



DEFENSE CONTRACT MANAGEMENT AGENCY

Earned Value Management System

Initial Visit Brief

[Insert Contractor Name]

[Insert Contractor Location City, State]

Presented By:

Controlled by: DCMA

Controlled by:

CUI Category:

Distribution/Dissemination Control:

POC:



- Initial Visit (IV)
 - Purpose
 - Objectives
- DCMA EVMS Organization
- DCMA EVMSC Mission and Vision
- DCMA EVMSC Business Practices (BPs)
- Compliance Review (CR) Process
- SD Review Results
- DECM Results
- IV Path Forward

IV Purpose:

- Provide an opportunity for early dialogue between DCMA and LM RMS on the EVMS Compliance Review (CR) process

Overall intent of EVMS compliance is to ensure EVMS:

- Properly relates cost, schedule, and technical accomplishment
- Provides valid, accurate, timely, and auditable data
- Is used as a mainstream program management tool

IV Objectives:

- Hold early dialogue between DCMA and **[Contractor]** on the EVMS CR process
- Introduce the EVMSC organization and Business Practices
- Layout and discuss CR expectations for FY **[YY]** CR
- Present and discuss potential problems with the EVMS processes, procedures and implementation
- Present and discuss preliminary data analysis consistent with the DCMA EVMS Compliance Metrics (DECMs)
- Plan FY **[XX]** **[Date]** EVMS Compliance Review

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- Rolls Royce (RR) Corp.
- Eastern Shipbuilding Group (ESG)
- Charles Stark Draper Laboratory
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- General Atomics
- Jacobs Technology
- Bell Flight
- Bechtel
- Coleman Aerospace
- Amentum
- Textron Systems (AAI, TSM&LS)
- Progeny Systems Corp.
- GD
- Aerojet Rocketdyne
- Honeywell

- EVMS Center
 - **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
 - **Vision** | Serve as a dedicated partner for effective DoD acquisition decision making by ensuring integrated, reliable, and actionable Earned Value Management data

- OMB Circular A-11 (2006), Part 7
- OMB Circular A-11 (2013), Appendix J
 - Capital Programming Guide (2013, Section I.5.5.4, II.2.4, *and others*)
- DFARS 252.234-7002 Earned Value Management System (Contract Clause)
 - (1) An Earned Value Management System (EVMS) that complies with the EVMS 32 guidelines per EIA-748
 - (2) Management procedures that provide for generation of timely, reliable, and verifiable information: IMS, CPR, IPMR
- DFARS 252.242-7005 Withholding payments with business system disapproval
 - DFARS Subpart 242.302 (S-71)
- February 18, 2015: OUSD AT&L (PARCA) approves DoD EVMS Interpretation Guide (latest version March 14, 2019)

- DCMA is the cognizant office responsible for ensuring the contractor complies with the terms and conditions of the contract as delineated in the DFARS 242.302
- Contractors are expected to assume the responsibility for consistent application of the EVMS and its currency and relevance.

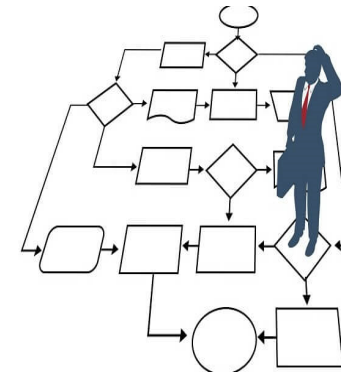


DFARS 252.242-7005

- “Acceptable contractor business system” means contractor business system that complies with the terms and conditions of the applicable business system clause.
- “Significant deficiency”, in the case of a contractor business system, means 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.
- “Withholding payments”, If the Contracting Officer issues the final determination with a notice to withhold payments for significant deficiencies.



