

**Lab-Wide Earned Value
Management System Project
Oversight Committee Meeting**

January 22, 2009

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Agenda

1. Discuss results of 9-Jan OECM Readiness Assessment Meeting
2. Discuss results of Jan 12-16 Internal Readiness Assessment (Mock Review)
3. Latest OECM Request
4. Documentation Requirements for Certification Review
5. Discuss Estimated Effort for Must Do Recommendations
6. Next Steps
7. Next Meeting

9-Jan OECM Readiness Assessment Meeting

- FRA vs. Fermilab issue resolved
- A cooperative discussion on how to present information to Certification Review Team
- Clarification on our response to Tecolote's FRA EVMS document comments
- Identified show stoppers for scheduling week certification review
 - Non costed Scientists
 - Actual hours worked not recorded for exempt employees
- Told to expect list of people to be interviewed within a week or two after meeting(4-6 CAMs expected)

Internal Readiness Assessment Scope

- Assessed FRA EVMS Description and Implementing Procedures for conformance to ANSI/EIA 748
- Conducted 21 interviews (Lab Management, NOvA CAMs and Project Controls) to verify implementation of the FRA EVMS

Observed Best Practices from Internal Readiness Assessment

- Oversight by the Project Management Group [PMG] is a sign of executive support for the EVMS.
- Acceptance of the role of members of the technical community as CAMs.
- NOvA uses a formal work authorization [WAD] process at the Control Account level.
- The electronic CAM Notebook.
- EVMS Surveillance owned by the Office of Quality and Best Practices.
- Conceptually the accrual accounting approach used on NOvA is sound.

Recommendations from Internal Readiness Assessment

- Must do:
 - Develop a procedure for ETC/EAC updates and adjust Cobra accordingly.
 - Develop Accrual procedure covering both material and services.
 - Re-visit the development of the PMB
 - Phasing of BCWS
 - Selection of PMT
 - Basis for % complete
 - Potential use of Planning packages
 - Develop logs:
 - Budget baseline & Contingency balances
 - Corrective Actions resulting from VAR process

Recommendations from Internal Readiness Assessment (continued)

- Provide CAMs with reports that will enhance their insights into schedule and cost performance.
- Settle on the definition of the Work Package
- Provide CAM training relative to any changes to process, tools, forms, reports, etc.
- Agree on the elements of a Control Account Plan and make sure there is one for each CA.
- Re-visit the PM procedures and define steps and responsibilities [a detailed flow would add value]
- Conduct a “best practices” review of the project schedule.

Recommendations from Internal Readiness Assessment (continued)

- Should do to reduce risk:
 - Re-evaluate the thresholds for variance analysis.
 - Evaluate the potential for time reporting in hours to each project charge number.
 - Consider whether or not the Project Control staff is adequate.
- Nice to do, but can be deferred:
 - Centralize the Project Control functions

Conclusion from Internal Readiness Assessment

- FNAL should seriously consider a date for the EVMS Validation Review in the May-July period as opposed to March.
- There is likely to be some degree of re-baselining once the CR is over. It would be beneficial to have 2-3 months of EV data from that point in order to support a successful review.
- Regardless of when the review occurs, remember that it's not a pass/fail exercise, there will be findings and Corrective Action Requests

Request from OECCM on 16-Jan

- Requested that all 12 of NOVA's CAMS be interviewed and not just " a sample". The more they looked at the information provided on 1/9 and the most current dollarized RAM it seemed the most appropriate way to get a clear picture of the EVMS compliance is to talk with all 12 CAMS.

Documentation Requirements for Certification Review (30 days prior)

	Documentation	Required (Y or N)	Date Required	# of copies
1	Contract and changes/modifications	Y		2
2	Statement of Work or <i>PEP</i>	Y		2
3	CPR – <i>LAST 3 MONTHS (EVM Reports)</i>	Y		2
4	CFSR (specify period for request)	N		
5	EVM System Description, Policies and Procedures	Y		2
6	CAM Notebooks <i>(These should be made available for review during the interview process)</i>	N		
7	32 Guidelines cross reference to EVMS description	Y		2
8	Dollarized Responsibility Assignment Matrix <i>(Please provide the \$ and/or % of LOE in each WBS)</i>	Y		2
9	Organizational Chart	Y		2
10	Organizational Breakdown Structure (CWBS)	Y		2
11	CWBS Dictionary	Y		2
12	Control Account Plans	Y		2
13	Program Schedules	Y		2
14	Variance Analysis Reports – <i>LAST 3 MONTHS</i>	Y		2
15	Variance Analysis Corrective Action Log	Y		2
16	Management Reserve Log	Y		2
17	Undistributed Budget Log	Y		2
18	Baseline Change Log	Y		2
19	EAC Procedures and Supporting Document	Y		2

