

EVMS Training Snippet Library:

Baseline Control Methods



Office of Acquisition and Project Management (OAPM) MA-60

U. S. Department of Energy

July 2014



- **The performance measurement baseline (PMB) will likely change during the project**
- **Acquisition Guide Chapter 43.3 (March 2013) requires contract modifications to support certain changes, such as project scope or schedule completion**
- **Revisions must be controlled, documented, and incorporated in a timely manner**
 - Documented and approved before commencing work
 - Ensures the PMB reflects authorized project scope
 - Ensures the integrity of the PMB is maintained and reconciled with contract authorization



- **Internally driven**

- Within contract scope, schedule, and budget constraints
 - Only changes the shape (i.e. time phasing of activities) of the PMB curve
- Contractor Project Manager approval
- Replanning of future effort only; not current (within freeze period) or the past

- **Externally driven**

- Authorized by Contracting Officer
- Formal, signed contract modification
- Project scope additions, deletions, changes
 - To/from DOE Contingency from/to Contract Budget Base



- **Baseline Change Proposal (BCP)**
 - Documents changes to the Performance Baseline
 - Requires DOE Acquisition Executive (AE) approval
 - May result in a contract modification if CBB (scope, schedule, budget) or funding (overrun) is changed
- **Budget Change Request (BCR)**
 - Internal adjustments to or within the Contract Budget Base (CBB) (project level)
 - Types:
 - BCR-P: Contractor internal replanning change within the **PMB**
 - BCR-M: Contractor allocation of **MR** to control accounts
 - BCR-C: FPD allocation of project **contingency** to the CBB (project level) for changes of scope; requires Contracting Officer action

Typical Reasons for Internal Replanning



- **Non-contractually binding reasons:**
 - Change in execution strategy
 - Change in make versus buy decision
 - Reorganization
 - Rescheduling within the contractual milestone constraints
 - Application of Management Reserve (MR) to control accounts
 - Planning package to work package conversion
- **Changes to any contractually required technical execution strategies, key performance parameters, etc. require contract modification**

Replanning Open Work Packages



- **Replanning is limited to future, unopened work packages**
- No changes to open work packages unless Government directed change or a Government approved OTB
- **Work packages should be short in duration**
 - Allows for replanning flexibility and benefits Government and Contractor by making performance measurement easily calculable
- **If Government directs a replan involving open work packages:**
 - Close work package; set BCWS equal to BCWP, preserve ACWP
 - Open a new work package to replan remaining BCWS and any additional BCWS authorized



- **Rubber Baseline**

- Deceptive PMB replanning activity; generates favorable cost or schedule variances to mask poor performance

- Avoid schedule variance

- Pushes BCWS originally planned for near term to far term to mask a schedule variance

