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November 9, 1992

Mr. Richard F. Sena
Acting Area Manager
Dayton Area Office
U.S. Department of Energy
P. O. Box 66
Miamisburg, Ohio 45343

Comments on: ERPO Cost, Schedule and Technical Baseline Procedure

The document was reviewed by Mound CERCLA & D&D personnel as well as IT Corporation who is providing CERCLA management support. The overall opinion is that the document was well thought out and executed. The comments that are enclosed are minor in nature.

Very truly yours,

A handwritten signature in cursive script that reads "Charles S. Friedman" followed by a small mark that appears to be "JWR".

Charles S. Friedman, Manager
Environmental Restoration/CERCLA

ORIGINAL SIGNED BY
W. H. SMITH

Approved: _____

W. H. Smith, Vice President
ES&H, ER & WM

Enclosure

cc: R. F. Sena (2)
S. C. Cheng (1)
A. W. Kleinrath (1)

REVIEW COMMENTS
COST, SCHEDULE AND TECHNICAL BASELINE PROCEDURE
November 9, 1992

Page 7 COST ESTIMATING AND SCHEDULING FUNCTION Para 2

Do the individuals preparing the cost estimate and schedule need to be capable of doing both the Cost estimating and scheduling. If not does the individual responsible for the scheduling need to be a certified cost estimator or working towards certification.

Page 8 COST ESTIMATING AND SCHEDULING FUNCTION (cont) Para 3

Is the Project Control Staff considered to be independent and the OU manager considered to be those individuals responsible for the day-to-day management of a Subproject.

Page 13 Task Duration Para 2

What does ERPO consider to be "a reliable, experienced source" to obtain durations from.

Page 13 Task Duration Para 2 and 3

Is there a procedure or guidance available to request a change in the performance measurement technique.

Page 13 Schedule Logic

A figure demonstrating this section would be very useful.

Page 20 Control Accounts

The description on the Cost Account Managers is not very detailed. Is it ERPO desire that each installation define the specifics of the CAM responsibilities.

Page 21 Analysis of Estimate At Completion

The discussion does not indicate who has ultimate responsibility for the EAC. It is our Opinion that responsibility for the EAC lies with the Cost Account Manager. The CAM is assisted in the effort by the Project Control staff but he is ultimately responsibility for its accuracy. Does ERPO agree with this assessment? Is it within the purview of each installation to determine the responsible party.

Page 21 Analysis of Estimate At Completion Para 4

This paragraph states that a corrective action for a delta between BAC and EAC might be the acceleration of the schedule. Can you site an example of this. Since the delta between EAC and BAC is a cost variance we cannot envision a circumstance where accelerating the schedule will significantly reduce the cost variance.

Page 22 Analysis of Estimate At Completion Para 5

Once an analysis of the EAC is complete should it then be reflected in the monthly CPR report. If so how is this physically accomplished.

Page 22 Budget Planning

Since the subjects of Budget Authority and Fund Management are not always well understood it may be beneficial to either discuss them further in this document or reference a document that explains these concepts. Additionally, an example of the Cost Plan, Budget Authority Plan, and Funds Management Plan that shows how they interrelate would be extremely valuable.

RECEIVED

W. H. SMITH

11/5 Sent reminder
rbb

SEP 29 1992

U.S. DEPARTMENT OF ENERGY
ALBUQUERQUE FIELD OFFICE
DAYTON AREA OFFICE
memorandum

Action to _____
Reply Due _____
Route _____ Copy to CSF
RRJ

DATE: September 28, 1992

REPLY TO
ATTN OF: DAO:SCC:DD-2.2

SUBJECT: ERPO Cost, Schedule and Technical Baseline Procedure

TO: ~~W. H. Smith~~, Vice President, ES&H, ER and WM, EG&G Mound
Applied Technologies

Attached is a copy of a memorandum with the same subject, from James J. Szenasi, Acting Director, Environmental Restoration Project Office (ERPO), Albuquerque Field Office (AL), to R. F. Sena, Acting Area Manager, Dayton Area Office (DAO) dated September 11, 1992. As mentioned in this memorandum, several deliverables are required by the ERPO. These deliverables and their due dates are as follows:

- (1) Written notification of the status of the requirement to reassign or hire certified cost estimators and select cost estimating software by the end of the fiscal year to ERPO with carbon copy to DAO, October 1, 1992.
- (2) Review comments on the draft ERPO Cost, Schedule and Technical Baseline Procedure to ERPO with carbon copy to DAO, November 9, 1992. R. R. Jaeger and C. S. Friedman of your staff have a copy of this draft procedure.
- (3) Draft Installation-specific Cost, Schedule and Technical Baseline Procedure to DAO by December 23, 1992. The due date of this deliverable is necessary for DAO's review prior to its submittal to ERPO. In this procedure, EG&G should address how the revised baseline and estimate for each subproject will be prepared and submitted according to Section 6.0 of the draft ERPO procedure. Proper review time should be allowed for DAO's review prior to their submittals to ERPO.

If you should have any questions, please call me. The Area Office contact for D&D and CERCLA programs are Sam Cheng and Art Kleinrath respectively.

R. F. Sena
Richard F. Sena
Acting Area Manager

Attachment