

NDIA Integrated Program Management Division

Clearinghouse Working Group

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Integrated Program Management Division (IPMD) - Clearinghouse

IPMD Purpose: Leading the Advancement of Integrated Program Management Through Industry and Government Partnership

- **Clearinghouse Mission:** This committee provides a forum for industry's EVMS practitioners to raise and discuss EVMS or related issues. The goal is to identify common issues, gather facts and supporting data, formulate industry positions, and develop recommendations for issue resolution. This committee handles the process steps necessary to capture the facts and data and to develop mutually acceptable resolutions along with specific recommendations that can be presented to the IPMD board for further action.

Clearinghouse Committee Page – issue input forms & past briefings

<http://www.ndia.org/divisions/ipmd/working-groups/clearinghouse>

- Transitioning to Contract after initiating effort with Company Funding
 - Treatment of S, P & A incurred prior to award
 - Reporting pre-contract effort in IPMDAR
- Harvesting Under-runs (late add)
- Positioning excess MR at contract completion
 - Contractor has \$10M MR balance at complete
- Updating the PMB for rate changes
 - Impact or insight for Variance Analysis
- DCMA BP2 Changes

Transitioning to Contract

ISSUE: Transitioning an internally funded effort to contract funding can impact IPMDAR reporting.

Options to transition Internally Authorized effort to Contract:

- **Set up new system project**
 - Initiate new system project for contract and transfer S, P, & A into period one
- **Continue executing program under pre-contract system project**
 - Internal Project transitions to external Contract project
 - Maintains precontract time-phased S, P & A data

Transition effort to new EVM System project – IPMDAR reporting

- To Date Time-Phased (Y/N)
 - (Y) the IPMDAR submittal will show incremental data starting with the S, P, & A adjustment in period 1 covering from contract ATP to current period
- Contract Start Date (2.3.1.12)
 - Contract Start Date. Provide the date the contractor was authorized to start work on the contract, regardless of the date of contract definitization.
 - Assigned to align to external contract ATP
- Reporting Period ID (Per 1; first month of file S,P,A)
 - Period 1 assigned in alignment with contract date

Transition effort under current EVM System project – IPMDAR reporting

- To Date Time-Phased (Y/N)
 - (Y) the IPMDAR submittal with show data prior to contract date with incremental S, P, & A aligning to internal funding authorization
- Contract Start Date (2.3.1.12)
 - Contract Start Date. Provide the date the contractor was authorized to start work on the contract, regardless of the date of contract definitization.
 - Start date will align to Authorization Date for Internal Funding to capture all data
- Reporting Period ID (Per 1; first month of file S,P,A)
 - Period 1 assigned in alignment to Internal Funding Authorization

ISSUE – (2018) Deficiency associated with harvesting budget from closed work packages to augment or create another work package.

Situation: The contractor had under-run on work performed on contract. The PM worked with the customer to identify additional in-scope work that could be performed to support the overall execution of the contract and customer mission. Contract was FPI.

The Contractor believed they had the following options:

1. Refuse the additional work
2. Establish a zero budget WP for the additional work
3. OTBs are associated with poor contractor performance that can only be corrected through a replanning of the baseline; clearly the contractor has performed well!
4. Establish an Internal Operating Budget and factor the budgets for external reporting
5. Follow customer direction and establish a new WP from harvested budgets

Harvesting Example and Discussion

To account for the additional work the contractor gleaned budget from 9 other work packages to add one additional work package to the same control account.

Issue: Deficiency associated with harvesting budget from closed work packages to augment or create another work package.

Contractor Response: Contractor argued that the change was done purposefully, following the change control process, and with **management direction to improve the integrity of the baseline** and accuracy of the performance measurement data.

The contractor completed more scope and **had the change not been made the contractor would have recognized a large positive cost variance which would have increase the incentive fee** under the 70/30 split. CAR was issued citing that the change harvested budgets and eliminated variances from closed control accounts thereby adversely impacted performance measurements.



PARCA Memo – FEB 2018

“When contractual scope has been completed for less than the amount funded, there is an opportunity for that funding to be used for new scope. The preferred mechanism to accomplish this is to de-obligate the remaining funds, then re-obligate them back to the contract to support the new efforts. Government may issue an RFP for the changed scope. Those new efforts become budget that is assigned to scope and placed into the CBB.”

Scenario: Existing contract near completion with approximately \$10 Million sitting in **MR**.

