

## Earned Value Management System (EVMS) “Talking Points”

### ORGANIZATION

<p><b>Criteria #1.</b> 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.</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Be unique to each project.</li> <li>2. Cover the entire project scope of work and relate to the site WBS.</li> <li>3. Divide the work into the appropriate intermediate levels.</li> <li>4. Allow for effective management.</li> <li>5. Be supported by project systems such as accounting, procurement, engineering, or construction.</li> <li>6. Allow project costs to be assigned to lowest-level elements without resorting to cost allocations, except for indirect (overhead) costs.</li> <li>7. Classify work in the manner in which it will actually be performed once the project is authorized.</li> <li>8. Allow for cost reporting consistent with categories specified by DOE.</li> <li>9. Serve as natural starting point for developing project task schedules.</li> </ol> <p>The Savannah River Site (SRS) management processes are structured using a Work Breakdown Structure (WBS). A Site level WBS exists that supports the current contract(s). Project level WBS's are established and included at various levels of the overall Site WBS. Based on the size and complexities of the project scope, the level of detail may vary. The project WBS will include all project authorized scope. This allows for effective management of the work. It allows for vertical and horizontal roll up of the site and project baselines.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Work Breakdown Structure (WBS)</li> <li>• WBS Dictionary</li> </ul>
<p><b>Criteria #2:</b> 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.</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. All authorized work is assigned to organizational elements</li> <li>2. Major subcontractors are integrated into the program structure</li> </ol> <p>The Organizational Breakdown Structure (OBS) identifies the organization by functional disciplines required to take responsibility for the performance of the project scope. The Project Manager ensures that the functions required to take responsibility for the scope completion are reflected in the project organization and that the OBS shows how project personnel are organized. The OBS defines the functional roles and responsibilities as well as the reporting hierarchies.</p> <p>The project WBS is compared with the OBS to establish the Responsibility Assignment Matrix. The points of intersection become control accounts and are assigned to a single manager who takes ownership of the scope of work. All project scope is included in this process. This includes all Labor, Material and Contract efforts.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Organizational Breakdown Structure (OBS)</li> <li>• OBS identification to WBS</li> </ul>

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<p><b>Criteria #3:</b> 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.</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Integration of planning, scheduling, budgeting, work authorization and cost accumulation</li> <li>2. Establishing of Performance Measurement Baseline (PMB)</li> <li>3. Logical framework that links the products/processes through common data elements (i.e. cross-reference between Statement of Work, WBS, schedules and PMB performance measurement tasks, detail schedules, and Control Account Plans.</li> </ol> <p>The WBS becomes the primary tool used to ensure integrated cost and schedule control. The WBS organizes the scope baseline and provides the same hierarchical structure in both schedule and cost baselines. The WBS is used for the development of project estimates, cost and schedule control, and for the project forecasts.</p> <p>The preparation and approval of project estimates form the basis for the project performance budgets. Control Accounts are supported by Work Packages and/or Planning Packages. Activity codes are developed to provide the cost collection tool for the site and are all tied to a terminal level WBS element. These elements at various levels of detail are scheduled with the appropriate logic ties to predecessor or successor activities. These budgets are assigned to scheduled activities and/or work packages. BCWS, BCWP &amp; ACWP are compared to establish project performance. This data is used by management to manage and report on work status</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Master, intermediate, and detail level schedules</li> <li>• Control Account Plans (CAP)</li> <li>• Performance reports by WBS and OBS</li> <li>• Responsibility Assignment Matrix (RAM)</li> <li>• Statement of Work (SOW)</li> <li>• Work Authorization process</li> <li>• WBS and OBS</li> </ul>
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<p><b>Criteria #4:</b> Identify the company organization of function responsible for controlling overhead (indirect costs).</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Clear definition of indirect account structure and organizational assignment and/or authority</li> <li>2. Documented process that clearly defines             <ul style="list-style-type: none"> <li>- How overhead resources are assigned and budgets are established</li> <li>- Who is responsible for establishing and controlling overhead budgets</li> </ul> </li> </ol> <p>Indirect costs are those costs that cannot be identified specifically with a final cost objective and are accumulated in indirect costs pools. These pools are established and managed at levels where the costs are homogeneous in nature and represent resources expended for the common benefit of more than one final cost objective supported by the pools. Indirect costs are categorized as either General &amp; Administrative (G&amp;A), Essential Site Services (ESS), Business Unit Overhead, Department Overhead, or Service Centers. Indirect costs are distributed to the projects through an allocation process by applying recovery rates based on a proportionate allocation base. FMS Section CFOD-BMR-92-PR4.55 describes how indirect costs are allocated and managed. This includes ensuring that the rates are liquidating the costs to the final cost objectives, and the implementation of corrective actions.</p> <p>CFOD establishes overhead pools and indirect budgets for the various site organizations based on projected needs (labor, material &amp; contract). Each Organization is assigned target budgets and receives monthly status reports from the site accounting system (IBARS) on how they are performing against the budgets assigned. The organizational managers manage the indirect performance with management actions as required to meet the target indirect budgets assigned.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Cost Accounting Standards (CAS) Disclosure Statement</li> <li>• Organizational Chart</li> <li>• Chart of Accounts</li> </ul>
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<p><b>Criteria #5:</b> Provide for 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</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. A single Control Account is visible at the intersection of the WBS and OBS</li> <li>2. Control Account clearly identifies any supporting activities</li> <li>3. Performance elements of cost are evident</li> </ol> <p>The Responsibility Assignment Matrix (RAM) is the intersection of the WBS and the OBS, and defines who has been assigned responsibility for ensuring that the scope associated with this Control Account is accomplished. The RAM defines clear lines of responsibility and accountability for the accomplishment of all aspects of the project scope.</p> <p>The RAM defines the resources that are allocated to the work task, and maps the effort to the organization responsible for the work elements. The RAM:</p> <ul style="list-style-type: none"> <li>• Identifies the WBS level where Control Accounts are established.</li> <li>• Identifies, from a single organizational element, the Control Account Manager (CAM).</li> <li>• Identifies major subcontracts.</li> </ul> <p>The intersections of the WBS and OBS establish Control accounts that are assigned to a Control Account manager. Control accounts are supported by Work Packages and/or Planning Packages. Activity codes are developed to provide the cost collection and distribution tool for the site. Activity Codes are tied to a terminal level WBS element. The site accounting system (IBARS) feeds the actuals to the site cost processor. The cost processor allows for various reports based on organization or work element to be generated as needed.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Control Accounts</li> <li>• Responsibility Assignment Matrix (RAM)</li> </ul>
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### PLANNING, SCHEDULING, AND BUDGETING

