



DEPARTMENT OF DEFENSE
Defense Contract Management Agency

INSTRUCTION

Earned Value Management System (EVMS) Standard Surveillance

Portfolio Management & Business Integration Directorate
OPR: DCMA-PIP

DCMA-INST 210
February 2012

Incorporates Change 1, November 8, 2016

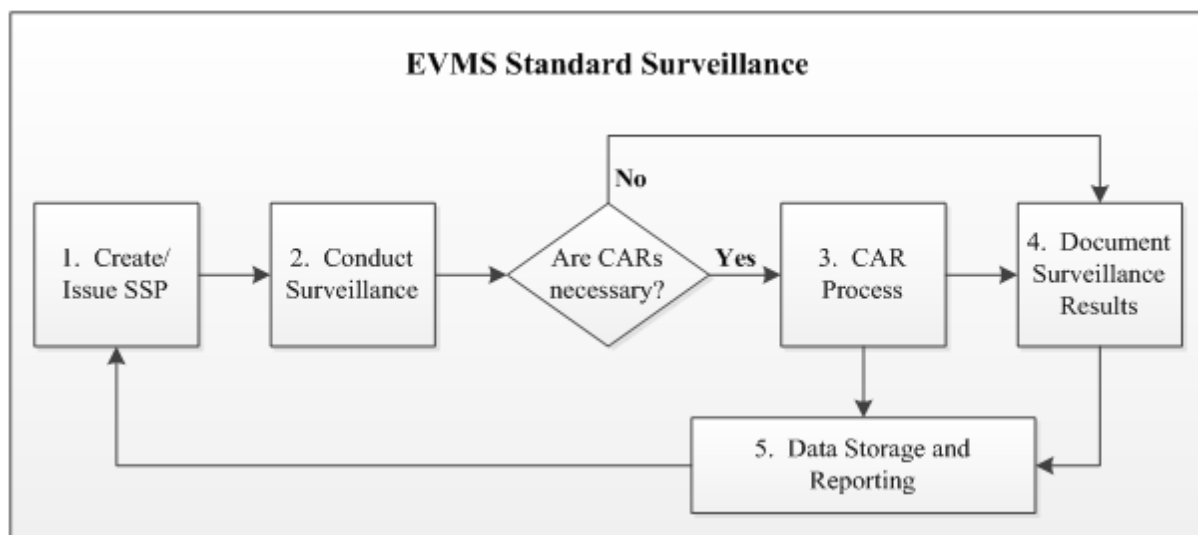
- 1. POLICY.** This Instruction implements changes to DCMA-INST 210, “Earned Value Management System (EVMS) Standard Surveillance,” February 29, 2012.
- 2. PURPOSE.** This Instruction updates policy and processes for verifying ongoing contractor compliance with the Electronic Industries Alliance (EIA) -748 EVMS guidelines (GLs) per the responsibilities of DCMA defined in Defense Federal Acquisition Regulation Supplement (DFARS) 242.302 as a contract administration function. The format for this Instruction was driven by the original, published hypertext markup language format of DCMA-INST 210, “Earned Value Management System (EVMS) - Standard Surveillance Instruction (SSI),” dated February 2012 and complies with currently published policy publication guidance.
- 3. APPLICABILITY.** This Instruction applies to all DCMA activities that lead, conduct, or participate in surveillance of contractor EVMS unless higher level regulations, policy, guidance, waiver, or agreements take precedence (e.g., DCMA International (DCMAI) and Special Programs (DCMAS)). For classified contracts, security exceptions to this Instruction must comply with supplemental instructions maintained by the DCMAS.
- 4. MANAGERS’ INTERNAL CONTROL PROGRAM.** In accordance with DCMA-INST 710, “Managers’ Internal Control Program,” this Instruction is subject to evaluation and testing.
- 5. RELEASABILITY – UNLIMITED.** This Instruction is approved for public release.
- 6. LABOR CODE.** Located on resource page.
- 7. RESOURCE PAGE.** <https://360.dcm.mil/sites/policy/PI/SitePages/210r.aspx>
- 8. EFFECTIVE DATE.** *By order of the Director, DCMA, this change is effective November 8, 2016, and all applicable activities shall be fully compliant within 60 days from this date.*