PM's concern was that the contract would not achieve maximum fee if **MR** was not moved to **UB** or spread it amongst WBS elements -- even when there was no increase in SOW for those elements.

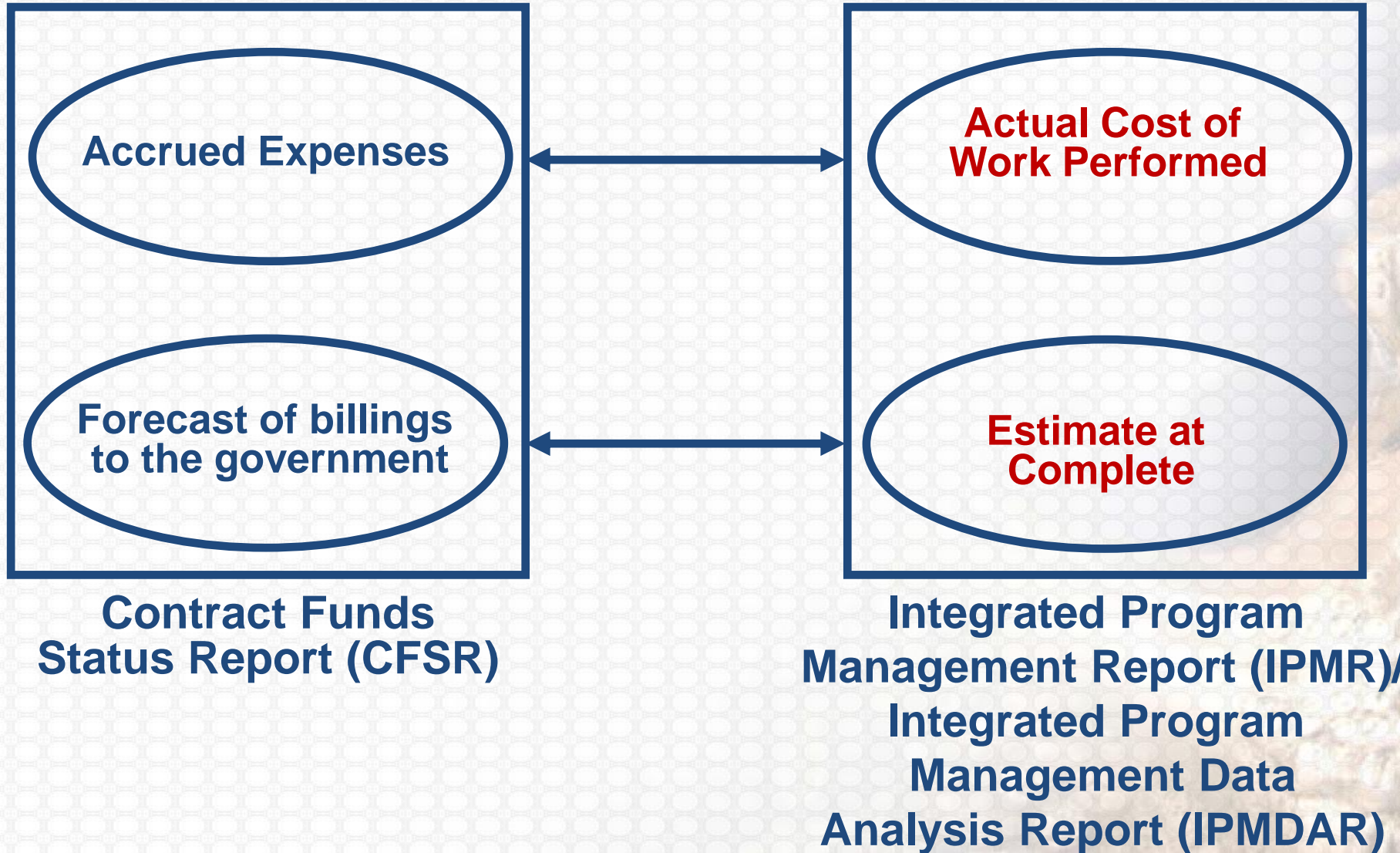
PM continued - I have never worked a contract to the very end, but it was my understanding this is how **MR** works at the end of the day when contract completes all work.

Question: Should a program move excess **MR** to **UB** during contract close out or leave it where it is in **MR** budget?