<p><b>Criteria #6:</b> 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</p>	<p><b>Typical Attributes:</b> An integrated network scheduling system has the following characteristics:</p> <ol style="list-style-type: none"> <li>1. Distinct levels that can be summarized by WBS/OBS identifiers to track progress and measure performance.</li> <li>2. Schedule reflects all significant discrete work to be accomplished</li> <li>3. critical target dates, milestone events, and program decision points are identified and used to plan, monitor, and progress the work</li> <li>4. Work is sequenced through the use of significant interdependencies indicative of the actual way work is accomplished</li> <li>5. Task durations and estimates are meaningful and relatively short</li> <li>6. Longer tasks need objective interim measures to ensure accurate progress measurement</li> <li>7. Resource estimates are reasonable and available to support the schedule</li> <li>8. Baseline is reasonable to achieve project requirements</li> <li>9. Baseline schedule is the basis for measuring performance</li> <li>10. Schedule provides current status and forecasts of completion for all discrete authorized work</li> <li>11. A critical path network is established for the project</li> </ol> <p>Project scopes of work are broken down by WBS elements. The WBS elements are supported by Control Accounts, Work Packages and/or work activities that are scheduled with the appropriate logic ties to predecessor or successor activities. This establishes the duration and sequence of project activities and the commitment dates by which project activities will be accomplished. Project schedules use various levels of detail, decisions points and milestones to compare progress with the current schedule &amp; the schedule baseline. These schedules are a component of the overall project plan. They provide the basis for measuring &amp; reporting schedule performance for management actions and considerations. Project schedules document physical progress and provide for realistic completion forecast information.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Integrated schedules (Master, Intermediate, Detailed)</li> <li>• Control Account Plans (CAPs)</li> <li>• Work Authorization Documents</li> </ul>
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### PLANNING, SCHEDULING, AND BUDGETING

