UNDERTAKING JT2.13

Undertaking

TO ADVISE ON A BEST-EFFORTS BASIS WHAT ARE THE CPI AND SPI VALUES FOR THE P&M PROJECT AT YEAR END EVERY YEAR, FROM 2018 TO 2020.

Response

The Schedule Performance Index ("SPI") and Cost Performance Index ("CPI") values at year-end from 2018 to 2020 of Tier 1 projects (Ex. D2-1-3 Table 1a to Table 1d) are listed in Attachment 1. OPG has also included the SPI and CPI values as of March 2021 as this would be the most representative of the current project status.

SPI and CPI are metrics used by project managers to track progress against baseline schedules and cash flows excluding contingency amounts, and are expected to fluctuate throughout the project's life cycle. Tracking SPI and CPI at specific points in time provides snapshots of project status (e.g. year-end values provided in Attachment 1), but not a complete or comprehensive view of project performance. Baseline schedules and cash flows can be impacted by a number of factors at a given point during a project's life cycle and these need to be taken into consideration when using SPI and CPI. An assessment is required to determine if a point-in-time variance is temporary with no impact to the overall project (e.g. early delivery of materials), or permanent (e.g. discovery work that can be managed within approved contingencies). Ultimately, a project's performance should be assessed by comparing the final outcome against the approved plan inclusive of contingency amounts, and with consideration of the drivers for any variances.