



COMMONWEALTH GOVERNMENT

AUSTRALIAN DEFENCE STANDARD

**DEF(AUST)5658**

**COST SCHEDULE STATUS REPORTING  
(CSSR)  
SPECIFICATION AND IMPLEMENTATION  
GUIDE;  
STANDARD**

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Prepared by the Project Management Systems Section, Department of Defence, Canberra.

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**DEF(AUST)5658**  
**COST SCHEDULE STATUS REPORTING (CSSR)**  
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**FEBRUARY, 1994**

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**TABLE OF CONTENTS**

- 1. PURPOSE**
- 2. SCOPE**
- 3. APPLICABLE DOCUMENTS**
- 4. DEFINITIONS**
- 5. REQUIREMENTS**
  - 5.1 General**
    - 5.1.1 Introduction**
    - 5.1.2 Policy**
    - 5.1.3 Differences between CSSR Specification and the Requirements of the full CSCSC**
    - 5.1.4 Appeals**
    - 5.1.5 Cost Visibility**
  - 5.2 Specification for CSSR**
  - 5.3 CSSR Data Element Guide**
  - 5.4 Reports**
  - 5.5 Implementation**
- 6. NOTES**
  - 6.1 Cost Schedule Control System Criteria**
  - 6.2 Revisions and Additions**
  - 6.3 Inquiries**

**ANNEXES**

- A. CSSR REPORTS AND THEIR USES**
- B. IMPLEMENTATION**
- C. SAMPLE CSSR REQUEST FOR TENDER AND CONTRACT REQUIREMENTS**
- D. CSSR DATA ELEMENT GUIDE**
- E. GUIDANCE ON THE CSSR REVIEW**
- F. LIST OF ABBREVIATIONS**

**APPENDICES**

- 1 to ANNEX A. DATA ITEM DESCRIPTION**  
**COST SCHEDULE STATUS REPORT - FORMATS 1, 2 & 3**
- 2 to ANNEX A. CSSR REPORT FORMATS 1, 2 & 3 ADEQUACY CHECKLIST**

## 1. PURPOSE

- 1.1 The purpose of this Standard is to:
- a. specify performance management system requirements and reporting elements for Cost Schedule Status Reporting (CSSR); and
  - b. to provide guidance on the application of CSSR to Department of Defence contracts.
- 1.2 This Standard may be used by prime contractors for flowdown of CSSR to subcontractors.
- 1.3 The objective of CSSR is to satisfy Department of Defence cost schedule performance information needs with earned value based data of known validity extracted from the same data base employed by the contractor for internal performance management.
- 1.4 CSSR provides contractors with maximum flexibility to conduct internal management operations by avoiding the imposition of specific management systems or exhaustive criteria and checklists. CSSR:
- a. contributes to the effective management of contracts where application of the full Cost Schedule Control Systems Criteria (CSCSC) is not mandated;
  - b. provides Department of Defence and contractors with objective, standardised, integrated cost schedule performance measurement and reporting data on these contracts; and
  - c. provides, where applicable, compatibility of cost and schedule performance data with that being generated by management systems meeting the CSCSC and generating Cost Performance Reports (CPRs).

## 2. SCOPE

- 2.1 This Standard covers the following:
- a. the CSSR specification detailing the essential requirements that a contractor's performance management system must satisfy in order to attain certification by the Department of Defence;
  - b. a description of the typical sequence of events required to implement this specification; and guidance to both Defence and contractor personnel on the interpretation of this specification.

## 3. APPLICABLE DOCUMENTS

- 3.1 Reference may be necessary to the latest issue of the following documents:

### **Australian Department of Defence**

DEF(AUST)5655 - Australian Cost Schedule Control System Criteria

DEF(AUST)5657 - Australian Cost Schedule Control Systems Implementation Guide (ACSIG)

DEF(AUST)5664 - Australian Guide to Work Breakdown Structures (To be published in 1994)

**US Department of Defense**

MIL-STD-881 - Work Breakdown Structures for Defense Materiel Items

**4. DEFINITIONS**

**NOTE:** \* denotes differences to the equivalent definition in DEF(AUST)5655 Issue 1

4.1 For the purpose of this Standard the following definitions shall apply:

**Actual Cost of Work Performed (ACWP).** The costs actually incurred and recorded in accomplishing the work performed within a given time period.

**Actual Direct Costs.** Those reasonable costs identified specifically with a contract, which can be charged to the contract in accordance with sound accounting principles, accumulated within the contractor's accounting system as accepted by the Department of Defence.

**Allocated Budget.** (See Total Allocated Budget.)

**Applied Direct Costs.** The actual direct costs recognised in the time period associated with the consumption of labour, material, and other direct resources, without regard to the date of commitment or the date of payment. These amounts are to be charged to work-in-process when any of the following take place:

- a. labour, material, or other direct resources are actually consumed;
- b. material resources are withdrawn from inventory for use;
- c. material resources are received that are uniquely identified to the contract; or
- d. major components or assemblies that are specifically and uniquely identified to a single serially numbered end item are received on a line flow basis.

**Apportioned Effort.** Effort that by itself is not readily divisible into work packages but which is related in direct proportion to measured effort.

**Authorised Work.** All work performed by the contractor, pursuant to the contract, within the contract price.

**Authorised Unpriced Work (AUW).** Includes work that is outside the scope of the contract but which is planned and/or performed by the contractor in advance of a formal contract amendment with the prior approval of the PA.

**Budget At Completion (BAC).** The total budget (direct and indirect) allocated to an individual CWBS element.

**\*Budgeted Cost for Work Performed (BCWP).** The sum of the budgets for completed work tasks (or work packages) and completed portions of open work tasks, plus the applicable portion of the budgets for LOE and Apportioned Effort. (Also known as Earned Value)

**\*Budgeted Cost for Work Scheduled (BCWS).** The sum of the budgets for work tasks (or work packages) etc, scheduled to be accomplished (including in process work tasks) plus the amount of LOE and Apportioned Effort scheduled to be accomplished within a given time period.

**Commonwealth.** The Commonwealth of Australia.

**Contract.** The document which constitutes or evidences the final agreement between the Commonwealth and the contractor together with such attachments as listed in its Table of Contents and includes any authorised amendment to the contract by agreement in writing between the Commonwealth and the contractor.

**Contract Budget Base (CBB).** The contract target cost plus the estimated cost of Authorised Unpriced Work.

**Contract Price.** The price payable by the Commonwealth under the contract for the proper delivery of the supplies and services specified in the scope of work of the contract.

**Contract Target Cost.** The total of the sum of the performance measurement baseline and management reserves.

**Contract Work Breakdown Structure (CWBS).** (See Work Breakdown Structure)

**Contractor.** A person who contracts with the Commonwealth.

**Cost Account.** A management control point at which actual costs can be accumulated and compared to budgeted cost of work performed. A Cost Account is a natural control point for cost schedule planning and control since it represents the work assigned to one responsible organisational element on one Contract Work Breakdown Structure (CWBS) element.

**Direct Costs.** Any costs which are directly related and economically traceable to performance of a unit of work, and which are charged directly and finally to the contract in accordance with sound accounting principles, without inclusion of indirect costs.

**Earned Value.** (See BCWP.)

**Estimate At Completion (EAC).** Actual direct costs, plus indirect costs allocatable to the contract, plus the estimate of costs (direct and indirect) for authorised work remaining. Also known as Latest Revised Estimate (LRE).

**Focal Point.** The principal point(s) of contact in each Materiel Division and Logistics Division responsible to assist PAs with CSSR implementation activities and for co-ordination and exchange of information related to CSCSC and CSSR.

**Indirect Costs.** Costs which, because of their incurrence for common or joint objectives, are not readily subject to treatment as direct costs.



**Initial Budget.** (See Original Budget).

**Internal Replanning.** Replanning actions performed by the contractor for remaining effort within the recognised total allocated budget and schedule restraints.

**Level Of Effort (LOE).** Effort of a general or supportive nature which does not produce definite end products.

**Management Reserve (MR).** (Synonymous with Management Reserve Budget.) An amount of the Total Allocated Budget withheld for management control purposes rather than designated for the accomplishment of a specific task or set of tasks. It is not a part of the Performance Measurement Baseline.

**Memorandum Of Agreement (MOA).** An agreement between a PA and a contractor accepting the contractor's CSSR management system for a particular contract and establishing the scope of agreement with respect to the CSSR surveillance function and objectives.

**Negotiated Contract Cost.** The Contract Target Cost.

**Original Budget.** The budget established on, or near, the effective date, based on the negotiated contract cost.

**Overhead.** (See Indirect Costs)

**Project Authority (PA).** The agency nominated in the contract to act on the Commonwealth's (Department of Defence's) behalf.

**\*Performance Measurement Baseline (PMB).** The time phased budget plan against which contract performance is measured. It is formed by the budgets assigned to scheduled cost accounts and the applicable indirect budgets. For future effort, not planned to the cost account level, the performance measurement baseline also includes budgets assigned to higher level CWBS elements and undistributed budgets. It equals the Total Allocated Budget less Management Reserve.

**Performing Organisation.** A defined unit within the contractor's organisational structure, which applies the resources to perform the work.

**\*Planning Package.** A logical aggregation of work within a Cost Account, normally the far-term effort, that can be identified and budgeted in early baseline planning, but is not yet defined into Work Packages. (Formal Planning Package identification as a Cost Account component is not a requirement of CSSR. However, it is permissible at the discretion of the contractor.)

**Replanning.** (See Internal Replanning)

**Reprogramming.** Replanning of the effort remaining in the contract, resulting in a new budget allocation which exceeds the Contract Budget Base.

**Responsible Organisation.** A defined unit within the contractor's organisational structure which is assigned responsibility for accomplishing specific tasks.

**Significant Variances.** Those differences between planned and actual performance which require further review, analysis, or action. Appropriate thresholds should be established as to the magnitude of variances which will require variance analysis.

**Supplies.** The goods and services including intellectual property required to be supplied under the contract.

**Total Allocated Budget.** The sum of all budgets allocated to the contract. Total Allocated Budget consists of the Performance Measurement Baseline and all Management Reserve. The Total Allocated Budget reconciles directly to the Contract Budget Base. Any differences will be documented as to quantity and cause.

**Undistributed Budget (UB).** Budget applicable to contract effort which has not yet been identified to CWBS elements at or below the lowest level of reporting to the Commonwealth.

**Variances.** (See Significant Variances)

**\*Work Breakdown Structure (WBS).** A product oriented family tree division of hardware, software, services, and other work tasks which organises, defines, and graphically displays the product to be produced as well as the work to be accomplished to achieve the specified product.

- a. **Summary WBS.** The top three levels of a WBS.
- b. **Top Level WBS.** A summary WBS according to DEF(AUST)5664 tailored to a specific Defence materiel item by selecting applicable elements from one or more summary WBSs in MIL-STD-881 or by adding equivalent elements unique to the project.
- c. **Contract WBS (CWBS).** The complete WBS for a contract, developed and used by a contractor according to DEF(AUST)5664, (or the principles of MIL-STD-881) and the contract work statement. The CWBS includes the levels specified in the contract and the contractor's extension.

**\*Work Packages.** Detailed short span jobs, tasks, or materiel items comprising a Cost Account, identified by the contractor for accomplishing work required to complete the contract. Formal work package definition within a Cost Account is not a requirement of CSSR as it is in the CSCSC.

**Work Package Budgets.** Resources which are formally assigned by the contractor to accomplish a Work Package, expressed in dollars, hours, standards or other measurable units.

## 5. REQUIREMENTS

### 5.1 General

#### 5.1.1 Introduction

- a. Contractors for the Department of Defence's major capital equipment projects may be required to comply with CSSR. Prime contractors with a CSCSC or a CSSR requirement may be required to apply CSSR to subcontracts. Decisions on the application of CSSR will be made by the Department of Defence in the development of the Equipment Acquisition Strategy (EAS) for each project.

- b. Defence project managers for contracts requiring CSSR have the same basic responsibilities for cost schedule management as managers with contracts requiring the application of the full CSCSC. It is necessary therefore that all managers be assured of adequate and reliable data on the cost and schedule status of the contracts for which they are responsible. CSSR provides the required level of contract cost and schedule visibility.
- c. CSSR defines contractor cost schedule management system requirements and reporting requirements. It has been developed to provide a standardised method for cost schedule performance measurement and reporting on selected contracts below the CSCSC threshold. Contractor reporting under CSSR is similar to the cumulative period elements of Cost Performance Reports (CPRs) Formats 1, 3 and 5 used with systems validated to the CSCSC. However the requirements for a contractor's system to meet the CSSR specification are less demanding than those to meet the full CSCSC. This Standard defines the performance management systems requirement and reporting formats applicable to CSSR. The Contract Data Requirement List (CDRL) will specify the particular data items required for contract performance reporting that are to be generated by a contractor's performance management system.

