

2014 FRA
Rail Program Delivery



Cost Management & Reporting

Ron Anderson
KKCS, Inc.

Focus Areas

- **Work Breakdown Structure**
- **Cost Management & Reporting**
- **Cost Forecasting**

Work Breakdown Structure (WBS)

- Hierarchical subdivision of the work
- Project oriented to delivery end items
- Evolves from **generic WBS**
to **project-specific WBS**
as work packages are defined

Example WBS Levels

- **Level 0 – Project**
- **Level 1 – Element**
- **Level 2 – Work Package**
- **Level 3 - Detail**

Level 1 – Element

- **Professional Services**
- **Utilities**
- **Real Estate**
- **Construction**
- **Vehicles**
- **Unallocated Contingency**

Level 2 – Work Package

Professional Services

- Design Contract
- Program Manager Contract
- Construction Manager Contract
- Specialty Consultants

Construction

- Contract #1
- Contract #2
- Contract #3
- Owner Furnished Materials

Utilities

- DWP
- Verizon
- Gas Company
- Etc.

Vehicles

- Vehicles
- Spare Parts
- Maintenance Equipment

Unallocated Contingency

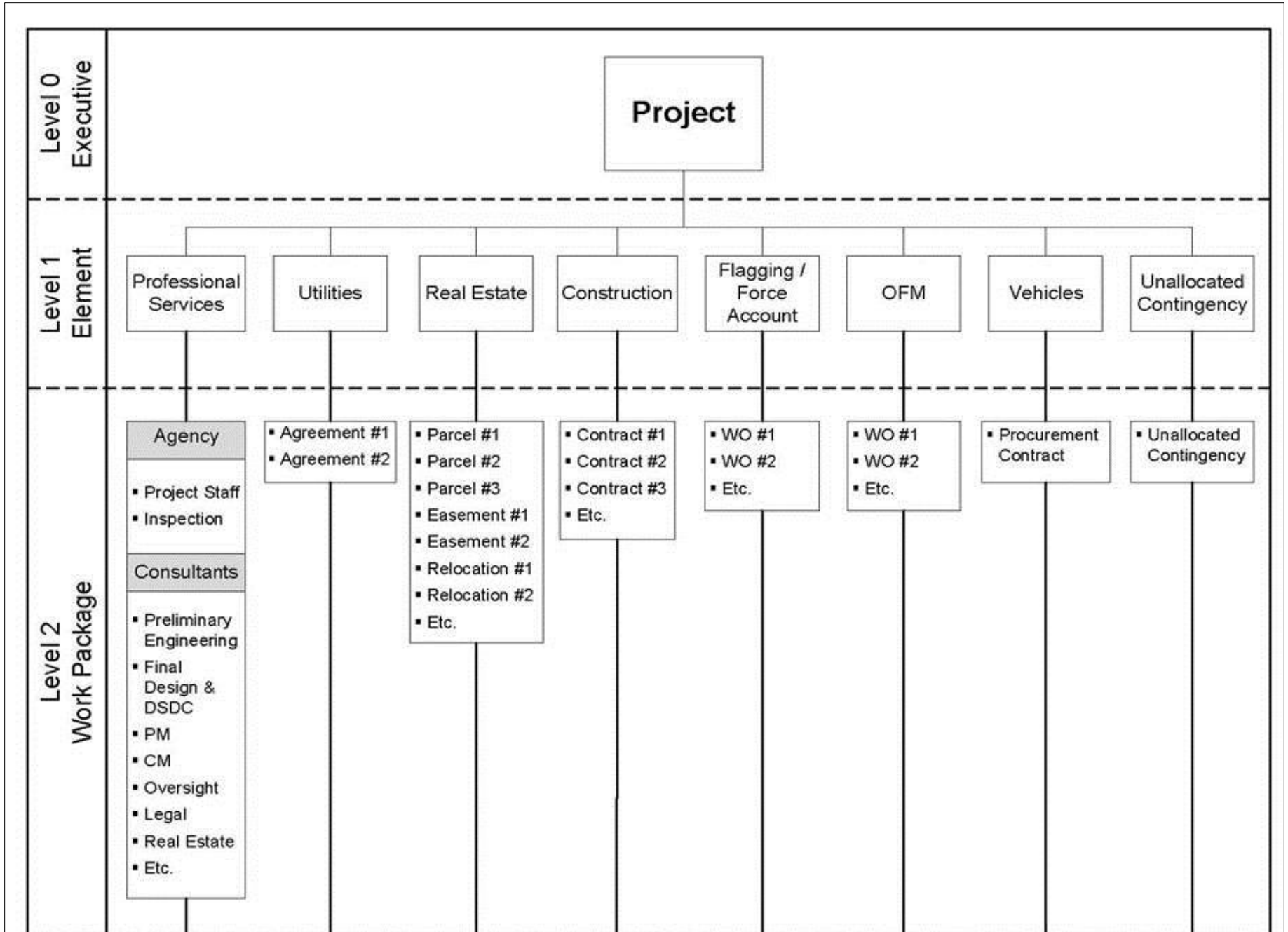
- Unallocated Contingency

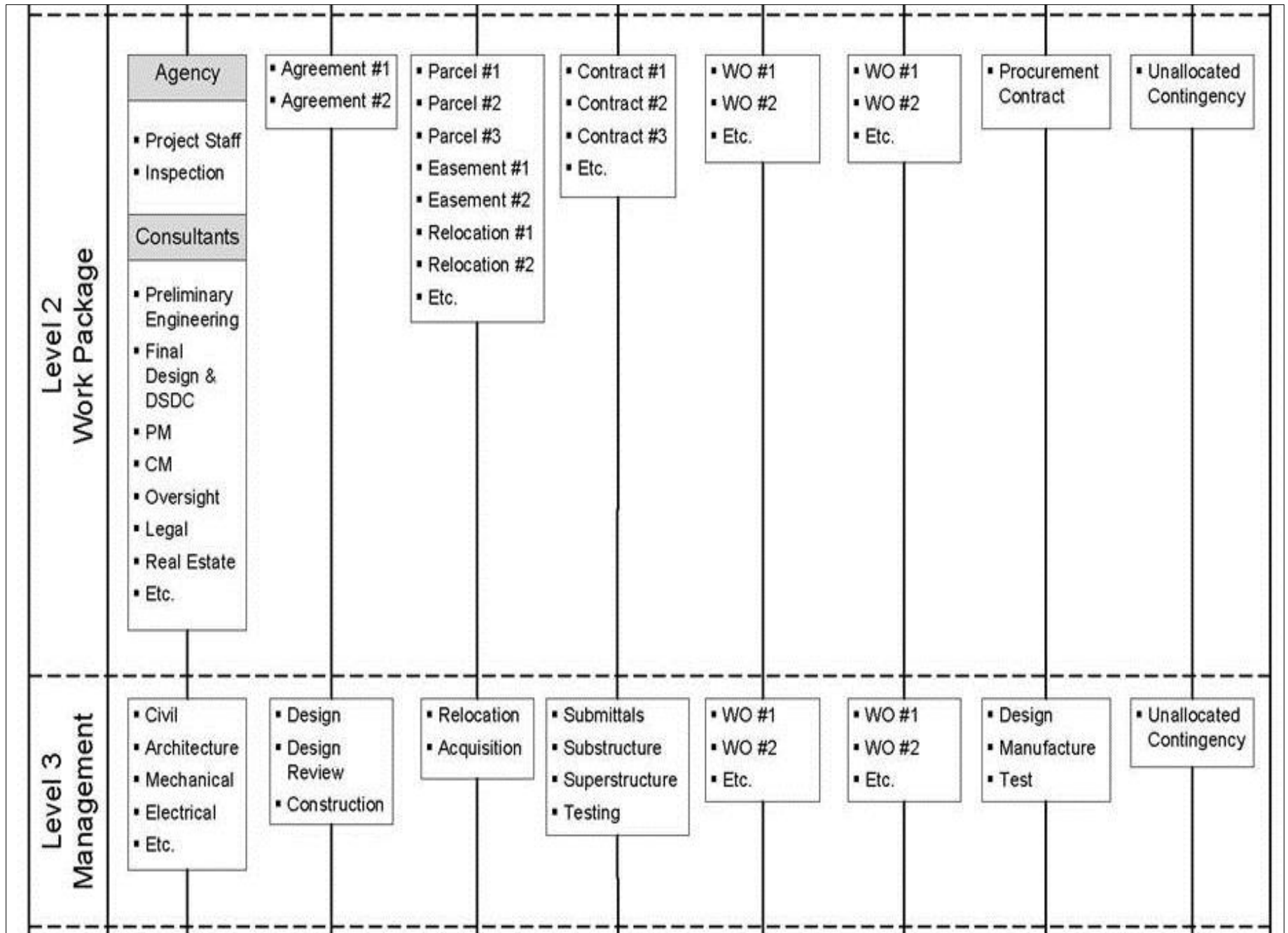
Right of Way

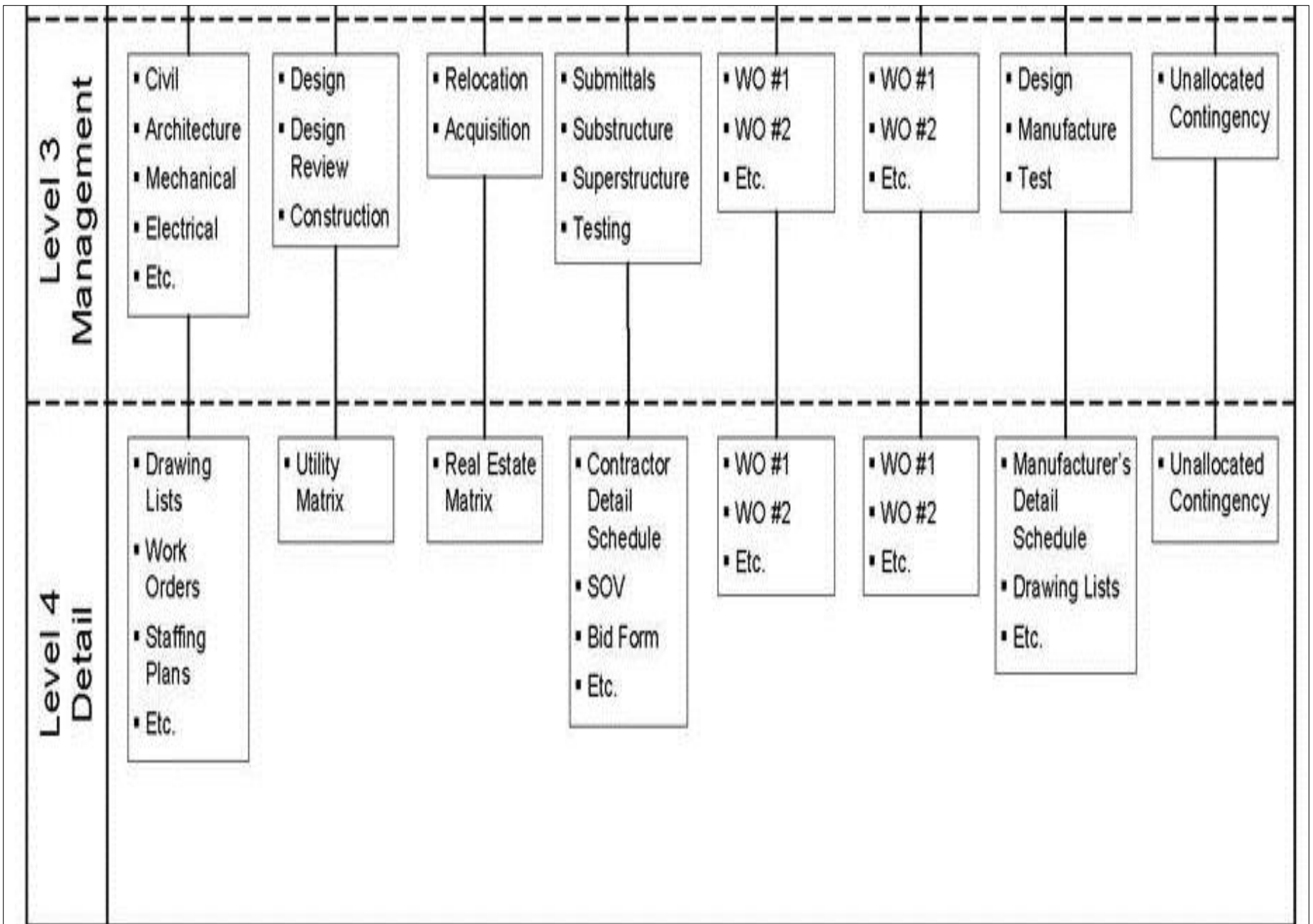
- Parcels
- Right of Entry Permits
- Easements
- Relocations