Joseph E. Sweeney
Executive Director
Portfolio Management & Business Integration

INTENT/OUTCOME/PURPOSE

The Standard Surveillance Instruction (SSI) provides the Defense Contract Management Agency (DCMA) with a standardized way to conduct ~~contractor surveillance on ongoing verification of~~ **contractor** Earned Value Management Systems (EVMS) ~~as part of the DCMA's role as the Department of Defense (DoD) Executive Agent for EVMS compliance. The DCMA is responsible for determining EVMS compliance when DoD is the Cognizant Federal Agency.~~ This Instruction provides a consistent methodology for assessment of contractor processes and procedures to ensure the **EVMS is implemented in a manner consistent with the 32 ANSI/EIA-748 EIA-748** Guidelines ~~are being followed. The outcome of surveillance ensures reported contract performance data accurately reflects the status of programs. EVM was based on the premise that the Government cannot impose a single solution for an integrated management system for all contractors. The guideline approach recognizes that no single EVMS can meet every management need for all companies and establishes a framework within which an adequate integrated cost/schedule/technical management system fits. The EVMS guidelines are not prescriptive in nature, but simply describe the desired outcomes of integrated performance management across five broad categories (organization, planning/scheduling/budgeting, accounting, analysis/management reporting, and revisions/data maintenance). These five categories are typically implemented within an EVMS through nine management processes of organizing, scheduling, work/budget authorization, accounting, indirect management, managerial analysis, change incorporation, material management and subcontract management. EVMS compliance ensures reported contract performance data generated by the EVMS is timely, reliable, auditable, and accurately reflects the cost and schedule status of contracts and programs. Once a contract is determined to have an EVMS requirement, the EVMS Center takes the lead in overseeing Initial and Ongoing Compliance and providing system status reports back to the Contract Management Offices (CMOs) and Administrative Contracting Officers (ACOs) responsible for Business System maintenance.~~

PROCESS



1. CREATE/ISSUE STANDARD SURVEILLANCE PLAN (SSP) – ~~EVM System~~

Surveillance Verification of contractor EVMS compliance begins at contract award and extends throughout the duration of a contract. EVMS surveillance shall be conducted at all contractor sites where ~~EVM systems are~~ ***EVMS is*** implemented for ***cost or incentive type*** contracts valued over ~~\$20M~~ ***\$100M and*** containing the proper EVMS FAR or DFARS clause. ~~If contracts do not contain the proper EVMS FAR or DFARS clause, contact the Operations EVM Division and initiate and submit a DD1716 (contract data package recommendation/deficiency report) to the contracting officer. For DoD contractors, the absence of a Letter of Delegation (LOD), Advanced Agreement (AA), Letter of Acceptance (LOA), or agreement with the contractor shall not preclude the CMO from accomplishing EVM system surveillance as outlined in this instruction. When required per the Compliance Review Instruction (CRI), the CMO EVM Specialist must take the necessary steps to request a compliance review (CR) by submitting a DCMA EVMS Review Request form to the Operations EVM Division Portal. If a CMO determines a LOD is needed, the LOD shall be sent to the CMO cognizant of the subcontract facility. Each CMO must prepare and submit an SSP prior to the beginning of each fiscal year (ref. paragraph 1.6) for each EVM system under their cognizance. To avoid duplication of effort, minimize costs, and increase communication, a joint surveillance process conducted by the CMO, the contractor, the DCAA, Program Offices and other stakeholders is encouraged. Caution is used when including contractors on joint surveillance teams to preclude the disclosure of proprietary information or to prevent conflicts due to competitive relationships. An SSP must be prepared and submitted prior to the beginning of each fiscal year for each EVM system that meets this requirement. The SSP establishes the surveillance approach to assess the contractor's ongoing compliance, risk criteria and surveillance event schedule, and is drafted, reviewed, and revised by the EVMS Center Corporate Group Lead and signed by the contractor, and CMO Commander (or designee), and Operations EVM Division annually. The contractor may choose not to sign the SSP; however, the EVMS surveillance must be done, regardless, with or without the contractor's active participation. The SSP template, which contains a prescribed format to follow when for developing the SSP, with deviations allowed to the first paragraph if a contractor decides not to participate in joint surveillance, shall be utilized to document the planned surveillance activities and schedule. If a contract has a DD Form 254, "Department of Defense Contract Security Classification Specification", there is a possibility that the work associated with SSI products may have additional security requirements. If a DD Form 254 exists, it The DD Form 254 should be reviewed in addition to conjunction with the Statement of Work (SOW) and Section H of the contract to determine what cautions should be identified in SSI documents. The Special Programs Customer Liaison should be contacted as appropriate.~~