<p><b>Criteria #7:</b> Identify physical products, milestones, technical performance goals, or other indicators that will be used to measure progress</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Objective completion criteria are determined in advance and used to measure performance</li> <li>2. Interim milestones and lower tier tasks indicate progress and are monitored by the Cost Account Manager (CAM).</li> </ol> <p>The schedule baseline establishes the durations, sequences, and interdependencies of project activities for accomplishing the project milestones. Project milestones (established by both the customer and WSRC) establish the high level milestone baseline, supported by internal milestones and detailed schedules.</p> <p>The schedule control system ensures that work is planned and scheduled, establishes interfaces between project participants, and provides visibility of work progress and valid schedule information necessary to make timely management decisions. The scheduling process supports the integration of the project’s scope, cost and schedule objectives by documenting a logical sequence of work through the creation of relationships and interdependencies that determines total work time and the related critical path. The process ensures that the schedule supports resource planning, performance measurement, and the project objectives.</p> <p>P3 scheduling software using CPM technique scheduling incorporating activity logic ties &amp; milestones provide the needed schedule information. The Cost processor provides the cost performance information. Project estimating provides estimates that become the basis of the performance targets for the project scopes of work. Site engineering provides the scope of work and the detail design for the project.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Integrated Schedules (Master, Intermediate and Detailed)</li> <li>• Control Account Plans (CAPs)</li> </ul>
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<p><b>Criteria #8:</b> Establish and maintain a time-phased budget baseline, at the control account level, against which program performance can be measured. Initial budgets established for performance measurement will be based on either internal management goals or the external customer negotiated target cost including estimates for authorized but undefined work. Budget for far-term efforts may be held in higher level accounts until an appropriate time for allocation at the control account level. On government contracts, if an over-target baseline is used for performance measurement reporting purposes, prior notification must be provided to the customer</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. PMB reflects the work scope, time phased consistent with the integrated schedule</li> <li>2. PMB reflects the budget value for the scope in control Accounts and high level Summary Planning Packages</li> <li>3. Control Account budgets reflect the planned resources to perform the requirements</li> </ol> <p>Authorized scope is broken down into Control Accounts whose value in total equals the total project performance budget. Control Accounts are supported by Work Packages and/or Planning Packages. Planning Packages have a short life and will be replaced with Work Packages when the detail information becomes available. Activity codes are the cost collection tool for the site and they are tied to a terminal level WBS element. Scopes of work are scheduled with the appropriate logic ties to predecessor or successor activities. Estimates are performed that will provide budget dollars, hours and quantities for labor, material or contracts as appropriate for the entire scope of work on the project. Costing rates are used to distribute direct and indirect to the scopes of work based on usage. All control accounts are assigned to a Control Account Manager (CAM) who accepts responsibility for the scope of work within the account. The CAM will track the status of the work, and the opening or closing of lower level activities allowing appropriate charging.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Control Account Plans (CAPs)</li> <li>• Summary Level Planning Packages</li> <li>• PMB</li> <li>• Undistributed Budget (UB) Logs</li> <li>• Work Authorization Document</li> </ul>
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<p><b>Criteria #9:</b> Establish budgets for authorized work with identification of significant cost elements (labor, material, etc.) as needed for internal management and for control of subcontractors</p>	<p><b>Typical Attributes:</b> Budgets and schedules are established and approved for all authorized work at the Control Account Level. It is important to include all resources required to accomplish the scope.</p> <ol style="list-style-type: none"> <li>1. Budgets may be stated in either dollars, hours, or other measurable units</li> <li>2. Rates should provide a valid PMB</li> <li>3. Budget process should provide for:             <ul style="list-style-type: none"> <li>- Direct budgets allocated to organizations performing the planning work</li> <li>- Indirect budgets allocated to specific organizations having responsibility for controlling indirect costs</li> <li>- Identification of any management reserves or undistributed budget</li> </ul> </li> </ol> <p>All Control Accounts are assigned to a single Control Account Manager (CAM) manager who accepts responsibility for the scope of work within the account. The (CAM) will execute and track the status of the work. The value of the control/planning accounts in total equals the total budget for the project. Estimates are developed that will provide budget dollars, hours and quantities for labor, material or subcontracts as appropriate for the entire scope of work on the project. Costing rates are used to distribute direct and indirect to the scopes of work based on usage. Any changes to the baselines (scope, cost or schedule) will require change control action with the approval based on thresholds established in the PEP.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Control Account Plans (CAPs) by element of cost</li> <li>• Work Authorization Documents</li> <li>• PMB</li> <li>• UB Logs</li> <li>• Bills of Material</li> <li>• RAM (dollarized)</li> <li>• Resource Schedules</li> <li>• Resource Plan (if resources are not contained in the CAPs)</li> </ul>
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<p><b>Criteria #10:</b> To the extent it is practicable to identify the authorized work in discrete work packages, establish budgets for this work in terms of dollars, hours, or other measurable units. Where the entire control account is not subdivided into work packages, identify the far term effort in larger planning packages for budget and scheduling purposes</p>	<p><b>Typical Attributes:</b> Work Package characteristics include:</p> <ol style="list-style-type: none"> <li>1. Representing units of work at the level where work is performed</li> <li>2. Clearly distinguishable from all other Work Packages</li> <li>3. Assigned to a single organizational element</li> <li>4. Has a scheduled start and completion data</li> <li>5. Has a budget or assigned value expressed in terms of dollars, man-hours, or measurable units</li> <li>6. Relatively short span of time</li> <li>7. Integrated with detailed engineering, manufacturing, or other schedules</li> </ol> <p>Projects establish a WBS developed based on the project execution strategy. Estimates are performed that will provide budget dollars, hours and quantities for labor, material or contracts as appropriate for the entire scope of work on the project. The WBS and the OBS are used to define Control Accounts.</p> <p>All authorized project scope is broken down into Control Accounts whose value in total equals the total project budget. Each control account is assigned to a single Control Account Manager (CAM) who takes responsibility for it. Control Accounts are supported by work packages and/or planning packages. Planning accounts/packages have a short life and will be replaced with Control Accounts or Work Packages when the detail information becomes available. Work Packages are discrete elements of scope that have a short duration and typically assigned to the performing organization. Activity codes are the cost collection tool for the site. Each activity code is tied to a single terminal level WBS element. Work scopes are scheduled with the appropriate logic ties to predecessor or successor activities.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Control Account Plans (Divided into Work Packages and Planning Packages)</li> <li>• Control Account schedules when used</li> <li>• Control Account time phased budgets</li> </ul>
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<p><b>Criteria #11:</b> Provide that the sum of all work package budgets plus planning package budgets within a control account equals the control account budget</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Projects are broken down into control accounts whose value in total equals the total project performance budget.</li> <li>2. Control accounts are supported by work packages and/or planning packages.</li> <li>3. The sum of these elements can not be greater than the control account value being supported.</li> </ol> <p>The PMB is formed by the dollar budgets assigned to the scheduled Control Accounts, resulting in the project’s BCWS profile. BCWS is established for Work Packages and Planning Packages and summed to the Control Account level.</p> <p>The Control Account is the level at which the Project Manager delegates authority, budgets work (BCWS), monitors activity (ACWP), measures performance (BCWP), and reports deviations against the plan. Control Accounts may be subdivided into Work Packages and/or Planning Packages that are planned and statused in job hours and in dollars, using an appropriate earned value method. The sum of the Work Packages and Planning Packages must equal the Control Account budget.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Control Account Plan total budget</li> <li>• Work Package budget</li> <li>• Planning Package budget</li> </ul>
<p><b>Criteria #12:</b> 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</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. LOE is defined as having no measurable output or product at the Work Package level.</li> <li>2. The earned value for LOE WPs equals the time phase budget.</li> <li>3. LOE WPs are of a general or supportive nature and therefore do not produce definite end products.</li> <li>4. LOE budgets should be separately evaluated from discrete WPs within the Control Account, and contain time-phased budgets for planning and control.</li> </ol> <p>Level of effort activities are used for efforts of a general or supportive nature, which does not produce a definite end product or when quantitative measurement is impractical. We limit the use of level of effort to the greatest extent possible (typically for support accounts). LOE tasks are measured through the passage of time rather than through application of a discrete EV technique. Since the LOE BCWP equals the BCWS in each reporting period, level of effort activities earn what is scheduled. LOE accounts are to be kept to a minimum.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Control Account Plans (CAPs) where the performance indicator is labeled as LOE</li> </ul>

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### PLANNING, SCHEDULING, AND BUDGETING

