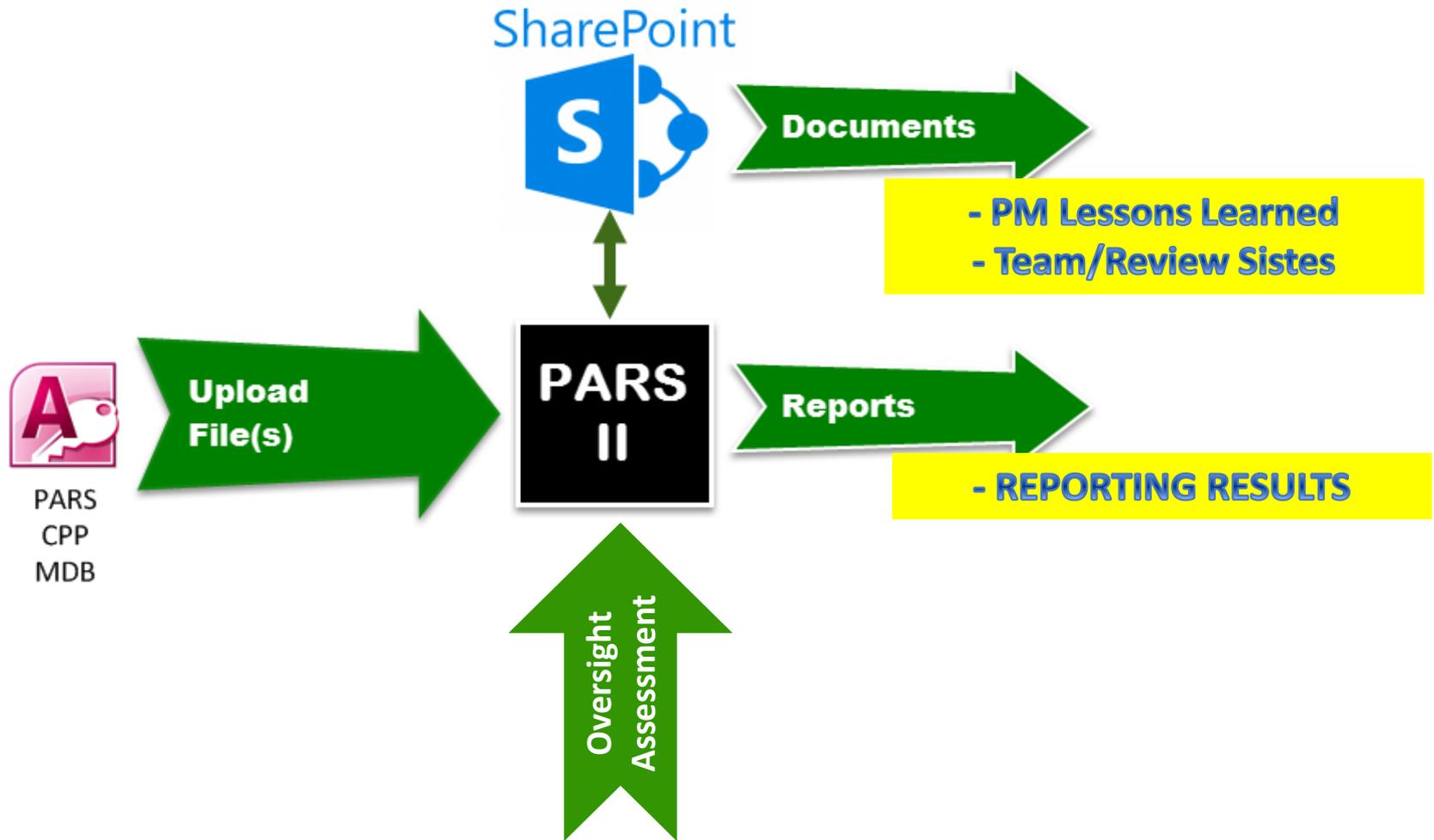


PARS System Evolution

- PARS – pre October 2010
 - Cumbersome, complex, insufficient level of detail, manual entry, limited automation, no reporting and analysis capabilities, etc.
- PARS II – released October 2010
 - Powered by *COTS* product
 - Increased analysis and reporting capabilities, increased visibility and transparency into contractor performance.
- PARS IIe – released July 2014
 - Powered by SharePoint 2013 Development Platform
 - Advanced document management, information sharing, and collaboration capabilities
 - Scalability to meet current and future demands and strategic objectives



