PARCA

DoD EVM Policy Initiatives

Mr. John McGregor
PARCA Deputy Director for EVM

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Agenda

Topics to be Discussed

- PARCA
- Ongoing Initiatives
- New Initiatives
- One Question

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Director, Performance Assessments and Root Cause Analyses (PARCA)

Mr. Gary R. Bliss

OSD EVM Policy Holder	Nunn McCurdy Breach Analysis	Program Assessments and DAES Selection	Analysis Team
Mr. John McGregor **Deputy Director for Earned Value Management**	*Mr. Dave Cadman* **Deputy Director for Root Cause Analyses**	*Dr. Peter Eggan* **Deputy Director for Performance Assessments**	*Dr. Danny Davis* **Deputy Director for Acquisition Policy Analysis Center**

PARCA was brought into existence via the reforms in the Weapon Systems Acquisition Reform Act (WSARA) of 2009

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PARCA EVM Division Authorities

EVM, as a management discipline for making decisions, depends on governing the entire EVM value stream from Contractor to Government analyst

EVM Policy and Guidance	Communications and Outreach	Program Interface	EVM Central Repository (CR)	EVM Functional Leadership
• Develop, publish, and maintain DoD policy and guidance on Earned Value Management application and reporting	• Inform Government and Industry stakeholders on EVM policy, reporting, and competency matters	• Determine EVM applicability; Assist programs with EVM use and reporting; Resolve interpretive differences in EVM policy	• Manage the EVM-CR as the authoritative EVM data source for ACAT 1 programs; Maintain data governance for EVM data	• Serve as DoD EVM Funct. Lead; Develop and maintain competency model; Guide training, education, and skills for the workforce

"To be successful, EVM practices and competencies must be integrated into the program manager's acquisition planning and execution processes"

- PARCA Authorities Memo, Aug 2011

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Strategic partnerships across the EVM Value Stream

PARCA works across DoD Services/Agencies, Federal Agencies, and Industry

Working to facilitate the effectiveness of EVM for joint situational awareness and program decision making

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Ongoing EVM Policy Initiatives

Status of Current Initiatives

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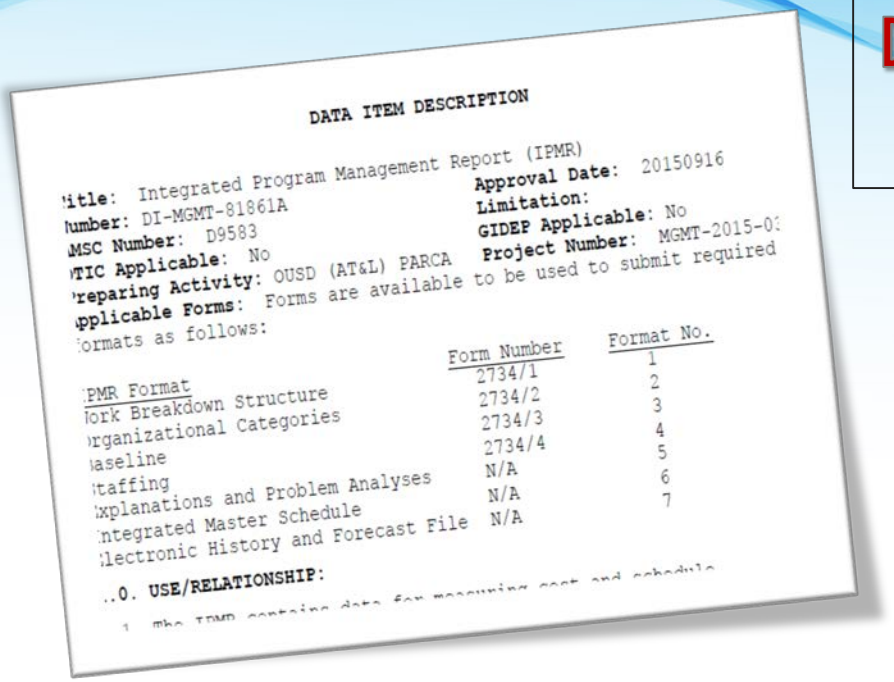
IPMR Update Initiative

Develop streamlined data reporting process for the Department to gain efficiencies



