



The DoD EVMS Operational Environment

29 April 2014

Carol S. Boser

Topics

- **Leadership**
- **Policy & Processes**
- **Changes Underway**

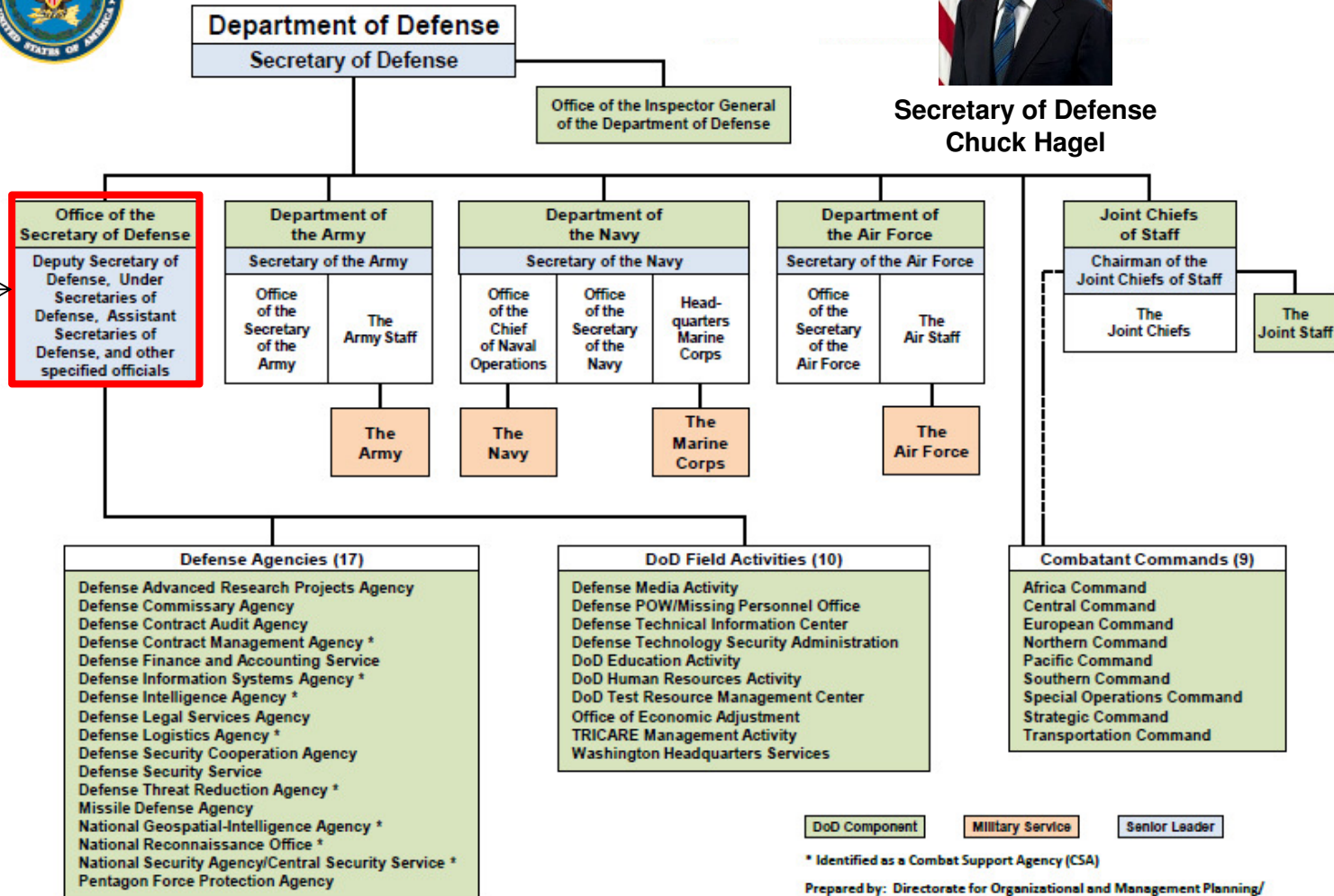
Leadership – Department of Defense



Secretary of Defense
Chuck Hagel

Including:

- AT&L
- CAPE



DoD Component Military Service Senior Leader

* Identified as a Combat Support Agency (CSA)

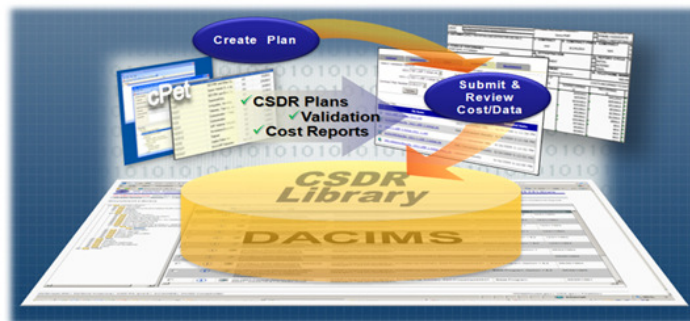
Prepared by: Directorate for Organizational and Management Planning/
Office of the Director of Administration and Management/Office of the
Secretary of Defense – March 2012

→ Cost Assessment & Program Evaluation (CAPE)

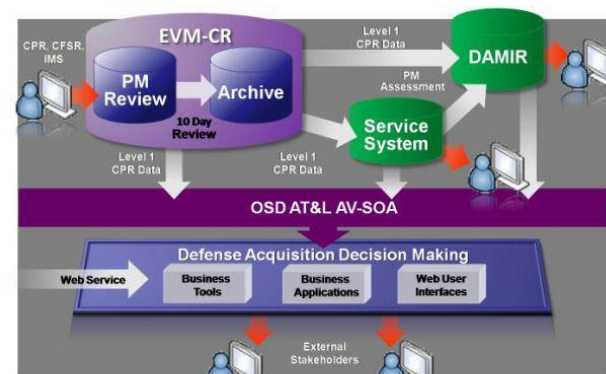
MISSION

- Analyze and evaluate plans, programs, and budgets in relation to U.S. defense objectives, projected threats, allied contributions, estimated costs, and resource constraints
- Review, analyze, and evaluate programs for executing approved policies
- Provide leadership in developing and promoting improved analytical tools and methods for analyzing national security planning and the allocation of resources
- Ensure that the costs of DoD programs are presented accurately and completely
- Assess effects of DoD spending on the U.S. economy; evaluate alternative policies to ensure that DoD programs can be implemented efficiently

