

# NDIA EVMS Scalability Guide

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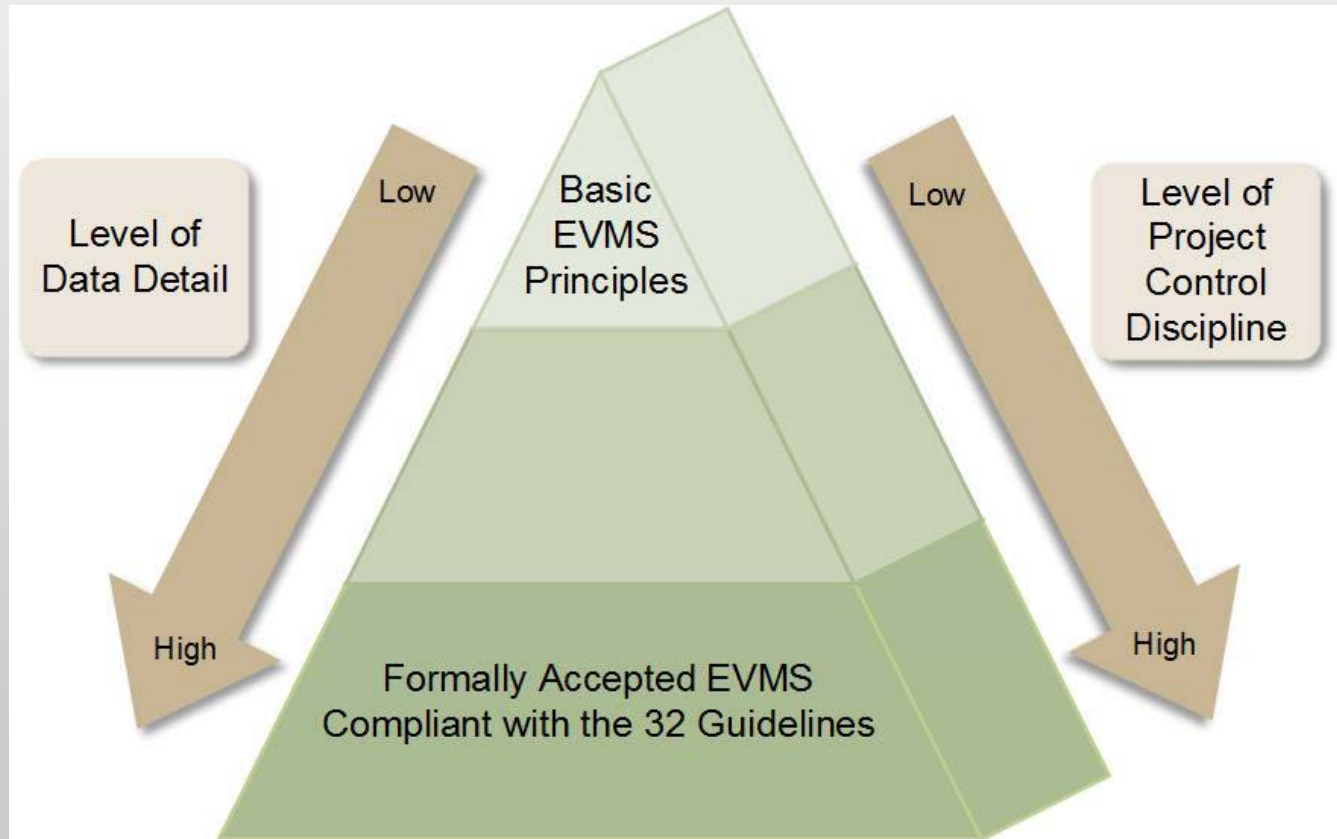
# Who Uses the Scalability Guide?

