CHANGE REQUEST COVER SHEET

Change Request Number: 13-76 **Date Received:** 7/2/2013

Title: Earned value management and baseline management policy shift from section 1.2.3 Service Management to a dedicated policy section 1.2.18 Earned Value and Baseline Management

---

Name: David Woodson

Phone: 202-267-7601

Policy OR Guidance: Policy

Section/Text Location Affected: 1.2.5 service management

Summary of Change: Moves earned value management and baseline management policy from section 1.2.3 to a new dedicated section1.2.18 Earned Value and Baseline Management.

Reason for Change: The policy is misplaced in section 1.2.3 and needs the visibility of a dedicated section name.

Development, Review, and/or Concurrence: AAP-130, AAP-100

Target Audience: Engineering and acquisition management workforce

Potential Links within FAST for the Change: None

Briefing Planned: No

ASAG Responsibilities: None

Potential Links within FAST for the Change: None

Links for New/Modified Forms (or) Documents (LINK 1)

Links for New/Modified Forms (or) Documents (LINK 2)

Links for New/Modified Forms (or) Documents (LINK 3)

SECTIONS ADDED:

Acquisition Management Policy:
Section 1.2.18 : Earned Value and Baseline Management [New Content]

SECTIONS EDITED:

Acquisition Management Policy:
Section 1.2.3 : Service Management [Old Content][New Content] [RedLine Content]

SECTIONS ADDED:

Acquisition Management Policy:
Section 1.2.18 : Earned Value and Baseline Management

The Office of Management and Budget (OMB) directs all Government agencies to use an earned value management (EVM) system that complies with the industry EVMS Standard, American National Standard Institute, Electronic Industries Alliances-748, for capital investment programs involving development, modernization, or enhancement. Service organizations comply with this directive, which includes an integrated baseline review of cost and schedule projections within six months of contract award or program baseline approval. The earned-value management focal point reports quarterly the earned-value status of major investment programs to the Joint Resources Council.

Service organizations manage investment programs during solution implementation within controlled acquisition program baselines approved at the final investment decision. They take action to correct negative variance from any cost, schedule, or performance baseline measure. Negative variances that exceed 10 percent must be reported quarterly to the Joint Resources Council, along with an explanation of the cause(s), impact on service delivery, and a recovery strategy. The Administrator must notify the Congress of any program cost or schedule variance exceeding 50 percent and must either terminate the activity or justify why it should be continued and provide a recovery plan. When the Joint Resources Council determines an investment program cannot recover from a degenerating negative baseline variance, it may elect to rebaseline the effort by adding resources or changing its scope or schedule, or it may decide to terminate the activity.

SECTIONS EDITED:

Section 1.2.3 : Service Management

Old Content: Acquisition Management Policy:
Section 1.2.3 : Service Management

Acquisition management policy is structured to apply FAA investment resources to the cost-effective delivery of safe and secure services to its customers. The delivery of these services is accomplished through service organizations, which are responsible and accountable for lifecycle management of service delivery.

A service organization is any organization that manages investment resources, regardless of appropriation, to deliver services. It may be a service unit, program office, or directorate, and may be engaged in air traffic services, safety, security, regulation, certification, operations, commercial space transportation, airport development, or administrative functions.

Service organizations bring together the stakeholders and specialists necessary to plan, obtain, manage, and sustain assigned services throughout their lifecycle. A service may be delivered directly to a customer, such as flight planning for general aviation, or to other service organizations that deliver end services to customers. Together, service organizations span the spectrum of FAA activity and responsibility.

Service organizations manage service delivery by means of integrated portfolios of capital investments and operational assets. These portfolios includes investment assets under acquisition; fielded equipment, legacy systems, infrastructure, and facilities; and all other types of resources.

Service organizations perform service analysis annually to determine what capabilities must be in place now and in the future to meet agency goals and the service needs of customers and to move planning forward each year. Results are captured in enterprise architecture roadmaps, which are the transition plans for moving the current "as is" architecture to the future "to be" state. These roadmaps are the foundation for line-of-business and staff office business plans, which in turn are the basis for service organization operating plans.

The operating plan of each service organization specifies how it will manage its operational assets and investment initiatives over time to sustain and improve service delivery. Each operating plan is maintained on a continuing basis and updated yearly to reflect progress against plan, Congressional or executive direction, emerging customer needs, and critical aviation incidents. Service organizations track performance, accomplishments, and resource expenditures relative to the operating plan, and take corrective action as necessary to achieve agreed upon goals and objectives. Service organizations work closely with each other to manage shared assets efficiently and effectively.

The Office of Management and Budget (OMB) directs all Government agencies to use an earned value management (EVM) system that complies with the industry EVMS Standard, American National Standard Institute, Electronic Industries Alliances-748, for capital investment programs involving development, modernization, or enhancement. Service organizations comply with this directive, which includes an integrated baseline review of cost and schedule projections within six months of contract award or program baseline approval. The earned-value management focal point reports quarterly the earned-value status of major investment programs to the Joint Resources Council.

