



National Defense Industrial Association
Integrated Program Management Division

Prime/Subcontractor Collaboration Framework

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Abbreviations and Acronyms

ACWP	Actual Cost of Work Performed (sometimes referred to as AC)
BAC	Budget at Completion
BCWP	Budgeted Cost for Work Performed (sometimes referred to as EV)
BCWS	Budgeted Cost for Work Scheduled (sometimes referred to as PV)
CAM	Control Account Manager
CDRL	Contract Data Requirements List
CEAC	Comprehensive Estimate at Completion
CFSR	Contract Funds Status Report
CLIN	Contract Line Item Number
CPR	Contract Performance Report
EAC	Estimate at Completion
EIA	Electronic Industries Alliance
ETC	Estimate to Complete
EVM	Earned Value Management
FFP	Firm Fixed Price
IBR	Integrated Baseline Review
IMS	Integrated Master Schedule
IPMD	Integrated Program Management Division
IPMR	Integrated Program Management Report
MDA	Milestone Decision Authority
MR	Management Reserve
NDIA	National Defense Industrial Association
OTB/OTS	Over-target Baseline/Over-target Schedule
POC	Point of Contact
PMB	Performance Measurement Baseline
PWS	Performance Work Statement
RFP	Request for Proposal
SDRL	Subcontract Data Requirements List
SOW	Statement of Work
UB	Undistributed Budget
VAR	Variance Analysis Report
WBS	Work Breakdown Structure

1 INTRODUCTION

The prime / subcontractor relationship is one in which the success of one party is dependent on the success of the other party. A key element in enabling success is a collaborative working relationship with open and meaningful communications. The purpose of the Prime/Subcontractor Collaboration Framework is to identify areas where communication is essential and to recommend approaches to maintaining lines of communication. The Collaboration Framework is not intended to provide comprehensive list of all project and contractual elements that should be communicated between the prime and their subcontractors but is intended as a starting point to facilitate a collaborative, successful partnership.

2 COLLABORATION FRAMEWORK

2.1 TEAMING, PROPOSAL AND NEGOTIATION

2.1.1 SOW/PWS/GENERAL REQUIREMENTS

No.	Prime Contractor	Subcontractor	Comments
2.1.1.1	Ensure Statement of Work (SOW) or Performance Work Statement (PWS) is clear, detailed, and thoroughly understood.	<p>Thoroughly understand the SOW or PWS.</p> <p>Request clarification for any areas that are unclear or do not provide enough information to develop an accurate estimate.</p>	<p>A well-defined SOW/PWS is essential to the development of an accurate and reliable basis of estimate.</p> <p>The Subcontractor SOW should be specific to the Subcontractor work effort not merely copied and pasted from the Prime’s SOW.</p>
2.1.1.2	<p>Request feedback to ensure that expectations and requirements are thoroughly understood.</p> <p>To avoid disruptive changes after the Subcontract is signed, hold a pre-award technical meeting with Subcontractors to ensure there are no holes in the request for proposal (RFP) SOW.</p> <p>Include Prime program technical staff on the proposal team to ensure typical program technical issues are not overlooked in the RFP and to ensure that requested technical commitments can realistically be accomplished.</p>	<p>Provide appropriate feedback when requested to ensure a thorough understanding of expectations and requirements.</p> <p>Include Subcontract program technical staff on the proposal team to ensure typical program technical issues are not overlooked in the RFP and to ensure that proposed technical commitments can be accomplished.</p>	<p>Risk aversion may lead Subcontractors to avoid raising questions or questioning the request for proposal (RFP), however there are significant risks and costs associated with attempting to fulfill requirements that are not thoroughly understood.</p>

No.	Prime Contractor	Subcontractor	Comments
2.1.1.3	Ensure the right technical requirements have been flowed down to the Prime from the customer and that the right requirements are flowed down from the Prime to the Subcontractor.	Ensure that the Prime has not “forgotten” mandatory technical flow downs.	Failure to include mandatory requirements may result in costly changes for the Prime and possible rework for both the Prime and the Subcontractor. Earned Value flow downs are discussed in Section 2.1.4.
2.1.1.4	Do not use language from prior contracts as boilerplate without a careful review to ensure that the requirements are still accurate and appropriate to the current contract.	Identify requirements that do not appear to be appropriate and request written clarification from the Prime to ensure accurate pricing.	Including requirements that are not applicable can be a major cost driver.
2.1.1.5	Identify experience, educational, or other personnel requirements required by the customer. Flow these same requirements to the Subcontractor.	Identify any required personnel requirements and ensure that the proposal is responsive to those requirements and that the right people are available.	

