



LCLS Project Management	Project	
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Earned Value Management System Subcontractor Management Procedure		
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Change History Log

Rev Number	Revision Date	Sections Affected	Description of Change
0.0	03/23/2006	All	Initial version released.

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Subcontractor Management Procedure

1.0 PURPOSE

This document describes the process used to manage subcontractors on the LCLS project following all guidelines in the LCLS Project Execution Plan, Project Management Plan, and Earned Value Management System Description.

2.0 SCOPE

This procedure applies for the entire life cycle of the LCLS project. It applies to external parties who are under contract to produce deliverables for the LCLS project.

3.0 REFERENCES

LCLS Project Execution Plan, Section 5, Resource Requirements

LCLS Project Management Plan

LCLS 1.1-015 Earned Value Management System Description, Section 4, Subcontract Management

LCLS 1.1-018 Control Account and Work Package Planning Procedure

LCLS 1.1-019 Change Control Procedure

LCLS 1.1-020 Project Schedule Procedure

LCLS 1.1-021 Cost Estimating Procedure

LCLS 1.1-022 Monthly Status and Reporting Procedure

4.0 DESCRIPTION

The LCLS project uses subcontractors to perform selected work. The LCLS Project Office determines when a given subcontractor is required to follow the LCLS earned value management system procedures (earned value management flow down). This decision is based on a number of factors including the critical nature of the deliverable to the project, risk factors, or dollar value.

This procedure does not address the complete procurement cycle with a supplier; it assumes much of the initial negotiation and down selection has already occurred. The intent with this procedure is to address how the earned value management system procedures for the LCLS project are applied to subcontractors.

The goal is to ensure that all relevant subcontractor schedule and cost data are available in the LCLS cost/schedule database for management visibility and control.

The subcontract management process is illustrated and described in Section 5. Note that the acronym PMCS is used to identify the LCLS project management control team in the process flow charts.

5.0 PROCEDURE DETAILS

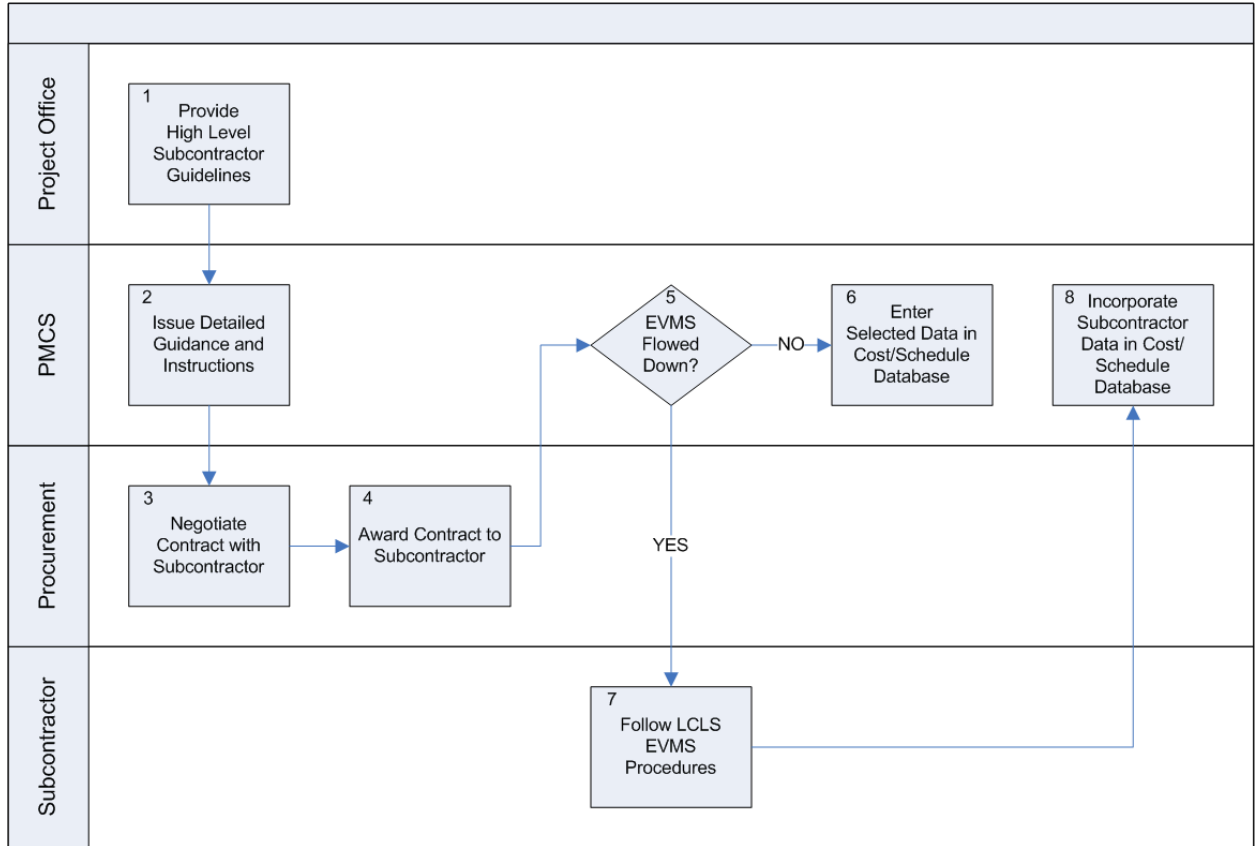


Figure 1. Subcontractor Management Overview

Step 1 Provide High Level Subcontractor Guidelines

Responsibility: Project Office

The Project Office is responsible for identifying and describing all high level requirements that the LCLS project must follow when project work is subcontracted to an external party. This can include, but is not limited to:

