

## EVMS Center Business Practice 5

Effective Date: November 5, 2018  
Subject: Earned Value Management System (EVMS) Review for Cause (RFC)

Process Output: Consistent approach to RFCs  
DAI Code(s): D5460 Execute surveillance (Sys Audit-Earned Value)  
D4000 Surveillance planning  
D6000 Analyze results

Point(s) of Contact: DCMA-PIP EVMS Policy Lead, Kevin Carney, 804-416-9166

**References:** DFARS 252.234-7002, EVMS Interpretation Guide (EVMSIG) (February 1, 2018), Electronic Industries Alliance (EIA)-748-C, Business Practice (BP) 2 – System Description Review, BP 3 - Contract Initiation Support, BP 4 – EVMS Ongoing Compliance, DCMA-INST 1201 Corrective Action Process, Test Metric Specification Sheets, DCMA-MAN XXX

**Purpose:** Business Practice 5 defines a uniform process to conduct a RFC to evaluate contractor EVMS compliance to the Electronic Industries Alliance Standard 748 EVMS (EIA 748) guidelines. The DCMA review process will not remove the contractor’s responsibility to implement and maintain an approved EVMS.

### Roles and Responsibilities:

1. Director, EVMS Center (referred to as “Director” in this issuance). Final authority for all RFC actions. Responsible for review and outcomes of RFC activities. Final authority for the issuance or rescission of all RFC Corrective Action Requests (CARs).
2. Group Lead, EVMS Center (referred to as “Group Lead” in this issuance). Responsible for approval/disapproval of all plans/reports and any resulting CARs.
3. Team Lead, EVMS Center (referred to as “Team Lead” in this issuance). Reviews the technical content and coordinates all plans/reports and any resulting CARs with the Group Lead. “Coordinates with stakeholders, such as the Program Management Office (PMO) and cognizant contracting officers.”
4. Team Member, EVMS Center (referred to as “Team Member” in this issuance). Executes the activities as directed in accordance with the process defined below.

### Process:

**Overview.** The intent of the RFC is to address an identified EVMS implementation concern. Possible reasons for a RFC are Earned Value Management (EVM) reporting data quality, EVM implementation not in compliance with one or more of the EIA 748 EVMS standard guidelines, or the contractor is not executing their EVMS in accordance with their approved EVM System Description (SD). The RFC may also be the result of a declared

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Nunn-McCurdy breach where EVMS implementation requires review. Figure 1 shows an outline of the RFC process. This document provides further guidance when working through the RFC process.

