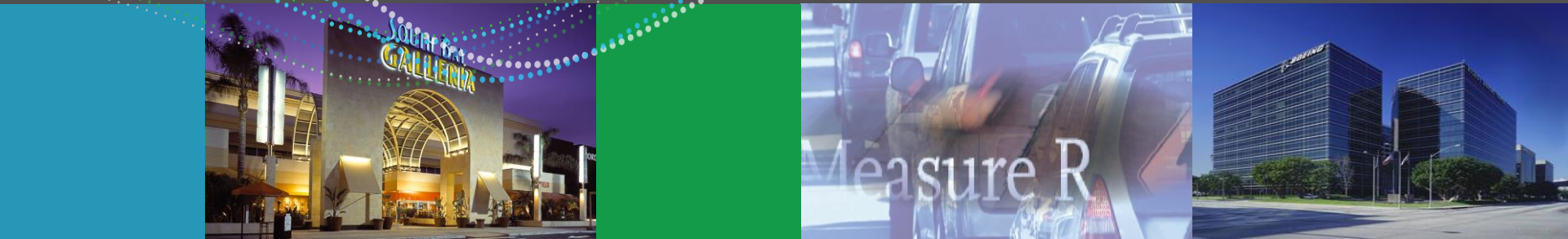


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IWG May 16, 2017

South Bay Highway Program

Satisfying New Requirements for SBHP Project Reporting and Control



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

SBHP Project New Project Reporting Topics

- **Improved Monthly and Quarterly Reporting**
 - **Meeting Metro Schedule Targets**

Key Concepts:

- Separating **Schedule Adherence** from **Cost Adherence** in Reporting
 - This means tracking project progress by the amount of work completed and not by the amount spent
 - However, **relating** the work done to the amount spent to do it is an important part of managing your project

Let's go back to the SBHP Project Management Training



SBHP Project Execution and Control

- Manage Project work
 - Ensure progress is being made towards satisfying the Project Charter
 - Evaluate Project Progress against the Project Plan
 - Use the Project Team as the source of information
 - Initiate corrective actions
 - Enforce Change Control
 - Facilitate communication between Team members

Control Costs

- Earned Value Management (EVM)
- Forecasting
- To-Complete Performance Index (TCPI)
- Performance Reviews



Earned Value Management

- Combines scope, schedule and resource measurements to assess project performance and progress
- Integrates the scope baseline, cost baseline and schedule baseline to give a performance measurement baseline
- Can be applied to all projects in all industries

