

**FRA Earned Value Management
System Project
Oversight Committee Meeting**

June 11, 2009

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Agenda

1. Recap of Certification Review
2. Corrective Action Plan Status
3. Evaluation of Continuous Improvement Opportunities (CIOs) and Potential Corrective Actions
4. Discussion on “What is an Uncosted Scientist?”
5. Next Steps and Schedule
6. Next Meeting

Results of OECEM EVMS Certification Review May 11-15

- 6 - Kudos
- 3 – Corrective Action Requests (CARs)
- 6 – Continues Improvements Opportunities (CIOs)

We did good

Kudos

- Fostering acceptance and implementation of EVMS that is driven by FRA Leadership across the entire organization
- Deployment of custom developed EVMS tools and publications; e.g. the FRA EVMS Pocket Guide (April 2009)
- Usage of a Project Management Group's (PMGs) concept, dedicated to a project, with regular meetings and participation across all levels of both project and FRA leadership
- Deployment of automation technology across various operational needs that increase consistency, traceability and accuracy in EVMS reporting areas
- Usage of an EVMS Steering Committee concept, with strong commitment and participation of both project and FRA Leadership
- Productive deployment of collaborative scientists as project leaders who support EVMS metrics

Corrective Action Requests (CARs)

1. Scientist project labor not accounted for
2. No provision for undistributed budget
3. Exempt labor > 40 hrs not captured
 - Corrective Action Plan (CAP) developed and submitted on 29-May-09
 - CAP included actions to be taken, but not target completion dates. Will inform OECM by 26-Jun on those dates.

CAR #1- Accounting for Scientist Labor (uncosted) - CAP

- FRA will perform EV in hours for uncosted Scientist effort budgeted on a project.
- A process will be established for the recording of scientist hours worked on a project where uncosted scientist effort is included in the hours budgeted.
- A process will be established for the collection of scientist hours worked on a project for comparison to budgeted hours.
- For non-FRA uncosted Scientist from other institutions, agreements will be made on the recording and reporting of hours worked on a project. These agreements will be documented in the Memorandum of Understanding (MOU) with each institution for new projects.

CAR #1- Accounting for Scientist Labor (uncosted) – CAP continued

- The following documents will be revised to reflect the process for performing EV with hours
 - FRA Earned Value Management System Description
 - Procedure 12.PM-002 (Control Accounts, Work Packages, Planning Packages)
 - Procedure 12.PM-003 (Work Authorization)
 - Procedure 12.PM-005 (Cost Estimating)
 - Procedure 12.PM-006 (Monthly Status Reporting)
 - Procedure 12.PM-007 (Change Control)
- Training on these processes will be provided to CAMs, project office, senior management, and collaborating institutions.
- This corrective action will be implemented on the NOvA Project. Implementation will include modifying existing MOUs with collaborating institutions on agreement to record and report scientist effort.

CAR #2 - No Process/Provision for UB as Holding Account - CAP

- FRA will revise the FRA Earned Value Management System Description to provide for the possibility of utilizing undistributed budget, as well as a description of processes for tracking, use, distribution, and accounting of such budget.

CAR #3 – Direct Cost for Exempt Labor

FRA Corrective Action:

- All hours worked for exempt FRA employees will be recorded on a weekly basis.
- The FRA Fermilab Time and Labor system will be fully implemented for exempt employees for this purpose.
- Standard FRA policy and procedures have been developed. A revised Labor Capture and Distribution Policy, with specific guidance for employees regarding tracking and recording of effort, was posted on the Finance Section website on May 26, 2009. A memo was distributed from the Fermilab Director, Dr. Pier Oddone, directing employees using the FTL system to read and adhere to the new policy, which will be implemented as of June 15, 2009.

Timeline

	Average Work Days	Projected Date	Actual Date
OECM Issuance of CARs/CIOs			15-May-09
FRA submittal of CAP to OECM	20 *		29-May-09
OECM issuance CAP analysis report	10	12-Jun-09	
OECM acceptance of FRA CAP	10	26-Jun-09	
FRA implements approved CAP	20	1-Sep-09	
FRA submits evidence files to OECM	60	15-Dec-09	
OECM reviews evidence files	20	12-Jan-10	
OECM issues written report	10	26-Jan-10	
OECM performs onsite follow-up review	30	8-Mar-10	
OECM issues <u>EVMS Certification Letter</u>	10	31-Mar-10	

Continuous Improvement Opportunities (CIOs)

1. Inadequate WAD documentation
2. EVMS training improvements
3. MR & Contingency terminology
4. CAM not involved in invoice approval process
5. Variance thresholds not adequate (Current Period \$)
6. Change Request details and notification to CAMS

CIO# 1 - Inadequate WAD documentation (potential actions)

The several recommendations were discussed:

- Agreed could remove the guidance info from the form if needed
- Don't agree that strict rules are needed for MOU and SOW updating when WADs are updated. MOUs and SOWs are for funding, not work authorization.
- Agree can add CAM to WAD form
- Agree will add CR info to WAD form
- Agree can add revision date to WAD form, but see no reason to add approver, since this is done in the docdb.

CIO# 2 - EVMS training improvements (potential actions)

- Understood that FNAL personnel in general come off as better trained. Action from this is to establish an ongoing training process.
- **Should there be more than just training?**

CIO# 3 - MR & Contingency terminology (potential actions)

- Discussed again in Core Team
 - Looking to use appropriate definitions for Management Reserve and Contingency as separate items
 - Looking at process we use as MR and document it in documents appropriately
 - Need to discuss (OSC and DOE)

CIO# 4 - CAM not involved in invoice approval process (potential actions)

- Agreed could add invoice signing by CAMs to documentation, but does this belong in our EVMS procedures? Perhaps better suited to a future PM procedure.

CIO# 5 - Variance thresholds not adequate (Current Period \$) (potential actions)

- May change \$ value

Variance Analysis Thresholds for Control Accounts		
Green Thresholds		
Variance	Type	Threshold limit
Cost	Current Period	<± 5% to and < \$50K
	Cumulative	<± 5% to and < \$50K
Schedule	Current Period	<± 5% to and < \$50K
	Cumulative	<± 5% to and < \$50K
Yellow Thresholds		
Variance	Type	Threshold limit
Cost	Current Period	≥± 5% to < ± 10% and ≥ \$50K
	Cumulative	≥± 5% to < ± 10% and ≥ \$50K
Schedule	Current Period	≥± 5% to < ± 10% and ≥ \$50K
	Cumulative	≥± 5% to < ± 10% and ≥ \$50K
Red Thresholds		
Variance	Type	Threshold limit
Cost	Current Period	≥± 10% and ≥ \$100K
	Cumulative	≥± 10% and ≥ \$100K
Schedule	Current Period	≥± 10% and ≥ \$100K
	Cumulative	≥± 10% and ≥ \$100K

CIO# 6 - Change Request details and notification to CAMS (potential actions)

- Agreed on notification (this may need to be added to FRA procedure – it is in NOVA procedure) to CAMs, but don't agree that more information is needed on CR as suggested.

Issues/Concerns

- Availability of resources to implement corrective actions
- Ability to get collaboration institutions working on project to agree and actually report scientist actual hours

What is an Uncosted Scientist?

- Are these individuals that hold a certain HR title?
- Are these individuals that are designated with one of the functional Scientist name per OHAP?

Timeline

- 26-Jun – Submit Target Dates for implementation of actions in CAP
- 31-Aug – Implement all Corrective Actions include revision to EVMS documents

Next Meeting

- Normal next meeting will be 9-July
- Let's discuss Oversight Committee's Future