Response:

- Leave it where it is. **UB** has scope and **MR** does not. You would be presenting that there is \$10 million worth of work to perform which is not true.
- Your cost is what it is no matter how much **MR** you have. That cost will, of course, determine the amount of fee based upon the contract terms and conditions.

Budget versus Funds



LEGACY INTEGRATED PROGRAM MANAGEMENT REPORT Format 1 - Work Breakdown Structure

Dollars IN Thousands

Form Approved
OMB No. 0704-0188

1. Contractor		2. Contract		3. Program		4. Report Period	
a. Name Wippity Bipp Construction Co.		a. Name CALTRANS 20		a. Name Highway 73 Resurfacing		a. (YYYY/MM/DD) From _____	
b. Location (Address & Zip Code) 1 Briarpatch Lane Thumperville, CA 90633		b. Number XX-0763		b. Phase Operations & Maintenance		b. To (YYYY/MM/DD) Month 7	
		c. Type CPFF	d. Share Ratio N/A	c. EVMS Acceptance <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (2018/05/06)			

5. Contract Data								
a. Quantity 1	b. Negotiated Cost \$30,000	c. Est. Cost of Auth. Unpriced Work 0	d. Target Profit/Fee \$3,000	e. Target Price \$33,000	f. Estimated Price \$33,500	g. Contract Ceiling N/A	h. Estimated Contract Ceiling N/A	i. Date of OTB/OTS (YYYY/MM/DD)

6. Estimated Cost at Completion			7. Authorized Contractor Representative			
	Management Estimate at Completion (1)	Contract Budget Base (2)	Variance (3)	a. Name (Last, First, Middle Initial) Quick, I.M.	b. Title Program Manager	
a. Best Case	\$30,000			c. Signature I.M. Quick		
b. Worst Case	\$36,000					d. Date Signed (YYYY/MM/DD) Month 8, 10 th .
c. Most Likely	\$30,500	\$30,000	\$-500			

8. Performance Data																
Item (1)	Current Period					Cumulative To Date					Reprogramming Adjustments			At Completion		
	Budgeted Cost		Actual Cost Work Performed (4)	Variance		Budgeted Cost		Actual Cost Work Performed (9)	Variance		Cost Variance (12A)	Schedule Variance (12B)	Budget (13)	Budgeted (14)	Estimated (15)	Variance (16)
	Work Scheduled (2)	Work Performed (3)		Schedule (5)	Cost (6)	Work Scheduled (7)	Work Performed (8)		Schedule (10)	Cost (11)						
a. WBS																
Program Mgmt./Support	190	190	132	0	58	1,385	1,385	566	0	819				1,950	1,350	600
Excavation/Base	772	2,426	3,056	1,654	-630	6,761	5,184	5,824	-1,577	-640				10,000	10,403	-403
Guardrails	1,120	713	987	-407	-274	3,370	1,997	2,949	-1,373	-952				6,000	6,590	-590
Data	297	418	79	121	339	1,469	504	504	-965	0				2,100	2,100	0
Testing/Inspection	80	187	203	107	-16	4,468	4,381	4,608	-87	-227				4,750	4,770	-20
b. Cost of Money	0	0	0	0	0	0	0	0	0	0				0	0	0
c. Gen. & Admin.	41	66	43	25	23	47	49	49	2	0				5,200	5,287	-87
d. Undistributed Budget																
e. Subtotal (Performance Measurement Baseline)	2,500	4,000	4,500	1,500	-500	17,500	13,500	14,500	-4,000	-1,000				30,000	30,500	-500
f. Management Reserve														0		
g. TOTAL	2,500	4,000	4,500	1,500	-500	17,500	13,500	14,500	-4,000	-1,000				30,000		

9. Reconciliation To Contract Budget Base																
a. Variance Adjustment																
b. Total Contract Variance																

LEGACY INTEGRATED PROGRAM MANAGEMENT REPORT
Format 1 - Work Breakdown Structure

Dollars IN Thousands

Form Approved
OMB No. 0704-0188

1. Contractor		2. Contract		3. Program		4. Report Period	
a. Name Wippity Bipp Construction Co.		a. Name CALTRANS 20		a. Name Highway 73 Resurfacing		a. (YYYY/MM/DD) From _____	
b. Location (Address & Zip Code) 1 Briarpatch Lane Thumperville, CA 90633		b. Number XX-0763		b. Phase Operations & Maintenance		b. To (YYYY/MM/DD) Month 7	
		c. Type CPFF	d. Share Ratio N/A	c. EVMS Acceptance <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (2018/05/06)			

