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(See Sheet 2)

**KEY**

1. Approval
2. Release
3. Information
4. Review
5. Post-Review
6. Dist. (Receipt Acknow. Required)
7. Approved
8. Approved w/comment
9. Disapproved w/comment
10. Reviewed no/comment
11. Reviewed w/comment
12. Receipt acknowledged

**SIGNATURE/DISTRIBUTION**

(See Approval Designator for required signatures)

1. Design Authority
2. Design Agent
5. QA
6. Safety
7. Env.

Approved Date: 8/19/98

Central File Date: 8/1-07

**DOE APPROVAL**

- [ ] Approved
- [ ] Approved w/comments
- [ ] Disapproved w/comments

**Other Information**

- Related EDT No.: N/A
- Purchase Order No.: N/A
- Equip./Component No.: N/A
- System/Bldg./Facility: N/A
- Major Assm. Dwg. No.: N/A
- Permit/Permit Application No.: N/A

**Related Information**

- Project No.: HANDI 2000
- Design Authority/Design Agent: DAWN E. ADAMS
- Originating Organization: SYSTEMS FLUOR DANIEL HANFORD
- Key Words: H2K, BMS, HANDI 2000, PEOPLESOFT GENERAL LEDGER, PROJECT COSTING, BUSINESS SYSTEM IMPLEMENTATION, FINANCE, AS-IS/TO-BE

**Notes**

- Receiver Remarks: 11A. Design Baseline Document? □ Yes □ No
- Required Response Date: N/A

**Additional Information**

- Ctrl No.:
- Approved
- Approved w/comments
- Disapproved w/comments

**Signatures**

- Signature of EDT Originator: [Signature]
- Date: 8/25/98
- Authorized Representative for Receiving Organization: [Signature]
- Date: 8/25/98
- Design Authority/Cognizant Manager: [Signature]
- Date: 8/19/98

**Document Control**

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Abstract: The major projects have been directed to schedule work activities with Primavera (P3). Previously, project budgets were developed and resourced within the P3 Primavera scheduling system, the PX scheduling system and other spreadsheet tools. These budgets for the execution year were then loaded manually into the system and other spreadsheet tools. These budgets for the execution year were then loaded manually into the Financial Data System.
Memorandum

To:       D.E. Adams  G1-21       K.B. Adamsons  H2-19
M.J. Byrd  H2-08,  R.C. Corless  H2-19,
A.A. Carter  H2-19,  J.A. Caldwell  G1-22,
C.R. Hopkins  G1-57,  R.J. McFadzean  H2-19

From: P. C. Felts

Date: April 17, 1998

Re: PeopleSoft General Ledger / Project Costing -- Business System Implementation
    Sessions Final Documentation

HANDI 2000 – Finance

Attached for your information is the complete set of documentation of the work flow
analysis from the Business System Implementation (BSI) Sessions.

One of the goals of finalizing documentation from the BSI Sessions is to use the
documents as a communication tool.

Other goals of the BSI sessions were to validate the As-Is process, and describe the vision
of the To-Be process that fit the baseline software processes. In the future, this
documentation will be accessible electronically via a read-only shared area.

I thank you and your staff for your support during this information gathering and
envisioning stage of the new system implementation project

If you have any questions, I can be reached on 376-0367 or via email.

Attachment

BmsAP010\Documentation\DocControl\DocMemorandum
Fluor Daniel Hanford - PeopleSoft Financials
General Ledger / Project Costing Documentation Signoff Form

Date: 4/17/98

Documentation: Finance Business System Implementation (BSI) Sessions

Processes Included:

- Accrual
- Allocations
- Budget
- Fit-Gap Analysis
- Closing Procedure
- Fixed Assets Accounting
- Funds Control
- General Ledger Account Maintenance
- Hanford Business Structure
- Inventory Processes
- Invoice/DISCAS
- Labor Costing
- Passport-PeopleSoft Integration
- Unit Billed Service
- Travel & Treasury:
  - OTS Cash Disbursement Process
  - Travel Expense Reimbursement
  - Cash Receipt Process
- Savings, Pensions, & Insurance:
  - Insurance Payment Process
  - Pension Payment Process
  - Savings Plan Payment Process
- Other Hanford Contractors:
  - Worked Performed by Enco's for PHMC
  - Worked Performed by Enco's for OHC
  - Worked Performed by PHMC for OHC - Work Order
  - Worked Performed by OHC for PHMC - Work Order Process
  - Worked Performed by PHMC for OHC - Walk In
  - Worked Performed by PHMC for DOE-Richland using the Request for Service Process

FDH Project Lead: Name Paul C. Felts
Signature
Budgeting

Overview

Today, the major projects have been directed to schedule work activities with Primavera (P3). Previously, project budgets were developed and resourced within the P3 Primavera scheduling system, the PX scheduling system and other spreadsheet tools. These budgets for the execution year were then loaded manually into the Financial Data System. Those not utilizing a scheduling tool may have used only FDS as the tool to enter budget data. The new strategy should incorporate many of the goals that Fluor Daniel Hanford (FDH) has identified for managing the financial infrastructure, such as; centralization and standardization of data, vendor support for the application, minimal cost for system maintenance, and support for the IRM strategic plan.