1.1. Special Circumstances – Special circumstances may arise or exist where surveillance ~~of all ANSI/EIA-748 for all EIA-748~~ guidelines at a site may not be practical or appropriate. Each circumstance will be considered for approval on a case-by-case basis by the ~~Operations EVM Division~~ ***designated Corporate Group Lead from the DCMA EVMS Center***. Examples of ~~a special circumstances~~ might be ~~when accounting or indirect management functions are conducted at a corporate facility different than the facility under surveillance, or when contracts are awarded during the latter half of the year or when programmatic reviews impact the timeline available for execution.~~

1.2. ~~Program Priority Assessment~~ ***Contract Risk Assessment*** – ~~CMO-EVM EVMS~~ specialists shall conduct ~~program priority risk~~ assessments annually to determine the programs/contracts ~~required for annual surveillance~~ ***subject to surveillance***. ~~The Program Priority Selection Worksheet shall be used by the CMO~~ ***The EVMS specialist shall employ a Contract Risk Assessment Worksheet*** to conduct and document assessments for each program/contract having EVM requirements at the site, and to help prepare the annual ~~surveillance~~ schedule. ***The Contract Risk Assessment Worksheet should include concerns identified within the Program Management Office (PMO) and/or CMO through program analysis to ensure that the data being supplied can support the predictive analysis.*** Programs/contracts with higher ~~priority scores~~ ***risk ratings*** are given higher ~~consideration for surveillance~~ ***priority*** over other programs/contracts. ~~If multiple programs have high priority scores, surveillance is scheduled covering each of the programs if feasible within the resource constraints of the CMO. Circumstances may arise or exist where surveillance on a “special interest” program may be requested to be included in the surveillance plan.~~

1.3. ~~Surveillance Schedule and Cycle~~ ***Schedule Development*** – The surveillance schedule shall reflect the ~~five EVMS areas~~ ***nine management processes*** and associated guidelines to be reviewed, the programs/contracts involved, and the frequency of Standard Surveillance Reports (SSRs). ***The SSRs shall correspond at a minimum with the primary surveillance events in the schedule.*** The schedule shall be updated every year and includes surveillance activities covering one year. At a minimum, 16 high-risk guidelines (guidelines 1, 3, 6, 7, 8, 9, 10, 12, 16, 21, 23, 26, 27, 28, 30, 32) are evaluated each year with all 32 Guidelines evaluated within a 3 year period. If the Operations EVM Division or joint surveillance team has concerns with any non-high risk guideline(s), then the pertinent guideline(s) must be scheduled for surveillance. Surveillance shall be scheduled by EVMS Area and program(s) in the surveillance schedule, with the Program Priority Selection Worksheet used to help identify the programs. A minimum of four surveillance events must be planned covering the five EVMS Areas in a given year. The five EVMS areas are (1) Organization; (2) Planning, Scheduling and Budgeting; (3) Accounting Considerations; (4) Analysis and Management Reports; and (5) Revisions and Data Maintenance. The Earned Value Management Implementation Guide (EVMIG) provides a matrix showing the EVMS guidelines applicable to each area. The EVMS Surveillance Schedule Template shall be used to develop and populate the schedule. ***The EVMS Center Corporate Group will develop the schedule working in concert with the CMO and other stakeholders to ensure that the schedule focuses on risk areas identified through the Risk Assessment. The schedule shall be updated every year and includes surveillance activities covering the upcoming fiscal year. At a minimum, each process area will be reviewed as scheduled along with areas of identified risk which have been identified through ongoing data analysis. All 32 Guidelines shall be evaluated at least once within a 3 year period. If concerns exist with any guideline(s) or area, then the pertinent guideline(s) must be scheduled. Surveillance activities shall be scheduled by EVMS process and program(s)/contract(s) with the Contract Risk Assessment Worksheet used to help identify the targeted program(s)/contract(s). A minimum of four surveillance events must be planned covering the nine EVMS processes in a given year.***

1.4. ~~Surveillance Coordination with the Defense Contract Audit Agency (DCAA)~~ – The DCAA performs audits on the budgetary or cost accumulation aspects of eight ANSI/EIA 748

