

THE PRACTITIONER

A monthly newsletter of the Energy Facility Contractors Group's
Project Delivery Working Group



EFCOG

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Greetings EFCOG PDWG Practitioners! We are now in full-swing spring with summer just a few weeks away. In this edition of *The Practitioner*, we get a sneak preview of forthcoming updates to a section of the Compliance Assessment Governance (along with giving props to those who tipped us off to the change), as well as an in-depth look at this year's EFCOG 2024 Annual Meeting. Finally, in our recurring "It's Not One World" feature, we look "Beyond the Pandemic" and explore how it actually resulted in positive benefits to today's workforce landscape.

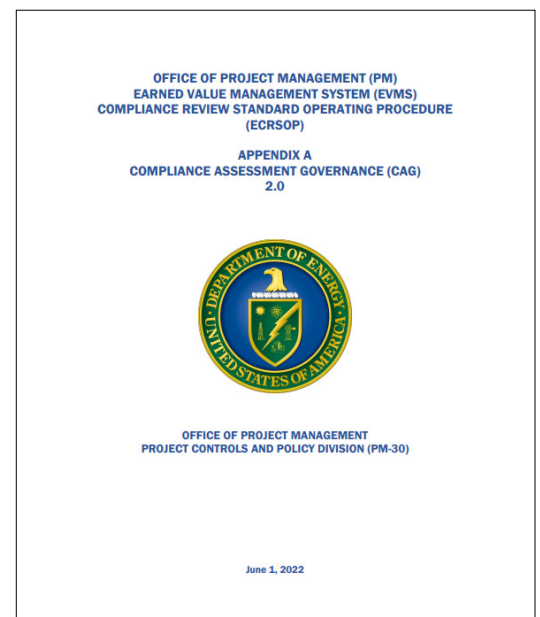
Additionally, WRPS is considering hosting an "Environment Assessment Facilitator Training" session for contractors at the Hanford Site and across the complex if the interest level warrants. If you are interested in attending, please send an expression of interest to Craig_Hewitt@RL.Gov. The time frame for this training is dependent on the response.

Hey, Did You Know ... ?

Hats off to our friends at Humphreys & Associates for giving us a "Heads-up" on an "Update to the Compliance Assessment Governance (CAG), Section E for Indirect Management". Read on to see the changes from the update.

The DOE Office of Project Management, PM-30, maintains a comprehensive site which provides the materials contained in Appendix A of the EVMS Compliance Review Standard Operating Procedure (ECRSOP). A primary document posted on the Appendix A site is the Compliance Assessment Governance (CAG) version 2.0, which provides the information and guidance used for implementation of an integrated project management (IPM) approach using EVM. This guidance is based on the Integrated Program Project Management (IP2M) Maturity and Environment Total Risk Rating (METRR) method that was created as a result of an Arizona State University (ASU) to develop an approach and framework for an EVMS implementation.

For EVMS Maturity, this framework consists of 10 "Subprocesses" that are necessary for an EVMS: (A) organizing, (B) planning and scheduling, (C) budgeting and work authorization, (D) accounting considerations, (E) indirect cost management, (F) analysis and managerial reporting, (G) change control, (H) material management, (I) subcontract management, and (J) risk management. In collaboration with National Nuclear Security Administration's (NNSA) Office of Management and Budget (NA-MB)



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Changes to CAG Section E

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Subprocess E covering Indirect Management was updated and is released as “CAG 2.1 Subprocess E Indirect Management”. The new version of this section presents a comprehensive rewrite of DOE’s approach to Indirect Cost Management. Below is an abbreviated summary of the changes, while the source materials can be found here: www.energy.gov/projectmanagement/ecrsop-appendices-materials.

1. Regulatory Updates:

New regulatory references include the Federal Managers’ Financial Integrity Act (FMFIA), OMB Circulars A-123 and A-25, FAR 52.230-3, and FAR 52.216-7. These regulations emphasize the importance of consistent and transparent cost accounting practices, internal management controls, and the need for detailed disclosures regarding indirect cost.