- The budgeting process provides a consistent and reliable methodology for consistently representing priced resources necessary to accomplish activity based tasks for the budget period (execution year is a fiscal year from October to September).

- The Multi Year Work Plan (MYWP) provides the formal documentation of Hanford Project Baselines. These baselines represent the life cycle of each project area, with detail information for the first three years, and higher level data past that.

- Each year RL provides "work authorization" for the upcoming fiscal year based upon the activities depicted in the MYWP.

- The Annual Work Plan (AWP) provides the formal documentation for Indirect baselines. These baselines represent a fiscal year plan for activities to be completed for each indirect area.

- The Project Baseline Summaries (PBS's) are documents used to depict life cycle cost baselines for each project in Section A of the document. Section B depicts the budget allocation to the funding constraints. Narrative sections address planned accomplishments at both the baseline and budget levels; including a discussion of the impacts at the budget level.

- The Integrated Priority List (IPL) will serve as the budget request tool for FY2000. That may be subject to change as DOE-HQ refines the budget formulation process.

- With the disposition of FDS, an alternative strategy to managing budgets needs to be developed.

- The proposed strategy to meet all of these requirements is to utilize P3 as the site standard for all project and non-project budgeting. The recommendation that Primavera (P3) is the site standard has been approved by FDH management for all budgeting activities. The issues that will need to be addressed include the pricing/burdening of activities differently depending on whether or not the "project" is a direct or indirect funded project. Also, for comparison of budget/schedule to actual costs the structures and burdening processes need to be appropriately aligned.

Assumptions

- P3 will become both the scheduling and budgeting tool for the major PHMC projects.

- P3 is recommended to be the scheduling and budgeting tool for all projects (decision pending).

- P3 can handle the data input for budgetary planning by all project activities.
Policies

- MYWP’s are required by DOE Order 4300.1
- PBS’s are required by OMB Circular A-111, TPA Paragraphs 148/149
- P3 is the recommended site standard for all budgetary data.

As-Is Procedures

The budgetary process is an iterative process between the Department of Energy, FDH and its subcontractors. For direct projects the process begins with the scoping of the work for the life cycle of the project as part of the Multi-year Work Plan (MYWP) and continues through planning, scheduling, resourcing and eventually funding of the process or the approval of the change to the baseline. The indirect projects begin with the preparation of the Annual Work Plan, which is a one year plan similar to the MYWP.

There are several budgetary processes for approval depending on the type of work being performed. Direct funded programs go through a stringent review and approval process involving DOE. Indirect projects go through an internal process for approval of funding rates with DOE involvement. Work performed for others, and requests for services by non-Hanford Site companies, are budgeted and approved with a process similar to the Indirect projects.

Once budgets have been approved, the budgetary data is entered into FDS, in most cases manually (some previously had a limited electronic feed from P3).

To-Be Procedures

The approval processes for budgetary information will remain the same, the change will be in how and where the data is entered. With the elimination of FDS, non-P3 projects and indirect projects will need a new repository for budgets and an alternative mechanism for managing budgetary data. P3 offers the ideal solution as the point of data entry by utilizing the same process site wide.

Budget data would be entered into the P3 system as it is currently for major direct funded projects. All projects would have the option of entering in summary information (up to a single line entry for BCWS), or alternately have the flexibility to incorporate detailed schedules and budgets. Data entry for the new users of P3 could also be centralized and managed efficiently.

The Indirect Budget Team is revising the the Indirect Budget Process Flow. It will be complete prior to the October 1 implementation date.

Impacts

- A new tool would have to be learned by the current non-P3 and indirect projects with the elimination of the FDS budgets module. Utilizing a tool that is familiar to some of the site should be helpful.

- With the change in the Hanford Business Structure the current P3 Project schedules will have to be reconfigured to match up to the new structure.

Issues & Action Items

Issues
Determine the relationship between P3, the PeopleSoft Projects Module and the Performance Module.

Define new resource tables for the indirect projects as burdening will differ from the direct projects.

Can the budgeting tool handle split funding?

Who will lead the P3 implementation effort?

Activities in P3 need to be identified, added, deleted, to roll up to the draft code of accounts. The team to do this needs to be identified.

All existing schedules will have to be reorganized. A team consisting of members from Systems Engineering, Deloitte and Touche, core finance team, project controls, and project managers will need to review and realign all schedules to adapt to the new structure. This includes lining up to the technical functions and the addition of the code of accounts.

**Action Items**

Document the decision on the relationship of P3, the PeopleSoft Projects Module, and the Performance Module
Budget Approval Process
(Direct Funded Projects)

1. MYWP (Define Work Scope)
2. Determine Resource Requirements
3. Determine Funding Resources
4. Overlay Funding with Budget/Resource Requirements
5. Budgetary Data
6. Enter Estimate into P3
7. Enter Budget into FDS
8. Approve Budgets
9. Change Request to Baseline
10. Need DOE Approval
11. Negotiate with DOE for approval

Reprioritize Work Based on IPL (Rebaseline)

Yes

No
Entry of Budget Information into FDS
(As-Is Process)