

EVMS Training Snippet Library: Authorized Unpriced Work (AUW)



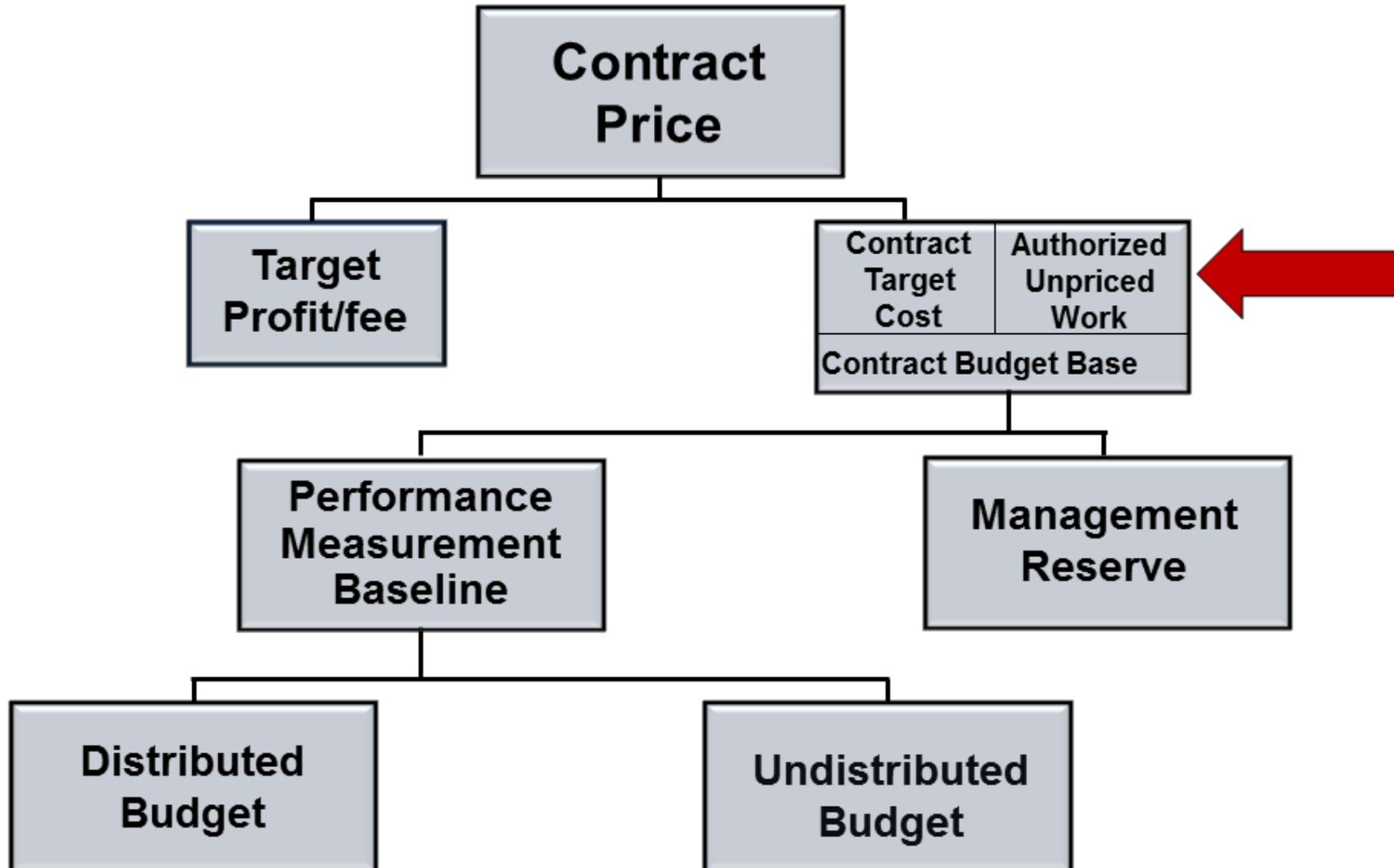
**Office of Acquisition and Project Management (APM) MA-60
U. S. Department of Energy
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Definition and Purpose of AUW



- **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**

Contract Level Terms





- **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)	CBB	Management Reserve	PMB	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

IPMR Format 1 With AUW



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

5. CONTRACT DATA		
a. QUANTITY	b. NEGOTIATED COST 120	c. ESTIMATED COST OF AUTHORIZED UNPRICED WORK 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.

Contract Budget Base (CBB) Log



Date	Description	Contract Target Cost (CTC)	Authorized Unpriced Work	CBB	MR	PMB	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 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



- **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**



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EARNED VALUE MANAGEMENT

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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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