Documentation Requirements for Certification Review (30 days prior)

(continued)

	Documentation	Required (Y or N)	Date Required	# of copies
20	Bill of Material, <i>if applicable</i>	Y		2
21	Material Requirement Reports, <i>if applicable</i>	Y		2
22	Overhead Budget Policies and Procedures	Y		2
23	Indirect Cost Pool Listing	Y		2
24	Charge Number Structure Explanation	Y		2
25	Rate Tables, Rationale for Projected Rates	Y		2
26	Accounting Manual	Y		2
27	Disclosure Statement	Y		2
28	Copies of any DCAA Audit Reports, <i>if applicable</i>	Y		2
29	List of Subcontractors (SubK), <i>if applicable</i>	Y		2
30	SubK Scope of Work	Y		2
31	SubK Program Schedule	Y		2
32	SubK Control Account Plans	Y		2
33	SubK EAC Procedures and Supporting Document	Y		2
34	Other Supplier Internal EV Reports	Y		2

Documentation Submittal

- Submit min. 30 days prior to start of review
- For a 16-Mar Review start date documentation due by 13-Feb
- 16 workdays from today

Accounting Traces Available on 1st Day of Certification Review

IN ADDITION- Please have the following “ACCOUNTING Traces” available on the first day of the on-site certification review:

1 Subcontracts

Invoice - Accounting to EVM System

Accrual - Accounting to EVM System

2 Accruals

Material

Subcontract

3 Material

Invoice - Accounting to EVM System

Accrual - Accounting to EVM System

4 Direct Labor - Accounting to EVMS

Timekeeping System

Accounting System

EVM System

What percent of exempt (unpaid overtime) employees are there?

Potential for not charging to correct projects and distortion of Overhead.

5 Indirect Labor - Accounting to EVMS

Timekeeping System

Overhead Pool

Accounting Traces Available on 1st Day of Certification Review (continued)

6 Overhead Pools

- Fringe
- G&A
- Site
- Corporate
- Construction

7 Overhead Allocations

- Rates
- Bases

8 Chargeline

- Cost Center
- Organization Code
- Program Code
- Cost Account
- Work Package
- Op Line Number
- Finance Account - Cost Elements

Documentation Requirements for Certification Review (continued)

9 Average - Composite Direct Rates
Includes Fringe
Adjusted quarterly for EAC only

10 Escalation
Documentation

11 Reconcile Finance to EVMS

12 Overhead Documentation
Rates, Fringe, Overhead, ETC.
Quarterly Updated for EAC
Developed in Oracle provided
CCES, Work Package Generator
Primavera
Winest - estimating
Quick estimator

13 Multiple EVM Systems
PRISM
EMRS

Documentation Requirements for Certification Review (continued)

14 Calendar - effective/productive hours

FY08 Productive Hours by Labor Category

Possible days - calendar, by month

Productive hours are calculated by month considering holidays, week ends

See worksheet

Tie to CAP

15 Accounting Mischarges

Excessive mischarges - large corrections group in Finance

Things to Consider

- What needs to be done to have a good FRA EVMS
- What needs to be done so NOvA is able to fully implement the FRA EVMS
- What needs to be done to be comfortably ready for the certification review
- How to balance the effort spent before the review vs. effort spent after the review