5.1.2 **Policy.** Policy and the related responsibilities for CSSR are detailed in CEPMAN 1 Part 4 Chapter 25. As a general guide, CSSR will be applied to contracts and subcontracts that are likely to exceed the following thresholds but which do not specify a CSCSC requirement:

- a. contract value exceeds \$20m and duration exceeds 12 months; or
- b. individual or multiple subcontracts with any one company (in respect of one prime contract) with a value exceeding \$20m and a duration which exceeds 12 months.

5.1.3 **Differences between the CSSR Specification and the Requirements of the full CSCSC.**

- a. The major difference between CSSR requirements and a system that is compliant with the CSCSC is that CSSR requires only compliance with the specification for CSSR as detailed at paragraph 5.2 of this Standard as opposed to a contractor's CSCS being fully compliant with the 35 criteria, (refer DEF(AUST)5655). Management system requirements for CSSR are less stringent and thus the depth and range of the surveillance activities associated with them are more easily adaptable to individual contract requirements.
- b. CSSR permits the contractor greater flexibility than the CSCSC in the selection of internal performance measurement techniques at appropriate levels.
- c. Another difference between the standard reporting formats for CSSR and CSCSC involves the levels of generation for the data elements "Budgeted Cost for Work Scheduled" (BCWS) and

"Budgeted Cost for Work Performed" (BCWP). For CSCSC, BCWS and BCWP must be the result of the direct summation of Work Package budgets and Earned Value respectively. CSSR permits the determination of these values through mutually acceptable means and summation from the chosen level for performance measurement up to the total contract value or appropriate reporting level. The specific methodology to be used in generating valid, reliable and timely data is to be demonstrated by the contractor.

- d. Finally, CSSR does not require cost performance reporting on a functional (organisational) basis, nor is the man-power loading reporting required. Incremental or current period reporting is not normally required.

5.1.4 **Appeals.** The requirements covered by the specification for CSSR are mandatory. However, advice on the interpretation of these guidelines may be sought from the Director Project Management Systems (DPMS). Where a disagreement on interpretation between contracting parties cannot be satisfactorily resolved, appeals can be made to the First Assistant Secretary Capital Equipment Program (FASCEP) Department of Defence, Russell Offices, Canberra, ACT 2600.

5.1.5 **Cost Visibility.** The description of data elements for the CSSR report formats contained in this Standard are based on visibility of the contractor's costs being required under the contract. This would apply irrespective of the contract's price basis. Should a particular contract not provide this cost visibility, an alternative report format based on price data in lieu of cost data is to be negotiated. Any such proposal should explain the methodology for converting internal cost-based data elements to price-based data for reporting and be subject to Project Authority (PA) approval.

## 5.2 Specification for CSSR

5.2.1 The contractor's performance management system shall provide for the following:

- a. establishing and maintaining a Contract Work Breakdown Structure (CWBS) in accordance with DEF(AUST)5664 (or the principles of the latest version of MIL-STD-881) and based on the summary WBS included in the contract. The CWBS shall be used as the framework for contract planning, management and status reporting to both Department of Defence and contractor and for estimating costs at completion. The CWBS and component elements shall be described in the CWBS Dictionary. The CWBS relationship to all contract line items and specifications shall be provided in a CWBS Index;
- b. establishing a time phased Budgeted Cost for Work Scheduled (covering work authorisation, budgeting and scheduling for all elements of cost including material and subcontract), the Budgeted Cost for Work Performed based on effective earned value techniques, the Actual Cost of Work Performed, the Budget at Completion, the Estimate at Completion, and provisions for subcontractor performance measurement and reporting;
- c. establishing appropriate integrated contract schedules to facilitate effective schedule planning, progress reporting against those plans and updated schedule forecasts;
- d. applying all Direct and Indirect Costs;

- e. making provisions for the use and control of Management Reserve and Undistributed Budget;
- f. incorporating changes to the Contract Budget Base for both Commonwealth directed changes and internal replanning;
- g. establishing constraints to preclude subjective revision of data to ensure performance measurement remains consistent and realistic;
- h. ensuring that the Total Allocated Budget does not exceed the Contract Budget Base unless the Project Authority provides prior written approval;
- i. establishing the capability to accurately identify and explain significant cost and schedule variances; and
- j. providing CSSR data for reports as specified in ANNEX A of this Standard.

5.3 **CSSR Data Element Guide.** Explanatory material on these requirements is set out in ANNEX D.

5.4 **Reports.** Detail on the requirement for reports generated under CSSR is contained at ANNEX A.

5.5 **Implementation.** Detail on how to implement the specification for CSSR is contained at ANNEX B.

## 6. NOTES

### 6.1 Cost Schedule Control System Criteria

6.1.1 For the Cost Schedule Control System Criteria refer to DEF(AUST)5655.

6.1.2 For guidance on the implementation of the Cost Schedule Control Systems Criteria, refer to DEF(AUST)5657 Australian Cost Schedule Control Systems Implementation Guide (ACSIG).

6.2 **Revisions and Additions.** Users of this Standard are encouraged to submit suggestions for improvements to the Director Project Management Systems (DPMS), Department of Defence, ANZAC Park West Offices, Canberra, ACT 2600. Proposed revisions from within the Department of Defence should be submitted through the appropriate Focal Point.

### 6.3 Inquiries

6.3.1 General inquiries or suggested alterations to this Standard should be addressed to:

Director Project Management Systems (DPMS)  
Room APW1-G-11a  
ANZAC Park West Offices  
Canberra ACT 2600

Telephone: 06 266 6369  
Facsimile: 06 266 6286

## ANNEX A

## CSSR REPORTS AND THEIR USES

## A1. CSSR REPORT DATA AND FORMATS

- A1.1 **General.** The data contained in CSSR Reports provides the PA with the status of the project and the impact of problems, outlining any trends that may be developing, and provides a basis for a detailed analysis of the cost schedule health of the contract. Standard report formats have been developed to provide a suitable medium by which CSSR performance data can be transmitted to the PA. These standard formats, as indicated below, are described only as a convenient means of defining the range and relationship of data required under CSSR. Provided that range and relationship is maintained, the PA may accept existing contractor's reports either in hard copy or electronic format. The standard CSSR formats are:
- (1) **Format 1 - WBS:** provides data to measure cost and schedule performance by summary level WBS elements.
  - (2) **Format 2 - Problem Analysis:** provides a narrative report used to explain significant cost and schedule variances and other identified contract problems.
  - (3) **Format 3 - Baseline:** establishes the time phased Performance Measurement Baseline (PMB) and provides the data against which to define subsequent changes.
- A1.2 **Escalation.** Where the contract price basis provides for variation due to economic escalation and/or exchange rate variation, data on CSSR reports will be in base date values or in escalated values determined in a manner acceptable to the PA.
- A1.3 The detail of CSSR Report formats is specified in APPENDIX 1 to this ANNEX.
- A1.4 A checklist for reviewing the adequacy of the reports is at APPENDIX 2 to this ANNEX.

CSSR REPORT FORMAT 1 - WBS								
CONTRACTOR: LOCATION:	CONTRACT TYPE:	PROGRAM NAME/NUMBER:	REPORT PERIOD:	SIGNATURE:	TITLE:	DATE:		
<b>CONTRACT DATA</b>								
(1) ORIGINAL CONTRACT TARGET COST	(2) NEGOTIATED CONTRACT CHANGES	(3) CURRENT TARGET COSTS (1) + (2)	(4) ESTIMATED COST OF AUTHORIZED UNPRICED WORK	(5) CONTRACT BUDGET BASELINE (3) + (4)				
<b>PERFORMANCE DATA</b>								
	CUMULATIVE TO DATE				AT COMPLETION			
	BUDGETED COST		ACTUAL COST WORK PERFORMED (4)	VARIANCE		BUDGETED (7)	LATEST REVISED ESTIMATE (8)	VARIANCE (9)
	WORK SCHEDULED (2)	WORK PERFORMED (3)		SCHEDULE (5)	COST (6)			
GENERAL AND ADMINISTRATIVE								
UNDISTRIBUTED BUDGET								
MANAGEMENT RESERVE								
TOTAL								

CSSR REPORT FORMAT 1 - WBS  
FIGURE 1





<b>CSSR REPORT FORMAT 3 - BASELINE</b>															
CONTRACTOR:		CONTRACT TYPE:		PROGRAM NAME/NUMBER:			REPORT PERIOD:			SIGNATURE:					
LOCATION:										TITLE:					
										DATE:					
<b>CONTRACT DATA</b>															
(1) ORIGINAL CONTRACT TARGET COST		(2) NEGOTIATED CONTRACT CHANGES		(3) CURRENT TARGET COST (1) + (2)			(4) ESTIMATED COST OF AUTHORISED UNPRICED WORK			(5) CONTRACT BUDGET BASE (3) + (4)		(6) TOTAL ALLOCATED BUDGET		(7) DIFFERENCE (5) - (6)	
(8) CONTRACT START DATE		(9) CONTRACT EFFECTIVE DATE			(10) LAST ITEM DELIVERY DATE			(11) CONTRACT COMPLETION DATE			(12) ESTIMATED COMPLETION DATE				
<b>PERFORMANCE DATA</b>															
ITEM	BCWS CUM TO DATE	BCWS FOR REPORT PERIOD	BUDGETED COST FOR WORK SCHEDULED (NON CUMULATIVE)											UNDISTRIBUTED BUDGET	TOTAL BUDGET
			SIX MONTH FORECAST						ENTER SPECIFIED PERIODS						
			+1	+2	+3	+4	+5	+6	(10)	(11)	(12)	(13)	(14)		
(1) PM BASELINE (BEGINNING OF PERIOD)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
(LIST BASELINE CHANGES AUTHORISED DURING REPORT PERIOD)															
PM BASELINE (END OF PERIOD)															
MANAGEMENT RESERVE															
TOTAL															

CSSR REPORT FORMAT 3 - BASELINE  
FIGURE 3

## APPENDIX 1

### DATA ITEM DESCRIPTION

#### COST SCHEDULE STATUS REPORT - FORMATS 1, 2 AND 3

- A1-1 This report is prepared by the contractor and provides summarised cost and schedule performance information for project management purposes (See FIGURES 1, 2 and 3). Alternate formats presenting the same data, whether existing contractor forms or electronic formats, may be proposed by the contractor for PA acceptance.
- A1-2 Cost Schedule Status Reporting will be established as a contractual requirement as set out in the Contract Data Requirements List.
- A1-3 Data reported will pertain to all authorised contract work, including both priced and unpriced effort. Data reported should be limited to Level 3 of the Contract Work Breakdown Structure (CWBS) or higher or as otherwise specified in the contract. However, if a problem area is indicated at a lower level, more detailed data shall be provided on request of the PA until the problem is resolved.
- A1-4 Frequency of reporting will be specified in the contract but will generally be monthly. Reports will be submitted to the Project Authority generally 21 calendar days following the reporting period cut-off date. Reports may reflect data as of the end of the calendar month or as of the contractor's accounting period cut-off date.
- A1-5 The definitions of terms contained in Section 4 of DEF(AUST)5658 Cost Schedule Status Reporting Guide should be used as guidance in completing the CSSR Formats.
- A1-6 The variance thresholds which, if exceeded, require problem analysis and narrative explanations, will be as specified in the contract or as otherwise mutually agreed to by the contracting parties.
- A1-7 **HEADING INFORMATION.(ALL FORMATS)**
- a. **Contractor.** Enter the name and division (if applicable) of the reporting contractor.
  - b. **Location.** Enter the plant location and mailing address.
  - c. **Contract Type.** Enter the contract type, contract number and the number of the latest contract change applicable.
  - d. **Program Name/Number.** Enter the name, number, acronym and/or the type, model series, or other designation of the prime items purchased under the contract.
  - e. **Report Period.** Enter the beginning and ending dates of the period covered by the report.
  - f. **Signature Title and Date.** The contractor's authorised representative will sign the report and enter his/her title and date of signature.

A1-8 **CONTRACT DATA (FORMATS 1 AND 3)**

- a. **Item (1) - Original Contract Target Cost.** Enter the dollar value (excluding fee or profit for cost based contracts) negotiated in the original contract. For cost plus fixed fee contracts, enter the estimated cost negotiated. For an incentive contract, enter the defined contract target cost.
- b. **Item (2) -Negotiated Contract Changes.** Enter the cumulative budgeted costs (excluding fee or profit for cost based contracts), applicable to defined contract changes which have occurred since the beginning of the contract.
- c. **Item (3) - Current Target Cost (CTC).** Enter the sum of Items (1) and (2). The amount shown should equal the current dollar value (excluding fee or profit for cost based contracts) on which contractual agreement has been reached. This value will be the sum of the original target cost plus authorised contract amendments.
- d. **Item (4) - Estimated Cost of Authorised Unpriced Work (AUW).** Enter the estimated costs (excluding fee or profit for cost based contracts) for contract changes for which written authorisation has been received, but for which contract prices have not been negotiated.
- e. **Item (5) - Contract Budget Base.** Enter the sum of Items (3) and (4) representing the estimated total budget applicable to all authorised contract effort including both negotiated and un-negotiated effort. This is also referred to as the Contract Budget Base (CBB).

