

# EVMS Self Governance



Melvin Frank

Project Management Policy and Systems (PM-30)  
Office of Project Management Oversight & Assessments (PM)

November 2016



**Approach to ensuring the long-term sustainability of a continuously improving EVMS**

- Visible**
- Structured**
- Management Endorsed**

***Preferred Path Post-Certification***  
***Less Intrusive Government Oversight***

# Self-Governance Characteristics



Slide 3

- Leadership Engagement
- Authority
- System Health
- Process Effectiveness
- Workforce Skill
- *Transparency*

# Leadership Engagement



Slide 4

- Provide oversight
- Assess progress
- Open dialogue
- Routine
- Transparent
- Demand continuous improvement
- Define and enforce culture



- Charter with cross-organizational engagement
- Establish enduring processes to assess health
- Implement corrective and improvement actions
- Report to and interact with institutional leadership



- Position and definition of Program Surveillance Officer
- Health dashboards and reporting processes
- Evaluate metrics and monitor actions to correct and improve
- Joint-Surveillance between Government and Contractor
- Transparent



- Obtain trained resources (e.g., Lean Six Sigma)
- Establish, prioritize and execute process improvements
- Report improvement progress to Governance Board
- Data-driven, risk-based approach
- Consistent and repeatable
- Transparent

# Workforce Skill



Slide 8

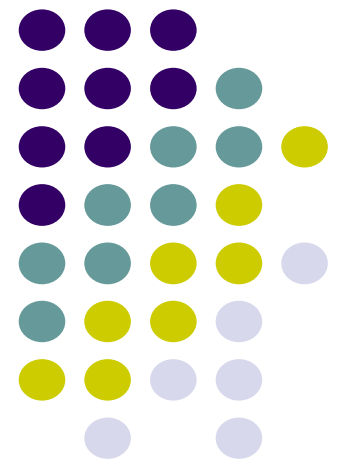
- Refresh curricula and training materials
- Standardize by role/position
- Establish peer-to-peer mentoring
- Be a learning organization



# EVMS Self Governance Talking Points



Rick Millikin  
CHPRC  
Project Delivery Working Group Vice Chair  
November 2016



# Earned Value Management Investment



- Both DOE and EFCOG wanted a more subjective path forward to assess contractor compliance with EVM standards
- EFCOG companies/members along with DOE have spent the last ~21 months writing, reviewing, adjudicating and finally publishing the EVMSIH
- We did this because we (EFCOG/DOE Contractors/Industry) wanted to be aligned with DOE expectations and testing methodology
- On August 31, 2016, EVMSIH Version 2.0 was released
- Thus begins a new chapter...

# EVM Compliance is an Open Book Test



- PM-30's expectation is that contractors begin implementing now as part of their self governance/annual surveillance program
- So lets put our EVMS and the EVMSIH through the paces
- Let's test drive this new tool and see what it can and can't do
- If we do find design or functional flaws...let's report it
- If we find efficiencies...let's share them
- This is our data, these are our tools...let's demonstrate compliance!



## Self Governance – Where Do I Start?

- Start with a Gap Analysis between your current system description/procedures/policies/guides against the EVMSIH Version 2.0
- Understand and prioritize the impacts, then develop a plan to align your governing documents to be compliant with the EVMSIH
- Once you have compliant governing documents, work to incorporate or develop automated data checks for the tests in the EVMSIH
- Once the test are automated and the results are validated, work to institutionalize the data checks into the monthly process, prior to month-end closing or data submittal to the client
- Reach-out to other EFCOG member companies, share your successes and failures...network your challenges!



## Self Governance Benefits

- Provides an opportunity for the contractor to plan and schedule the compliance review into their schedule without disrupting work scope performance
- Affords an opportunity to plan and schedule corrective actions into the schedule without disrupting work scope performance
- Allows Contractors to plan and schedule peer or joint reviews with other contractors or DOE without further stressing limited resources due to urgent requests for help
- Allows DOE-HQ/PM-30 to be in all places at once and act in a true oversight role
- Allows DOE-HQ/PM-30 to focus on sites that require their undivided attention based on data and surveillance results



# Sustainability beyond EVMS Certification

November 1, 2016

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# Background

- LANL EVMS successfully re-certified in September 2016
- Re-certification concluded a nearly 2 year rebuild effort
- Transition from a multi-year corrective action effort to a steady state of sustainability and effective self-governance is now underway

