

Baseline Change Control Criteria –

Work authorization process needs to accommodate such changes prior to the start of work during the active performance period. Otherwise, the authorization process will lag, and it could lead to establishment of zero-budget accounts or WPs that would result in negative performance values.

Budget Source	CATEGORY	BASELINE CHANGES (Recognized Performance Measurement Adjustments)	COMMENT
DOE Contingency	1 <i>Contract Scope Change</i>	<p>Deviations in job scope that are at the client's direction to change the current scope of work or to change Bechtel's chosen method of achieving the current job scope. Deviations may also occur as a result of events or conditions not covered by the contract, e.g. force majeure events.</p> <p>Contract Scope change trends can be requested by the client, recommended by Bechtel, or required by regulatory agencies.</p>	<p>Examples include:</p> <ul style="list-style-type: none"> • Incorporation of revised DOE Orders • Significant changes in funding • Regulatory agency requirements • Extensive alternative design studies required by client • Abnormally frequent meetings and reports prescribed by the client • New scope or revised requirements – • CO Letters of direction w/not-to-exceed value • DOE Risk Handling or Realization • REA resolution • Changes to baseline documents under configuration control: <ul style="list-style-type: none"> ○ Safety Basis; ○ Functional Specification; ○ Basis of Design; ○ Authorization Basis; ○ Operations Requirements Document ○ Interface Control Documents; ○ Permit Requirements; ○ Level 2 Work Breakdown System Dictionary Sheets.
Management Reserve	2 <i>Contract Scope Change Unresolved</i>	<p>Disputed work scope where BNI believes a change in work scope is merited but agreement can't be reached.</p> <p>Work must be CO authorized and Project Director approved to proceed.</p>	<p>The resulting BCP is budgeted from MR while BNI pursues contractual relief.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Alleged constructive change • Changes which must proceed immediately prior to agreement. • Changes resulting from other contract provisions such as labor disputes, force majeure, changed conditions, not readily agreed on. <p>All impacts from category 2 BCPs shall be identified and tracked within the EVMS and financial management tools until resolved (Charge Codes, Activities).</p>
	3 <i>Risk Handling or Realization</i>	Risk management within the established contract scope.	<ul style="list-style-type: none"> • Risk threat and opportunity handling actions • Realization of a risk (not for cost or schedule variance-based risks)
	4 <i>Execution Strategy Change</i>	Fundamental changes to the assumed approach/process in how the work is completed	<ul style="list-style-type: none"> • Make/Buy decisions (Direct hire or Subcontract) • Constructability issues – change in methods (shop fab vs. field fab, erection sequence, precast concrete vs. steel, overhead vs. underground, single conductor vs. multi-conductor, duck bank vs. trench, etc.)
	5 <i>Changes to Future Work not yet started</i>	<p>Previously unrecognized tasks to be performed or deleted.</p> <p>As a project progresses, more optimal planning of future activities may be accomplished to incorporate better understood pricing and productivity, construction re-sequencing, changes in subcontracting strategies, etc., or to simply optimize the remaining work schedule. This action normally does not result in the use of MR.</p>	<p>Examples include:</p> <ul style="list-style-type: none"> • Creation of new work packages or planning packages. • Work transfers from one CA to another. • Engineering design changes from the base scope • Engineering optimization/refinement – engineering preferences, chief's reviews and directions (not work arounds) • Incorrect scope assumption (missed equipment, material, specification, etc.) • Missed requirement • Incomplete scope definition • Design/mix change in quantities • Minor schedule adjustments such as gatepost milestone revisions. • Final negotiations with subcontractors of initial work
	6 <i>Estimate Adjustments</i>	Verifiable errors or omissions to the basis of estimate.	<p>Acceptable adjustments include:</p> <ul style="list-style-type: none"> • Verifiable administrative error; • Baseline schedule logic error; • Errors or omissions by performing organizations in resource loading of schedules. • Calculation error during scope definition <p>In general, estimating deviations of known work scope shall be carried as a variance.</p>
	7 <i>Direct and Indirect rates</i>	Offsets to direct or indirect rate changes	<ul style="list-style-type: none"> • Wage Rate changes: Manual, Non-Manual, other home office • Indirect rate changes FPR in out-years
	8 <i>Work That Needs to be Repeated</i>	Changes impacting completed work	<ul style="list-style-type: none"> • Work Arounds /rework – engineering/design changes needed to work around engineering/design which has already been issued. • Constructability issues <p>Poor performance is generally a variance, but, significant deviations to the PMB must be considered in order to maintain a realistic plan, i.e., remaining plan is unusable as a performance management tool.</p>

MR Use Criteria –

- MR is the Contractor's budget to use as needed to manage the work scope
- For new work not yet planned in the PMB or future needs of existing work not yet started, meaning actuals have not been accrued
- No changes to open work packages without Government direction, i.e. directed change or an OTB.
 - Because replanning is limited to future (unopened) work packages, long work packages that stretch six months to a year into the future limit the contractor's flexibility to re-plan the effort. If that same long WP was identified into several shorter-span WPs, replanning would be allowed for those unopened ones existing in the future. Shorter-span WPs provided flexibility and performance measurement easier.
- Burden of proof is on the contractor to demonstrate it is an authorized use, and
 - Applied beyond the freeze period, generally more than one month in the future; current period scope changes should be minimized, and urgency of need must be documented
 - Not related to a current trend or cost variance
- PM may or may not allocate MR based on the assessment of CAM's definition of the requirement for new scope and any project impact and whether any MR remains that is available for allocation. MR is never required to be allocated.
- Applications must be documented and traceable
- MR balance cannot be negative
- MR is not authorized to mask overruns, eliminate variance, manipulate data, or show acceptable indices.