A1-9 **PERFORMANCE DATA (FORMAT 1)**

- a. **Column (1) - Work Breakdown Structure Elements.** Enter the noun description of the Work Breakdown Structure (WBS) element for which cost information is being reported. WBS elements or levels reported will be those specified in the contract.
- b. **Column (2) - Budgeted Cost for Work Scheduled (BCWS).** Enter the value of all work scheduled to be accomplished as of the reporting cut-off date.
- c. **Column (3) - Budgeted Cost for Work Performed (BCWP).** Enter the value of all work accomplished as of the reporting cut-off date.

**NOTE:** Specific methods used to derive the Budgeted Cost for Work Scheduled and the Budgeted Cost for Work Performed will be delineated in the proposal and explained in the initial report. If methods used are changed during the contract, explain the new method and the reason for the changed procedure.

- d. **Column (4) - Actual Cost of Work Performed (ACWP).** Enter the cumulative actual costs (direct and indirect) applicable to the work accomplished as of the reporting cut-off date. Actual costs and budgeted costs will be reported on a comparable basis.

- e. **Column (5) - Schedule Variance (SV).** Enter the difference between the Budgeted Cost for Work Scheduled and the Budgeted Cost for Work Performed by subtracting Column (2) (BCWS) from Column (3) (BCWP). A negative figure indicates an unfavourable variance and should be shown in parentheses. Variances exceeding established thresholds must be fully explained.
- f. **Column (6) -Cost Variance (CV).** Enter the difference between the Budgeted Cost for Work Performed and the Actual Cost of Work Performed by subtracting Column (4) (ACWP) from Column (3) (BCWP). A negative figure indicates an unfavourable variance and should be shown in parentheses. Variances exceeding established thresholds must be fully explained.
- g. **Column (7) - Budget At Completion (BAC).** Enter the total budget identified to each WBS element listed in Column (1). Assigned budgets will consist of the sum of the original budgets plus or minus budget adjustments resulting from contract changes, Internal Replanning, and the application of Management Reserve.
- h. **Column (8) - Estimate At Completion.** Enter the Latest Revised Estimate (LRE) of cost at completion including overrun/underrun for all authorised work. The estimated cost at completion consists of the sum of the actual costs to date plus the latest estimate of costs for work remaining.
- i. **Column (9) - Variance At Completion (VAC).** Enter the difference between the Budgeted Cost At Completion (Column (7)) and the Estimated Cost At Completion (Column (8)) by subtracting Column (8) from Column (7). A negative figure indicates an unfavourable variance and should be shown in parentheses. Variances exceeding established thresholds must be fully explained.
- j. **General and Administration (G&A).** Enter in Column (2) through (9) the appropriate G&A costs. If G&A has been included in the costs reported above, G&A will be shown as a non-add entry on this line with an appropriate notation. If G&A classification is not used, no entry will be made other than an appropriate notation to that effect.
- k. **Undistributed Budget (UB).** Enter in Column (7) and (8) the amount of budget applicable to authorised contract effort which has not been identified to WBS elements at or below the summary reporting level. All undistributed budget will be fully explained.
- l. **Management Reserve (MR).** Enter in Column (7) the amount of budget identified as MR as of the end of the reporting period. Enter in Column (8) the amount of the MR expected to be consumed before the end of the contract. Enter in Column (9) the difference between Columns (7) and (8). Note: It should be recognised that an amount for MR entered in Column 8, Latest Revised Estimate (LRE), will cause an increase in the estimated total cost of the contract. Contrary to what might be thought at first, because of the mathematics of variance calculation, an entry in the MR LRE block does not reflect how much MR is expected to remain at the end of the contract. Rather, an MRE LRE effectively states how much of the budgeted MR is expected to be consumed during the contract and, therefore, will not be available to offset variances at completion of the Work Breakdown Structure elements. The MR LRE may be entered as \$0 on the assumption that all of the MR will be available on contract completion. Conversely, the MR LRE may be reported as the same as the MR Budget At Completion (BAC) shown in Column 7, on the assumption that all of the MR will have been used by the time the contract is completed and none of it will be available to offset variances. There is no required method of reporting the MR LRE but if a figure other than \$0 or an amount equal to the MR BAC is entered in Column 8, the rationale for that amount must be explained in the Problem Analysis, Report Format 2. In addition, each application of MR that occurred during the reporting period must be explained in Format 2. The explanation will include identification of the WBS element receiving MR, the amount of MR transferred, and the reasons for the application.

**DEF(AUST)5658**  
**ANNEX A**  
**APPENDIX 1**

- m. **Total.** Enter the sum of the direct, indirect and G&A budgets and costs in Columns (2) through (9). In Columns (7), (8) and (9), also add the Undistributed Budgets and Management Reserve.

**A1-10 REPORT FORMAT 2 - PROBLEM ANALYSIS**

- a. Provide a summary analysis of the overall contract performance, including significant existing or potential problems, and identify corrective actions taken or required (including Commonwealth action where applicable).
- b. Explanations of significant variances must be explicit. They must clearly identify the nature of the problems being experienced, the impact on the total contract and the corrective actions taken or required.
- c. Normally the amount shown on the Total line in Column (7), Budget At Completion, will equal the amount shown in Item (5) Contract Budget Baseline. This relationship is necessary to ensure that the Budgeted Cost for Work Scheduled and the Budgeted Cost for Work Performed provide meaningful indicators of contractual progress. Therefore, if the amount shown on the Total line in Column (7), BAC, exceeds the amount shown in Item (5), Contract Budget Baseline, fully explain the reasons for the additional budget allocation and identify by WBS element the specific amounts added to each element.
- d. Application of Management Reserve and scope of Undistributed Budget will be explained as discussed at ANNEX D.
- e. Explanations relating to replanning actions which have affected the Performance Measurement Baseline.

**A1-11 REPORT FORMAT 3 - CONTRACT DATA**

- a. For Items (1) to (5) refer paragraph A1-8 above.
- b. **Item (6) - Total Allocated Budget.** Enter the sum of all budgets allocated to the performance of the contractual effort. The amount shown will include all Management Reserves and Undistributed Budgets. This amount will be the same as that shown on the Total line in Column (7) of Report Format 1.
- c. **Item (7) - Difference.** In most cases the amounts shown in Items (5) and (6) will be identical. If the amount shown in Item (6) exceeds that shown in Item (5), the difference should be reflected as a negative value and explained in the narrative analysis on Format 2 at the time the negative value appears and subsequently for any change in the value.
- d. **Item (8) - Contract Start Date.** Enter the date the contractor was authorised to start work on the contract regardless of the date of contract definition. (Long lead procurement efforts authorised under prior contracts are not to be considered.)

- e. **Item (9) - Contract Definition Date.** Enter the date all contract effort was fully defined.
- f. **Item (10) - Last Item Delivery Date.** Enter the date the last major item of equipment is scheduled to be delivered to the Commonwealth as specified in the contract. The data shown should represent the completion of the significant effort on the contract, (approximately 95% of the total contractual effort in most cases).
- g. **Item (11) - Contract Completion Date.** Enter the contract scheduled completion date in accordance with the latest contract amendment.
- h. **Item (12) - Estimated Completion Date.** Enter the latest revised estimate of contract completion.

#### A1-12 REPORT FORMAT 3 - BASELINE DATA

##### A1-12.1 Column (1) Item

- a. **PM Baseline (Beginning of Period).** The time-phased Performance Measurement Baseline (including G&A) which existed at the beginning of the reporting period. Most of the entries on this line are taken directly from the PM Baseline (End of Period) line on the previous report. For example the number in Column (4) on the PM Baseline (End of Period) line from the last report becomes the number in Column (3) on the PM Baseline (Beginning of Period) line on this report. The number in Column (5) (End of Period) last report becomes Column (4) (Beginning of Period) this report, etc. This rule pertains through Column (9) where the time increments change from monthly to some other periods of time. At this point, a portion of Column (10) (End of Period) would go into Column (9) (Beginning of Period) and the remainder of Column (10) (End of Period) would go into Column (10) (Beginning of Period). Columns (11) through (16) simply move directly up to the (Beginning of Period) line without changing columns.
- b. **Baseline Changes.** List by number the contract changes and supplemental agreements authorised during the reporting period. All authorised baseline changes should be listed whether priced or unpriced.
- c. **PM Baseline (End of Period).** The time-phased Performance Measurement Baseline as it exists at the end of the reporting period. The difference between this line and the PM Baseline (Beginning of Period) should represent the effects of the authorised changes and allocations of Management Reserves made during the period. Significant differences should be explained in Format 2 - Problem Analysis Report, in terms of reasons for necessary changes to time-phasing due to replanning and reasons for the application of Management Reserve.
- d. **Management Reserve.** Enter the total amount of Management Reserve remaining as of the end of the reporting period.
- e. **Total.** Enter the sum of the PM Baseline (End of Period) and the Management Reserve in Column (16). This amount should be the same as that shown on the Total line in Column (7) on Format 1.

**DEF(AUST)5658**  
**ANNEX A**  
**APPENDIX 1**

- f. **Column (2) - BCWS - Cum To Date.** Enter the cumulative BCWS for the periods indicated. The entry on the PM Baseline (Beginning of Period) line should be the same number reported as BCWS - Cum To Date (Column (2)) on the Total line of Format 1 of the previous reporting period's CSSR Report. On the PM Baseline (End of Period) line, enter the cumulative BCWS as of the last day of the reporting period. (This should be the same number which appears on the Total line in Column (7) of Format 1 for this reporting period.)
- g. **Column (3) - BCWS For Report Period.** On the PM Baseline (Beginning of Period) line, enter the BCWS planned for the reporting period. (This should be the number in Column (4) on the PM Baseline (End of Period) line on the preceding reporting period report).
- h. **Column - (4) through (14).** In the Blocks above Columns (4) through (9), enter the appropriate months for the next six report periods. Enter the projected BCWS (by month for six months and by other specified periods, or as negotiated with the procuring activity) for the remainder of the contract.
- i. **Column (15) - Undistributed Budget.** On the PM Baseline (Beginning of Period) line, enter the number from Column (15) on the PM Baseline (End of Period) line from the preceding report. On the PM Baseline (End of Period) line, enter the Undistributed Budget shown in Column (7) on the Format 1 Report.
- j. **Column (16) - Total Budget.** On the PM Baseline (Beginning of Period) line enter the number from Column (16) on the PM Baseline (End of Period) line from the preceding report. In the section where base-line changes (priced and unpriced contract changes and changes in Management Reserve) which occurred during the period are listed in Column (1), enter the amount of each of the changes listed, (negotiated cost for priced changes not previously reported as authorised, unpriced changes; difference between estimated cost and negotiated cost for priced changes previously reported as authorised, unpriced changes; end estimated cost for authorised, unpriced changes). On the PM Baseline (End of Period) line, enter the sum of the amount in the preceding columns on this line. On the Management Reserve line, enter the amount of Management Reserve available at the end of the period. On the Total line enter the sum of the amounts in this column on the PM Baseline (End of Period) line and the Management Reserve line. (This should equal the amount in Block (6) on this Format and also the Total line in Column (7) of Format 1).

## APPENDIX 2

### CSSR REPORT FORMATS 1, 2 AND 3 - ADEQUACY CHECKLIST

#### A2-1 INTRODUCTION

A2-1.1 The contractor prepared CSSR Report Formats comprise the major source of data which permits a Project Authority to evaluate contractor cost and schedule performance. Analysis of the report is necessary to ensure adequate project planning and control. This checklist is intended to aid in the review of the contractor's report prior to any analysis and to assure that the report has been properly prepared. "No" answers require explanation and are not automatically cause for rejection of the report.

a. **CSSR Report Format 1 - WBS.** This report, (see ANNEX D), consists of two major sections: Contract Data and Performance Data.

(1) **Contract Data.** The contract data is intended to establish the overall contract value for baseline purposes.

**NOTE:** The bottom line should reflect total contract performance to date and projected contract overrun or underrun. However, this is only true if the sum of the lower level budgets at completion (BAC) equals the CBB at the total contract level. If a situation should exist where the total lower-level budgets exceed the CBB, it means that an overrun has been built into the baseline plan. The report then must be viewed in a different perspective since the performance data no longer reflects contract cost performance, only performance against that overrun plan. PA approval must be sought to establish budgets which exceed the CBB.