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# Challenge

- Develop a robust sustainability plan that ensures two things:
  - Protect the significant investments made by the Laboratory into the EVMS re-build; and
  - Provide confidence that a reliable and compliant EVMS will be in place for both the current and future portfolio of mission essential capital projects

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Slide 16



# Approach

- Establish an EVMS Sustainability and Continuous Improvement Plan with tactical actions that address the following:
  - Leadership Engagement
  - Self-Governance
  - System Health
  - Process Effectiveness
  - Workforce Skill and Competency
  - Project Controls Excellence

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# Key Provisions

- Continuous Executive level leadership review
- Dedicated Program Manager/Compliance Officer
- Cross-functional Governance Board
- Joint surveillance plan
- Structured process improvement program
- System health metrics
- Enhanced CAM mentoring and training
- Infusion of EVMS experienced Project Controls professionals

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# EVMS Self Governance – Leadership Engagement

**Chris Hanner**  
SRNS Project Controls Director

*IPM Workshop 2016*  
*November 1, 2016*

SRNS-MS-2016-00218

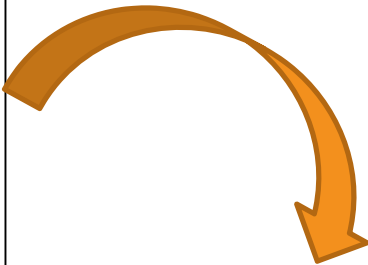
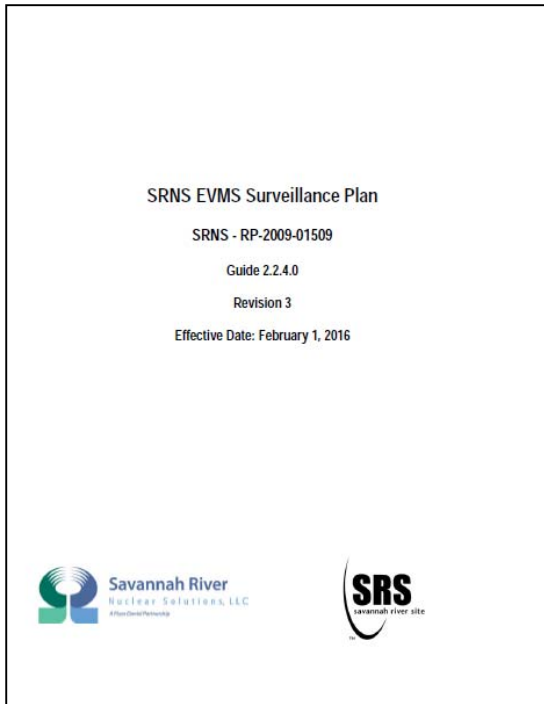
# Leadership Engagement

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There are four pillars of leadership engagement:

- Assessments
- Training
- Communication
- Continuous Improvement

# Leadership Engagement - Assessments

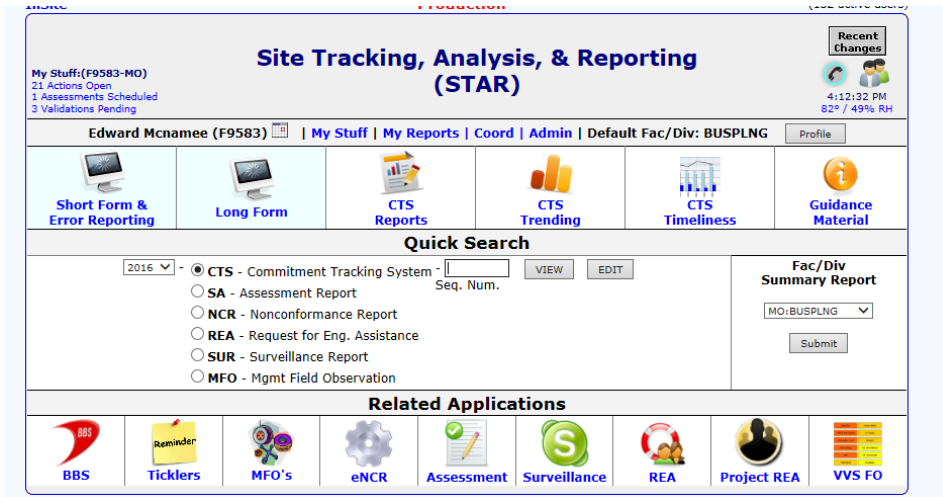


The plan is translated in to scheduled assessments.