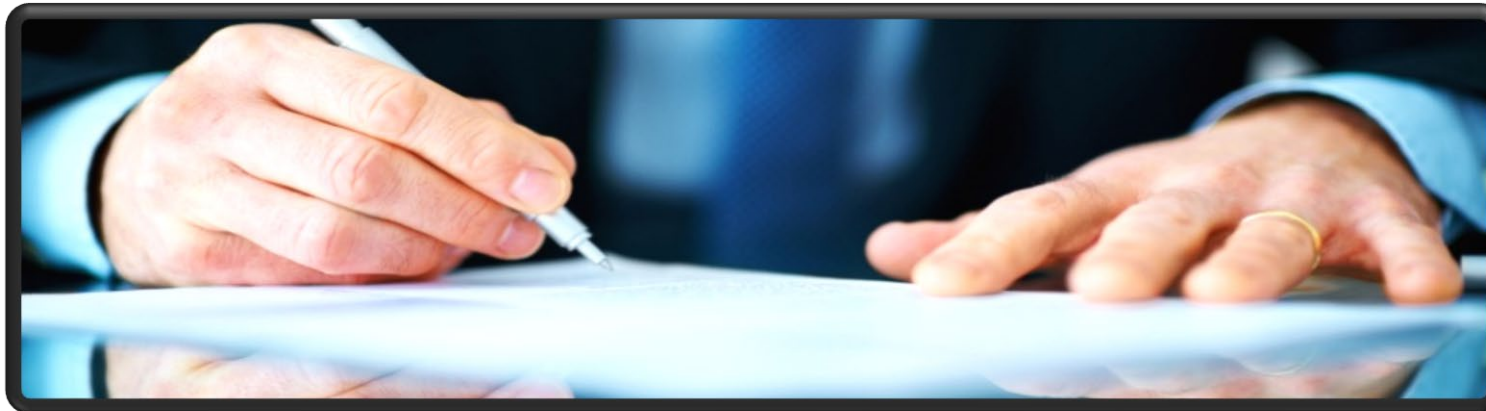
- Business Practice 0: Earned Value Management Systems
- Business Practice 1: EVMS Pre-Award Support
- Business Practice 2: EVM System Description Review
- Business Practice 3: EVMS General Support
- Business Practice 4: EVMS Surveillance
- Business Practice 5: EVMS Review for Cause (RFC)
- Business Practice 6: EVMS Compliance Review (CR)
- Business Practice 7: DCMA EVMS Compliance Metrics (DECM)
- Configuration Control
- Business Practice 8: EVMS Career Development Program



- Business Practice 0: Earned Value Management Systems (EVMS)
 - 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.



- Business Practice 1: EVMS Pre-Award Support
 - DFARS 252.234-7001 Notice of Earned Value Management System
 - Defines the process to review contractor proposals to implement a compliant EVMS.



- Business Practice 2: EVM System Description Review
 - Defines the process for the EVMS Center personnel to conduct a review of the contractor EVM System Description, and all related contractor EVMS descriptive documents.
 - The two evaluation scenarios are:
 - Initial Review: A complete process evaluation of the contractor's EVM SD and all related procedures is required to assess initial compliance.
 - Change Review: If the changes to the SD are considered substantive IAW DFARS 252.234-7002 section (e) then a review of the corresponding sections of the CRC is required.
 - DCMA EVMS Center reviews SD and provides recommendation of acceptability to Contracting Officer.
 - Contracting Officer advises the contractor of the acceptability of the contractor's proposed EVM SD or SD changes.

[INSERT ECDP-LRP 112 BP2 TRAINING SLIDES OR TRANSITION TO
ALTERNATE PRESENTATION– TAILOR AS NECESSARY]

- Business Practice 3: General Support
 - Defines the process for general program support requests as well as a uniform process for DCMA's evaluation of a contractor's Performance Management Baseline (PMB). BP3 is performed in support of the Integrated Baseline Review (IBR), an event led by the Program Management Office (PMO). For contracts valued (including all options if exercised) at \$100M and above, BP3 can also be executed following a major contractual modification, internal changes to the PMB, such as single point adjustments (SPA), Over Target Baselines (OTB), etc. This process uses quantitative analysis techniques to identify risks, and tests the reliability of the contractor's PMB. The outcome of the process is a report detailing the PMB analysis, evaluation, and any actionable recommendations to the stakeholder.