RELATED CAPE WEB SITE - DCARC

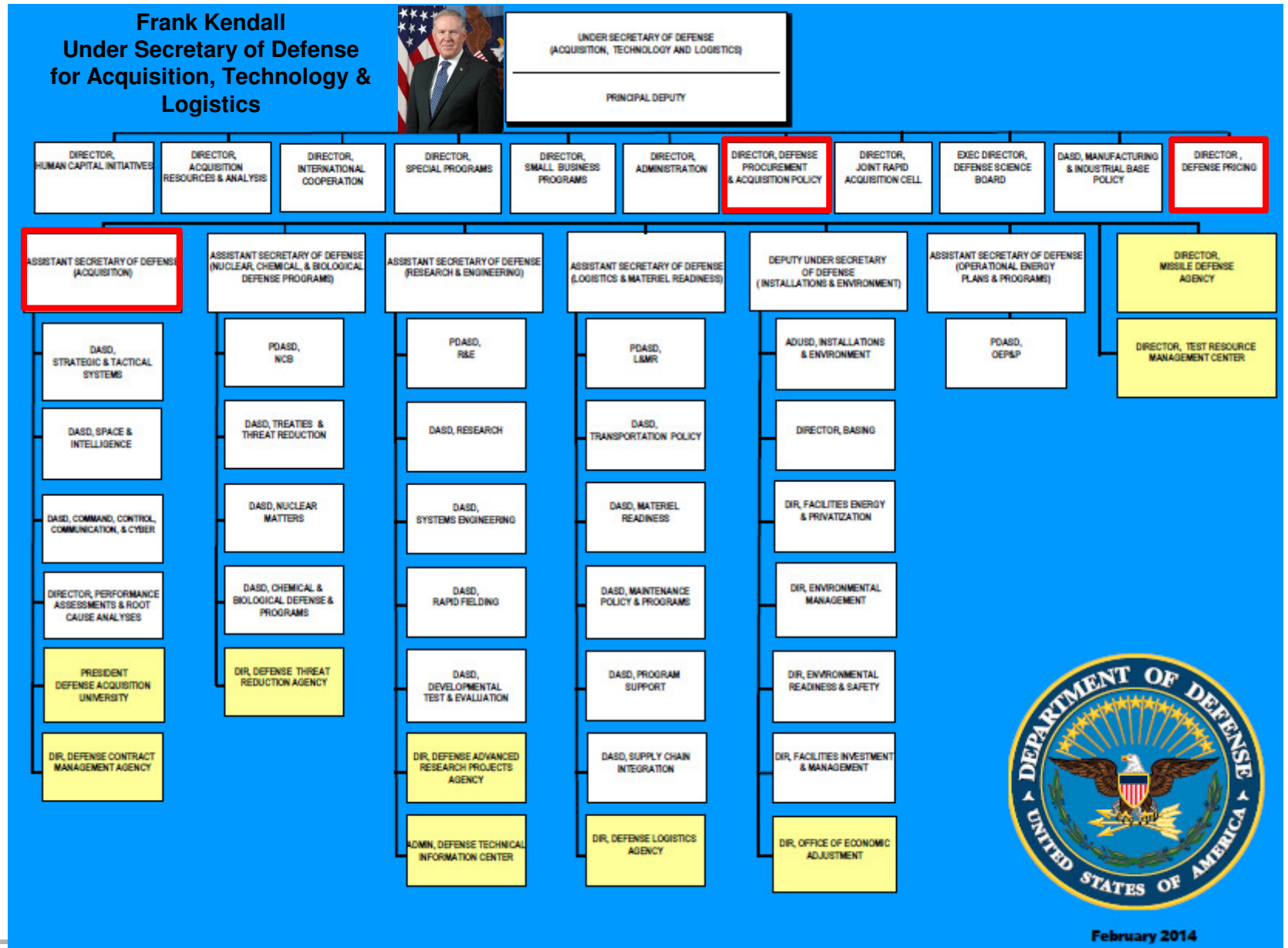


Cost & Software Reporting



EVM Central Repository

Leadership – OSD AT&L Organization



Katrina G. McFarland



Leadership - Defense Procurement and Acquisition Policy & Defense Pricing

Richard T. Ginman
Dir, DPAP



Responsible for domestic, international, and contingency contract policy, Acquisition policy and oversight of DoD 5000.1 and 2 and DFARS

Mission

Enable Components to effectively deliver equipment and services that meet the needs of the warfighter through innovative policy, guidance, and oversight while being good stewards of the taxpayers' money

Mr. Shay D. Assad
Dir, Defense Pricing



Responsible for contract pricing policy matters within the DoD

Mission

Enable Components to effectively deliver goods and services that meet the needs of the warfighter, while ensuring a business deal that is in the best interests of the tax payer.

Leadership – OSD AT&L Acquisition Organization



Office of the Assistant Secretary of
Defense (Acquisition)

Assistant Secretary of Defense
(Acquisition)
Mrs. Katrina G. McFarland

Provides oversight and policy direction
on matters relating to DoD's acquisition
system

**EVMS
Policy**



Performance Assessments
and Root Cause Analyses
(PARCA)

Director
Mr. Gary Bliss
571-256-0646



Strategic and Tactical
Systems (S&TS)

Acting Deputy Assistant
Secretary of Defense
Ms. Darlene Costello
703-614-8086

- Provides portfolio management, technical and programmatic evaluation, & functional oversight
- Co-Chairs ICPM

**EVMS
Compliance**



Defense Contract
Management Agency
(DCMA)

Acting Director
Mr. James M. Russell
804-734-0628



Defense Acquisition
University (DAU)

President
Mr. James Woolsey
703-805-5051

Provides a global learning environment to develop qualified acquisition, requirements & contingency professionals who deliver and sustain effective and affordable warfighting capabilities



C3 & Cyber

Deputy Assistant Secretary
of Defense
Dr. Ronald Jost
703-697-8613



Space and Intelligence
Office (SIO)

Deputy Assistant
Secretary of Defense
Mr. Gil Klinger
703-614-1624



Joint Operations
Support (JOS)

Director
Mr. Michael Knollmann
703-693-0462

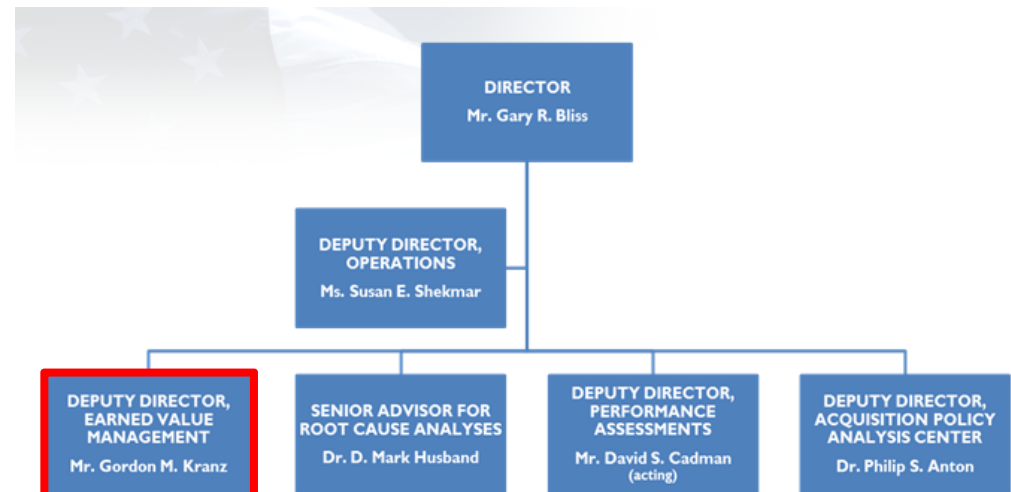
Leadership – PARCA Organization

- **Central office for major defense authorization**
 - **Performance Assessment**
 - **Root Cause Analysis**
 - **Earned Value Management**
- **PARCA issues policies, procedures, and guidance governing the conduct of such work by the Military Departments and the Defense Agencies**
- **Established by section 103 of WSARA 2009 (P.L. 111-23)**

LEADERSHIP SPOTLIGHT



Mr. Gary R. Bliss is the Director, Performance Assessments and Root Cause Analyses (PARCA), in the Office of the Assistant Secretary of Defense for Acquisition. PARCA carries out performance assessments of Major Defense Acquisitions Programs (MDAPs) and conducts root cause analyses for MDAPs with Nunn-McCurdy breach status or when requested by senior Department of Defense (DoD) officials.



Mr. Gordon Kranz

<http://www.acq.osd.mil/parca/>

Leadership – Earned Value Management

Vision

Earned value management is fully embraced by the DoD Acquisition Community as an inherent part of the acquisition program management value chain and provides Program Managers accurate and timely insight into cost, schedule and performance of DoD weapons systems and services programs.

PARCA's goal is to increase earned value's constructive attributes for the DoD firms managing acquisition programs by reducing the economic burden of inefficient implementation of EVM. PARCA is dedicated to the concept that *EVM is a management tool, not merely a contractually required report.*

Initiatives/Duties

- **EVM Policy Holder**
- **EVM Central Repository (CR) Management**
- **Integrated Product Team (IPT)/ Stakeholders Coordination**
- **DoD EVM Interpretation and Issue Resolution Facilitator**
- **EVM Competency Management**

Leadership Spotlight



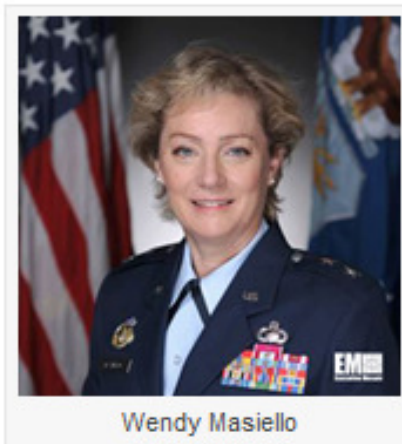
Gordon M. Kranz

Deputy Director
Earned Value Management

Leadership – DCMA Director Nominated

WENDY MASIELLO, 2-STAR AIR FORCE GENERAL, NOMINATED DEFENSE CONTRACT MANAGEMENT AGENCY LEAD

JAY CLEMENS · APR 4TH, 2014 · 0 COMMENT



[Air Force Major Gen. Wendy Masiello](#) has been nominated to lead the [Defense Contract Management Agency](#) as director and for a promotion to lieutenant general, Defense Secretary Chuck Hagel [announced Tuesday](#).

