



# IPMR DID vs Implementation Guide

*(A success story...)*

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## AUWs, UCAs, NTEs and the Like

From the IPMR DID paragraph 3.2.1.3.1

*“AUW value shall represent the Procuring Contracting Officer’s (PCO) best estimate of the authorized scope for inclusion in the baseline.”*

From the IPMR Implementation Guide paragraph 4.4.2

*“The EVM budgets must be sufficient to represent a realistic plan to capture all scope on contract. EVM budgets are applied without the constraint of funding or not-to-exceed (NTE) limitations. Just as incrementally funded contracts should establish an EVM baseline for the entire scope of work, AUW baselines should represent all authorized scope. AUW is determined by the PCO in the scope provided in the authorization. It may reference a contractor provided rough-order-magnitude or certified pricing.”*

In addition, the Implementation Guide offers the following example:

*“Authorization for engineering change proposal (ECP) 1234 based on a cost estimate of \$100M and subject to an NTE of \$22M at cost. There was no scope tied to the \$22M NTE; the authorization referenced the ECP 1234 scope as a whole. Therefore, the contractor adds \$100M to AUW consistent with the ECP total scope and updates the PMB. In the first example above, \$22M is the amount of funding made available for the contractor to expend. The scope of work is the entire ECP. Therefore, the baselined budgets align with the entire ECP scope, valued at \$100M. Funding limitations still exist, so the contractor cannot spend more than \$22M on the ECP”*

# Getting it on the Table

- Raytheon communicates the issue to PARCA's EVM division via 2 paths
- Via the "contact us" and "Issue Resolution" links on the website



...with the following supplemental information...

The Implementation Guide seems to be contradictory to the inflexible statement in the DID and as we all recognize, the DID is the document that we measure compliance to, not the Implementation Guide. We further believe that the Implementation Guide is very well narrated for providing the best guidance.

Raytheon requested the following change:

IPMR DID paragraph 3.2.1.3.1 *"AUW value shall represent the contractor's best estimate of the authorized scope for inclusion in the baseline."*

# The Resolution



1. Follow on informal discussion held at EV-CR User's Group during "one-on-one sessions" for clarity and prioritization
2. PARCA responds via their system

*"While it is ideal for there to be consistency between the DID and the Implementation Guide, in cases where there are discrepancies, the Implementation Guide should be followed as it is DoD's interpretation of how to implement the DID. As a matter of practice, the PARCA team regularly reviews Earned Value policy and guidance to identify gaps or inconsistencies. We will review this item and make updates as required."*

**We tested the system and the process...and it worked!**