5. Contract Data								
a. Quantity 1	b. Negotiated Cost \$30,000	c. Est. Cost of Auth. Unpriced Work 0	d. Target Profit/Fee \$3,000	e. Target Price \$33,000	f. Estimated Price \$33,500	g. Contract Ceiling N/A	h. Estimated Contract Ceiling N/A	i. Date of OTB/OTS (YYYY/MM/DD)

6. Estimated Cost at Completion			7. Authorized Contractor Representative		
	Management Estimate at Completion (1)	Contract Budget Base (2)	Variance (3)	a. Name (Last, First, Middle Initial) Quick, I.M.	b. Title Program Manager
a. Best Case	\$30,000			c. Signature I.M. Quick d. Date Signed (YYYY/MM/DD) Month 8, 10 th .	
b. Worst Case	\$36,000				
c. Most Likely	\$30,500	\$30,000	\$-500		

8. Performance Data																
(1) Item	Current Period					Cumulative To Date					Reprogramming Adjustments			At Completion		
	Budgeted Cost		Actual Cost Work Performed (4)	Variance		Budgeted Cost		Actual Cost Work Performed (9)	Variance		Cost Variance (12A)	Schedule Variance (12B)	Budget (13)	Budgeted (14)	Estimated (15)	Variance (16)
	Work Scheduled (2)	Work Performed (3)		Schedule (5)	Cost (6)	Work Scheduled (7)	Work Performed (8)		Schedule (10)	Cost (11)						
a. WBS																
Program Mgmt./Support	190	190	132	0	58	1,385	1,385	566	0	819				1,950	1,350	600
Excavation/Base	772	2,426	3,056	1,654	-630	6,761	5,184	5,824	-1,577	-640				9,000	10,403	-1,403
Guardrails	1,120	713	987	-407	-274	3,370	1,997	2,949	-1,373	-952				6,000	6,590	-590
Data	297	418	79	121	339	1,469	504	504	-965	0				2,100	2,100	0
Testing/Inspection	80	187	203	107	-16	4,468	4,381	4,608	-87	-227				4,750	4,770	-20
b. Cost of Money	0	0	0	0	0	0	0	0	0	0				0	0	0
c. Gen. & Admin.	41	66	43	25	23	47	49	49	2	0				5,200	5,287	-87
d. Undistributed Budget																
e. Subtotal (Performance Measurement Baseline)	2,500	4,000	4,500	1,500	-500	17,500	13,500	14,500	-4,000	-1,000				29,000	30,500	-1,500
f. Management Reserve														1,000		
g. TOTAL	2,500	4,000	4,500	1,500	-500	17,500	13,500	14,500	-4,000	-1,000				30,000		

9. Reconciliation To Contract Budget Base																
a. Variance Adjustment																
b. Total Contract Variance																

CONTRACT FUNDS STATUS REPORT (Dollars in \$000)										Form Approved Number 22 R0180	OMB	
1. CONTRACT NUMBER XX-0763	2. CONTRACT FUNDING FOR FISCAL YEAR 01	5. PREVIOUS REPORT DATE MONTH 6			7. CONTRACTOR <small>(Name, address and zip code)</small> WIPPITY BIPP CONSTRUCTION 1 BRIARPATCH LN THUMPERVILLE, CA 90633			9. INITIAL CONTRACT PRICE a. TARGET 33,000 b. CEILING 37,000				
2. CONTRACT TYPE CPFF	4. APPROPRIATION 62147	6. CURRENT REPORT DATE MONTH 7			8. PROGRAM HIGHWAY 73 RESURFACING			10. ADJUSTED CONTRACT PRICE a. TARGET b. CEILING				
11. FUNDING INFORMATION												
LINE ITEM/WBS ELEMENT a	APPROPRIATION IDENTIFICATION b	FUNDING AUTHORIZED TO DATE c	ACCRUED EXPENDITURES OPEN COMMITMENTS d	CONTRACT WORK AUTHORIZED			FORECAST			TOTAL REQUIREMENTS k	FUNDS CARRY-OVER l	NET FUNDS REQUIRED m
				DEFINITIZED e	NOT DEFINITIZED f	SUBTOTAL g	NOT YET AUTHORIZED h	ALL OTHER WORK i	SUBTOTAL j			
0001	62147	33,000	17,950	33,000	-----	33,000	500	-----	500	33,500	-----	33,500
CONTRACT WORK AUTHORIZED (With Fee/Profit) - ACTUAL OR PROJECTED												
	ACTUAL TO DATE	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	MONTH 13	MONTH 14	MONTH 15	AT COMPLETION		
a. OPEN COMMITMENTS	2,000	1,500	1,200	1,000	750	500	300	-----	-----	-----		
b. ACCRUED EXPENDITURES	15,950	19,800	23,100	26,400	30,800	31,900	32,400	32,900	33,500	33,500		
c. TOTAL (12a + 12b)	17,950	21,300	24,300	27,400	31,550	32,400	32,700	32,900	33,500	33,500		
13. FORECAST OF BILLINGS TO THE GOVERNMENT	14,335	17,820	18,500	23,760	27,720	26,100	28,710	31,000	33,500	33,500		
14. ESTIMATED TERMINATION COSTS	7,000	6,000	5,000	4,000	3,000	2,000	-----	-----	-----	-----		
15. REMARKS												