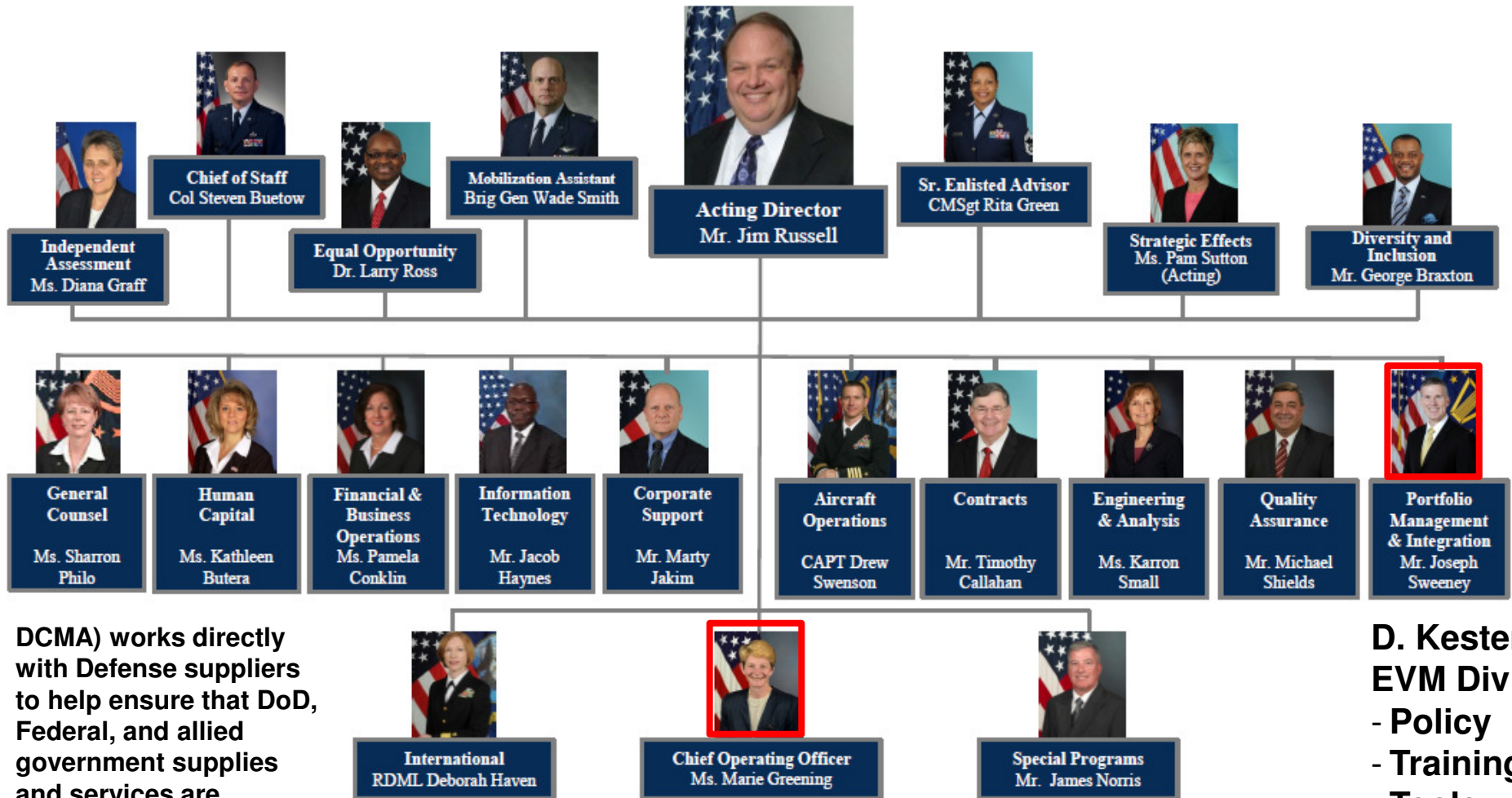
Masiello currently serves as deputy assistant secretary for contracting in the Air Force's Office of the Assistant Secretary for Acquisition and helps oversee procurement of weapon systems, logistics, operational and contingency services.

She held the contracting director role at the Aeronautical Systems Center in Ohio from July 2004 to September 2006 and served as principal assistant for contracting forces in Iraq and Afghanistan for the Joint Contracting Command between July 2005 and January 2006.

From September 2006 to August 2007, Masiello was the associate deputy assistant secretary for contracting in the Air Force Office of the Assistant Secretary for Acquisition.

She then moved into the position of program executive officer for combat and mission support at the Air Force Office of the Assistant Secretary for Acquisition until April 2011, one month before she became the office's deputy assistant secretary for contracting.

Leadership – DCMA

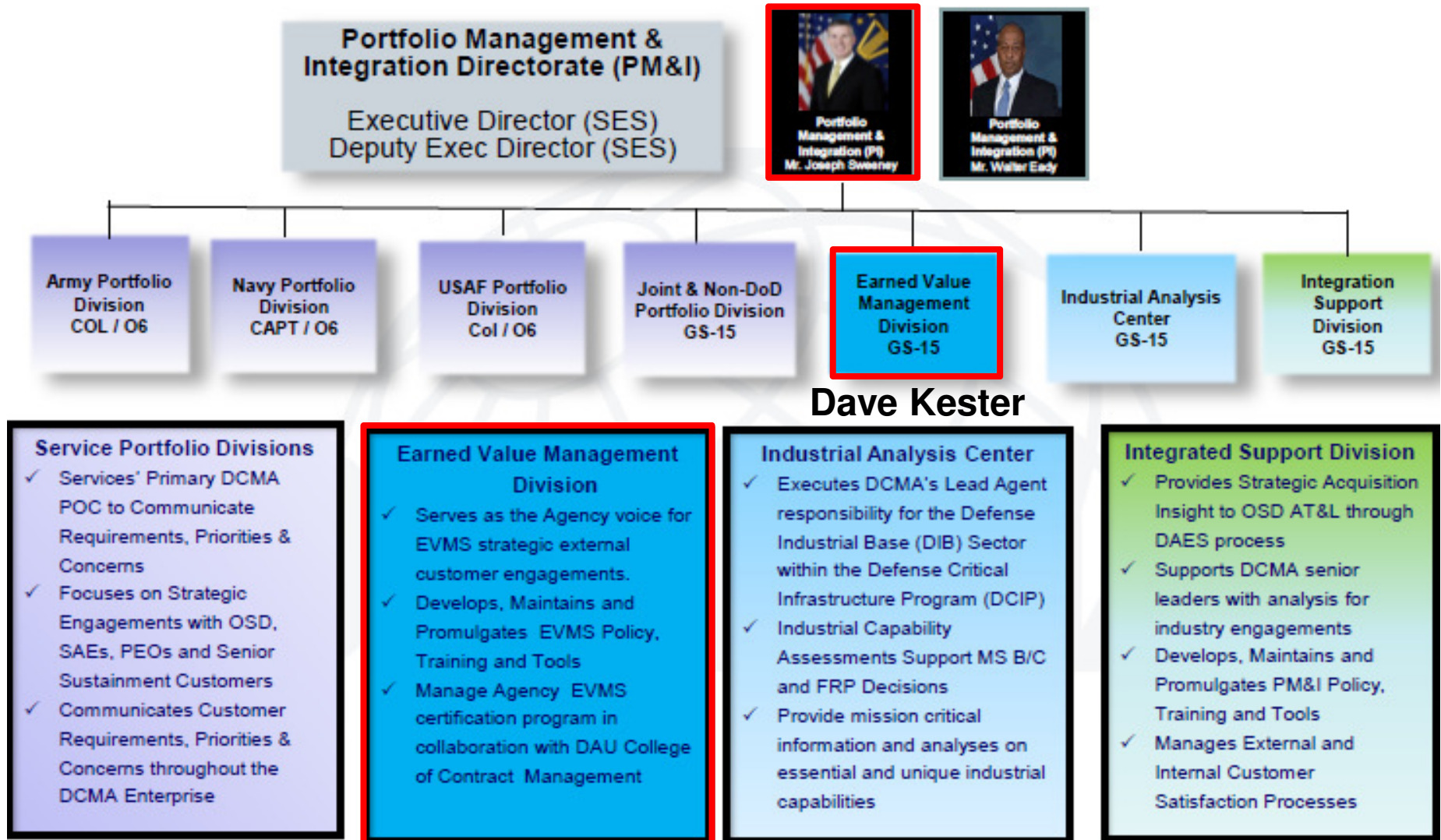


DCMA) works directly with Defense suppliers to help ensure that DoD, Federal, and allied government supplies and services are delivered on time, at projected cost, and meet all performance requirements.

