Earned Value Management System Center (EVMSC)
Business Practice 2
EVM System Description Review

Effective Date:	December 15, 2023
DAI Code(s):	D6000 – Analyze Results (General)
Point(s) of Contact:	Danielle Bemis, Policy Lead Keven Davis, Policy Lead

Purpose: Defines the process for the EVMS Center personnel to conduct a review of the contractor's EVM System Description (EVMSD), and all related contractor EVMS descriptive documents.

Reference(s):

1. **Defense Federal Acquisition Regulation Supplement (DFARS)**
    1. 252.234-7002: Earned Value Management System
2. **DoD Earned Value Management Systems Interpretation Guide (EVMSIG)**

Roles and Responsibilities:

1. **<u>Director</u>**
    a. Ensures compliance with this BP. Change tis
    b. Ensures locally developed training, guidance and tools align with this BP.
    c. Assist and mentor the workforce with the implementation and execution of this BP.
    d. Elevates through the chain of command unresolved challenges, including gaps, in executing the processes and procedures of this BP.
    e. Ensures the EVMS Center has a process in place to review documentation and provide advice on identified weaknesses to the cognizant Contract Management Office (CMO).
    f. Ensures the EVMS Center System Description Repository.

2. **<u>Group Lead</u>**
    a. Ensures compliance with this BP.
    b. Assigns a System Description Review Lead as outlined in this business practice.
    c. Ensures the assigned EVM System Description Review Lead is rated expert level in the EVMS Career Development Program.
    d. Serves as the conduit between the Segment Lead and the EVMS Center Director to resolve gaps in policy/manuals/guidance and document control.
    e. Assist and mentor the workforce with the implementation of this BP.
    f. Provides oversight of the team's effort and supports communications with the cognizant Contracting Officer (CO), DCMA Contract Management Office (CMO), and the contractor.

g. Submits and processes document control with the EVMSC Director's office.
h. Communicates and coordinates review results with appropriate stakeholders.

3. **Segment Lead / EVM System Description Review Lead (SDRL)**
   a. Ensures compliance with this BP.
   b. Plans, schedules and executes this business practice in coordination with the Group Lead.
   c. Communicates status with the CO, CMO, and PMO as applicable.
   d. Assigns and oversees the efforts of the assigned EVMS Specialist(s) in accordance with the process defined below, ensuring resources are properly allocated.
   e. Coordinates with CO on supplier's business system status.
   f. Ensures that submitted work products are timely, accurate and distributed appropriately.
   g. Establishes, when necessary, the EVMSD Review Team
   h. Acts as the main source of communication between EVM System Description Review Team and the supplier.

4. **EVM System Description Review Team Member**
   a. Complies with this BP and other issued directives
   b. Executes the process defined in this BP as directed by the EVMSD Review Lead and Group Lead.
   c. Must be at the Journey level in the ECDP.

5. **Contracting Officer (referred to as "CO" in this issuance)**
   a. Coordinate with the EVMS Center for review of new or proposed changes to a supplier's EVM System Description.

6. The EVMS Center System Description Repository
   a. List of all supplier EVM System Descriptions that contains:
      i. A list of all affected CAGE Codes.
      ii. Copies of all documents that comprise the supplier's EVM System Description.
      iii. Version numbers of all approved documents.
      iv. Approval dates for all associated documents.
      v. Copy of the CO Approval Letter.

PROCESS:

1. Overview: The overall purpose of a contractor's EVMSD is as a formal documentation of the management system and processes (i.e., tools, techniques, and procedures) that support how the supplier's business system meets the intent of the EIA-748 Section 2 Guidelines.

   The EVMSC conducts EVMS assessments in accordance with applicable overarching DCMA surveillance policies and the requirements of this business practice. Contractors utilize descriptive documents to describe how they implement, utilize, and maintain a compliant EVMS. These supplier documents vary from a single over-arching document to multiple documents. The collection of these documents are the EVMSD for the purposes of this BP.

   When a contractor submits a new, or updates an already approved, EVMSD they are required to notify the cognizant CO. In these circumstances, the CO requests DCMA EVMS Center support to review the EVMSD to ensure continued EVMS compliance to the EIA-748. A contractor's EVMSD may direct some process definitions to a program-level process document. It will be necessary to identify these processes to ensure compliance during ongoing surveillance activities.

   At the end of this process, The DCMA review team should have a complete understanding of the supplier's EVMSD and its ability to meet the intent of the EIA-748 32 guidelines as outlined in the EVMSIG.