~~guidelines: 13, 16, 17, 18, 19, 20, 21, and 30. The DCMA is responsible for assessing all 32 guidelines, but must request the DCAA Field Audit Office (FAO) audit assistance to help with reviewing the eight guidelines listed above. The DCAA assisted surveillance schedule should be coordinated with and provided to the DCAA FAO annually and whenever changes are necessary. The CMO shall provide a written request for audit services and coordinate reasonable audit report due dates with the DCAA FAO at least 90 days prior to the DCAA assisted surveillance review. The DCAA Surveillance Request Template shall be used to request DCAA support. The cognizant DCAA FAO can be found on the DCAA web page. If the cognizant DCAA FAO lacks available resources to provide audit services, the CMO must report the unavailability of resources to the Operations EVM Division. The Operations EVM Division Director shall forward the report to DCAA Headquarters. CMOs need to keep several points in mind when working with the DCAA:~~

- ~~• The DCAA is an independent DoD audit agency subject to Generally Accepted Government Auditing Standards (GAGAS) published by the Government Accountability Office (GAO). These are often referred to as the “Yellow Book”.~~
- ~~• The DCAA currently interprets GAGAS provisions as precluding auditors from serving as members of Integrated Teams, including EVMS surveillance reviews covered by this SSI. DCAA performs audit field work independently and provides draft findings and final audit reports after its internal management review process is completed in compliance with GAGAS documentation requirements.~~

~~1.4.1. Off-site Performance of Accounting and Indirect Functions—When company/corporate Accounting and Indirect Management functions are conducted at an off-site location, CMOs are encouraged to coordinate or delegate surveillance activities. Results and conclusions from coordinated or delegated surveillance are used by all applicable parties when documenting reports. SSR findings and guideline compliance summaries may be shared among the affected CMOs to ensure consistency. SSPs and SSRs shall identify the performing CMO and the collaborated or delegated functions.~~

1.5. 1.4. Surveillance Following a Compliance Review – *Where applicable, the SSP shall be altered based upon the scope and results of a compliance review.* Following a compliance review, ~~or a contractor readiness assessment,~~ the surveillance schedule shall ~~be revised to~~ focus on monitoring and verifying the implementation ***and closure*** of the contractor’s Corrective Action Plan (CAP) ~~until CAP implementation is complete.~~ A revised SSP ***should reference the schedule within the CAP and the contractor’s correction cadence should dictate verification events onsite.*** ~~must be submitted containing the revised schedule and the CAP as an attachment to the Operations EVM Division. The SSP can be altered based upon the scope and results of a compliance review. CAP monitoring and reporting is considered surveillance on all EVMS areas that have actions pending in the CAP, for all programs at the site. In the fiscal year the compliance review is conducted, routine surveillance is planned up until the compliance review, followed by CAP implementation surveillance after the contractor begins work on correcting the deficiencies. The compliance review itself may count as a surveillance event, with the review report provided by the Review Director counting as a surveillance report. The EVMS Surveillance Schedule Template provides a sample schedule for surveillance during a year a compliance review is conducted. In the years following the compliance review, if CAP~~

~~implementation is not complete, CAP surveillance is conducted as well as routine surveillance on EVMS areas that do not have actions pending in the CAP, in accordance with surveillance cycle requirements. Regardless of whether routine surveillance or CAP surveillance or a combination of the two is being conducted, a minimum of four surveillance events must be planned covering the five EVMS Areas in a given year. The EVMS Center shall document progress and closure of the corrective actions and cite this documentation to fulfill the requirements for surveillance events during the correction period. In the fiscal year the compliance review is conducted, routine compliance verification activities are planned up until the compliance review. After the review, CAP implementation surveillance commences after the contractor begins work to correct identified deficiencies. The four-event requirement does not apply during this year and events should be logically scheduled to address system risks while supporting review and correction of a system.~~

~~1.6. 1.5. SSP Approval and Distribution~~ – SSPs shall be ~~submitted~~ ***drafted*** by 31 August each year ~~to the Operations EVM Division for approval, which in turn provides approval notification to the CMOs by 30 September each year~~ ***by the designated EVMS Corporate Group and submitted to the EVMS Center Director or delegate for approval. The SSP must be subsequently coordinated with the CMOs by 30 September each year.*** In the absence of an approved SSP, ~~CMOs~~ ***the EVMS specialist*** shall proceed with conducting surveillance in accordance with the proposed SSP schedule. ~~CMOs shall consider an~~ ***An SSP should be considered*** a high risk ~~process item~~ and ***the EVMS specialist shall*** complete an SSP Management Internal Control (MIC) checklist prior to submitting for approval. The checklist is considered a part of ~~a CMO's~~ the internal management control process and is completed and archived in accordance with local ~~CMO~~ procedures. Approved ~~surveillance plans~~ SSPs and modifications are distributed to the contractor, ***the CMO*** and to the Program Office. Distribution of SSPs to other requesting individuals or organizations, such as PEOs, other contractors, etc., requires ~~Operations EVM Division~~ ***EVMS Center Director or delegate*** approval.

