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## CONTROLS - COST

# Cost Management and Forecasting Procedure

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## **1 Scope**

This procedure is an integral component to the Controls approach and toolset, see overarching document Controls Management Plan [Ref 3].

This procedure applies to all functional departments in the Crossrail Programme responsible for managing and reporting cost.

This procedure details the systems, processes, procedures and tools required to identify, collect, integrate and analyze all cost data related to the programme. There are also references to other processes that are key to successful cost management.

## **2 Purpose**

Cost Management will operate an effective process to define, collate, report and manage cost data for the Crossrail Programme, with the following key benefits:

- Delivery of the Programme within budget constraints;
- Improved and informed decision making;
- Enhanced knowledge and understanding of the Programme;
- Identification and management of the most commercially viable programme solutions for Crossrail;
- Provision of consistent cost data for project and programme reporting; and
- Focused management effort and efficient allocation of resources.

### **2.1 Key Objectives**

The key objectives of Cost Management are:

- Provide programme level cost planning/estimating, budgeting, forecasting, reporting, managing and control of all the costs associated with the programme;
- Minimize the Anticipated Final Cost (AFC) and drive best value;
- Ensure the Anticipated Final Crossrail Direct Cost (AFDCDC) does not exceed the Total Sponsor Committed Funding and Intervention Points;
- Integrate Cost Management requirements with Industry Partner practices and ensure that they deliver in accordance with the Crossrail Sponsors' Requirements;
- Set robust cost baselines pre and post contract award;
- Control cost through pro-actively identifying and managing change;
- Operate a robust cost forecasting process to provide the appropriate financial provision;
- Provide reliable, accurate and timely cost performance data;
- Integrate with programme financial reporting; and
- Be efficient to operate and align with the projects systems architecture.

In addition to which the Cost Management and Forecasting procedure will provide the framework to integrate with and where appropriate give support to:

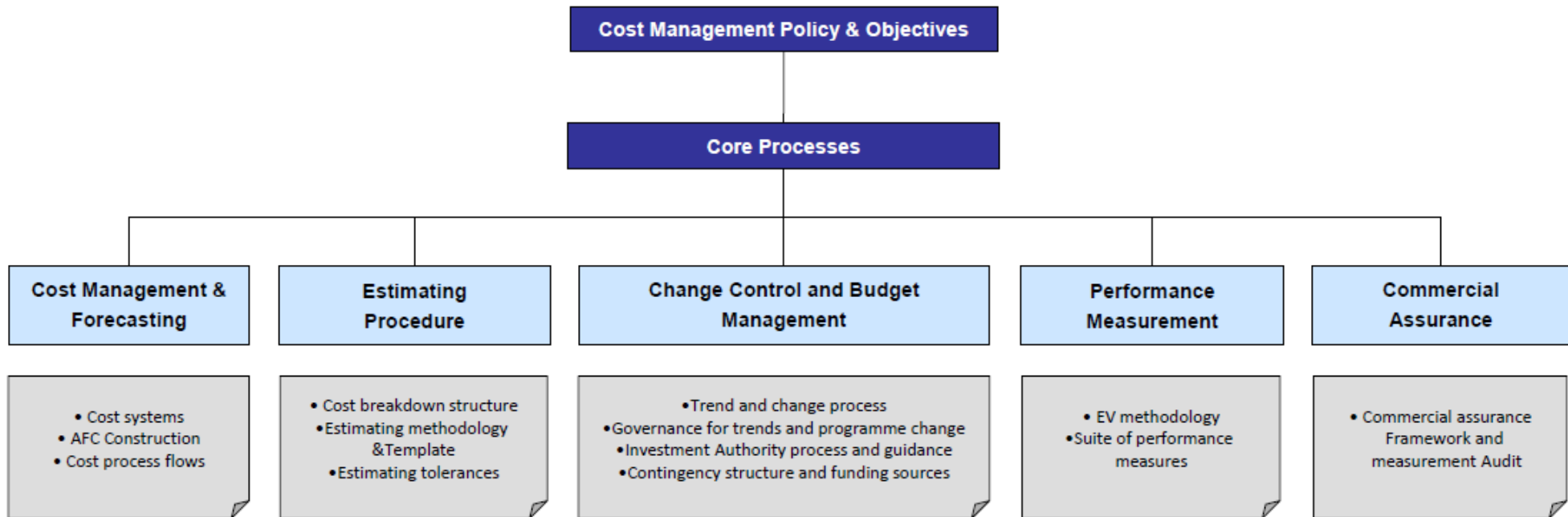
- A programme-wide governance process that provides clear cost thresholds/financial controls (reference: CRL Scheme of Authorities/Delegated Authority Register);
- Change Control and Budget Management processes;
- Financial Control Processes including the Investment Authority process;
- Reporting, risk, performance measurement, planning, baseline processes;
- Contract administration process; and
- Commercial assurance (post contract).

## **2.2 Procedures Framework**

A number of procedures exist to support the Cost Management functions. These procedures and their purposes are:

- Cost Management and Forecasting [Ref 7]: A single procedure providing timely and consistently accurate cost information and which pro-actively supports the delivery of Crossrail's cost objectives;
- Estimating Procedure [ref 8]: A centralised estimating approach, based on using consistent procedures, and providing sufficient capability for Crossrail to provide granular estimate detail by contract, in addition to robust capex and opex benchmarking to enable VFM demonstrations to stakeholders;
- Performance Measurement Procedure [ref 13]: A single point of reference for the project team on the information required to deliver performance;
- Commercial Assurance: Defines the key areas from the support procedures that measure commercial performance in the pursuit of continual improvement; and
- Change Control and Budget Management Procedure [Ref 6]: Defines the process with which each contract proceeds to Invitation to Tender (ITT), requests Investment Authority (IA) and awards, how Current Control Budget (CCB) and AFC are managed through the change control and budget management process, and the contingency structure.

**Figure 2.1.1: Cost Management Policy and Objectives**



For Core Processes please refer to figure 2.2.1.