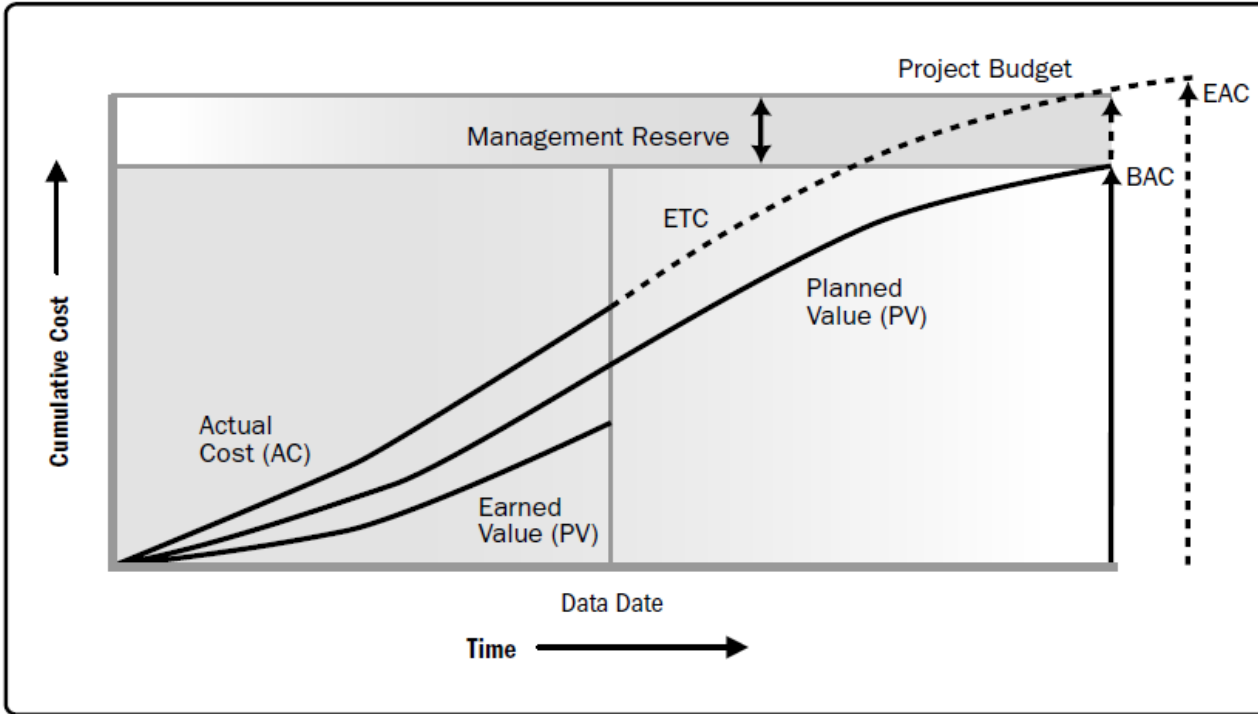


EVM – Key Concepts

- Planned Value
 - The authorized **budget** assigned to scheduled work
 - At a given moment it defines the planned cost of the physical work that **should have been accomplished**
 - The Total Planned Value of a Project is the Budget At Completion (BAC)
- Earned Value
 - The measure of work performed expressed in terms of the budget authorized for that work
 - It is the **budget** associated with the authorized work that **has been completed**
- Actual Cost
 - The realized cost incurred for the work performed
 - The total cost incurred in accomplishing the work that the EV measured



Earned Value Concept



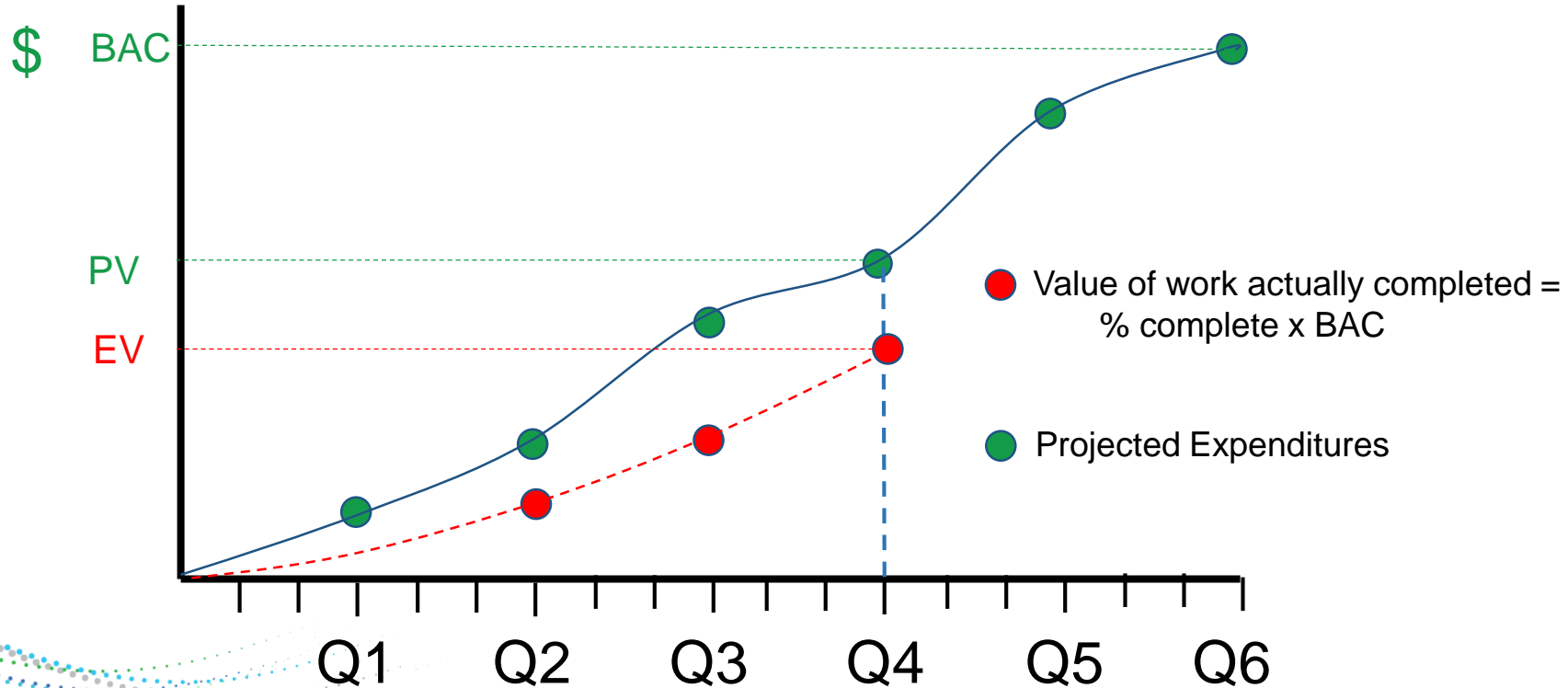
- BAC-Budget at Completion
- EV – Earned Value
- AC – Actual Costs
- PV - Planned Value
- EAC - Estimate at Completion
- ETC – Estimate to Complete