Legacy Integrated Program Management Report Format 1 - Work Breakdown Structure

Dollars In \$000

Form Approved
OMB No. 0704-0188

1. Contractor		2. Contract		3. Program		4. Report Period	
a. Name Wippity Bipp Construction Co.		a. Name CALTRANS 20		a. Name Highway 73 Resurfacing		a. (YYYY/MM/DD) From _____	
b. Location (Address & Zip Code) 1 Briarpatch Lane Thumperville, CA 90633		b. Number XX-0763		b. Phase Operations & Maintenance		b. To (YYYY/MM/DD) Month 20	
		c. Type CPFF	d. Share Ratio N/A	c. EVMS Acceptance No <u>Yes</u> (2001/05/06)			

5. Contract Data								
a. Quantity 1	b. Negotiated Cost \$30,000	c. Est. Cost of Auth. Unpriced Work 0	d. Target Profit/Fee \$3,000	e. Target Price \$33,000	f. Estimated Price \$36,450	g. Contract Ceiling N/A	h. Estimated Contract Ceiling N/A	i. Date of OTB/OTS (YYYY/MM/DD)

6. Estimated Cost at Completion				7. Authorized Contractor Representative			
	Management Estimate at Completion (1)	Contract Budget Base (2)	Variance (3)	a. Name (Last, First, Middle Initial) Quick, I.M.	b. Title Program Manager		
a. Best Case	\$33,450			c. Signature I.M. Quick		d. Date Signed (YYYY/MM/DD) Month 21, 10 th .	
b. Worst Case	\$33,450						
c. Most Likely	\$33,450	\$30,000	\$-3,450				

8. Performance Data																
(1) Item	Current Period					Cumulative To Date					Reprogramming Adjustments			At Completion		
	Budgeted Cost		Actual Cost Work Performed (4)	Variance		Budgeted Cost		Actual Cost Work Performed (9)	Variance		Cost Variance (12a)	Schedule Variance (12b)	Budget (13)	Budgeted (14)	Estimated (15)	Variance (16)
	Work Scheduled (2)	Work Performed (3)		Schedule (5)	Cost (6)	Work Scheduled (7)	Work Performed (8)		Schedule (10)	Cost (11)						
a. WBS																
Program Mgmt./Support	0	0	115	0	-115	1,950	1,950	2,100	0	-150			1,950	2,100	-150	
Excavation/Base	0	0	0	0	0	10,000	10,000	10,900	0	-900			10,000	10,900	-900	
Guardrails	0	75	110	75	-35	6,000	6,000	7,750	0	-1,750			6,000	7,750	-1,750	
Data	0	0	0	0	0	2,100	2,100	2,100	0	0			2,100	2,100	0	
Testing/Inspection	0	10	12	10	-2	4,750	4,750	4,803	0	-53			4,750	4,803	-53	
b. Cost of Money	0	0	0	0	0	0	0	0	0	0			0	0	0	
c. Gen. & Admin.	0	15	41	15	-26	5,200	5,200	5,797	0	-597			5,200	5,797	-597	
d. Undistributed Budget																
e. Subtotal (Performance Measurement Baseline)	0	100	278	100	-178	30,000	30,000	33,450	0	-3,450			30,000	33,450	-3,450	
f. Management Reserve													0			
g. TOTAL	0	100	278	100	-178	30,000	30,000	33,450	0	-3,450			30,000			