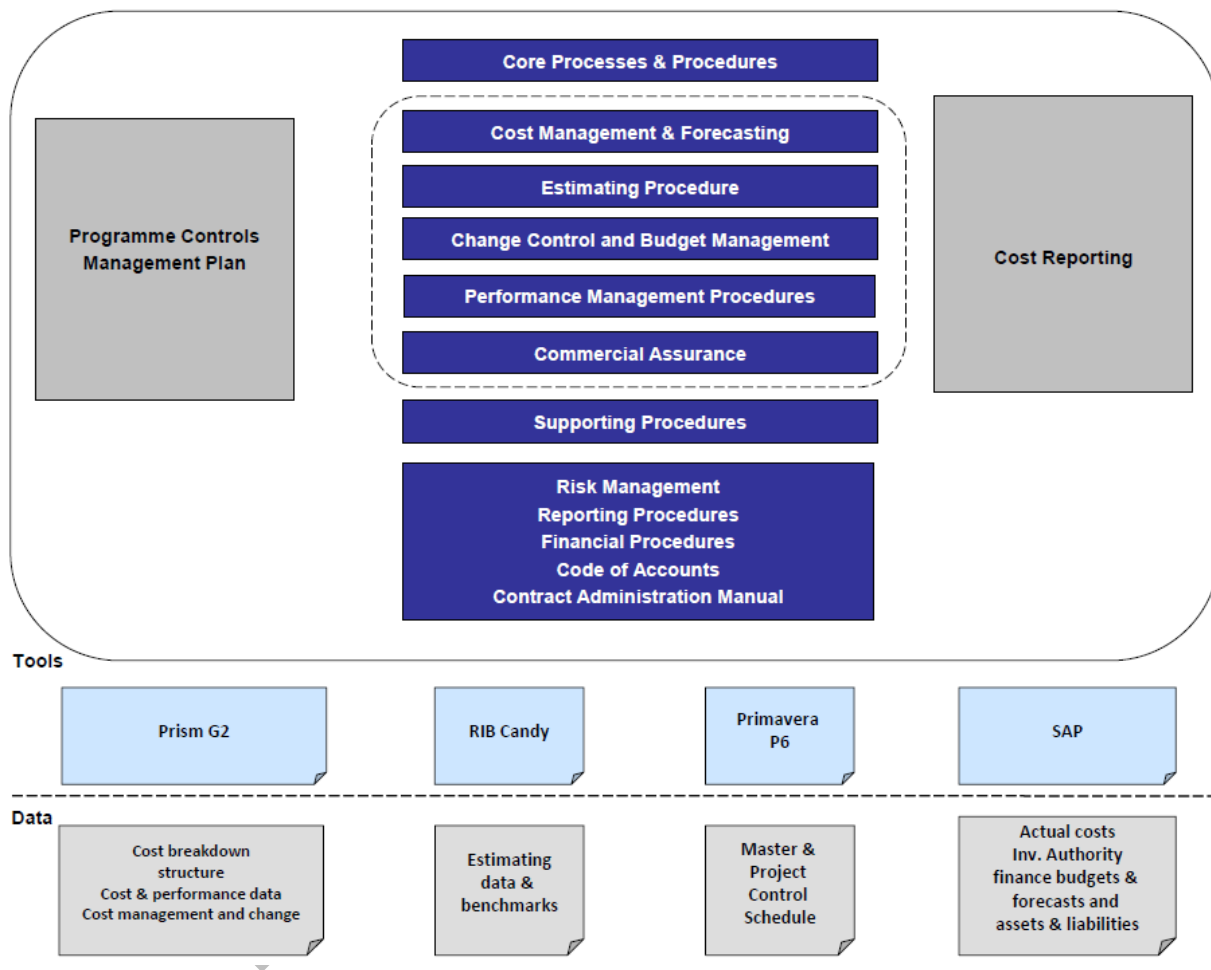
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### 2.3 Principles

This procedure fits within the framework of the Controls Management Plan [Ref 3], which details the inter-relationship with other controls functions which includes organisational accountabilities.

The following Cost Management Framework provides a simple outline as to how the core principles support and interrelate with each other in the delivery of effective cost management:

Figure 2.2.1: Core Processes



### 3 Definitions

The following document sets out common definitions for Crossrail including those for Controls:

- Controls Reporting Glossary of Terms [Ref 2].