(2) **Performance Data.** The performance data provides contract status on a cumulative-to-date basis for selected elements of the WBS. In addition, the contractor's Latest Revised Estimate (LRE) of cost at contract completion is provided for comparison with contract budgets. Undistributed Budgets (UB), and Management Reserve (MR) budgets are shown separately from amounts applicable to the individual WBS elements. Although the CSSR Format 1 provides summary level data, detailed data may be requested for problem areas. The PA should routinely require only as much data as can be effectively used. This is done by minimising the depth of the CWBS level to be reported and by establishing realistic thresholds for problem analysis reporting (See paragraph b. below). The CSSR Format 1 Report should be at Level 2 or 3 of the CWBS and should be requested at lower levels only on an exception basis when problem areas are indicated or for individual elements which represent a high risk.

b. **CSSR Report Format 2 - Problem Analysis.** The CSSR Format 1 Report is primarily a performance report, with the problem analysis narrative being reported on CSSR Format 2. It is important to establish reasonable variance thresholds that will cause CSSR Format 2 narrative problem analysis reports to be prepared and issued in support of the CSSR Format 1 Report. Careful selection of the thresholds is necessary to prevent unnecessary work associated with preparing an excessive number of CSSR Format 2 reports.



**DEF(AUST)5658**  
**ANNEX A**  
**APPENDIX 2**

- (1) Generally, thresholds are established requiring a variance analysis (for CWBS reporting element) for any cost or schedule variance that exceeds a certain percentage of BCWS or BCWP and/or exceeds an established dollar minimum. (For example, +/- X% of cumulative BCWS, or +/- \$x, whichever is greater.) When initially establishing the thresholds, it may be advisable to provide for tightening these thresholds as the contract progresses, in view of the increased cumulative values of BCWS, BCWP and ACWP.
  - (2) Another approach is to establish the thresholds as a percentage of the Budget at Completion (BAC) rather than as a percentage of BCWS and BCWP. This results in a relatively fixed dollar-value which becomes a progressively smaller percentage of BCWS and BCWP as the contract progresses. Since this type of variance threshold may be relatively loose early in the contract, the threshold for early variances may be limited by adding a threshold based on per cent of cumulative BCWS. (For example, +/- x% of BAC, or +/- X% of Cum BCWS, whichever is less.).
  - (3) All projected variances at completion for CWBS reporting level elements should be subject to problem analysis. Where the Commonwealth has no cost exposure under the contract, some threshold may be allowed.
  - (4) The variance analysis may, when so desired, be restricted to high cost and/or critical items. Thresholds should always be selected that reflect risk and the needs of the PA. Too few or too many variance analyses reports (CSSR Format 2) may indicate improperly set thresholds which require adjustment.
  - (5) An alternative to requiring Format 2 narrative variance analysis based on particular thresholds is to require the contractor to provide narrative analysis on say the contracts "Top Ten" cost schedule drivers or problems. The appropriate Focal Point can provide guidance on using this form of Format 2 Reports.
- c. **CSSR Report Format 3 - Baseline.** The CSSR Format 3 Report is basically a work-sheet used to establish the Performance Measurement Baseline and track subsequent changes. Such changes result from contract change orders, internal replanning actions and the application of Management Reserves. A key requirement of cost performance measurement is effective baseline establishment and control. Changes to the baseline have a dramatic effect on the usefulness and meaning of performance reports. The Performance Measurement Baseline is formed by the budgets assigned to scheduled increments of work. Management Reserve is normally a lump sum budget which, when added to the Performance Measurement Baseline, will provide the Total Allocated Budget of the Contract. This amount is usually equal to the Contract Target Cost plus the estimated cost for any authorised work for which prices may not have been negotiated. (AUW)

- (1) In some cases, after the Management Reserve is exhausted, a contractor may also establish an internal operating budget for funding and control of additional in-scope effort or rework attributable to contract problems. This operating budget is not a substitute for the Performance Measurement Baseline, but is useful for managing the actions taken to correct problems without destroying the contract related baseline. In exceptional cases, the Performance Measurement Baseline may be adjusted to exceed the contract value.
  - (2) Establishment and maintenance of the baseline are the most important aspects of performance measurement. Changes to the baseline must be carefully controlled to avoid distortions in contract performance reporting. In order to maintain an effective baseline for measuring contractual performance, baseline budgets should not exceed the contract value (contract target cost plus the estimated cost of Authorised Unpriced Work). In exceptional cases, where the baseline budgets are permitted to exceed the contract value, program analysts must thoroughly understand the impact of this condition on the data reported.
- d. **Current Period Reporting.** Current period reporting is not a normal requirement of CSSR. In circumstances where current period reporting is required, the Cost Performance Report (CPR) - Format 1 may be substituted for the CSSR Format 1. The application of current period reporting forces a contractor to apply more resources to management activities and significantly increases the effort associated with the reporting function. PAs considering application of Current Period Reporting should discuss their requirements with the applicable Focal Point and DPMS or the nominated representative. Any requirements for Current Period Reporting must be specified in the contract.

**A2-2 HEADING INFORMATION (ALL FORMATS)**

- a. Is the contractor's name and location identified?
- b. Is the contract type, number, and number of the latest defined contract modification entered?
- c. Is the project identification entered?
- d. Are the report period dates entered?
- e. Is the report signed and dated?

**A2-3 CONTRACT DATA (FORMATS 1 & 3)**

**a. Item (1) - Original Contract Target Cost**

- (1) Is the original negotiated contract dollar value (excluding fee or profit) entered?
- (2) For a fixed-fee contract, is the entered value equal to the estimated cost negotiated?

**DEF(AUST)5658**  
**ANNEX A**  
**APPENDIX 2**

(3) For an incentive fee contract, is the entered value equal to the defined contract target cost?

**b. Item (2) - Negotiated Contract Changes**

(1) Is this entry the sum of the negotiated costs (excluding fee or profit) of all contract changes which have been defined since the beginning of the contract?

**c. Item (3) - Current Target Cost**

(1) Does the amount entered equal the sum of Items(1) and (2)?

(2) Is this amount equal to the current dollar value (excluding fee or profit) on which contractual agreement has been reached?

**d. Item (4) - Estimated Cost of Authorised Unpriced Work**

(1) Is the entry the estimate cost (excluding fee or profit) for contract changes for which written authorisation has been given, but for which contract prices have not been negotiated?

**e. Item (5) - Contract Budget Base**

(1) Does the amount entered equal the sum of Items (3) and (4)?

**A2-4 PERFORMANCE DATA (FORMAT 1)**

**a. Column (1) - Work Breakdown Structure Elements**

(1) Are the CWBS elements or levels reported those specified in the contract?

**b. Column (2) - Budgeted Cost for Work Scheduled (BCWS)**

(1) Is the sum of the BCWS for the individual CWBS reporting elements plus scheduled General and Administrative (G&A) expense equal to the reported total?

(2) Is the BCWS for each CWBS reporting element and for General and Administrative expense for this reporting period not less than for the preceding reporting period?

(3) Are changes in the BCWS methodology explained and reasons given for the changes?

**c. Column (3) - Budgeted Cost for Work Performed (BCWP)**

(1) Is the sum of the BCWP for the individual CWBS reporting elements plus General and Administrative expense equal to the reported total?

(2) Is the BCWP for each CWBS reporting element and for General and Administrative expense for this reporting period not less than for the preceding reporting period?

(3) Are changes in the BCWP methodology explained and reasons given for the change?

**d. Column (4) - Actual Cost of Work Performed (ACWP)**

- (1) Is the sum of the ACWP for the individual CWBS reporting elements plus General and Administrative expense equal to the reported total?
- (2) Is the ACWP for each CWBS reporting element and for General and Administrative expense for this reporting period not less than for the preceding reporting period?

**e. Column (5) - Schedule Variance**

- (1) Is the reported Schedule Variance for the individual CWBS reporting elements and General and Administrative expense equal to the difference between Column (3) (BCWP) and Column (2) (BCWS)?
- (2) Are positive and negative variances identified properly?
- (3) Are Schedule Variances which exceed contractually established thresholds identified and adequately explained?

**f. Column (6) - Cost Variance**

- (1) Is the reported Cost Variance for the individual CWBS reporting elements and General and Administrative expense equal to the difference between Column (3) (BCWP) and Column (4) (ACWP)?
- (2) Are positive and negative variances identified properly?
- (3) Are Cost Variances which exceed contractually established thresholds identified and adequately explained?

**g. Column (7) - Budget At Completion (BAC)**

- (1) Is the sum of the BAC for the individual CWBS reporting elements plus General and Administrative expense, Undistributed Budget and Management Reserve equal to the reported Total BAC?
- (2) Does the total BAC equal the Contract Budget Base, Item (5) of Contract Data?

**h. Column (8) - Estimate At Completion (EAC)**

- (1) Is the sum of the EACs for the individual CWBS reporting elements plus General and Administrative expense and Undistributed Budget equal to the reported total EAC?
- (2) Are the EACs for the individual CWBS reporting elements and total EAC consistent with Project Management estimates?

**i. Column (9) - At Completion Variance**

- (1) Is the reported At Completion Variance for the individual CWBS reporting elements and for General and Administrative expense equal to the difference between Column (7) (BAC) and Column (8)(EAC)?
- (2) Are positive and negative variances properly identified?

**DEF(AUST)5658**  
**ANNEX A**  
**APPENDIX 2**

- (3) Are At Completion Variances which exceed contractually established thresholds identified and adequately explained in Report Format 2?

**j. General and Administrative (G&A)**

- (1) Has G&A been reported correctly?

**A2-5 REPORT FORMAT 2 - PROBLEM ANALYSIS**

- a. Has a summary analysis of overall contract performance been provided?

- (1) Does it include:

- a. Significant existing or potential problems?
- b. Corrective actions taken or required?
- c. Commonwealth management action where required?

- b. Have significant variances been adequately explained?

- (1) Is the nature of the problems being experienced clearly identified?
- (2) Is the impact on the total contract explained?
- (3) Are the corrective actions taken or required explained?

- c. Is all Undistributed Budget adequately explained?

- d. Are all applications of Management Reserve adequately explained and has the Management Reserve EAC shown in Format 1 Column 8 been explained?

**A2-6 REPORT FORMAT 3 - BASELINE**

**Contract Data.** (For Items (1) to (5) refer paragraph A2-2 above.)

**a. Item (6) - Total Allocated Budget**

- (1) Is this amount equal to the Total line in Column (7) on Format 1?

**b. Item (7) - Difference**

- (1) Is the amount shown the difference between Item (5) and Item (6)?
- (2) Is the difference in value fully explained in Format 2?

**Performance Data**

**c. PM Baseline - Beginning of Period**

- (1) Has the time-phased PMB which existed at the beginning of current reporting period been entered?
- (2) Have the entries on this line been taken from the previous report PMB (End of Period)?

**NOTE:** The Column (2) entry will be the sum of the previous columns (2) and (3); Column (3) will be the previous Column (4), etc.)

**d. Baseline Changes**

- (1) Have all authorised baseline changes been listed?
- (2) Are the changes adequately explained in Format 2?

**e. UB**

- (1) Is the total amount of UB as of the end of the reporting period entered?
- (2) Is this the same UB as shown on Format 1?

**f. PM Baseline (End of Period)**

- (1) Does this entry represent the effects of authorised changes and allocations of UB and MR upon the Performance Measurement - Baseline (Beginning of Period) for this reporting period?

**g. MR**

- (1) Is this entry the amount of MR shown in Column (7) of Format 1?

**h. BCWS To Date**

- (1) Do the entries in the bottom four lines of Column (2) equal the corresponding entries in Column (2) of Format 1?

**i. Total Budget**

- (1) Do the entries in the bottom four lines of Column (16) equal the corresponding entries in Column (7) of Format 1?

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## ANNEX B

## IMPLEMENTATION

## B1. IMPLEMENTATION ACTIONS

## B1.1 Preparing the Request For Tender

- a. **Determining the Application of CSSR.** During the development of the EAS consideration should be given as to whether or not the full CSCSC should be applied to the contractor's performance management system or whether the provisions of the CSSR specification would be more appropriate. Defence Source Definition Committee (DSDC) endorsement of the final decision is required.
- b. **Evaluating the Management Needs.** The PA should ensure, through coordination with the appropriate Focal Point and DPMS or the nominated representative, that the selected CSSR options fit the project's particular management needs. Identifying the appropriate options, beginning with RFT preparation, requires careful attention to ensure that the degree of CSSR implementation and tailoring options contribute toward effective project management. The degree of technical risk, contract type, potential for cost growth and funding limitations are some of the factors to be considered. Sub paragraph B1.1.f of this ANNEX includes details on the options available to the PA for tailoring CSSR to a specific project.
- c. **Request For Tender (RFT) Clause.** When CSSR is to be implemented the requirement must be included in the RFT document. Sample RFT clauses are included in ANNEX C to this Standard. The RFT clauses should stipulate:
  - (1) the need for the successful tenderer to have formal, written procedures for CSSR data generation and contract performance management that meet the minimum requirements specified in paragraph 5.2 of this Standard;
  - (2) that an acceptable CSSR system must be capable of generating valid and timely cost and schedule data for submission in reports;
  - (3) that a CWBS be developed by the contractor based on a summary level WBS provided by the Commonwealth;
  - (4) the provisions for access by the Commonwealth to pertinent internal contractor data for CSSR review, surveillance and reporting purposes;
  - (5) the requirements of the review process during which the contractor will demonstrate the operation of the CSSR aspects of its management system; and
  - (6) the requirement for periodic surveillance to ensure the contractor's system continues to operate in an acceptable manner during the course of the contract.



