LEVEL OF EFFORT PLANNING AND EXECUTION ON EARNED VALUE PROJECTS – WITHIN THE FRAMEWORK OF ANSI EIA-748

TCM Framework:
9.1 – Project Cost Accounting
9.2 – Progress and Performance Measurement
10.1 – Project Performance Assessment

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1. INTRODUCTION

This recommended practice (RP) describes the purpose, application, measurement and control of level of effort (LOE) work in projects that operate with an earned value management system. It provides explanations of use and management of LOE work as it pertains to EVM implementations that may not be contained in the Total Cost Management (TCM) Framework.

This RP is intended to provide guidance for planning, managing and reporting performance of LOE tasks that most EVM practitioners would consider to be sound practice for managing and claiming performance related to work that is not considered to be measurable. The target audience for this RP is project managers, control account managers (CAMs), and project staff responsible for planning projects and managing and measuring project performance. It is also considered to be beneficial to EVM analysts who want a clearer understanding of LOE task management and measurement.

This RP is aligned with the TCM Framework, as well as the Electronics Industries Alliance (EIA) - 748 Earned Value Management Systems (EVMS) guidelines. (Guideline 12, parts of Guideline 6 and 7 regarding task planning and scheduling, and parts of Guidelines 30 and 31 regarding revisions and change control. This document provides further explanation of the intent and application of LOE that is not contained in the EIA-748 standard and the National Defense Industries Association (NDIA) Earned Value Management Systems Intent Guide.

This document is not intended to be a standard but provides further clarification of recommended EVM practices as they apply to planning, implementing, and reporting LOE work being performed under the EIA-748 standard.

2. RECOMMENDED PRACTICE

LOE activities are tasks of a general or supportive nature that have no measurable product or output. LOE work is defined as: “Support effort (e.g., supervision) that does not readily lend itself to measurement of discrete accomplishment. It is generally characterized by a level of support over a specific period of time.”[8]

2.1. Nature of LOE Work in Relation to Other Project Work

All contract direct costs fall within one of three categories:

- **Discrete Effort** – Discrete effort is defined as “Tasks that have a specific measurable end product or end result”[8]. Discrete work has definable end products that is budgeted by element of cost (e.g. labor, material, other direct cost) and is scheduled, to the day, when it starts, finishes, and identifies all interim milestone dates. Discrete work is measurable and can be broken into steps or measurable tasks, each of which can be budgeted based on resources required to complete the work, and it can be objectively determined how much work is accomplished.

- **Apportioned Effort** – Apportioned effort is defined as: “An earned value technique in which status is assessed consistent with a base task (s). The earned value percent complete of the base effort is used to status the apportioned effort work package. Apportioned effort is technically related and time-phased proportionally to the based unit designated”[8]. As the rate of completion is considered fixed between apportioned effort and its related discrete effort scope element, the performance claimed for the apportioned effort aligns to the percent completion of the associate discrete effort. This is appropriate in situations when apportioned effort cannot be independently scheduled or statused, but you may gain an advantage on performance visibility or that scope would not appropriately be considered LOE. An example would be a work package consisting of the effort required to provide management or oversight to a specific...