### 4 Roles & Responsibilities

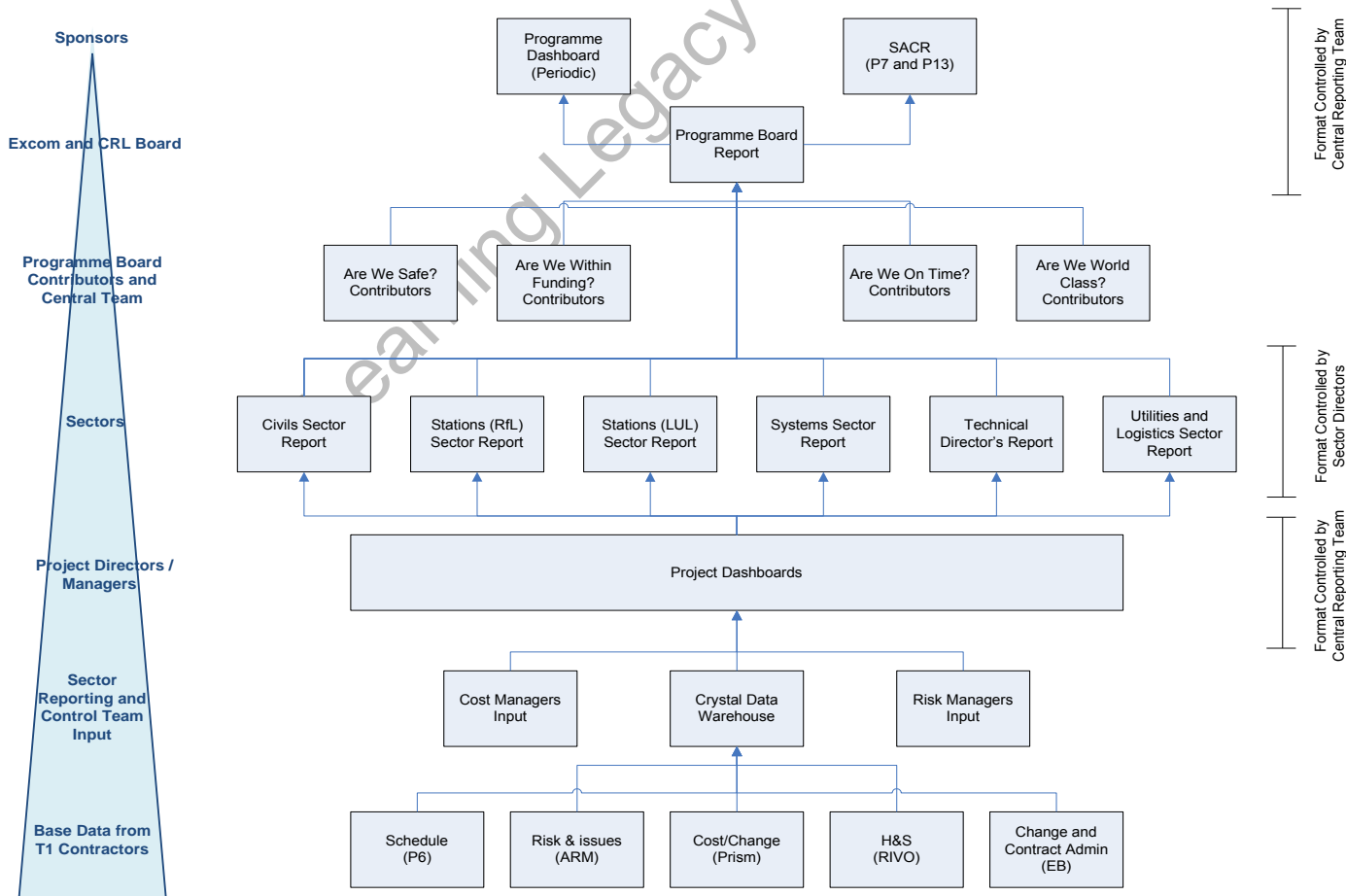
This section of the procedure summarises the responsibility for the activities carried out to enable cost management and reporting of the Programme.

#### 4.1 Hierarchy of Cost Management

Reporting and management of cost and commercial information associated with the entire Crossrail Programme is the responsibility of Controls.

To enable this to be effectively achieved Controls require cost management information to be provided from Industry Partners, Delivery and CRL Direct Costs in a controlled hierarchical manner as shown below and in accordance with the Master Data Model.

Figure 4.1.1: Programme reporting structure (\* Requirement for the Flash Report is under review)





## **4.2 Functional Responsibilities**

### **4.2.1 Controls - Cost Team**

The Controls - Cost Team is responsible for:

- Ensuring the cost management function is governed by controlled processes and procedures and tools;
- Implementation of the processes and procedures is consistent and procedures are developed to reflect current requirements;
- Programme level (summary) Productivity and Performance data production and analysis;
- Integrating Programme level data and producing the Programme level cost reporting;
- Functional leadership, guidance and representation within the wider programme organisation;
- Providing support to the financial management and accounting procedures;
- Providing Programme-level aspects of budget management, forecasting, reporting, managing and controlling of all the costs arising from the planning, design, procurement, construction and commissioning process;
- Managing the Programme costs including the performance by all industry partners (IPs), to manage the AFC and the AFCDC in accordance with best value, as required by the Programme Development Agreement (PDA);
- Consultation to Investment Authority submissions.

### **4.2.2 Sector Team**

The Sector Cost Engineer is responsible for:

- Day to day guidance to the project teams;
- Ensuring that the projects cost data is accurate and reflective of the current commercial and cost position on the projects;
- Ensuring that the budget, forecast, actual costs, planned values are all accurately reflected in the cost system;
- Integration of project data;
- Produce the Sector Cost and Performance Reports;
- Highlighting and challenge of areas of cost under-performance/concern;
- Co-ordination and provision of requisite staffing requirements for cost function;
- Managing the Investment Authority Process to ensure contracts do not exceed current IA (as set out in the Change Control and Budget Management procedure); and
- Producing and regulating the Sector Contingency budget and Sector Risk forecast.

### **4.2.3 Delivery Team**

The Cost Engineer is responsible for:

- Maintenance of the Current Control Budget (CCB) through the administration of change management, awarded contracts and scope transfer;
- Managing the contract and project AFC through diligent trend management;
- Timephasing of the Current Control Budget and Anticipated Final Cost (AFC) through co-ordination with Planning and P6;
- Integration of the contractors data into the programme cost system including Actual Cost of Work Performed (ACWP), accruals and progress data, target cost;
- Regular reviews of contractor's progress data from the Quantity Unit Rate Report (QURR);
- Investment Authority (IA) submissions;
- Providing timely and accurate information on cost, based on robust Cost Management and control, including the management of any contingency provisions;
- Providing regular co-ordinated forecasts and periodic re-forecasts of cost; and
- Providing periodic update reports for Cost Management reviews, providing analysis of expenditure to date and the latest cost forecasts.