- Business Practice 4: EVMS Surveillance
 - Defines the process to evaluate continued compliance of a contractor's EVMS in accordance with DCMA MAN 2301-01: Contractor Business Systems and DCMA MAN 2303-01: Surveillance.

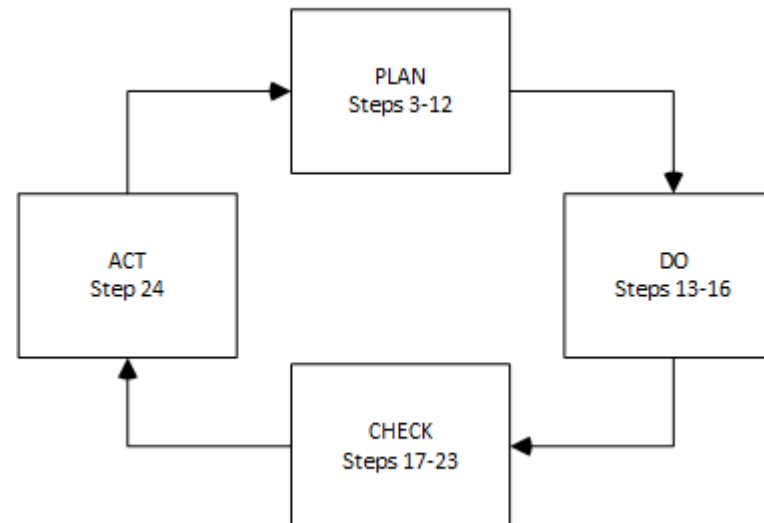


Figure 1 – Plan, Do, Check, Act

- Business Practice 5: EVMS Review for Cause (RFC)
 - Defines the process for the EVMS Center personnel to conduct contractor EVMS reviews for cause (RFC).
 - A RFC is a focused assessment of a contractor's system, comprised of a System Description (SD), command media, processes, related tools, and the contractor's ability to implement the EVM system on contracts with an EVMS requirement. The scope and conduct of the RFC should be limited to only the system processes affected, in order to minimize programmatic disruptions and ensure the greatest return for resources expended. The primary objectives of the RFC are to:
 - Ensure accuracy of performance data generated for government contracts
 - Determine if the system acceptance should be withdrawn
 - Assess and ensure correction of identified issues which have been identified by a stakeholder (to include below threshold contracts) which do not require a formally accepted system nor continuing surveillance

- Business Practice 6: EVMS Compliance Review (CR)
 - Defines the process for the EVMS Center personnel to conduct the planning, execution, and reporting of initial contractor EVMS compliance.
 - CR is a comprehensive assessment of a contractor's system, comprised of a System Description (SD), command media, processes, related tools, and the contractor's ability to implement the EVM system on contracts with an EVMS requirement.
- Key Steps in the CR Process
 - Plan
 - Conduct
 - Report