PLAN:

2. Notification of SD Review Requirement - The CO, in accordance with (IAW) DFARS 252.234-7002 or NFARS 1852.234-2, notifies the Group Lead when a contractor submits an EVMSD for approval. It is likely that the EVMSC will already be aware of the coming changes or initial documents through regular communications with the supplier. If the EVMSC is notified via the supplier and not the appropriate CO, then the EVMSC will refer the supplier to the appropriate CO. Upon official notification by the contractor, DCMA shall initiate a review of the EVMSD within 30 calendar days. The Group Lead will assign a SDRL. In cases of a supplier EVMS Compliance Review (CR), a full review of the supplier's EVMSD should happen immediately and not wait until the CR is being accomplished. This leaves the CR to focus on implementation of the supplier's EVMSD.

3. Establish Surveillance Event

   a) Obtain the documents: The SDRL will request all necessary remaining documentation from the supplier. This includes:

      I. Revised SD and all applicable sub-documents
      II. Red-lined SD

III. Summary of changes table
IV. Methodology that supplier utilizes to demonstrate that their SD meets the intent of the EIA-748 32 guidelines.[1]

b) Establish the surveillance risk: Utilize the Event Based Risk Table (EBRT) to establish the risk for the review of the system description (Step 4). There are three possible outcomes:
   I. Low (1) – Administrative changes only
   II. Medium (2) – Low quantity of substantive changes
   III. High (3) – Large quantity of substantive changes or an unapproved EVMSD.

c) The SDRL uses the EBRT results to document the surveillance event in the official DCMA Surveillance Tool (Step 5).

4. Establish the Scope of the Surveillance Event – The outcome of the EBRT has three risk levels that determine the breadth and scope of the surveillance event:
   a) Low Risk (Score 1 - 11) – An EVMSD must have been previously approved and have only administrative changes for this risk level. None of the document changes may alter existing processes or functions of the supplier's EVMS.
      I. Low Risk means that there is no scope to this review. Proceed to step 12.
   b) Medium Risk (Score 12 - 19) – An EVMSD must have been previously approved for this risk level. This risk level represents a low quantity of substantive changes. These are changes to one or more of the supplier's EVMS processes or functions. Low quantity means that one person within a 30-day allocation can review the number of changes.
   c) High Risk (Score 20 - 25) – An EVMSD that is not approved automatically falls into High Risk. An "Approved" EVMSD that has a large quantity of substantive changes will also be High Risk. Both of these situations require an EVMSD Review Team. The EVMSD Review Team will have at least three people, including the SDRL.

Risk Matrix		Consequence				
		1	2	3	4	5
Likelihood	5	11	16	20	23	25
	4	7	12	17	21	24
	3	4	8	13	18	22
	2	2	5	9	14	19
	1	1	3	6	10	15

Figure 1 – Risk Impact Chart

[1] EVMSIG – Chapter 1.4 Page 6 - "As part of compliance assessments, contractors are expected to both explain and demonstrate how the integrated parts of the EVMS are used to comply with the 32 Guidelines."

5. Document the Surveillance Event –The SDRL documents the surveillance event in the official DCMA surveillance-planning tool. Along with all of the tool's mandatory fields, the surveillance event plan shall capture:
    a) CAGE Code: Determine the appropriate CAGE code based on coverage (i.e. corporate, divisional, site).
    b) Dates: Start date is the date that the CO was notified by the supplier. End date is the expected date that the SDRL expects to complete the review.
    c) Cost & Schedule Risk as determined by the EBRT.
    d) Expected number of hours to complete the review.
    e) Actual number of hours spent upon completion of the review.

6. Establish The Review Team – When the surveillance event's risk level is "Medium" the SDRL shall act independently. When the surveillance event's risk level is "High", the SDRL will solicit two additional team members for the review team. Each Team Member must be at least Journey level within the ECDP.

    For either Medium or High Risk events, the SDRL may solicit additional people for training purposes only. The trainees will follow all of the procedures of this manual, but will not submit any official documentation.

7. Set Up Review Documentation – The SDRL sets up a shared work environment to integrate the documentation from each team member. Team members will set up their own full set of documentation. Having each team member work separately ensures independent EVMSD evaluation instead of groupthink. The SDRL is responsible for condensing individual documents into a team consensus at the end of the "Conduct" phase.

