

## EVMS Center Business Practice 2

Effective Date: February 23, 2019  
Subject: Post Award Earned Value Management (EVM) System  
Description (SD) Review – Initial and Changes  
Process Output: Consistent EVM SD review process  
DAI Code: D5460 Execute Surveillance (Process Review)  
Point of Contact: DCMA-PIXD EVMS Group Lead, Patricia Gonzalez, 214-599-3051

**References:** DFARS 252.234-7002, Earned Value Management System (DEVIATION Sep 2015), DFARS 231.203 (SUBPART 234.2 Earned Value Management System Dec 2011), DoD Earned Value Management System Interpretation Guide (EVMSIG) (February 1, 2018), Electronic Industries Alliance (EIA) 748-D, Business Practice (BP) 3 - Contract Initiation Support, BP 4 – Earned Value Management System (EVMS) Surveillance, BP 5 – Earned Value Management System (EVMS) Review for Cause (RFC), BP 6 – Compliance Review (CR) Execution, DCMA-MAN-XXX.

**Purpose:** BP 2 defines the method for DCMA’s review of a contractor’s EVM SD to determine compliance with the DoD EVMSIG and EIA748-D guidelines as prescribed in DFARS 252.234-7002. This BP addresses two execution scenarios and documentation requirements to accomplish EVM SD reviews. DCMA EVM SD reviews will be conducted on all contracts where EVMS oversight is required per DCMA-MAN-XXXX and the current EVM SD has not already been approved. A contractor’s EVM SD consists of the SD and the lower level supporting processes. The contractor is required to submit notification of any proposed substantive changes to the EVMS procedures and the impact of those changes to the Cognizant Federal Agency (CFA).

### Roles and Responsibilities:

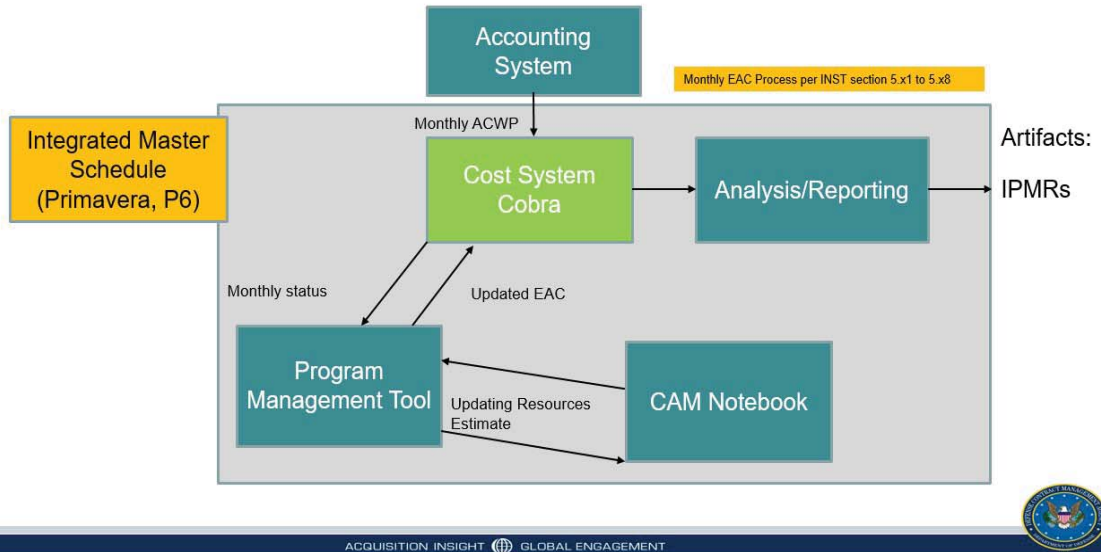
1. Director, EVMS Center (referred to as “Director” in this issuance): The Director or designee is responsible for final recommendation of acceptability for all EVM SDs to the Contracting Officer (CO).
2. Group Lead, EVMS Center (referred to as “Group Lead” in this issuance): Delegates responsibilities for SD reviews to team members and provides management oversight of the team’s efforts. Reviews team member reports to determine compliance with the DFARS 252.234-7002, EIA-748-D and DoD EVMSIG requirements. Provides the Director a recommendation of EVM SD acceptability.
3. Team Member, EVMS Center (referred to as “Team Member” in this issuance): Executes the process defined in this issuance as directed by the Group Lead.
4. Contracting Officer (referred to as “CO” in this issuance): May be a Corporate Administrative Contracting Officer, an Administrative Contracting Officer, or Divisional Administrative Contracting Officer. The CO, IAW DFARS 252.234-7002, notifies the Group Lead when a contractor submits a SD for approval. If the EVM SD applies to a contract with a value of \$100M or more, the CO advises the contractor of the acceptability of changes (generally within 30 days) after receipt of the contractor’s notice