- Identifying factors that require earned value management be flowed down to a subcontractor;
- General policy that applies when earned value management is flowed down to a subcontractor;
- General policy that applies when earned value management is not flowed down to a subcontractor;
- Contract award requirements or restrictions.

Step 2 Issue Detailed Guidance and Instructions

Responsibility: Project Control Team

The project control team is responsible for applying the high level subcontractor guidance provided by the Project Office. They are responsible for developing applicable guidelines for procurement about what must be included in the contract requirements as well as any data exchange conventions and any related instructions that must be provided to the subcontractors. These guidelines and instructions are important to ensure a consistent and disciplined process is used during contract negotiation and throughout the life of the contract with the subcontractor. A standard approach for incorporating subcontractor data into the LCLS cost/schedule database is important to ensure data quality throughout the life of the project.

This guidance can include, but is not limited to:

- Contract requirement guidelines for procurement with and without earned value management flow down;
- Data source files and templates;
- Data coding requirements;
- Data exchange requirements and instructions.

Step 3 Negotiate Contract with Subcontractor

Responsibility: Procurement

Procurement is responsible for negotiating the contract details with the subcontractor following all LCLS Project Office and project control team guidelines and requirements. This is an important step in the process to ensure a consistent approach is used with all subcontractors. It is imperative that the subcontractors agree to support the basic requirements for the LCLS earned value management system.

Step 4 Award Contract to Subcontractor

Responsibility: Procurement

Once the final negotiation is complete, the contract is awarded to the subcontractor.

Step 5 EVMS Flowed Down?

Responsibility: Project Control Team

Whether or not earned value management requirements are flowed down to the subcontractor determines how the project control team handles the subcontractor schedule and cost data.

For those subcontractors without earned value management flow down requirements, the process moves to Step 6.

For those subcontractors with earned value management flow down requirements, the process moves to Step 7.

Step 6 Enter Selected Data in Cost/Schedule Database

Responsibility: Project Control Team

For those subcontractors without earned value management flow down requirements, the project control team is responsible for entering and maintaining selected data in the cost/schedule database.

For these subcontractors, subcontractor deliverable milestones are identified in the LCLS project schedule database (baseline and current) following all the normal project schedule process and procedure requirements. The budget value of the deliverables is entered into the LCLS project cost database.

These subcontractors provide monthly status of their deliverables. Based on their contract payment and deliverable terms, the subcontractor submits any deliverable item invoices to the SLAC accounting office following all normal lab procedures (provides accrual and actual costs).

As part of the normal monthly status and reporting procedure, the subcontractor's monthly milestone status is used to calculate the earned value costs for the subcontractor effort.

Step 7 Follow LCLS EVMS Procedures

Responsibility: Subcontractor

For those subcontractors with earned value management flow down requirements, the subcontractor is responsible for providing their schedule and cost data to the LCLS project control team following all the requirements the LCLS project has specified.

Step 8 Incorporate Subcontractor Data in Cost/Schedule Database

Responsibility: Project Control Team

For those subcontractors with earned value management flow down requirements, they must provide a logically networked schedule that is cost loaded to the LCLS project control team. This schedule must follow all LCLS coding conventions and development guidelines. These subcontractor schedule files are incorporated into the LCLS cost/schedule database as a subproject. Once this data is incorporated, it is treated the same as other data in the database, although segregated into a separate subproject. The normal LCLS processes (Cost Estimating, Project Schedule) are used to generate the time phase cost data (budget or estimate) based on the source cost loaded activities in the schedule. The subcontractor schedule subproject is integrated into the LCLS database via the use of interface milestones.

These subcontractors are required to provide a current schedule on at least a monthly basis. This current file is incorporated into the LCLS cost/schedule database on at least a monthly basis to ensure that the project has timely subcontractor data available when needed.

Monthly walk through meetings are conducted with the subcontractor to review their current status and identify any risks, problems, recovery plan, or other issues that need to be resolved. Based on their contract payment and deliverable terms, the subcontractor

submits any deliverable item invoices to the SLAC accounting office following all normal lab procedures (provides accrual and actual costs).

Their month end schedule data is used as part of the normal monthly status and reporting process used on the project. Schedule progress is used as the basis to calculate the earned value costs in the cost database. Performance reports are generated to analyze the current status of the project. As needed, the subcontractor is coded in such a manner to allow the ability to drill down into their detail data for further analysis.