- Intended for industry or government project personnel within:
  - *Entities such as universities, laboratories, small businesses, suppliers, and vendors with small to mid-size projects*
  - *Large corporations with small projects/contracts or that issue contracts to small businesses, suppliers, and vendors*
  - *Any government agency with small contracts*
- Each organization and government agency have their own definition for small or non-major acquisition

# What is Scalability?

- Historically EVMS has been used primarily as a contractual requirement on large development and production projects efforts
  - *An abundance of detailed guidance on implementing the EVMS Standard on large projects*
  - *However, little guidance exists on how to “scale” an EVMS for small to mid-size projects and/or contracts.*
- A scaled EVMS applies the 32 guidelines in a way that reflects the size, complexity, risk, and type of work
  - *Necessary for the successful management of the project*
  - *Scalability allows any project to realize the benefits of earned value management*
- A scaled EVMS implementation recognizes small projects do not require the same level of
  - *Data detail and*
  - *Project control discipline needed for large, complex projects.*
- Assumes general familiarity with EVM concepts and EVMS Standard 32 guidelines

# Basic Approach to Scalability



# Project Management Processes

- Processes 1 to 6
  - *Steps typically followed to establish a new project and to execute the planned work effort*
- Processes 7 and 8
  - *Discuss managing material and subcontractor work effort separately (as they may not apply to some projects)*
- Process 9
  - *Discusses indirect costs separately as this is typically a corporate level function that is outside the control of a project manager*

# Project Management Processes

- Process 1: Organizing for Project Management
- Process 2: Establishing and Maintaining an Integrated Project Schedule
- Process 3: Defining Budgets and Authorizing Work
- Process 4: Interfacing the EVMS with the Accounting System
- Process 5: Managing Using Project Performance Information
- Process 6: Incorporating Approved Changes into the Project
- Process 7: Managing Project Material Items
- Process 8: Managing Subcontracted Work Effort
- Process 9: Managing Indirect Budgets and Costs

# Guide Format

- A reference to the applicable EVMS Standard primary guideline and secondary guidelines.
  - *Secondary guidelines highlight the interrelationships between the guidelines and implementation of secondary guidelines which should be in alignment with the scaled primary guideline implementation*
- A description of the process and its underlying connection to project management.
- The benefits to be derived from effective implementation.
- Discussion of the scalable approaches
- Approaches for scaling the implementation of the process
- The primary guideline and secondary guidelines affected by implementation.
- Descriptions of typical products produced.
- Reference to Best Practice comments from the Government Accountability Office (GAO) Cost Estimating and Assessment Guide or Schedule Assessment Guide, where applicable.

## Example: Process 3: Defining Budgets and Authorizing Work

- With a defined and scheduled contractual effort (PMB)
  - *Assign resources for accomplishing the work*
  - *Using internal work authorization and budgeting process*
  - *Essential to perform EVM within constraints (cost, schedule, scope, and resources)*
- Iterative process to distribute or time phase the budget to accomplish the work within the authorized project value
- Government contracts can impact the current and future funding profile



## Example: Process 3: Defining Budgets and Authorizing Work (Cont'd)

- Primary Guideline 9 - Authorizing Work Scope and Budget for Resources
- Primary Guideline 10 - Planning Resource Budgets for Control Accounts
- Primary Guideline 8 - Planning Resource Budgets for Future Effort
- Primary Guideline 11 - Confirming Accurate Budget Distribution
- Primary Guideline 7 - Establishing Objective Measures of Work Progress

# Example:

## Process 3: Defining Budgets and Authorizing Work (Cont'd)

- Primary Guideline 12 - Planning Resource Budgets for Non-Measurable Effort
- Scalability
  - *LOE work packages are used when tasks of a general or supportive nature are created that and do not produce definite end products.*
  - *For small projects, each task should be assessed to determine the best method to budget and measure its progress toward completion.*
    - Keep the number of LOE tasks (low dollar, non-critical) to a minimum identified as discrete or apportioned effort
    - Place all LOE scope within one or a few work packages or control accounts.
- Primary Guideline 14 - Creating Holding Accounts for Work Scope and Budget
- Primary Guidelines 32, 15 - Maintaining Control of the Performance Measurement Baseline

# Final Thoughts

- When scaling an EVMS implementation for a small project, consider:
  - *The degree of scaling is often determined by a function of how the project is initially organized and scheduled*
  - *If the supplier is treated as a member of the prime project organization executing the work, the supplier's project management data may be incorporated into the prime project organization's project management system, and*
  - *Compliance with contractual requirements as well as applicable industry and government regulations*