

EVMS Center Business Practice 0

Effective Date: 28 February 2020
Subject: Earned Value Management Systems (EVMS)
Process Definitions, Applicability, Roles & Responsibilities
Process: EVMS Center Mission
Output: EVMS Business Processes 1 – 8
DAI Code(s): D5460 Execute Surveillance
Point(s) of Contact: Policy Lead, Danielle Bemis
Policy Lead, Dean Nifakos

References: OMB Circular A-11, Supplement to Part 7; Capital Programming Guide; DoDI 5000.02; Department of Defense Instruction; Operation of Defense Acquisition System; FAR 42.302: Evaluation of Contract Administration Functions; FAR 34.2: Major System Acquisition, Earned Value Management System; FAR 52.234-2: Notice of Earned Value Management System-Pre-award Integrated Baseline Review; FAR 52.234-3: Notice of Earned Value Management System-Post-award Integrated Baseline Review; FAR 52.234-4: Earned Value Management System; DFARS 242.302 (S-71): Contract Administration Functions; DFARS 234.201: Earned Value Management System Policy; DFARS 252.234-7001: Notice of Earned Value Management System; DFARS 252.234-7002: Earned Value Management System; DFARS 252.242-7005: Contractor Business System; EIA-748 (current version) Standard for Earned Value Management Systems; NASA FAR Supplement Subpart 1834.2: NASA FAR Supplement Major System Acquisition EVMS Policy; NASA FAR 1852.234-1: Notice of Earned Value Management System; NASA FAR 1852.234-2: Earned Value Management System; DCMA Instruction 501-01 – Policy Issuance Procedures; DoD EVM System Interpretation Guide (EVMSIG); Contractor Business Systems 2301-01; Surveillance - Assess Risk 2303-01; Surveillance - Plan Events 2303-02; Surveillance - Execute with Standard Techniques 2303-03; Surveillance - Document Results, Corrective Actions & Provide Feedback- 2303-04; DCMA EVMS Business Practices

Purpose: Provides overarching guidance regarding how the Earned Value Management Systems (EVMS) Center defines and executes the EVMS assessment mission in support of the DoD acquisition process.

Roles and Responsibilities:

1. Director, EVMS Center. Functions as the primary POC for execution of all EVMS efforts. Provides final adjudication and review of all products from these efforts. As applicable, coordinates with all EVMS stakeholders, i.e. DCMA Special Programs, Supervisor of Ship Building (SUPSHIP), Department of Energy (DOE), Department of Navy (DON) etc.
2. Group Lead, EVMS Center. Leads team of EVMS specialists to execute DCMA's EVMS compliance assessment mission. Provides oversight of the team's effort and supports communications with the DCMA Contract Management Office (CMO), the cognizant Contracting Office, (CO), the

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Program Management Office (PMO) and the contractor.

3. Team Lead, EVMS Center. Leads and coordinates with team member(s) to execute EVMS mission.
4. Team Member, EVMS Center. Works with team member(s) and Team Lead to execute EVMS mission.

EVMS Organization

Aligned under the DCMA Portfolio Management & Business Integration Directorate (PM&BI), the EVMS Center is organized functionally into six Groups along with our Headquarters staff. The six Groups align with the Cost & Pricing Center Corporate structure. The six Groups are detailed below. Additional contractors not listed below are assigned to a Group either through their alignment with the Cost & Pricing Center or by geographic location.

Lockheed Martin Group: located in Orlando, FL
General Dynamics Group: located in Boston, MA
Boeing Group: located in Twin Cities, MN
BAE Group: located in Dallas, TX
Raytheon Group: located in Tucson, AZ
Northrop Grumman Group: located in Carson, CA

Mission: The EVMS Center contributes to the DOD acquisition process through actionable assessments of contractor effectiveness at supplier facilities, which provides stakeholders with expectations of future performance and potential impacts on individual contractors and/or programs.