2.1.2 SUBCONTRACTOR DATA REQUIREMENTS (SDRLS)

No.	Prime Contractor	Subcontractor	Comments
2.1.2.1	Ensure that the Subcontract Data Requirements List (SDRL) to support the Prime’s Contract Data Requirements (CDRL) requirements is included in the RFP.	Review RFP to understand requirements.	Understanding all requirements is essential to the development of an accurate and complete basis of estimate.
2.1.2.2	Communicate SDRL expectations to potential Subcontractor. Ensure those expectations are consistent with the SDRL language.	Review SDRLs and validate that the expectations communicated by the Prime are consistent with the SDRL language.	The Prime must be careful not to blindly flow down every CDRL item to the Subcontractor as an SDRL. The CDRL might not apply to the Subcontractor. For example, the Prime may have EVM requirements that should not be flowed down to the Subcontractor.

No.	Prime Contractor	Subcontractor	Comments
2.1.2.3	Request feedback from potential Subcontractors to ensure a common understanding of the complexity and costs associated with preparing and delivering requested SDRLs. Be prepared to modify RFP requirements based on this feedback.	Provide requested feedback to the Prime to ensure that there is a common understanding of the complexity and costs associated with requested SDRLs.	
2.1.2.4	<p>Clearly define submittal dates and other delivery expectations for each SDRL.</p> <p>Ensure SDRL submittal dates allow enough time for review prior to the Prime's CDRL submittal to the customer.</p> <p>For reports like the Integrated Program Management Report (IPMR), Contract Funds Status Report (CFSR), etc. DO NOT specify a calendar date for delivery but specify a specific and reasonable number of days after the Subcontractor's accounting period closes.</p>	<p>Confirm with the Prime SDRL:</p> <ul style="list-style-type: none"> • Submittal dates • Delivery expectations • Whether submittals are informational or require Prime approval • When comments must/shall be addressed • When and why resubmissions may be required and what are the resubmittal timelines 	Using "days after closeout of the Subcontractor's accounting period" typically causes the delivery date to occur on the same day of the week. For example, if the Subcontractor's accounting period always closes on the last Friday of the accounting month, a submission required 12 calendar days after closeout will always occur on a Wednesday.
2.1.2.5	<p>Determine how SDRL submittals will be handled if (when) Subcontractor financial periods do not align with the Prime's financial periods.</p> <p>If flash reports or other work arounds will be used to accommodate differences in financial periods, include this in the RFP.</p> <p>Understand the Subcontractor's monthly EVM cycle so they will have enough time to deliver timely and accurate data.</p>	<p>Understand how SDRL submittal dates integrate with the Subcontractor's financial calendar.</p> <p>If flash reports or other work arounds will be required to meet the requested submittal dates, include those costs in the proposal.</p> <p>Understand the Prime's monthly EVM cycle and due dates.</p>	<p>If the Subcontractor understands the Prime's EVM cycle and contractual due dates, they will have a better understanding of why data is needed in a timely manner.</p> <p>However, if the Prime's delivery date is very early in the month, the Subcontractor may have a difficult time supporting the Prime's requirements.</p>

2.1.3 RISK AND OPPORTUNITY MANAGEMENT REQUIREMENTS

No.	Prime Contractor	Subcontractor	Comments
2.1.3.1	Flow down appropriate risk and opportunity management requirements, which may include a Subcontractor Risk Management Plan.	Ensure a risk management process is in place or will be in place that meets the RFP requirements.	
2.1.3.2	If the Subcontractor is expected to use a specific Risk Management tool, make sure this is clearly stated in the RFP and discuss how implementation costs should be handled in the Subcontractor proposal if the Subcontractor is not currently using the designated tool.	If a specific tool is required that is new to the Subcontractor, include implementation costs in the proposal.	As much as possible, the Prime should avoid specifying tools or software packages that differ from the Subcontractor's normal processes. If a specific tool is required and fails, the Subcontractor could blame the Prime for the failure, which might result in a claim against the Prime.
2.1.3.3	If the Subcontractor is required to provide data that may be integrated into the Prime's Risk Management tool clearly define delivery and formatting requirements in the RFP. Provide templates, if possible.	If risk and opportunity data is to be integrated with the Prime's risk and opportunity data, fully understand the formatting and delivery requirements. Understand the cost of providing the data and include those costs in the proposal.	