<p><b>Criteria #13:</b> 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</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Indirect overheads at SRS include Essential Site Services (ESS) and General and Administrative (G&amp;A)</li> <li>2. Designated organization(s) are responsible for maintaining/managing indirect costs.</li> <li>3. Overhead policies and procedures describe a rational, traceable process</li> <li>4. Cost Accounting Standards (CAS) are submitted annually by the WSRC CFO, and describe the consistent and proper accounting for both direct and indirect costs and how those costs are applied to the project.</li> </ol> <p>Indirect costs are those costs that cannot be identified specifically with a final cost objective and are accumulated in indirect costs pools. These pools are established and managed at levels where the costs are homogeneous in nature and represent resources expended for the common benefit of more than one final cost objective supported by the pools. Indirect costs are categorized as either General &amp; Administrative (G&amp;A), Essential Site Services (ESS), Business Unit Overhead, Department Overhead, or Service Centers. Indirect costs are distributed to the projects through an allocation process by applying recovery rates based on a proportionate allocation base. FMS Section CFOD-BMR-92-PR4.55 describes how indirect costs are allocated and managed. This includes ensuring that the rates are liquidating the costs to the final cost objectives, and the implementation of corrective actions.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Documented process for managing indirect costs</li> <li>• Organization structure identifying ownership responsibility and authority levels</li> <li>• Indirect cost policies, and procedures</li> <li>• Chart of Accounts, Organizational charts</li> <li>• Forward pricing forecast</li> <li>• CAS Disclosure Statement</li> <li>• Indirect budget and performance reports</li> </ul>
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<p><b>Criteria #14:</b> Identify management reserves and undistributed budget</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Program Control Logs: <ul style="list-style-type: none"> <li>- MR (showing month end values; monthly sources and uses, to the Control Account; current value)</li> <li>- UB (showing month end values; monthly sources and uses, to the Control Account; current value)</li> <li>- PMB (showing month end values; monthly changes from/to MR and UB; current value)</li> <li>- CBB (showing month end values; monthly changes identifying contract modifications; current value) reconciled to program target cost.</li> </ul> </li> <li>2. Monthly performance reports (to verify starting and ending value are consistent with various logs)</li> </ol> <p>The PMB planning process contains a certain amount of risk and generally requires the identification of management reserve (or contingency) for unplanned activity within the project scope.</p> <ul style="list-style-type: none"> <li>• Management Reserve (MR) is budget for scope that will arise during the course of the project, but cannot be identified in advance.</li> <li>• Undistributed Budget (UB) is budget that is applicable to specific project effort, but has not yet been distributed to the Control Accounts.</li> </ul> <p>Normally the SRS Contractor Contingency is established at the 50% probability of project cost under run and DOE Contingency is established as the difference between the 50% and 80% probability of project cost under run. The formal Estimate Contingency Monte Carlo simulation analysis method will typically be used to establish the Estimate Contingency values for cost estimates. Contingencies are not part of the Performance Baseline for a project and require change control actions to be released to the project for use.</p> <p>SRS rarely uses Undistributed Budget (UB). When it is used, UB is placed into a planning account and converted to a Work Package as soon as the details are available to do so.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Project Control Logs (MR, UB, PMB and CBB)</li> <li>• Cost Performance Reports (CPRs) if applicable</li> </ul>
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<p><b>Criteria #15:</b> Provide that the program target cost goal is reconciled with the sum of all-internal program budgets and management reserves</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Program Control Logs: <ul style="list-style-type: none"> <li>- MR (showing month end values; monthly sources and uses, to the Control Account; current value)</li> <li>- UB (showing month end values; monthly sources and uses, to the Control Account; current value)</li> <li>- PMB (showing month end values; monthly changes from/to MR and UB; current value)</li> <li>- CBB (showing month end values; monthly changes identifying contract modifications; current value) reconciled to program target cost.</li> </ul> </li> <li>2. Contract and modification control logs identifying authorized target cost</li> </ol> <p>The WBS process used at SRS provides the total integration of project scope, cost and schedule. Project WBS levels provide vertical and horizontal roll up capability. This allows for items to be reconciled within all the levels used on the project. The project WBS contains all project scope.</p> <p>The Performance Measurement Baseline (PMB) is the time-phased budget plan against which project performance is measured. It includes all allocated or Distributed Budgets plus any Undistributed Budget, and is under Change Control. PMB does not include Contingency.</p> <p>The TPC of a project is the sum of the Project Performance Measurement Baseline plus contingencies. When both Construction and PED projects are being worked and reported on for a specific scope of work the same items apply for both projects (Project Performance Measurement Baseline plus contractor contingencies) and combined to establish the Total Project Cost for all of the efforts to complete the scope of work.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Project Control Logs (MR, UB, PMB and CBB) reconciled to project target cost</li> <li>• Cost Performance Reports (CPRs) if applicable</li> <li>• Internal report showing the summarization from cost account to PMB</li> </ul>
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## Earned Value Management System (EVMS) “Talking Points”

### ACCOUNTING CONSIDERATIONS

<p><b>Criteria #16:</b> Record direct costs in a manner consistent with the budgets in a formal system controlled by the general books of account</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Accounting manual/procedures identifying the methodology of handling various actual costs</li> <li>2. CAS Disclosure Statement identifying treatment of direct costs (direct material, labor and other direct costs) indirect costs, depreciation and capitalization, and other costs and credits</li> <li>3. Control Account actual costs/general ledger reconciliation</li> <li>4. Process to ensure actual costs and performance are recorded in the same accounting period.</li> </ol> <p>Costs are recorded in a manner consistent with the “WSRC Financial Management Standards (FMS) Manual” (WSRC-IM-92-113). Project costs are recorded against cost activity codes at the “terminal” level of the Work Breakdown Structure (WBS). FMS Section CFOD-BMR-92-PR4.28 explains how costs are collected and reported.</p> <p>As a contract requirement, WSRC complies with the Cost Accounting Standards in its accounting and charging practices. A Cost Accounting Standards disclosure statement is developed and submitted to DOE on an annual basis. The disclosure statement provides a general description of WSRC’s accounting practices, including the criteria for classifying direct and indirect costs and the basis for allocating indirect costs.</p> <p>CLS is the labor collection system that captures hours charged to a project for services. PCS is the material and contract cost collection system that distributes the appropriate charges to any given project. Activity codes are used in both CLS and PCS allowing for accurate processing of the direct charges to the projects that receive services. Both CLS and PCS are feeder systems to IBARS. IBARS is the sites cost accounting system. IBARS provides actuals to a cost processor via activity codes. Scopes of work are estimated and have budgets assigned. The cost processor compares actuals with earned and scheduled budgets for the assigned scopes of work.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Reconciliation of project costs with accounting system</li> <li>• Actual costs are reported at the Control Account level (at a minimum)</li> </ul>
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## Earned Value Management System (EVMS) “Talking Points”

