Oak Ridge Office

memorandum

DATE:

June 2, 2011

REPLY TO

ATTN OF:

EM-92:Harris

SUBJECT:

EM PROCEDURE EM-1.3, REVISION 1, "PROJECT ACCOUNTABILITY AND REPORTING SYSTEM II" - APPROVED

TO: Environmental Management Staff, EM-90

The attached procedure is issued for your use. Please read and familiarize yourself with it. It will be placed onto the Office of Environmental Management's Office Policies and Procedures Webpage, see http://www.oakridge.doe.gov/External/Default.aspx?tabid=120, as soon as possible and will be available there for future reference.

If you have any questions or if we can be of any further assistance, please contact me at 576-1831 or Alicia Harris at 241-6423.

Arthur G. Haugh

Planning and Baseline

Management

Attachment

U. S. Department of Energy Oak Ridge Office Office of Environmental Management **Procedure**

PROJECT ANALYSIS AND REPORTING SYSTEM

EM-1.3 **Revision 1**

Prepared:

Planning and Baseline Management Division

Approved:

Arthur G. Haugh

Director, Planning and Baseline Management Division



Procedure No. <u>1.3</u>, Revision 1

Project Analysis and Reporting System

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LIST OF ACRONYMS

ACWP Actual Cost of Work Performed

APB Acquisition Performance Baseline

BCWP Budgeted Cost of Work Performed

BCWS Budgeted Cost of Work Scheduled

CAPs Capital Assets Program

CV Cost Variance

DOE U.S. Department of Energy

EM Environmental Management

HQ Headquarters

ORO Oak Ridge Office

PA Program Administrator

PARS Project Analysis and Reporting System

SCMS Science Management System

SV Schedule Variance

TEC Total Estimated Cost

TPC Total Project Cost

TPC Total Project Cost

U.S. Department of Energy
Oak Ridge Office
Office of Environmental Management

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1.0 PURPOSE

Existing Oak Ridge contracts and Department of Energy (DOE) Headquarters (HQ) policy require that those Capital Assets Projects (CAPs) that have a Total Project Cost of \$10 million or more must report ongoing status using a newly developed computerized reporting system, Project Analysis and Reporting System (PARS). This Oak Ridge Office (ORO) Office of Environmental Management (EM) procedure is written to formalize the steps that must be taken by EM management and staff to ensure that information related to project performance is provided to HQ promptly and accurately.

2.0 SCOPE

This procedure applies to all ORO-EM management and staff. User access to PARS will be "Read-Only" except for the EM PARS Program Administrator. Read-only user will only have access to the system to review system information and will not be authorized to input or edit data in the PARS database.

The HQ OECM PARS Administrator and EM PARS Program Administrator are authorized to input, save, accept, and change data in the PARS database and grant access to new users.

3.0 REFERENCES AND DEFINITIONS

3.1 References

- 3.1.1 Project Assessment and Reporting System (PARS) User Manual Version 2.7b
- 3.1.2 DOE Order 413.3B, Program and Project Management for the Acquisition of Capital Assets
- 3.1.3 Science Management System (SCMS); Project Management System; Project Reporting Subject Area; Procedure 1. "Managing Project Assessment and Reporting System (PARS) Monthly Project Reporting"

3.2 Definitions

- 3.2.1 **PARS** Project Assessment and Reporting System. PARS is a web-enabled distributed database. PARS is a project management tracking and control system.
- 3.2.2 **Earned Value** –A method for measuring project performance. It compares the value of work performed with the value of work scheduled and the cost of performing the work for the reporting period and/or cumulative to date.
- 3.2.3 **Actual Cost of Work Performed (ACWP)** Total costs incurred (direct or indirect) in accomplishing an identified element or scope of work during a given time period.
- 3.2.4 **Acquisition Performance Baseline (APB)** Includes all cost, schedule, and performance parameters (both objectives and thresholds) for a program/project. It represents the DOE commitment to Congress to assess Total Project Cost (TPC). Key elements in formulating an APB include the integration and assessment of program/project scope, schedule, and cost baselines; a systematic risk analysis, and the development and inclusion of adequate risk allocation to address factors that might cause technical/schedule/cost growth during project performance. Project completion

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without an increase in the APB thresholds or extending the schedule, is the primary measure of success in formulating the APB.