CONDUCT:

8. Evaluate EVMSD – A supplier's EVMSD may exist as one document, one document with supplemental documents, or as several documents. It is the purpose of this policy to ensure that a review team member has comprehensively reviewed all documents. A review team ensures that the supplier's EVMSD and supplemental procedure(s), if any, adequately describes its sub-processes end-to-end and determines that the EVMSD meets the intent of the guidelines in EIA-748 as dictated by the intent section of the EVMSIG. The supplier must inform DCMA at the level the EVMSD applies, i.e. corporate, business unit, or site. There may be times that a supplier's lower-level supplemental procedures, if any, contain content that supports their EVMSD in meeting the intent of a guideline(s). This must be outlined in the supplier's EVMSD especially when the intent of a guideline may not be fully addressed in the EVMSD. If this happens, the System Description Comment Table (SDCT) (Attachment A) should annotate the level of command media in which the supplier's EVMSD and/or supplemental procedure(s) minimally meets the intent of the guideline(s) in EIA-748. Typically, supplemental

procedures are written as 'how to' guidance and/or tailoring of management practices below the corporate level system description rather than a description of the management system requirements (the "what"). It is important to note these sub-processes for the purposes of Standard Surveillance to ensure that each applicable program implements a process that is compliant to both the supplier's EVMSD and the intent of each EIA-748 guideline.

a) Low Risk Surveillance Event – When an approved EVMSD has only administrative changes, there is no further evaluation of the documents.
b) Medium Risk Surveillance Event – When an approved EVMSD has a small quantity of substantive changes the SDRL will do the following:
    I. Review the supplier's method for ensuring compliance to the intent of the EIA-748 section 2 guidelines.
    II. Read through all of the changes
    III. Determine affected guidelines
    IV. Utilize the Intent section of the EVMSIG and the System Description Requirement Criteria of the Guideline Evaluation Templates (GET) (BP 4 Attachment F) to assess each affected guideline.
    V. Utilize the SDCT (Attachment A) to document EVMSD issues and any language considered high risk.
        1. High Risk language are process descriptions that are compliant but could lead to non-compliant implementation.
c) High Risk Surveillance Event (Previously Approved) – When an approved EVMSD has a larger number of substantive changes each person of the review team will do the following:
    I. Review the supplier's method for ensuring compliance to the intent of the EIA-748 section 2 guidelines.
    II. Identify and review all redline changes.
        1. Evaluate changes for conflicts to existing documentation.
        2. Evaluate changes for compliance and intent to the EIA-748.
    III. Meet as a team to agree on the guidelines affected by the changes.
    IV. Utilize the Intent section of the EVMSIG and the System Description Requirement Criteria of the GET (BP 4 Attachment F) to assess each affected guideline.
    V. Utilize the SDCT (Attachment A) to document EVMSD issues and any language considered high risk.
        1. High Risk language are process descriptions that are compliant but could lead to non-compliant implementation.
d) High Risk Surveillance Event (Not Approved) – When an EVMSD has not been previously reviewed or approved by the CO each person of the review team will do the following:
    I. Review the supplier's method for ensuring compliance to the intent of the EIA-748 section 2 guidelines.
    II. Read the entirety of the EVMSD document(s).
    III. Utilize the Intent section of the EVMSIG and the System Description Requirement Criteria of the GET (BP 4 Attachment F) to assess each affected guideline.

IV. Utilize the SDCT (Attachment A) to document EVMSD issues, how the supplier's EVMSD meets the intent of each guideline and any language considered high risk.
    1. High Risk language are process descriptions that are compliant but could lead to non-compliant implementation.

Note – The Guideline Evaluation Template (GET) (BP 4 Attachment F) is the mechanism to provide a complete guideline evaluation of the contractor's processes and EVMS implementation. It contains guidance on what a supplier's EVMSD should contain for each guideline.

9. Document All Possible Non-Compliances – The SDRL will facilitate, with the review team's assistance where applicable, writing and reviewing Discrepancy Reports (DR)s (Attachment C) for each possible non-compliance. The SDRL then:
    a) Forwards the DRs to the supplier for review.

10. Evaluate & Integrate Documentation – The amount of documentation depends on the risk level of the surveillance event.
    a) Low Risk Surveillance Event – As there is no formal surveillance on a low risk EVMSD change, there is no documentation to review or integrate.
    b) Medium Risk Surveillance Event – For EVMSD changes that warrant a Medium Risk level surveillance event, there is no integration of comments, as the SDRL is the only reviewer. For this, the SDRL reviews their documentation for completeness. The goal is to ensure clarity of any issues when communicating with the supplier.
    c) High Risk Surveillance Event – As each member of the review team finishes reviewing the EVMSD they will accomplish the following tasks:
        I. Review the SDCT (Attachment A) for completeness, ensuring that any non-compliances are adequately marked and notated via a DR.
        II. Forward SDCT (Attachment A) to the SDRL.
        III. Forward any DRs to the SDRL.
        IV. The SDRL will establish a meeting with the team to review all of the inputs and integrate all
            1. EVMSD comments
            2. DRs noting non-compliances
            3. Risk/Compliance evaluation via a combined SDCT (Attachment A).