**Shane Olsen, EVMID
- Compliance**

**D. Kester, EVM Div
- Policy
- Training
- Tools**

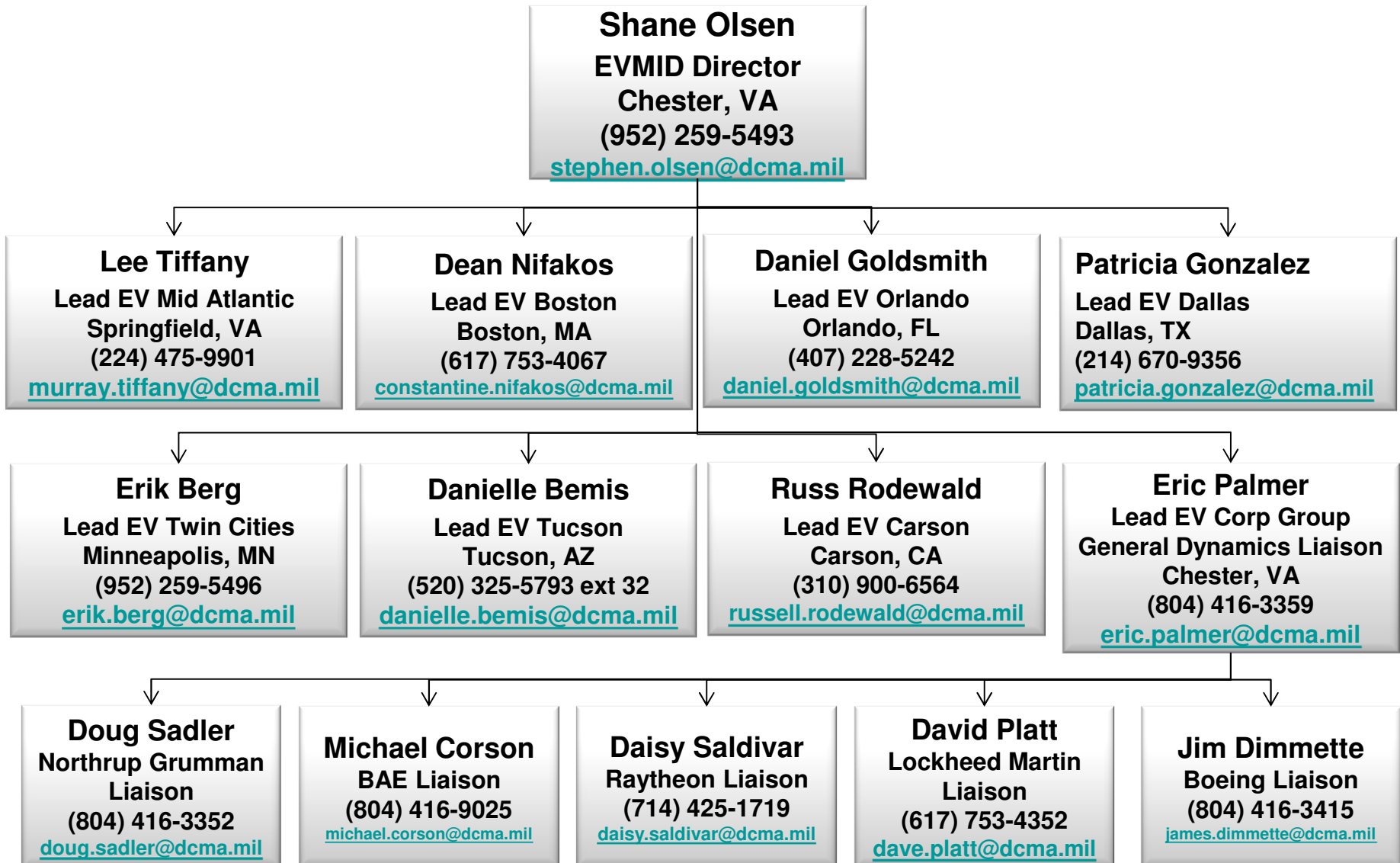
Leadership – DCMA PM&I Directorate, EVM Division



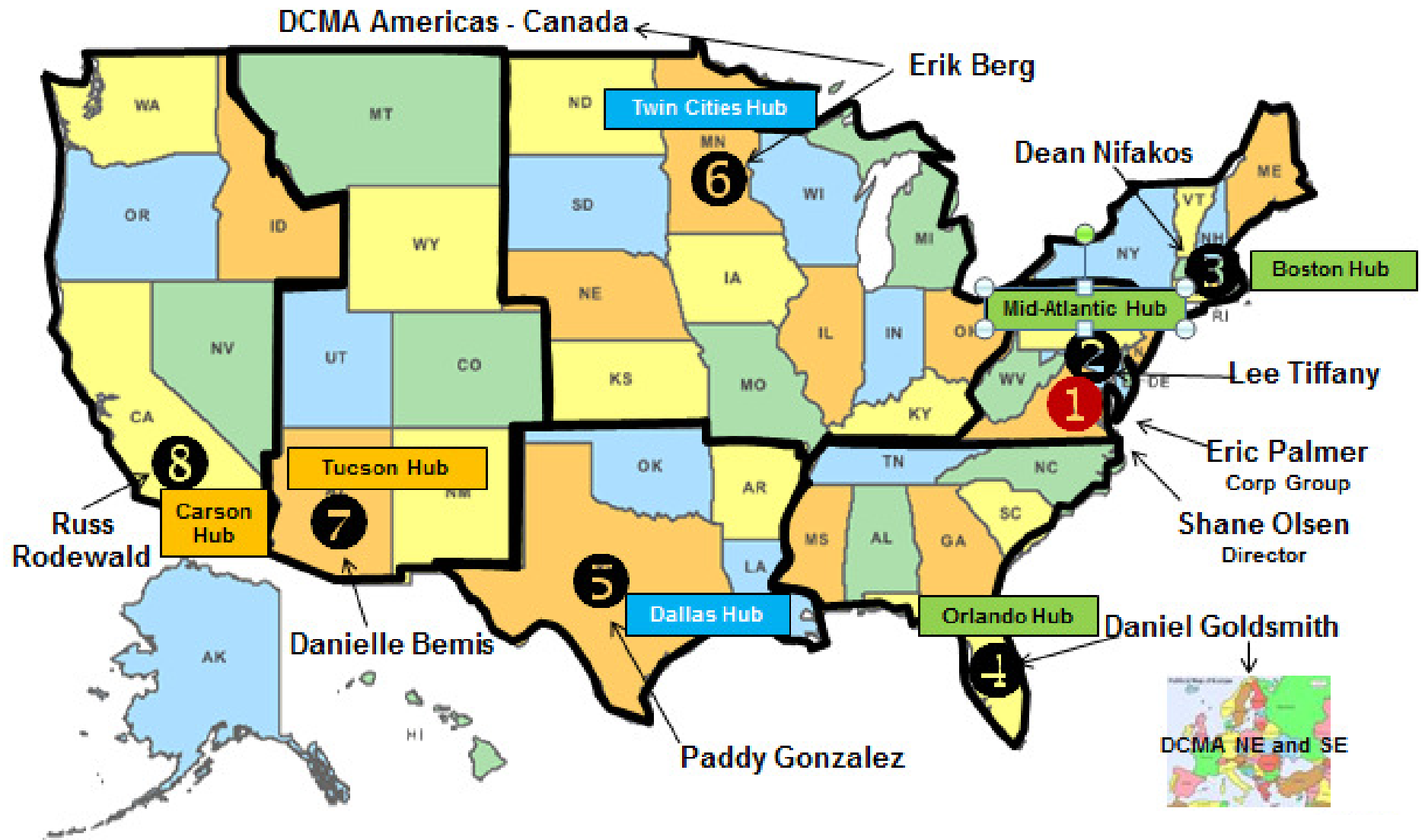
Responsibilities – Director, EVM Division (Mr. Kester)

- Responsible for DCMA EVM Line of Service and serves as the primary point of contact (POC) for **all policy matters involving the DCMA EVMS mission** to include policy development; GL criteria interpretations; and compliance, surveillance, and analysis procedures.
 - Assists in the execution of CRs by providing headquarters (HQ) personnel.
 - Develops, promulgates, and maintains written policies, processes and procedures, automated toolsets, and functional templates to facilitate the DCMA EVMS compliance mission and specifically the effective implementation of the CRI. (Process)
 - Ensures the DCMA EVMS workforce is properly trained and equipped for the effective execution of written policies, processes and procedures, automated toolsets, and functional templates. (Training & Tools)
 - Develops and deploys EVMS PIs in coordination with DCMA-O to collect and track the status of the DCMA EVMS compliance mission and specifically the effective implementation of the CRI.
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Leadership – DCMA EVM Implementation Division