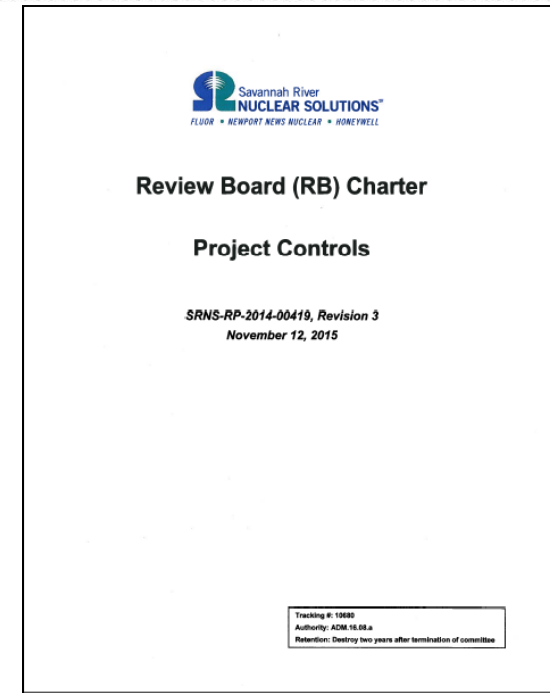
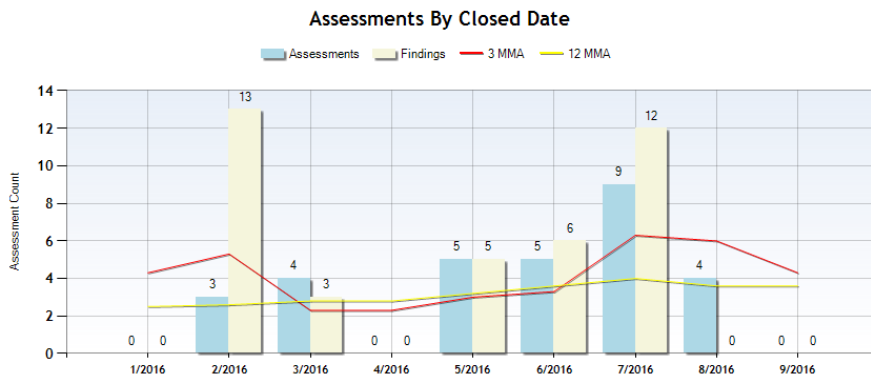
A formal assessment plan has been developed to ensure that oversight is in place.

Line #	Functional Area	Assessment Type	Topic	Type	Frequency	Responsible Manager(s)	STAR Assessment Number	Due Date	Purpose / Basis / Comments
1	03 Management Systems	EVMS Surveillance	Surveillance of compliance to EVMS Checklist	Compliance	Monthly	E. McNamee	2016-SA-1526 2016-SA-1590 2016-SA-1593 2016-SA-1594 2016-SA-1595 2016-SA-1596 2016-SA-1597 2016-SA-1598 2016-SA-1599 2016-SA-1600 2016-SA-1602 2016-SA-1603	1/31/2016 2/29/2016 3/31/2016 4/30/2016 5/31/2016 6/30/2016 7/31/2016 8/31/2016 9/30/2016 10/31/2016 11/30/2016 12/31/2016	Assess compliance to the EVMS Checklist items
2	03 Management Systems	EVMS Surveillance	EVMS Programmatic Assessments	Compliance	Quarterly	E. McNamee	2016-SA-1604 2016-SA-1605 2016-SA-1607 2016-SA-1608	3/31/2016 7/31/2016 9/30/2016 12/31/2016	Review to verify Control Account Managers (CAMs) associated with these types of projects are cognizant of and compliant to the requirements in the SRNS 68 Program Management Manual and other SRNS EVMS program documents.
3	03 Management Systems	EVMS Surveillance	Quarterly Interview of Control Account Managers (CAMs)	Compliance	Quarterly	E. McNamee	2016-SA-2349 2016-SA-2350 2016-SA-2351 2016-SA-2352	3/31/2016 7/31/2016 9/30/2016 12/31/2016	Added these four new assessments in Revision 1 of Schedule. Scope of assessment is to interview selected Control Account Managers to evaluate their knowledge of EVMS requirements, tools and techniques.
4	03 Management Systems	EVMS Surveillance	Surveillance of Accounting's Labor Recording and Charging Practices Assessments ("Floor Checks") for impact(s) to the EVMS program	Compliance	Semi-Annual	E. McNamee	2016-SA-1609 2016-SA-1611	5/31/16 8/31/16	Project Controls will evaluate the results of Accounting's Labor Recording and Charging Practices Assessments ("Floor Checks") for indicators / impacts to the EVMS program.
5	03 Management Systems	EVMS Surveillance	Review of Indirect Program Management	Compliance	Annual	E. McNamee	2016-SA-1612	8/31/2016	Addresses CAR 24: Budgeted and Actual Indirects are controlled at appropriate level & frequency / Management & Reporting  Surveillance Action: Review Indirect Cost Variances Analyses, Management Action Plans, and Updated Schedule and Cost Forecasts
6	03 Management Systems	EVMS Surveillance	Comprehensive Annual EVMS Surveillance	Compliance	Annual	E. McNamee	2016-SA-1613	12/31/2016	The annual surveillances will be done by EVMS subject matter experts (SMEs) and may contain Corporate (SRNS parent companies) or other external resources. This assessment will evaluate the balance of the Intent Guide not covered by the Monthly and Quarterly assessments. Additionally this assessment will address Indirect Accounting LOIs contained in Section 7 of the EVMSIH.