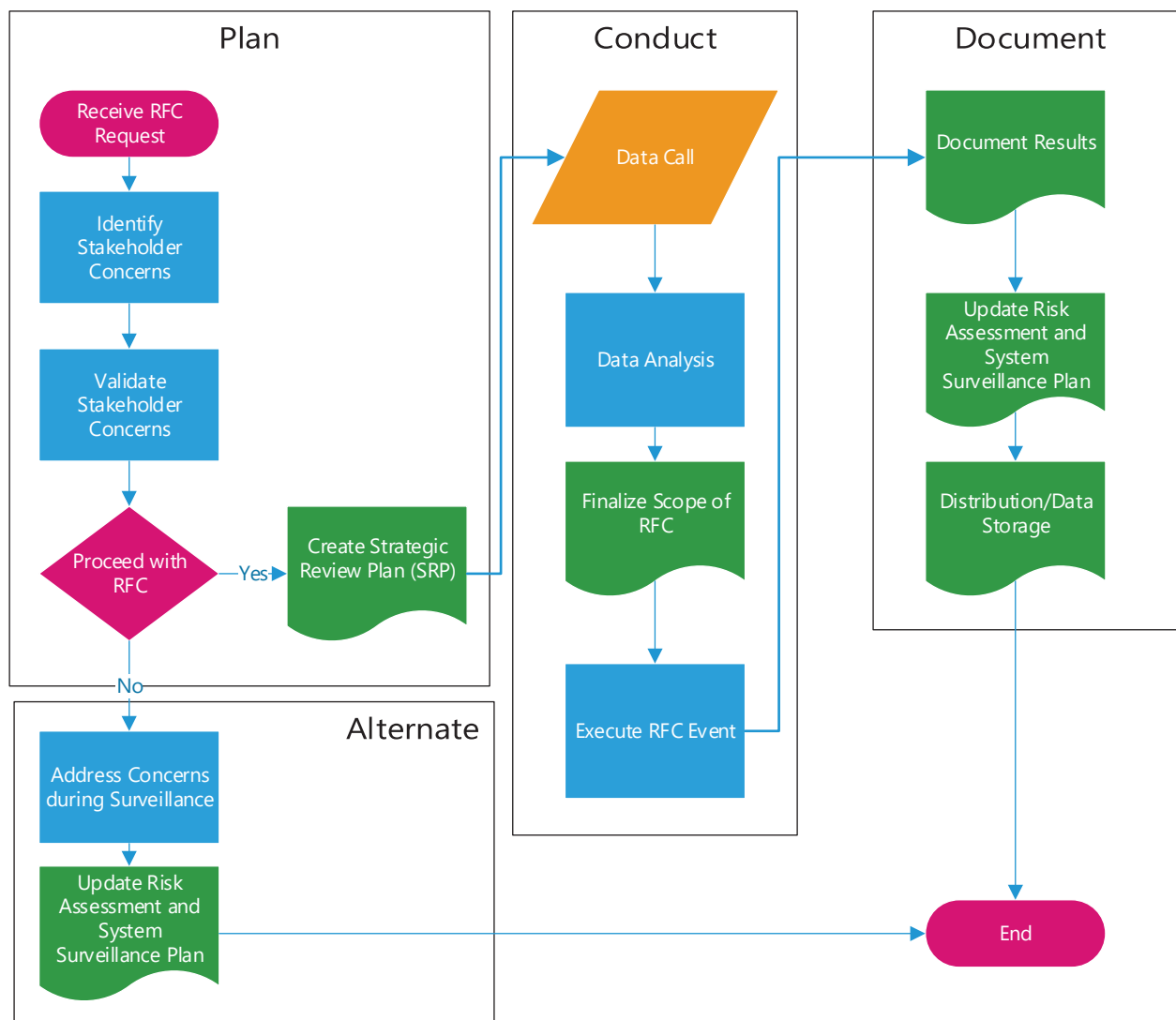


Figure 1 – RFC Process

### Plan

1. Sources for RFC Initiation – Stakeholder contacts DCMA with possible EVMS concerns regarding a program or a contractor. Initiation can be from a number of different stakeholders, including but not limited to:
  - a. Procuring Contracting Officer (PCO)
  - b. Program Management Office (PMO)
  - c. DCMA Cognizant Contracting Officer (KO)
  - d. DCMA EVMS Center (EVMSC)

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- e. DCMA CMO Program Integrator (CMO-PI)
  - f. Nunn-McCurdy Integrated Program Team (IPT)
  - g. Prime contractor (for subcontractor issues)
2. Identify Stakeholder Concerns – Coordinate with the RFC initiator to discuss the concerns and obtain a brief history of the program challenges and stakeholder interaction with the contractor.
- a. Ensure the RFC request is for contracts containing the applicable EVMS DFARS clauses or the commensurate flow-down clause from a prime contract to a subcontract.
  - b. Discuss concerns of the stakeholder and gather as much detail as possible. Ascertain the status of the program, performance issues, technical concerns, or ongoing disagreements. Additional items to consider may include period of performance, percent complete, and cost/schedule performance. Assess the interactions between the customer and the contractor.
  - c. Document in the Intake and Analysis Form, IAF (Attachment A)
3. Validate Stakeholder Concerns – The EVMSC will conduct a preliminary assessment of the concerns to determine the applicability to the contractor’s EVMS. This decision shall be communicated to all applicable stakeholders.
- a. Assessment of stakeholder concerns
    - i. Determine if any contract data requirements list (CDRLs) have been rejected and if so, identify the reasons that were provided for the rejection and verify status of the contractor response.
    - ii. Determine if the concerns identified can be associated with specific guidelines or process areas. Identify potential system-level issues and potential sources of these issues.
    - iii. Inquire about major sub-contractors and determine sub-contract value and if the EVMS clause was appropriately flowed down.
  - b. DCMA internal
    - i. Use the DCMA CAR eTool to research any recently closed or open EVM-related CARs.
    - ii. Contact CMO PI/EVM-specialist to obtain reports and discuss local concerns on the program and system.
    - iii. Verify if EVMSC has recently performed an applicable surveillance event.
    - iv. Verify number of contracts for the facility over the DFARS EVMS threshold.
    - v. Review Contractor Business Analysis Repository (CBAR) to ascertain KO entered system status.
  - c. Discussions with contractor
    - i. Meet with contractor to discuss the identified issues/concerns.
  - d. Document concern validation results in the IAF used in step 2
4. Decision to Proceed with RFC – Results documented in the IAF are presented to:
- a. DCMA EVMS Group Lead for approval.