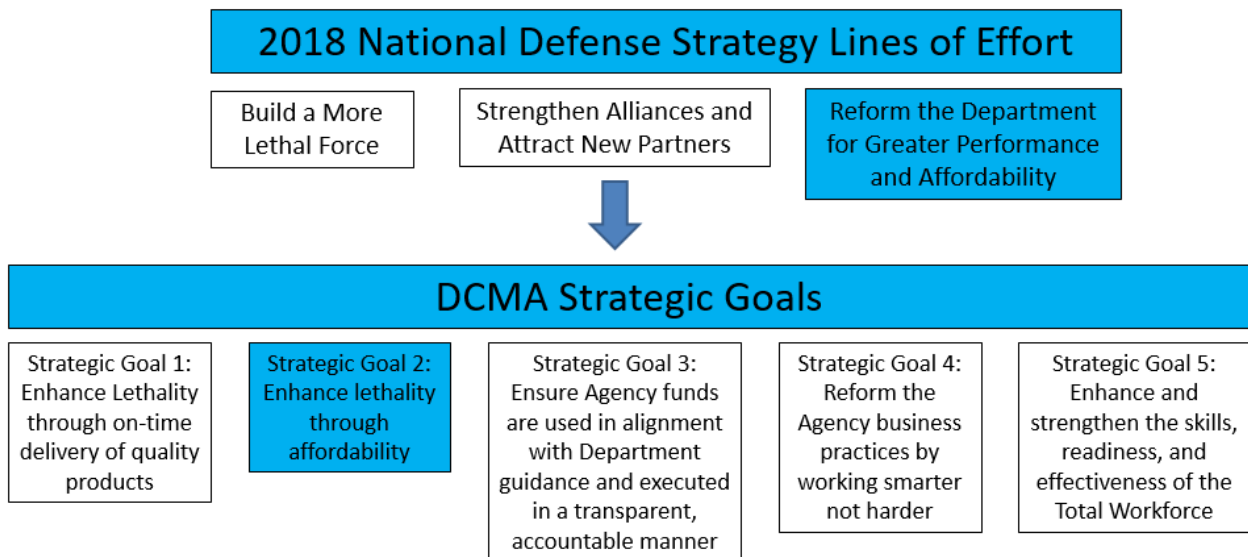


Figure 1. DCMA Strategic Goals alignment to DoD National Strategy

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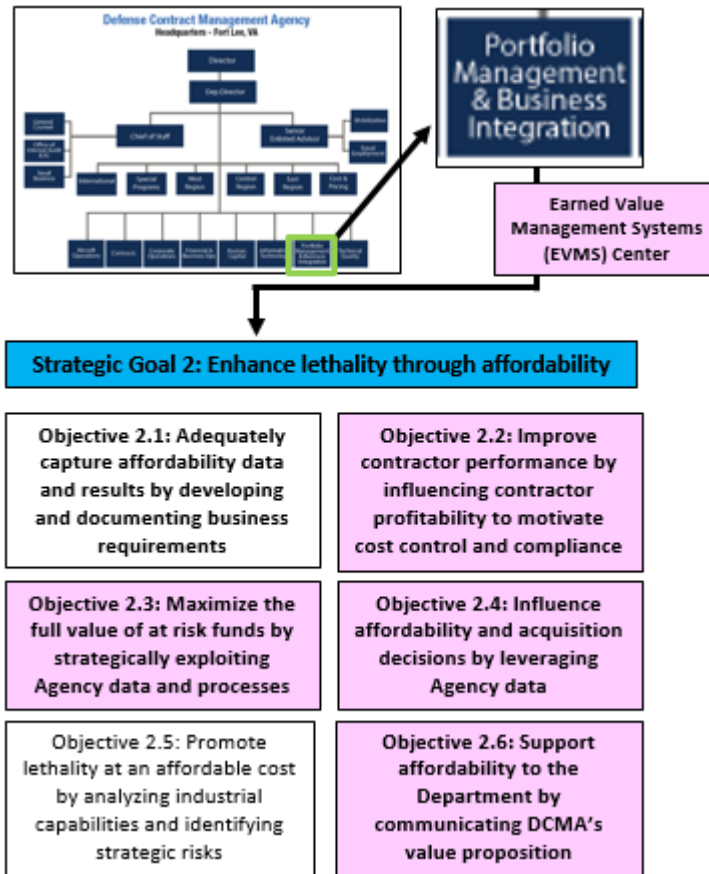


Figure 2. PM&BI, EVMS Center mission alignment to DCMA Strategic Goals

EVMS Responsibilities

The DCMA EVMS Center is the primary DoD designate tasked to accomplish the Defense Federal Acquisition Regulation Supplement (DFARS) EVMS mission. DCMA's EVMS compliance assessments responsibility is defined in DFARS 234.201 "The Defense Contract Management Agency is responsible for determining earned value management system compliance when DoD is the Cognizant Federal Agency" (CFA) and DFARS 242.302 (S-71) "DCMA has responsibility for reviewing earned value management system (EVMS) plans and for verifying initial and continuing contractor compliance with DoD EVMS criteria. The contracting officer shall not retain this function." As such, DCMA is tasked to provide system compliance assessments for contractors who have not been previously determined Approved by the cognizant CO (initial compliance), and for contractors who have already been determined Approved by the cognizant CO (continuing compliance). The EVMS Center is responsible for assessing compliance for all contracts containing DFARS clause 252.242-7002, to include CONUS, OCONUS, and Special Program applicable contracts.