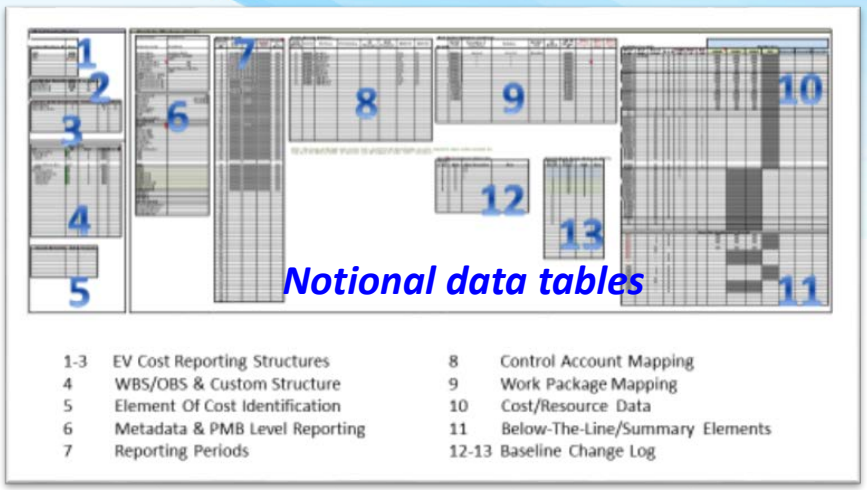
DATA ITEM DESCRIPTION

Title: Integrated Program Management Report (IPMR)
Number: DI-MGMT-81861A
MSC Number: D9583
WTIC Applicable: No
Preparing Activity: OUSD (AT&L) PARCA
Applicable Forms: Forms are available to be used to submit required formats as follows:

Approval Date: 20150916
Limitation:
GIDEP Applicable: No
Project Number: MGMT-2015-0

	Form Number	Format No.
IPMR Format	2734/1	1
Work Breakdown Structure	2734/2	2
Organizational Categories	2734/3	3
Baseline	2734/4	4
Staffing	N/A	5
Explanations and Problem Analyses	N/A	6
Integrated Master Schedule	N/A	7
Electronic History and Forecast File		

..0. USE/RELATIONSHIP:



- *Reduce duplication* of data in the IPMR Formats
- *Update data transfer mechanism (i.e., XML to JSON)*
- *Improve* cost and schedule integration
- *Support DCMA* needs as part of automated surveillance activities

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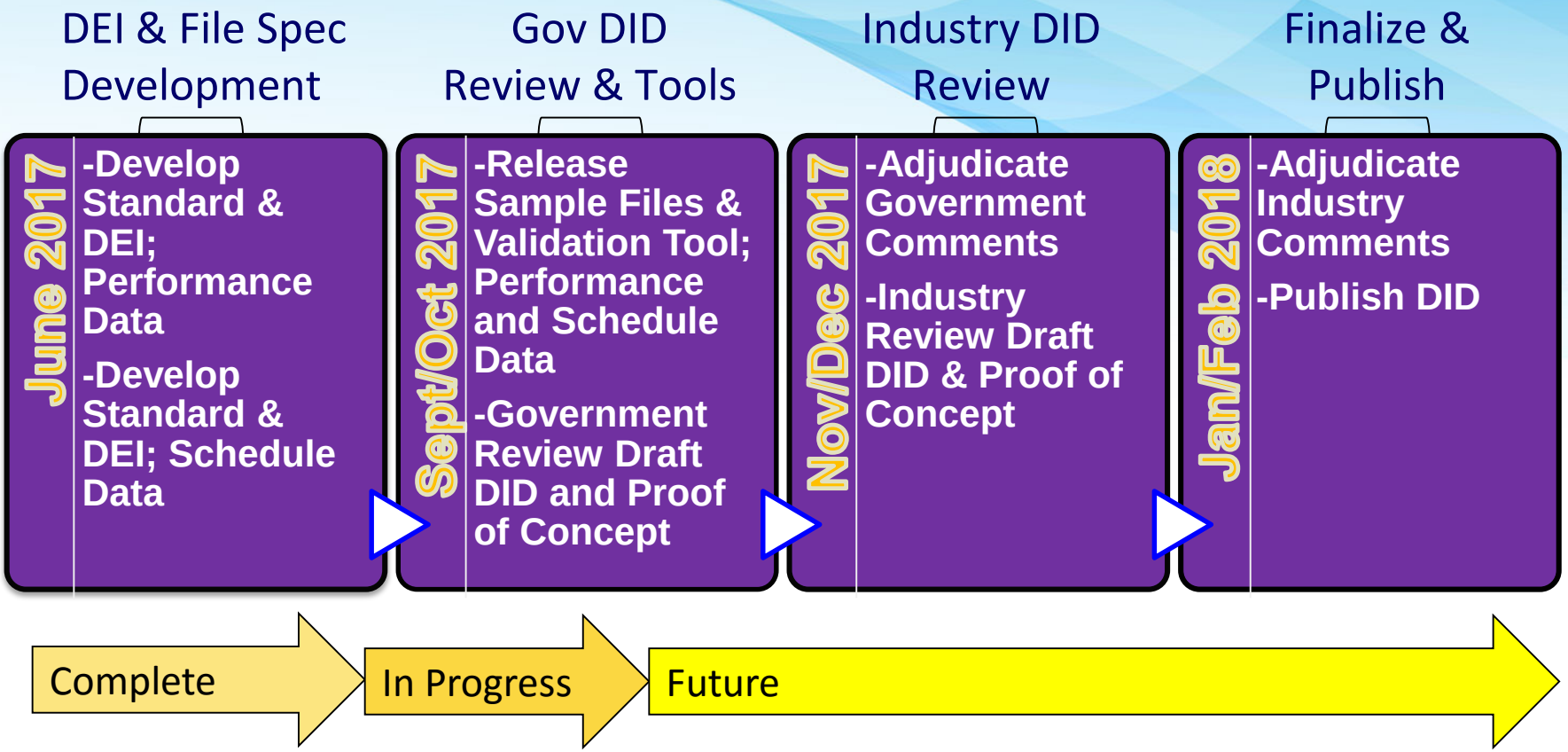
Detailed IPMR$_2$ Implementation Plan



