EVMS Training Snippet Library:

Authorized Unpriced Work (AUW)



Office of Acquisition and Project Management (APM) MA-60 U. S. Department of Energy July 2014

Achieving Management and Operational Excellence

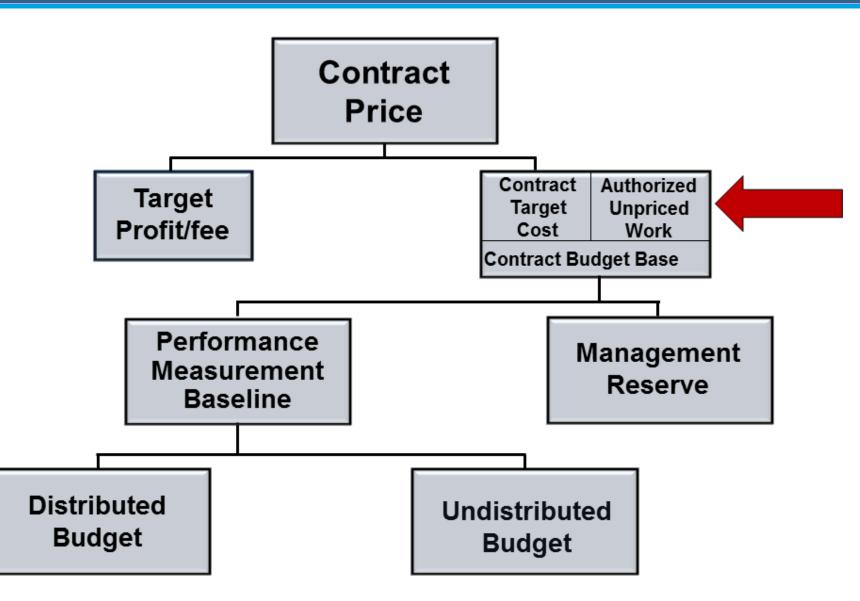
Definition and Purpose of AUW



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- AUW is the estimated cost (less fee/profit) for directed changes not yet negotiated
- Also called: change orders, not to exceeds, undefinitized change orders, undefinitized contractual actions
- Allows contractor to proceed with work, pending negotiations
- AUW baselines represent all authorized scope
- NTEs are funding limits





AUW and the Not-to-Exceed (NTE)



- Contracting Officer (CO) authorizes the contractor to proceed with new work, pending completion of negotiations
 - Contractor's rough-order-magnitude or proposal amount serves as the estimated budget for the **full scope**
 - Contractor is limited in incurring actual costs in performing the scope up to the NTE funding limit

- Budget vs. Funds

- Budget represents entire scope; applied without constraint of funding
- Funding is typically incrementally applied

 Contractor must notify the CO for direction if negotiations are incomplete and funding limit is approaching, e.g. stop work or NTE increase

AUW and UB Relationship



- AUW budget above NTE amount held in UB until contract action definitized
- Loss in negotiations is deducted from the Undistributed Budget
- When negotiations complete, AUW Balance in UB should be distributed within approximately two accounting periods

Contract Budget Base (CBB) Log



Date	Description	Contract Target Cost (CTC)	Authorized Unpriced Work (AUW)	СВВ	Manage- ment Reserve	РМВ	UB	Distri- buted Budget
1/4	ABC Contract	120	-	120	-	120	120	-
1/31	January Summary			110	10	100		
2/5	Contract Change No. 001	-	45	45	-	45	10	35
2/23	SWO Generator XX7	-	-	-	-	-	30	(30)
2/28	February Summary	120	45	165	10	155	50	105

IPMR Format 1 With AUW



2. CONTRACT		4. REPORT PERIOD
a. NAME		a. FROM (YYYYMMDD)
AB	C Contract	
b. NUMBER		February 1, 2013
		b. TO (YYYYMMDD)
c. TYPE		
		February 28, 2013

a. QUANTITY	b. NEGOTIATED	c. ESTIMATED COST OF AUTHORIZED
	COST	
	120	45

8. PERFORMANCE DATA	AT COMPLETION
	BUDGETED
	(14)
a. WORK BREAKDOWN STRUCTURE	
ELEMENT	105
b. COST OF MONEY	
c. GENERAL AND ADMINISTRATIVE *	
d. UNDISTRIBUTED BUDGET	50
e. SUB TOTAL (Performance	
Measurement Baseline)	155
f. MANAGEMENT RESERVE	10
g. TOTAL	165

Note: This is a partial view of the IPMR Format 1.

Only Blocks 2, 4, 5, and 8 are shown.

IPMR Format 3 With AUW (Partial



View)

5. CONTRACT DATA															
a. ORIGINAL NEGOTIATED COST	b. NEGOTIA		c. CURRENT NEGOTIATED COST (a. + b.)d. ESTIMATED COST OF AUTHORIZED 			T BASE	f. TOTAL E ALLOCATED BUDGET			g. DIFFERENCE (e f.)					
120		0		120			45		1	65		165		0	
6. PERFORMANCE DATA															
	BCWS	BCWS FOR		BUDGETED COST FOR WORK SCHEDULED (BCWS) (Non-Cumulative)										UNDIS-	
ITEM	CUMULA-		1	MONTH	FORECAST			EN	TER SPE	CIFIED)S	TRIBUTED	TOTAL	
	TIVE TO DATE	REPORT PERIOD	+1	+2	+3	+4	+5	+6	+7	+8	+9	+12	+13	BUDGET	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
a. PERFORMANCE MEASUREMENT BASELINE (Beginning of Period)							100							10	110
b. BASELINE CHANGES A	UTHORIZED	DURING													
REPORT PERIOD															
CCN001					7	7	7	7	7					10	45
SWO XX7			(10)	(10)	(10)									30	
c. PERFORMANCE MEASUREMENT BASELINE (End of Period)							105							50	155
7. MANAGEMENT RESERVE															10
8. TOTAL															165