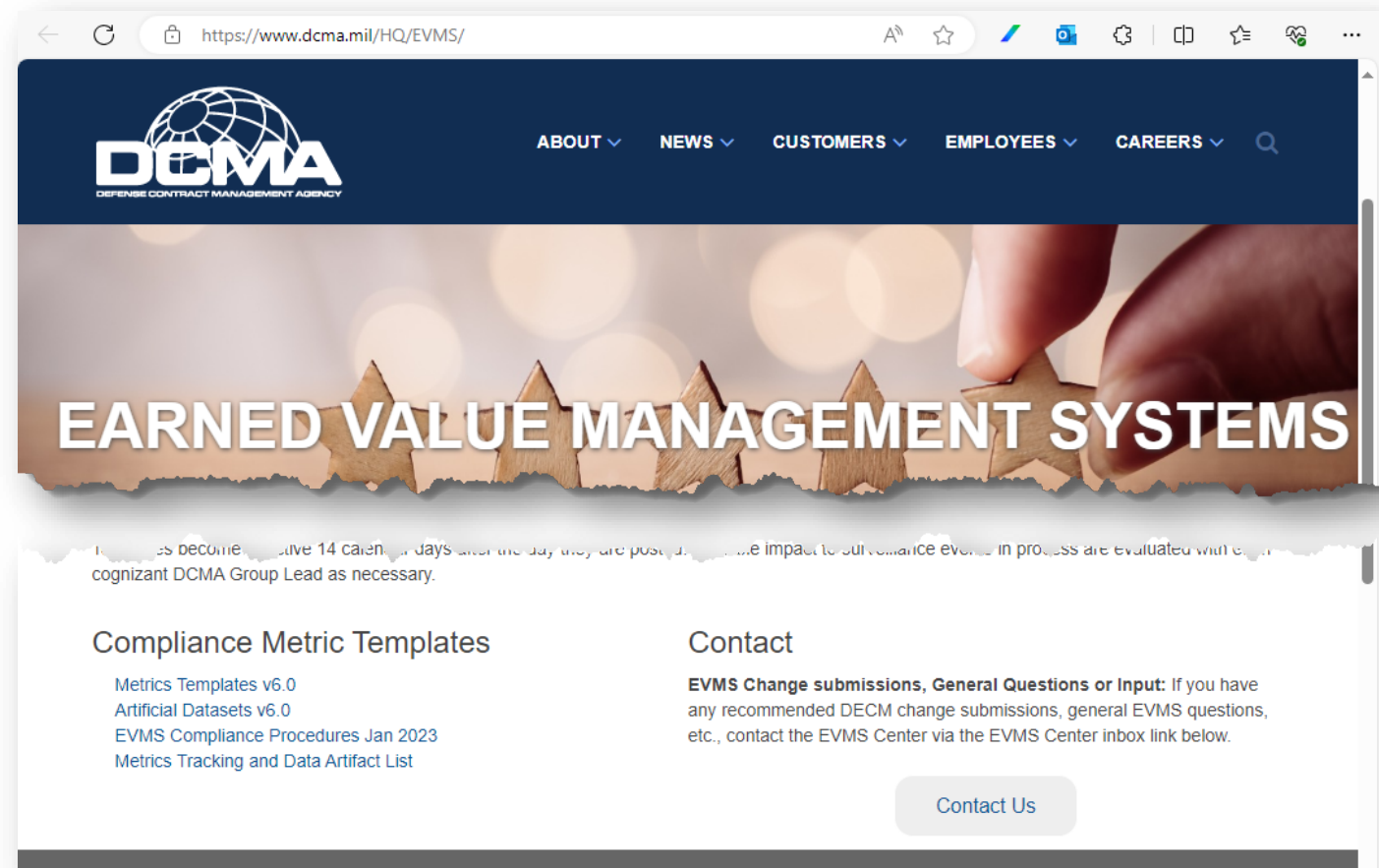


[INSERT ECDP-LRP 116 BP6 TRAINING SLIDES OR TRANSITION TO
ALTERNATE PRESENTATION– TAILOR AS NECESSARY]

- Business Practice 7: Earned Value Management System (EVMS)
Compliance Test Metric Configuration Management
 - Process of configuration control and change management for the test metric specifications utilized by the EVMS Center personnel to assess contractor EVMS compliance

- Standardization of EVMS oversight that utilizes system data to help focus surveillance activity and assess compliance.

<https://www.dcmamil/HQ/EVMS/>





- [Add SD Review Results]
- [Identify areas of concern that pose risk to compliance during the CR]

- [Add DECM Results]
- [Identify OOT concerns or other areas of concern that pose risk to compliance during the CR]

- Compliance Review (CR) to formally assess EVMS implementation
- Ensure **[Insert contractor name]**:
 - Properly relates cost, schedule, and technical **accomplishment**
 - Provides **valid, accurate, timely, and auditable** data
 - Is used as a mainstream **program management tool**

- Evaluate management system **capabilities** against Electronic Industries Alliance-748 (EIA-748) guidelines
- Assess the **description** of the management system to determine if it adequately describes the management processes demonstrated during the review
- Evaluate the **application** of the management system on the contract(s) under review