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of proposed changes. After the EVMS Center submits its recommendation, the CO advises the contractor of the acceptability of the contractor's proposed EVM SD or SD changes.

### Process:

1. Notification of SD Review Requirement. The CO, IAW DFARS 252.234-7002, notifies the Group Lead when a contractor submits a SD for approval, either an initial SD (hereafter referred to as "Initial Review") or changes to a previously approved SD (hereafter referred to as "Change Review"). Working with the CO, the Group Lead must determine timing and scope of the evaluation.
2. Request EVM SD. When a SD is being newly implemented or there are substantive changes to a SD, the Group Lead will request the SD including all related command media and, if available, a copy of the redlined SD. The Group Lead will verify that the proposed SD has been formally coordinated by the contractor IAW their internal configuration control process.
3. Receive Documentation – The cognizant Group Lead receives the contractor's SD including all related command media to include procedures, instructions and directives that support or define the contractor's EVMS and assigns the assessment to the responsible Team Member(s) with the scope and timing of the evaluation.
4. Evaluate EVM SD – The two execution scenarios are:
  - a. Initial Review: The Team Member conducts a complete process evaluation of the contractor's EVM SD and all related procedures using the EVMS Cross Reference Checklist (CRC) (Attachment A). Completion of all CRC sections is required to assess initial compliance of the contractor's EVM SD.
    - i. During the SD evaluation period, and prior to issuing the CO Notification Letter, the Team Member should coordinate areas of concern with the contractor to clarify potential issues. Areas of concern may include omissions, errors, ambiguous language and/or non-compliances.
    - ii. To assist with the review, the Team Member may develop an EVMS storyboard depicting a visual breakdown of the company's process areas with applicable system outputs/artifacts, identification of tool sets, and interaction of systems/subsystems critical to the operation of the EVMS (Figure 1). The DCMA Team Member should leverage contractor existing command media that satisfies development of a storyboard.
    - iii. The Team Member should work with the contractor to adjudicate all areas of concern; this may be an iterative process.



**Figure 1: Example of a Notional EVMS Storyboard**

- b. Change Review: The Group Lead or designee will determine if the changes to the SD are considered substantive IAW DFARS 252.234-7002 section (e).
  - i. Changes are not considered substantive if they do not alter the scope of the EVM SD (i.e., administrative changes that pertain to clarifying language, re-ordering or re-numbering sections, or grammatical corrections). An evaluation of compliance is not necessary if the changes are considered not substantive.
  - ii. For substantive changes that impact or alter the scope of the EVM SD, an evaluation IAW the corresponding sections of the CRC is required.
  - iii. During the SD evaluation period, and prior to issuing the CO Notification Letter, the Team Member should coordinate areas of concern with the contractor to clarify potential issues. Areas of concern may include omissions, errors, ambiguous language and/or non-compliances.
  - iv. The Team Member may update previously developed EVMS storyboards that were impacted by the SD changes
  - v. The Team Member should work with the contractor to adjudicate all areas of concern; this may be an iterative process.

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5. Documentation/Notification of Results
  - a. After completion of SD evaluation, the Team Member will make a recommendation to the Group Lead to accept or reject the SD.
  - b. If the Group Lead does not concur with the recommendation, the Team Member must go back to step 4. If the Group Lead concurs, the Group Lead will forward the recommendation to the Director using the Template – CO Notification Letter (Attachment B).
  - c. If the Director concurs, the EVMS Center will assign a control number. The Group Lead will issue the CO Notification Letter. If the Director does not concur, the Group Lead must instruct Team Member to go back to step 4.
  - d. The Team Member must archive the final CRC.

This business practice will remain in effect until further notice.

### **Attachments:**

- A. BP2 EVMS Cross Reference Checklist (CRC)
- B. Template - CO Notification Letter – EVM SD

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