9. Reconciliation To Contract Budget Base															
a. Variance Adjustment															
b. Total Contract Variance															

Legacy Integrated Program Management Report Format 1 - Work Breakdown Structure

Dollars In \$000

Form Approved
OMB No. 0704-0188

1. Contractor		2. Contract		3. Program		4. Report Period	
a. Name Wippity Bipp Construction Co.		a. Name CALTRANS 20		a. Name Highway 73 Resurfacing		a. (YYYY/MM/DD) From _____	
b. Location (Address & Zip Code) 1 Briarpatch Lane Thumperville, CA 90633		b. Number XX-0763		b. Phase Operations & Maintenance		b. To (YYYY/MM/DD) Month 20	
		c. Type CPFF	d. Share Ratio N/A	c. EVMS Acceptance No <u>Yes</u> (2001/05/06)			

5. Contract Data								
a. Quantity 1	b. Negotiated Cost \$30,000	c. Est. Cost of Auth. Unpriced Work 0	d. Target Profit/Fee \$3,000	e. Target Price \$33,000	f. Estimated Price \$36,450	g. Contract Ceiling N/A	h. Estimated Contract Ceiling N/A	i. Date of OTB/OTS (YYYY/MM/DD)

6. Estimated Cost at Completion				7. Authorized Contractor Representative			
Management Estimate at Completion (1)		Contract Budget Base (2)		Variance (3)		a. Name (Last, First, Middle Initial) Quick, I.M.	
a. Best Case \$33,450						b. Title Program Manager	
b. Worst Case \$33,450						c. Signature I.M. Quick	
c. Most Likely \$33,450		\$30,000		-\$3,450		d. Date Signed (YYYY/MM/DD) Month 21, 10 th .	

8. Performance Data																
(1) Item	Current Period					Cumulative To Date					Reprogramming Adjustments			At Completion		
	Budgeted Cost		Actual Cost Work Performed (4)	Variance		Budgeted Cost		Actual Cost Work Performed (9)	Variance		Cost Variance (12a)	Schedule Variance (12b)	Budget (13)	Budgeted (14)	Estimated (15)	Variance (16)
	Work Scheduled (2)	Work Performed (3)		Schedule (5)	Cost (6)	Work Scheduled (7)	Work Performed (8)		Schedule (10)	Cost (11)						
a. WBS																
Program Mgmt./Support	0	0	115	0	-115	1,950	1,950	2,100	0	-150			1,950	2,100	-150	
Excavation/Base	0	0	0	0	0	9,000	9,000	10,900	0	-1,900			9,000	10,900	-1,900	
Guardrails	0	75	110	75	-35	6,000	6,000	7,750	0	-1,750			6,000	7,750	-1,750	
Data	0	0	0	0	0	2,100	2,100	2,100	0	0			2,100	2,100	0	
Testing/Inspection	0	10	12	10	-2	4,750	4,750	4,803	0	-53			4,750	4,803	-53	
b. Cost of Money	0	0	0	0	0	0	0	0	0	0			0	0	0	
c. Gen. & Admin.	0	15	41	15	-26	5,200	5,200	5,797	0	-597			5,200	5,797	-597	
d. Undistributed Budget																
e. Subtotal (Performance Measurement Baseline)	0	100	278	100	-178	29,000	29,000	33,450	0	-4,450			29,000	33,450	-4,450	
f. Management Reserve													1,000			
g. TOTAL	0	100	278	100	-178	29,000	29,000	33,450	0	-4,450			30,000			

9. Reconciliation To Contract Budget Base															
a. Variance Adjustment															
b. Total Contract Variance															