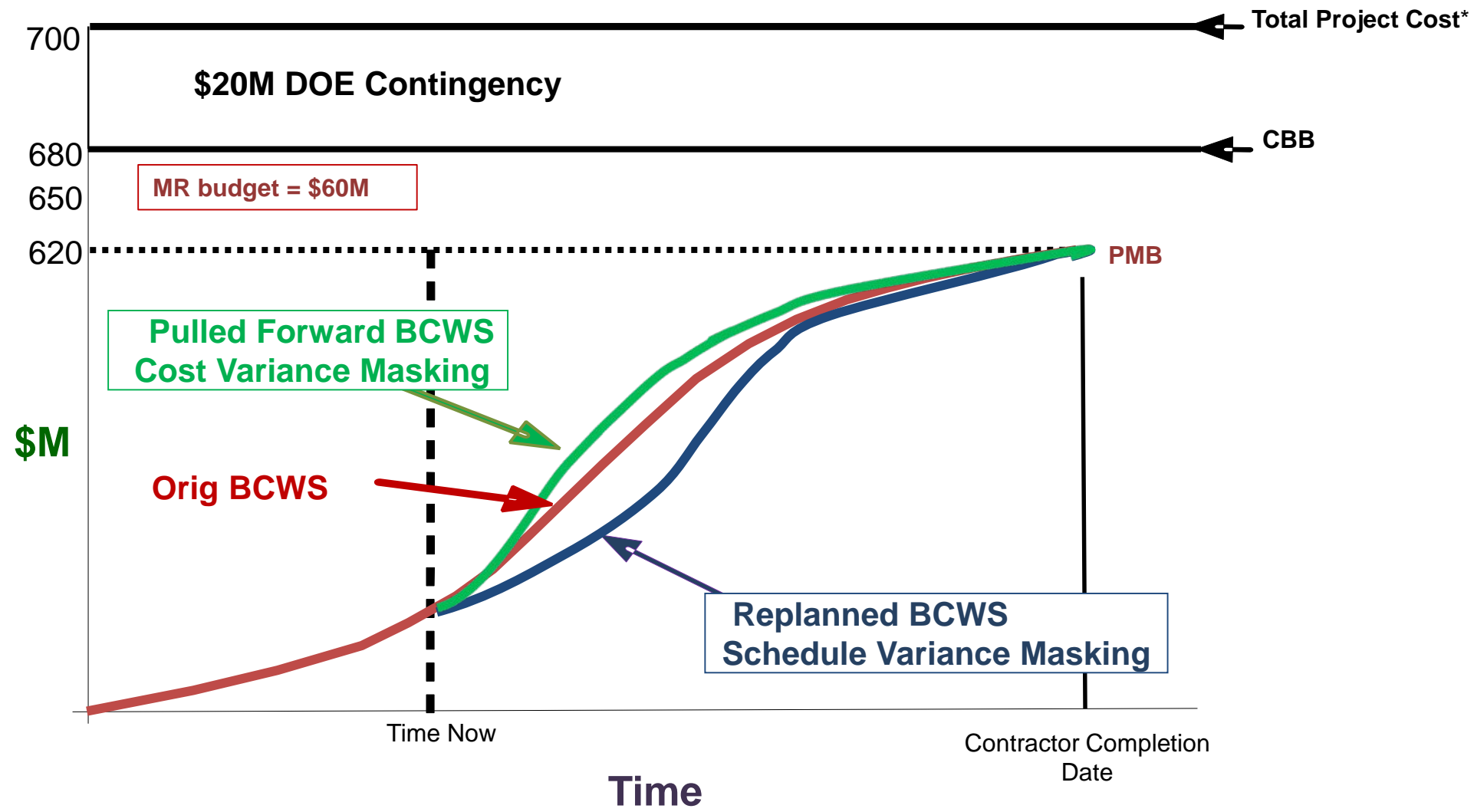
- Hide a cost variance

- Pulls BCWS forward, disassociating it from the future scope for which it was intended, to mask a cost variance

- Both of these methods only mask the issues temporarily and contribute to the surprise factor of unpredicted cost and schedule issues downstream