Sample file and tool download
https://portal.tecolote.com/parca/ipmr2download.aspx

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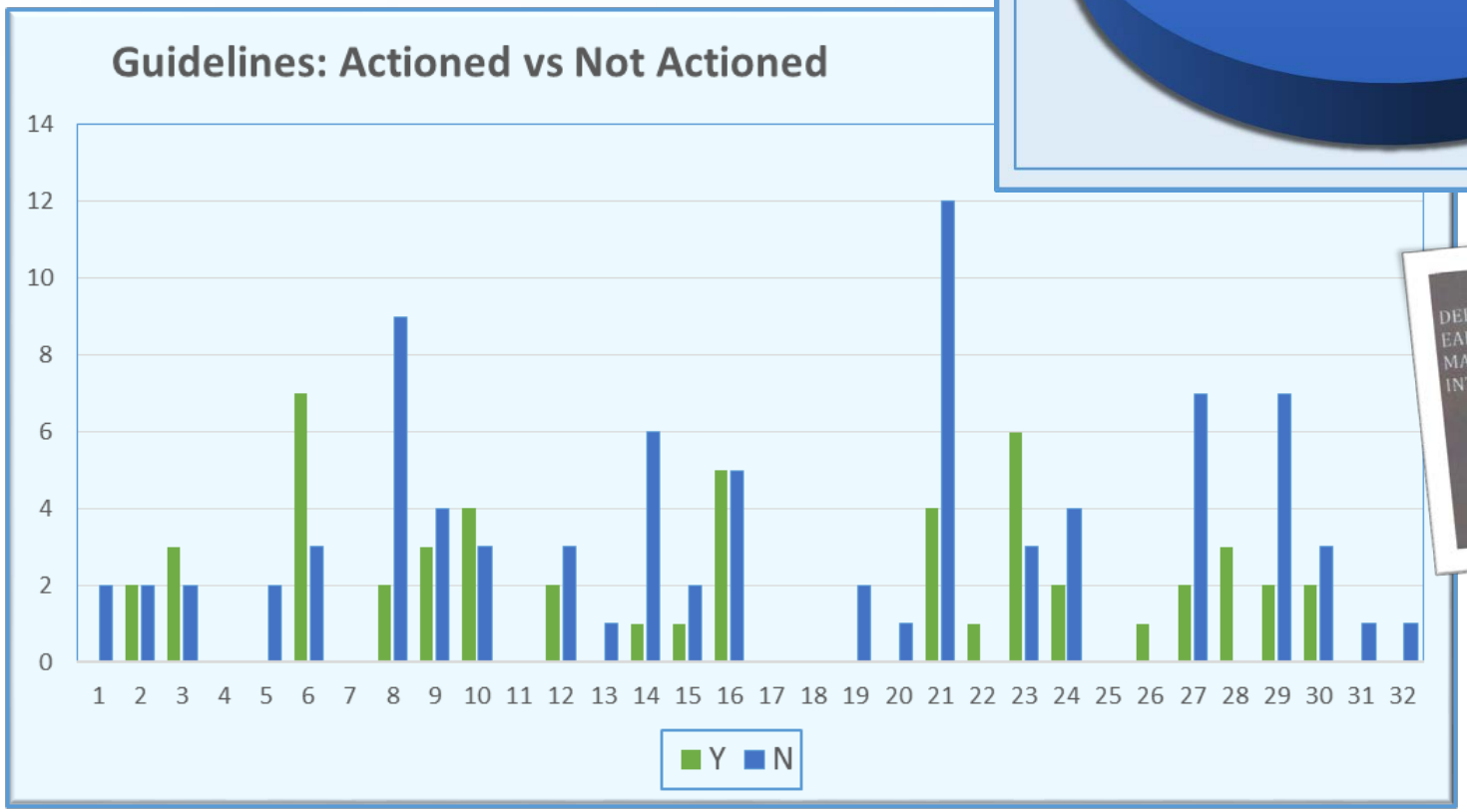
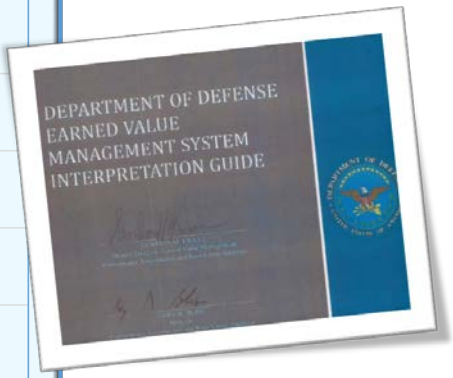
EVMSIG Update