### ACCOUNTING CONSIDERATIONS

<p><b>Criteria #17:</b> When a work breakdown structure is used, summarize direct costs from control accounts into the work breakdown structure without allocation of a single control account to two or more work breakdown structure elements</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Cost collection account structure showing charge number hierarchy</li> <li>2. WBS structure (roll-up scheme) showing hierarchy of WBS elements, Control Accounts, and Work Packages</li> <li>3. WBS/cost collection mapping showing the relation between charge numbers and Control Accounts and/or Work Packages</li> <li>4. Established cost charging structure that ensures actual costs are collected so that direct comparison with associated budgets can be made at the appropriate WBS level.</li> </ol> <p>WSRC costs are collected within the WBS structure against final cost objectives within a WBS project structure. Each project is developed into lower levels of detail, ending with a unique WBS “terminal” level, within the project WBS structure. All costs are collected at the terminal WBS level through the use of unique cost activity codes. This allows all cost elements within a project to be “rolled-up” within the WBS structure of the project</p> <p>The hierarchical WBS structure ensures cost and performance measurement data integrity and that lower level costs cannot be allocated to more than one Control Account or to more than one higher-level WBS element.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Cost collection account structure</li> <li>• WBS/cost collection mapping</li> <li>• WBS structure (roll-up scheme)</li> <li>• Monthly performance report</li> </ul>
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## Earned Value Management System (EVMS) “Talking Points”

### ACCOUNTING CONSIDERATIONS

<p><b>Criteria #18:</b> Summarize direct costs from the control accounts into the contractor's organizational elements without allocation of a single control account to two or more organizational elements</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Organization charts showing contractor’s organizational hierarchal structure</li> <li>2. RAM showing intersection of OBS and WBS elements (Control Account)</li> <li>3. OBS structure (roll-up scheme) showing the relationship of charge numbers to the OBS</li> <li>4. Established cost charging structure ensuring all actual costs are collected and compared with associated budgets at the appropriate organizational level</li> </ol> <p>Direct costs include any costs identifiable with its assigned activity codes within a specific terminal WBS. Direct costs may include labor, material, subcontracts, or any other costs directly associated with a specific project. All direct costs are collected through an activity code or an organization code and are reported by final cost objective, performing organization, and responsible organization.</p> <p>The process used at SRS requires all Control accounts to be assigned to a single Control Account Manager (CAM). This CAM is the owner of the control account and is held accountable for it. The CAM authorizes controls and closes the control accounts under their responsibility.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• RAM</li> <li>• Organizational Charts</li> <li>• OBS structure (roll-up scheme)</li> <li>• Cost Performance Report (Format 2 where required)</li> </ul>
<p><b>Criteria #19:</b> Record all indirect costs, which will be allocated to the contract</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Record all indirect costs for the project in the accounting system</li> <li>2. Allocate indirect costs to the recorded direct costs per the documented procedure to assure that all project benefiting from the indirect costs will receive their fair share of the costs</li> </ol> <p>Indirect costs are those costs that cannot be identified specifically with a final cost objective and are accumulated in indirect costs pools. These pools are established and managed at levels where the costs are homogeneous in nature and represent resources expended for the common benefit of more than one final cost objective supported by the pools. Indirect costs are categorized as either General &amp; Administrative (G&amp;A), Essential Site Services (ESS), Business Unit Overhead, Department Overhead, or Service Centers.</p> <p>Site Overhead costs are those costs that benefit the site as a whole and are not identified to a specific WBS scope. They are accumulated within an organization coding structure and have associated budget and performance goals. Site Overhead includes corporate administration functions such as G&amp;A and ESS expenses. These indirect costs are allocated via a rate to each terminal WBS element containing actual costs within the project WBS structure.</p>	<p><b>Objective Evidence</b></p> <ol style="list-style-type: none"> <li>1. Cost collection account structure</li> <li>2. WBS/cost collection mapping</li> <li>3. WBS structure (roll-up scheme)</li> <li>4. CAS Disclosure Statement</li> <li>5. Accounting procedures</li> <li>6. Organization chart</li> </ol>

## Earned Value Management System (EVMS) “Talking Points”

### ACCOUNTING CONSIDERATIONS

<p><b>Criteria #20:</b> Identify unit costs, equivalent unit costs, or lot costs when needed</p>	<p>This is not applicable to WSRC. Site estimating provides estimates that include dollars, hours and quantities for labor, material or contracts as appropriate for the entire scope on the project. Unit costs and lot costs are generally not used.</p>	<p>N/A</p>
<p><b>Criteria #21</b> For EVMS, the material accounting system will provide for:</p> <p>(1) Accurate cost accumulation and assignment of costs to control accounts in a manner consistent with the budgets using recognized acceptable, costing techniques.</p> <p>(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.</p> <p>(3) Full accountability of all material purchased for the program including the residual inventory.</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Performance Reports – Material cost/schedule variance, earned value claimed in same accounting period of actual cost, material performance recorded no earlier than material receipt, issue from inventory, or material consumption</li> <li>2. Control Account Plan – Time phased material budgets, earned value technique</li> <li>3. Material System needs to account for various methods of charging material cost form inventory in accordance with Cost Accounting Standards inventory costing methods (i.e. FIFO, moving average, weighted average, standard cost, and LIFO). Identify accountability for all material purchased for the program, including material issued to Control Accounts, return of unused material, scrap quantity and disposition, and residual inventory.</li> </ol> <p>Purchased materials are generally charged to the final cost objective at the time the receiving report is processed, or accrued at the point at which the material becomes the property of WSRC. Large material orders containing progress payment provisions are charged to the final cost objectives as milestones are completed and when invoices are processed for payment.</p> <p>The site has several processes to account for when material or contracted efforts are posted and/or earned. Field material is earned when it is drawn from stores. Engineered equipment is earned when the site receives and accepts it. Contracted efforts earn based on the specific technique applied but never before the agreed scope is performed and approved to be complete. An Accrual system is used for contracted efforts to keep the site accounting system accurate with work performed and not yet invoiced. The project PEP will cover any deviations to the norm and will have DOE approval prior to implementing them.</p> <p>Material received on site is maintained in the Field Material Tracking System (FMTS). Material is drawn from the warehouse or lay down yard and stasured in FMTS. All Site Inventory items are costed to an asset holding account (WBS 1.17) within the Project Baseline Summary (PBS) 13. Costs for material are charged to inventory accounts as incurred, and charged to the final cost objective when withdrawn.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Performance Reports</li> <li>• Control Account Plans</li> <li>• Material System Reports</li> </ul>