Estimated Effort for Must Do Recommendations

Wrisley classification	TASK	TOTAL EFFORT ESTIMATE	ESTIMATED EFFORT IN HOURS									Terry Erickson	DAH Comments	
			Hoffer	McCluskey	Freeman	Saxer	Ferguson	Domann	Other Core Team members (5 total)	Finance staff	NOVA CAMS			
none	Revise FRA docs to pickup changes from OEMC review & mock certification review	168	40	40	4	4	4	4	4	20	4	48	Core Team to assist @ 4 hrs each; McCluskey does bulk of marking up, Hoffer reviews, T Erickson makes revisions in docs	Additional time required to evaluate inconsistencies between documents and also validate changes correctly incorporated. Update estimate after receiving list of document recommendations from Jim Wrisley
1a	Develop a procedure for ETC/EAC updates and adjust Cobra accordingly.	78	16	16	16	16	2	2	8		2		Procedure developed by Hoffer/McCluskey, implemented by Freeman/Saxer into the tools, and reviewed by core team	The estimated effort to implem/test of agreed on process may take additional time for Bill and Suzanne.
1a	Develop Accrual procedure covering both material and services	20				16					4		written by Suzanne based on her actual activities, reviewed by Finance folks	
1a	Re-visit the development of the PMB	0												
	*Phasing of BCWS	32			24	8							Freeman to evaluate impact of possibly changing phasing and recommend whether to change on selected tasks	Profiles on procuremts need to be updated. Flat is not acceptable. Process need to developed and documented to allow for moving between obligation and costing. Cobra will have to be updated with new profile in baseline. Will need CR.
	*Selection of PMT	26					2					24	NOVA CAMS review each of their CA PMTs @ 2 hrs ea.	Added 2 hours for Harry to incorporate potential changes identified by CAMS
	*Basis for % complete	36	2	2	2	2	2	2	2			24	NOVA CAMS review each of their % complete WPs and provide justifications for established threshold for % complete tasks; Freeman/Domann/Ferguson make changes to Open Plan; Saxer imports changes into Cobra	1st Bill needs to extract data from OP on number of activities that have % complete by duration to identify the scope of this effort. I added time for establishing FRA thresholds. I suspect that this effort is underestimated by 2 or 3 times. If this is all the time to correct this issue NOVA would not of refused to do this over the last 1 1/2 years.
	*Potential use of Planning packages	12		2	2			4	4				1st pass at this by Ferguson (detector) and Domann (ANU) and then reviewed by Freeman/McCluskey	
1a	Develop logs:	0												
	*Budget baseline & Contingency balances	8		4			4						Assume these logs come out of Cobra (Saxer) and just need to become regular outputs	
	*Corrective Actions resulting from VAR process	4		4									McCluskey creates 1st log	
1a	Provide CAMs with reports that will enhance their insights into schedule and cost performance.	12			2	4						6	CAMS give input into what would be helpful; Saxer/Freeman determine what can be produced to accommodate, McCluskey assists	I suspect this will require additional effort by Suzanne or even Etta to split up reports so the files posted are limited only to a CAMs CA, so they are not searching through a file including the whole project and just broken by CA.
1a	Settle on the definition of the Work Package	7	4	1	1	1							Hoffer to determine	I may determine, but with input and agreement with others.
1a	Provide CAM training relative to any changes to process, tools, forms, reports, etc.	56	8	8	8	8						24	All CAMS get 2 hrs more training, provided by McCluskey/Hoffer	Added time for Bill and Suzanne because they need to part of the training and give details on how NOVA is implementing FRA changes and answer detailed questions. Additional personal training will be required with certain CAMS, which these hours are not included
1b	Agree on the elements of a Control Account Plan and make sure there is one for each CA.	10	2	8									McCluskey to develop and implement, Hoffer to review	
1b	Re-visit the PM procedures and define steps and responsibilities [a detailed flow would add value]	22	2	2	2	2	2	2	2	10			Core Team to review - this includes making documents more "specific", guessing at Core Team time to refine docs	
1b	Conduct a "best practices" review of the project schedule.	12			4	4	4	4	4				Schedulers to perform	
		335	74	87	65	65	20	18		38	8	80	48	

Some Additional Items not on Must DO List, mostly from 9 Jan meeting

- Re-evaluate the thresholds for variance analysis change, document accordingly, and implement
- Update WADs and RAM to include baseline changes
- Complete update to NOvA PMP and get approval signatures
- Complete documentation on NOvA update process in OP (Bill)
- Revise change control form to track CA changes
- Understand how to roll up costs by OBS
- Document authorized unpriced work procedure
- Revise WA procedure to include how charge codes are opened and closed
- Include in documents how PMTs can be revised
- Develop Accounting Accrual Policy & Procedure (Cindy) – needed by time of review
- Develop Labor Distribution Policy (Cindy) – needed by time of review

Next Steps

- Update FRA System Description and Implementing Procedures based on discussion with OECCM/Tecolote and feedback from internal readiness assessment
- Complete development of action plan for implementing appropriate recommendations from internal readiness assessment and from OECCM Readiness Review meeting
- Establish recommended date to schedule week long certification review and discuss with OECCM

Next Meeting

- Thursday, 12-Feb