~~1.7. 1.6. Schedule Revisions~~ – Revisions to the schedule may be necessary due to ***concerns raised through program analysis***, program re-structuring, resource issues, compliance reviews, or other unforeseen events. Schedule revisions are to be attached to the previously approved SSP with an updated revision number and short description of the change on the title page, and submitted ~~to the Operations EVM Division~~ ***by the designated Corporate Group Lead to the EVMS Center Director or delegate.*** The ~~Operations EVM Division~~ ***EVMS Center Director or delegate*** will approve or disapprove schedule revisions within 10 working days. ~~The CMO must take special care to ensure schedules are not revised for the sole purpose of improving performance indicators or other metrics.~~

2. CONDUCT SURVEILLANCE – The SSP defines how surveillance is performed, including identification of ~~surveillance~~ team participants, ~~and~~ the tools that will be used, and data/documentation requirements. ***EVM data concerns reported by the CMO Program Support Team (PST), contractor, the PMO, DCAA or other stakeholders must be researched by the EVMS Center during routine surveillance and dispositioned according to the established surveillance processes. Compliance assessments will be based on the EVMS-113, “EVMS Compliance Templates – EIA-748 Guidelines 1-32.”*** At a minimum, surveillance activities of an EVMS area must include the following:

- Data analysis, traces, and review of documented processes/procedures for each guideline reviewed
- Interviews, *as required*, with Control Account Managers (CAMs) and other cognizant managers
- Identification and documentation of *contractual noncompliances findings* in Corrective Action Requests (CARs), when applicable
- Guideline assessment summaries for each guideline reviewed

2.1. Joint Surveillance – Joint surveillance is led by the DCMA and may include participants from the contractor, program management office, services, and others, ~~and is coordinated with the DCAA audit efforts~~. DCMA program support team members should also be invited to participate in joint surveillance activities covering their assigned areas. To ensure objective findings, contractor team members must be independent of the management chain of the programs they are responsible for surveying.

2.2. Pre-Review Data Analysis – In preparation for surveillance reviews, ~~it is important to collect the EVMS Center must request~~ and review EVMS data and reports covering the ~~EVMS area system with focus on the EVMS process area~~ being reviewed. *The data analysis shall assess compliance in accordance with EVMS-113, “EVMS Compliance Templates – EIA-748 Guidelines 1-32” and can encompass guidelines outside the scheduled area of review as required by risk.* Refer to DFARS 252.234-7002, paragraph g, regarding access to data. During surveillance interview *events*, the contractor shall be provided the opportunity to explain any discrepancies found during ~~surveillance review preparation~~ *pre-review data analysis*.

3. **CAR PROCESS** – When a deficiency associated with the contractor’s EVMS is discovered ~~by the DCMA~~, a CAR shall be *initiated by the EVMS Center and* issued to notify the contractor and request initiation of corrective actions. All CARs shall be coordinated, approved, issued, and escalated in accordance with the DCMA-*INST 1201 “Corrective Action Process” CAR Instruction and SSI-109 “CAR Responsibilities Matrix”*. EVMS CARs must be documented using the CAR eTool. ~~Deficiencies brought to the attention of the DCMA by the contractor, the PMO, DCAA or other stakeholders must be thoroughly researched and agreed upon by DCMA before a CAR is written and issued. If a DCAA reported deficiency is not accepted by the CMO, a discussion must be held and documented with the DCAA concerning the finding prior to making a decision on issuing a CAR.~~

3.1. EVMS CAR Type – ~~EVM EVMS~~ CARs are categorized into ~~three~~ *two* different types: ~~EVM Contractual, CDRL, or EVMS Process~~ *EVMS Process or Implementation CARs. An EVMS Process CAR documents a deficiency in the contractor’s System Description and/or supporting procedures. An EVMS Implementation CAR documents a deficiency in the implementation of a contractor’s documented, compliant process.*

