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- **Material Price and Usage Variance definitions will be fixed by PARCA in Glossary by June 15**

- **PARCA clarified that MRP/ERP is not to be repeated in the schedule and graphic will be redone to show that the task in the schedule is the summary of the MRP/ERP material planning runs (Guideline 6)**

- **Harvesting Underruns is NOT to be done per PARCA. PARCA has stated please contact them if industry being forced to do this by buying commands**

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- **Work Authorization Documents (WAD)s for initial planning effort and Long Lead Items or a process to authorize long lead effort or initial planning is OK if described in Process description**

- **Planning in one Element of Cost (EOC) (like in house labor) yet consuming in a different EOC like purchased labor/job shoppers/consultants raises multiple ways to handle this when addressing variance analysis. A lot of discussion, however "it depends"**

- **Stop Work Order (SWO)--value to reduce Contract Target Cost (CTC), SIG has been updated to provide direction on how to handle this type of effort**

- **Quantifiable Back Up Data (QBD)s.**

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- **Significant discussion on Block 6 of IPMR. DID wording is unclear. PARCA to update. DID wording appears to state that the worse case is the maximum cost to the government NOT the projected cost at completion to the program.**

- **How the reporting of the EAC is resolved will affect reporting on the other CSDR's and the CFSR**

- **There needs to be additional clarity on block 6C as currently it is supposed to tie to the "Official EAC" which in many cases is interpreted to have to tie to what is being reported for SARBANES OXLEY. Whatever is reported must be discussed in the Format 5 if it differs from Column 15 in the IPMR or CPR**

B/W/M EAC

IPMR Format 1

6. ESTIMATED COST AT COMPLETION			
	MANAGEMENT ESTIMATE AT COMPLETION (1)	CONTRACT BUDGET BASE (2)	VARIANCE (3)
a. BEST CASE	84,000,000		
b. WORST CASE	94,000,000		
c. MOST LIKELY	90,000,000	70,779,985	-19,220,015

- Fixed Price Incentive contract – how should EACs be handled given significant overruns?

IPMR DID

- EACs shall be reported without limitation of the contract ceiling value.
- 3.2.2.1. Management Estimate at Completion - Best Case. Enter in Block 6.a.1 the contractor's best case EAC. The best case EAC reflects the lowest potential cost to the Government. This estimate shall be based on the outcome of the most favorable set of circumstances. If this estimate is different from the most likely management EAC (Block 6.c.1), the assumptions, conditions, and methodology underlying the estimate shall be explained in Format 5. This estimate is for informational purposes only; it is not an official company estimate.

- 3.2.2.2. Management Estimate at Completion - Worst Case. Enter in Block 6.b.1 the contractor's worst case EAC. The worst case EAC reflects the highest expected cost to the Government. This estimate shall be based on the outcome of the least favorable set of circumstances. If this estimate is different from the most likely EAC (Block 6.c.1), the assumptions, conditions, and methodology underlying the estimate shall be explained in Format 5. This estimate is for informational purposes only; it is not an official company estimate.

- 3.2.2.3. Management Estimate at Completion - Most Likely. Enter in Block 6.c.1 the contractor's most likely EAC. This EAC is the contractor's official contract EAC and takes precedence over the estimates presented in Column (15) of Formats 1 and 2, and Blocks 6.a.1 and 6.b.1. The most likely EAC is the value that the contractor's management believes is the most possible outcome based on a knowledgeable estimation of all authorized work, known factored risks, and probable future conditions.

Relationship Between Integrated Master Schedule & Manufacturing / Enterprise Resource Planning (M/ERP) System

