

# Implementation of Contract/Project Alignment "Two Sides of the Coin" Success

March 5, 2014

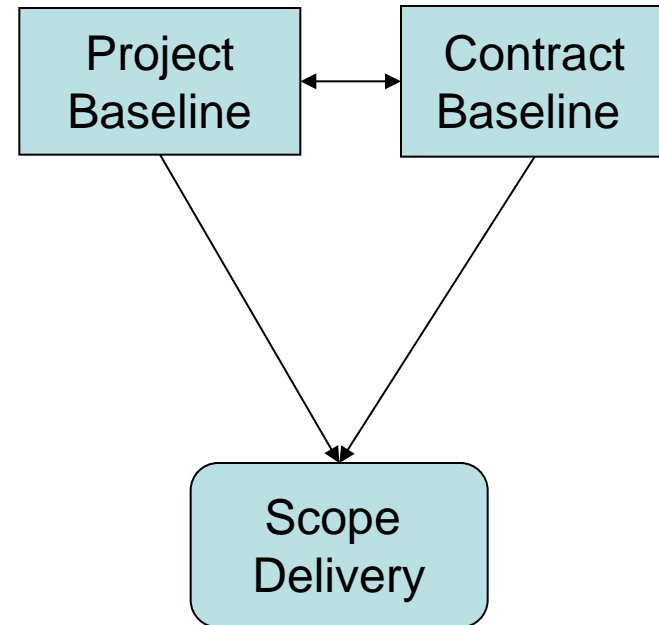
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Savannah River Remediation  
President and Project Manager

Presentation to:  
Waste Management 2014  
Panel 029B: DOE Acquisition & Project  
Management - Contractor vs. Federal  
Baseline/Build What Was Sold



*We do the right thing.*

- Alignment of Project and Contract in year one
  - Provide a basis and foundation for integrated change management
- Key elements
  - Transition
    - Determine material difference and change condition
  - Project Baseline (PMB)
    - Establish project baseline for performance measurement
  - True Up/Reconciliation “Two sides of the Coin”
    - Align project and contract values
  - Earned Value Management (EVMS)
    - Ensure means to monitor and determine performance



*We do the right thing.*

## “Two Sides of the Coin”

### Contract Management

- WBS Realignment
  - No change to Contract scope, cost, or schedule
- Contract True-up
  - Reconcile Contract scope to actual progress made by incumbent
- Contract Work-scope Modification
  - Reconciles contract scope and conditions with changes since final RFP

### Project Management

- Initial Baseline
  - Based on WBS Realignment, Contract True-up and/or Contract Work-scope Adjustment
- EVMS Certification
- Contract Budget Base (PMB+MR)
  - Defines work scope for authorized Contract scope
  - Includes Management Reserve

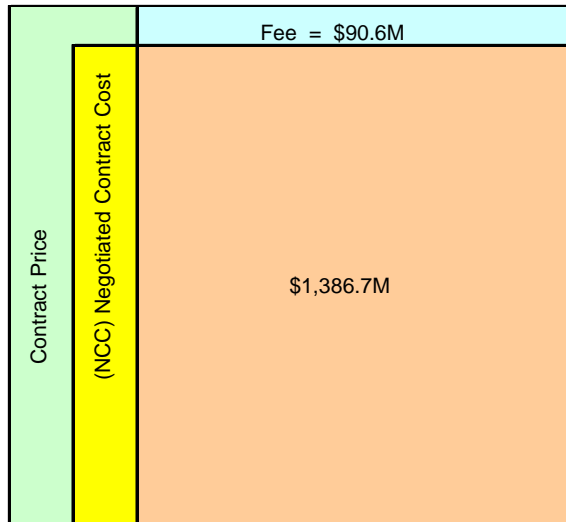
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## Contract & Project Management Alignment completed in 10 months

Requirement	Complete	Date	Notes
Contract Awarded	✓	Time=T Days	5 year base period with 4 year option period - Work scope organized by CLIN
WBS Realignment	✓	T+62	WBS Aligned to Contract CLIN work structure while also providing for crosswalk to PBS structure
iPMB Submitted	✓	T+62	Covered 6-month period
Contract Transition	✓	T+93	All Contract Deliverables met
Project Operations Start	✓	T+94	
PMB Submitted	✓	T+199	PMB submitted for Contract Base Period
Contract Change Proposals	✓	T+260	21 CCPs submitted - Less than 6 months after Takeover (Based on Chunking Approach)
EVMS Certification Review	✓	T+335	Review was completed with only one Corrective Action (CAR)
EVMS Corrective Action Plan	✓	T+368	Corrective Action Plan approved by OECM
Contract True-up Modification/Completion	✓	T+398	All CCPs negotiated & Contract Mods in place - 10 months after takeover
EVMS CAP Validation	✓	T+404	Scheduled on-site visit by OECM
EVMS Certification Letter	✓	T+428	Certification Letter from OECM

*We do the right thing.*

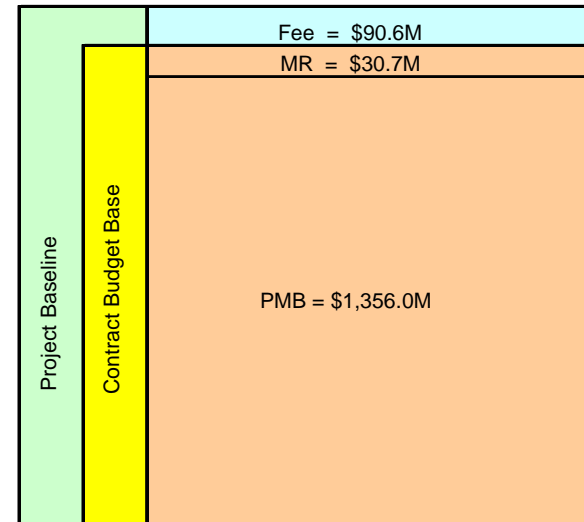
## Contract



*Negotiated Contract Cost = \$1,386.7M*

*Contract Price = \$1,477.3M*

## Project Baseline



*Total Contract Budget Base = \$1,386.7M*

*Total Contract = \$1,477.3M*

**\$1,186.3M** (contract cost at award) + **\$200.4M** (AUW/MDs) = **\$1,386.7M** (negotiated contract cost)

*We do the right thing.*

- Manage contract true-up like a project - establish approach and schedule
  - Transition, PMB Development, True Up/Reconciliation, EVMS Certification
- “Two Sides” approach and coaching established expectation and set the tone
  - DOE and contractor personnel committed to “Two Sides” vision
- Established a method for determination of demerit material difference with recognition of cost eliminating the need for a change proposal
- FAR based contract experienced personnel a plus
- Establish Contract Ombudsmen to proactively address emerging issues and drive resolution
- Partnering helps with transparency allowing for streamlined evaluations and negotiations