Leadership – DCMA EVMID Geographic Hubs



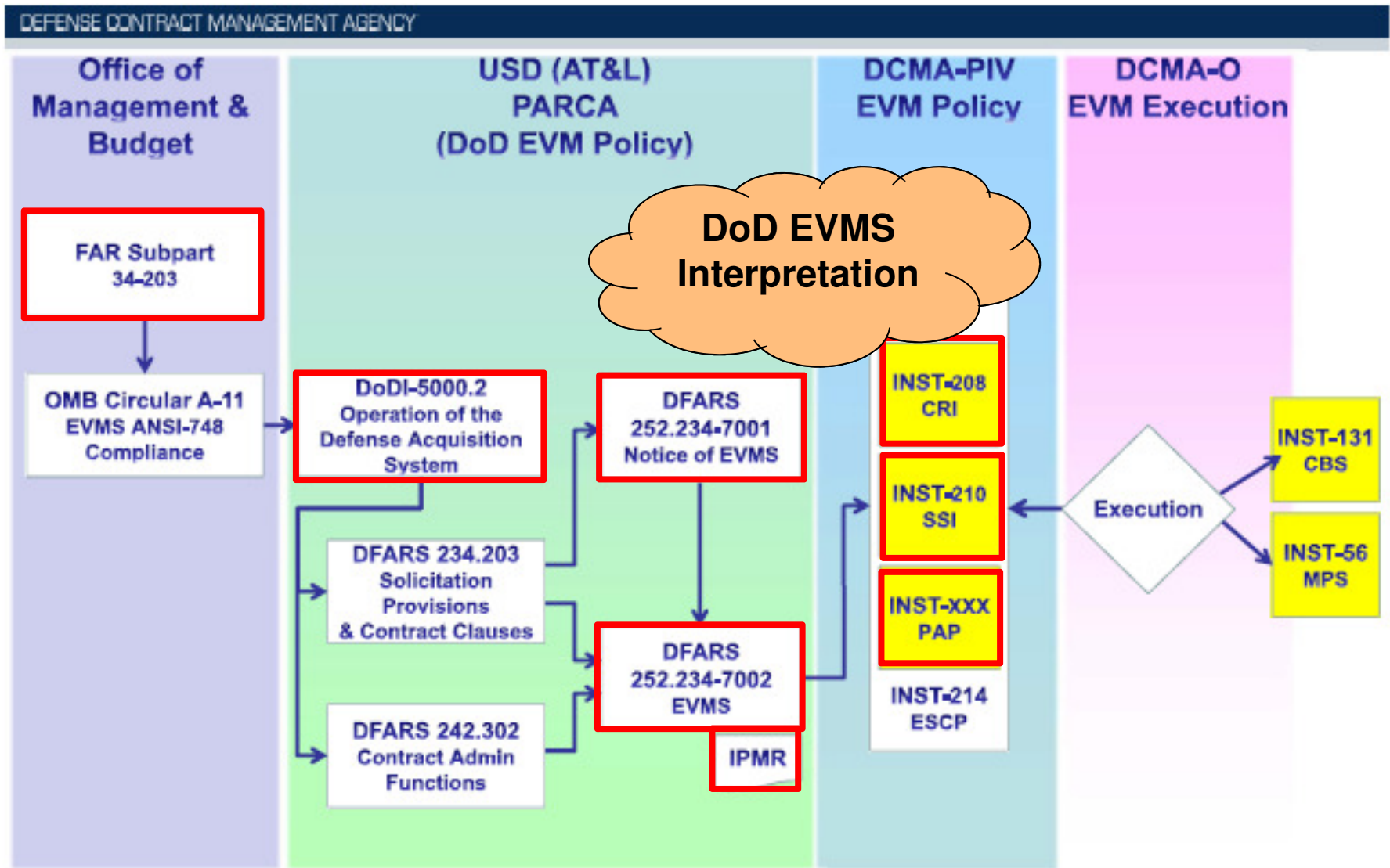
Responsibilities – Director, EVM Implementation Division (Mr. Olsen)

- Function as the **primary POC for execution of all EVMS CRs.**
 - Provide EVMS technical expertise and guidance to the DCMA Directorates.
 - Serve as the designated EVMS functional specialist for the execution of the DCMA EVMS compliance mission as referred to in DFARS 234.201
 - Serve as the CR Director
 - Ensure documentation has gone through final preparation; all findings and recommendations are clearly articulated in report to be submitted to CO
 - Provide pertinent data and information to the PM&I EVM Division Director
 - Be the primary POC for all PM&I and Region inquiries
 - For programs under DCMA-Special Programs and DCMA-Intl cognizance
 - Collaborate with DCMAS/DCMAI CO and the EVMS Advocate to plan and conduct CRs including coordination of review dates and CR team member support.
 - Maintain a pool of experienced personnel who possess or can obtain required clearances depending on available qualified personnel resources within DCMAS/DCMAI.
 - Ensure classified information is handled in accordance with program security guides and “National Industrial Security Program”
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Topics

- Leadership
- **Policy & Processes**
- Changes Underway
- Resources

Policy Inter-relationships



Policy – OSD/DOD Interim DoD Instruction 5000.02 (11/13)

Table 8. EVM Requirements

REQUIREMENTS	WHEN REQUIRED	SOURCE
For Cost/Incentive Contracts¹ ≥ \$50 Million²		
<ul style="list-style-type: none"> Compliance with EVM system guidelines in ANSI/EIA-748⁵ 	At contract award and throughout contract performance	Part 7 of Reference (c) This instruction
<ul style="list-style-type: none"> EVM system formally validated and accepted by cognizant contracting officer 	At contract award and throughout contract performance	
<ul style="list-style-type: none"> Integrated Program Management Report (DI-MGMT-81861³) 	Monthly	
<ul style="list-style-type: none"> Integrated Baseline Reviews 	Within 180 calendar days after contract award, exercise of options, and major modifications	
For Cost/Incentive Contracts¹ ≥ \$20 Million² but < \$50 Million²		
<ul style="list-style-type: none"> Compliance with EVM system guidelines in ANSI/EIA-748⁵ (no formal EVM system validation) 	At contract award and throughout contract performance	Part 7 of Reference (c) This instruction
<ul style="list-style-type: none"> Integrated Program Management Report (DI-MGMT-81861³) (tailoring of formats recommended) 	Monthly	
<ul style="list-style-type: none"> Integrated Baseline Reviews 	Within 180 calendar days after contract award, exercise of options, and major modifications	
For Cost/Incentive Contracts¹ < \$20 Million²		
	At the discretion of the Program Manager based on cost-benefit analysis	Part 7 of Reference (c) This instruction
<ul style="list-style-type: none"> Integrated Program Management Report, Format 6 (DI-MGMT-81861³) 	At the discretion of the Program Manager based on Government requirements	
For Firm Fixed-Price Contracts¹ regardless of dollar value		
	Limited Use—will be approved by the MDA based on a business case analysis	Part 7 of Reference (c) This instruction
<ul style="list-style-type: none"> Integrated Program Management Report, Format 6 (DI-MGMT-81861³) 	At the discretion of the Program Manager based on Government requirements	

Specifies DoD Programs that should have EVMS Requirement

Policy – OSD/DOD Policy

- **Federal Acquisition Regulation (FAR) EVMS Clauses Published (Jul '06)**
 - FAR 52.234-2 - Notice of EVMS — Pre-Award IBR
 - FAR 52.234-3 - Notice of EVMS — Post-Award IBR
 - FAR 52.234-4 - EVMS
 - Used by Civilian Agencies
- **Defense Federal Acquisition Regulation Supplement (DFARS) Clauses**
 - **252.234-7001 Notice of Earned Value Management System (Apr 08)**
 - Included in RFPs
 - \$50M or More – Must be Approved EVMS
 - **252.234-7002 Earned Value Management System (May 11)**
 - Requirement to implement EVMS
 - IBR within 180 days
 - Provide access to all pertinent records and data requested
 - When indicated by contract performance, request an OTB / OTS
 - Defines High Risk GLs
 - **252.242-7005 Contractor Business Systems (Feb 12)**
 - Covers 6 Defined Business Systems – Includes EVMS
 - System Approval / Disapproval, Payment Withholds

Method for Contracting EVMS with Prime Contractor

Policy – Contractual Standards and Data Item Descriptions

- **EVMS Specific**
 - **Integrated Program Management Report DID – DID DI-MGMT-81861**
 - **Supersedes...**
 - **Contract Performance Report (CPR) DID – DI-MGMT-81466A**
 - **Integrated Master Schedule (IMS) DID – DI-MGMT-81650**
 - **EVMS Related**
 - **Contract Funds Status Report DID – DI-MGMT-81468**
 - **Contract Work Breakdown Structure DID – DI-MGMT-81334D**
 - **Work Breakdown Structure (WBS) – MIL-STD-881C**
 - **And more....**
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DCMA Policy – DCMA Instructions & Pamphlets