- 3.2.5 **Budgeted Cost of Work Performed (BCWP)** The sum of the approved cost estimates (including any overhead allocation) for activities (or portions of activities) completed during a given period (usually project-to-date).
- 3.2.6 **Budgeted Cost of Work Scheduled (BCWS)** The sum of the approved cost estimates (including any overhead allocation) for activities (or portions of activities) scheduled to be performed during a given period (usually project-to-date).
- 3.2.7 **Cost Variance** (**CV**) It is the algebraic difference between earned value and actual cost (Cost Variance= Earned Value Actual Cost). A positive value indicated a favorable position and a negative value indicates an unfavorable condition.
- 3.2.8 **Schedule Variance (SV)** A metric for the schedule performance on a program. It is the algebraic difference between earned value and the budget (Schedule Variance = Earned Value Budget). A positive value is a favorable condition while a negative value is favorable. The SV is calculated in dollars or work units and is intended to compliment network analysis, not supercede or replace it.
- 3.2.9 **Total Estimated Cost (TEC)** Is the specific cost of the project, whether funded as an operating expense or construction. It includes the cost of land and land rights; engineering, design, and inspection costs; direct and indirect construction costs; and the cost of initial equipment necessary to place the plant or installation in operation, whether funded as an operating expense or construction.
- 3.2.10 **Total Project Cost (TPC)** Consists of all the costs included in the Total Estimated Cost (TEC) of a project plus Other Project Costs (OPC) such as pre-construction costs, that include conceptual design and research and development, as well as costs associated with the pre-operational phase, such as training and startup. In budget terms, it is the sum of the technical baseline, schedule baseline, and cost baseline. It includes all research and development, operating, plant, and capital equipment costs specifically associated with project construction and may, when planned, go up to the point of routine operations.

4.0 RESPONSIBILITES

4.1 EM PARS Program Administrator (PA)

PA will enter, edit, delete, and accept all projects into PARS and maintain the Project Contact(s) information in PARS.

4.2 HQ-EM PARS Point-of-Contact

Provides guidance to EM Field Offices on PARS requirements and notifies EM Field Offices of changes in requirements.

4.3. Project Manager

Responsible for the planning, controlling, and reporting of the project. Responsible for reviewing and approving project performance data to be input into PARS.

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4.4. HQ OECM PARS Administrator

Grants access by creating new users. Responsible for development of extraction tool that will allow the direct feed of contractor performance data into PARS.

4.5 Portfolio Federal Project Director and Planning and Baseline Management Deputy Director

Reviews the PARS data prior to the EM PA submitting data to PARS.

5.0 PROCEDURE

This Procedure provides a detail process for the generation, input and review of PARS data. See Figure 1.

5.1 Initiate Request for PARS Update

5.1.1 On the 15th workday of the month, PA will provide each PM with a copy of the previous month's PARS data and the current month's project performance data.

5.2 Update PARS Data

5.2.1 By the 19th workday of the month, PM will provide required project performance data to PA that will include project status information and explanations for variances that are rated yellow or red.

5.3 Review PARS Data for Oak Ridge Environmental Management Approval

- 5.3.1 By the 20th workday of the month, PA will input the provided project performance data into PARS.
- 5.3.2 By the 22nd workday of the month, PA will provide the PM, PFDP and PBMD Deputy with a copy of the data loaded into PARS for final review and approval.
- 5.3.3 PA will also at this point initiate a HQs Change Control Form (based on the HQs Change Control Process) for any required changes that are needed for PARS Projects.

5.4 DOE Oak Ridge Approval of PARS Update

5.4.1 On the 23rd workday of the month, PA will submit approved PARS data to HQ.

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