



EXPLO National Manual for Projects Management

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Project Controls & Reporting Introduction Guideline



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Project Controls & Reporting Introduction Guideline

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Project Controls & Reporting Introduction Guideline

1.0 PURPOSE

The purpose of the Project Controls & Reporting volume is to provide the Entity with the principles, methods, processes, procedures, templates and checklists to perform on projects. This procedure applies to works performed under all Government construction projects executed throughout the Kingdom of Saudi Arabia.

2.0 SCOPE

The control processes are those processes that support the planning, managing, controlling and reporting on the delivery of a project in order to achieve an on time, on budget project.

3.0 INTRODUCTION

Project controls is the data gathering, management and analytical processes used to provide a platform for the control of scope in terms of deliverables and quantities, cost and schedule. It is essential for the project team to have up to date and reliable information of these critical elements in order to effectively and efficiently manage each phase of the project life cycle.

Project controls is important not only during the execution phase of the project but also during the Infrastructure Initial Planning phases. The systems and processes for project controls must be capable of providing baselines, current status, forecast at completion, variance analysis and a method for easy management visibility through regular accurate reporting.

Project controls consists of following major areas:

- Cost Control, covers all activities relevant to establishing budgets, managing, controlling, forecasting and reporting on costs
- Estimating, covers the forecasting of cost for a defined scope of work.
- Planning and scheduling, covers all activities relevant to managing, controlling and reporting on the schedule
- Reporting, encompassing the outputs from various tools, trackers and reports from each of the Departments

3.1 Cost Control

Cost control commences with the establishment of the control budgets, progressing to monitoring the status of the project or phase by measuring performance and comparing it against a plan. The tracking and monitoring of cost and commitment allows the project to understand its status. Combining this with forecasting all remaining costs and changes allows the Department to provide the project management team with the data that they need enabling them to take corrective and/or preventive actions to positively affect the desired project outcome. Cost control is one of the key elements of successful project management.

Key activities of cost control are:

- Development and implementation of the cost control plan
- Establish project budgets
- Progress measurement and earned value
- Cost forecasting
- Trend and Change Management
- Cost reporting (both current, future and historical)
- Tracking Cost & Commitments
- Cash flow Management
- Staffing & labor control



3.2 Estimating

The estimate is a forecast of the cost for a defined scope of work and is required at every stage gate during the development of a project. Cost estimates are classified based on the degree of accuracy and level of detail provided to evaluate the cost of a project and the intended purpose. Estimates range from an indicative or conceptual estimate, which are based on minimal technical input having an extensive range of accuracy to a definitive estimate having a high degree of technical input with a much narrower degree of accuracy.

The estimate provides the basis to analyze a project including any alternatives that may be considered, and provide guidance for management decisions, budgeting and cost control.

The purpose of the cost estimate, depending on the project phase is to:

- Provide input to a project cost model against which optimization of design, procurement and execution can be studied
- Establish a base from which changes, risks and alternative courses of actions can be measured
- Different cash phasing can be considered
- Provide the basis against which funds are made available
- Provide the basis for project control during project execution

3.3 Planning & Scheduling

Planning and scheduling on projects is critical to minimize cost and time overruns. Planning is the process of identifying all activities necessary to complete the project while scheduling is the process of determining the sequential order of activities, assigning planned duration and determining the start and finish dates of each activity.

In order to achieve this there are a few overarching principles:

- The plan is prepared by the team
- The schedule is prepared by schedule specialists
- The team commits to the schedule, preferably by signing it
- The team works to the schedule and provides regular updates
- The team identifies potential issues early, and mitigates in a pro-active fashion.
- If the issue cannot be mitigated immediately, then the issue needs to be communicated to project management with possible mitigation proposals.

Planning and scheduling is therefore much more than establishing a plan and schedule. It has more to do with the constant measurement of key variables (material deliveries, quantities installed, hours spent, rework required, changed conditions, etc.) against established baseline or target metrics in order to determine at an early stage any actual or potential deviation from an established plan and schedule.

Once any actual or potential deviation is identified, a formal process must capture the issues, determine mitigations, obtain approvals and funding if required, and proceed with immediate mitigation implementation.