2.1.4 EARNED VALUE MANAGEMENT (EVM) REQUIREMENTS

No.	Prime Contractor	Subcontractor	Comments
2.1.4.1	Ensure that the correct/appropriate EVM requirements are flowed down to the Subcontractor in the RFP. For example, Milestone Decision Authority (MDA) approval is required to flow EVM down on Firm Fixed Price (FFP) contracts.	<p>Verify that EVM flow down requirements are appropriate.</p> <p>Verify that costs associated with meeting the flow down requirements are included in the RFP.</p> <p>If the RFP appears to meet the thresholds for flow down of EVM requirements (contract type, cost, and duration) but the requirements are not included in the RFP, ask for clarification from the Prime.</p>	<p>Understanding EVM flow down requirements including surveillance requirements and what is required for the Subcontractor to meet those requirements is essential to the development of an accurate and reliable basis of estimate.</p> <p>This will avoid later surprises when the customer realizes that EVM was not flowed down as it should have been.</p>

No.	Prime Contractor	Subcontractor	Comments
2.1.4.2	<p>If it is not appropriate to flow down EVM requirements to the Subcontractor, define what data is required from the Subcontractor to support accurate, reliable, and timely completion and submittal of the Prime's EVM reporting and include those requirements in the RFP.</p> <p>These requirements may include:</p> <ul style="list-style-type: none"> • Spend plans • Integrated master schedule (IMS) • Objective earned value status • Actual costs • Estimates to complete (ETC) 	<p>Understand all requirements to implement the associated project/performance management processes.</p>	<p>Understanding requirements and costs associated with implementing the requirements will result in a more accurate basis of estimate.</p>
2.1.4.3	<p>The EVM requirements should be clearly defined to include, but not be limited to:</p> <ul style="list-style-type: none"> • Work breakdown structure (WBS) integration requirements including level of decomposition to ensure that supplier data readily integrates with each Prime WBS element • Earned value report types and formats • Level of reporting <ul style="list-style-type: none"> ○ Control account ○ Work package ○ Other • Schedule format, architecture, resource loading requirements, and rework and resubmittal requirements. • Quality expectations • Submittal dates • Process for requesting revisions or updates if quality expectations are not met • EVM Surveillance • ETC/Estimate at 	<p>Decompose the flowed down WBS to a level appropriate to the Subcontractor work scope complexity and risk. Ensure all subcontract work is included in the WBS. Obtain Prime concurrence on the decomposed WBS.</p> <p>If necessary, conduct gap analysis to ensure the Subcontractor system can meet the requirements and identify costs associated with closing those gaps. Decide how or if those costs will be handled in the Subcontractor's proposal.</p> <p>Understand integration needs for actual costs and set up the charging and invoicing structure to support those needs.</p> <p>Review Prime's schedule specification and identify gaps within the Subcontractor's current scheduling policies and procedures. Determine how those gaps will be closed and</p>	<p>Understanding what the schedule integration requirements are is essential to the development of an accurate and reliable basis of estimate.</p> <p>Before requesting Subcontractor data at a level below the control account level, the Prime should make sure that they really want, need, and will use the lower level data. It is not always necessary to request Subcontractor data at a lower level even if the Prime is required to report at lower levels.</p> <p>The Subcontractor's estimated actual cost process should be documented in the Subcontractor's EVM system description.</p>

