

EVMS Training Snippet Library: Undistributed Budget (UB)



Office of Acquisition and Project Management (APM) MA-60

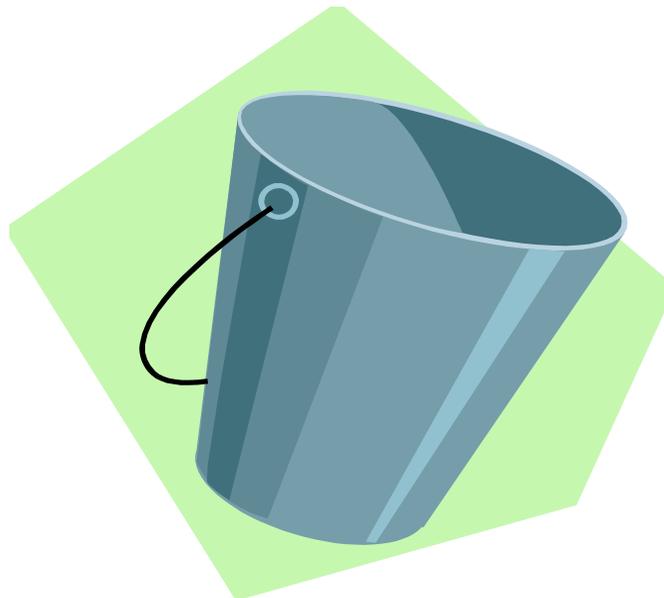
U. S. Department of Energy

July 2014

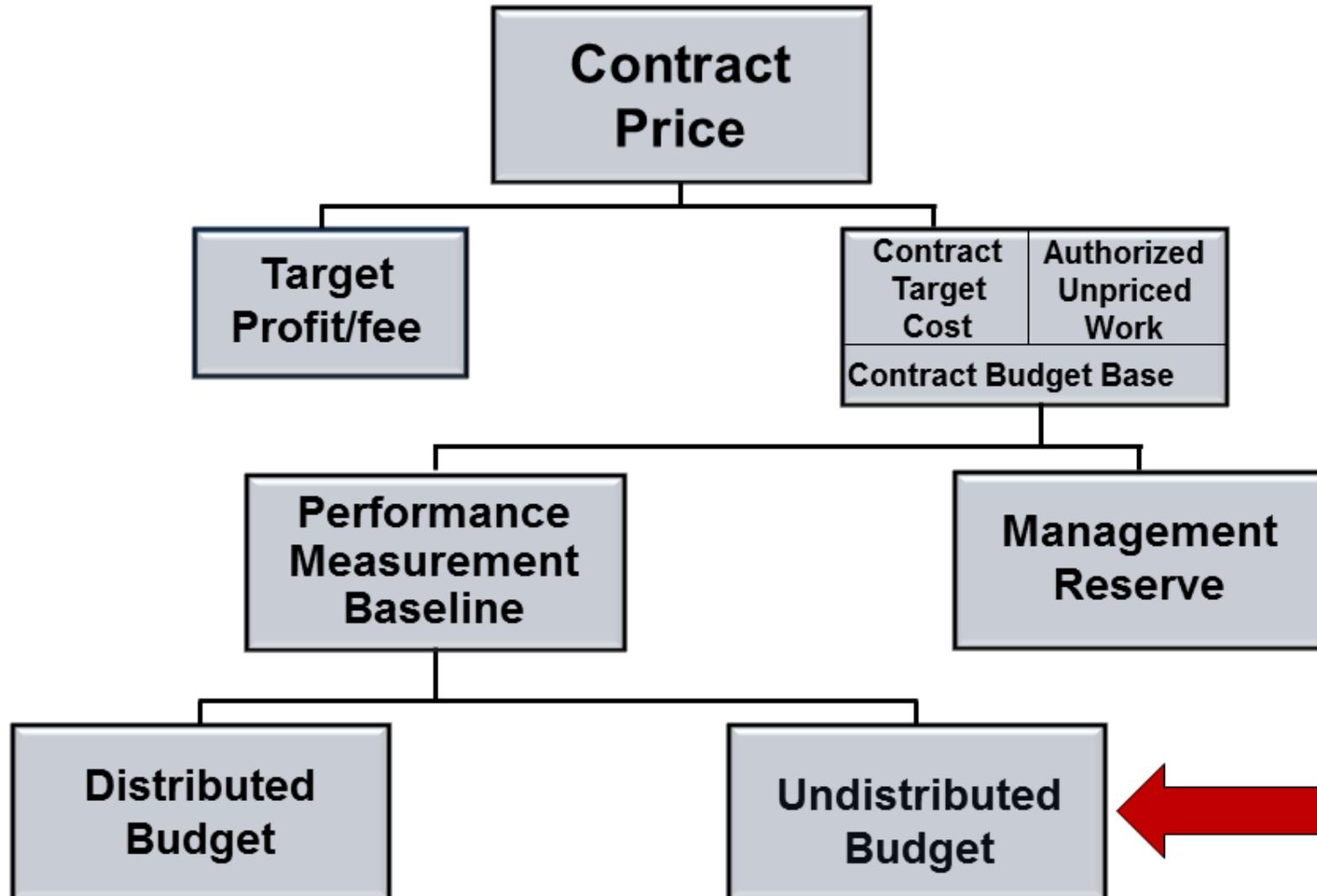
Basic Purpose for Undistributed Budget



- **Purpose:**
 - Temporary holding place for budget for assigned scope not yet authorized to a responsible manager
 - UB budget always has scope associated with it and can only be used for that purpose