EVMS Applicability

DFARS 234.201 prescribes "For cost or incentive contracts and subcontracts valued at \$20,000,000 or more, the earned value management system shall comply with the guidelines in

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the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (ANSI EIA 748)”. For these applicable contracts, DCMA does not routinely conduct compliance assessments.

However, in accordance with Class Deviation 2015-00017, “the Government reserves the right to review the EVMS if the EVM reporting data appears suspect, e.g. when a contracting officer, program office, buying command, or higher headquarters asks for DCMA assistance due to a concern about the quality of EVM data reported on a given contract, or when the EVM data is not in compliance with one or more of the 32 EIA 748 guidelines.”

Class Deviation 2015-0007, Earned Value Management System Threshold, prescribes all cost or incentive applicable contracts and subcontracts \$100,000,000 million or more must be in compliance with the EIA 748 guidelines and have an EVMS determined acceptable by the cognizant Administrative Contracting Office (ACO). For these applicable contracts, DCMA will conduct both initial and continuing compliance assessments.

As DFARS 234.201 prescribes EVMS compliance to “cost or incentive contracts and subcontracts”, DCMA will conduct compliance assessments for subcontractors, as well as for prime contractors. When the prime contract &/or subcontract is \$100,000,000 or more, DCMA is responsible for both initial and continuing compliance assessments.

Business Practices

The EVMS Center further defines execution of our EVMS DFARS mission via eight Business Practices (BP). All EVMS Center Business Practices require an annual re-assessment to ensure continued compliance with regulatory requirements, DCMA policy &/or DoD guidance issuances. Potential input, updates, edits, etc. to the existing BPs may be considered during the annual re-assessment activity. Submissions for BP update consideration should be sent to dcma.lee.hq.mbx.dcma-pix-evms-center@mail.mil.

Business Practice 1: Pre-Award EVM System Plan Review

Business Practice 2: System Description Review

Business Practice 3: Program Support

Business Practice 4: EVMS Surveillance

Business Practice 5: Review for Cause

Business Practice 6: Compliance Review Process

Business Practice 7: Metric Configuration Control¹

Business Practice 8: EVMS Career Development Program²

¹ Business Practices 7 is for internal use

² Business Practices 8 is for internal use

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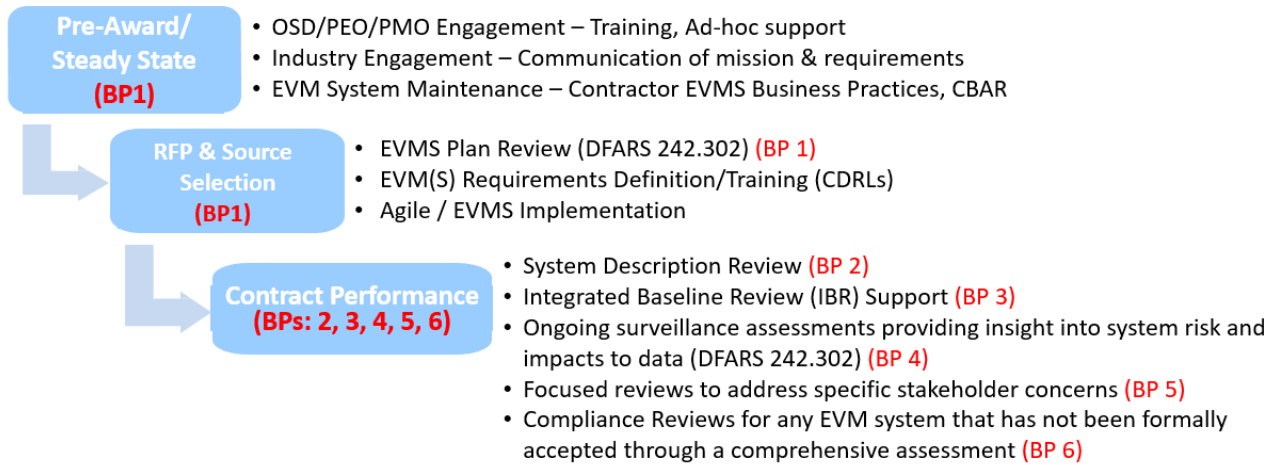


Figure 4. BP alignment to Contract Life Cycle

In addition, all the EVMS Center BPs directly align to PM&BI processes.