- d. **Contract Work Breakdown Structure (CWBS).** The PA prepares a reporting level WBS to be included in the RFT. This WBS can be mutually negotiated to accommodate extension of the CWBS to reflect how work will subsequently be managed. It also identifies the levels and WBS elements for which cost schedule performance is to be reported by the contractor. General guidance for the development of the summary WBS is available in DEF(AUST)5664 and the latest version of MIL-STD-881. Reporting should generally be limited to Level 3 or higher of the Work Breakdown Structure.
- e. **Contract Data Requirements List (CDRL).** The PA is responsible for the preparation of Data Item Descriptions (DIDs) covering the following:
  - (1) The delivery of a configured CSSR System Description.
  - (2) The CSSR data elements. (See ANNEX A). The DID should specify the required reporting level and the preliminary WBS elements to be reported by this data.
  - (3) Schedule data requirements. Although the CSSR earned value data provides an indicator of schedule performance, additional real time schedule information is required. Data from the contractor's internal scheduling system should be used for this purpose.
  - (4) Periodic reports detailing the contractor's forecasts for payments.

Contractor's existing systems, data and reports should be utilised whenever practicable. Imposition of new systems should be minimised and preferably avoided.

f. **Tailoring Options**

- (1) CSSR applications may be tailored in respect to the depth of review of the contractor's performance management system and in respect to the deliverable reports required by the PA from the contractor.
- (2) The contract clauses for CSSR application must always specify the requirement for the contractor to implement and maintain a documented cost schedule management system and make provision for an on-site review of that management system by a Defence review team as detailed at ANNEX E. The depth of this on-site review however may vary. For lower value, lower risk contracts this review may consist primarily of a presentation from the contractor to the review team of how the baselining, earned value, variance analysis and forecasting systems work and how these systems generate, report and use cost schedule data. For higher value and/or risk contracts, the review will additionally involve review of specific data and procedures that will require the contractor to demonstrate the actual operation of each component of its documented cost schedule management system, including the identification of cost schedule problems and implementation of appropriate corrective actions.
- (3) The DID for CSSR reports covers three sets of data, known as Format 1, Format 2 and Format 3 respectively (see ANNEX A). Requirements for this data may be tailored with respect to the level of the WBS at which the contractor shall report.

## B2. CONTENT OF TENDER RESPONSE

- a. **Response to CSSR Requirement.** In response to the RFT, the tenderer is to provide a written summary of management procedures explaining how the CSSR data items and system requirements will be met. The purpose of the summary is to enable the Department of Defence to understand how the tenderer proposes to meet the management system requirements and generate the data required by CSSR. A tenderer intending to use systems previously accepted as compliant with CSCSC may submit a copy of the Memorandum of Agreement or Letter of Acceptance in lieu of the summary referred to above, provided the acceptance was for a contract similar to the type under consideration.
- b. **Derivation of CSSR Data Elements.** The tenderer's summary procedures should explain how Budgeted Cost for Work Performed (BCWP) is derived and used. This will necessitate an explanation of Budgeted Cost for Work Scheduled (BCWS), Actual Cost of Work Performed (ACWP), Budget At Completion (BAC), and Estimate At Completion (EAC) in order to explain the use of BCWP in developing cost and schedule variances.
- c. **Contract Work Breakdown Structure (CWBS).** As part of the tender response, the tenderer should extend the reporting level Work Breakdown Structure (WBS) contained in the RFT to a level that identifies and structures the work to successfully achieve the deliverables and obligations of the contract work scope. The tenderer should develop the detailed levels of the WBS in a manner which will ensure compatibility with internal organisations and management systems and which will identify the elements of work to be subcontracted.
- d. Any changes that the tenderer wishes to propose for the reporting level WBS included in the RFT should be appropriately identified to enable the proposed revision to be evaluated and negotiated prior to contract signature. The tenderer should provide information and assistance as requested, for evaluation of any proposed revision to the summary WBS.

## B3. TENDER EVALUATION

- B3.1 During the tender evaluation, participants in the source selection process should as a minimum:
- a. evaluate the tenderer's response to the reporting level WBS, and
  - b. evaluate the tenderer's written summary of management procedures for adherence to the CSSR requirements with particular attention to the methods for determining and reporting BCWS, BCWP, ACWP, BAC and EAC. (See ANNEX D).

## B4. CONTRACT NEGOTIATIONS

- B4.1 Certain aspects of CSSR may be negotiated with the selected tenderer, including:
- a. the Work Breakdown Structure, the specific elements to be reported, the reporting frequency, and the initial and subsequent report submission dates;

- b. selected variances which require problem analysis and narrative explanations; and
- c. the specific time increments to be used for the baseline projections required by Format 3.

B4.2 The PA should ensure that the tenderer fully understands the CSSR requirement and reporting options stipulated in the draft contract prior to contract signature. The PA should seek DPMS or the nominated representative's assistance in the source selection and contract negotiation processes.

#### **B5. SUBCONTRACT APPLICATION**

B5.1 The contract should cover CSSR flowdown requirements to major subcontractors and alternate cost and schedule status data for other subcontractors.

#### **B6. AFTER CONTRACT SIGNATURE**

B6.1 To enable the PA to make effective use of CSSR data and related reports, there must be a clear understanding and agreement of the contractor's data which appears in the various reports. This agreement and understanding can be obtained by reviewing and discussing the contractor's derivation of the data during a review arranged for this purpose. Most importantly, the contracting parties should, during this visit, agree on the performance measurement approach to be used; in particular, the methodology for determining the Budgeted Cost for Work performed. This area of concern relates primarily to the measurement of work in process, ie, work tasks that have started, but are not completed as of the reporting cut-off date. The goal is to reduce the subjectivity with which this assessment is made in order to provide for an accurate report of work progress. Any subsequent changes proposed by the contractor to the contract reporting level elements of the summary WBS will require prior written approval of the PA. After contract award, the CWBS will serve as the framework for contract planning, budgeting, and reporting status of costs and schedule to the PA.

#### **B7. THE CSSR REVIEW PROCESS**

##### **a. Purpose**

- (1) To provide the PA with the necessary confidence in the contractor's CSSR system and reporting procedures, a brief review is conducted. The contract should provide for the review to include a discussion of the contractor's management practices, appropriate briefings on CSSR data development and reporting procedures and verification of implementation of the procedures. The number of personnel and the duration of the visit will be dictated by the scope and complexity of the contract. A preliminary visit be undertaken to determine the contractor's readiness for the CSSR review.
- (2) During the CSSR Review, Department of Defence representatives should achieve a basic understanding of the methods by which the contractor plans the work, controls the resources applied to the contract, evaluates contract accomplishment, measures cost schedule performance, collects costs, and incorporates contract changes into the system. Resource allocation, budget control, and progress measurement are of primary interest, particularly the degree of objectivity associated with performance measurement.

- (3) CSSR is intended to provide the PA the following information:
    - (a) a clear description of the contract cost and schedule status at a given point in time;
    - (b) early indicators of contract cost and schedule problems;
    - (c) quantification, in the form of cost and schedule variances, of the problems and accomplishments being experienced;
    - (d) description of contractor management action plan to overcome unfavourable schedule or cost variances;
    - (e) identification of those WBS elements which are responsible for cost and schedule problems;
    - (f) analysis of the impact of individual problems (and their associated risks) on the contract; and
    - (g) performance trend information which can be used progressively to estimate contract final cost.
  - (4) Familiarity with CSSR data elements, based on an understanding of the derivation of the performance data, will facilitate subsequent analysis of the reports.
- b. **Planning for the CSSR Review.** After contract signature, the PA should contact the DPMS or the nominated representative for nomination of a CSSR Review Team Chief. Prior to the review, the Team Chief should:
- (1) ensure the contractor's summary procedures, CWBS and when applicable, the contractor's most recent reports, are available and reviewed prior to the review;
  - (2) identify appropriate personnel (eg, from the Project Office, Focal Point or DPMS or the nominated representative) who should participate in the visit. Team members shall have received appropriate training. Prior to the visit each participant should become familiar with the contractor's summary procedures and with the contract's CSSR provisions as well as any other available information which explains the contractor's methods of operation;
  - (3) provide the contractor with advance notification of the pending review and co-ordinate arrangements with the contractor;
    - (a) Give formal notification to the contractor of the pending visit no later than 60 days prior to the visit date.
    - (b) Formal notification should include team member identification and agenda.
  - (4) provide briefings to team members as appropriate;
  - (5) determine a plan for conducting the in-plant review. The plan to be used by the review team should be established by selecting appropriate portions from ANNEX E Guidance for the CSSR Review; and make preliminary visits as required to determine the contractor's readiness for the review.

**c. During the CSSR Review**

- (1) During the CSSR review, Department of Defence representatives are to ensure that the contractor meets the CSSR requirements specified at paragraph 5.2 of this Standard.
- (2) During the review, the team should use the selected portions of ANNEX E to understand and verify the methods by which the contractor:
  - (a) develops BCWS, BCWP, ACWP, BAC, EAC, (See ANNEX D for further discussion of these elements);
  - (b) applies Direct/Indirect Costs;
  - (c) uses/controls MR and UB;
  - (d) incorporates changes and maintains traceability to the CBB and controls AUW;
  - (e) precludes subjective or retroactive revision of data; and
  - (f) accurately identifies and explains cost and schedule variances.
- (3) During the review, the team should identify and discuss with the contractor any situations that appear to adversely affect CSSR accuracy, reliability, timeliness, or auditability. Actions to be taken to correct these deficiencies must be mutually agreed.

**d. After the CSSR Review**

- (1) After the CSSR Review, the Team Chief should:
  - (a) document agreements reached during the visit, and provide a copy to the PA for onforwarding to the contractor, with information copies to the Focal Point. This report should normally be provided within one month of visit completion;
  - (b) monitor accomplishment of any corrective actions required; and
  - (c) if the Review Team is satisfied that the contractor complies with the specification, issue a formal request to the PA for the transmission of an appropriate certification to the contractor.
- (2) After the CSSR Review the PA should:
  - (a) provide the contractor with written acceptance of the CSSR system for the purpose of the contract once any deficiencies have been corrected;
  - (b) obtain CSSR data on a timely basis and analyse the data to assess contract status, trends, and cost outlook; and

(c) discuss with DPMS or the nominated representative and the Focal Point the extent of surveillance considered desirable, formulate a surveillance plan and delegate responsibility for conducting surveillance. Surveillance activities should include:

- i. monitoring the CSSR contract requirements;
- ii. assuring that the contractor submits timely, reliable, and valid reports; and
- iii. supporting the analysis needs of the PA.

#### B8. CSSR DATA REPORTING

B8.1 CSSR data will be generated by the contractor in the manner agreed to in the contract. Although innovations and improvements to contractor management practices are encouraged, changes to the method of accumulating data for reporting purposes, changes to the CWBS, and other changes which affect CSSR reporting should be brought to the attention of the PA and approved prior to their implementation. The PA will determine whether contractual requirements and agreements are still being met. The PA should consult with the Focal Point and DPMS or the nominated representative for advice and assistance.

#### B9. CSSR DATA ANALYSIS

B9.1 Analysis of the CSSR data received under the contract is the primary responsibility of the Project Authority. DPMS will provide summary data analysis to the PA to aid in management of the contract.

#### B10. SURVEILLANCE

- a. **General.** The PA is responsible for ensuring that CSSR reports reflect actual conditions, address actual and potential cost and schedule problems and include an appropriate summary of corrective actions taken or proposed.
- b. **Basis.** The authority for PA surveillance is to be contained in the contract. On acceptance of the contractor's CSSR system for the contract, the PA will initiate ongoing surveillance action for the duration of the contract. A surveillance plan will be prepared by the PA in conjunction with DPMS outlining actions and responsibilities.

#### c. Surveillance Actions

(1) Recurring surveillance actions will normally consist of:

- (a) monitoring the progress of any corrective actions previously required of the contractor;
- (b) receipt and analysis of the CSSR data; and
- (c) monitoring the contract to ensure that contractual requirements and negotiated agreements are met.

(2) Other surveillance actions may include verification that:

- (a) the CSSR data reflects current, actual status;
- (b) the contractor identifies and explains significant changes to the budget plan;
- (c) the contractor obtains prior approval from the PA of any changes to its internal procedures which significantly affect CSSR reporting;
- (d) contract changes are incorporated into the budget plan in a timely manner;
- (e) the contractor adequately explains the reasons for and impact of contractually specified variances and indicates the corrective actions taken or proposed; and
- (f) CSSR data is reconcilable with contractor internal data.