3.1.1. ~~EVMS Process CAR~~ – ~~An EVMS Process CAR documents a deficiency in the contractor’s EVM System Description and/or supporting procedures. A single Process CAR may be written covering multiple issues against multiple guidelines. Corrective actions~~

~~associated with instances of system description deficiencies require changes to the contractor's EVM System Description and must be Level II at a minimum.~~

~~3.1.2. Implementation CARs—Implementation CARs document a deficiency in the implementation of a contractor's documented, compliant process. Level I and II implementation CARs resulting from surveillance reviews are written for deficiencies affecting a single guideline.~~

~~3.1.3. Compliance Review CAR—A Compliance Review CAR is issued following an Initial Visit, Readiness Assessment, or Compliance Review and may include multiple findings affecting multiple guidelines. Compliance Review CARs typically contain a combination of both Process and Implementation deficiencies.~~

3.2. CAR Levels – The level of CAR (I, II, III, or IV) is determined in accordance with the DCMA-INST 1201 ~~CAR Instruction~~. *Due to the system implications of a process CAR, the process CARs shall be issued as Level II or greater. Implementation CARs document a deficiency in the implementation of a contractor's documented process and can be Level I, II, or greater.*

3.3. Description of Deficiency – ~~EVM EVMS~~ CARs must contain a succinct description of the deficiency, identify the affected guideline, *provide a statement of impact to the program and/or system*, and contain a relevant quote(s) from overarching guidance (such as the DoD approved ANSI/EIA-748 EVMS Intent Guide *EVMS Interpretation Guide (EVMSIG)*). ~~For system description issues, a quote from the contractor's System Description containing the deficient verbiage is included, if applicable.~~ Supporting data shall be submitted with the CAR as exhibits (i.e., screenshots, examples, etc.) to document the deficiency. Exhibits *should* provide easy to understand “pictures” of the problem, and need to include a title briefly describing the exhibit and annotation of the area of interest ~~by circles, arrows, or any other way of identification~~ to assist in understanding the deficiency. For implementation issues, a quote shall be included from a contractor's System Description *or supporting documents* describing the process not being adhered to. *For Process or System Description issues, a quote from the contractor's System Description containing the deficient verbiage should be included along with a citation from the EVMS Cross Reference checklist.* ~~For EVMS Process CARs, an EVMS Cross Reference Checklist containing questions and responses associated with the affected guidelines shall be provided as an exhibit.~~

3.4. CAR Review, and Approval, and Transmittal – Responsibility for review and approval of ~~EVM EVMS~~ CARs is in accordance with the DCMA-INST 1201. ~~CAR Instruction~~. The ~~specific~~ procedure ~~for an EVM CAR~~ is dependent upon the CAR level ~~and type~~ and is specified in the ~~EVM SSI-109~~ CAR Responsibilities Matrix. ~~CMOs shall consider an EVM CAR a high risk item.~~ *Following approval, the EVMS Center or appropriate ACO shall issue all CARs in accordance with the SSI-109 CAR Responsibilities Matrix and shall be responsible for ensuring the CAR is coordinated and distributed in accordance with DCMA-INST 1201 prior to transmitting the CAR to the contractor.*

~~3.5. CAR Issuance~~ Following approval, all CARs shall be issued by the CMO or appropriate ACO. The issuing CMO is responsible for ensuring the CAR is coordinated in accordance with the DCMA CAR Instruction before it is submitted to the contractor. CARs shall be distributed in accordance with the DCMA CAR Instruction.

~~3.6.~~ **3.5. Corrective Action Plan (CAP) Review / Approval** – Responsibility for CAP review and approval is dependent upon the level of CAR submitted and is provided in the **SSI-109 EVM** CAR Responsibilities Matrix. *The adequacy of the CAP adequacy* is determined in accordance with the DCMA-~~INST 1201~~ CAR Instruction.