### **4.2.4 Financial Controls Team**

The Financial Controls Team are responsible for:

- Receiving cost outputs from the cost system and updating SAP;
- Maintaining Investment Authorities in SAP, changes to IA recorded and approved in the cost system (PRISM);
- Reconciliation of CCB, AFC and IA between cost systems and SAP;
- Providing regular reports from SAP to the Cost Engineers of actual paid amounts, Purchase Orders, Investment Authority and Availability;
- Processing receipts and payments;
- Managing bank accounts;
- Financial reporting;
- The audit and validation of reported costs;
- Financial analysis and business planning, including the maintenance of the Investment Model;
- Financial modelling and investment appraisal;
- Management of indirect costs below directorate level and ownership of directorate level indirect costs in PRISM and subsequent programme reports;

## **5 Tools and Systems**

In order to achieve accurate and integrated Programme Cost Management the following system toolsets will be utilised:

- PRISM G<sup>2</sup>: Cost and Performance Data Management including trending and change management;
- Primavera P6: Schedule Management;
- RIB & Candy: Estimating Data Management;
- SAP: Financial Management;
- eB: Contract Administration Process and collaboration (documents and workflow);
- ARM: Risk data management;
- It is intended that all reports provide output that can be seamlessly uploaded into the Programme Control Data set (in the Enterprise Data Warehouse (EDW) or Cube) via electronic data transfer; and
- All cost management and commercial data will be prepared in accordance with the Master Data Model [Ref 1].

### **5.1.1 Cost System**

PRISM G<sup>2</sup> is the programme cost system which provides significant user benefits, such as:

- A single data source for all programme costs;
- Increased visibility of programme costs;
- Intuitive user friendly interface;
- Support for reducing reporting timelines;
- Enhance analytical capability;
- Improved quality of data; and
- Improved forecasting.

Key features include:

- Data import/export capabilities;
- Earned Value (EV) Performance Measurement;
- Powerful report writing;
- Data integration; and
- Cost change data input and management.

The Cost Management intranet page provides user guidance notes, Quick Reference Guides (QRGs), training and support information for the PRISM G<sup>2</sup> cost system. Appendix 2 contains the definition of “activity groups” used in both PRISM G<sup>2</sup> and SAP, which define the activity group codes to ensure a consistent Work Breakdown Structure is used across the programme. Programme Controls Guidance Note 4: Control Accounts provides further details on the conventions used in PRISM G<sup>2</sup> for management of cost at control account level

## **6 Budget Control (interface with Change Control & Budget Management)**

See Appendix 1 for a graphical representation of CCB and its relationship with change management, IA and AFC.

### **6.1 Original Baseline Budget**

The Original Baseline Budget (OBB) and any changes thereto, will be approved and advised by the Sponsor Board and/or CRL Board and Executive.

Approval of this OBB does not authorise expenditure. Authorisation for expenditure is in accordance with the Investment Authority Procedure.

The Original Baseline Budget (OBB) is presently assessed as at Review Point 4.2 (RP4.2).

In exceptional circumstances the OBB will be reviewed and re-baselined to account for changes to the Scope Book/programme baseline.

### **6.2 Current Control Budget**

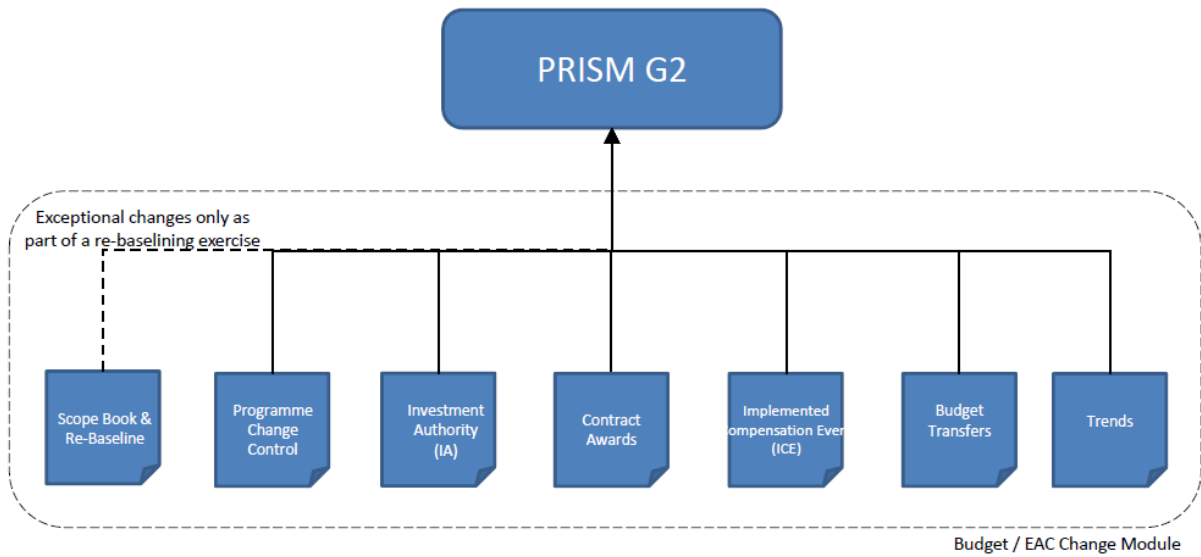
The Original Baseline Budget is subject to change control for approved change: procured contract awards, compensation events, budget transfers etc. to form the Current Control Budget (CCB).

Prior to Contract Award the CCB for a contract is the Original Baseline Budget plus approved changes (scope transfers and/or formal re-estimate). Post award the contract CCB is reset to the tendered total of the prices (also known as the negotiated price or for NEC3 Option C contracts, the target price). At award, Investment Authority (IA) is approved in most cases to cover the CCB for contractor's (target) total of the prices and permitted allowances (for scope and escalation if required by the contract) and delivery contingency. (Refer to the Change Control and Budget Management procedure for further information).

The CCB is held within the Cost System and the Cost Engineer is responsible for the ongoing maintenance and updating of it.

The CCB is updated on a periodic basis. The Cost System is the tool used to co-ordinate all changes.

Figure 6.2.1: Inputs to PRISM G2



### 6.2.1 Administering Change

Each approved change to an awarded contract is broken down to the requested activity level in the contract's WBS.

For un-awarded contracts changes are assigned at the contract level and time-phased accordingly.

Refer to the Change Control and Budget Management Procedure for key cost change impacts.