11. Adjudicate Issues With Supplier – The SDRL facilitates meetings between the review team and the supplier to discuss the various comments, risk concerns and adjudicate any DRs. This is a cyclical sequence of events intended to resolve any discrepancies, conflicting direction, questions, deficiencies or incomplete process descriptions. Skip the rest of this process if there are no issues or DRs. The process contains the following steps:
    a) SDRL sends DRs back to the supplier for review.
    b) Review Team meets with Supplier to walk through all documented DRs,

questions and comments. The goal of this meeting is to answer any government questions, to provide the review team with adjudicating information, and for the Supplier to propose corrective actions.

c) Set a deadline to receive a revised EVMSD before the end of the meeting.
    I. Caution should be taken to not direct the Supplier on specific fixes. Maintain focus on the requirements.
    II. Ensure clarity on any issues that are vague to the review team.
    III. Walk through any corrective actions proposed by the Supplier.
d) Receive revised EVMSD.
e) Evaluate the revised EVMSD for corrections. The SDRL will consult with the Group Lead If there continue to be unresolved DRs. If there are new questions and/or issues repeat step 11. The Group Lead will determine if the review team should repeat the process or move forward and provide a recommendation to the CO for a formal corrective action and/or disapproval for the system description.

REPORT:

12. Summarization to Group Lead – The level of documentation is dependent upon the risk level and type of surveillance event.
    a) Low Risk – Low Risk surveillance events for system description are administrative in nature and do not alter any supplier processes. As such, the SDRL will:
        I. Prepare the Contracting Officer Memo (Attachment B) stating that all changes were administrative in nature and thus the changes to the EVMSD should be accepted.
        II. Send the memo to the Group Lead for concurrence.
    b) Medium/High Risk – The SDRL will submit the following documents to the Group Lead for concurrence of the surveillance event:
        I. The integrated SDCT (Attachment A)
        II. Draft Contracting Officer Memo (Attachment B) summarizing a recommendation for or against an EVMSD approval.
        III. All DRs. This includes any DRs that have already been corrected.
        IV. If necessary, a draft of the Corrective Action Request

13. Group Lead Assessment - The Group Lead will review the surveillance event documents and either concur or non-concur with the assessment.
    a) Concur
        I. The Group Lead will forward all integrated documentation to the appropriate administrative contracting officer (This may be delegated to the SDRL).
        II. The Group Lead will set-up a meeting between the review team and the appropriate administrative contracting officer to answer any questions and confirm receipt of the Contracting Officer Memo (Attachment B).
    b) Non-Concur

I. The Group Lead will document their concerns in the SDCT (Attachment A) and return all documentation back to the SDRL.
II. The SDRL will utilize the above processes to adjudicate all of the Group Lead's concerns.
III. Upon completion, the SDRL will re-submit all documentation to the Group Lead.

14. Administrative Contracting Officer Notification – The appropriate CO will review the supplied documentation and make a concurrence or non-concurrence decision. The DCMA-MAN 2301-01 "Contractor Business Systems" defines these processes.
    a) Approval
        I. The SDRL will notate the approval version in the DCMA EVMSC SD Repository.
        II. The SDRL will upload the newly approved version of all documents.
        III. The Group Lead will confirm that all documents and notations have been updated.
    b) Disapproval
        I. The SDRL will notate the disapproval in the DCMA EVMSC SD Repository.
        II. The SDRL will work with both the CO and the supplier to resolve all issues in accordance with DCMA Corrective Action Policy.
    c) Documentation Standards
        I. Document Naming Convention – All documents requiring archival shall use the naming convention CAGEDocTypeDAYMONYYYY.
        II. Classification Markings – The author of any document(s)/attachments(s) related to this BP shall ensure appropriate classification IAW applicable laws, regulations, and Government-wide policies, and the safeguarding and protection requirements for each.
        III. Documentation Archival - Any formal documentation that is distributed outside the DCMA EVMS Center needs to be archived within the Agency system of record.

    NOTE – In compliance with DCMA manual 3101-04, communications containing reports or other deliverables that are sent outside of the agency must contain a statement and link to the DCMA Customer Satisfaction Survey (i.e. "We greatly appreciate your feedback to help us better support your needs, please complete a brief survey at: https://www.dcma.mil/Customers/Customer-Satisfaction-Survey/")

Attachments:

A. System Description Comment Table (SDCT)
B. CO Notification Letter
C. Discrepancy Report

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