**d. Records and Reports**

- (1) The PA should ensure that the results of surveillance actions are documented and maintained. Where external contractor surveillance is undertaken information will be provided to the PA.
  - (2) If deficiencies are discovered with regard to the contractor's compliance with contractual requirements relative to CSSR, the contractor should be so advised by the PA who will document the problem and any corrective action required. The PA will follow up to determine if action taken has resolved the discrepancy.
  - (3) CSSR reports will be reviewed on a recurring basis as provided for in the surveillance plan. Comments and recommendations relative to the accuracy and timeliness of the information contained therein will be submitted to the PA.
- e. Subcontractor Surveillance.** The prime contractor is responsible for ensuring that each subcontractor using CSSR provides accurate and timely reports. The monitoring involved is a basic responsibility of the prime contractor as a part of its total management of the prime contract. The Commonwealth's contract administration and audit functions normally are limited to evaluating the effectiveness of the prime contractor's management of its subcontracts. However, there may be occasions when a prime contractor requests Defence support to perform or assist with performing the CSSR Review and/or surveillance of a subcontractor. Such administrative support is not to be construed as a release from the prime contractor's contractual obligations and basic responsibilities in managing the subcontract. Where appropriate, a written request for the performance of the CSSR review and/or surveillance in connection with the subcontract is made by the prime contractor to the Commonwealth. Where proprietary interests are in conflict between the prime and subcontractor, the subcontractor may request that review and surveillance is performed by the Department of Defence. In such an event, the prime contractor shall contribute to such review and surveillance actions.

## **B11. CONTRACTOR INTERNAL DATA AND REPORTS**

B11.1 Contractors produce a variety of management reports for their internal use. The PA should be aware of routine contractor internal reports concerning work planning, budget allocation, work accomplishment, cost accounting, etc. Such reports may be requested, on an exception basis, to support a particular management need or as supplementary information to the normal range of contract reports. PA's may request the contractor provide a listing of available internal contractor data as part of the tender process.

## **B12. SCHEDULES AND NETWORKS**

B12.1 CSSR does not require the contractor to use any specific type of scheduling technique. CSSR requires a formal (via written management procedures) scheduling system be used consistently to ensure discipline in the sequencing of work throughout the life of the contract. Schedules may consist of summary or master schedules and as necessary, related subordinate schedules which provide a logical sequence from the summary to the detailed work levels. In so doing, the schedules can provide for the interdependent sequencing of all work authorised on the contract in a manner compatible with the contract milestones and the technical requirements of the contract. The end goal of such schedules is that their status can be assessed and used to provide a vehicle for evaluating actual progress (in time) against established and maintained baseline plans for work achievement. PA's must determine the specific schedule and/or network reports required and produce an appropriate DID.

## **B13. BASELINE DEFINITION**

- a. The timing required to establish a PMB is governed by such factors as contract duration and complexity. For a short duration non-complex contract it should be possible to detail plan at an early stage producing a detailed preliminary plan covering work scope, schedule and budget in response to the tender. Following contract negotiations the final agreed plan (and hence PMB) is submitted around 60 days after contract signature.
- b. For a longer term contract, (say three years) it would not be unreasonable for the contractor to establish and maintain a PMB comprising time-phased Cost Account budgets, higher level CWBS element budgets (where budgets are not yet broken down into Cost Account budgets) and Undistributed Budgets. A preliminary PMB in response to the tender would be required. Detail planning of the PMB in advance of time after contract signature is variable and depends on the availability of relevant information.

## **B14. ANALYSING AND USING THE DATA**

B14.1 Time history plots of the data can show important trends (for example, cumulative variance of cost and schedule versus time). Also, the tracking of Management Reserve usage can be an important problem indicator. The PA should distribute relevant CSSR reports to any functional areas that may be operating in support of the project office, and obtain comments on data pertinent to each function. The Focal Point may be requested to provide advice and assistance in the analysis of CSSR data. It should be noted that data reported in the CSSR Format 1 is oriented to work accomplishment rather than contract funding. Consequently, any connection to contractor commitments, expenditures, and funding requirements must be obtained by review of related accounting and finance reports.



- a. **Developing the Estimate At Completion.** The basic information contained in the CSSR Format 1 can provide a basis for developing an independent EAC as a check against the contractor developed estimate. Independent EACs are used, along with other data and knowledge of project trends to check the validity of the contractors reported EAC and to determine if additional corrective action is needed.
- (1) During early stages of the contract, the formula  $IEAC = ACWP + (BAC - BCWP)$  is a reasonable approach. As work progresses, performance indicators can be developed such as the Cost Performance Index (CPI), where  $CPI = BCWP$  divided by  $ACWP$ . A CPI greater than 1.00 represents better performance than originally planned. A straight line projection resulting from the use of this indicator in the formula  $EAC = BAC$  divided by CPI will show the ultimate effects of continued performance at the rate experienced to date.
  - (2) If there are reasons to believe that future performance may differ from past performance, the formula  $EAC = ACWP + PF (BAC - BCWP)$  may provide a more realistic estimate. PF represents the anticipated Performance Factor for work remaining on the contract. PF is a prediction of how much each dollar of planned work remaining is now expected to cost. A factor of less than 1.00 represents better performance than originally planned. Management experience and judgement play a major role in establishing a value for PF at any particular phase of the contract. Influencing factors to be considered are schedule variations, contract changes, escalation, technical risk, etc.
- b. **Subcontractor Data.** If a CSSR requirement has been placed by a prime contractor on a subcontractor, the prime contractor will explain how the subcontractor's data is incorporated into the prime contractor's CSSR reports. The prime contractor should ensure that the reporting requirement levied on the subcontractor has due dates which will result in timely submission of data and incorporation in the prime contractor's report. However, it should be recognised that it is not always possible to include subcontractor data and prime contractor data for the same time period in a particular report. Factors that may contribute to this are different accounting period cut-off dates and the time required to analyse data, identify problems, and determine needed corrective action.
- c. **Analysis Assistance.** Other analysis techniques, including computer programs for automated analysis, are available for evaluating contractor submitted CSSR data and projecting costs at completion. The appropriate Focal Point can be consulted for assistance.
- (1) While contractor submission of reports electronically or via disk is permissible, there should be co-ordination with the Focal Point to determine the appropriate reporting media, format, addressing data, etc, prior to contractor submission.
  - (2) The CSSR Format 1 is designed to be a report that is read by managers. Computer analysis is not an adequate substitute for perusal and analysis of the report itself by project personnel but provides a good starting point for detailed analysis.
- d. **CSSR Report Formats - Data Adequacy.** The CSSR Formats Checklist (APPENDIX 2 to ANNEX A) may be used to review the adequacy and consistency of the CSSR data prior to analysis.

## ANNEX C

## SAMPLE CSSR REQUEST FOR TENDER AND CONTRACT

## REQUIREMENTS

## C1. REQUEST FOR TENDER CLAUSES

## C1.1 Cost Schedule Status Reporting (CSSR)

C1.1.1 The successful tenderer will be required to maintain and use a performance management system for CSSR within the contract price in accordance with Clause ..... in the draft contract. For the purposes of evaluation tenderers are to submit with their tenders information detailing and/or substantiating a description of the general organisation, management and procedures designed to comply with the CSSR requirement. A tenderer's performance management system which has been validated by the Department of Defence against the Cost Schedule Control Systems Criteria (DEF(AUST)5655) will be acceptable for CSSR.

C1.1.2 Tenderers are required:

- a. to submit a declaration that all existing management procedures have been examined by tenderers to establish their suitability for meeting the CSSR requirements contained within this Request for Tender and:
  - (1) if the existing system is found to be suitable, tenderers provide a declaration that the existing system complies with the requirements; or
  - (2) if shortcomings are found in the existing procedures, tenderers are to document such shortcomings and provide details of proposed corrective action; and
  - (3) to submit to an assessment by the Department of Defence, on site if necessary, of their performance management system for CSSR for compliance with, or potential to comply with, the specified requirements as part of the tender evaluation.

## C1.2 Contract Work Breakdown Structure (CWBS)

C1.2.1 The successful tenderer will be required to comply with principles set forth in the version current at the Effective Date of US MIL-STD-881, Work Breakdown Structures For Defence Materiel Items. Tenderers are to propose a preliminary CWBS based on the reporting level Work Breakdown Structure detailed in the Statement of Requirement. Tenderers shall extend this WBS in as much detail as necessary to identify the structure of the work effort to successfully achieve the end objective of the contract.

**C2. DRAFT CONTRACT**

**C2.1 Cost Schedule Status Reporting (CSSR)**

C2.1.1 Within the period specified in the contract schedule, the contractor's performance management system for CSSR meets, and thereafter continues to meet the requirements defined in DEF(AUST)5658, Cost Schedule Status Reporting (CSSR) Specification and Implementation Guide. The processes described in DEF(AUST)5658 for the review and acceptance of the contractor's performance management system are followed by the parties.

C2.1.2 The contractor facilitates surveillance of its Cost Schedule Control System in accordance with DEF(AUST)5658.

**C2.2 Contract Work Breakdown Structure (CWBS)**

C2.2.1 The contractor complies with the principles set forth in the version current at the Effective Date of US MIL-STD-881 Work Breakdown Structure (WBS) For Defence Materiel Items. The summary WBS detailed in the Statement of Work forms the basis for preparation of the CWBS by the contractor.

C2.2.2 The contractor:

- a. within 30 days of the Effective Date, extends the summary WBS in as much detail as necessary to identify the structure of the work effort ; and
- b. within 90 days of the Effective Date, extends the summary WBS in as much detail as required to define the work effort necessary to successfully achieve the end objective of the contract.

C2.2.3 On approval of the CWBS by the Project Authority:

- a. it is used by the contractor as the framework for contract planning, management and status reporting, and for estimating cost, schedule and technical achievements;
- b. it describes its elements in a CWBS Dictionary and Index which have specific identification to discrete items of the supplies and any specification(s) contained in the Statement of Work; and
- c. it is used in production of the supplies and represents all the contractor's costs.

C2.2.4 The contractor identifies subcontractor activities in a WBS separate from, but integrated into and identifiable within, the CWBS.

C2.2.5 Prior approval to change the CWBS is not required for elements below the reporting level provided the Project Authority is notified within 60 days of the changes being made, and the changes are consistent with the summary WBS and US MIL-STD-881.

C2.2.6 The Dictionary for the CWBS is progressively expanded by the contractor as required for the management of the work under the contract. Lower levels of the CWBS are developed to delineate cost account packages which are identified and maintained in a responsibility assignment matrix.

**C2.3 Reports**

C2.3.1 The contractor submits to the Project Authority a monthly CSSR Report in Formats 1, 2, and 3 as specified in DEF(AUST)5658. The reports shall be at Level 3 of the CWBS.

C2.3.2 The threshold for variance reports in Report Format 3 is determined by percentage and/or currency variation and varies with the Contract progress as follows:

Project % Complete	% Margin (+/-)	and/or \$ Threshold
0-25%	15	50 000
26-75%	10	100 000
76-100%	7	200 000

(These thresholds are negotiated to meet the individual project requirements.)

C2.3.3 Format 1 and 3 of the CSSR report is submitted to the Project Authority within 14 days, and Format 2 within 21 days of the expiry of each month. Data may reflect the end of the month or other accounting period used by the contractor, but so as to be consistent throughout the work under the contract.

C2.3.4 If the Project Authority notifies the contractor on the basis of any CSSR report that it has failed to maintain satisfactory progress in work under the contract, the contractor takes such measures as are necessary to re-establish progress to the satisfaction of the Project Authority. The contractor advises the Project Authority of the measures taken and reflects the results of such measures in subsequent reports.

C2.3.5 Any report submitted by the contractor in relation to a CSSR System that is not accepted contains a notation to that effect.

**C2.4 Subcontractor CSSR Requirements**

C2.4.1 If the subcontract requires work in excess of 12 months and the subcontract price exceeds \$20m, the subcontractor maintains and uses in the performance of the subcontract a management system for CSSR in the same terms as required of the contractor under the contract.

C2.4.2 The Project Authority may require, as a condition to the approval of any subcontract, that the subcontract contains provisions covering progress reporting as follows:

"if the subcontract requires work in excess of 12 months with a subcontract price of more than \$20m, or if the subcontract contains critical tasks agreed between the contractor and the Project Authority, the subcontractor provides CSSR reports Formats 1,2 and 3 as specified in DEF(AUST)5658."

C2.4.3 The contractor incorporates data from subcontractor's CSSR reports required by the contract in its own CSSR reports to the Project Authority and, upon request, provides the Project Authority with a copy of the subcontractor's reports.

**DEF(AUST)5658**  
**ANNEX C**

C2.4.4 The contractor establishes procedures which furnish for all subcontractors other than those which are required to provide CSSR reports:

- a. adequate indicators of subcontractors' performance; and
- b. identification, cause and impact of subcontractor schedule or technical problems.