## 7 AFC (interface with Change Control & Budget Management)

Anticipated Final Cost is defined as follows:

Anticipated Final Cost (AFC) = Actual Cost Work Performed (ACWP) + Estimate to Complete (ETC)

@ award, ACWP = £0 → AFC = ETC.

### Contract level

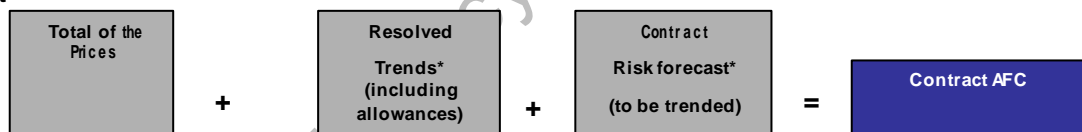
- Prior to contract award, the sum of the estimated cost of the works (scope) together with resolved trends (for scope in/out, change in prices/re-estimates etc.).

#### Pre Contract



- Scope moves between contracts is subject to budget transfer (CCB) and corresponding trends (AFC).

#### Post Contract



\* AFC for Contractor Owned Risk is included in the total of the prices; additional CRL QRA (@ P50) for contractor's risks included in QRA model for the contract but held in PRISM at project level (see Risk Procedure)

- Post Award, the (AFC for) sum of the Total of the Prices plus resolved trends\* plus the Contract Risk forecast;
- The AFC for any Allowances at Award are included within the CRL view of the contract;
- Instructed changes to be trended (AFC); and
- No deduction should be made for potential pain/gain calculations, see Estimated Contract Cost (ECC) calculation later in this section.

An allowance is made for Contractor's risk within the Total of the Prices and the sufficiency of this is reviewed in the project QRA reviews. The result of the QRA reviews at P50 value is trended by the Cost Engineer and/or Risk Manager for input into PRISM G<sup>2</sup> as part of the AFC assessment.

\* The trend process is the controlling mechanism for regulating AFC; this is contained within the Change Control and Budget Management Procedure (refer Section 12).

### Project level

Project level AFCs are the summation of the contract level AFCs together with a forecast of project risk at P50 probability level (this includes an assessment of un-resolved trends modelled for probability in the QRA).

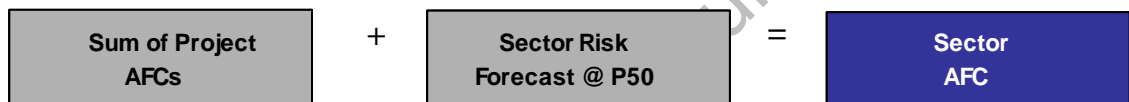
Details of the risks included in this AFC are contained in the Change Control and Budget Management procedure.

### Project Level



### Sector Level

- Sector level AFCs are the summation of the project level AFC's for a given sector; together with the sector risk forecast at P50 probability level; and
- The details of how specific contracts map to projects and sectors in the data structure are contained in the Master Data Model [Ref 1].



### Programme level

- The AFCDC (Anticipated Final Crossrail Direct Cost) is the summation of the sector level AFCs together with an AFC of Indirect Costs, Land and Property Costs and Programme & Board Level risk again modelled at the P50 probability level;
- Programme level AFC is the summation of the AFCDC as above with an AFC for On Network Works, Depot, less the Network Rail Finance Charge; and
- All changes to AFC are recorded in Prism G<sup>2</sup>. The Cost Engineer is responsible for the accuracy and maintenance of these figures within the system. All approvals are in accordance with the Scheme of Authorities and the organizational structure.

#### 7.1.1 Actual Cost of Work Performed (ACWP)

- Actual Cost of Work Performed (ACWP) is used to provide a realistic assessment of the amount of costs incurred for the work undertaken.

Requirements of the ACWP assessment are as follows:

- Where possible, it will be in agreement\* with the external party (supplier);
- Where possible, it will be substantiated by:
  - Calculations to demonstrate the recorded ACWP;
  - Cost reports from external parties and supply chain;
  - Progress reports that identify the progress achieved.
- The ACWP will be collated at a WBS level agreed between the contractor and CRL.

For the majority of works contracts, in-period ACWP is established for the preceding four weeks to the end of Week-2 of the nominal (TfL) reporting period, in order to align reported cost to reported schedule progress.

\* ACWP is submitted on the contractor's dashboard in accordance with Part 14 of the Works Information

### **7.1.2 Cost of Work Done (COWD)**

COWD is the assessment of cost incurred for the programme to date at the end of the relevant nominal (TfL) reporting period i.e. the end of nominal week-4. Where ACWP is reported as at the end of Week-2 (i.e. the end of the Crossrail period), an additional forecast of cost for Weeks 3 and 4 is made, to bring the reported COWD up to the last day of the nominal (TfL) period.

### **7.1.3 Estimated Contract Cost (ECC)**

The Estimated Contract Cost (ECC) is an estimate of the final amount that CRL will be liable to pay on any particular contract. For a typical NEC3 Option C contract with a 50/50 pain/gain arrangement, the ECC takes account of the impact of the contractual pain/gain arrangement together with specific commercial issues raised as commercial adjustment trends which include:

- Insurance recoveries;
- Impact of bonds; and
- Deduction of liquidated damages

Refer to the Change Control and Budget Management procedure for a full definition of commercial adjustment trends.

### **7.1.4 Estimated At Completion (EAC)**

The EAC calculation is one that takes the ACWP and performance data to calculate an estimate at completion if the current levels of performance were to continue. There are two measures used in EAC, EAC (low) and EAC (high).

- EAC Low

$$ACWP + (PmB CCB - BCWP) / CPI$$

- EAC High

$$ACWP + ((PmB CCB - BCWP) / (CPI * SPI))$$

\*Notes\*

The EAC calculations are calculated at the contract performance line only and aggregated to project and sector totals. There are no calculations carried out at control account level.

The EAC calculation is not applied to contracts that record less than 1% actual percent complete. Instead the PmB CCB is returned and added to the aggregation at project level.