2. Indirect Costs Definition and Management:

Version 2.1 expands on the types and management of indirect costs, detailing various categories such as G&A and site-wide support activities. It emphasizes compliance with Cost Accounting Standards and the detailed reporting requirements outlined in the CAS Disclosure Statement.

3. Enhanced Oversight and Documentation:

The updated version underscores the roles of DOE’s OIG and the NNSA’s Office of Management and Budget in overseeing indirect cost management. It highlights the need for documented processes and robust oversight mechanisms to manage indirect costs effectively.

Version 2.1 also establishes NA-MB-60 as the lead review authority for EVMS surveillance at NNSA sites for Indirect management.

4. Strategic Management of Indirect Rates:

There’s a stronger focus on the proactive management of indirect rates, including regular reviews, periodic adjustments, and integration of these processes into the financial management systems of the organization.

5. Compliance and Certification:

Contractors are required to certify their cost accounting practices as per the updated FAR and CAS guidelines, ensuring all indirect cost practices are transparent, compliant, and regularly reviewed for adequacy and effectiveness.

6. Integration with Corporate Objectives:

The management of indirect costs is integrated more strategically with corporate and project objectives, aiming to ensure that such management supports overall financial health and compliance with project execution standards.

If you become aware of changes that affect our project delivery environment (policy, initiatives, outcomes, or other notable items if interest), drop us a note and we will consider inclusion in *The Practitioner*, compliments of the provider.

THE PRACTITIONER

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For questions, comments,
story ideas or other
correspondence, call or e-
mail Craig Hewitt at the
contact information above.

Save the Date!

EFCOG 2024 Annual Meeting June 17-18, 2024, Crystal Getaway Marriott

[EFCOG AM 2024 event website | EFCOG.org](#)

REGISTER TO ATTEND!

Y-12/Pantex employees will need to use a personal computer or mobile phone to register on this platform.

There are no registration fees if you are affiliated with an EFCOG member company, DOE, other government employee, member of the press or a meeting speaker/panelist. All non-member contractors will be assessed a \$200 registration fee. Fees will be collected via check.

Mail checks to:

Energy Facility Contractors Group

2514 Red Arrow Dr.

Las Vegas, NV 89135

*Please make checks payable to Energy Facility Contractors Group and reference EFCOG 2024 Annual Mtg.

See the meeting schedule on the next page.

EFCOG 2024 Annual Meeting Schedule

DAY 1 – MONDAY, JUNE 17

~8:00AM - 12:45PM

CRYSTAL GATEWAY MARRIOTT

WORKING GROUP LEADERSHIP WORKING SESSION

This event is an internal working meeting and is invite-only.

1:00PM - 4:30PM

CRYSTAL GATEWAY MARRIOTT

WORKING GROUP CHAIRS MEETING

This invite is open to all Annual Meeting attendees.

5:00PM - 7:00PM

CRYSTAL GATEWAY MARRIOTT

SPONSORED RECEPTION

Open to all Annual Meeting attendees.

DAY 2 – TUESDAY, JUNE 18

~8:30AM – 4:30PM

CRYSTAL GATEWAY MARRIOTT

ANNUAL MEETING GENERAL SESSION

Open to all Annual Meeting attendees.

Hear from the leaders of DOE’s main programs on their program priorities. This a great opportunity for contractors to learn about DOE priorities and ensure that there is alignment between contractors and DOE.

AGENDA

MEETING SPONSORSHIPS ARE AVAILABLE!

