

What Annualized Projects with a defined lifecycle are and the Project Control approach”

By Marco Frisenda



What are the annualized projects with a defined lifecycle

Annualized vs Lifecycle

- Discussion:
 - What are the differences
 - Constraints and Nuances to consider
 - Considerations when implementing project controls on schedule, cost & risk.
- The project:
 - A) 2 year project under NEC A contract
 - B) no rolling planning



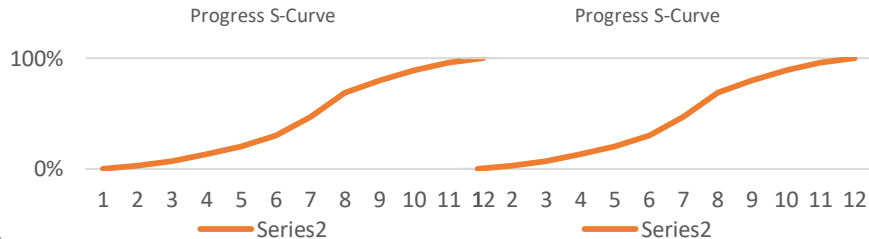
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Annualized project

This is a project which has a scope and an associated budget which is defined every year.



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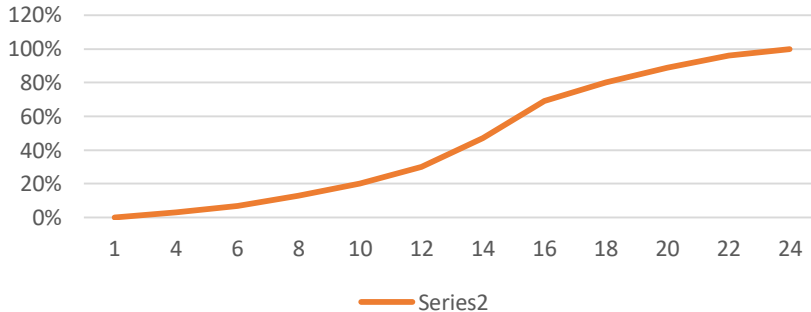


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Lifecycle project

This is the “classic” project type, where a budget is defined to delivery a scope over a fixed time frame

Progress S-Curve



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Annualized projects with a defined lifecycle

Every project which has a defined budget to deliver a scope over multiple years

BUT

Is measured on an annual basis



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The Project



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- Project “B” is 3 years long
- Contract Type is NEC option A
- Scope is fully defined and with the main contractor

Planning

Cost

Risk



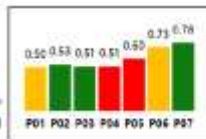
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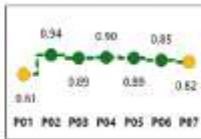
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Planning

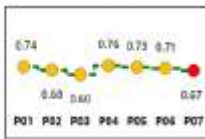
Period BEI Scores



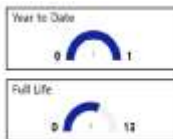
Weighted
MPI Year To Date



Weighted
MPI Full Life



Tier 1 Milestones
Planned vs Achieved



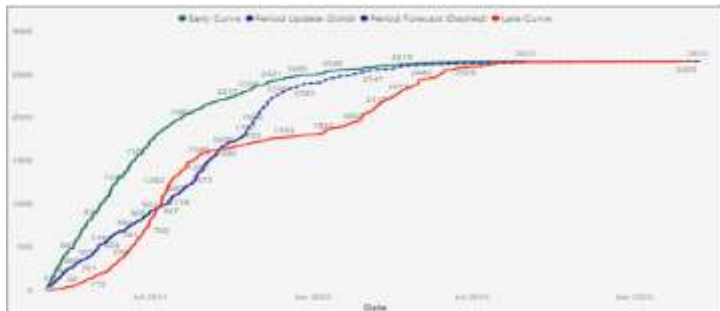
Tier 2 Milestones
Planned vs Achieved



Tier 3 Milestones
Planned vs Achieved



BEI for the lifecycle



MPI (Milestone Performance Index)
The in year milestones are re-baselined every year

Roll Date	17/10/21
Baseline Roll Date	07/03/21
Baseline Period	1Y00
Planned Milestones	2293
Baseline Milestones	0.78
Year Authorized SL Periods Remaining	9535
Total SL Periods Authorized	10679
Forecast Authorized Milestones Completion	89%

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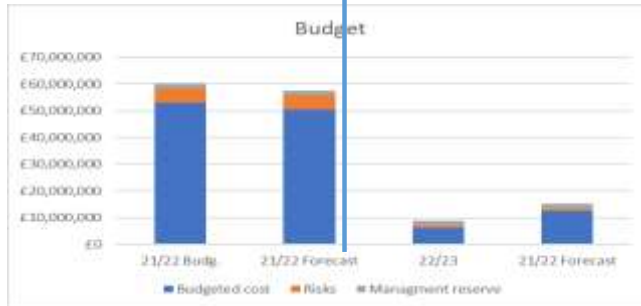
Cost



Authority is effectively the project budget

Year Budget: the in year cost performance is measured against

BAC is measured against the authority



Risk

As annualised projects are driven predominantly from financial requirements, so is the approach to Risk.

- *Risk forecasting is based on the high probabilities of money being spent on risk events*
- *Conflicts with Risk Management principles but necessary for budget-setting and financial tracking*
- *Project Controls needs to satisfy both requirements*
- *If a risk occurs a decision may be made to cut projects/workbanks down the list rather than having a defined risk provision (depending on critically)*



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Conclusion

Project control tools and techniques do not change BUT there is always a double control over yearly performance and lifecycle performance

Change control becomes fundamental to ensure the proper baseline is used to measure performance against

Strong baselining process to ensure alignment between cost and schedule is maintained



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Final remarks & Question time...



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