PARS II Current State





PARS II Current State

- PARS II Dekker Module Issues
 - IE Browser - Browser independency is a need, not a want
 - MS Office 2003 - Software no longer supported by Microsoft
 - Impacts uploading, viewing, reporting processes
- Resolution is to transition:
 - O&A Module to SharePoint 2013 platform
 - CPP process from custom extraction to UN/CEFACT XML
 - CPP dashboards and reports to Business Intelligence platform



What is UN/CEFACT XML

- Electronic Data Interchange (EDI) format for tool-agnostic data exchanges of project performance cost and schedule data
- Adopted by DoD as standard for project performance data reporting in 2012
- Incorporated as standard data output by many software vendors (Deltek, Oracle, Microsoft, ARES, and others)

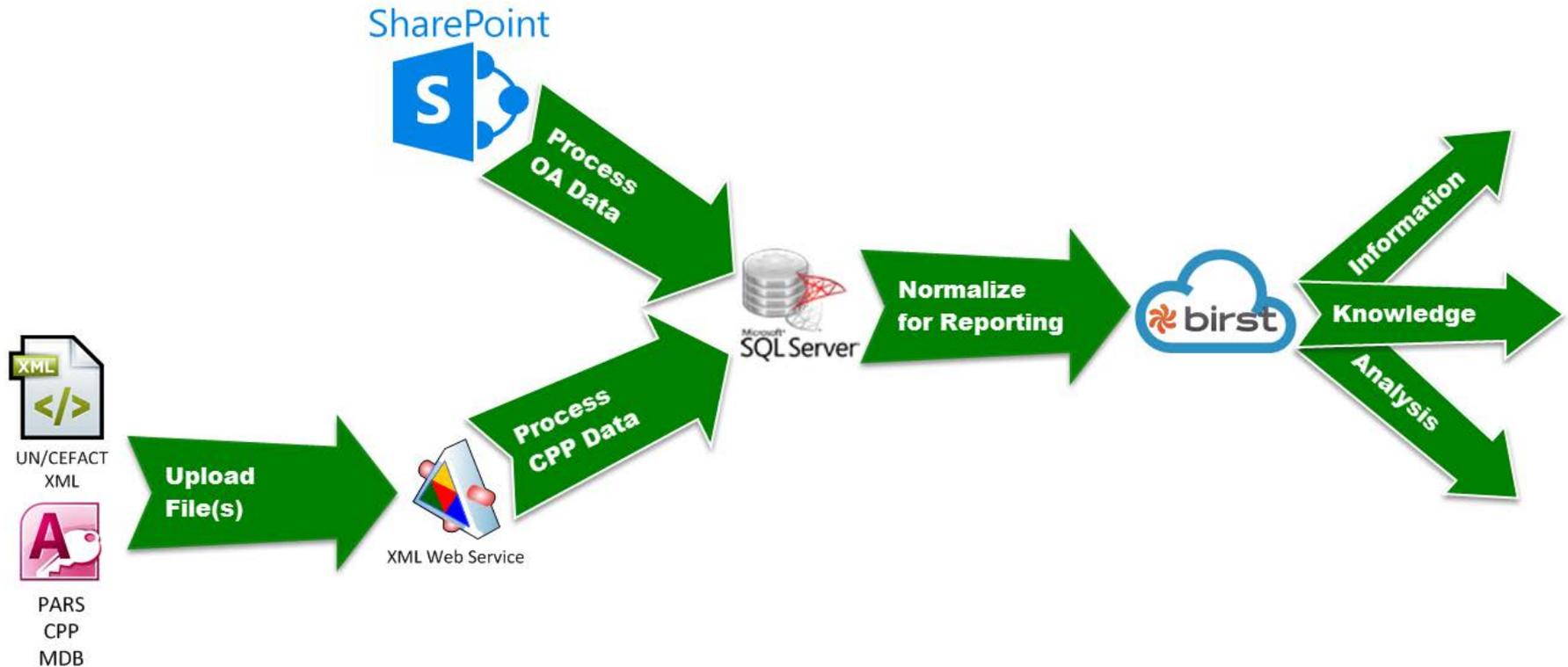


Controlled Unclassified Information (CUI)

- Will enable access to UCNI and OUO for authorized users
- System elevated to MODERATE impact level
- 60 day password expiration and 15 minute timeout limit
- Two-Factor Authentication (TFA) login (similar to online banking login process (e.g., Chase))



PARS IIe Enhancement in a Nutshell



GAINING KNOWLEDGE



Conclusions and Goals

- **Continue to improve**
- **Data-driven reviews are the norm**
- **Open and honest communication**
- **Mentor/coach/advisor – also test administrator**
- **Contractor systems – they are responsible**
- **Local surveillance (self-policing)**
- **EVMS expertise resides in field**
- **DOE (Feds and contract partners) recognized as best in government and industry**





QUESTIONS





Backup Slides



Some Terms and Definitions

- **Authorized Unpriced Work (AUW)**
 - Work that the customer has authorized to be performed, but for which a formal proposal has not been negotiated. When the contracting officer formally authorizes the contractor to proceed with not yet negotiated work, a not-to-exceed (NTE) value is often established. The NTE is strictly a funding limit, and a contractor is required to observe the limit as the not yet negotiated work is underway. The full estimate associated with the authorized but not yet negotiated work is