



# Life after EVMS Advance Agreements (& LOAs)

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# Definition (EVMIG)



- **Advance Agreement (AA).** An agreement between the contractor and the CMO that recognizes the application of a validated EVMS to contracts within the corporation, division or facility.
- **Letter of Acceptance (LOA).** A letter issued by the ACO that recognizes the successful validation of the contractor's EVMS and its application within a specific facility.

# DCMA Letter – Dec 2013



DCMA has made a decision to discontinue the practice of using Advance Agreements (AA) and Letters of Acceptance (LOA) for Earned Value Management Systems (EVMS). The Under Secretary of Defense (OSD) Office for Performance Assessments and Root Cause Analyses (PARCA) concurs with this decision. The use of AAs and LOAs has been the preferred way DCMA documents a contractor's EVMS compliance credentials and commitment to consistently implement EVM on applicable DoD contracts. However, their usefulness has been significantly diminished over the recent past with the publication of DFARS 252.242-7005, Contractor Business Systems (Feb 2012). As of December 18, 2013, DCMA will no longer recognize any AA or LOA previously issued. The discontinuance of AAs and LOAs will not affect the current standing of a contractor's EVMS compliance status.

The EVMS Compliance Review process is the standard process for determining an EVMS' suitability for formal acceptance. System acceptance will be acknowledged through issuance of an Administrative Contracting Officer (ACO) business system determination after a Compliance Review by the DCMA Earned Value Management Implementation Division (EVMID). The system determination is not transferrable to another site's EVMS without a formal review to evaluate compliance.

(emphasis added by presenter)

# DCMA Letter (Continued)



DCMA will continue to perform standard surveillance on contractor EVMS in accordance with applicable DoD regulations and policies. The primary objective of the surveillance process is to ensure that contractor EVMS performance measurement data accurately reflects the status of programs.

The discontinuance of AAs and LOAs does not alter the procedure used by contractors to submit changes to an EVMS System Description for Government approval. These procedures are covered in DFARS 252.234-7002(e) "Earned Value Management System (May 2011)."

An ACO's determination of approval indicates compliance and acceptance and will continue to provide assurances that your EVMS produces reliable performance measurement data.

In the event you have any questions regarding this policy change, please feel free to contact Mr. David Kester, DCMA-PIV at (804) 416-9153.

(emphasis added by presenter)

- **May 2008 - EVMS AA Signed Recognizing LM System Description**
  - LM System Description is compliant with ANSI/EIA-748
  - LM will use the LM System Description at all sites
  - Agreement satisfies RFP and contract EVMS requirements
  - Determination of compliance will be made at the local level
- **Oct 2013 – Letter from CACO approving latest version of LM System Description**
- **Dec 2013 – Discontinuation of Advance Agreements & LOAs**

**CACO Letter 'Approves' LM System Description**

**Raytheon**

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SEA  
SPACE  
CYBER

# ACO EVMS Letters as of 28 JAN 2014

Joe Kusick  
Director EVRC

## ACO Letters & AA Issues

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- RTN had a signed AA by DCMA DACO Jeffrey Holt,
  - Ltr dtd: 10 OCT 2013
- AA cnx'd effective 11 JAN 2014 by DACO Jeffrey Holt,
  - Ltr dtd: 11 DEC 2013.
- RTN has approved EVMS System (10255 v5.0 dtd 12 SEP 2013 ) per RTN DACO Jeffrey Holt,
  - Ltr dtd: 12 SEP 2013
  
- ...”The discontinuance of the AAs and LOAs will not affect the current standing of a contractor’s EVMS compliance status.

**RTN EVMS Process Description is Still Approved**

## ACO Letter Status

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- Using the old AA Cage Codes/sites as the benchmark for “approved” sites:
- MS ACO letter spells out one CG (Tucson only) out of eight (1 of 8)
- SAS ACO letter spells out zero out of eighteen (0 of 18) Did NOT list any CG
- IIS ACO letter spells out one out of ten (1 of 10) Did NOT list IIS (RTSC only)
- IDS ACO letter spells out seven out of twenty (7 of 20) Did NOT list old NCS CG

**Letters Need to Correctly List CAGE Codes & Sites**



## **ACO Letter Issue**

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- Many Sites are “Joint Use” by More Than One Business
  - Which ACO “owns” them?
  - Who writes the ACO approval letter for a joint site?
  - May be difficult to align approval letter to a Business