For this to be successful, the project requires pro-active collaboration by the team. The team needs to participate in the generation of a plan and be properly informed on the agreed plan and expectations. Team members need to understand the importance of their input to schedule activity status, quantity status, spent hours, and early communication of potential or actual issues. Furthermore, the team needs to expeditiously support agreed mitigation actions.



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Entities and projects need to assure that projects and contractors are adequately staffed with experienced planning and scheduling personnel in order to lead the planning and scheduling efforts and to encourage the team's participation.

3.4 Reporting

The purpose of project reporting is to advise the project team, management and any stakeholder of the progress, performance, schedule, and cost status of the project. Project reporting is prepared by Project Controls with input from all groups within the project team. Reports which include narrative sections will include an executive summary with key project metrics and charts, departmental progress from the previous reporting period, key issues and the look-ahead. It also typically includes charts and an analysis of the status of the schedule, critical path, costs and commitments, status of changes, cash flow, manpower, job hours, departmental progress and performance charts and progress photos.

The performance metrics information contained in the periodic project report is an informative analytical tool to alert management to early changes in forecast cost and schedule deviations that can affect the overall project performance. Early notification of potential deviations in cost and schedule forecast will allow management to analyze issues and to mitigate potential problems on the project in a timely proactive manner.

4.0 REFERENCE

1. EPM-KPC-GL-000001 - Project Cost Control Introduction Guideline
2. EPM-KPC-PR-000001 - Project Coding Structures Procedure
3. EPM-KPC-PR-000002 - Project Budget Control Procedure
4. EPM-KPC-PR-000003 - Project Cost & Commitment Procedure
5. EPM-KPC-PR-000004 - Project Forecasting Procedure
6. EPM-KPC-PR-000005 - Project Engineering Tracking Procedure
7. EPM-KPC-PR-000006 - Project Quantity Tracking Procedure
8. EPM-KPC-PR-000007 - Project Trend Program Procedure
9. EPM-KPC-PR-000008 - Project Management of Change Procedure
10. EPM-KPC-PR-000009 - Project Backcharges Procedure
11. EPM-KPC-PR-000010 - Project Earned Value Management System Procedure
12. EPM-KPC-PR-000011 - Project Weekly Quantities Report Procedure
13. EPM-KPC-PR-000012 - Project Historical Cost Reporting Procedure
14. EPM-KPE-GL-000001 - Project Estimate Introduction Guideline
15. EPM-KPE-PR-000001 - Project Estimate Types Procedure
16. EPM-KPE-PR-000002 - Project Coding Procedure
17. EPM-KPE-PR-000003 - Project Methodology/Development Procedure
18. EPM-KPE-PR-000004 - Project Estimate Review Procedure
19. EPM-KPE-PR-000005 - Project Estimate Approval Procedure
20. EPM-KPP-GL-000001 - Project Planning and Scheduling Introduction Guideline
21. EPM-KPP-PR-000001 - Project Planning and Scheduling Procedure
22. EPM-KPP-PR-000002 - Project Schedule Hierarchy Procedure
23. EPM-KPP-PR-000003 - Project Schedule Curves Procedure
24. EPM-KPP-PR-000004 - Project Schedule Contingency Procedure
25. EPM-KPP-PR-000005 - Project Contractor Requirements Procedure
26. EPM-KPP-PR-000006 - Project Schedule Standards and Quality Procedure
27. EPM-KPP-PR-000007 - Project Schedule Look-ahead Procedure
28. EPM-KP0-PR-000008 - Project Schedule Impact Management Procedure
29. EPM-KPP-PR-000008 - Project Schedule Claims Procedure
30. EPM-KP0-PR-000010 - Project Schedule Automation Procedure
31. EPM-KP0-PR-000011 - Project Schedule Software Settings Procedure
32. EPM-KP0-PR-000012 - Project Schedule Coding Structures Procedure
33. EPM-KPR-GL-000001 - Project Weekly Reporting Introduction Guideline
34. EPM-KPR-PR-000001 - Project Weekly Reporting Procedure
35. EPM-KPR-PR-000002 - Project Monthly Reporting Procedure
36. EPM-KPR-PR-000003 - Project Cost Reporting Procedure
37. EPM-KPR-PR-000004 - Project Schedule Reporting Procedure
38. EPM-KPR-PR-000005 - Project Critical Items Action Report