## Earned Value Management System (EVMS) “Talking Points”

### ANALYSIS AND MANAGEMENT REPORTS

<p><b>Criteria #22:</b> 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</p> <p>1.) Comparison of the amount of planned budget and the amount of budget earned for work accomplished. This comparison provides the schedule variance.</p> <p>2.) Comparison of the amount of the budget earned and the actual (applied where appropriate) direct costs for the same work. This comparison provides the cost variance</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. BCWS, BCWP, ACWP (ACWP reconcilable with accounting system)</li> <li>2. Variance Analyses (Cost &amp; Schedule)</li> <li>3. Variance at Completion</li> <li>4. Variance analysis narratives (root causes, impacts to completion and corrective management actions)</li> <li>5. Summarized performance measurement data from Control Account through WBS/OBS hierarchy to program level</li> </ol> <p>Schedule and cost variance data is calculated routinely in the cost processor monthly. The cost processor receives input from the project teams for the BCWP. The BCWP is compared against the BCWS (what was scheduled to be completed) and the ACWP (actuals fed from IBARS, the site cost accounting system). Projects provide this data routinely to the Project Management, as well as monthly to the DOE project manager and HQ via monthly PARS cycle and other reports.</p> <p><math>BCWP - BCWS = SV</math> and <math>BCWP/BCWS = SPI</math> is reviewed monthly on projects. Projects are also required to provide this data to the DOE project manager and HQ via monthly PARS cycle.</p> <p><math>BCWP - ACWP = CV</math> and <math>BCWP/ACWP = CPI</math> is reviewed monthly on projects. Projects are also required to provide this data to the DOE project manager and HQ via monthly PARS cycle.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Monthly Performance Report (Cost Variance, Schedule Variance, and Variance at Completion analysis)</li> <li>• Variance Analysis Data (root causes, impacts at completions, and management corrective actions)</li> </ul>
<p><b>Criteria #23:</b> Identify, at least monthly, the significant differences 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</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Schedule and Cost Variances are identified at an actionable level</li> <li>2. Cause and impact are identified in sufficient detail needed for project management attention</li> <li>3. Corrective actions are assessed timely</li> </ol> <p>The Scope, Cost and schedule baselines are monitored monthly at a minimum. The Project Execution Plan (PEP) lists the thresholds at which the SV, CV, SPI and CPI variances are formally documented and reasons for the variances provided to both project and site management as well as DOE management.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Variance Analyses</li> <li>• Management Action Plans</li> <li>• Updated schedule and cost forecasts</li> </ul>

## Earned Value Management System (EVMS) “Talking Points”

### ANALYSIS AND MANAGEMENT REPORTS

<p><b>Criteria #24:</b> 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 variances</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Indirect variance analyses – <ul style="list-style-type: none"> <li>- Budget to Actual comparison by element of cost from management control point up through WBS/OBS to project level</li> <li>- Variance threshold by overhead category</li> <li>- Responsible overhead manager identifies root cause (i.e. usage variance, change in business volume, or rate variance due to a change in direct base.)</li> </ul> </li> <li>2. Indirect management action plans <ul style="list-style-type: none"> <li>- Corrective action plans identified to reduce or eliminate variance</li> <li>- Performance metrics</li> </ul> </li> </ol> <p>Indirect costs are accumulated in indirect costs pools. The indirect cost pools are planned, collected, managed and reported against as a separate “pool” project, from with the indirect costs are distributed to the projects through an allocation process as defined in the WSRC Cost Accounting Standard. These pools are established and managed at levels where the costs are homogeneous in nature and represent resources expended for the common benefit of more than one final cost objective supported by the pools. Indirect costs are categorized as either General &amp; Administrative (G&amp;A), Essential Site Services (ESS), Business Unit Overhead, Department Overhead, or Service Centers.</p> <p>WSRC complies with the Cost Accounting Standards in its accounting and charging practices. A Cost Accounting Standards disclosure statement is developed and submitted to DOE on an annual basis. The disclosure statement provides a general description of WSRC’s accounting practices, including the criteria for classifying direct and indirect costs and the basis for allocating indirect costs.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Indirect variance analyses</li> <li>• Indirect management action plans</li> <li>• Indirect updated schedule and costs forecasts</li> </ul>
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## Earned Value Management System (EVMS) “Talking Points”