IMS
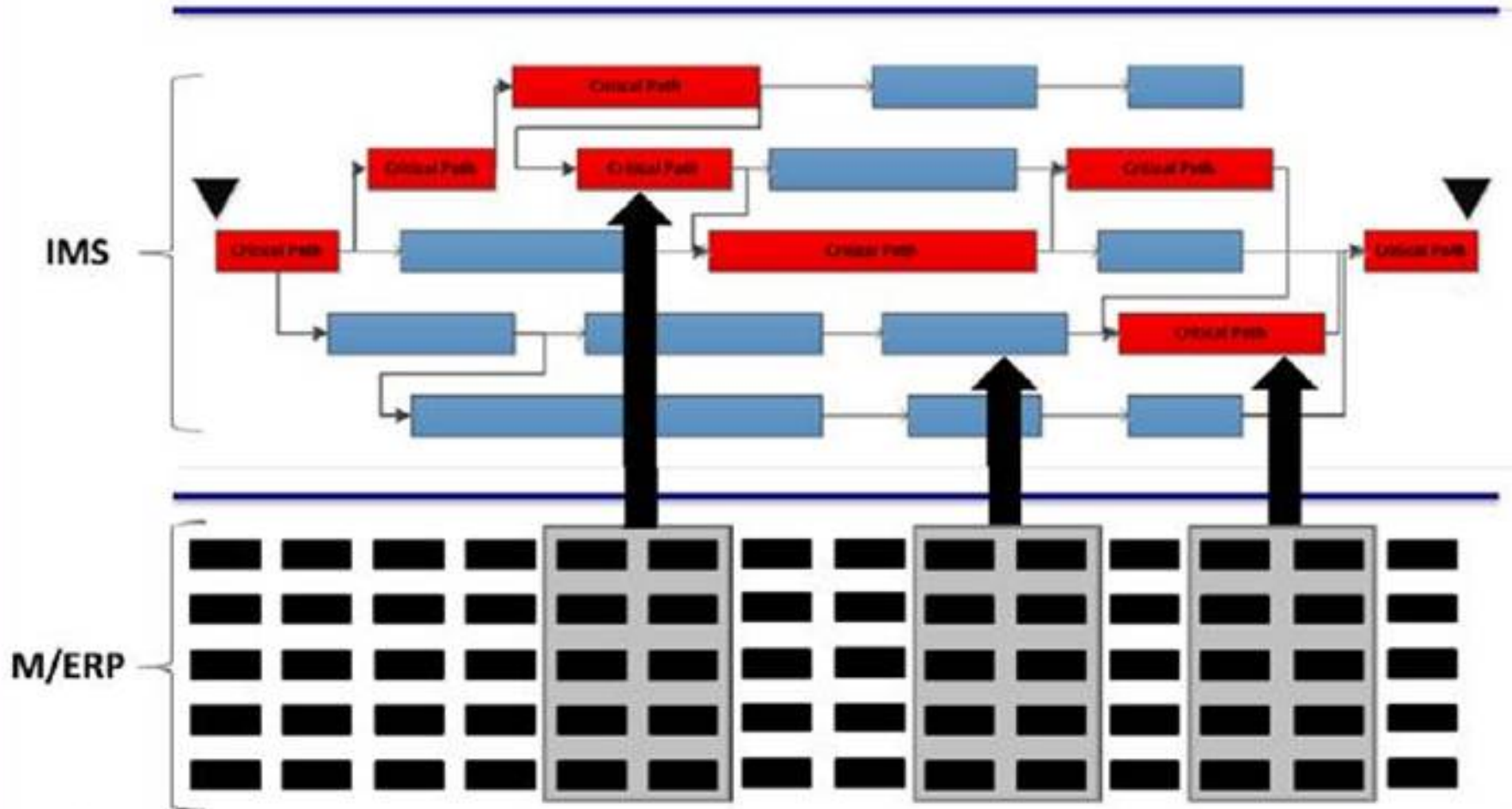
M/ERP

Detailed efforts contained in M/ERP Systems (Work Orders, Production Orders, Work Bills, etc.) are aggregated into the network IMS at the work package level with the appropriate interdependencies and sequencing preserved to enable critical path analysis.

Old SIG

Production programs are often planned using inputs from a Manufacturing/Enterprise Resource Planning (M/ERP) System that include the detailed efforts (work orders, production orders, work bills, etc.) used to manage the procurement and assembly of material with the associated labor. These systems are used as the basis for planning and statusing the detailed efforts which are aggregated, with the appropriate interdependencies and sequencing preserved, within the network schedule (IMS), minimally at the work package level, for critical path analysis. (See Figure 6: Relationship between IMS and Manufacturing/Enterprise Resource Planning (M/ERP) System.)

Schedule Visibility Tasks (SVTs), if used, must be separately identified and controlled to represent non-PMB activities that could impact the logic driven network. Schedule margin is a management method for accommodating schedule contingencies and should be clearly identified in the IMS.

Old SIG language

New SIG

Programs are often planned using inputs from a Manufacturing/Enterprise Resource Planning (M/ERP) System that include the detailed efforts (work orders, production orders, work bills, etc.) used to manage the procurement and assembly of material with the associated labor. These systems are used as the basis for planning and statusing the detailed efforts which are aggregated, with the appropriate interdependencies and sequencing preserved, within the network schedule (IMS). An analysis of material items is required to identify categories, high-value material, critical material, and material aggregation points to be tracked independently in the IMS (See Guideline 21). To support critical path analysis, the M/ERP should support and underpin the IMS, minimally at the work package level, through effective vertical and horizontal integration of network logic (See Figure 6: Relationship between Integrated Master Schedule & M/ERP System).

New SIG Language