

AMS CHANGE REQUEST (CR) COVERSHEET

Change Request Number: 16-33
Date Received: March 24, 2016
Title: Earned Value Management (EVM)

Initiator Name: Matoka Forbes
Initiator Organization Name / Routing Code: Investment Process Management (IPM)
Division/AAP-200
Initiator Phone: (202) 267-0356

ASAG Member Name: Rebecca T. King
ASAG Member Phone: (202) 267-0311

Guidance and Policy must be submitted with separate CR coversheets.

Policy

Or

- Procurement Guidance
 Real Estate Guidance
 Other Guidance

Summary of Change: The change makes an update to the EVM Policy 4.16.

Reason for Change: The changes are made to address the Office of Inspector General findings concerning EVM.

Development, Review, and Concurrence: EVM Council, PMO/Program Control

Target Audience: Contracting personnel, investment analysis teams, acquisition workforce, program control, major programs

Briefing Planned: Yes.

ASAG Responsibilities: Review and comment.

Section / Text Location: Acquisition Practices, Measurement and Analysis, AMS Policy Section 4.16, EVM

The redline version must be a comparison with the current published FAST version.

I confirm I used the latest published version to create this change / redline

or

This is new content

Links: http://fast.faa.gov/EarnedValueManagement.cfm?p_title=Acquisition Practices

Attachments: Redline and final documents.

Other Files: N/A

Redline(s):

Section Revised:

4.16 – Earned Value Management

4.16.1 – Program EVM Requirements

4.16.2 – Contractor EVM Requirements

Acquisition Management Policy - (~~4/2016~~ 7/2016)

[4.16 Earned Value Management](#) Revised ~~2/2015~~ 7/2016

[4.16.1 Program EVM Requirements](#) Added 2/2015 Revised 7/2016

[4.16.2 Contractor EVM Requirements](#) Revised ~~2/2015~~ 7/2016

[4.16.3 Contractor Management Control System Certification](#) Revised 2/2015

4.16 Earned Value Management Revised 2/2015-7/2016

Organizations responsible for FAA capital investment programs that involve development must comply with federal regulations as required by OMB Circular A-11 and other relevant OMB Memoranda regarding earned value management (EVM) as it applies to both government and contractor development efforts regardless of contract type. The FAA uses EVM to manage development activities by providing timely, accurate, and integrated cost, schedule, and technical performance information.

EVM requirements are documented in the EVM Determination for each program by the EVM Focal Point prior to a Joint Resources Council (JRC) ~~final investment decision (FID) or baseline change decision (BCD)~~. Investment Analysis Readiness Decision (IARD), Initial Investment Decision (IID), Final Investment Decision (FID) or Baseline Change Decision (BCD). However, the JRC may designate any program for the implementation of EVM at the program level or to any type of development contract based on an assessment of cost, schedule, and technical risk of each effort.

4.16.1 Program EVM Requirements Added 2/2015 Revise 7/2016

All FAA programs identified as major programs for reporting to OMB must establish a program management and control system using the principles of an EVMS in ANSI/ Electronic Industries Alliance (EIA)-748. EVM data is extracted from the management and control system and reported to DOT for submission to OMB on a monthly basis. The program EVM system must be consistent with the program management and control strategy in the JRC approved implementation strategy and planning document. The program must create the necessary program management information, including the Program level Performance Measurement Baseline (PMB) and supporting documentation for its program integrated baseline review (IBR). The program will facilitate the conduct of the IBR which will be overseen by an FAA team of subject matter experts formed and led by the EVM Focal Point as part of the oversight role.

The ~~Information Technology Strategy and Performance organization will conduct~~ EVM Focal Point conducts program level surveillance on all major programs.

4.16.2 Contractor EVM Requirements Revised 2/2015-7/2016

Implementation of EVM on development contract efforts is based on an assessment of cost, schedule, and technical performance risk of each contract. Implementation must be consistent with the program and contract management strategy in the implementation strategy and planning document.

Contractors are required to apply earned value management to development contracts over \$50 million and use a certified/validated EVM system (EVMS) for reporting. For development contracts between \$20 and \$50 million, the contractor management control system must comply with the ANSI/EIA-748 guidelines as tailored by the program manager, contracting officer, and EVM Focal Point but a certification/validation of the contractor EVM system is not required.

The JRC may designate the application of earned value management to any development contract based on an assessment of cost, schedule, and technical risk of each contract. The contractor must provide an Integrated Program Management Report (IPMR) and participate in government led integrated baseline reviews.

The ~~Program Office that manages the development contract will conduct~~EVM Focal Point conducts contractor EVMEVMS surveillance.

4.16.3 Contractor Management Control System Certification Revised 2/2015

The contracting officer assisted by the EVM Focal Point validates the contractor management control system as meeting contract management control requirements. The EVM Focal Point assesses contractor implementation of its management control system and monitors application to ensure compliance. Contractors not in compliance with the EVM requirements of a contract are subject to payment withholding in accordance with AMS clause 1.13-7 “Earned Value Management System – Withholding of Payment”. The EVM Focal Point determines whether a contractor requires an EVM system certification review or whether an existing certification is acceptable. The EVM Focal Point establishes agreements with other government agencies to recognize contractor EVM certifications and surveillance reports.