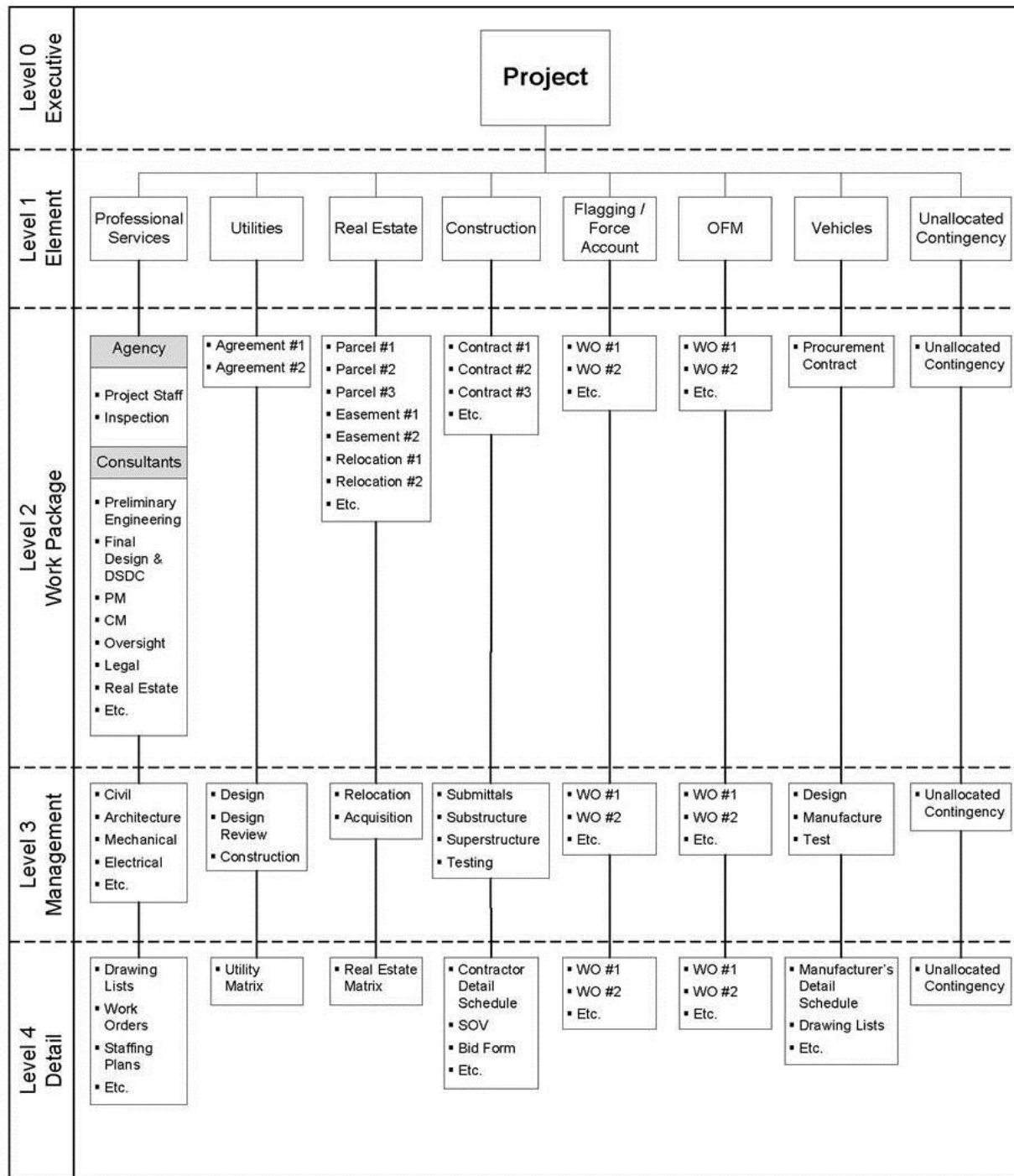
Level 3 – Detail

- **Bid Lists**
- **Schedule of Values**
- **Utility Matrix**
- **Real Estate Matrix**
- **Design Drawing Lists**
- **Staffing Plans**
- Any other documentation summarized into a contract or work plan