### ANALYSIS AND MANAGEMENT REPORTS

<p><b>Criteria #25:</b> Summarize the data elements and associated variances through the program organization and/or work breakdown structure to support management needs and any customer reporting specified in the contract</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Variance analyses – Internal/external reporting thresholds and narrative analyses providing root cause, impact, corrective action plans</li> <li>2. Schedule and Cost Performance Reports – SV, CV, VAC from Control Account up through WBS/OBS reporting structure hierarchy to total program level</li> <li>3. Management Action Plans – Corrective action plan/mitigation plan, addressing impacts to task, milestones, exit criteria, schedules, etc.</li> </ol> <p>Variance Analyses are prepared for each Control Account experiencing an out-of-threshold condition based on percentage and amount criteria designated by the Project Management Plan. The basic cost and schedule data elements (BCWS, BCWP, ACWP, S.V., C.V., BAC, EAC, and VAC) are provided and the CAM generates a narrative after their analysis of the variance. The WBS structure allows for the variances to be summarized by the project manager at various levels needed to report to our customers. The OBS allows this data to be summarized as required by the organizations and their customers.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Variance Analyses</li> <li>• Schedule and Cost Performance Reports</li> <li>• Management Action Plans</li> <li>• Updated schedule and cost forecasts</li> </ul>
<p><b>Criteria #26:</b> Implement managerial actions taken as the result of earned value information,</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Follow-up of the implementation to see if what was planned actually got implemented</li> <li>2. Reasonableness of the correction action</li> <li>3. Validity of the problem identified</li> </ol> <p>The Project Management Control System is an integrated work scope, schedule, and cost control system comprising policies, procedures, guides, workflow processes, forms, reports, and data management systems which provide for the effective planning and control. This system includes several support processes including Trending, Change Control, Risk Management and an early warning system as well as project reporting to senior management and the DOE. These support processes require the Project Manager to take mitigating steps to avoid or reduce negative impacts and increase opportunities.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• To Complete Performance Index (TCPI)</li> <li>• Independent completion estimates</li> <li>• Risk management data and similar metrics</li> <li>• Management action plans and review briefings</li> <li>• Variance Analyses</li> </ul>

## Earned Value Management System (EVMS) “Talking Points”

### ANALYSIS AND MANAGEMENT REPORTS

<p><b>Criteria #27:</b> Develop revised estimates of cost at completion based on performance to date, commitment values for material, and 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</p>	<p><b>Typical Attributes:</b></p> <ol style="list-style-type: none"> <li>1. Timely and comprehensive assessments of the effort required for completing all work packages and planning packages in the Control Account Plans</li> <li>2. CAM updates the EAC to reflect changes in the budget and/or Integrated Master Schedule when there is a significant difference</li> <li>3. Time-phased ETC based on an analysis of remaining tasks in the Integrated Master Schedule and projected resource plan.</li> <li>4. CAN should generate the EAC at the Work Package and Planning Package level, and then sort and summarize by WBS and OBS to the Control Account level.</li> <li>5. CPR format totals for the EAC should reconcile with the corresponding time-phased resource plan</li> <li>6. EAC’s should consider all emerging risks and opportunities which will impact the Integrated Master Schedule and resource plan for the remainder of the work</li> <li>7. EAC results are communicated to the customer in internal reports and in funding documents</li> </ol> <p>Earned Value is used to evaluate performance for all activities. The three key components for EVMS metrics (BCWS, ACWP, BCWP) are always expressed in dollars. The cost processor data provides the CAM(s) metrics to assess the performance of their assigned Control Accounts. All metrics are updated monthly and provide the CAMs and management the ability to:</p> <ul style="list-style-type: none"> <li>• Assess progress and costs incurred, compared to baseline plans.</li> <li>• Identify and analyze significant variances between planned and actual performance for initiation of corrective action.</li> <li>• Determine EACs, FACs and VACs</li> <li>• Structure and summarize the status, progress, and analytical data to report to all levels of management as well the customer.</li> </ul> <p>In cases where proposals are made for EAC decreases, the reviews ensure that all factors, including interfaces with other organizations, have been considered. Additionally the projects are required to perform a bottoms-up EAC twice a year. Performance and current funding is used to determine overall project needs.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Control Account Plans</li> <li>• Basis of Estimates</li> <li>• Risk Management Plans (identification, mitigation, and opportunities)</li> <li>• Operational metrics</li> <li>• Earned value metrics</li> <li>• Estimates at Completion (EAC)</li> <li>• Material and subcontractor performance data</li> </ul>
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## Earned Value Management System (EVMS) “Talking Points”

### REVISIONS AND DATA MAINTENANCE

<p><b>Criteria #28:</b> Incorporate authorized changes in a timely manner, recording the effects of such changes in 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</p>	<p><b>Typical Attributes</b></p> <ol style="list-style-type: none"> <li>1. Contractual change documents (External) – Transmittal from the customer to authorize the change or addition to work, budget, and/or schedule. (i.e. contract modification, letter to proceed from contracts or legal, change order, engineering change order, delivery order, basic ordering agreement, etc.)</li> <li>2. Basis of Estimate (if not yet negotiated)</li> <li>3. Change Control Logs - Documenting scope, schedule and/or cost changes, as well as MR, UB etc.</li> <li>4. Scope changes - Amendments or revisions to WBS or WBS Dictionary</li> <li>5. Work Authorization Documents – Authorizing new work scope, schedule, budget, and Authorization to Proceed, etc.</li> <li>6. Control Account/Work Package/Planning Package Plans – showing revised work scope, duration, and/or budget</li> <li>7. Change to Master, Intermediate, and (if applicable) Detailed schedules</li> <li>8. Management reports – showing timely incorporation of changes</li> </ol> <p>The Project Manager manages changes to the Project Baseline in accordance with the appropriate Change Control procedures that provide for a timely, formal, and documented process that:</p> <ul style="list-style-type: none"> <li>• Defines conditions under which baseline documents and, subsequently, Project Baselines may be changed in a controlled manner.</li> <li>• Ensures that scope, schedule, and cost baselines are always processed together to facilitate accurate performance measurement.</li> <li>• Identifies the controlling authority for Project changes, based on formal thresholds and limits of authority.</li> <li>• Establishes a process for managing and documenting changes to project scope, cost, and schedule baseline documents and/or the PMB. The PMB will include only authorized scope for the project.</li> <li>• Accommodates emergency changes.</li> <li>• Controls retroactive changes.</li> <li>• Maintains a record log of all Baseline Change Proposal (BCP) actions in process, approved or declined.</li> <li>• Incorporates trends that support the Change Control process and provides early identification of deviations from the established project baselines (scope, cost and schedule).</li> </ul>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Contractual change documents</li> <li>• Change Control Logs (MR, UB, PMB, CBB)</li> <li>• Revised Control Accounts, Work Packages, Planning Packages</li> <li>• Revised schedules</li> <li>• Revised SOW, WBS, WBS Dictionary</li> <li>• Work Authorization Documents</li> <li>• Incorporation of changes into Management Reports</li> </ul>
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## Earned Value Management System (EVMS) “Talking Points”