*Is your data and info **C**urrent, **A**ccurate, **C**omplete, **R**epeatable, **A**uditable and **C**ompliant[©]?*

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It Is Not One World 'Beyond the Pandemic'

Construction Industry Institute

"Research Team 400, Recognizing and Retaining Beneficial
Changes from the Pandemic on the Workforce"

Final Report 400

July 2023

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Executive Summary

The COVID-19 pandemic brought about unexpected, sudden, and significant changes in the ways construction companies operated and how their employees worked. Companies were compelled to implement numerous innovations and improvements to maintain operations at their offices and construction sites and to reduce project delays. New safety precautions were put in place, virtual meetings became routine, and technological advances were expedited. Many observers saw these changes as beneficial because they sped up digitization and imposed new standards and workflows that had the potential to save time and money. While some of these changes are likely to persist (e.g., remote meetings), others are more likely to be phased out (e.g., mandating that workers wear face masks or staggering workforce shifts). CII considered it important to compile the advantages of the breakthroughs brought about by the pandemic in order to advance the construction industry, as well as prepare for future disruptive events such as other pandemics.

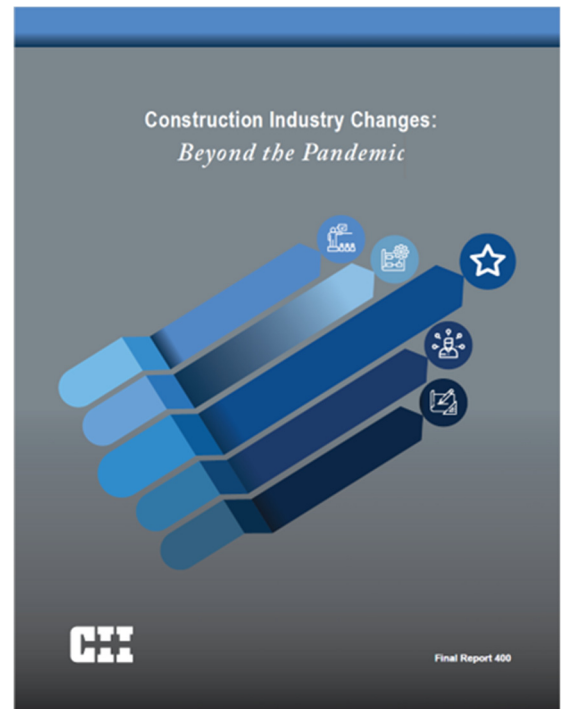
CII commissioned Research Team 400 (RT-400) to identify beneficial changes brought on by the pandemic in the construction industry. RT-400 began this study with three questions:

1. What changes did the pandemic bring about in the construction industry?
2. What impacts did those changes have on the industry?
3. Which of these changes should persist beyond the pandemic?

To address these questions, the team conducted a thorough investigation. By analyzing existing research and interviewing 40 subject matter experts, identified and defined 21 changes that spanned six functional categories. Additionally, the team collected 245 survey responses from diverse participants, providing information on the characteristics and applications of the pandemic-driven changes.

The construction industry rapidly adopted many changes during the pandemic and benefited significantly from implementing these changes. RT-400 found the following pandemic-driven changes to be most widespread and long-lasting:

- Workforce management (e.g., remote work, employee benefits)
- Technological advancements (e.g., use of design review platform, visualization tools)
- Managerial processes and practices (e.g., milestone adjustment, contingency increases)



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Beyond the Pandemic

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RT-400 converted the lessons it learned during this study into recommendations for the construction industry. It suggested which changes companies should implement for their long-term benefit, and which other changes would be less immediately useful but should be well documented for future reference. This report thoroughly documents these pandemic-driven changes and serves as a guideline to help organizations in the capital projects industry adopt the most useful ones.

Objective and Scope of Work

This study aimed to identify changes implemented in the construction industry during COVID-19 by exploring three questions:

1. What changes did the pandemic bring about in the construction industry?
2. What impacts did those changes have on companies and individuals with different characteristics?
3. Which of these changes should persist beyond the pandemic?

RT-400 converted its findings into recommendations for which practices should become common in the industry, as well as which other practices could be documented for possible use during another potential disruptive events, such as a future pandemic.