No.	Prime Contractor	Subcontractor	Comments
	<p>completion (EAC) requirements</p> <ul style="list-style-type: none"> • Support for estimated actual cost development • Variance analysis thresholds <p>Determine how the Subcontractor schedule will be incorporated into the Prime's IMS, for example</p> <ul style="list-style-type: none"> • Handoff milestones • Full incorporation / replacement at the control account, work package, planning package, and summary level planning package level <p>If there are multiple Subcontractors on the project, the Prime may use different methods of incorporation appropriate to the subcontractor size, risk and complexity.</p>	<p>if the cost of closure should be included in the proposal.</p> <p>Review the required integration schedule and ensure that adequate resources are available internally to support integration requirements (project staff along with systems, technical, and management support.</p> <p>If the variance thresholds included in the RFP do not make sense, negotiate with the Prime for more appropriate thresholds.</p>	
2.1.4.4	<p>FFP agreements where progress payments are the source of budgeted cost for work performed (BCWP), periodic evaluations for technical accomplishments should be required and established in the RFP.</p> <p>A best practice is to negotiate a milestone payment schedule that correlates to actual completion of work scope with meaningful indicators of progress. This requirement should be documented in the RFP.</p>	<p>Understand the progress payment schedule and any requirements tying technical performance to progress payments.</p> <p>If progress payments are tied to technical performance, ensure that a process is in place to identify and document meaningful, objective indicators of performance and that these are agreed to by the Prime.</p> <p>When negotiating progress payments, ensure those payments support a healthy cash flow and cyclicity.</p>	
2.1.4.5	<p>Factoring subcontractor values. When the subcontract value exceeds the control account budget for the work scope and using management</p>		

No.	Prime Contractor	Subcontractor	Comments
	reserve (MR) is not an option, the Prime Contractor may “true-up” the subcontract value to the value reported in the Prime’s IPMR. The only subcontractor values factored include the BCWS, BCWP, and BAC. Subcontractor ACWP and EAC values are not factored		

2.1.5 INTEGRATED BASELINE REVIEW (IBR) REQUIREMENTS

See [Section 2.5](#) for recommendations regarding conduct of the IBR.

No.	Prime Contractor	Subcontractor	Comments
2.1.5.1	Identify Subcontractor post-award IBR requirements.	Understand post-award IBR requirements. Understand post- award IBR timing and Prime expectations.	
2.1.5.2	Identify any requirements for a Subcontractor pre-award IBR.	Understand if there is a requirement for a pre-award IBR and what the Prime expectations are. Understand how costs associated with a pre-award IBR will be covered.	
2.1.5.3	Review Sub-subcontractors requirements and identify any risks.	To support the IBR process, identify Sub-subcontractors, establish requirements, and communicate those to the Prime either as part of the proposal process (if available and required) or as part of the IBR preparation process.	
2.1.5.4	If the Subcontractor is expected to support the Prime IBR or other reviews, ensure those requirements are included in the RFP.	Understand level of support required for the Prime IBR and other reviews and include those costs in the proposal.	The Prime should resist relying on the Subcontractor to satisfy the Prime’s IBR performance.

2.1.6 SUBCONTRACTOR PROPOSAL

No.	Prime Contractor	Subcontractor	Comments
2.1.6.1	Review and thoroughly understand the Subcontractor proposal. Verify that the Subcontractor proposal is in alignment with the SOW or PWS.	Submit proposal in alignment with the SOW or PWS. Understand the “TBDs” (e.g. specs, WBS levels, reporting requirements, contract line item number (CLIN) structure).	For pricing purposes, the proposal should assume “audit ready.”
2.1.6.2	Award the contract.	Review with legal counsel to thoroughly understand the contractual requirements and the potential legal repercussions of failure to perform. Once the subcontract is signed, the Subcontractor is bound by the terms and conditions of the SOW.	

2.2 POST-AWARD AND START OF WORK PLANNING

No.	Prime Contractor	Subcontractor	Comments
2.2.1	Hold kickoff meeting for all Subcontractors <ul style="list-style-type: none"> • To ensure mutual understanding of the technical baseline • To review expectations / requirements for <ul style="list-style-type: none"> ○ Submittal dates for the budget and schedule baselines ○ Submittal dates for monthly, quarterly, other regular submittals ○ How submittals will be handled when the Subcontractor’s financial calendar does not support the Prime’s customer submittal dates ○ Evaluation criteria ○ Schedule architecture ○ IBR schedule and 	Actively participate in kickoff meeting Understand and clarify expectations and requirements	While a joint kickoff may be preferable to ensure that everyone hears the same thing at the same time, the key takeaway is to have a kickoff with each Subcontractor to initiate positive communications.