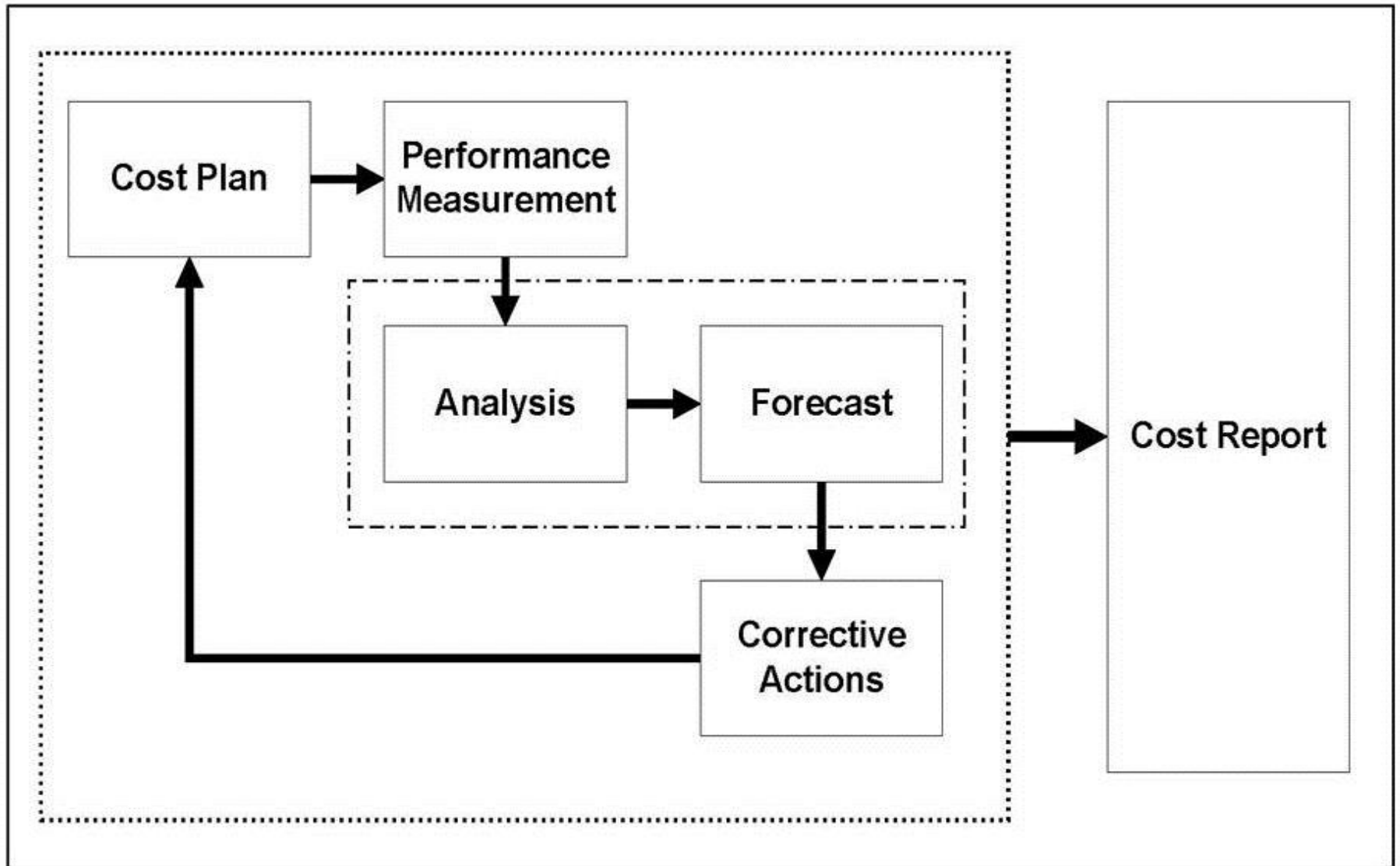


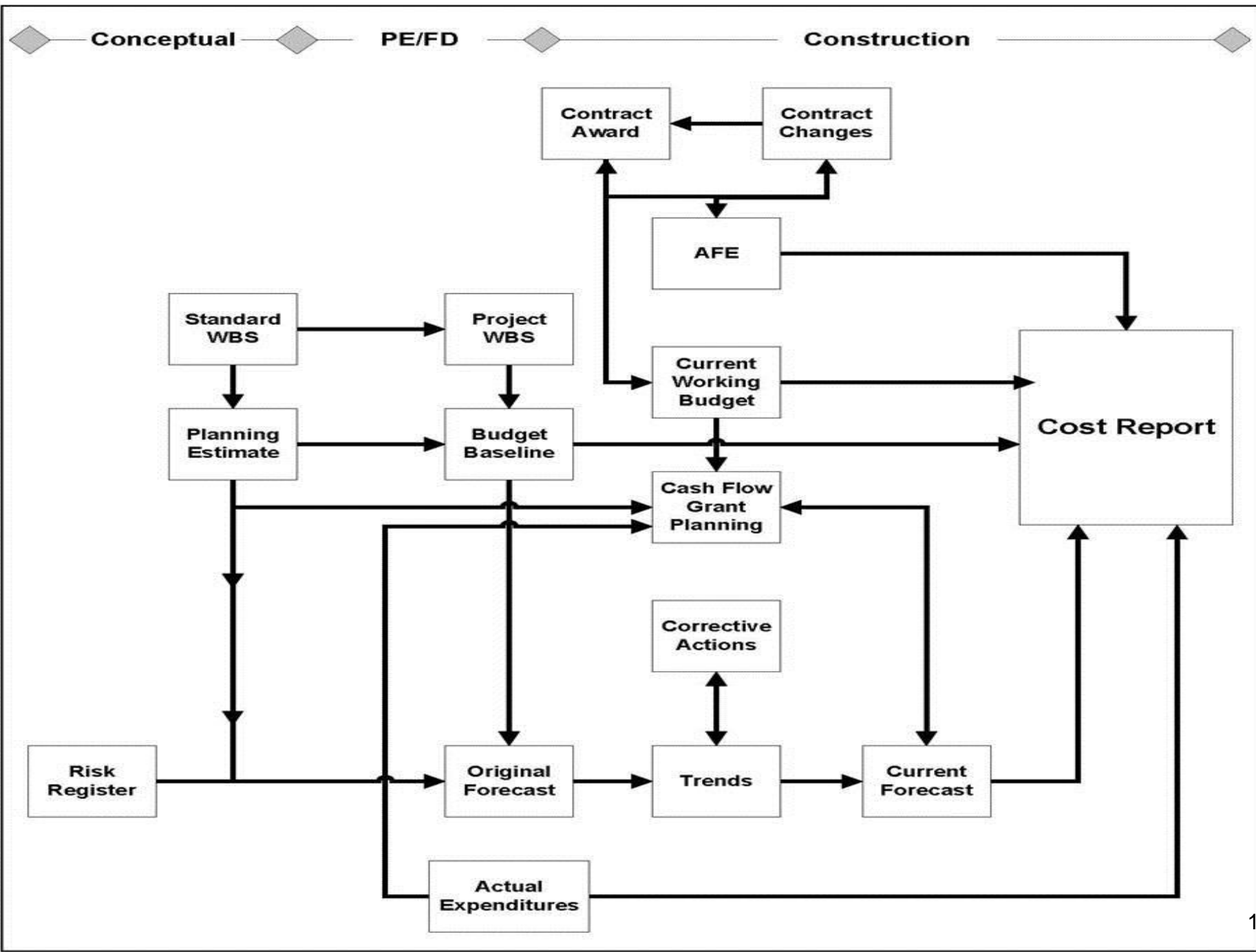






Cost Management Overview

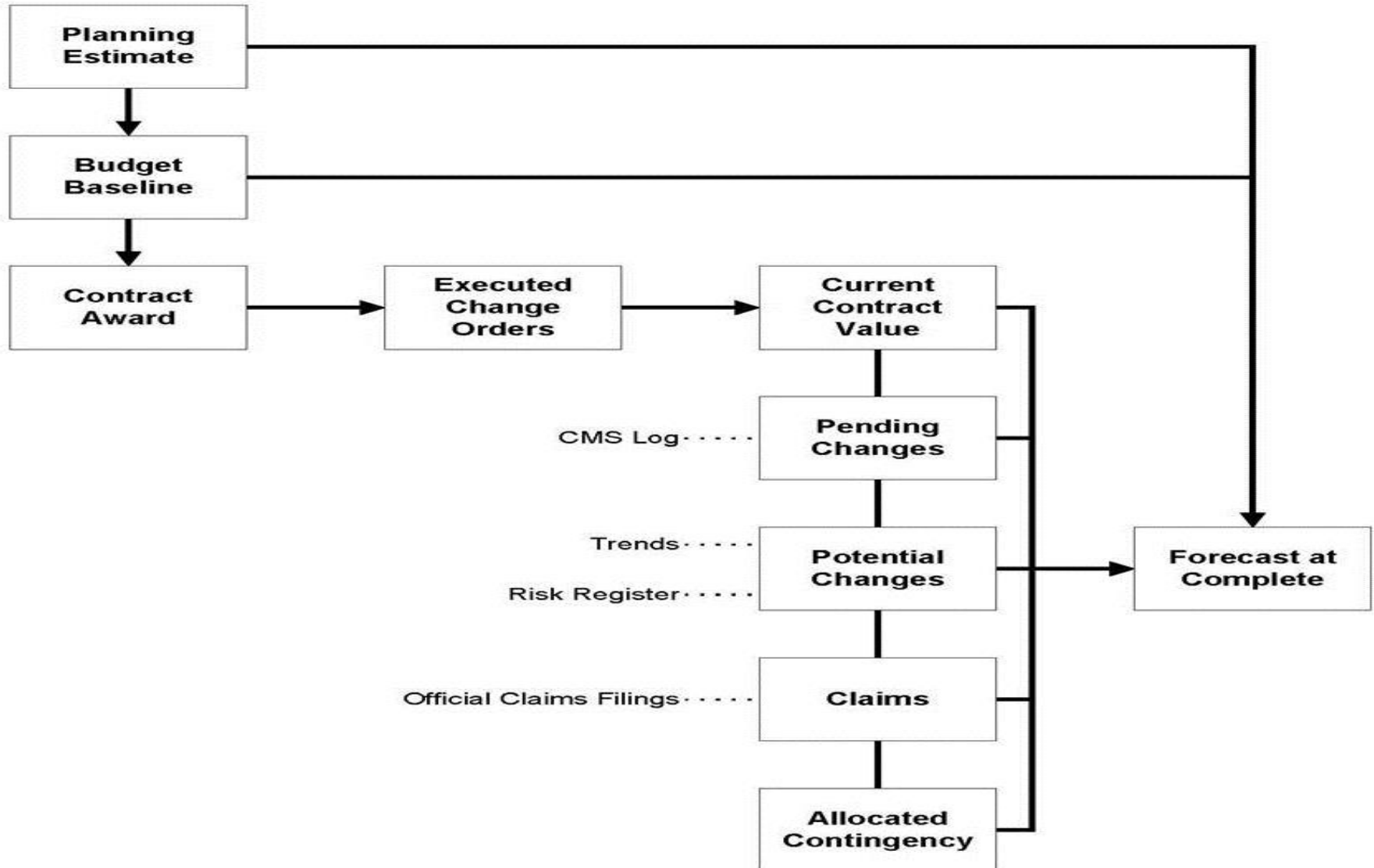




Example Cost Report

DESCRIPTION	BASELINE BUDGET	CURRENT WORKING BUDGET	AUTHORIZED FOR EXPENDITURE	FORECAST	FORECAST VARIANCE (BASELINE)	FORECAST VARIANCE (CURRENT)	EXPENDITURE
PROFESSIONAL SERVICES	\$21,913	\$26,530	\$27,856	\$32,180	\$10,267	\$5,650	\$18,960
UTILITIES	\$63,250	\$62,987	\$69,286	\$72,467	\$9,217	\$9,480	\$68,960
REAL ESTATE	\$1,000	\$967	\$967	\$967	-\$33	\$0	\$967
CONSTRUCTION	\$34,605	\$32,650	\$24,768	\$32,650	-\$1,955	\$0	\$13,408
FLAGGING/FORCE ACCOUNT	\$5,127	\$5,127	\$1,020	\$6,250	\$1,123	\$1,123	\$2,190
OWNER FURNISHED MATERIAL	\$2,291	\$2,291	\$560	\$2,467	\$176	\$176	\$476
VEHICLES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UNALLOCATED CONTINGENCY	\$83,000	\$80,634	\$0	\$64,205	-\$18,795	-\$16,429	\$0
TOTAL PROJECT	\$211,186	\$211,186	\$124,457	\$211,186	\$0	\$0	\$104,961

Cost Forecasting



Cost Management Pitfalls

- **Unclear distinctions**
between financial vs. project cost management
- **Rubber baselines**
- **Unwillingness to routinely update forecasts**
- **Over-complicating** cost management systems