reflected as AUW. The budget for the work associated with the NTE may be distributed to control accounts, but the remainder must reside in UB until negotiations are complete and the contract modification is issued. Some common terminology associated with AUW includes: Change orders (or Unilateral Modifications); Not-To-Exceed which relates to ceiling language within a change order; Undefined change orders which is the “status” prior to negotiations; and Definitization which is the conversion of a change order to a bilateral modification. The Total Allocated Budget (TAB) will be equal to, the Negotiated Contract Cost/Price (NCC) plus the value of all Authorized Unpriced Work (AUW), when there are no Over Target Baselines (OTBs). (Clarification to DOE G 413.3-20). See Figures 3-4A and 3-4D.



Some Terms and Definitions

- **Baseline Change Proposal (BCP)**
 - Represents a change to one or more of the elements of a project's Performance Baseline (PB): Total Project Cost (TPC), Critical Decision 4 (CD-4) completion date, or some feature of the projects scope/Key Performance Parameters (KPP), and must be approved by the applicable Project Management Executive. (APM)
 - Document that provides a complete description of a proposed change to an approved performance baseline, including the resulting impacts on the project scope, schedule, design, methods, and cost baselines. (DOE O 413.3B)
- **Budget Change Request (BCR)**
 - In-scope to the *Performance Baseline (PB)*, BCRs document events that only require an internal adjustment to the performance baseline components and that do not change the TPC, CD-4 date, or represent a change to some feature of the projects scope/KPPs approved by the applicable Acquisition Executive. It may necessitate a contract action and/or changes to contractor documentation used to maintain configuration control (at the project level) of the Contract Budget Base (CBB) and/or Performance Measurement Baseline (PMB). Objective evidence supporting the change should be maintained with the BCR, and all changes should be reconcilable and traceable via project documentation and required EVMS budget logs.