CONTRACT FUNDS STATUS REPORT (Dollars in \$000)										Form Approved Number 22 R0180	OMB	
1. CONTRACT NUMBER XX-0763	2. CONTRACT FUNDING FOR FISCAL YEAR 01 AND 02	5. PREVIOUS REPORT DATE MONTH 19	7. CONTRACTOR <small>(Name, address and zip code)</small> WIPPITY BIPP CONSTRUCTION 1 BRIARPATCH LN THUMPERVILLE, CA 90633			9. INITIAL CONTRACT PRICE a. TARGET 33,000 b. CEILING 37,000						
2. CONTRACT TYPE CPFF	4. APPROPRIATION 62147	6. CURRENT REPORT DATE MONTH 20	8. PROGRAM HIGHWAY 73 RESURFACING			10. ADJUSTED CONTRACT PRICE a. TARGET b. CEILING						
11. FUNDING INFORMATION												
LINE ITEM/WBS ELEMENT a	APPROPRIATION IDENTIFICATION b	FUNDING AUTHORIZED TO DATE c	ACCRUED EXPENDITURES OPEN COMMITMENTS d	CONTRACT WORK AUTHORIZED			FORECAST			TOTAL REQUIREMENTS k	FUNDS CARRY-OVER l	NET FUNDS REQUIRED m
				DEFINITIZED e	NOT DEFINITIZED f	SUBTOTAL g	NOT YET AUTHORIZED h	ALL OTHER WORK i	SUBTOTAL j			
0001	62147	36,450	36,450	36,450	----	36,450	----	----	----	36,450	----	36,450
CONTRACT WORK AUTHORIZED (With Fee/Profit) - ACTUAL OR PROJECTED												
	ACTUAL TO DATE											AT COMPLETION
a. OPEN COMMITMENTS	----	----	----	----	----	----	----	----	----	----	----	----
b. ACCRUED EXPENDITURES	36,450	----	----	----	----	----	----	----	----	----	----	----
c. TOTAL (12a + 12b)	36,450	----	----	----	----	----	----	----	----	----	----	----
13. FORECAST OF BILLINGS TO THE GOVERNMENT	36,450	----	----	----	----	----	----	----	----	----	----	36,450
14. ESTIMATED TERMINATION COSTS	----	----	----	----	----	----	----	----	----	----	----	----
15. REMARKS												

CONTRACT FUNDS STATUS REPORT (Dollars in)

Form Approved
OMB No. 0704-0188

1. CONTRACT NUMBER		3. CONTRACT FUNDS FOR FOR FY		5. PREVIOUS REPORT DATE		7. CONTRACTOR (Name, address and zip code)		9. INITIAL CONTRACT PRICE	
2. CONTRACT TYPE		4. APPROPRIATION		6. CURRENT REPORT DATE		8. PROGRAM		10. ADJUSTED CONTRACT PRICE	
				A				B	
								E	

LINE ITEM/WBS ELEMENT	APPROPRIATION IDENTIFICATION	FUNDING AUTHORIZED TO DATE	ACCRUED EXPENDITURES OPEN COMMITMENTS	CONTRACT WORK AUTHORIZED			FORECAST			TOTAL REQUIREMENTS	FUNDS CARRY-OVER	NET FUNDS REQUIRED
				DEFINITIZED	NOT DEFINITIZED	SUBTOTAL	NOT YET AUTHORIZED	ALL OTHER WORK	SUBTOTAL			
a	b	c	d	e	f	g	h	i	j	k	l	m
				B		D						

12. CONTRACT WORK AUTHORIZED (With Fee/Profit) - ACTUAL OR PROJECTED											
ACTUAL TO DATE											AT COMPLETION
a. OPEN COMMITMENTS											
b. ACCRUED EXPENDITURES											
c. TOTAL (12a + 12b)											D
13. FORECAST OF BILLINGS TO											D
14. ESTIMATED TERMINATION COSTS											
15. REMARKS											

INTEGRATED PROGRAM MANAGEMENT REPORT FORMAT - WORK BREAKDOWN STRUCTURE

Dollars IN

PENDING UPDATE TO
OMB No. 0704-0188

1. CONTRACTOR		2. CONTRACT		3. PROGRAM		4. REPORT PERIOD	
a. NAME		a. NAME		a. NAME		a. FROM (YYYYMMDD)	
b. LOCATION (Address and ZIP Code)		b. NUMBER		b. PHASE		b. TO (YYYYMMDD)	
		c. TYPE		d. SHARE RATIO		c. EVMS ACCEPTANCE (YYYYMMDD)	
						A	

5. CONTRACT DATA		6. ESTIMATED COST AT COMPLETION		7. AUTHORIZED CONTRACTOR REPRESENTATIVE				
a. QUANTITY	b. NEGOTIATED COST	c. ESTIMATED COST OF AUTHORIZED UNPRICED WORK	d. TARGET PROFIT/FEE	e. TARGET PRICE	f. ESTIMATED PRICE	g. CONTRACT CEILING	h. ESTIMATED CONTRACT CEILING	i. DATE OF OTB/OTS (YYYYMMDD)
			0.0	0.0	D	E		

a. BEST CASE		MANAGEMENT ESTIMATE AT COMPLETION (1)		CONTRACT BUDGET BASE (2)		VARIANCE (3)		a. NAME (Last, First, Middle Initial)		b. TITLE	
b. WORST CASE								c. SIGNATURE		d. DATE SIGNED (YYYYMMDD)	
c. MOST LIKELY		D									