- Industry comments adjudicated
- Planned release Nov 2017





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MIL-STD-881C Update

- Appendices updated (no changes to Sea Systems & Unmanned Maritime Systems); cybersecurity and sustainment addressed
- Document in final comment period; comments due back to PARCA by 22 Sept 2017
- Release Nov 2017

OTB / OTS Guide Update

- PARCA has updated the document based on comments from Industry and Government; document going through review
- Document out for final Government comment; comments due back to PARCA by 6 Oct 2017

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New EVM Policy Initiatives

Upcoming Initiatives

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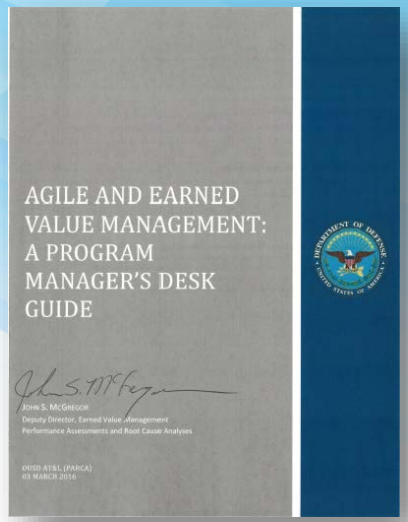
EVM-CR Initiatives

- **Industry Reviewer Role:** Access for Industry Corporate focal points to reporting compliance and data quality reports as well as submissions delivered by their Data Managers
- **Migration:** EVM-CR moving from current JSP hosting to milCloud (target winter for full migration); no downtime
- **Industry Certificates**: As part of the migration, corporate security certificates no longer allowed; must use recognized industry certs

DoD Agile & EVM: PM Desk Guide Update



- Focus areas of update
  - Integrated Baseline Review Considerations for EVM on Agile Programs
  - How Agile metrics and EVM metrics relate and can be used together to provide programmatic insight
- Government and Industry Collaboration
  - Efforts to include review of existing IBR guidance to identify common themes, site visits, and surveys
  - Working sessions to identify Best Practices for both IBR's and metrics in an EVM-Agile environment
- Effort planned August 2017 through January 2018

