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**Subject:** Rebaseline risks and checks  
**Date:** Friday, January 22, 2016 5:49:00 PM  
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Hi Tim, Sam,

In addition to the metrics checks that we've discussed earlier this week, I've attached a preliminary list of the checks for us to work with as we go through each contract, component and also program level. There will be more to follow obviously.

Please let me know your thoughts. Thanks.

Best regards,



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## REBASELINE RISKS AND CHECKS

### Strawman

#### A. Schedule

Schedule Checks (Contractor and IPS level) to check if the status and forecast are accurately and completely captured:

1. Pf's /TSPI assumed are higher than past performance
2. Past performance metrics are not recorded/reported/leveraged
3. Failure to integrate / roll up from contract to component to program
4. Fail to integrate risk allowances (float) and mitigation action into schedule
5. Inconsistencies in assumptions in basis of schedule or equivalent
6. Fail to include seasonal variations in progress / production assumptions
7. Inconsistencies with WBS
8. Task duration estimates are not reasonable
9. Inconsistencies with cost basis of estimate
10. Resource levelling is inconsistent with project cost baseline
11. External dependencies are not identified and/or tracked
12. Estimation/re-evaluation of the go forward tasks is not conducted on a regular basis (weekly/monthly)
13. Fail to sanity check schedule revisions to base assumptions
14. No record of update and comparisons
15. Single pass no work back
16. Multiple paralleling or tasks that were previously in series in order to shorten downstream activities
17. Large number of activities with negative float
18. Schedule variance is not tracked and corrective action not planned
19. Immature/shortened test and commissioning schedule (check pre and post baseline)
20. Shortening of individual test and commissioning steps
21. Fail to capture and integrate ops readiness schedule with overall program schedule at the detailed level

#### B. Cost/Resource Level

Cost Checks on accuracy of capturing current status and forecast:

1. Failure to state and/or test assumptions/BOE
2. Upgraded pf's/TCPI not in line with past performance pf's/CPI
3. Past performance metrics are not recorded/reported/leveraged
4. Fail to completely capture incomplete work
5. Fail to include allocation for claims – outstanding and approved – changes and trends in FFC (review claim and trend logs)
6. Fail to integrate projected duration of cost expenditure with schedule baseline and peaks in manpower.
7. Significant discrepancies against cost figures reported by contractors and Nalcor
8. Overheads/ recurring are not captured
9. O/H & G&A rate impacts are not captured

10. Rework/material errors are not captured
11. Failure to resource level and/or analyze resource levels
12. Failure to capture rising staffing escalations costs that are not tied to inflationary pressures
13. Cost of quality based rework are not considered
14. Costs of other issues/ defects and knock on impacts are not considered
15. Fail to actually set revised baseline and measure performance against the revised baseline
16. Missed disposal/ project closedown costs
17. Over reliance on contract terms to mitigate cost risk
18. Lack of risks allowances for both mitigation and contingency costs
19. Contingency allowance is not in line with the class of estimate/level of detail of the project

**C. Scope / overall:**

1. No / disorganized baselining process
  - a. No Planning/Rebaselining Brief to kick off the exercise
  - b. Uncoordinated component level planning/estimating
  - c. Incomplete integration of first forward pass
  - d. Incomplete review and work back of first pass
  - e. No integration of a risk update in rebaselining process as a whole
  - f. No risk simulation
  - g. Contract renegotiation and/or related assumptions not featured in revised baseline and/or over assumption of negotiation success
  - h. No effective review of final submission
  - i. Poorly substantiated AFE's and basis of approvals
2. Failure to include the following in updated scope, cost and schedule:
  - a. DANs/Changes Pending
  - b. Claims/Trends
  - c. Quality/ Defect correction & Rework
  - d. Known Issues/Risks
  - e. Seasonality impacts to Productivity
  - f. Assumptions (with validation)
  - g. Cross contract and cross component level dependencies and their respective impacts
  - h. Results of impact analysis by contractor and renegotiation
  - i. Full PMO Marching Army costs
  - j. Additional equipment and material costs
  - k. Ramp Up/Ramp Down costs and schedule impacts
  - l. Additional Maintenance & Inspection costs
  - m. Warranty period consumptions and/or voiding
  - n. Licenses, insurance and legal costs
  - o. Storage, warehousing costs
  - p. Travel/transportation and logistics
  - q. Facility/Accommodation costs (incl PMO/Camps etc)
  - r. Power costs
  - s. Winter work costs
  - t. Inflation/exchange rate changes
  - u. Modifications to O/H & G&A calculations on labour.