Contract Budget Base (CBB) Log



Date	Description	Contract Target Cost (CTC)	Authorized Unpriced Work	СВВ	MR	РМВ	UB	Distributed Budget
1/4	ABC Contract	120	-	120	-	120	120	-
1/31	January Summary	120	-	120	10	110	10	100
2/5	Contract Change No. 001	-	45	45	45 -		10	35
2/23	SWO Generator XX7	-	-	-	-	-	30	(30)
2/28	February Summary	120	45	165	10	155	50	105
3/4	Negotiated Change No.001	44	-	(1)	-	(1)	(1)	-
3/28	Baseline Change 001 & Program	-	-	-	-	-	(19)	19
3/31	March Summary	164	-	164	10	154	30	124

IPMR Format 1 (Partial View) After AUW Negotiated



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5. CONTRACT D	5. CONTRACT DATA											
a. QUANTITY	b. NEGOTIATED	c. ESTIMATED COST OF AUTHORIZED										
	COST	UNPRICED WORK										
	164											

6. ESTIMATED COS			7. AUTHORIZED CONTRACTOR REPRESENTATIVE															
		-		ONTRACT	BUDGE	VAR	IANCE	a. NAME (Last, First, Middle Initial) b. TITLE										
		COMPLET		BAS					(,	.,	,							
		(1)		(2))		(3)											
a. BEST CASE								c. SIGNATURE								E SIGNE	D	
b. WORST CASE											(YYYYMMDD)							
c. MOST LIKELY																		
8. PERFORMANCE	DATA						1					1						
CURRENT PERIOD									ATIVE TO	DATE								
BUDGETED				ACTUAL			_	SETED	ACTUAL COST			OGRAM	MING A	JUSIM		OMPLE	IION	
ITEM		WORK		WORK	VARI		WORK	OST WORK	WORK	VAR	ANCE	COST	-	E D				
	S			ERFORME	СНЕПІЛ	соят				СНЕЛІШ			COST CHEDULE				ARIANC	
(1)	3	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12a)	(12b)	(13)	(14)	(15)	(16)	
a. WORK BREAKDO			(0)		(0)	(0)	(.)	(0)	(0)	(10)		(120)	()	(10)	()	()	()	
ELEMENT																		
															124			
															124			
b. COST OF MONE	(
c. GENERAL AND																		
ADMINISTRATIVE *																		
d. UNDISTRIBUTED	BUDGET														30			
e. SUB TOTAL (Perf	ormance																	
Measurement Baselin															154			
f. MANAGEMENT R	ESERVE														10			
g. TOTAL															164			

IPMR Format 3 After AUW Negotiated (Partial View)



															n
5. CONTRACT DATA												-		1	
	b. NEGOTI		c. CUR			d. ESTI			e. CONTRACT		f. TOTAL				
a. ORIGINAL NEGOTIATED	CONTRAC	-		IATED (COST				BUDGET BASE					g. DIFFERENCE	
COST	CHANGES							(c. + d.))	BUDGE	Т		(e f.)		
120	4	4		164					1	64		164		0	
6. PERFORMANCE DATA											-				
	BCWS	BCWS		BUDGE	TED CO	OST FOF		SCHEI	DULED ((BCWS) (Non-Cun	nulative)		UNDIS-	
ITEM	CUMULA-	FOR		SIX	MONTH	FORECAST				NTER SPI	ECIFIED PERIODS			TRIBUTED	TOTAL
	TIVE TO	REPORT	+1	+2	+3	+4	+5	+6	+7	+8	+9	+12	+13	BUDGET	
	DATE	PERIOD													
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
a. PERFORMANCE															
MEASUREMENT BASELINE															
(Beginning of Period)															
							105							50	155
b. BASELINE CHANGES AUTI	HORIZED D	URING													
REPORT PERIOD															
CCN001 Negotiated				3	3	3								(10)	(1)
Baseline PGM							2	2	2	2	2			(10)	
c. PERFORMANCE															
MEASUREMENT BASELINE															
(End of Period)							124							30	154
							124							50	
7. MANAGEMENT RESERVE															10
															_
8. TOTAL															164

IPMR Format 5 Requirements Regarding AUW



• The IPMR DID Instructions requires:

- Identify the components of the UB in current report
- Discuss UB and PMB changes
- Explain significant shifts in PMB time phasing
- Explain significant changes in PMB total
- Explain content of Authorized Unpriced Work

Summary



- Authorized Unpriced Work and Associated Distributed/Undistributed Budgets should be logged, distributed, reported, and diligently monitored
- After negotiations, remaining UB should be distributed within approximately two-months
- AUW is not normally fully funded contractor should carefully observe ACWP while observing the NTE value

DOE OAPM EVM Home Page



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EARNED VALUE MANAGEMENT

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Energy Reduction at

HQ

Facilities and

Infrastructure

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Act

Financial Assistance

Information Systems

Procurement and

Acquisition

Project Management	
Earned Value	\triangleright
Lessons Learned 7	
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

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