- **Application of significant MR early in the project**

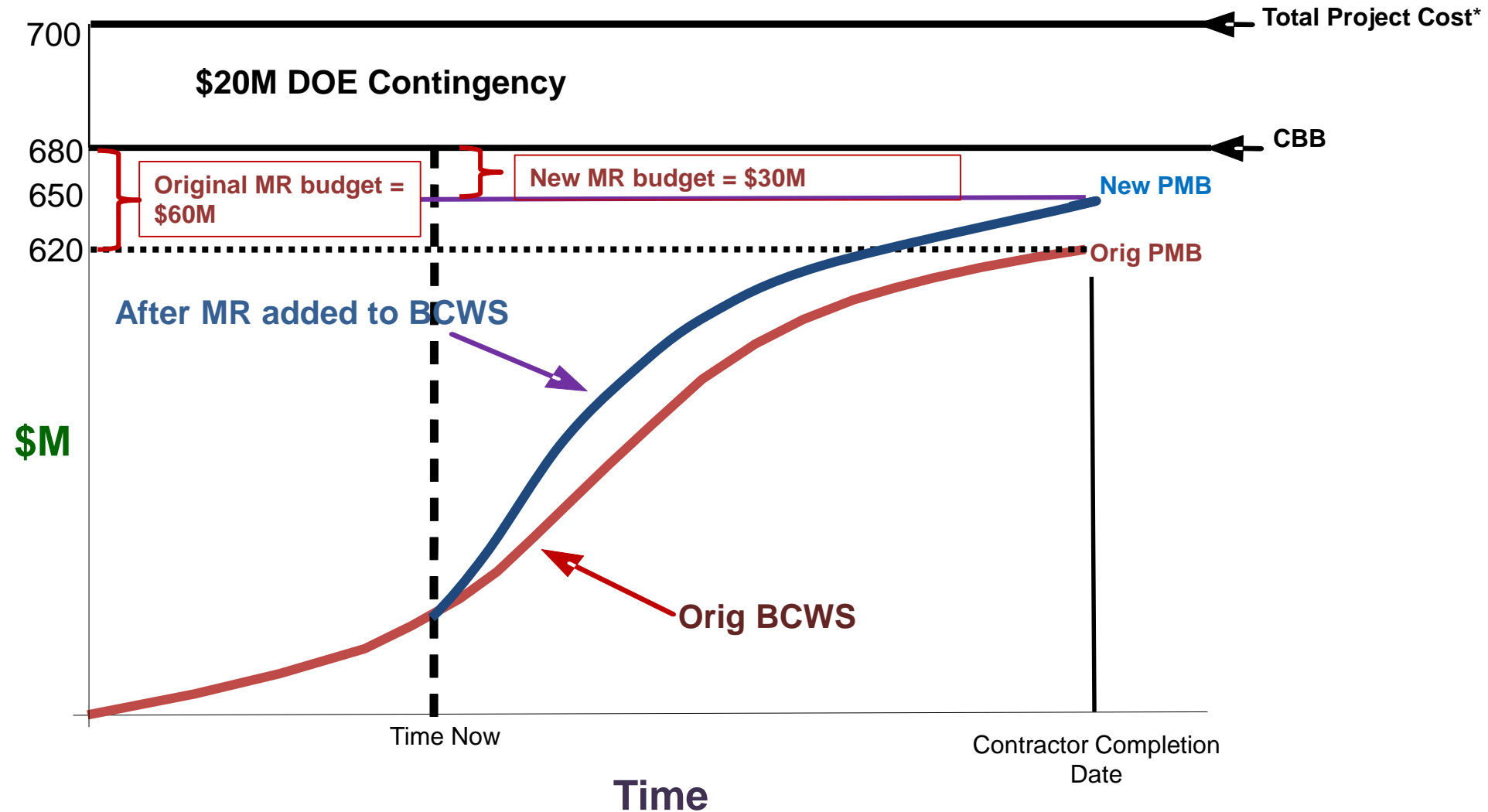
Internal Replanning: Rubber Baseline



*ODC/Profit/Fee Omitted

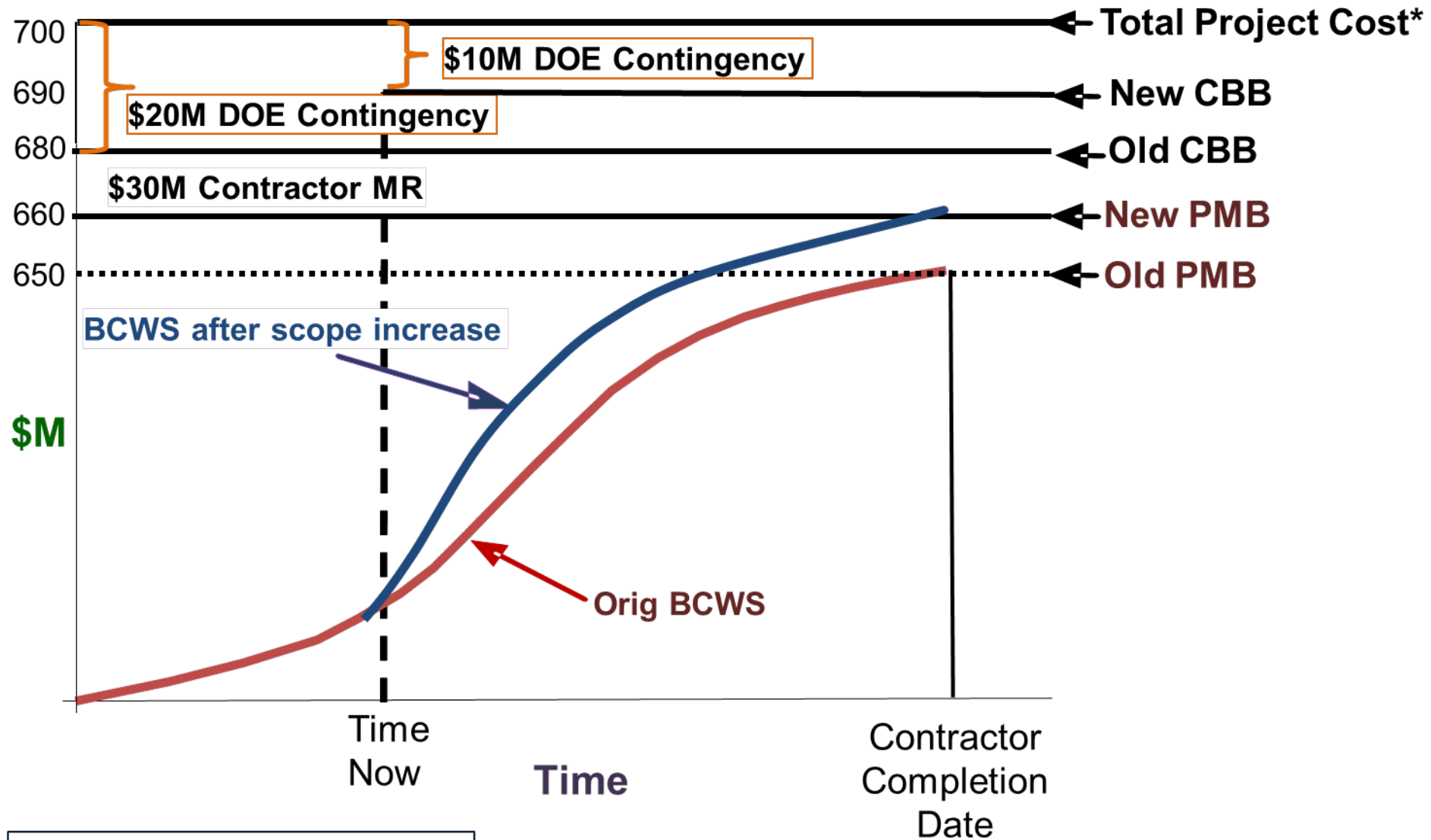


Internal Replanning Using MR



*ODC/Profit/Fee Omitted

Internal Replanning as a Result of Contract Modification



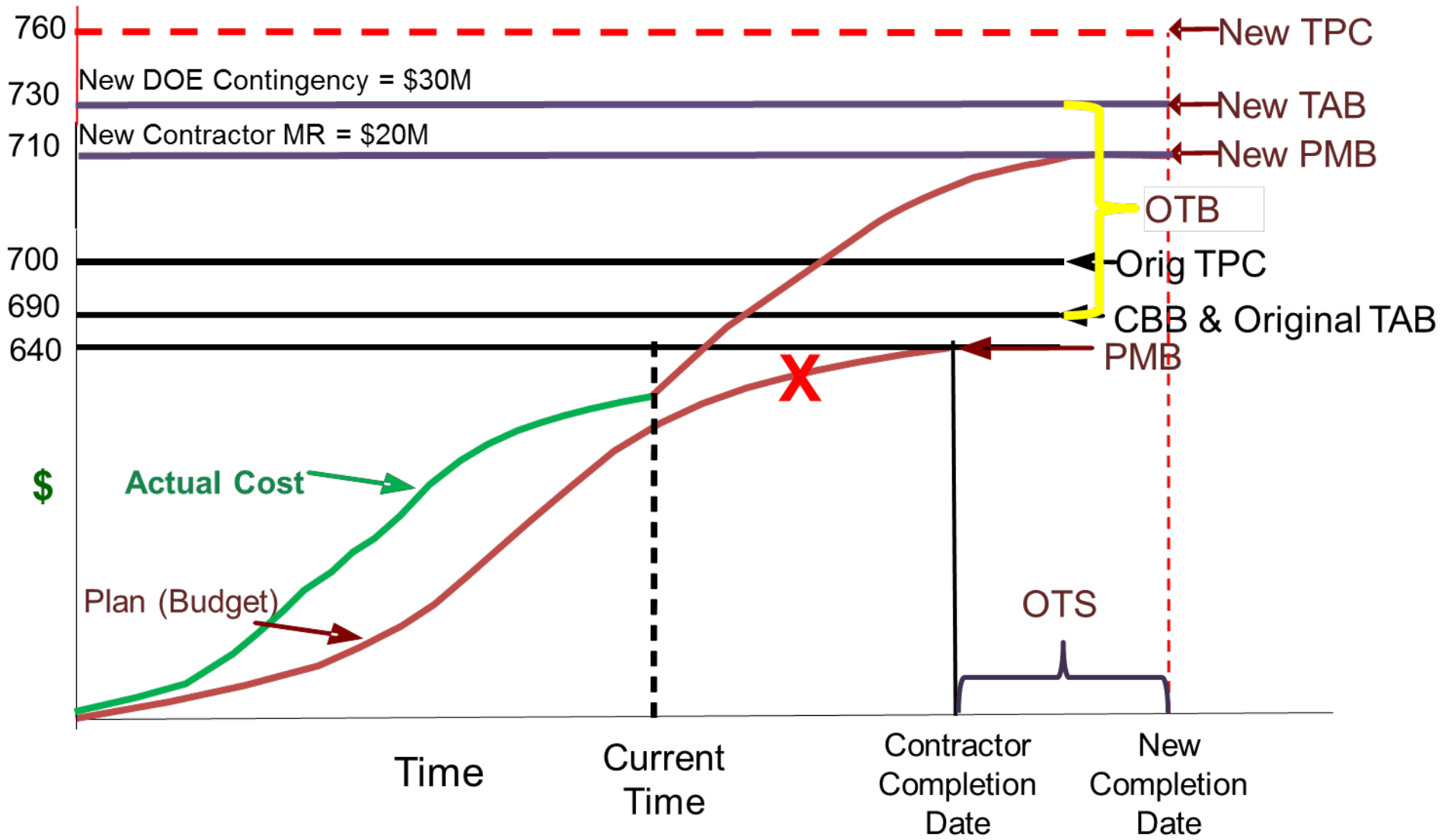
*ODC/Profit/Fee Omitted

Typical Reasons for External Replanning



- **Negotiated/Definitized contract changes**
 - Scope addition/deletion
 - Schedule change (e.g., extend/compress schedule)
 - Change to funding plan
- **Authorized Unpriced Work**
- **These actions are only valid if formally issued by the Contracting officer**
 - Verbal or written direction by anyone other than the CO is not valid

External Replan – New TPC Approved





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EARNED VALUE MANAGEMENT

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- Project Management
 - Earned Value**
 - Lessons Learned
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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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