For each individual change, this research characterized the results according to the following criteria:

- Impact – the effects of each change (e.g., on cost, productivity)
- Implementation – which types of organizations and individuals adopted each change (e.g., owner, contractor)
- Project phases – when the change was implemented during a project (e.g., planning, design, construction)
- Historical use – whether each practice was already in place before COVID-19 or newly implemented during the pandemic
- Future use – the potential for each change to continue long-term (was it permanent or temporary)

Twenty-one Pandemic-driven Changes

RT-400 identified 21 changes that construction companies adopted during the COVID-19 pandemic to maintain operations (e.g., safety measures) or to improve working conditions (e.g., technology adoption). The team initiated this list during its review of scholarly and grey literature, and then confirmed and expanded upon it through the collection and analysis of interview and survey data. Table 1 lists and categorizes the final set of 21 changes.

All of these changes partly affected project delivery and execution, but the team found they could be further classified by six functional categories. See the categories and the full report at [this link](#).

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Just for Fun: May's Notable Events and Famous Birthdays

EVENTS

- 1 — **Cheerios were first sold** (1941), and Mr. Potato Head was introduced (1952)
- 2 — The Loch Ness Monster was first photographed—or was it? (1934)
- 3 — The first spam e-mails were sent (1978).
- 4 — Native Americans sold Manhattan Island for goods worth \$24 (1626), the phonograph was first demonstrated (1878), the Kent State massacre took place (1970), and Margaret Thatcher became Great Britain's first female prime minister (1979).
- 5 — Cinco de Mayo! Mexico won the Battle of Puebla (1862), the first train robbery occurred (1865), and Alan Shepard became the first American in space (1961).
- 6 — The Eiffel Tower was completed (1889), **the Hindenburg airship exploded** (1937), and the English Channel tunnel opened (1994).
- 7 — The Beatles released their final album (1970).
- 8 — The U.S. Post Office was established (1794), Germany surrendered to the Allies (1945), and *Mad Magazine* debuted (1952).
- 9 — Coca-Cola was invented (1886), and the lawnmower was patented (1899)
- 10 — The transcontinental railroad was completed (1869).
- 11 — Einstein presented his Theory of Relativity (1916), and **the first tubeless tires were manufactured** (1947).
- 12 — The flush toilet was patented (1792).
- 13 — The Mexican-American War began (1846).
- 14 — The first permanent English settlement in the New World was established at Jamestown, Virginia (1607), the Lewis and Clark expedition began (1804), Vaseline was first sold (1878), the State of Israel was established (1948), and *Seinfeld* aired for the last time (1998).
- 15 — The U.S. Department of Ag was established (1862), and nylons were first sold (1940).
- 16 — Root beer was invented (1866), and the first Academy Awards ceremony was held (1929).
- 17 — The first Kentucky Derby was held (1875).
- 18 — Mount St. Helens erupted (1980).
- 19 — The first Ringling Brothers circus was held (1884).
- 20 — The Hubble Space Telescope transmitted its first photos (1990).
- 21 — The American Red Cross was formed (1881), and **Charles Lindbergh completed the first solo nonstop flight across the Atlantic Ocean** (1927).
- 22 — The Great Train Robbery occurred (1868), the "flying machine" was patented (1906), Mr. Rogers' Neighborhood debuted (1967), and a suicide bomber killed 22 people at an Ariana Grande concert in London (2017).
- 23 — Outlaws Bonnie and Clyde met their demise (1934).
- 24 — The telegraph was first demonstrated (1844), and Major League Baseball's first night game was played in Cincinnati (1935).
- 25 — The first *Star Wars* movie was released (1978), and George Floyd was killed by a police officer, sparking nationwide protests (2020).
- 26 — The first copies of *Dracula* went on sale (1897), the last Ford Model T was built (1927), and Michael Jackson and Lisa Marie Presley were married (1994).
- 27 — The first Salem "witch trial" execution was held (1647), and **the pop-up toaster was patented** (1919).
- 28 — The Golden Gate Bridge opened (1937), and Barry Bonds broke the Major League Baseball career home run record with his 715th (2006).
- 29 — Wisconsin became a state (1848), and Sir Edmund Hillary became the first person to reach the top of Mount Everest (1953).
- 30 — The bra was invented (1889), and the first Indianapolis 500 race was held (1911).
- 31 — The Tulsa Race Massacre began (1921), the trans-Alaska oil pipeline was completed (1977), and the TV reality series *Survivor* premiered (2000).