Two-Pronged Approach

- Pre-Review assessment of **processes, procedures, and EVMS data**
 - Perform overarching assessment of defined processes (system description)
 - Verify compliance of processes, procedures, and methods
 - Verify descriptive documents containing contractor's policies & procedures are used in actual operation
 - Perform data analysis on system produced data
- On-site assessment of EVMS **application & implementation**
 - Assess application of Earned Value Management (EVM) system consistently & properly on contracts
 - Evaluate management system capabilities against the 32 EVMS guidelines
 - Assess EVM integration into risk management
 - Verify the EVMS data is used in the management of the contract(s) being reviewed

- **[Insert contractor name and EVM SD name]** EVM System Description and EVMS data
- Management Interviews
 - **[Insert contractor business segment names]**
 - **[Insert program names, insert contract numbers]**
 - Interviews with:
 - Control Account Manager(s) (CAMs) **[Insert number of CAM interviews]**
 - Accounting/Finance, Material, and Indirect Cost Management
 - Planners/Schedulers
 - Program Management

Defense Federal Acquisition Regulation Supplement (DFARS) 252.234-7001, 252.234-7002, 252.242-7005

- Ensure proposed EVMS is compliant to EIA-748 EVMS standards & contractors use an **acceptable** EVMS
- Objectives
 - **Formal** review to assess EVMS compliance
 - Evaluate management system **processes** & **procedures**
 - Evaluate EVMS management planning & **control systems**
- Assess **application** of EVMS to applicable contracts DFARS 242.302 (S-71)
- DCMA responsible to verify **initial** & continuing EVMS compliance

DFARS 252.234-7002, 252.242-7005

- Ensure EVMS continuing compliance to EIA-748 EVMS standards
- Contractor encouraged to participate in DCMA Standard Surveillance
- Objectives
 - Contractor commitment to **maintain** & use accepted EVMS on current & future contracts
 - Encourage **continuous improvement** & innovation

DFARS 242.302 (S-71)

- DCMA responsible to verify initial & **continuing** EVMS compliance

Week 1 (Insert review type - on-site or virtual, Month DD-DD)

- [Insert contractor name] EVM System Overview presentation
- DCMA Compliance Review entrance briefing
- CAM, Scheduling, Accounting and Material interviews
- Accumulate possible Deficiency Reports (DRs)
- Daily end-of-day meetings with [Insert contractor name] management

Week 2 (Remote/virtual team, Month DD-DD)

- Review Chief & Deputy on site
- Management interviews (if necessary)
- Accumulate assessments for overall guideline compliance
- Accumulate assessment for overall system compliance
- Exit briefing

- A determination of EVMS compliance made by the cognizant Contracting Officer
- Final Determination - Approval
 - Recognizes EVMS acceptance within a specific **site/facility**
 - Does not extend to corporate level
 - Contractor **commitment** to maintain & use approved EVMS on current & future contracts

- Review Agenda
 - System Overview
 - Management Interviews
 - Documentation / Deficiency Reports
 - Daily Meetings
 - Documentation of Guideline / Area Evaluations
 - Exit Briefing

- **Initial Determination**

- 45 days – after CR, report with recommendations to Administrative Contract Officer (ACO) (**insert date MM/DD**)
- 10 days – ACO issues Initial Determination (**insert date MM/DD**)
- 30 days – Contractor response to Initial Determination (if significant deficiencies exist) (**insert date MM/DD**)

- **Final Determination**

- 30 days – ACO issues Final Determination (**insert date MM/DD**)
- 45 days – Contractor corrects deficiencies or submits acceptable Corrective Action Plan (CAP) (**insert date MM/DD**)

- Issue IV report summarizing IV accomplishments
- Establish FY [YY] EVMS Compliance Review Dates
 - FY [YY] CR: [DATES]
- Plan and coordinate FY [YY] Compliance Review details to include data requirements, onsite or virtual visit needs





- ACO: Administrative Contracting Officer
- CR: Compliance Review
- CAM(s): Control Account Manager(s)
- CAP: Corrective Action Plan
- DFARS: Defense Federal Acquisition Regulation Supplement
- DRs: Deficiency Reports
- EVM: Earned Value Management
- EVMS: Earned Value Management System
- EVMSD: Earned Value Management System Description
- EIA: Electronic Industries Alliance