### REVISIONS AND DATA MAINTENANCE

<p><b>Criteria #29:</b> Reconcile current budgets to prior budgets in terms of changes to the authorized work and internal re-planning in the detail needed by management for effective control.</p>	<p><b>Typical Attributes</b></p> <ol style="list-style-type: none"> <li>1. Contractual change documents (External) – Transmittal from the customer to authorize the change or addition to work, budget, and/or schedule. (i.e. contract modification, letter to proceed from contracts or legal, change order, engineering change order, delivery order, basic ordering agreement, etc.)</li> <li>2. Basis of Estimate (if not yet negotiated)</li> <li>3. Change Control Logs - Documenting scope, schedule and/or cost changes, as well as MR, UB etc.</li> <li>4. Scope changes - Amendments or revisions to WBS or WBS Dictionary</li> <li>5. Work Authorization Documents – Authorizing new work scope, schedule, budget, and Authorization to Proceed, etc.</li> <li>6. Control Account/Work Package/Planning Package Plans – showing revised work scope, duration, and/or budget</li> <li>7. Changes to Master, Intermediate, and (if applicable) Detailed schedules</li> <li>8. Management reports – showing timely incorporation of changes</li> </ol> <p>Reconciliation is accomplished monthly during the project analysis and reporting cycle. Any changes to the authorized baselines for Scope, Cost or Schedule require Change Control Actions. Baselines are not changed until approval is provided from the required approval level based on the magnitude and type of the change.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Contractual change documents</li> <li>• Change Control Logs (MR, UB, PMB, CBB)</li> <li>• Revised Control Accounts, Work Packages, Planning Packages</li> <li>• Revised schedules</li> <li>• Revised SOW, WBS, WBS Dictionary</li> <li>• Work Authorization Documents</li> <li>• Incorporation of changes into Management Reports</li> </ul>
<p><b>Criteria #30:</b> 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</p>	<p><b>Typical Attributes</b></p> <ol style="list-style-type: none"> <li>1. Change Control Process – Policy regarding retroactive changes that include conditions for use or prohibitions, approvals and justifications, and evidence of discipline and control.</li> <li>2. change Control Logs – Records of change activity</li> <li>3. Budget Baseline (BCWS) projections – reflecting actual recording of BCWS</li> <li>4. Scheduling system – Reflecting schedule inputs concerning times, dates, durations, percentage complete, etc.</li> <li>5. Negative journal entries – When not a result of error corrections or routine accounting adjustments, they have appropriate explanations</li> <li>6. Earned Value (BCWP) input source/documents</li> <li>7. Management Reports – Current period data will reflect any retroactive changes and relative explanations.</li> </ol> <p>Retroactive changes are not allowed. Prior period adjustments and corrections for mischarges, rate adjustments, and accounting errors are made to the current account month only, prior to the month-end closeout.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Change Control Logs</li> <li>• Retroactive Change Control Process, including approval process</li> </ul>

## Earned Value Management System (EVMS) “Talking Points”

### REVISIONS AND DATA MAINTENANCE

<p><b>Criteria #31:</b> Prevent revisions to the program budget except for authorized changes</p>	<p><b>Typical Attributes</b></p> <ol style="list-style-type: none"> <li>1. Change Control Logs – Reflecting changes to the PMB or CBB</li> <li>2. Control Account, Work Package, or Planning Package Plans – Reflecting approved budget changes</li> <li>3. Work Authorization documents – Reflecting authorized changes to the budget</li> <li>4. Time-phased budget “run” – Reflecting authorized changes to the budget</li> <li>5. Management Reports (CPRs or other applicable management reports) – Reflecting approved changes to the baselines</li> </ol> <p>Any changes to the authorized baselines (Scope, Cost or Schedule) require Change Control Actions. Baselines are not changed until approval is provided from the required approval level based on the magnitude and type of the change.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Change Control Logs (MR, UB, PMB, CBB)</li> <li>• Control Account, Work Packages, Planning Package Plan updates</li> <li>• Revised schedules</li> <li>• Revised SOW, WBS, WBS Dictionary</li> <li>• Work Authorization Documents</li> <li>• Incorporation of changes into Management Reports</li> </ul>
<p><b>Criteria #32:</b> Document changes to the performance measurement baseline</p>	<p><b>Typical Attributes</b></p> <ol style="list-style-type: none"> <li>1. Change Control Logs (MR, UB, PMB, and CBB) – Reflecting changes from the original CBB</li> <li>2. Control Account, Work Package, or Planning Package Plans – Reflecting updated schedule and budget plans for all authorized changes</li> <li>3. Schedules – Reflecting incorporation of latest authorized changes</li> <li>4. Time-phased budget “run” – Reflecting authorized changes to the budget</li> <li>5. SOW, WBS, WBS Dictionary – Reflects incorporation of all authorized changes</li> <li>6. Work Authorization Documents – Reflects incorporation of all authorized changes</li> <li>7. Management Reports (CPRs or other applicable management reports) – Reflecting incorporation of approved changes to the baselines</li> </ol> <p>Any changes to the authorized baselines (Scope, Cost or Schedule) require Change Control Actions. Baselines are not changed until approval is provided from the required approval level based on the magnitude and type of the change. The Change Control process requires that projects maintain detailed logs and copies of all BCP's that are processed thought the life of the project.</p>	<p><b>Objective Evidence</b></p> <ul style="list-style-type: none"> <li>• Change Control Logs (MR, UB, PMB, CBB)</li> <li>• Control Account, Work Packages, Planning Package Plan updates</li> <li>• Revised schedules</li> <li>• Revised SOW, WBS, WBS Dictionary</li> <li>• Work Authorization Documents</li> <li>• Incorporation of changes into Management Reports</li> </ul>