BIRTHDAYS

- 1 — Singer Kate Smith (1909), actor Glenn Ford (1916), and singer Tim McGraw (1967)
- 2 — Pediatrician Dr. Spock (1903), singer Bing Crosby (1904) and wrestler/actor The Rock (1972)
- 3 — Boxing champ Sugar Ray Robinson (1921), and singers **James Brown** (1933), Frankie Valli (1937), Wynona Judd (1964) and Jewel (1974)
- 4 — Actress Audrey Hepburn (1929) and singer Randy Travis (1959)
- 5 — Socialist Karl Marx (1818), and singers Tammy Wynette (1942) and Adele (1988)
- 6 — Psychiatrist Sigmund Freud (1856), baseball star Willie Mays (1931), singer Bob Seger (1945), and actor George Clooney (1961)
- 7 — Composers Johannes Brahms (1833) and Peter Tchaikovsky (1840), actor Gary Cooper (1901), and football star Johnny Unitas (1933)
- 8 — Red Cross founder Henry Dunant (1828), President Harry Truman (1884), funnyman Don Rickles (1926), and boxing champ Sonny Liston (1928)
- 9 — Actress Candice Bergen (1946) and singer Billy Joel (1949)
- 10 — Lincoln assassin John Wilkes Booth (1938), dancer Fred Astaire (1899) and singer Bono (1960)
- 11 — Songwriter Irving Berlin (1888) and Muslim leader Louis Farrakhan (1933)
- 12 — Actress Katherine Hepburn (1907), baseball star **Yogi Berra** (1925), comedian George Carlin (1937), musician Steve Winwood (1948), and actors Emilio Estevez (1962) and Stephen Baldwin (1966)
- 13 — Boxing champ Joe Louis (1914), singer Stevie Wonder (1950), basketball star Dennis Rodman (1961), and talk show host Stephen Colbert (1964)
- 14 — Filmmaker George Lucas (1944), actress Cate Blanchett (1969), and social media mogul Mark Zuckerberg (1984)
- 15 — Baseball star George Brett (1953) and football star Emmitt Smith (1969)
- 16 — Actor Henry Fonda (1905), singer Janet Jackson (1966), and actress Tori Spelling (1973)
- 17 — Boxing champ Sugar Ray Leonard (1956)
- 18 — Baseball stars Brooks Robinson (1937) and Reggie Jackson (1946), singer George Strait (1952), and actress Tina Fey (1970)
- 19 — Civil rights activist **Malcolm X** (1925) and musician Pete Townshend (1945)
- 20 — Actor Jimmy Stewart (1908) and singer Cher (1946)
- 21 — Actor Raymond Burr (1917) and pro wrestler/actor Mr. T (1952)
- 22 — Baseball star Tommy John (1943)
- 23 — Actor/comedian Drew Carey (1958)
- 24 — Queen Victoria (1819), singer Bob Dylan (1941), and actor John C. Reilly (1965)
- 25 — Poet Ralph Waldo Emerson (1803) and helicopter developer Igor Sikorsky (1889)
- 26 — Actor John Wayne (1907), sportscaster Brent Musburger (1939), and singers Stevie Nicks (1948) and Hank Williams Jr. (1949)
- 27 — Actor Vincent Price (1911), golf legend Sam Snead (1912), and actor Louis Gossett Jr. (1936)
- 28 — Athlete Jim Thorpe (1888) and singer Gladys Knight (1944)
- 29 — Entertainer Bob Hope (1903), President John F. Kennedy (1917), and singer Melissa Etheridge (1961)
- 30 — Bandleader Benny Goodman (1909), football star Gale Sayers (1943), actress Lisa Kudrow (1963) and singer Wynonna Judd (1964)
- 31 — Poet Walt Whitman (1819), actor Clint Eastwood (1930), football star Joe Namath (1943), model Brooke Shields (1965) and actor Colin Ferrell (1976)