No.	Prime Contractor	Subcontractor	Comments
	<ul style="list-style-type: none"> dates o Assessment of estimated actual costs o Thresholds for submitting variance reports <p>These requirements should be formalized in the negotiated subcontract.</p>		
2.2.2	Provide temporary support, if required, to Subcontractors who need additional training and expertise in schedule development and maintenance. Encourage Subcontractors to develop schedule competency.	<p>Request temporary scheduling support, if required. Prepare and implement plan to develop and improve Subcontractor schedule competency.</p> <p>Ensure sub-Subcontractors employ good scheduling techniques.</p>	
2.2.3	Assign Subcontractor CAM.	Assign point of contact (POC) for the Prime's Subcontractor CAM(s).	
2.2.4	Provide training for Subcontractor CAMs; invite Subcontractor POC(s), if applicable.	Attend Prime Subcontractor CAM training, if applicable	
2.2.5	Review Subcontractor Performance Measurement Baseline (PMB) and IMS and request corrections and/or updates as required.	<p>Prepare, baseline, and submit the Subcontractor PMB and IMS in accordance with contract requirements.</p> <p>Submit requested corrections and updates in a timely manner.</p>	
2.2.6	Integrate the Subcontractor's baseline, both cost and schedule, into the Prime's baseline.		

2.3 RISK AND OPPORTUNITY MANAGEMENT AND INTEGRATION

No.	Prime Contractor	Subcontractor	Comments
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No.	Prime Contractor	Subcontractor	Comments
2.3.1	Conduct monthly risk meeting with the subcontractor.	Identify and manage project risks. Incorporate appropriate risk mitigation activities into the Subcontractor IMS.	
2.3.2	Incorporate appropriate Subcontractor risks into the Prime Risk Management process.	Submit risk and opportunity data as required by contract.	

2.4 PROGRAM EXECUTION

2.4.1 WORK AUTHORIZATION

No.	Prime Contractor	Subcontractor	Comments
2.4.1.1	Be aware of and understand the Subcontractor purchase orders and contract as it applies to their scope of work.		Ensure the purchase orders and contracts are clear and concise and contain enough detail for the Prime to understand how they apply to the Subcontractor scope of work.
2.4.1.2	Manage the processing of work authorizations to verify budget alignment between the Subcontractor's budget and the Prime's budget value for the same effort.	Ensure Subcontractor budget is equal to the negotiated subcontract value plus any authorized unpriced work – including MR, undistributed budget (UB), and fee. e	If the Subcontractor's CAM budget does not equal the Subcontract value, both the Prime and the Subcontractor should understand the possibility and process of factoring BCWS, BCWP, and BAC for performance measurement reporting. See Section 2.1.4.5 .
2.4.1.3	Authorize work (initial baseline and any subsequent changes made by the Subcontractor that impacts Prime's BCWS).	Record and track authorizations.	

2.4.2 INTEGRATION

No.	Prime Contractor	Subcontractor	Comments
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No.	Prime Contractor	Subcontractor	Comments
2.4.2.1	Map month end dates for all Subcontractors for the life of contract (see Figure 1)– identify months where Subcontractor month end dates do not support customer reporting. Define and document methodology for handling discrepancies.	As necessary, support process for providing early and/or estimated data to support Prime reporting requirements.	
2.4.2.2	Determine how Subcontractor MR and UB will be handled in the Prime's reporting.	Maintain MR and UB logs.	
2.4.2.3	Understand how Subcontractor fee is being reported. Identify and document method for handling Subcontractor fee in Prime reporting including incentive fee forecasts.	Ensure Subcontractor fees are auditable and properly reported.	
2.4.2.4	Identify and resolve deltas between the Prime BAC for a Subcontractor vs the negotiated value. Applications to or from MR may be used resolve the deltas or factoring may be used if there is not a budget source available to resolve the discrepancy. See Section 2.1.4.5 .		
2.4.2.5	Determine if Subcontractor data will be based on a lag approved by the customer. When consolidated reporting is a customer requirement, reconcile Subcontractor data (ACWP, BCWP, BCWS and EAC) to data already incorporated in Prime's internal records.	Disclose any lag in data reporting immediately and seek Prime and customer approval.	Subcontractor data may lag one month, provided that the contractor and Government agree that the program complexity and/or integration of Subcontractor and vendor performance data warrants additional time and would yield more accurate performance data.
2.4.2.6	Ensure the Prime baseline for the Subcontractor is kept in alignment with the Subcontractor reported baseline.	Ensure the Subcontractor reported baseline is kept in alignment with the Prime baseline.	