Contract Level Terms



Contract Budget Base (CBB) Log



Date	Description	Contract Target Cost (CTC)	Authorized Unpriced Work (AUW)	CBB	Mgmt Reserve (MR)	PMB	UB	Distributed Budget
1/4	ABC Contract	120	-	120	-	120	120	-
1/27	CAs 001, 002, 003 established					120	10	100
1/31	January Summary	120	-	120	10	110	10	100
2/5	Contract Change No. 001	-	45	45	-	45	10	35
2/15	P.O Letter-Additional Management Reports	-	30	30	-	30	-	30
2/23	SWO Generator XX7	-	-	-	-	-	30	(30)
2/28	February Summary	120	75	195	10	185	50	135

Undistributed Budget Parameters



- **Should be distributed within two accounting periods after negotiations are complete**
- **Serves as a temporary holding place for scope that is either being added, deleted, or changed**
- **Must never be used as a Management Reserve**
 - UB already has scope associated with it so must be used for that specific scope only, regardless of whether that scope is being added or removed
 - Contracting Officer must ensure clear contractual direction regarding adding, deleting, or changing scope

Undistributed Budget Parameters



- **Used in conjunction with stop work orders**
- **Credits and debits should be distinctly and clearly identified**
- **Is a portion of the contract budget for authorized scope set aside until contract definitized**
- **Reported to DOE via the CPR/IPMR**

Sample UB Log



UNDISTRIBUTED BUDGET (UB) LOG						
PROJECT:	AXLE					
CONTRACT NO. 5678-1234			W.E.SMITH			
DATE	AUTHORITY	TO	DISTRIBUTION/REASON FOR TRANSACTION	RECEIVED	ISSUED	BALANCE
1-Sep			Contract Award - Initial Balance	\$ 50,000,000		\$ 50,000,000
2-Sep	PD-001	MR	Establish MR		\$ 4,500,000	\$ 45,500,000
2-Sep	PWA 678-550	CAWA B5-400	Project Planning CAP		\$ 460,000	\$ 45,040,000
10-Sep	PWA 678-300	CAWA A2100	Operations Effort		\$ 14,200,000	\$ 30,840,000
15-Sep	PWA 678-400	CAWA A3600	Engineering Effort		\$ 21,600,000	\$ 9,240,000
22-Sep	PWA 678-200	CAWA A3900	QA Support		\$ 9,240,000	\$ -
15-Oct	CC-001	UB	Contract change for Tech Pubs	\$ 20,000		\$ 20,000
15-Oct	CC-001	MR	Contract change for Tech Pubs		\$ 2,000	\$ 18,000
15-Oct	PWA 678-700	CAWA A8800	Tech Pubs/Data Effort		\$ 18,000	\$ -
5-Nov	BCR-003	UB	Transfer work scope/budget (CA 5701)	\$ 15,200		\$ 15,200
5-Nov	BCR-003	CA 5742	Transfer work scope/budget		\$ 15,200	\$ -



- **Contracting Officer may authorize the contractor to proceed with new work, pending definitization**
 - The contractor's proposal amount serves as the estimated budget and is added to UB
 - Near term effort (based on NTE) is detail planned into control accounts
 - Remaining effort remains in UB until proposal definitization (should be within 2 months)
 - Contractor must notify the Contracting Officer as work progresses, negotiations are incomplete, and funding limit is approaching for direction, e.g. stop work or NTE increase
 - Upon definitization, scope and budget distributed from UB

For more information, refer to OAPM's Snippet 4.5 Authorized Unpriced Work

DOE-Directed Stop Work Orders (SWO)



- **If work is to be done later, remaining SOW and associated BCWR to the UB Log**
 - No time limit while awaiting DOE FPD direction
 - Transfer to applicable control account(s) upon receipt of customer direction

- **If the work scope is to be deleted**
 - UB is reduced by the budget associated with that effort
 - CBB and CTC adjusted accordingly

Contract Budget Base (CBB) Log



Date	Description	Contract Target Cost (CTC)	Authorized Unpriced Work (AUW)	CBB	Mgmt Reserve (MR)	PMB	UB	Distributed Budget
1/4	BC Contract	120	-	120	-	120	120	-
1/27	CAs 001, 002, 003 established					120	10	100
1/31	January Summary	120	-	120	10	110	10	100
2/5	Contract Change No. 001	-	45	45	-	45	10	35
2/15	P.O Letter-Additional Management Reports	-	30	30	-	30	-	30
2/23	SWO Generator XX7	-	-	-	-	-	30	(30)
2/28	February Summary	120	75	195	10	185	50	135