~~3.7.~~ **3.6. CAR Closure** – When the DCMA **EVMS Specialist** is satisfied the contractor's corrective actions ~~are appropriate to prevent recurrence of the deficiency, the CAR is closed~~ *have been completed and satisfy the exit criteria, the CAR may be closed.* Responsibility for closure of EVM CARs within the DCMA is provided in the EVM CAR Responsibilities Matrix. ~~The DCAA should be consulted if the DCMA EVM Specialist needs assistance in determining if a deficiency related to any of the eight guidelines DCAA conducts audits on (13, 16, 17, 18, 19, 20, 21, 30) is fully resolved. Working with the cognizant ACO, DCAA audit findings are dispositioned in accordance with DCMA Contract Audit Follow Up Instruction (CAFU) and DoD Instruction 7640.02 Policy for Follow-up Contract Audit Reports.~~ *Responsibility and procedures for closure of EVMS CARs within the DCMA is provided in the SSI-109 CAR Responsibilities Matrix and the DCMA-INST 1201.*

4. DOCUMENT SURVEILLANCE RESULTS – The surveillance team shall document ~~the results of system surveillance reviews~~ in written reports that are signed and dated by the DCMA ~~surveillance team leader~~ **EVMS Center** and ~~optionally~~ by the contractor representative if employing joint surveillance (*see paragraph 2.1*). ~~CMOs shall consider a SSRs are considered~~ a high risk ~~process item and; consequently, the EVMS specialist shall~~ complete an SSR MIC checklist prior to ~~approving approval and distributing distribution~~. The checklist is considered a part of ~~a CMO's~~ the internal management control process, and is completed and archived ~~in accordance with local CMO procedures.~~

4.1. Routine Surveillance Events – The SSR template shall be used as a report format to document routine surveillance events ~~and is applicable for all 32 guidelines.~~ *Reports for routine surveillance are issued in accordance with the SSP EVMS Surveillance Schedule. SSRs are issued in accordance with the SSP Schedule.* Surveillance *Results of surveillance* covering multiple EVMS areas may be included in a single report, but no fewer than four reports to coincide with each event must be prepared and submitted over the fiscal year.

~~4.1.1. For routine surveillance, findings must be documented in the SSR in sufficient detail to allow understanding by the cognizant contracting officer. Findings are categorized into the three types as described below.~~

~~4.1.1.1. Significant Deficiencies on High Risk Guidelines: This is synonymous with non-compliance and means there is a shortcoming in the system on a high risk guideline that materially affects the ability to rely upon information produced by the system for~~

~~management purposes. The high risk guidelines are 1, 3, 6, 7, 8, 9, 10, 12, 16, 21, 23, 26, 27, 28, 30, and 32.~~

~~4.1.1.2. Significant Deficiencies on the Remaining Guidelines: This is synonymous with non-compliance and means there is a shortcoming in the system affecting the remaining guidelines that materially affects the ability to rely upon information produced by the system for management purposes.~~

~~4.1.1.3. Non Significant Deficiencies: This means there are shortcomings in the system on any of the 32 guidelines that do not affect the ability to rely upon information produced by the system for management purposes.~~

~~4.1.2. Guideline Compliance Summary —Based upon the results of all surveillance activities conducted, each guideline reviewed must be assessed for adherence to the ANSI/EIA-748 Standard, with the results included in the Guideline Compliance Summary section of the SSR. Guideline compliance summary worksheets (EV Templates 1-32) and EVMS Cross Reference Checklist must be attached to the report covering the guidelines included in the review.~~

4.2. Surveillance Reports Following a Compliance Review – Following a compliance review, the SSR Template - Compliance Review shall be used as the report format to document any Corrective Action Plan (CAP) implementation progress ***and/or closure***. ~~A total of four reports are required each fiscal year. In the fiscal year of the compliance review, the review report issued by the Review Director counts as a surveillance report. In the fiscal years following the compliance review, if CAP implementation is not completed, reports exclusively covering CAP implementation progress and reports exclusively covering routine surveillance on EVMS areas that do not have actions pending in the CAP are issued in accordance with the surveillance schedule. Any reports documenting surveillance activities outside of CAP implementation are issued in accordance with SSP scheduled submission dates.~~ Regardless of whether compliance activities are focused exclusively on CAP implementation or a combination of CAP implementation and routine surveillance, only four reports are required each fiscal year.

4.3. Documentation of Review Findings – *For all reviews, findings must be documented in the report in sufficient detail to allow understanding of issues and impact by the report recipients. Based upon the results of all compliance activities conducted, each guideline reviewed must be assessed for adherence to the EIA-748 Standard, with the results included in the Guideline Compliance Summary section of the SSR template. For routine surveillance, the EVMS-113, “EVMS Compliance Templates – EIA-748 Guidelines 1-32” and the EVMS Cross Reference Checklist must be attached to the report covering the guidelines included in the review. If the functional specialist identifies a noncompliance (also referred to as a deficiency) that could potentially be considered significant, he or she shall coordinate with the Contracting Officer (CO) responsible for determining the acceptability of the Contractor’s business system in accordance with DCMA-INST-1201 CAR Policy.*

4.4. Periodic System Assessment – *After completion of the 3 year review cycle (see para. 1.3) the EVMS specialist shall review the cycle of reports and supporting data and issue an*

overarching system assessment. The assessment will be used to reaffirm system status and submit a recommendation to the cognizant contracting officer. The process shall encompass a review of the submitted surveillance reports, supporting documentation, and include any required follow up on unresolved issues. The review and subsequent report shall reaffirm the status of the EVMS Business System.