No.	Prime Contractor	Subcontractor	Comments
2.4.2.7	Manage the integration of the Subcontractor's baseline, both cost and schedule, into the Prime's baseline.	Assist with integration of the Subcontractor baseline, both cost and schedule, into the Prime's baseline.	
2.4.2.8	Manage the processing of work authorizations to verify budget alignment between the Subcontractor's budget and the Prime's budget value for the same effort.	Verify that work authorizations align with the Subcontractor's and Prime's budget value for the same work scope.	

Accounting Month	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
CUSTOMER REPORTS DUE	2/22/15	3/22/15	4/22/15	5/22/15	6/22/15	7/22/15
PRIME MONTH END DATES	1/30/15	2/27/15	3/27/15	4/24/15	5/29/15	6/26/15
Subcontractor A	1/31/15	2/28/15	3/31/15	4/30/15	5/31/15	6/30/15
Subcontractor B	1/30/15	2/27/15	4/3/15	5/1/15	5/29/15	7/2/15
Subcontractor C	2/6/15	3/6/15	4/3/15	5/8/15	6/5/15	7/3/15

Figure 1 Subcontractor Month-End Date Mapping

2.4.3 MONITORING AND ANALYSIS

No.	Prime Contractor	Subcontractor	Comments
2.4.3.1	<p>Review and accept the Subcontractor data submittals (Contract Performance Report [CPR]/IPMR, IMS, etc.) for accuracy and for compliance to the SDRL.</p> <p>Reject the submittals when they are incomplete, inaccurate, and not in compliance with the SDRL.</p>	<p>Prepare and deliver required submittals per the contract and SDRLs.</p> <p>Understand why submittals have been rejected and implement process improvements to avoid future rejections.</p> <p>Provide timely updates and corrections for rejected submittals.</p>	

No.	Prime Contractor	Subcontractor	Comments
2.4.3.2	Document any areas where the Subcontractor's data has been revised by the Prime for customer reporting in the CPR/IPMR Format 5. Notify the Subcontractor of any revisions and coordinate corrective actions, as required.	Work with Prime to resolve reporting discrepancies	
2.4.3.3	The Prime's Subcontractor CAM reviews and accepts Subcontractor variance analysis reports (VARs).	Correct and resubmit VARs, as necessary.	Subcontractor VARs may be rejected if they do not adequately address the variance.
2.4.3.4	Use the Subcontractor variance analysis report (VAR) information to develop the Prime's VARs at the control account and reporting levels based on the Prime's internal variance approval process.	Review and, if necessary, edit information that does not accurately reflect project performance.	The Subcontractor information may be edited and summarized prior to incorporation into the Prime's variance reporting. The Prime's Subcontractor CAM may edit information if they believe that what has been provided is not an accurate reflection of project performance.
2.4.3.5	Include Subcontractor VARs in the CPR/IPMR Format 5, per the thresholds defined in the data reporting requirements of the Prime's CDRL.	Review VARs and the CPR/IPMR with Subcontractor management to identify process improvements.	As stated in Section 2.1.4.3 , the Prime should not ask for reporting below the control account level unless either the customer requires reporting to that level or the Prime will actually use the lower level data to manage.
2.4.3.6	Review, analyze and accept Subcontractor EACs each month. Challenge/edit the Subcontractor's EAC when necessary.	Submit updated EACs each reporting period.	The Prime's Subcontractor CAM may identify a risk or opportunity within the Subcontractor's EAC based on their evaluation of the data and knowledge of the technical progress. Any adjustments will be discussed in Format 5 of the CPR/IPMR.
2.4.3.7	FFP subcontracts or purchase orders should have an EAC equal to the purchase order or subcontract value. FFP contracts will not have a cost variance.	For suppliers that have FFP subcontracts or purchase orders the EAC is equal to the purchase order or subcontract value and BCWP is equal to ACWP.	