## ANNEX D

## CSSR DATA ELEMENT GUIDE

## D1. GENERAL

- D1.1 Descriptions of the data required in the report formats from a CSSR system are included in the DID at APPENDIX 1 to ANNEX A. Additional explanatory material is provided in this section.
- a. **Contract Data.** The Contract Data Section of the CSSR Format 1 and 3 Reports includes the Initial Target Cost; Amount of Negotiated Changes; Current Target Cost; Estimated Cost of Authorised Unpriced Work; and Contract Budget Base.
- (1) **Purpose.** The Contract Data Section is intended to establish the overall contract value which serves as a cost target for purposes of cost performance measurement. Since the CSSR Format 1 is primarily designed to reflect contract cost performance, a complete understanding of the Contract Data Section is necessary.
- (2) **Contract Budget Base.** For a given contract, the negotiated cost and schedule provisions provide the targets which should be used in the establishment of contract plans, schedules, and budgets. As the contract changes, the baseline plan may change accordingly, and the contract budget is revised to reflect the net effects of contract changes. It is important that all authorised work be recognised, including authorised contract work for which a price may not have been negotiated (AUW). Thus, the Contract Budget Base consists of the negotiated costs for all defined effort plus the contractor's estimated cost for any authorised work which has not been negotiated. Profit or fee is not included in the Contract Budget Base.
- b. **Performance Data.** The performance data on the CSSR Format 1 clearly depicts contract cost status for the specified WBS elements on a cumulative-to-date basis and as estimated at completion.
- (1) **Cost Schedule Performance to Date.** The cumulative BCWS represents the plan, ie, the value of the work the contractor planned to achieve. It is the budget value applicable to the work scheduled to be performed. The cumulative BCWP represents contract accomplishment. It is the budget value applicable to the work actually completed. The ACWP is the cost of accomplishing the completed work. The difference between BCWS and BCWP provides a schedule (or work) variance; the difference between BCWP and ACWP is the cost variance.
- (2) **Cost at Completion.** The contractor's latest estimate of cost at contract completion (EAC) is provided and compared with contract budgets, ie, budgets at completion (BAC). The difference between BAC and EAC is the projected Variance At Completion (VAC), ie, overrun or underrun.

(3) **Other Data Elements.** Management Reserve as an amount budgeted by the contractor for management control purposes and unknowns. Undistributed Budget (UB) and Management Reserve (MR) budget are shown separately from amounts applicable to the individual CWBS elements. The sum of the CWBS element budgets, MR, and UB should equal the Contract Budget Base.

(4) **Totals.** The Total line reflects total contract performance to date and projected contract overrun or underrun. However, this is only true if the total in the Budget at Completion column equals the Contract Budget Base. If the total budget exceeds the Contract Budget Base (a situation that must be approved by the PA prior to implementation by the contractor), it means that an overrun has been built into the baseline plan. The report then must be viewed in a different perspective since the performance data no longer reflects contract cost performance, but only shows performance against the overrun plan. It then becomes necessary to compare total budget, reported cost performance, and EAC to the Contract Budget Base to determine the projected overrun with respect to the contract target cost.

## D2. WORK BREAKDOWN STRUCTURE (WBS) ELEMENTS

D2.1 The WBS is a family tree type subdivision of the contractual effort. It is made up of product subdivisions, management subdivisions, work tasks, and other elements contributing to the overall contract objective. A reporting level WBS is included in the RFT to provide the framework for planning the work and collecting contract related information. The contractor must extend the preliminary WBS by defining and detailing work tasks. The top levels of the contractor's CWBS may differ from the preliminary WBS as a result of negotiated changes. Information reported should be a direct summary of lower level information using the CWBS as the device for summarising data.

## D3. BUDGETED COST FOR WORK SCHEDULE (BCWS)

- a. **General.** BCWS reported on the CSSR Format 1 represents the planned cost for the work which was scheduled to have been accomplished as of the reporting date. For a particular month, BCWS is the planned cost for the work scheduled to be done during that month. The cumulative to-date BCWS reflects the planned cost for all work scheduled to have been accomplished since the beginning of the contract.
- b. **Time Phasing and Detailed Planning.** While BCWS is very similar to a time-phased budget plan or spend plan, there is one significant difference. BCWS is directly based on the schedule for work performance (and resource assignment) rather than simply on when the money is to be spent. Therefore, BCWS is not only time phased, but is also work-phased to represent the planned schedule for accomplishing the contractual effort. The time-phasing of BCWS will depend on the contract nature and duration. A small dollar value contract may lend itself to detailed planning for the total effort from its outset. For the majority of contracts, detailed planning approximately three months in the future should provide adequate control and establish a proper basis for earned value measurement. (The use of "three months" is intended as a guide and not a rule).

However, the entire contract effort must be defined to the extent necessary to ensure that sufficient budget exists for all contract effort. (Work must be defined in order to determine the amount of budget required).

- c. **Control of Budgets.** In order for the BCWS to be meaningful, certain relationships must exist. Budgets must be relative to identified elements of work, and budgets applicable to work at one CWBS or functional level must not exceed the total budget at the next higher level, a rule which holds true all the way to the total contract level. In other words, the budgets must "add-up", and the sum of Distributed Budgets, Undistributed Budget, and Management Reserve should equal the negotiated contract cost plus the estimated cost for authorised unpriced work ie, the CBB. For any given WBS element, the total BCWS must equal the BAC for that element.
- d. **Changes to Budgets.** To maintain a realistic and current plan, contractual changes should be incorporated into the contractor's budgeting system within a reasonable time frame (such as within the next reporting period) after the change is authorised. The contractor should strive to keep the plan consistent with the actual manner in which the work is to be performed, and Internal Replanning should be carefully controlled. Revisions should not be made to budgets associated with completed work except for routine accounting adjustments and for the correction of errors. Any significant adjustments should be explained on the CSSR.

#### D4. BUDGETED COST FOR WORK PERFORMED (BCWP)

- a. **General.** BCWP is a key data element required by CSSR. While BCWS is the indicator of planned progress, BCWP is the indicator of actual progress. BCWP represents the value of completed work and, as such, should reflect progress made toward completing the contract plan. BCWP is derived by determining the planned costs (budget value) for all completed work, including completed portions of in process work. BCWP should be determined as objectively as possible in order to reflect contractual progress in a definitive manner. BCWP is directly related to BCWS since the measurement of accomplishment must be based on the work plan. For completed effort, BCWP is equal to the BCWS assigned to that effort.
- b. **Methods of Determination.** CSSR implementation instructions require the contractor to explain its earned value techniques for determining BCWP. The methods proposed are subject to the agreement of the PA. The reason for this requirement is to ensure that the PA fully understands the degree of objectivity with which this data element is derived. One accurate and objective method of determining work accomplishment is a physical evaluation of the work at the level where the work is performed. Other techniques may be used, but the further from the working level that the assessment of work accomplishment is made, the more subjective and inaccurate the appraisal tends to become. In some cases, mathematical formulas are used to estimate the value of in-process work, particularly where the work in-process time is quite short. However, the use of mathematical formulas should be carefully evaluated prior to application to large or long increments of work since inappropriate use of formulas will adversely affect the validity and usefulness of the data. Irrespective of the method used, the contractor personnel involved in determining BCWP must be thoroughly familiar with details of the work progress. It is very important that the work in-process measurement methods used by the contractor are thoroughly understood by the PA before reliance is placed on the reported information.



D5. **ACTUAL COST OF WORK PERFORMED (ACWP)**

- a. **General.** The ACWP represents those Direct and Indirect costs identified specifically to the contractual effort. The reported costs should be reconcilable with the contractor's incurred cost ledgers which are regularly audited. The recorded and reported costs must relate to the accomplishment of contract work. Recording costs of direct labour usually presents no problem in this regard since labour costs are normally recorded as the labour is accomplished.
- b. **Material Costs.** Material costs, on the other hand, may be recorded at various points in time. Material cost commitment, receipt, payment, inventory acceptance or withdrawal, and usage points all provide useful management information and may be used for material control purposes. For example, cost variances associated with the procurement of material may be determined at the time purchase orders are negotiated and placed with vendors since this information provides the earliest visibility of material cost problems. Significant variances in the anticipated and actual costs of materials have an effect on the total contract cost and should be reflected promptly in the Estimate At Completion and explained in the narrative part of the report.
- c. The cost of materials on order does not reflect the cost of work completed on the contract and is not acceptable for determining ACWP. For performance measurement purposes, it is necessary that material costs be recorded at or after the point of receipt rather than as of the time they are ordered.
- d. The actual costs reported for materials should be derived in accordance with established procedures, and normally will be recorded for performance measurement purposes at or after the time of material receipt. (To facilitate CSSR reporting, estimated "actuals" may be used prior to the time of actual payment to vendors.) In addition, budgets must always be prepared on the same basis as costs are to be recorded in order to make comparisons between budgeted and actual costs meaningful. For example, contractors should not budget material on the basis of when it is used and collect/report costs on the basis of when it is received.

D6. **SCHEDULE VARIANCE (BCWP MINUS BCWS)**

- a. **General.** When BCWP varies from BCWS, a schedule variance is indicated (in terms of dollars-worth-of-work). If BCWP is greater than BCWS, more work has been done than was planned and an ahead-of-plan condition, or favourable schedule variance is indicated. The opposite is true if BCWP is less than BCWS. The schedule variance is a quantification of the work deviation from plan in terms of dollars.
- b. **Schedule Variance Reporting.** When the schedule variance exceeds the contract thresholds the contractor must provide a narrative explanation of the cause and the proposed corrective action. If, for unfavourable variances, recovery cannot be made without additional costs being incurred, the additional cost should be reflected at this time in the contractor's estimated cost at completion.
- c. **Relation to Time Oriented Schedule Variance.** The CSSR schedule variance is only a composite indicator of work accomplishment. It is not a substitute for formal time related scheduling systems. However, the CSSR schedule variance should be relatable to the schedule status indicated by the time-oriented scheduling system. If the time-oriented scheduling system indicates a behind schedule condition, but the CSSR schedule variance indicates work is proceeding according to plan, this may indicate that work being done ahead of schedule is offsetting the behind schedule work. On the other hand, it may raise a question as to the validity of the BCWS and BCWP. Such a situation could indicate that the BCWS is not related to the schedules, or that the BCWP has been misstated. If the latter is true, then the cost variance resulting from the comparison of BCWP and actual costs may also be distorted. Under these circumstances, the PA should request the contractor to furnish further explanation and arrange an on-site review of the situation. It is important to monitor the schedule's critical path, as it can reveal schedule problems that may be masked by summation of schedule data to the CSSR reporting level.

D7. **COST VARIANCE (BCWP MINUS ACWP)**

- a. **General.** When BCWP differs from ACWP, a cost variance exists. The cost variance indicates whether more or less money was spent for work performed than was planned for that amount of work. Significant variances should be investigated to determine their causes. It should be emphasised that cost variances are not always the result of poor performance and may simply indicate a deviation from plan that resulted from estimating errors, economic factors, or other causes. Whatever the reasons, costs must be controlled to the maximum extent, and this is done through proper management of the remaining effort. The CSSR is designed to identify variances from plan, and provide an analysis of the situation if specified thresholds are exceeded.
- b. **Need for Budget Discipline.** A contractor's system should not function in such a way as to suppress cost variances. This could happen when a contractor's budgeting system lacks discipline, and permits arbitrary or uncontrolled transfers of budget to occur. If budgets are allowed to change whenever it becomes apparent that the budgets are to be exceeded, cost variances will not occur. If the additional budget was "borrowed" from future work, the overall effect is to delay visibility of contract cost problems.
- c. **Cost Variances.** As with schedule variances, when cost variances exceed agreed thresholds, the contractor should provide a narrative analysis of the cause and when variances are unfavourable, indicate the corrective actions taken or proposed. If unfavourable cost variances cannot be eliminated through the corrective actions taken or proposed, then the impact should be reflected promptly in the contractor's EAC.

D8. **BUDGET AT COMPLETION (BAC)**

- a. **General.** The BAC is the total budget (direct and indirect) allocated to an individual CWBS element. These budgets change during the life of a contract to reflect contract changes, Internal Replanning actions, and application of Management Reserve. However, the sum of the budgets distributed to CWBS elements, including Undistributed Budget and remaining Management Reserve, should equal the sum of the negotiated contract cost plus the estimated cost for authorised unpriced work (the Contract Budget Base). If this relationship to the negotiated target cost does not exist, the CSSR does not provide "contract" status but merely reports the measurement of performance against an "over target budget baseline."