There is no calculation applied to, or aggregation of, the project P50 risk control accounts.

When aggregating the sector EAC totals the sector P50 risk control accounts are not calculated but are aggregated into the sector EAC totals.



## **8 Risk**

Risk is calculated (Quantitative Risk Assessment ((QRA) at probability P50) on awarded contracts and held at project, sector and programme level.

Risk is integrated within the AFC in accordance with the trend categories within the Change Control and Budget Management procedure [Ref 6].and the process set out in the Programme Risk Management Procedure [Ref 5].

The QRA is updated on a quarterly basis or as required. This update takes cognizance of both resolved and un-resolved trends, contractor's risk allowances and ICEs. The Cost Engineer and Sector Risk Manager are responsible for determining and inputting the agreed P50 risk values for contract and project into the cost system.

The Sector Cost Engineer is responsible for reviewing and accepting the Sector Risk Forecast into PRISM (as calculated by the Sector Risk Manager), i.e. the sector risk AFC which corresponds to Sector Contingency (CCB).

The Programme Risk team is responsible for the profiling and computation of the programme risk figure and communicating that to the programme cost team, who then import the data to the cost tool.

## **9 Schedule Integration**

A common WBS is employed between CRL Programme Planning (Primavera P6) and PRISM G<sup>2</sup>. CCB in PRISM G<sup>2</sup> is time-phased (profiled) manually in most cases\* by the Cost Engineers, to align with the Contractor's resource and cost loaded baseline schedule. The contractor's baseline schedule is updated for approved change only (ICEs).

\* CCB for contingency or simple cost profiles is sometimes input according to an automated profile; reviewed by the Cost Engineer.

Estimate to Complete (ETC) in PRISM G<sup>2</sup> is time-phased in accordance with CRL's assessment of the contract scope updated for progress as represented by the periodically submitted (and accepted) programme. CRL (Planners and Cost Engineers) utilise the work activities and sequencing on the accepted programme, the contractor's dashboard (representing the resource and cost time-phasing of the programme) and the CRL view of trend value and delivery profile.

## **10 Programme Cost Reporting & Timeline**

The periodic cost reporting timeline is included in Appendix 4.

### **10.1 Programme Management Cost Reporting**

Cost reporting will be at three primary levels:

- CRL Programme Level;
- Sector and Projects Level; and
- Contract Level.

At each agreed level the following cost information will be provided:

- Original Baseline Budget (OBB);
- Budget Transfers;
- Approved CRL Changes;
- Current Control Budget (CCB);
- Contract Award (representing tendered total of the prices/negotiated price);
- Implemented Compensation Events (ICEs);
- Current total of the prices;
- Anticipated Final Cost (AFC);
- Investment Authority (IA);
- Risk @ QRA P50; and
- ACWP
- 2-wk ACWP forecast (to inform COWD).

In addition the following Performance Measurement information will be provided:

- Budgeted Cost of Work Performed (BCWP);
- Budgeted Cost of Work Scheduled (BCWS);
- Schedule Performance Index (SPI);
- Cost Performance Index (CPI); and
- Percent complete.

Contingency will be tracked and reported at all levels (project, sector and programme). The relationship between P50 risk (AFC) and contingency (CCB) will be monitored and reported.

## **10.2 Programme Management Cost Reporting - Inputs**

The purpose of this section is to define the procedures to be followed by the Sector and Delivery Teams to allow the production of periodic Programme Cost Management reports.

The Sector and Delivery Teams:

- Prepare the periodic cost reporting in accordance with CRLs policies and procedures to ensure consistency of cost reporting practice across the programme;
- Validate any estimate/cost report provided by others for incorporation into the Sector/Project cost reports;
- Issue Cost Reports to Controls in agreed format in accordance with the reporting calendar; and
- Is responsible for the sign off of the cost report.

The Programme Cost function is responsible for the:

- Co-ordination of Cost Reports from sectors/projects;
- High level review of the (project) cost reports and highlight any major variances that may impact the AFC. If appropriate raise an internal (CRL) early warning process and/or include in trending exercise; and
- Issue of Programme Cost Reporting.

Cost reports shall be produced to the requirements set out in the Reporting Procedure.

The Cost Engineer will make available reasonable supporting information in respect of the figures and assumptions used in the cost report.

A full and complete audit trail for each cost report (including all resource analysis, sources of information, quotations or other build-ups) shall be maintained to ensure that all figures inserted in the cost report are transparent and auditable. Copies of this information shall be provided to the Sector Cost Engineer if requested.

The cost report should include, but not be limited to those cost items detailed in the preceding section (10.1).

Reports will be structured to clearly identify the status of all Programme and Delivery Contingency (as defined in the Change Control and Budget Management procedure). As a minimum the following information should be available:

- Contingency allocated for “delivery” (sector and project levels);
- Value of Implemented Compensation Events (ICEs) drawn from contingency;
- Residual Contingency – remaining contingency (CCB); and
- Residual Risk – Value (AFC) of residual risks.

Key metrics for Cost Performance should also be identified. As a minimum the following Cost Performance data will be provided:

- Budgeted Cost of Work Scheduled (BCWS);
- Budgeted Cost of Work Performed (BCWP);
- Schedule Performance Index (SPI);
- Cost Performance Index (CPI);
- Actual Cost of Work Performed (ACWP); and
- Percentage complete.

### **10.3 Programme Management Cost Reporting -Outputs**

Key outputs from the programme cost function each period are:

- Sector Directors' Report (SDR) cost and performance data table;
- Board Report (BR) cost and performance data table;
- SAP update/interface including
  - CCB;
  - AFC;
  - BCWS;
  - BCWP;
  - ACWP; and
  - 2-wk ACWP forecast (to inform COWD).

### **10.4 Further Analysis**

The programme cost function will monitor the following conditions at project, sector and programme level:

- $AFC > \text{Current Control Budget}$ ;
- $AFC > \text{Investment Authority}$ ;
- $\text{Contracts Awarded} > \text{Investment Authority}$ ;
- $SPI/CPI < 0.95$ ;
- $SPI/CPI > 1.05$ ;
- Residual contingencies (CCB) below expected levels i.e.  $< P50 \text{ risk (AFC)}$ .