Portfolio Management & Integration

Earned Value Management System (EVMS) - Program Analysis Pamphlet (PAP)	Pamphlet	200-1	10/29/12	View Publication
Earned Value Management System (EVMS) - Standard Surveillance	Instruction	210	02/29/12	View Publication
Earned Value Management System - Compliance Reviews	Instruction	208	04/09/14	View Publication
Earned Value Management System Specialist Certification Training Program	Instruction	206	01/04/13	View Publication

→ Compliance Review and Standard Surveillance Instructions

Quality Assurance

Corrective Action Process	Instruction	1201	09/23/13	View Publication
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→ Correction Action Process Instructions

Contract Management

Contractor Business Systems	Instruction	131	11/06/13	View Publication
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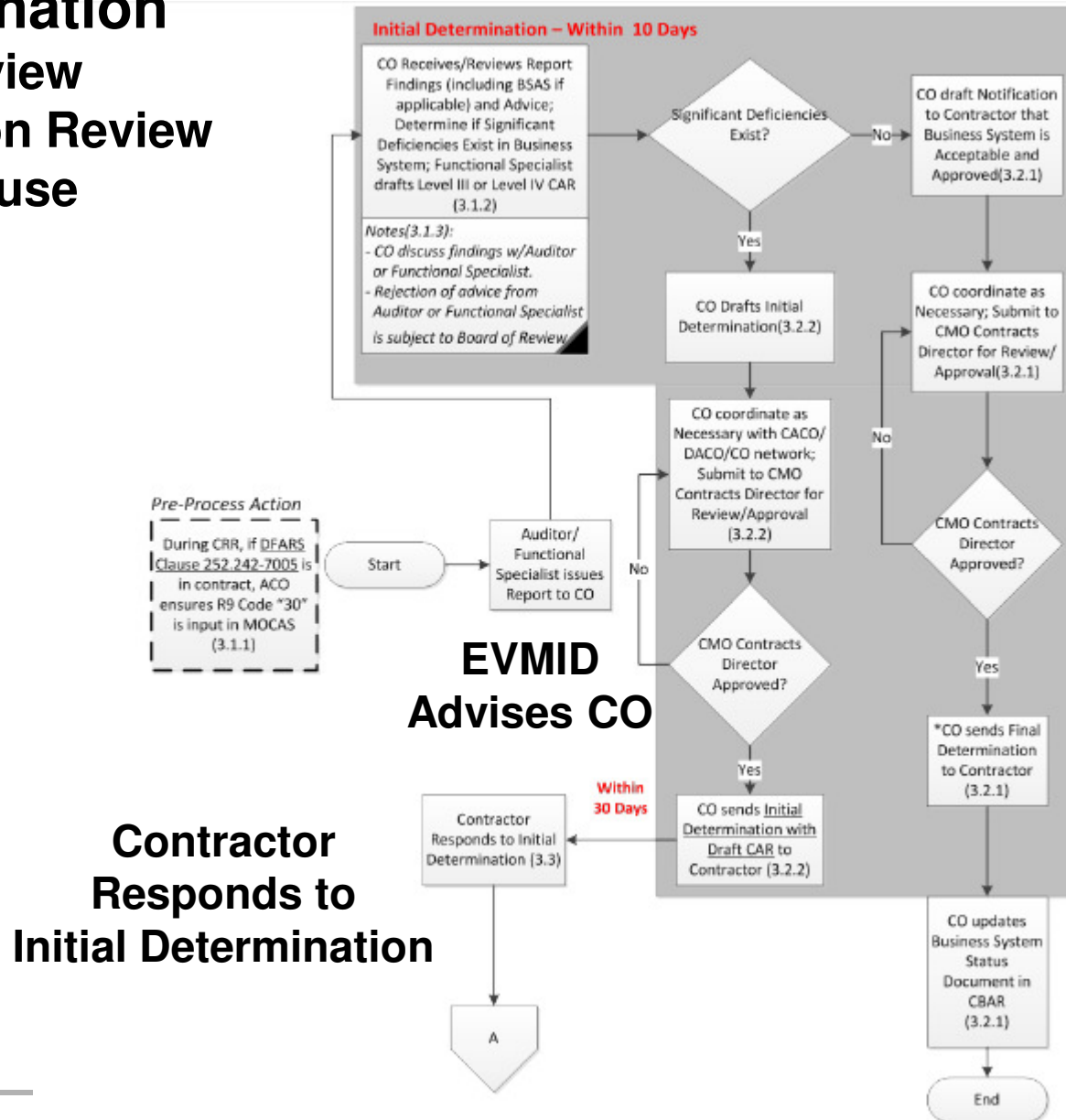
→ Contractor Business System Instruction