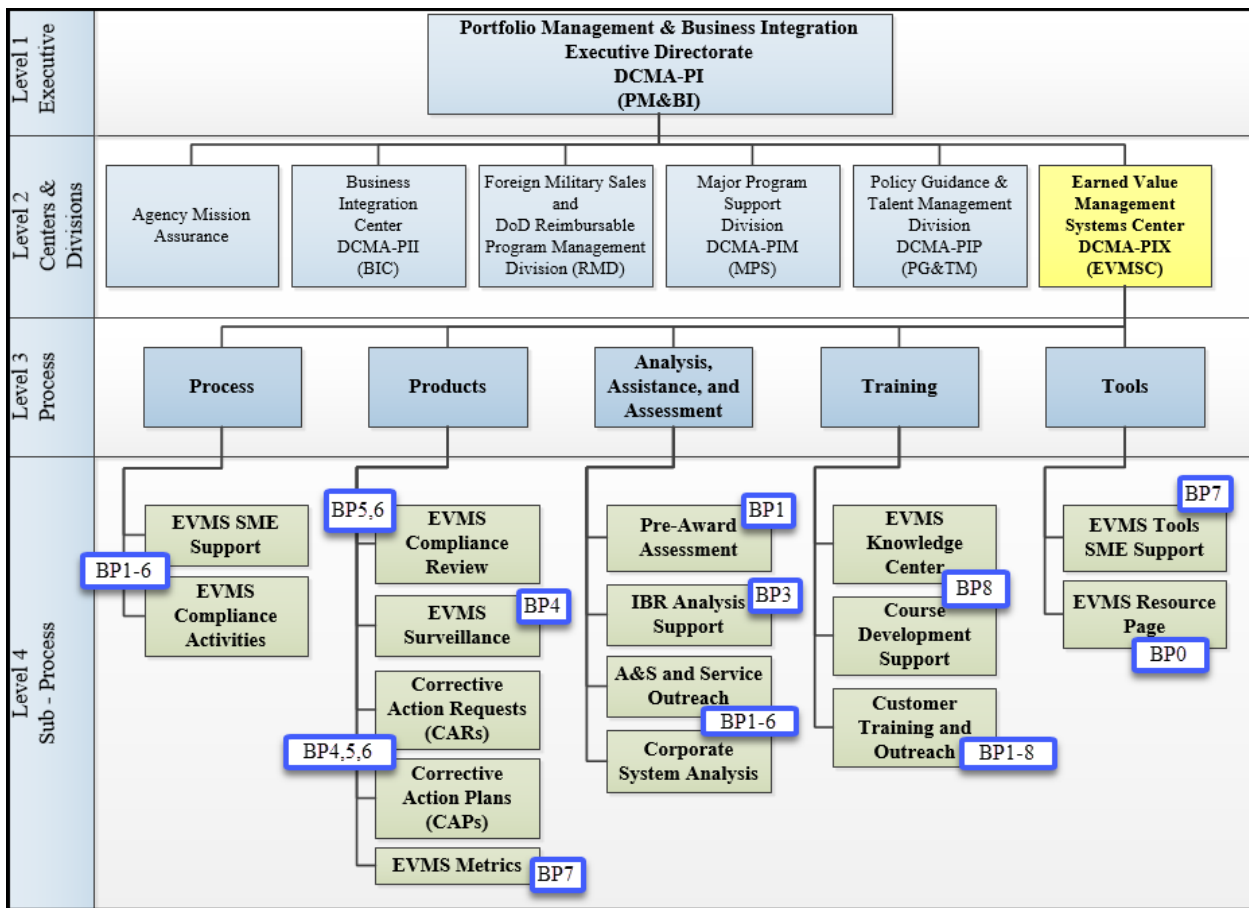


Figure 5. BP alignment to PM&BI processes

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Products & Services

PM&BI PRODUCTS (OUTPUTS/ DELIVERABLES)	PRODUCT TYPE	FREQUENCY	VALUE PROPOSITION	CUSTOMER(S)
Pre-Award EVM System Plan Review – BP1	Letter assessment of compliance	On Demand	Provides the contracting officer with key insights and potential risks associated with the offeror being able to satisfactorily plan, manage, and report its progress for cost, schedule, and performance to deliver the contracted product. Supports the Contractor Business System capability.	Contracting Officer, Program Management Offices (PMOs)
System Description Review – BP2	Letter assessment of compliance	On Demand	Provides the contracting officer with key insights and risk assessments in order for the contracting office to make an informed Business System assessment of compliance. Supports the Contractor Business System capability.	Contracting Officer, Contractors