## 11 Reference Documents

Ref:	Document Title	Document Number:
1.	Not used	
2.	Programme Controls Glossary of Terms	CR-XRL-Z3-MDA-CR001-50019
3.	Controls Management Plan	CR-XRL-Z9-GST-CR001-00002
4.	Programme Schedule Management Procedure	CR-XRL-Z9-GPR-CR001-00006
5.	Programme Risk Management Procedure	CR-XRL-Z9-GPR-CR001-00009
6.	Change Control and Budget Management Procedure	CR-XRL-Z9-GPD-CR001-50003
7.	Cost Management & Forecasting	CR-XRL-Z9-GPR-CR001-00011
8.	Estimating Procedure	CR-XRL-Z9-GPR-CR001-00011
9.	Reporting Procedures Handbook	CR-XRL-Z9-GPR-CR001-00012
10.	Contract Administration Manual	CRL1-XRL-W-GML-CR001-50001
11.	Scheme of Authorities	CR-XRL-Z6-GPR-CR001-00003
12.	Delegated Authority Register	CR-XRL-V2-LRG-CR001-50003
13.	Performance Measurement Procedure	CRL1-XRL-Z9-GPD-CR001_Z-50001
14.	Misc. Prog. Controls Guidance Notes	<a href="http://directorates.crossrail.co.uk/sites/programmecontrols/costmanagement/SitePages/Home.aspx">http://directorates.crossrail.co.uk/sites/programmecontrols/costmanagement/SitePages/Home.aspx</a>  If "Access is denied" please contact Head of Cost & Controls for access to Sharepoint.

## 12 Standard Forms / Templates

Ref:	Document Title	Document Number:
A.	N/A	
B.	N/A	

## Appendices

- Appendix 1: Budget, IA and AFC Structure**
- Appendix 2: Activity Group**
- Appendix 3: Quality Assurance in Cost Reporting**
- Appendix 4: Cost Reporting Timeline**

Appendix 1: Budget, IA and AFC Structure

Original Baseline Budget (OBB) [set as at RP4.2]

Estimated cost for the scope of the work with a provision for managing risk using Contingency - this is only altered with Sponsor agreement

Current Control Budget (CCB) [Pre CCSC IA and award]

Estimated cost for the scope of the work with a provision for Managing risk using contingency - the scope/delivery CCB will be changed by scope transfers and other approved changes.

IA and CCB set equal at "award"

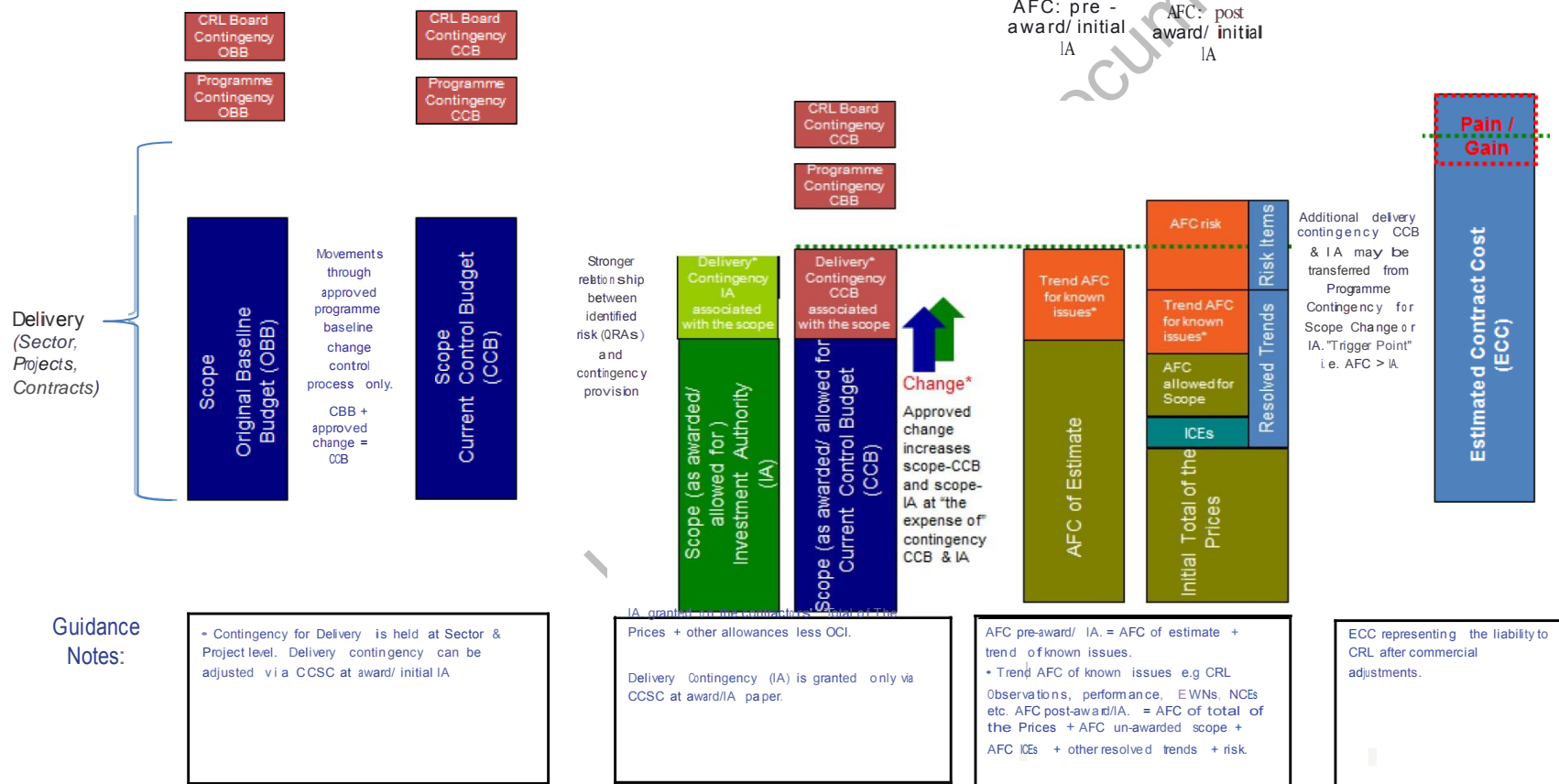
Level of investment authority granted to the PM via CCSC to make commitments to suppliers for the agreed scope.