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- b. DCMA EVMSC Director/Deputy Director to define the RFC approach.
- c. If RFC is not warranted, inform the stakeholders of this determination, and if applicable, address the concerns during surveillance. Additionally, update the existing surveillance plan and risk assessment as appropriate. No further actions required in this process. If under the \$100M threshold for surveillance, follow the standard RFC process, as applicable.
- d. If a RFC is approved, the Team Member will move forward with the following process:
  - i. Create Strategic Review Plan (SRP) – The Team Lead will document the RFC approach and scope in the SRP (Attachment B):
    1. Establish a schedule for completion of RFC.
    2. Identify the applicable guidelines and determine the metrics used to validate the contractor EVMS.
    3. Ensure stakeholders understand the intent and approach of the RFC.

### Conduct

5. Data Call – Conduct data call in accordance with (IAW) SRP.
  - a. As appropriate, leverage data from PMO, EVM Central Repository, previous data calls, etc. whenever possible.
  - b. Team Lead must communicate data requirements (including timing for submission) to the contractor.
  - c. Upon receipt of data, the Team Member will ensure that the data is received from the contractor IAW the request. The Team Member will communicate missing data elements in a timely manner.
6. Data Analysis –
  - a. Use the data to assess the compliance of the contractor’s EVMS. The data analysis should validate effective implementation of the processes and tools identified within the contractor’s SD (compliant with the EIA 748 guidelines and the EVMSIG).
  - b. Metric trips and follow-up may indicate the SD is ineffective or deficient in meeting the intent of the guidelines thereby requiring corrective actions to remediate the issue. If required, SD evaluation is detailed in BP 2.
  - c. The Team Member has the responsibility to document all RFC activities.
7. Finalize Scope of RFC – Based on results of data analysis and stakeholder concerns, finalize the RFC scope. Update the SRP as required.
8. Execute RFC – The RFC will be conducted IAW BP 6’s review execution process (**Execute – CR Onsite Activities** steps 10-14) with the following considerations:
  - a. The Entrance Brief will outline the background of stakeholder concerns and RFC focus areas.
  - b. The Team Lead will ensure the RFC briefings/meetings correlate findings with stakeholder concerns.

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- c. The Team Member will evaluate all stakeholder concerns and document data anomalies during the review.

### Report

9. Document Results –Results will be documented using RFC Report (RFCR) template (Attachment C).
  - a. The report must summarize or provide the following:
    - i. Comparison between the stakeholder concerns and RFC results RFC.
    - ii. Results from all evaluated RFC metrics and analysis.
    - iii. Summary of CARs issued or observations, if applicable.
    - iv. Summary of updates to the site risk assessment and surveillance plan.
    - v. Prior CAR/Corrective Action Plan (CAP) status for the site, if applicable.
  - b. The Group Lead must review and approve completed RFC report within 10 business days of completion of the RFC event.
  - c. Group Lead will ensure the documentation of any deficiencies in accordance with DCMA-INST 1201 Corrective Action Process and DCMA-MAN xxx EVMS TBD for escalation to the Director for concurrence and processing.
10. Update Risk Assessment and Surveillance Plan – Update the site and/or contract risk assessment(s) and surveillance plan IAW BP 4 to address RFC closeout actions.
11. Data Storage / Distribution – The Team Member will post approved plans/reports to the Integrated Workflow Management System (IWMS). Additionally, event tracking and completion will be noted in the DCMA 360 Earned Value (EV) System Surveillance Tracker. Contractor sensitive, proprietary, or NOFORN (no foreign nationals) data will be marked and protected accordingly.

The Group Lead is responsible for maintaining the DCMA 360 EV System Surveillance Tracker and IWMS databases with complete and accurate data.

After approval, distribute plans/reports to the appropriate DCMA CMO point(s) of contact, Government PMOs, and contractor by the Team Lead. Distribution of documents to other requesting individuals or organizations will require approval from the Director or delegate to ensure removal of proprietary data. Use caution when distributing documents outside of DCMA to prevent disclosure of program sensitive or contractor proprietary information.

This business practice will remain in effect until further notice.

### Attachments:

- A. Intake and Analysis Form (IAF)

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- B. Strategic Review Plan (SRP)
- C. Review for Cause Report (RFCR)

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