No.	Prime Contractor	Subcontractor	Comments
2.4.3.8	Establish regular meeting cycle to review performance, resolve issues, and address risks with all Subcontractors – either individually or as a group or subgroups as is appropriate.	Actively participate in regular meetings with the Prime.	The intent of these meetings is to maintain common situational awareness and to identify and address issues and risks
2.4.3.9	Establish rules of engagement when the Subcontractor is part of the same company as the Prime. Some situations warrant a cooperative spirit reflecting that both parties work for the same company. Other situations warrant a stricter Prime / Subcontractor relationship that is equivalent to the relationship with other outside suppliers. Establishing the ground rules early will help build a relationship based on trust.	Proactively work with the Prime to establish appropriate rules of engagement. Do not wait until a situation occurs as this may generate an emotional response creating frustration on both sides.	The relationship between the Prime and internal “Subcontractors” are often called by terms other than subcontracts.

2.4.4 DELIVERABLES AND REPORTING

No.	Prime Contractor	Subcontractor	Comments
2.4.4.1	Provide regular communications with the Subcontractors on upcoming submittal dates.	Notify the Prime immediately if submittal dates cannot be met.	
2.4.4.2	Include Subcontractor estimated actual costs in Prime reporting.	Support and develop estimates for actual costs.	
2.4.4.3	Hold kickoff meeting for annual comprehensive estimate at completion (CEAC) and include Subcontractors. Provide written ground rules for preparation of the CEAC.	Participate in CEAC kickoff meeting. Develop and submit comprehensive EAC in a timely manner.	

No.	Prime Contractor	Subcontractor	Comments
2.4.3.4	Prepare a reconciliation between Subcontractor reporting and invoicing. Require Subcontractors, per the SOW, to provide a reconciliation each month as part of the IPMR/CPR submittals.	Prepare a reconciliation between estimated actual costs and actual costs recorded in the accounting and invoicing. Ensure actual costs recorded in Subcontractor performance reports reconcile to the accounting system.	The EIA-748 Standard for EVMS guideline 16 requires that the ACWP reported in the performance reports must reconcile with direct costs recorded in the accounting system.

2.4.5 CHANGE MANAGEMENT

No.	Prime Contractor	Subcontractor	Comments
2.4.5.1	Flow down change management processes to Subcontractors including thresholds for when the Subcontractor must notify the Prime of an upcoming change.	Understand flow down requirements for change controls including baseline change request requirements and when to notify the Prime of an upcoming change.	
2.4.5.2	Notify Subcontractor of upcoming customer-driven baseline changes. Hold kickoff meeting to initiate change incorporation.	Support customer-driven baseline changes and incorporate changes in a timely manner. Identify any risks or concerns pertaining to changes.	
2.4.5.3	When the Subcontractor scope has changed, issue a formal change to the Subcontractor PO/contract.	Upon receipt of a formal change request the Subcontractor will revise affected schedules and resources at the same level of detail as the original PMB.	Work through program management to issue any necessary contractual direction to the Subcontractor.
2.4.5.4	Upon receipt of the revised Subcontractor schedule and budget (PMB), the Prime's Subcontractor CAM: <ul style="list-style-type: none"> Incorporates the revised plan into the Prime PMB at the agreed to integration points. Document Subcontractor changes to Prime's PMB via change control process. 	Support Prime Subcontractor CAM in: <ul style="list-style-type: none"> Incorporating the revised plan into the Prime's PMB at the agreed to integration points. Documenting Subcontractor changes to the Prime's PMB via the change control process. 	

No.	Prime Contractor	Subcontractor	Comments
2.4.5.5	Special change situations including over-target baselines (OTB)/over-target schedules (OTS) and stop work orders must be carefully and thoroughly communicated to the Subcontractor to ensure the changes are implemented appropriately.	Thoroughly understand requirements for special changes and implement those changes per the formal change management process. If necessary, request approval for implementing an OTB/OTS on the Subcontract prior to implementation.	Special changes may not be flowed down to the Subcontractor, especially those with FFP subcontracts.

2.5 INTEGRATED BASELINE REVIEW (IBR) CONDUCT

See [Section 2.15](#) for a discussion of IBR requirements.