AFC (Pre and Post IA)

The anticipated final cost is equal to the actual spend to date + an estimate to complete the defined scope. AFC is inclusive of Total of the Prices/Estimate resolved trends and risks

Estimated Contract Cost "ECC"

As per the AFC but with an adjustment made for the NEC3 (or other) commercial agreements (i.e. pain/gain, disallowed cost provisions etc). The expected liability to CRL.

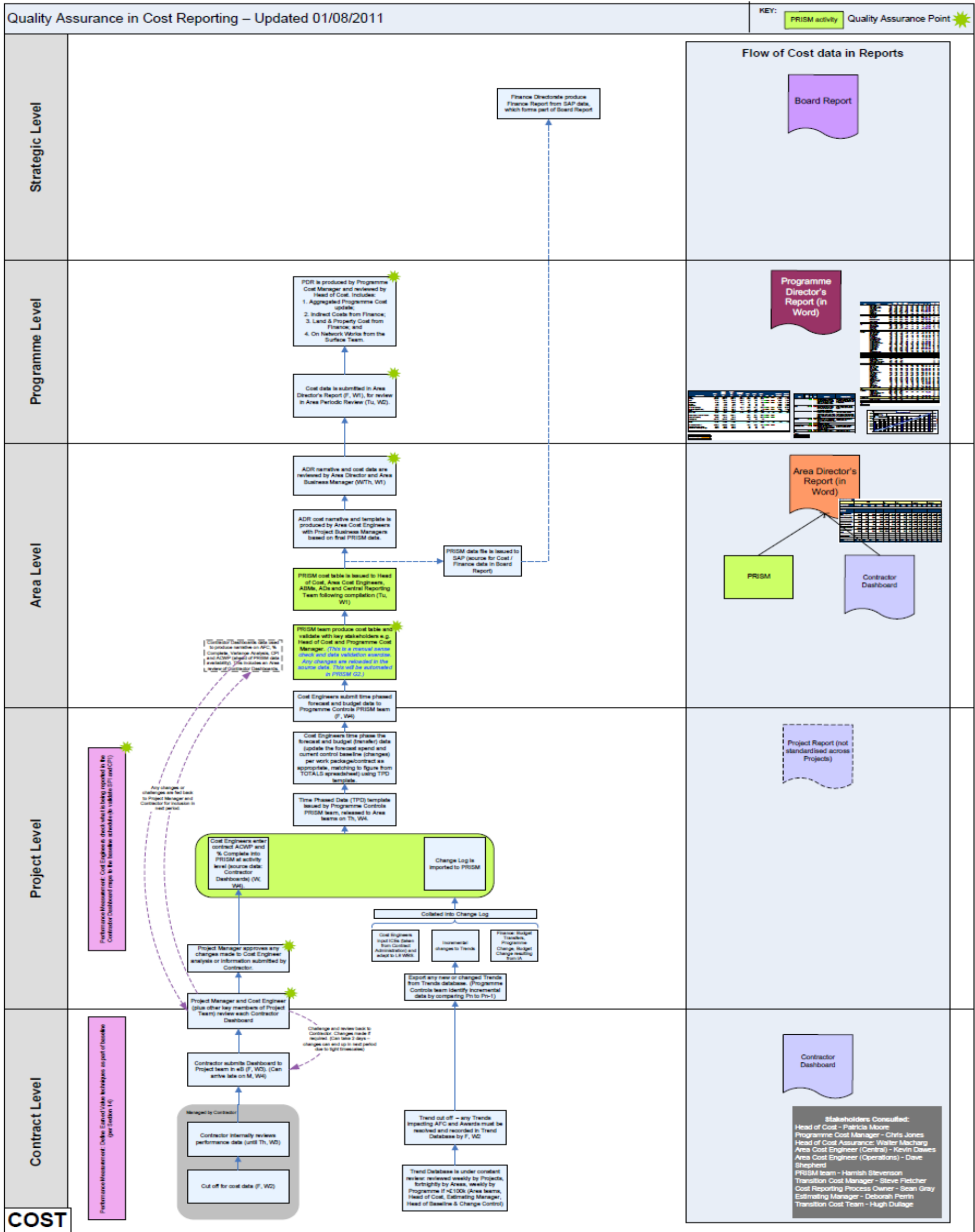


Appendix 2: Activity Group

Activity Group Code (G2)	Activity Group Name	Comments
000 - 690	Measured Works Accounts (Targets)	
AA0	Measured Works Accounts (Targets) - Utilities	
710 - 719	Insurances	
730 - 739	Over-site & Development	
740 - 749	Engineering Support to Construction	
750 - 759	Settlement Mitigation	
770 - 779	FDC Supplementary Agreement	
780 - 789	Environmental	
790 - 799	OSD Option E	
800	P50 Risk	
810	Contractor Owned Risk (Incl. in Target)	
830	Delivery Contingency	
850	Contractor Owned Fee	
860	Allowances/IA Approved Scope	
870	Contractor's Incentive	Use has been discontinued post design contracts. Not to be used for "pain/gain".
880 - 889	Un-Awarded Scope	
890 - 899	Non-defined Costs	

Appendix 3: Quality Assurance in Cost Reporting

\*Note\* Where the below table refers to "area" read "sector"





Appendix 4: Cost Reporting Timeline