EVM Performance Indices

- Schedule Performance Index (SPI)
 - A measure of Schedule efficiency
 - Is the ratio of Earned Value to Planned Value
 - $SPI = EV/PV$
 - $SPI < 1$ – less work completed than planned
 - $SPI > 1$ – more work completed than planned
- Cost Performance Index (CPI)
 - A measure of Cost efficiency
 - Is the ratio of Earned Value to Actual Cost
 - $CPI = EV/AC$
 - $CPI < 1$ – cost overrun
 - $CPI > 1$ – cost underrun

Multiply by 100
to get the
percentage

So how can we use what we do already to meet the new requirements?

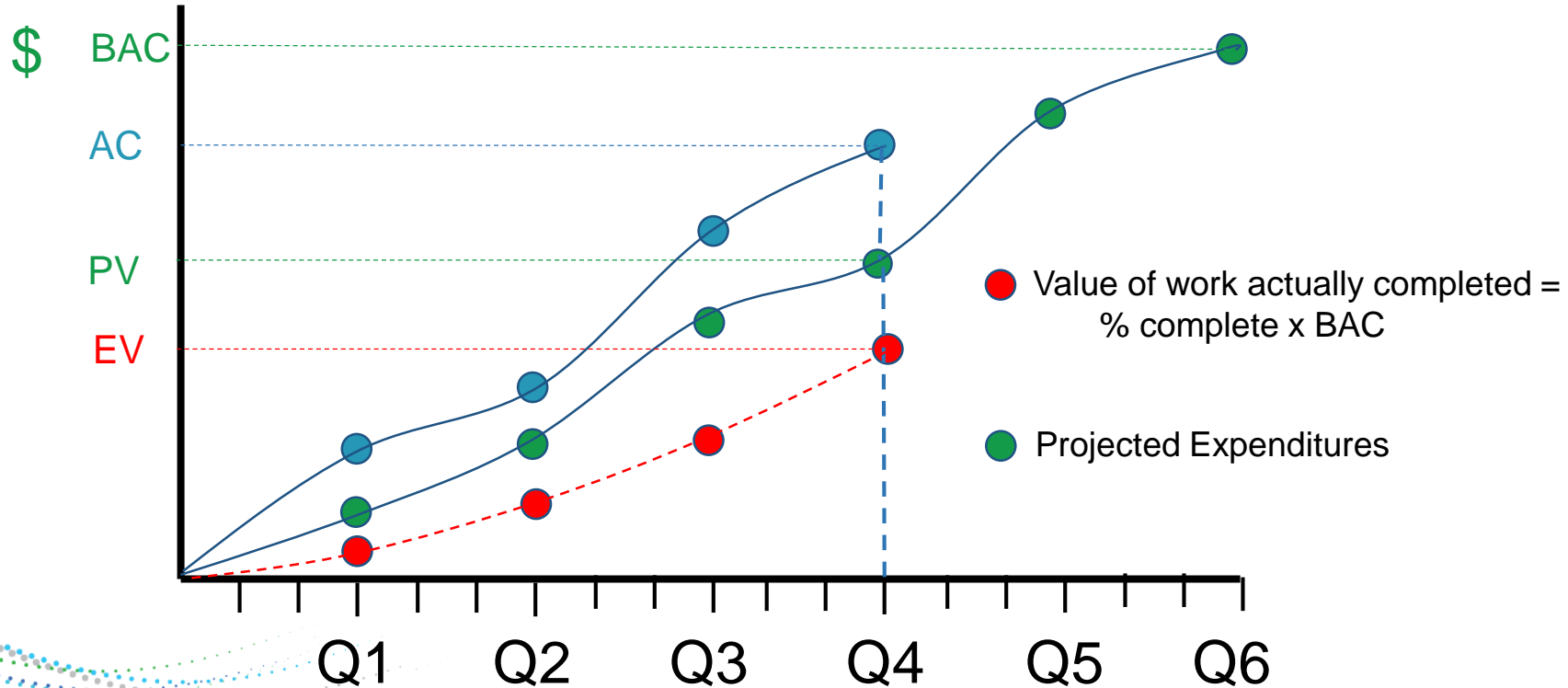


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