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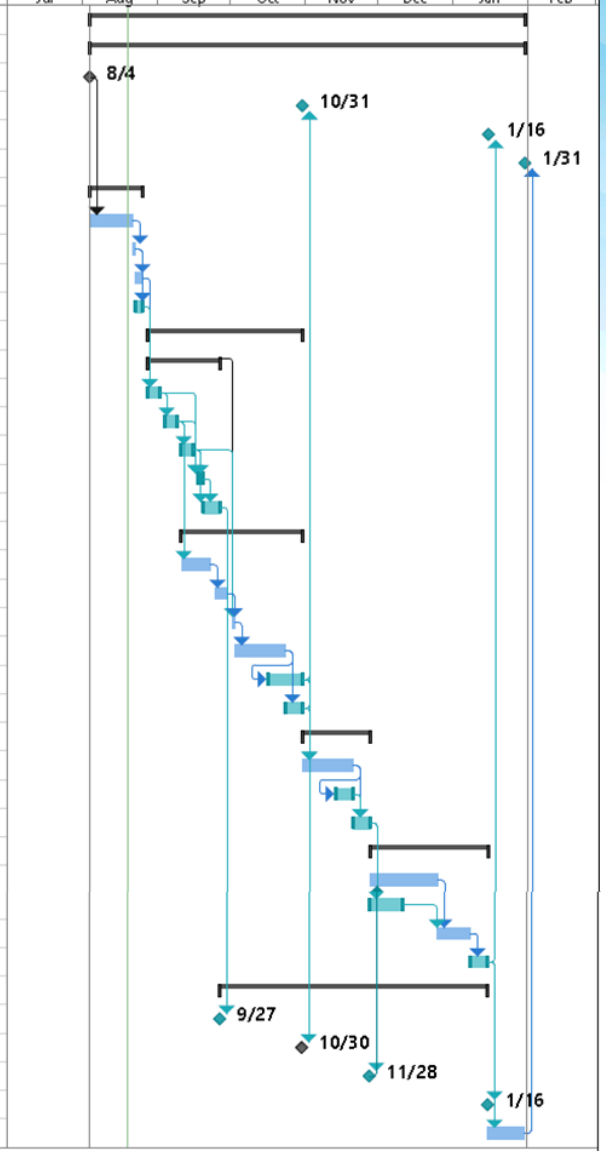
Agile Guide Schedule

ID	Task Name
1	**PARCA Agile EVM Guide Study**
2	**Project Milestones**
3	Contract Award
4	Release Draft Chapters for Review - Mid Point Review
5	Publish Final Chapter Versions - Final Presentation
6	Contract Closeout
7	**Project Initiation**
8	Kick-Off Preparation
9	Kick-Off Meeting
10	Study Plan Update and Publish
11	Establish Lit Review Backlog
12	**Data Gathering**
13	**Literature Search and Review EPIC**
14	Review Government / FFRDC Literature
15	Review Industry
16	Review Agile Literature
17	Document Lit Review Results in Applicability Matrrix
18	Develop Chapter Outlines
19	**Conduct Survey EPIC**
20	Develop Questionaire / Survey Plan
21	Coordinate Survey with Customer and Update with Comments
22	Send Out Questionaire / Survey
23	Collect and Colate Comments
24	Develop Initial Draft Guidance
25	Groom Backlog to include Targeted Site Visits - Interviews
26	**Targeted Interviews and Site Surveys EPIC**
27	Conduct Site Visits (TBD)
28	Summarize Site Survey and Interview Results
29	Second Guidance Update
30	**Government Review and Adjudicaton**
31	Government Review
32	Develop and Coordinate Adjudication Plan
33	Collect, Consolidate, categorize, and Document Adjudication Comments
34	Perform Final Update
35	**Agile EVM Desk Top Chapter Maturation**
36	Outline of IBR and Metrics Chapters
37	Draft IBR and Metrics Guidance
38	Updated Draft IBR and Metrics Guidance
39	Final Guidance
40	Conduct Closeout Review with PARCA