# Leadership Engagement - Assessments

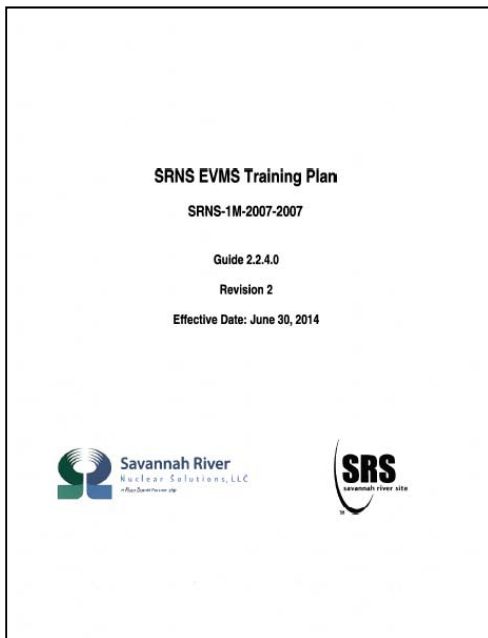


Assessment plans and results are done in the Site Tracking , Analysis, and Reporting system.

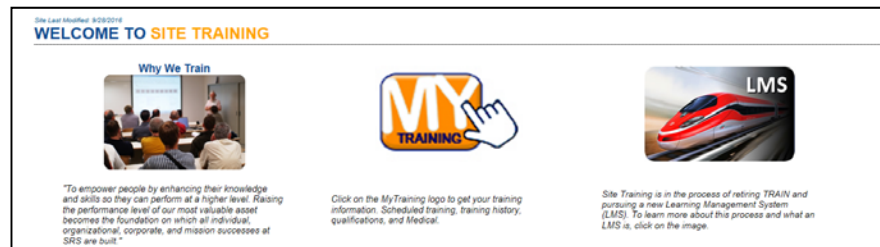
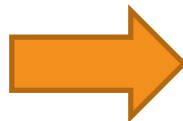


An established Review Board reviews assessments and corrective actions on a monthly basis. The Board has Senior Management sponsorship and is open for DOE participation.