4.3. 4.5. Report Distribution – *All SSRs covering routine surveillance events are distributed to the ACO, contractor, ~~Operations Directorate, Program Integrator(s), CMO,~~ and the Program Office(s); SSRs ~~covering which cover~~ CAP implementation **and closure** activities ~~following a compliance review~~ are ~~distributed to also provided~~ to the ~~Review Director/Review Chief~~ **Review Lead** as well. Reports covering delegated surveillance of Accounting and Indirect Management guidelines ~~shall be provided to the requesting CMO.~~ Distribution of SSRs to other requesting individuals or organizations, such as PEOs, other contractors, etc., requires approval from the ~~Operations EVM Division~~ **EVMS Center Director or delegate**. Caution should be used when distributing SSRs outside of the DCMA to prevent disclosure of program sensitive or contractor proprietary information.*

5. DATA STORAGE & REPORTING (DSR) - ~~The CMO shall provide copies of all SSI data products (SSPs, CARs, SSRs, letters) to the Operations EVM Division Portal via the portal or other means as directed for data collection and archival purposes. Upon completion of SSPs and SSRs, the EVMS Corporate Group lead or designee shall upload to IWMS for retention.~~

Contractor sensitive, proprietary, or NOFORN (no foreign nationals) data will be marked and protected accordingly. **EVMS EVMS** CARs shall be entered directly into the ~~holistic agency CAR tool in lieu of providing them to the Operations EVM Division Portal~~ **CAR eTool**. The ~~Operations EVM Division Portal~~ **EVMS Center** shall maintain complete and accurate databases and tracking tools for SSI products **on DCMA 360**. To ensure data accuracy, ~~CMOs~~ **EVMS Corporate Groups** are encouraged to review data entries in **EVMS EVMS** databases and tracking tools and report any inconsistencies. ~~The Operations EVM Division Portal shall provide EVM reports upon request on a need to know basis. Reports may consist of but are not limited to the following:~~

- ~~• Open Level III CARs~~
- ~~• Open Level II CARs~~
- ~~• CAR status by CMO~~
- ~~• CAR status by program~~
- ~~• CAR status by contractor~~
- ~~• SSR status by CMO~~
- ~~• SSP status by CMO~~

5.1. 6. SPECIAL PROGRAMS – Due to security concerns, the Special Programs ~~Directorate~~ **Operational Unit** is exempt from all data distribution requirements contained within ~~the SSI, this Instruction~~ and may approve security-related deviations ~~to this Instruction~~. **EVMS EVMS** surveillance plans **SSPs**, reports, **SSRs**, and CARs are reviewed internally within the Special Programs ~~Directorate~~ **Operational Unit** by appointed senior **EVMS EVMS** Specialists **in accordance with DCMA-OU-SP supplemental procedures**. ~~When As~~ appropriate, archived ~~EVMS System Surveillance~~ **EVMS compliance** information may be utilized by the ~~Operations~~

~~EVM Division *EVMS Center* to determine which guidelines to review during the surveillance year assess risk and existing issues inherent to a contractors system in support of SSP generation.~~

~~Managers' Internal Control Program: This instruction contains managers' internal control provisions that are subject to evaluation and testing as required by DCMA-FBP Managers' Internal Control Program Instruction dated 9/12/2011.~~

COMPETENCIES/CERTIFICATIONS

N/A

TRAINING MATRIX

N/A

HIGHER LEVEL REGULATORY DOCUMENTS

N/A

PERFORMANCE METRICS/STANDARDS

N/A

~~PLAS~~

~~PLAS Code: B070~~

TOOLS & ADDITIONAL GUIDANCE

~~[Hyperlink to Standard Surveillance Instruction Resource Page](#)~~

SUCCESSFUL PRACTICES

N/A

PORTAL/COMMUNITY OF PRACTICE

N/A