Some Terms and Definitions

- **Budget Change Request – PMB (BCR-P)**
 - Type of BCR used by the contractor to maintain configuration control of the PMB for re-planning actions for remaining work scope. A normal program control process accomplished within the scope, schedule, and cost objectives of the project's PMB. A BCR-P requires Project Manager's approval prior to implementation. A BCR-P implements changes to the time phasing of the PMB only. A BCR-P does not include MR utilization and does not modify the contract.
- **Budget Change Request – MR (BCR-M)**
 - Type of BCR used by the contractor to allocate MR to Control Accounts within the PMB for authorized purposes. A BCR-M requires Project Manager's approval prior to implementation. A BCR-M does not modify the contract.
- **Budget Change Request – Contingency (BCR-C)**
 - Type of BCR used by the FPD to allocate project contingency to the contract for a change of scope to the contract. It results in a change to the Contract Budget Base (CBB) (project level) and requires Contracting Officer action to modify the contract. [Note: There may be approval thresholds defined in the PEP.]



Some Terms and Definitions

- **Contingency**

- Portion of the *TPC* available for *risk uncertainty* which is controlled by Federal staff as delineated by the PEP. Specific contingency risks are associated with technical or programmatic *risks* that are owned by the Government or for cost growth uncertainty that is beyond the *CBB* (or contract). Contingency is funding (and schedule) that is not placed into the contract price, *CBB*, or *PMB* (unless required and then through a project and contract change control process) but is included in the *TPC*. See *Government Total Project Contingency*. (adapted from DOE O 413.3B)
- A possible future event or condition arising from presently known or unknown causes, the outcome of which is indeterminable at the present time. In estimating future costs contingencies fall into two categories: those that are included in cost estimates, and those that are not included in cost estimates. (FAR 31.205-7)

- **Management Reserve (MR)**

- Amount of the total contract budget withheld for management control purposes by the contractor for unexpected growth within the currently authorized work scope, rate changes, risk and opportunity handling, and other project unknowns. It is held outside the Performance Measurement Baseline but within the Contract Budget Base unless there is an OTB. (ANSI/EIA-748C/(DOE AG Chapter 43.3)



Some Terms and Definitions

- **Over Target Baseline (OTB)**

- PM tool that may be implemented when the cost overrun to the CBB is formally incorporated into the PMB for management purposes. An OTB is implemented to regain an executable baseline for performance measurement; there is no change to the contract requirements or schedule. The CBB does not change when an OTB is implemented. An OTB allows project managers to retain visibility into the original CBB while measuring performance when a contract experiences an overrun. In an overrun condition, the revised TAB is equal to the sum of CBB and the recognized overrun. [Note: Contractor OTBs require DOE approval] (Adapted from DoD OTB and OTS Guide) See Figures 3-4A, 3-4D and 3-14.

- **Over Target Schedule (OTS)**

- A condition where the baseline schedule is time-phased beyond the contract's project completion date. While an OTS may be implemented without adding additional budget, normally an OTS also results in an OTB. (Source: DoD OTB and OTS Guide; DOE G 413.3-20) See Figure 3-14

- **Undistributed Budget (UB)**

- A temporary holding account for authorized scope of work and its budget that has not been assigned to a control account or summary level planning package. This is a part of the PMB and is contractor controlled. (modified from DOE G 413.3-20 and DOE G 413.3-21)



Some Terms and Definitions

- New terms from S-1 memo of Dec. 1, 2014, *Improving the Department's Management of Projects*
- Project Management Risk Committee (PMRC)
 - Provides enterprise-wide project management risk assessment and expert advice to the Secretary, CE, PMEs, and ESAAB on cost, schedule, and technical issues for projects \$100M and greater
- Project Management Executive (PME)
 - Previously identified as the Acquisition Executive (AE)
- Chief Executive for Project Management (CE)
 - Previously identified as the Secretarial Acquisition Executive (SAE)



Improving EVM and PM Integration

- Complete assessment of EVMS within DOE
- Conducted by independent entity recognized and respected by government and industry as EVMS expert
- Assess robustness and sufficiency of all policies, procedures, guidance, practices, training
- Conduct a competency assessment and gap analysis (knowledge, skills and abilities)
- Assess sufficiency of resources and organizational construct (staffing levels and distribution)
- Identify Root Cause Corrective Actions