- b. **Over Target Baseline (OTB) (Total Budget in Excess of Contract Budget Base).** A budget plan which exceeds the Contract Budget Base may have significance to the contractor, but it may not be as useful to the PA because it does not represent the contractual commitment between the parties, nor does it relate to the base for determining cost sharing in an incentive contract. Therefore budget changes which permit the total budget for the contract work to increase beyond the Contract Budget Base should occur only infrequently in the life of a contract and then only if major problems have arisen. An OTB must be formally approved by the PA, the profit/fee calculations should be adjusted to reflect the over-target plan, and the impact on future performance reporting should be clearly delineated by the contractor and fully understood by the PA.
- c. **Use of Operating Budget.** The contractor may choose to establish a separate operating budget for internal use while reporting contract progress against the contract budget. An operating budget is not intended to serve as a complete plan for performance of the contract work, but is normally restricted to specific tasks where the formal budgetary targets would be unrealistic. If the situation occurs where the operating budget differs substantially from the contract budget plan, the contractor should formally notify the PA of the need to establish a Performance Measurement Baseline that is greater than the Contract Budget Base (ie, an OTB).
- d. **Internal Replanning.** Replanning applies only to remaining work and its associated budget. Those replanning actions that result in changes to budgets for reporting level CWBS elements or their time phasing should be explained in the CSSR narrative section and be visible in Format 3 (Baseline).

D9. **ESTIMATE AT COMPLETION (EAC)**

- a. The contractor's EAC should consist of the actual cost to date plus the latest estimate of cost for the remaining work. The estimate should be developed by those closely associated with the work who are well informed regarding work performance and problems, future resource costs, and future requirements. Once determined and approved, estimates can be summarised to the reporting level specified for the CSSR. The contractor should prepare the EAC in a consistent manner with appropriate consideration given to such factors as performance to date, known and anticipated future problems, "work-arounds," economic escalation, and anticipated business volume. The EAC for each CWBS element should be reviewed monthly and revised as required to provide the best possible estimate of contract final costs.

D10. **AT COMPLETION VARIANCE (BAC MINUS EAC)**

- a. **General.** When the EAC varies from the BAC for any reporting level CWBS element, a favourable or unfavourable at completion cost variance is forecast for that element of the contract. The contractor should provide a narrative analysis of the cause, and corrective actions taken or proposed.
- b. **When Using an Over Target Budget Baseline**
  - (1) The total At Completion Variance reflects the projected contract overrun or underrun, provided the BAC (including Management Reserve) equals the Contract Budget Base. If this relationship does not exist the PA should be fully aware that the variance only indicates the difference between the estimated cost and the total allocated budget in use on the contract. In this situation, at completion variances for individual CWBS elements indicate that the current budget for the CWBS element is not expected to be met. The PA must mutually approve an over target baseline before it is implemented by the contractor.

- (2) Total contract cost variance can still be determined by subtracting the EAC from the Contract Budget Base. However, it is difficult, if not impossible, to determine an individual CWBS element's contribution to that amount unless at completion budgets (BAC) for each reporting level element (totalling to the Contract Budget Base) are maintained and updated throughout the life of the contract.
- (3) If the BAC exceeds the Contract Budget Base, the reasons for the difference must be provided in the Format 2 narrative when it is first approved and thereafter when it changes. The narrative should indicate how much the BAC for each WBS element was changed and which cost and schedule variances were adjusted.
- (4) The decision to increase budgets to an amount in excess of the Contract Budget Base is a major management decision. It constitutes declaration of an overrun and then "builds" that overrun into the Performance Measurement Baseline. Baseline changes of this type should not be done simply to eliminate variances for work already accomplished (including that portion of the variance at completion which pertains to completed work). An Over Target Baseline should be considered only if the amount of budget remaining is significantly insufficient to accomplish the remaining work. If an Over Target Baseline is adopted, it must be understood that future CSSRs will not report cost and schedule performance in terms of the Contract Budget Base. Therefore, unless a substantial amount of additional budget is needed for the remaining work, the contract oriented baseline should be retained.

#### D11. UNDISTRIBUTED BUDGET

- a. **General.** Budget that has not been assigned to elements of the CWBS at or below the specified reporting level is called Undistributed Budget (UB). Budget identified to CWBS elements at or below the specified reporting level should be included in the total budget shown for each appropriate CWBS element, and should not be reported on the line identified for UB in the Format 1 report.
- b. **Reason for Undistributed Budget.** The provision for UB is made because it is realised that situations of a temporary nature may exist where it is impractical to define work and distribute budget in detail. A common example is a contract change authorised near the end of a reporting period where time does not permit budget to be allocated prior to the reporting cut off date. This would be a temporary situation and the budget should be properly allocated before the next report.
- c. **Use of Undistributed Budget.** It should be stressed that the provision for UB in the CSSR is not to be used as a substitute for early and complete budget planning. It is strictly to accommodate temporary situations where adequate planning is clearly impractical, ie, where there is not sufficient work definition information available to permit meaningful budget distribution. All amounts held as UB should be specifically designated for the effort which will require that budget and should not be used for other work. UB is not Management Reserve nor is it to be construed as a contingency fund. A UB Log or some other ledger method should be used to identify the amount of UB that exists, and the organisational/WBS element to which it is distributed. All UB should be fully explained in the Format 2 narrative of the CSSR.

**D12. MANAGEMENT RESERVE**

D12.1 Management Reserve (MR) is that budget, within the contract value, withheld for management control purposes. While it is usually controlled by the contractor's project manager, some contractors provide MR to lower level functional managers. Regardless of the level, all MR should be formally identified and controlled, and reported on the CSSR Format 1. Use of MR may indicate a problem area or reflect the need to budget a specific task that was unforeseen (eg, to provide budget to support exploration of a different technical alternative). Whenever MR is applied during a reporting period, the contractor should document it internally and report in the CSSR narrative the amount used, the CWBS element(s) to which it has been applied, and the reasons for its use.

**D13. AUTHORISED UNPRICED WORK**

D13.1 For Authorised Unpriced Work (relative to a proposed contract change or letter contract), it is acceptable for the contractor to plan and budget near term effort in cost accounts, with the remaining effort and budget planned at a higher level or maintained in Undistributed Budget. After negotiation the remaining effort will be planned and budgeted within cost accounts as soon as practical to ensure disciplined baseline planning.

## ANNEX E

## GUIDANCE FOR THE CSSR REVIEW

- E1. The plant implementation visit is intended to familiarise the PA and other Department of Defence personnel associated with CSSR activities with the contractor's internal management practices and to ensure they meet the minimum requirements for CSSR. An understanding of the methods used to generate the CSSR data facilitates analysis of the information and subsequent communications with the contractor. The following guidance is not intended to be a checklist, but is provided in the interest of assuring that all essential elements contributing to cost schedule performance reporting are addressed during the visit. The contractor may use the following outline as a guide for presenting material to Department of Defence representatives during the visit; however, this is not a requirement. Department of Defence representatives should use the outline as a basis for asking questions or prompting discussions on those management practices which most affect CSSR reporting. Each item in the outline is referenced to appropriate discussion paragraphs in Section 5 of this Standard.
- E2. **PLANNING WORK**
- E2.1 In order to provide integrated cost schedule performance measurement, the contractor must have a means for associating schedules and budgets with specific elements of work. When discussing a contractor's internal management practices the contractor should be asked to explain the methods by which:
- a. work is identified and planned for the entire contract within the CWBS;
  - b. work is scheduled and controlled;
  - c. budgets are established; and
  - d. the budget baseline results from an iterative planning process and effectively integrates work, schedule, and budget.
- E3. **CONTROL OF RESOURCES**
- E3.1 To function effectively, management controls must have a certain amount of formality and discipline. Most companies have standard internal operating documents which are used to authorise managers and workers to expend resources and perform work. These same documents also usually impose limitations on activities and may provide targets for measurement purposes. Although CSSR does not invoke requirements for specific internal documentation, the contractor should be asked to explain the methods by which:
- a. budget changes are controlled;
  - b. Management Reserve and Undistributed Budget are established and controlled;
  - c. the relationship between the Total Allocated Budget and the Contract Budget Base is maintained; and
  - d. estimates of cost at completion (EAC) are developed.

**E4. MEASUREMENT OF PROGRESS**

- E4.1 A performance measurement system must have the capability to determine accurately and objectively the progress of work and the cost and schedule performance associated with that work. Since cost and schedule performance usually reflect technical successes or failures, achievement of technical milestones is also reflected to a great extent in the CSSR. Inability to meet technical requirements results in contract replanning and appropriate changes to budgets and schedules. Problems should be identifiable through analysis of cost and schedule variances or application of Management Reserve to the problem areas. The contractor should be asked to explain the methods by which:
- a. the progress of work is determined;
  - b. the value of completed effort is established in an objective manner; and
  - c. the CSSR data are generated and are in accordance with the terms negotiated in the contract.

**E5. RECORDING COSTS**

- E5.1 The CSSR provides a comparison of Budgeted Costs with Actual Costs for Work Performed. It is important to understand the methods by which costs are collected to make full use of the report. This is especially true regarding the reporting of material costs, since there are various points in time when material costs may be reported for management purposes. For example, early visibility of material cost problems can be obtained at the time purchase orders are placed by comparing negotiated prices with original budgets. The contractor may bill the Department of Defence for reimbursement based on material receipts and invoices paid. The cost of material consumed is useful for measuring cost of operation of a facility or cost of completed units of hardware. When "actual costs" are reported, it is important to understand their exact relationship to completed work. The contractor should be asked to explain the methods by which:
- a. costs of labour are recorded;
  - b. costs of material are recorded; and
  - c. overhead costs are controlled and allocated to the contract.

**E6. CONTROL OF CONTRACT CHANGES**

- E6.1 Contract changes affect virtually all aspects of the contractor's performance management system, resulting in revisions to budgets, schedules, work authorisations, etc. Changes which are authorised and require work to begin prior to negotiation of costs for that change complicate the planning and control process even more. In such cases, budgets must be established based on contractor estimates or customer imposed ceiling costs for the work, and adjustment must be made later based on the final negotiations. A common practice is to establish an Undistributed Budget account as a temporary means of controlling budget during the renegotiation stages. The contractor should be asked to explain the methods by which:
- a. contract changes are incorporated in a timely manner;
  - b. revisions to in process work are accommodated and recorded; and
  - c. authorised unnegotiated contract effort is measured (compared to defined work).

## ANNEX F

## LIST OF ABBREVIATIONS

The following list of acronyms or abbreviations are relevant to the CSSR Standard and its ANNEXES:

ACSIG	Australian Cost Schedule Implementation Guide
ACWP	Actual Cost Of Work Performed
AUW	Authorised Unpriced Work
BAC	Budget At Completion
BCWP	Budgeted Cost for Work Performed
BCWPcum	Budgeted Cost for Work Performed - Cumulative
BCWS	Budgeted Cost for Work Scheduled
BCWScum	Budgeted Cost for Work Schedule - Cumulative
CAM	Cost Account Manager
CBB	Contract Budget Base
CDRL	Contract Data Requirements List
CEP	Capital Equipment Program
CEPMAN 1	Capital Equipment Procurement Manual
CPR	Cost Performance Report
CSCSC	Cost Schedule Control Systems Criteria
CSSR	Cost Schedule Status Report
CTC	Contract Target Cost
CV	Cost Variance
CWBS	Contract Work Breakdown Structure
DEFPUR	Defence Purchasing Manual
DEPSEC A&L	Deputy Secretary, Acquisition and Logistics
DID	Data Item Description
DPMS	Director of Project Management Systems
DR	Discrepancy Report
EAC	Estimate At Completion
FASCEP	First Assistant Secretary, Capital Equipment Procurement
G&A	General and Administrative
IV	Implementation Visit
LOE	Level Of Effort
LRE	Latest Revised Estimate
MIL-STD	United States Military Standard
MOU	Memorandum of Understanding
MR	Management Reserve
NCC	Negotiated Contract Cost
ODC	Other Direct Costs
OTB	Over Target Baseline
PA	Project Authority
PDR	Preliminary Design Review
PF	Performance Factor
PMB	Performance Measurement Baseline
RA	Readiness Assessment
RFT	Request For Tender
SV	Schedule Variance
UB	Undistributed Budget
VAC	Variance At Completion
WBS	Work Breakdown Structure
WP	Work Package



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## **REQUESTS FOR DOCUMENTS**

Requests for copies of this Standard, or certain of the listed Applicable Documents, may be directed to the appropriate source listed below:

### **DEPARTMENT OF DEFENCE (Navy Office)**

Director General Naval Engineering Services  
Department of Defence (Navy Office)  
Campbell Park Offices (CP1-7-19)  
CANBERRA ACT 2600  
Attention: NAVTIC Specification Centre  
Telephone: (06) 266 2046/266 2096

### **DEPARTMENT OF DEFENCE (Army Office)**

The Head  
Engineering Development Establishment  
Raleigh Road  
MARIBYRNONG VIC 3032  
Postal Address: Private Bag No 12  
PO ASCOT VALE VIC 3032  
Attention: Equipment Information Officer  
Telephone: (03) 319 5802

### **DEPARTMENT OF DEFENCE (Air Force Office)**

Engineering Data Repository  
HQ Support Command RAAF  
360 St Kilda Road  
MELBOURNE VIC 3004  
Attention: ENG S1E3  
Telephone: (03) 282 4527

### **DEPARTMENT OF DEFENCE (Defence Materiel)**

Director Joint Communications Project (Switching)  
Anzac Park West 2-4-15  
CANBERRA ACT 2601  
Telephone: (06) 266 6689

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