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<p>Program Support – BP3</p>	<p>Report</p>	<p>On Demand</p>	<p>Provides the PMO early insight by assessing the initial program management baseline adequacy and initial performance of the contractor EVMS. It also identifies potential discrepancies with the contractor's EVMS processes and procedures most relevant to a contract's earliest stages, such as organizing and scheduling and support the PMO's risk management process.</p>	<p>Contract Management Offices (CMOs), PMOs, Contractors, DCMA Stakeholders</p>
<p>EVMS Surveillance (Continual/Routine) – BP4</p>	<p>Report</p>	<p>Quarterly</p>	<p>Maintains confidence in the contractor's ability to provide accurate actionable data to support acquisition decision making for continuously delivering capability performance with affordability and speed.</p>	<p>CMOs, PMOs, Contractors, DCMA Stakeholders</p>

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<p>Review for Cause (Report/Intake Analysis Form) – BP5</p>	<p>Report</p>	<p>On Demand</p>	<p>Provides the stakeholder that initiated the review for cause results and findings based on the EVM concerns raised. Documents a detailed corrective action plan that provides the contractor a roadmap to gain an acceptable compliance rating that facilitates reporting accurate performance data.</p>	<p>PMOs, Contracting Officer, Office of Secretary of Defense (OSD) Leadership, Service Leadership, DCMA Stakeholders, Contractors</p>
<p>EVMS Compliance Review – BP6</p>	<p>Report</p>	<p>On Demand</p>	<p>Provides the contracting officer with key insights and risk assessments in order for the contracting office to make an informed Business System assessment of compliance. Supports the Contractor Business System capability.</p>	<p>CMOs, PMOs, Contractors, DCMA Stakeholders</p>
<p>EVMS Center Business Practices</p>	<p>Issuance</p>	<p>Annually</p>	<p>Formally documents the procedures and processes used to evaluate contractor EVM systems, ensuring consistent, standardized, and transparent means to evaluate</p>	<p>Contractors</p>

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			contractor EVMS in support of the DCMA Contractor Effectiveness Capability.	
Earned Value Management System (EVMS) Metric Specifications – BP7	Metric Specification Sheets	Quarterly	Provides the EVMS Center, Industry Partners, and Government stakeholders assurances into EVMS data reliability, through the application of a consistent, managed, and continually evaluated compliance evaluation process.	PMOs, Contractors, DCMA Stakeholders
EVMS Career Development Program – BP8	Training modules	Annual updates as needed	Help standardize EVMS functionality within DCMA, build EVMS competency within DCMA, and promote EVMS excellence across the DoD Government and industry EVMS teams	DCMA EVMS Specialists

Table 1. BP value proposition tracabilty

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EVMS Applicable Definitions

Earned Value Management Systems: An integrated management system that integrates the work scope, schedule, and cost parameters of a program in a manner that provides objective performance measurement data. It measures progress objectively with earned value metrics; accumulates direct costs; allows for analysis of deviations from plans; facilitates forecasting the achievement of milestones and contract events; provides supporting data for forecasting of estimated costs; and fosters discipline in incorporating changes to the baseline in a timely manner.

EVMS Compliance: The continuing implementation, operation, and maintenance of the contractor's EVMS in accordance with the EIA 748 Standard.

Approval (CO): A formal determination by the cognizant ACO in which a contractor's EVMS meets the intent of the EIA 748 Standard.

Significant deficiency: A shortcoming in the system that materially affects the ability of officials of the Department of Defense to rely upon information produced by the system that is needed for management purposes, as defined by DFARS 252.242-7002.

Disapproval (CO): A formal determination by the cognizant ACO in which a contractor's EVMS does not meet the intent of the EIA 748 Standard.

Compliance Review: Formal compliance assessment of a contractor's EVMS processes and implementation against the EIA 748 Standard.

Review for Cause: A type of focused compliance review for continuing compliance assessment conducted on a contractor's EVMS to address an identified major EVMS deficiency.

This business practice will remain in effect until further notice.

James Winbush
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Defense Contract Management Agency