<http://www.dcma.mil/policy/>

Policy – DCMA-INST 131 Contractor Business System Nov 13

Initial Determination

- Validation Review
- Implementation Review
- Review for Cause

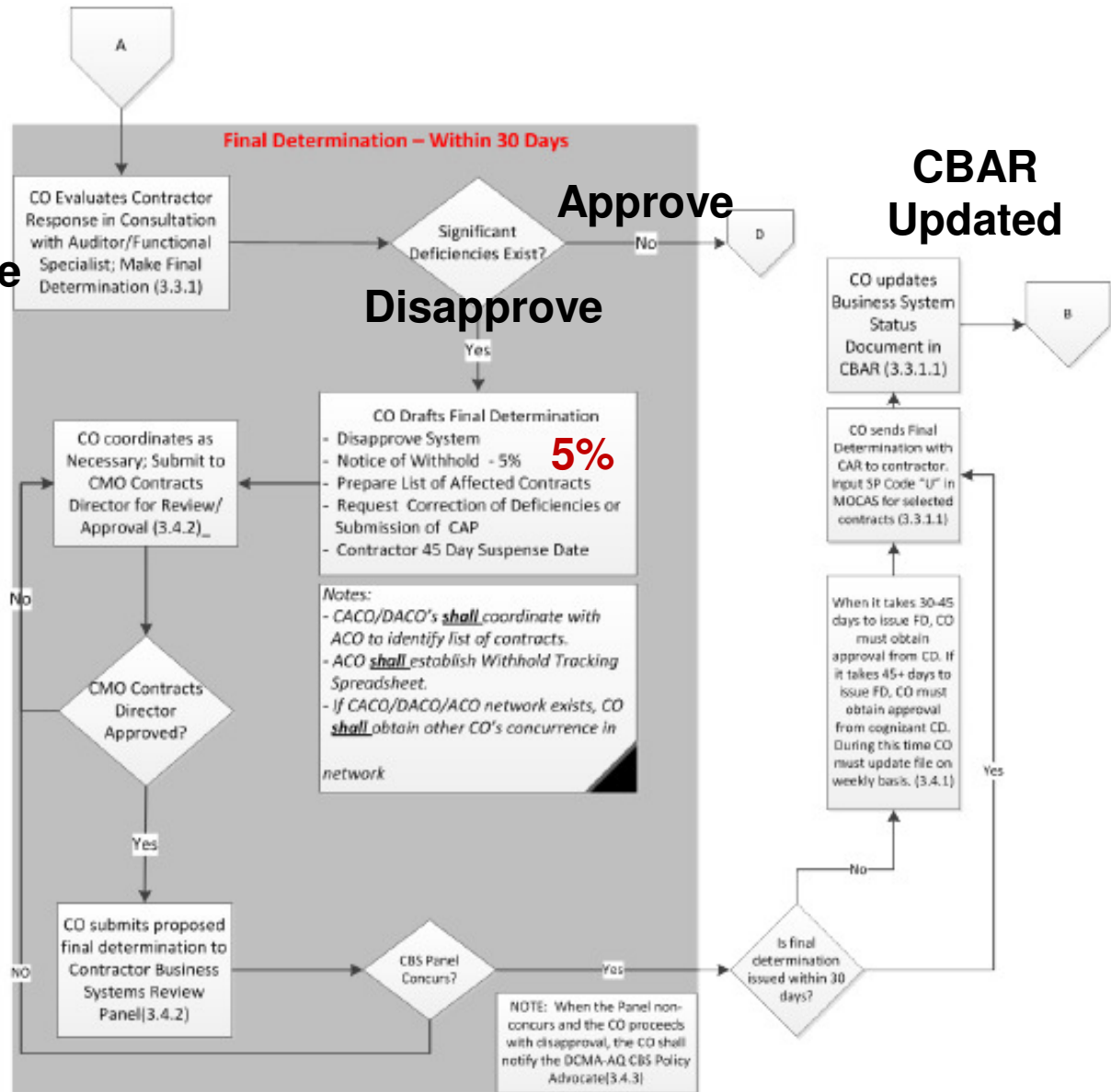


Policy – DCMA-INST 131 Contractor Business System Nov 13

Final Determination

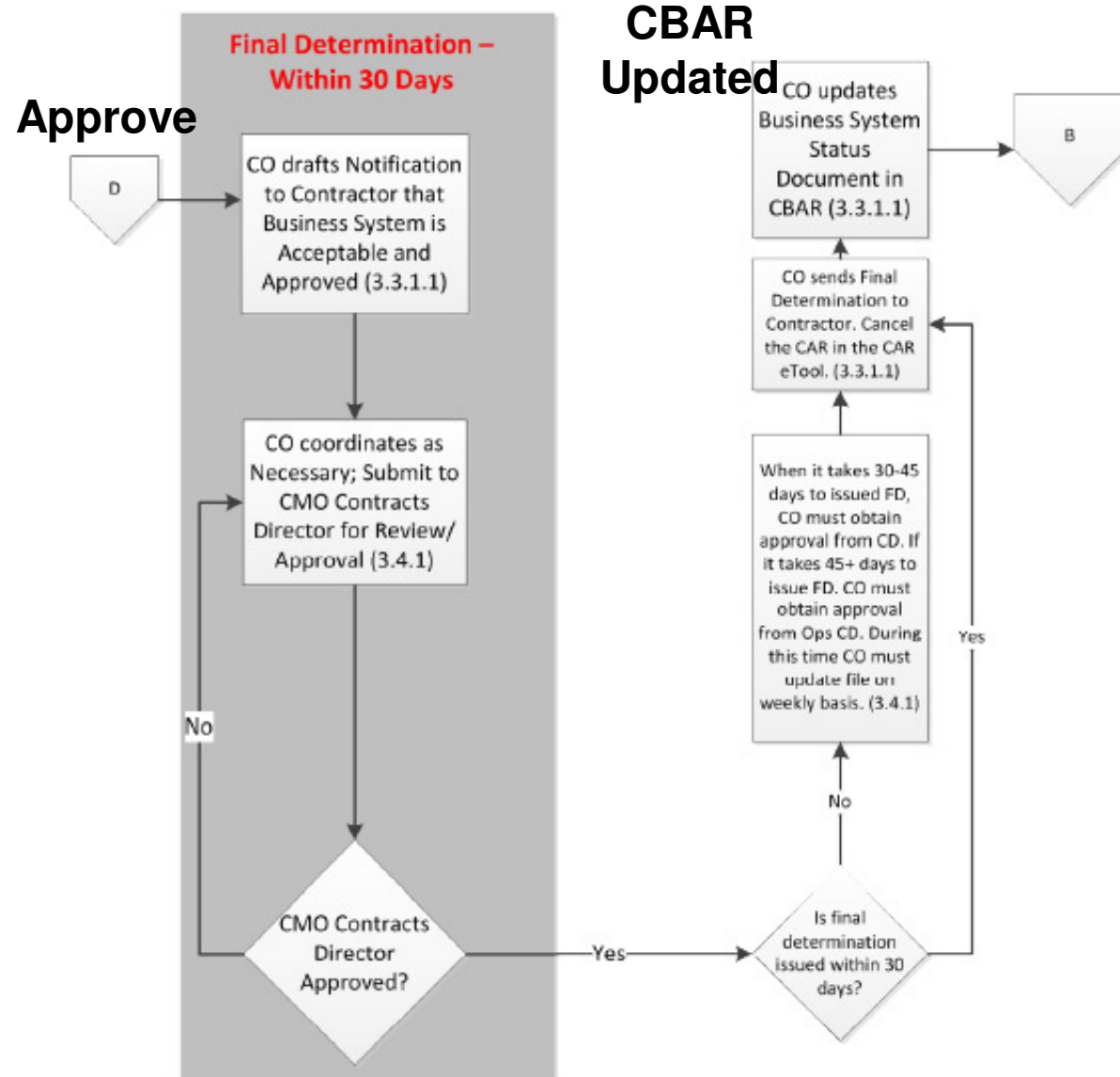
CO & EVMID Evaluate Response

CBS Review Panel



Policy – DCMA-INST 131 Contractor Business System Nov 13

Final Determination (continued)