No.	Prime Contractor	Subcontractor	Comments
2.5.1	Offer joint IBR training to ensure common understanding of objectives. If joint with Customer, establish how Subcontractors are to interact with customer ahead of time.	Seek invite to any IBR training and/or conduct internal training. Conduct mock interviews	
2.5.2	Request Subcontractor support for Prime IBRs, EVM compliance reviews, and other project reviews, as required.	Support Prime IBR and other reviews, as required by the contract.	The IBR is an opportunity to ensure that the project plan as defined by the PMB is executable
2.5.3	Populate CAM Notebooks with Subcontractor data for Prime IBR	Prepare and submit artifacts per contract and SDRs.	An updated CAM notebook will assist in successful completion of both the Prime and the Subcontractor's IBR.
2.5.4	Conduct Prime IBR.	Support Prime's IBR.	
2.5.5	Conduct Subcontractor IBR, if required in compliance with customer and NDIA IBR guidance. <ul style="list-style-type: none"> Determine if the Subcontractor IBR will be held prior to Prime IBR Provide IBR training for Prime review team members Notify Subcontractor of IBR with established entrance and exit criteria 	Prepare for and support Subcontractor IBR, if required. <ul style="list-style-type: none"> Prepare Subcontractor team for IBR with IBR Training Perform mock-interviews to prepare CAMS for IBR interviews Respond to data call Implement identified actions in a timely manner and submit evidence of 	Typically, 80% of the PMB control accounts will be reviewed in an IBR. This will then drive the CAM selection for interviews.

No.	Prime Contractor	Subcontractor	Comments
	<ul style="list-style-type: none"> • Issue data call to the Subcontractor • Review Subcontractor data including planning detail and earned value techniques for adequacy and request revisions, if necessary • Prepare in-brief with agenda • Provide Subcontractor with names of CAMs to be interviewed • Conduct on-site Subcontractor IBRs Identify areas of concern and issue actions, if required • Review Subcontractor actions and evidence of completion • Close out IBR 	completion to the Prime to allow for proper IBR closeout.	

2.6 SURVEILLANCE

No.	Prime Contractor	Subcontractor	Comments
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No.	Prime Contractor	Subcontractor	Comments
2.6.1	<p>Conduct EVMS Surveillance of Subcontractors as required by the Prime's Surveillance Plan.</p> <p>Develop, with Subcontractor input, an EVMS Surveillance Plan including surveillance dates and guidelines.</p> <p>For Subcontractors implementing an accepted EVMS, conduct an EVMS review:</p> <ul style="list-style-type: none"> • Request copy of the Subcontractor's EVM system description • Conduct onsite EVMS Review • Issue corrective action requests, if required • Monitor closure of corrective actions • Close out EVMS review 	<p>Prepare for and participate in EVM Surveillance, as required.</p> <p>Provide requested data to the Prime or request that the EVMS review be conducted by the Government customer, if appropriate.</p>	<p>Due to the competitive nature of the business, either the Prime or the Subcontractor may request a Government acceptance review without the Prime's presence.</p> <p>The NDIA IPMD Surveillance Guide provides guidance on conducting surveillance reviews.</p>
2.6.2	<p>Establish entrance and exit criteria.</p>	<p>Understand entrance and exit criteria. Maintaining high quality data integrity is the best recourse.</p> <p>Ensure that an internal review of EVM data is in place.</p>	

No.	Prime Contractor	Subcontractor	Comments
2.6.3	<p>While surveillance of the Subcontractor's performance measurement system is the responsibility of the Prime, the Prime will request assistance from the Contracting Officer (CO) to have the cognizant Government surveillance agency perform or assist in limited or complete surveillance of the Subcontractor when:</p> <ul style="list-style-type: none"> • The competitive position of the Subcontractor or proprietary data is involved. • There is a business relationship between the Prime and the Subcontractor not conducive to independence • The Subcontractor is a sole source and the subcontract costs represent a substantial part of the Prime's costs. 	<p>Notify the Prime if the Subcontractor's preference is that surveillance be conducted by the cognizant Government surveillance agency rather than the Prime for the stated reasons.</p>	<p>Establish expectations as far as customer and/or DCMA involvement in the surveillance process early in the project.</p>

2.7 CLOSE-OUT

No.	Prime Contractor	Subcontractor	Comments
2.7.1	<p>Closeout contract with the customer.</p>	<p>Provide support and data to Prime to enable contract closeout.</p>	
2.7.2	<p>Conduct purchase order cleanup ensure all changes, terms, agreements are included in final PO.</p>	<p>Confirm that all cleanup and changes have been completed. Confirm all obligations under the contract have been met. Request certificate of contract completion.</p>	

Revisions

Revision #	Date	Change Description
Revision 0	04/01/2019	Initial release per board approval