Replanning Between Control Accounts



- **Example: Make or Buy**
 - Step 1: Transfer scope, budget, schedule from current Control Account to UB
 - Step 2: Distribute changed budget, scope, schedule to new Control Account
 - Step 3: If the change in strategy causes an excess of budget in UB, the excess is transferred to MR

Format 1, Section 8



8. PERFORMANCE DATA													
ITEM (1)	CURRENT PERIOD					CUMULATIVE TO DATE					AT COMPLETION		
	BUDGETED COST		ACTUAL COST WORK (4)	VARIANCE		BUDGETED COST		ACTUAL COST WORK (9)	VARIANCE		BUDGETED (14)	ESTIMATED (15)	VARIANCE (16)
	WORK SCHEDULED (2)	WORK PERFORMED (3)		SCHEDULE (5)	COST (6)	WORK SCHEDULED (7)	WORK PERFORMED (8)		SCHEDULE (10)	COST (11)			
a. WORK BREAKDOWN STRUCTURE ELEMENT													
1.1 Faculty Site	6,400	7,200	9,750	800	-2,550	61,400	50,000	56,000	-11,400	-6,000	90,000	94,500	-4,500
1.2 Test/Inst. Equipment	1,000	1,150	1,250	150	-100	8,500	8,400	8,200	-100	200	23,000	24,000	-1,000
1.3 Instrumentation	1,250	1,550	2,350	300	-800	9,500	5,500	8,500	-4,000	-3,000	30,100	32,600	-2,500
1.4 Test/Evaluation	350	400	500	50	-100	2,900	2,000	2,200	-900	-200	18,000	18,300	-300
1.5 Operations	150	200	300	50	-100	1,500	1,300	1,600	-200	-300	7,000	7,150	-150
1.6 Project Support	50	100	50	50	50	330	400	470	70	-70	3,700	3,800	-100
b. COST OF MONEY											0	0	0
c. GENERAL AND ADMINISTRATIVE													
d. UNDISTRIBUTED BUDGET											1,000	1,000	0
e. SUB TOTAL (PERFORMANCE MEASUREMENT BASELINE)	9,200	10,600	14,200	1,400	-3,600	84,130	67,600	76,970	-16,530	-9,370	172,800	181,350	-8,550
f. MANAGEMENT RESERVE											22,500		
g. TOTAL	9,200	10,600	14,200	1,400	-3,600	84,130	67,600	76,970	-16,530	-9,370	195,300		

Format 3, Sections 6 - 8



CONTRACT PERFORMANCE REPORT FORMAT 3 - BASELINE										DOLLARS IN _____ K				FORM APPROVED OMB No. 0704-0188	
6. PERFORMANCE DATA															
ITEM (1)	BCWS CUMULA- TIVE TO DATE (2)	BCWS FOR REPORT PERIOD Mar (3)	BUDGETED COST FOR WORK SCHEDULED (BCWS) (Non-Cumulative)											UNDIS- TRIBUTED BUDGET (15)	TOTAL BUDGET (16)
			SIX MONTH FORCAST						ENTER SPECIFIED PERIODS						
			+1 Apr (4)	+2 May (5)	+3 Jun (6)	+4 July (7)	+5 Aug (8)	+6 Sep (9)	O-N (10)	D-F (11)	(12)	(13)	(14)		
a. PMB (Beginning of Period)	74,930	9,200	10,600	11,200	10,650	9,750	10,300	8,900	15,600	10,170				1,500	172,800
b. BASELINE CHANGES AUTHORIZED DURING REPORT PERIOD ECP 02															
c. PMB (End of Period)	84,130		10,600	11,200	10,800	9,900	10,400	8,950	15,650	10,170				1,000	172,800
7. MANAGEMENT RESERVE															22,500
8. TOTAL															195,300

FREEZE PERIOD



CONTRACT PERFORMANCE REPORT FORMAT 5 - EXPLANATIONS AND PROBLEM ANALYSES

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

CPR/IPMR Format 5 - UB Discussion Requirements



- **Identify components [SWOs, AUW, etc.]**
- **Explain content by BCP or other basis**
- **Explain any EAC differences in Formats 1 and 2**



Home » Operational Management » Project Management » Earned Value Management

EARNED VALUE MANAGEMENT

- Aviation Management
- Executive Correspondence
- Energy Reduction at HQ
- Facilities and Infrastructure
- Freedom of Information Act
- Financial Assistance
- Information Systems
- Procurement and Acquisition
- Project Management
 - Earned Value**
 - Lessons Learned
 - Reviews and Validations
 - Documents and Publications
 - RCA and CAP

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.

- [EVMS Surveillance Standard Operating Procedure \(ESSOP\) - 26 Sep 2011 \(pdf\)](#)
 - [EV Guideline Assessment Templates - \(MS Word\)](#)
 - [DOE EVMS Cross Reference Checklist - \(pdf\)](#)
 - [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](#)

EVM TUTORIALS

[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/management/office-management/operational-management/project-management/earned-value-management>

Career Development Program

Real Estate

History