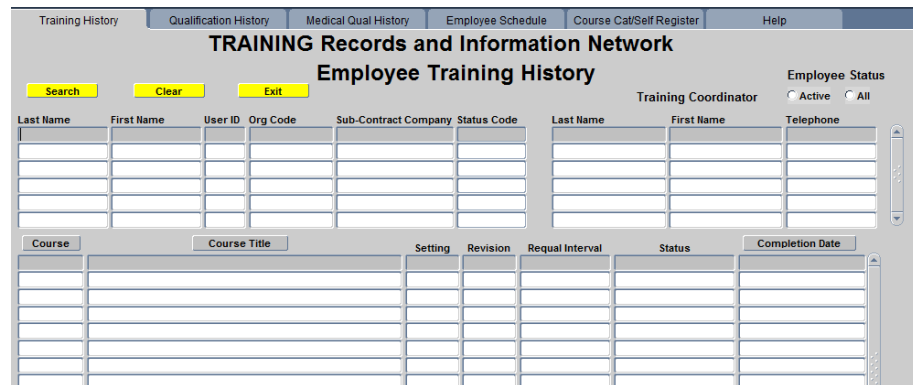
# Leadership Engagement - Training



A formal training plan has been developed and the courses have been incorporated as part of the SRNS training system. This allows standard, high quality training to be given.



Using the site system also allows for easy retrieval of training records



# Leadership Engagement - Communications

A key aspect of any management system is to ensure that all levels of management are engaged through effective communications. For the D Area Ash Project this was done through a Compensatory Action Plan.

**SRNS Earned Value Management System**  
**D Area Compensatory Action Plan**  
March 3, 2015

Prepared by: Ray T. Rindler or Mike Klantz 3/5/15  
Mike Klantz – ACP Project Controls Manager Date

Prepared by: Susan Bell 3/5/15  
Susan Bell – Project Manager Date

Approved by: Chris Hanner 3/5/15  
Chris Hanner – Project Controls Director Date

Approved by: Rege Strauss 3/5/15  
Rege Strauss – Manager of Projects Date

**I. EVMS System Overview**

The SRNS EVMS System Description provides guidance on application of the Earned Value Management System (EVMS) criteria identified in the ANSI/EIA-748-C EVMS criteria to meet the contractual and project-specific requirements of each project:

- Planning all project work scope to completion
- Breaking down the project work scope into manageable pieces that can be assigned to a responsible person or organization for control of technical, schedule and cost objectives
- Integrating project work scope, schedule, and cost objectives into a baseline plan against which accomplishments may be measured
- Incorporating authorized changes to the baseline in a controlled and timely manner
- Collecting and recording actual costs, and comparing those costs to the performance baseline in the same manner as planned

Key senior management communication elements of the plan:

- Weekly meetings during project initiation.
- Monthly variance workshops.
- Monthly critical path review meetings.
- Monthly EAC meetings
- Monthly project reviews
- Monthly Executive reviews.



## Leadership Engagement – Continuous Improvement

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The use of continuous improvement keeps focus on the EVM process, and enables the user to better use and understand the system. SRNS has implemented the following tools, that address 16 of the 32 guidelines, as part of continuous improvement over the past year:

- Data Integration Tool – Excel based tool that checks integration between the cost processor, schedule, and work authorization for baseline and forecast dates, budgets (by EOC), earned value, CAM names, and CA titles.
- Site specific use of Acumen Fuse.
- Automated data validity checks on the cost processor – Cobra report that tests for compliance with Guidelines 16, 27, and 30.
- Element of Cost Analyzer for variance reviews – Excel based tool that provides detail down to the WP level for variance at the element of cost.

# Self-Governance - Closing Thoughts



Slide 26

- Transparent
- Reduced Government Oversight
- Puts contractual EVMS compliance oversight back on Contractor
- Earned
- Maturity Model / Risk Rating / Compliance Confidence

	Limited to No Compliance with EIA-748
	Partial Compliance with EIA-748
	Compliant with EIA-748
	Compliant with EIA-748; Used in Reviews/Discussion/Decision Making
	Compliant with EIA-748; Used in Reviews/Discussion/Decision Making; Maintained and Improved as Best Business Practice to Reinforce Management Application



# DOE PM Website - ENERGY.GOV/PM

Please find the full set of slides presented at the IPMW DOE Track on the DOE PM Website EVM Page <http://www.energy.gov/projectmanagement/earned-value-management>

## EARNED VALUE MANAGEMENT

- Project Management
- Earned Value Management**
- EVMS Guidance
- EVM SMEs
- Training
- Glossary of Terms & Acronyms
- Career Development (PMCDP)
- Policy Development
- Information Systems



### KEY RESOURCES

- PMCDP
- EVMS
- PARS IIe
- FPD Resource Center
- PM Newsletter
- Forms and Templates

The mission of the DOE Earned Value Management website is to educate and train on theory and practice of Earned Value Management, and use it as an integrated Project Management process.

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.