

The threshold limits for each of the color-coded thresholds are noted in the following table.



<b>Variance Analysis Thresholds for Control Accounts</b>		
<b>Green Thresholds – Cost and Schedule Performance falling outside of yellow or red thresholds</b>		
<b>Yellow Thresholds</b>		
<b>Cost Variance Schedule Variance</b>	<b>Type</b>	<b>Threshold limit</b>
<b>Dollars</b>	Current Period	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq \$50K$
	Cumulative	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq \$100K$
<b>Hours</b>	Current Period	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq 350$ hrs
	Cumulative	$\geq \pm 5\%$ to $< \pm 10\%$ and $\geq 700$ hrs
<b>Red Thresholds</b>		
<b>Cost Variance Schedule Variance</b>	<b>Type</b>	<b>Threshold limit</b>
<b>Dollars</b>	Current Period	$\geq \pm 10\%$ and $\geq \$100K$
	Cumulative	$\geq \pm 10\%$ and $\geq \$200K$
<b>Hours</b>	Current Period	$\geq \pm 10\%$ and $\geq 700$ hrs
	Cumulative	$\geq \pm 10\%$ and $\geq 1400$ hrs

Note: This applies to SV% (Schedule Variance in %) or CV% (Cost Variance in %) and the SV or CV in \$ or hours.

The thresholds in the table above are the default project variance analysis reporting thresholds to be applied to all projects with the following exception. The customer, FRA management or the project may determine that based on a specific project requirements, risk level and budget value these thresholds need to be modified to more effectively manage the project. Any proposed change to the thresholds shall be presented to the Project Management Group (PMG) for concurrence. If the PMG concurs with the revised thresholds the project’s Project Management Plan (PMP) will be revised to include the project specific thresholds.

A narrative summary of the analysis of those variances that fall within the red thresholds is included in the monthly report.

**4.4 Customer Variance Analysis Report and Thresholds**

The customer variance analysis reporting thresholds are generally applied to a level higher than the control account (i.e., level 2 or 3 of the WBS); the level is agreed on by the customer and the project. A color-coded variance threshold report at the agreed upon level will be produced by Project Controls for each reporting period and included in the monthly report (see example in Appendix G).

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