

BUSINESS PROCESS MEMORANDUM (BPM) NO. 23-05

TO: Mission Directorate Resource Management Officers

FROM: J. Craig McArthur, Director Strategic Investments Division, OCFO

SUBJECT: Updates to Cost and Schedule Quarterly Reporting

DATE: March 21, 2023

1.0 Purpose

On a quarterly basis, the Strategic Investments Division (SID) collects from the Mission Directorates (MDs) initial or updated information on project cost (estimate at completion), schedule (estimate at completion), and content, and the reasons for any changes in the project, as required for standardized reporting to the Office of Management and Budget (OMB), Congress, and the Government Accountability Office (GAO). We also compare these current cost and schedule estimates to the project baseline estimates to determine whether any thresholds that trigger additional reporting detail have been breached. Project Manager, Program Manager, Program Executive (PE), Resource Management Officer (RMO), and Associate Administrator signatures are required on the final submission.

1.1 Updated Reporting Thresholds for Projects (\$75M<LCC<\$250M)

Pursuant to direction from NASA's Office of General Counsel and the DCFO for Appropriations, SID is updating guidance on reporting requirements for projects with a Life Cycle Cost (LCC) between \$75M - \$250M. If at any time during any quarter, the program manager of a project within the jurisdiction of the National Aeronautics and Space Administration with an LCC between \$75M and \$250M has reasonable cause to believe that the **development cost** has increased by 10 percent, the program manager shall immediately inform the respective Secretary, Administrator, or Director. The Secretary, Administrator, or Director shall notify the House and Senate Committees on Appropriations within 30 days in writing of such increase, and shall include in such notice:

- ❖ The date on which such determination was made;
- ❖ A statement of the reasons for such increases;
- ❖ The action taken and proposed to be taken to control future cost growth of the project;
- ❖ Changes made in the performance or schedule milestones and the degree to which such changes have contributed to the increase in total program costs or procurement costs;
- ❖ New estimates of the total project or procurement costs; and
- ❖ A statement validating that the project's management structure is adequate to control total project or procurement costs.

1.2 Reporting Requirements for Projects in Formulation

OMB issued the Space Acquisition Program and Project Cost and Schedule Growth Memorandum in 2007, institutionalizing cost and schedule tracking and notification requirements during formulation and development. NASA programs and projects establish the initial baseline cost and schedule goals at Preliminary Design Review (PDR), or the point at which the Department or Agency commonly authorizes a program or project to proceed to implementation.

If a program or project has passed KDP-A with an estimated LCC > \$250M and has begun to procure subsystems or hardware with a single contract value of more than \$50 million prior to holding PDR, the baseline acquisition cost goal shall be provided for the sum of any such contracts and their average cost performance relative to their cost goals shall be reported.

The cost and schedule reporting collected for projects meeting these criteria will not be released to OMB with the quarterly report on projects in development, but will be used internally to track cost & schedule performance.

This section applies to current NASA projects such as Mars Sample Return, xEVA, SLS EUS+Capabilities, and ML-2. As such, SID will enforce these reporting requirements beginning with Quarter 3 of FY2023.

Who Reports	Baseline for Measuring Increases	Threshold for Reporting
Projects with \$75M < LCC < \$250M	KDP-C DM	10% increase in Development cost
Projects with LCC > \$250M	KDP-C DM	15% increase in Development cost or 6-month Development schedule slip
Projects with LCC > \$250M	KDP-C DM	30% increase in Development cost
Projects in formulation with LCC > \$250M and executed contract > \$50M of development content	Contract Value	15% increase in Contract Value