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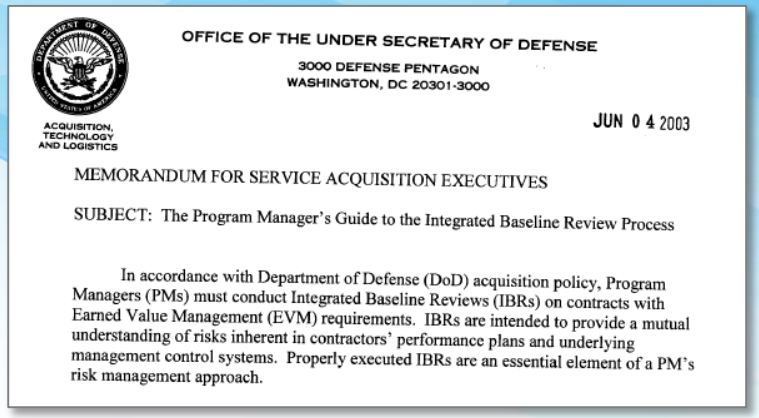
Other Policy Initiatives

DoD PM Guide to the IBR

- Effort to modernize the document and reflect current policy
- 12 month effort to begin October 2018



OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION, TECHNOLOGY AND LOGISTICS

JUN 04 2003

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES

SUBJECT: The Program Manager's Guide to the Integrated Baseline Review Process

In accordance with Department of Defense (DoD) acquisition policy, Program Managers (PMs) must conduct Integrated Baseline Reviews (IBRs) on contracts with Earned Value Management (EVM) requirements. IBRs are intended to provide a mutual understanding of risks inherent in contractors' performance plans and underlying management control systems. Properly executed IBRs are an essential element of a PM's risk management approach.

EVMIG Replacement

- Single document that contains disparate EVM policy application guidance
- Effort planned to begin January/February 2018

EVM Application Process

- PARCA awaiting signed delegation authority memo from AT&L; memo will be starting point for joint PARCA/Services process guide

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DoDI 5000.02 EVM Applicability

2 Step EVM Application Process

Step 1. Contract Criteria Review

- Contract is Cost Plus or Incentive
- Contract > $20M (including known options)
- Contract has at least 18 months period of performance

If any No → EVM Not Applicable*

If all Yes → EVM placed on contract; option to have applicability determination based on nature of work (Step 2)

Step 2 (Optional). Work Attributes Review

- Does EVM apply based on review of SOW, PWS, WBS, & CDRLs (i.e., work discretely measurable & schedulable)
  - PARCA & Services - ACAT ID & IAM for DAE/MDA decision
  - Services - other ACATs for SAE/CAE decision

No → *EVM does not apply** EVM not on contract; no deviation/waiver required

Yes → *EVM does apply* EVM is placed on contract; PMO has option to seek waiver/deviation

* *The PM has the option to make a business case to apply EVM outside the thresholds and application decision*

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Future of EVM

One question…

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Managing with EVM

- If not EVM then What…..?
  - Planning / Budgeting
  - Scheduling – IMS, status
  - Collecting Performance – actuals, technical performance status
  - Forecasting – EAC
  - Risk Management
  - Change Management
  - Reporting – performance, variances

Is there a benefit for using EVM to manage?

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Thank You!

Questions Contact Us

PARCA EVM Website:
http://www.acq.osd.mil/evm/

PARCA EVM Email:
osd.dodevm@mail.mil

PARCA AEP Program

PARCA Acquisition Exchange Program (AEP) provides a unique career-development experience for high-caliber Government civilians or military personnel interested in acquisition and/or EVM.

http://www.acq.osd.mil/evm/aep.program.html

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Backup
Additional Information

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OMB Capital Programming Guide

- Update of OMB Capital Programming Guide provides link between EVM and Agile:

"EVM is not tied to any specific development methodology and does not prevent the use of other risk management techniques such as agile development. ***EVM and agile development are complementary*** *and can be used on the same project. Agile development can be used to incrementally deliver functionality to the customer while EVM provides a standard method for measuring progress."*

IPMR$_2$ Requirements

- Files that will be required
  - Performance Data file (JSON)
  - Schedule Data file (JSON)
  - Schedule File (Native Format)
  - Variance Analysis – For Discussion

- EVM-CR Files and Tools
  - Sample JSON files
  - File reader and test tool

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MIL-STD-881C Appendices

- *Updated:* Aircraft Systems (combined with Unmanned Aircraft), Electronic Systems, Missile Systems (combined with Ordnance Systems), ICBM (new appendix), Space Systems, Surface Vehicle Systems, AIS Systems, Common WBS Elements
- *No Update:* Sea Systems, Unmanned Maritime Systems

