

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

August 13, 2009

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Agenda

1. Recap on what has transpired since last update
2. Pending Action Items (To-Do-List)
3. FYIs
 - Update on Free Scientists
 - Contingency/Management Reserve
4. Discussion Items
 - Revision to Variance Analysis Thresholds (\$ and Hour)
5. Issues/Concerns
6. Next Steps and Schedule
7. Next Meeting

Corrective Action Requests (CARs)

1. Scientist project labor not accounted for
 - *Commitment to OECM*: The target date for revision of the FRA Earned Value Management System Description and applicable Implementing Procedures, to reflect the process for collecting and performing EV in hours on budgeted uncosted Scientist effort, is no later than September 1, 2009. Training will be conducted on the revisions. NOvA's October 2009 monthly report is targeted as the first report to include EV in hours for budgeted uncosted Scientist effort.

Corrective Action Requests (CARs)

continued

2. No provision for undistributed budget
 - *Commitment to OEEM*: The processes for tracking the use, the distribution, and accounting of Undistributed Budget (UB) will be incorporated into FRA's Earned Value Management System Description no later than September 1, 2009.

Corrective Action Requests (CARs)

continued

3. Exempt labor > 40 hrs not captured
 - *Commitment to OEEM*: FTL rollout to Exempt Employees was accelerating with the target date of October 1, 2009 completion. NOvA's October 2009 monthly report will be the earliest monthly report that the data has all FRA exempt employees reporting actual hours in the FTL system.

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

History Since Last Update

- 1-Jul-09 Conference Call with OECM/Tecolote
- Fallout after 1-Jul call
- 15-Jul-09 Call with Jim Fountain
- 16-Jul-09 Pier Call

To-Do-List

Total of 31 Items - List linked off of this meetings webpage

- CAR 1 – 16
 - Post CAR 1 - 4
- CAR 2 – 1
- CAR 3 – 2
- CIO 1 – 1
- CIO 2 - 1
- CIO 3 - 1
- CIO 5 – 1
- CIO 6 – 1
- Other (could have been CARS) - 3

“Other” To-Do-List Items

- No process on using authorized, unpriced work
- Spread BCWS on procurements on NOVA
 - Concern on implementation
- Variance thresholds have holes and need redefinition in procedure 006

FYIs

- Update on Free Scientist
- Contingency/Management Reserve

Free Scientist

- Implementation on NOvA
 - Instead of revision to MOUs for requiring Scientists effort being reported from universities, clarifying email sent instead
 - Pushback from universities without MOUs that have Scientist working on NOvA
 - Fermi Scientists Labor Reporting – Tentative all Divisions reporting time in FTL to one NOvA Scientist Project in Oracle PA, but \$ charged to Div supplying the labor
- Also, verbal direction from OHAP that we should plan for future projects to include the cost of Scientists time in the project TPC

Contingency/Management Reserve

- $TPC = \text{Baseline} + MR + \text{Contingency}$
- MR is to cover the potential mitigation of known risks identified by the bottoms-up cost estimate and risk assessment
- Contingency is for unknown risks and potential scope changes that is controlled by DOE
- As risks are retired, MR is released and made available for other uses (future contingency uses)

Item for Discussion

- CIO# 5 - Variance thresholds not adequate (Current Period \$)
- Old Thresholds

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

Proposed Changes to Variance Thresholds

- Increased Cum \$ value as twice Current Period
- Looking to establish hour number equal to \$ thresholds based on a average resource hourly rate (i.e. \$50K threshold for an average \$200 per hour fully loaded hourly rate would equal to a 250 hour threshold)

Variance Analysis Thresholds for Control Accounts		
Green Thresholds – Cost and Schedule Performance falling outside of yellow or red thresholds		
Yellow Thresholds		
Cost Variance Schedule Variance	Type	Threshold limit
Dollars	Current Period	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq \$50K$
	Cumulative	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq \$100K$
Hours	Current Period	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq xx$ hours
	Cumulative	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq xx$ hours
Red Thresholds		
Cost Variance Schedule Variance	Type	Threshold limit
Dollars	Current Period	$\geq \pm 10\%$ and $\geq \$100K$
	Cumulative	$\geq \pm 10\%$ and $\geq \$200K$
Hours	Current Period	$\geq \pm 10\%$ and $\geq xx$ hours
	Cumulative	$\geq \pm 10\%$ and $\geq xx$ hours

Issues/Concerns

- Universities reporting actual hours worked for scientist
- Implementation of CAR 1 dependent heavily on Suzanne Saxer's availability
- NOvA's EVMS ongoing implementation after going yellow

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	12-Jun-09
OECM acceptance of FRA CAP	10	26-Jun-09	19-Jun-09
FRA implements approved CAP	20	1-Oct-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	

Next Meeting

- Looking to skip September Meeting
- Would like to meeting 8-Oct (after implementation dates for CAP and potential scheduling the follow-up Cert Review)