8. PERFORMANCE DATA																
ITEM (1)	CURRENT PERIOD					CUMULATIVE TO DATE					REPROGRAMMING ADJUSTMENTS			AT COMPLETION		
	BUDGETED COST		ACTUAL COST WORK PERFORMED (4)	VARIANCE		BUDGETED COST		ACTUAL COST WORK PERFORMED (9)	VARIANCE		COST VARIANCE (12a)	SCHEDULE VARIANCE (12b)	BUDGET (13)	BUDGETED (14)	ESTIMATED (15)	VARIANCE (16)
	WORK SCHEDULED (2)	WORK PERFORMED (3)		SCHEDULE (5)	COST (6)	WORK SCHEDULED (7)	WORK PERFORMED (8)		SCHEDULE (10)	COST (11)						
a. WORK BREAKDOWN STRUCTURE ELEMENT																
b. COST OF MONEY																
c. GENERAL AND ADMINISTRATIVE *																
d. UNDISTRIBUTED BUDGET																
e. SUB TOTAL (Performance Measurement Baseline)																
f. MANAGEMENT RESERVE																
g. TOTAL																
9. RECONCILIATION TO CONTRACT BUDGET BASE																
a. VARIANCE ADJUSTMENT																
b. TOTAL CONTRACT VARIANCE																

DISCUSSION – Should programs use MR to update the PMB when there are rate changes?

The impact of rate changes are a significant driver of successful program execution, and their impact must be understood across the program.

The guidelines allow the use of Management Reserve to update the PMB when there are rate changes.

Addressing rate impacts when analyzing variances may lead to the CAM ignoring the impacts of technical challenges that require greater analysis and corrective actions.

EVMSIG:

GL14 - *Applications of MR to the PMB may be necessary within the contractually authorized work scope* (e.g., unforeseen effort that is in-scope to the contract but out of scope to the control account, *rate changes if the contractor's EVMS allows* ...)

GL23 - Cost variance analysis ... should address the cost drivers, which may include both direct and indirect components, for management visibility ...

For analyzing labor cost variance relative to rate and volume variances ...

- *Rate Variance = (Earned Rate – Actual Rate) x Actual Hours*
- Volume Variance = (Earned Hours – Actual hours) x Budgeted Rate
- Rate Variance + Volume Variance = Labor Cost Variance

GL30 - *Internal replanning of remaining portions of the PMB to account for significant changes in the anticipated rates is desirable*, but not mandatory. This enables credible trend analysis for projecting future cost and schedule performance and accurate Estimates at Completion (EACs).

DISCUSSION – Should programs use MR to update the PMB when there are rate changes?

- MR budgets are critical for mitigating risk in program execution; the decision to use MR for rate changes should consider the value of the factored risks on the program.
- Baseline change processing can create excessive administrative burden if programs consistently update the baseline for rate changes. Changes, if incorporated, should occur for both rate increases and decreases.
- The reduction in rate change variance impacts can enable analysis to focus on technical variance drivers

INFORMATION:

DCMA released updates to their collection of Business Practices. The most significant updates occurred on:

Business Practice 2 – EVM System Description Review

Although the document was rewritten, the changes do not force a change to a previously approved system description.

INFORMATION:

Of interest on my review of BP are the following:

1. Requires Senior Level DCMA personnel to lead the review of changes
2. SD/Contractor must state at what level the SD applies/applicable CAGE codes: site, business unit, corporate, etc.
3. **Eliminates the CRC as a reference document; Contractor must provide methodology used to determine how their SD meets the intent of the EVMSIG**
4. SD must outline entirety of documents utilized to meet the intent of the GLs
5. DCMA determination as to whether a submitted SD change is Low, Medium or High risk
6. **Medium/High reviews** (non-administrative) require a review of the method Contractors will use to ensure compliance
 - a. **DCMA review will utilize EVMSIG Intent section AND Guideline Evaluation Templates (BP4)** in concert with qualitative SD assessment
 - b. DCMA documents High Risk language with potential for non-compliances in final review assessment.

Integrated Program Management Division (IPMD) - Clearinghouse

QUESTIONS?