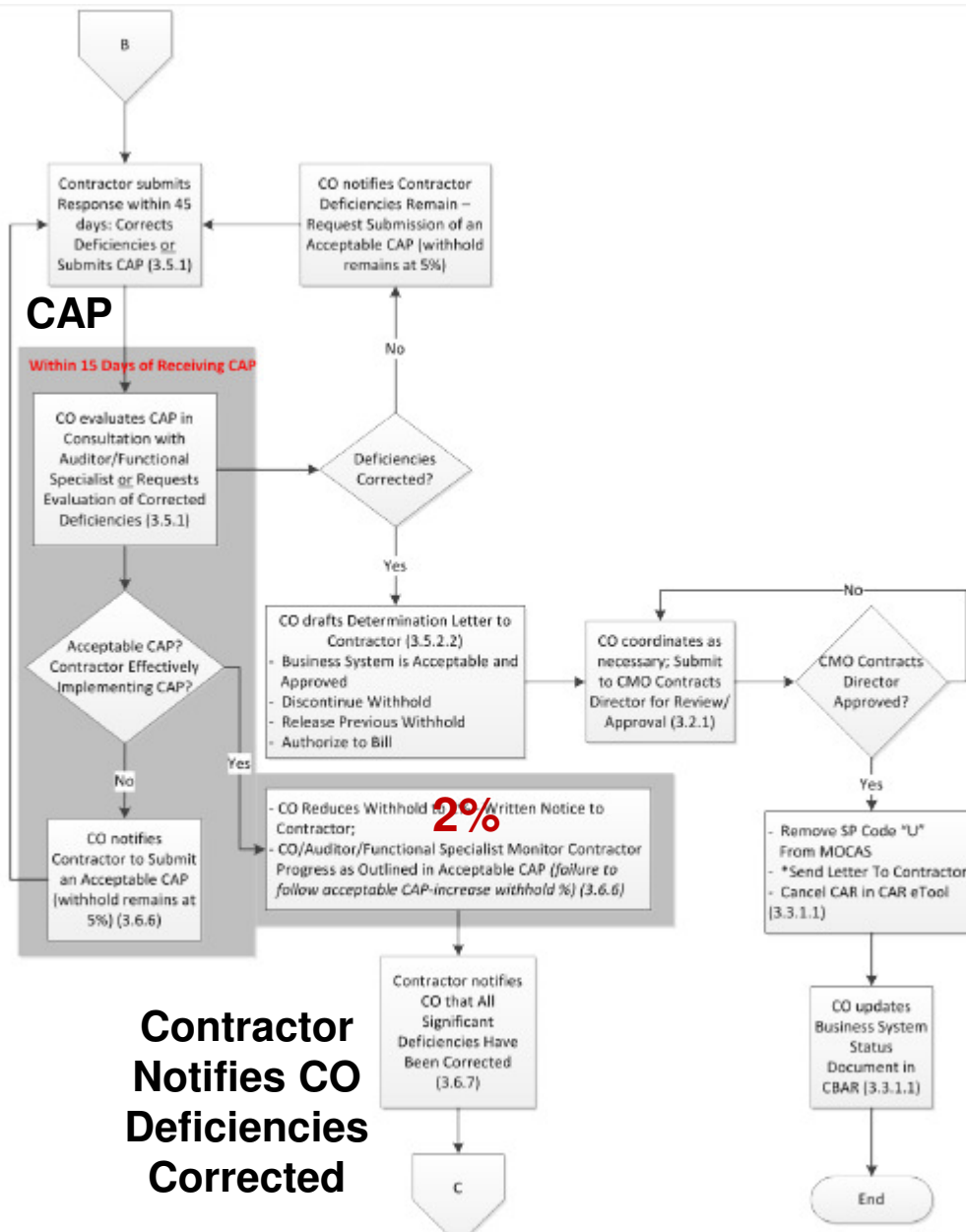


Policy – DCMA-INST 131 Contractor Business System Nov 13

Corrective Action

CO & EVMID
Evaluate CAP

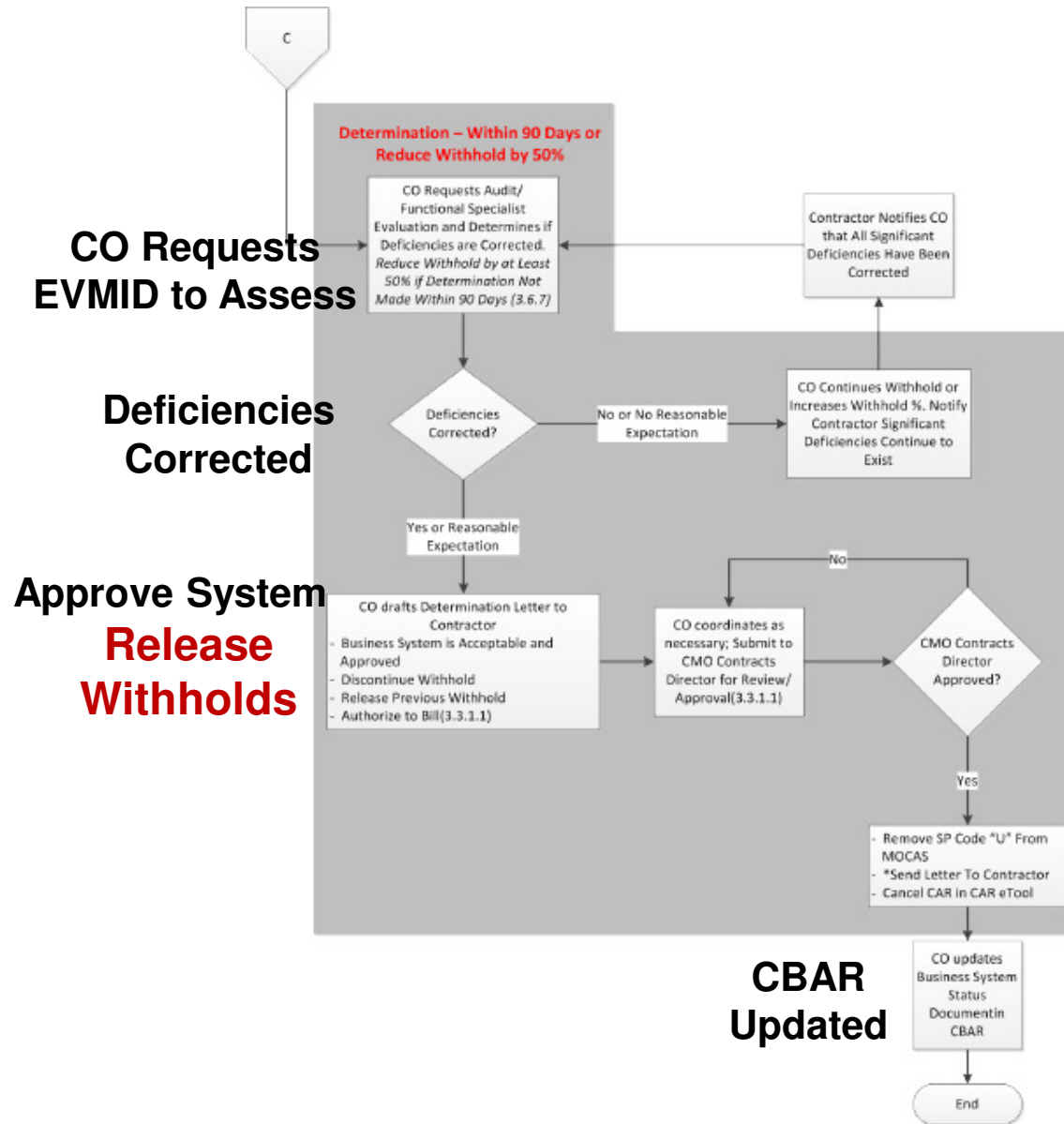
Effective CAP
Implementation



Contractor
Notifies CO
Deficiencies
Corrected

Policy – DCMA-INST 131 Contractor Business System Nov 13

Determination



Topics

- Leadership
- Policy & Processes
- **Changes Underway**

Changes – PARCA Leading EVMS DFARS Case



DFARS Case Update

Purpose: Clarify & Better Define the Application of EVM, especially importance of work scope

DFARS #	Title	DFARS	PGI
201	Deviations	No	
207	Acquisition Planning	No	Yes*
234	Earned Value Management System	Yes	Yes
242	Contract Admin Functions	No	
252.234-7001, 7002	Solicitation Provisions and Contract Clauses	Yes to 7002	



* Not submitted as part of DFARS Case, will be worked separately but

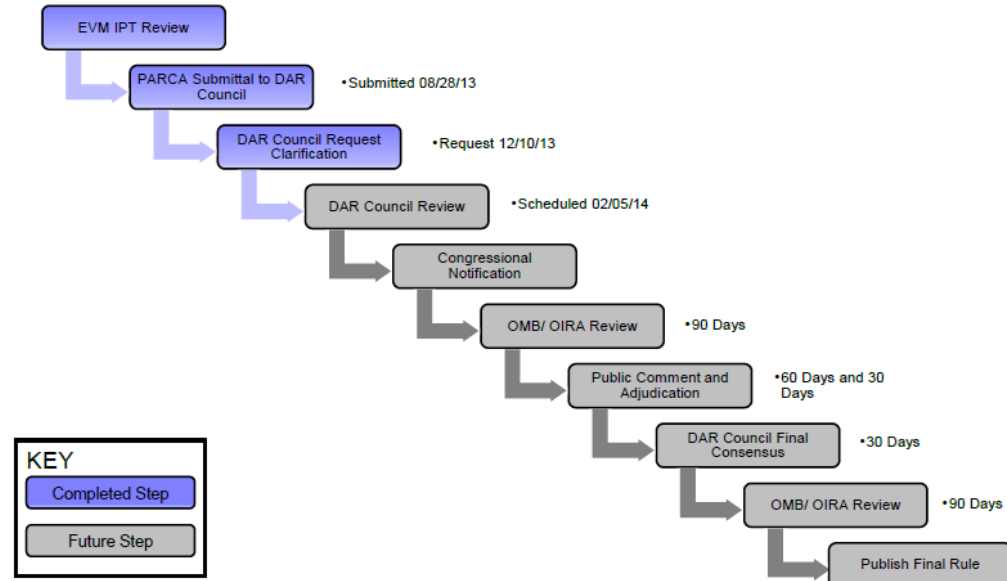
- Earned Value Management Applicability DFARS case submitted to DAR Council Director and opened on August 28, 2013
- DAR Council reviewed December 2013

APPROVED FOR PUBLIC RELEASE DISTRIBUTION UNLIMITED: 14-S-0789, JAN 28, 2014.

Office of Performance Assessments and Root Cause Analyses



DFARS Case Process



APPROVED FOR PUBLIC RELEASE DISTRIBUTION UNLIMITED: 14-S-0789, JAN 28, 2014.

Office of Performance Assessments and Root Cause Analyses (PARCA)

Changes – PARCA & DCMA GL Interpretation



DoD Integrated Program Management EVMS Implementation Instruction Strategy

- ▶ Establish clear DoD Interpretation of ANSI Guidelines
- ▶ Provide DoD strategic intent of each guideline
- ▶ Reduce the perceived burden to implement EVM
- ▶ Leverage the NDIA Intent Guide, which was previously coordinated and agreed to by Government and Industry

Expect 2 Related Documents

- **PARCA – IPM EVMS Implementation Instruction (or Guide)**
- **DCMA – Compliance Interpretive Guide**
- **Neither will be called ‘Intent Guide’**

- **PARCA**

- **Definition**
- **Intent Statement**
- **Attributes**
- **Interpretation Discussion**

- **DCMA**

- **Test Procedure (Steps)**
 - **Test Formula (Metrics)**
 - **Test Results (Acceptance Thresholds)**
-

Changes → DCMA Instructions



DCMA EVM System Compliance Approach

Presented By:
Joseph E. Sweeney
Portfolio Management & Integration
Executive Director

11 September 2013



DEFENSE CONTRACT MANAGEMENT AGENCY

1. **ANX-208-1 EVMS Compliance Interpretive Guide (CIG)**
Formal Coordination ETA: Dec 13
2. **INST-208 EVMS Compliance Review Instruction (CRI)**
Formal Coordination ETA: Sep 13
3. **INST-210 Standard Surveillance Instruction (SSI)**
Formal Coordination ETA: Sep 13
4. **INST-206 EVMS Specialist Certification Program (ESCP)**
Formal Coordination ETA: FY14
5. **Program Analysis Pamphlet (PAP)**
Formal Coordination ETA: FY14

~3Q14

04/09/14



In Work

In Work

In Work

Questions?