Service organizations manage investment programs during solution implementation within controlled acquisition program baselines approved at the final investment decision. They take action to correct negative variance from any cost, schedule, or performance baseline measure. Negative variances that exceed 10 percent must be reported quarterly to the Joint Resources Council, along with an explanation of the cause(s), impact on service delivery, and a recovery strategy. The Administrator must notify the Congress of any program cost or schedule variance exceeding 50 percent and must either terminate the activity or justify why it should be continued and provide a recovery plan. When the Joint Resources Council determines an investment program cannot recover from a degenerating negative baseline variance, it may elect to rebaseline the effort by adding resources or changing its scope or schedule, or it may decide to terminate the activity.

New Content: Acquisition Management Policy:
Section 1.2.3 : Service Management

Acquisition management policy is structured to apply FAA investment resources to the cost-effective delivery of safe and secure services to its customers. The delivery of these services is accomplished through service organizations, which are responsible and accountable for lifecycle management of service delivery.

A service organization is any organization that manages investment resources, regardless of appropriation, to deliver services. It may be a service unit, program office, or directorate, and may be engaged in air traffic services, safety, security, regulation, certification, operations, commercial space transportation, airport development, or administrative functions.

Service organizations bring together the stakeholders and specialists necessary to plan, obtain, manage, and sustain assigned services throughout their lifecycle. A service may be delivered directly to a customer, such as flight planning for general aviation, or to other service organizations that deliver end services to customers. Together, service organizations span the spectrum of FAA activity and responsibility.

Service organizations manage service delivery by means of integrated portfolios of capital investments and operational assets. These portfolios includes investment assets under acquisition; fielded equipment, legacy systems, infrastructure, and facilities; and all other types of resources.

Service organizations perform service analysis annually to determine what capabilities must be in place now and in the future to meet agency goals and the service needs of customers and to move planning forward each year. Results are captured in enterprise architecture roadmaps, which are the transition plans for moving the current "as is" architecture to the future "to be" state. These roadmaps are the foundation for line-of-business and staff office business plans, which in turn are the basis for service organization operating plans.

The operating plan of each service organization specifies how it will manage its operational assets and investment initiatives over time to sustain and improve service delivery. Each operating plan is maintained on a continuing basis and updated yearly to reflect progress against plan, Congressional or executive direction, emerging customer needs, and critical aviation incidents. Service organizations track performance, accomplishments, and resource expenditures relative to the operating plan, and take corrective action as necessary to achieve agreed upon goals and objectives. Service organizations work closely with each other to manage shared assets efficiently and effectively.

Red Line Content: Acquisition Management Policy:
Section 1.2.3 : Service Management

Acquisition management policy is structured to apply FAA investment resources to the cost-effective delivery of safe and secure services to its customers. The delivery of these services is accomplished through service organizations, which are responsible and accountable for lifecycle management of service delivery.

A service organization is any organization that manages investment resources, regardless of appropriation, to deliver services. It may be a service unit, program office, or directorate, and may be engaged in air traffic services, safety, security, regulation, certification, operations, commercial space transportation, airport development, or administrative functions.

Service organizations bring together the stakeholders and specialists necessary to plan, obtain, manage, and sustain assigned services throughout their lifecycle. A service may be delivered directly to a customer, such as flight planning for general aviation, or to other service organizations that deliver end services to customers. Together, service organizations span the spectrum of FAA activity and responsibility.

Service organizations manage service delivery by means of integrated portfolios of capital investments and operational assets. These portfolios includes investment assets under acquisition; fielded equipment, legacy systems, infrastructure, and facilities; and all other types of resources.

Service organizations perform service analysis annually to determine what capabilities must be in place now and in the future to meet agency goals and the service needs of customers and to move planning forward each year. Results are captured in enterprise architecture roadmaps, which are the transition plans for moving the current “as is” architecture to the future “to be” state. These roadmaps are the foundation for line-of-business and staff office business plans, which in turn are the basis for service organization operating plans.

The operating plan of each service organization specifies how it will manage its operational assets and investment initiatives over time to sustain and improve service delivery. Each operating plan is maintained on a continuing basis and updated yearly to reflect progress against plan, Congressional or executive direction, emerging customer needs, and critical aviation incidents. Service organizations track performance, accomplishments, and resource expenditures relative to the operating plan, and take corrective action as necessary to achieve agreed upon goals and objectives. Service organizations work closely with each other to manage shared assets efficiently and effectively.

~~The Office of Management and Budget (OMB) directs all Government agencies to use an earned value management (EVM) system that complies with the industry EVMS Standard, American National Standard Institute, Electronic Industries Alliances-748, for capital investment programs involving development, modernization, or enhancement. Service organizations comply with this directive, which includes an integrated baseline review of cost and schedule projections within six months of contract award or program baseline approval. The earned-value management focal point reports quarterly the earned-value status of major investment programs to the Joint Resources Council. Service organizations manage investment programs during solution implementation within controlled acquisition program baselines approved at the final investment~~

~~decision. They take action to correct negative variance from any cost, schedule, or performance baseline measure. Negative variances that exceed 10 percent must be reported quarterly to the Joint Resources Council, along with an explanation of the cause(s), impact on service delivery, and a recovery strategy. The Administrator must notify the Congress of any program cost or schedule variance exceeding 50 percent and must either terminate the activity or justify why it should be continued and provide a recovery plan. When the Joint Resources Council determines an investment program cannot recover from a degenerating negative baseline variance, it may elect to rebaseline the effort by adding resources or changing its scope or schedule, or it may decide to terminate the activity.~~