- Other information
  - Cybersecurity and Sustainment to be reflected in all appendices
  - Lower level WBS can be developed; link to cost estimating model templates to be provided as examples
  - Handling of items such as Warranty and Rate Tooling adjudicated

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DoDI 5000.02 EVM Tables

Earned Value Management Requirements

- Table 8: EVM Application Requirements *(reflects $100M EVMS threshold)*

Contract Value	Applicability	Notes	Source
< $20M	EVM not required; may be applied at PM discretion based on risk to the Government	Requires business case analysis and MDA approval	Part 7 of OMB Circular A-11 (Reference (c)); DFARS 234.201 (Reference (al)); This instruction
≥ $20M & < $100M	EVM Required; contractor is required to have an EVM system (EVMS) that complies with the guidelines in EIA-748*	The Government reserves the right to review a contractor's EVMS when deemed necessary to verify compliance	
≥ $100M	EVM Required; contractor is required to have an EVMS that has been determined to be in compliance with the guidelines in EIA-748*	The Contractor will provide access to all pertinent records and data requested by the Contracting Officer or duly authorized representative as necessary to permit initial and ongoing Government compliance reviews to ensure that the EVMS complies, and continues to comply, with the guidelines in EIA-748*.	

- Table 9: EVM Reporting *(maintains $50M reporting tailoring threshold)*

Contract Value	Applicability	Notes	Source
< $20M	Not required	IPMR Should be used if cost and/or schedule reporting is requested by the PMO	IPMR DID DI-MGMT-81861A*
≥ $20M & < $50M	Required monthly when EVM requirement is on contract	Formats 2, 3, and 4 may be excluded from the contract data requirements list (CDRL) at program manager discretion based on risk	
≥ $50M	Required monthly when EVM requirement is on contract	All Formats must be included in the CDRL	
Additional Information			
For ACAT I contracts, task orders, and delivery orders, IPMR data will be delivered to the EVM Central Repository. The IPMR can be tailored to collect cost and/or schedule data for any contract regardless of whether EVM is required. For information on tailoring the IPMR, refer to the DoD IPMR Implementation Guide (Reference (cj)). Formats and reporting requirements for the IPMR are determined and managed by USD(AT&L) through the office of PARCA. Reporting thresholds are in then-year dollars. DI-MGMT-81861A = Data Item Management-81861 (Reference (ev))			

DFARS update to reflect polices in new DoDI 5000.02 is in the rule making process

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DoDI 5000.02 Table 8 - Application

EVM is applied to cost reimbursable or incentive contracts, inclusive of options, with 18 months or greater period of performance, and based on the nature of the work scope

Contract Value	Applicability	Notes	Source
< $20M	EVM not required; may be applied at PM discretion based on risk to the Government	Requires business case analysis and MDA approval	Part 7 of OMB Circular A-11 (Reference (c)); DFARS 234.201 (Reference (al)); This instruction
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DoDI 5000.02 Table 9 - Reporting

Contract Value	Applicability	Notes	Source
< $20M	Not required	IPMR Should be used if cost and/or schedule reporting is requested by the PMO	IPMR DID DI-MGMT-81861A*
≥ $20M & < $50M	Required monthly when EVM requirement is on contract	Formats 2, 3, and 4 may be excluded from the contract data requirements list (CDRL) at program manager discretion based on risk	
≥ $50M	Required monthly when EVM requirement is on contract	All Formats must be included in the CDRL	

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Formats and reporting requirements for the IPMR are determined and managed by USD(AT&L) through the office of PARCA.

Reporting thresholds are in then-year dollars.

DI-MGMT-81861A = Data Item Management-81861 (Reference (av))

Note – reporting maintains $50M reporting tailoring threshold

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5000.02 EVM Language

New Language

- **EVM-CR**: "For ACAT I contracts…IPMR data will be delivered to the EVM Central Repository"
- **OTB/OTS**: "The initiation of an over-target baseline or over-target schedule must be ***approved*** by the Government program manager"

Clarified Language

- **IDIQ**: 2 part application on IDIQ contracts:

1. Include EVM requirement on total base IDIQ contract if it meets or is expected the EVM thresholds in 5000.02

2. Apply EVM on task/delivery orders, or group(s) of related task/delivery orders, per thresholds and workscope

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