



DCMA

DCMA Update for NDIA IPMD

Presented By:

**DCMA EVMS Center
NDIA IPMD Orlando, FL
February 8, 2018**

- **EVMS activities (INST-208 and -210) consolidated into the DCMA Contractor Effectiveness Instruction**
 - High level guidance for EVM system oversight
 - Supports three types of EVMS reviews
 - Validation Review
 - Review for Cause
 - EVM system surveillance
 - Recognizes EVMS Center as functional authority
 - **Initial draft submitted for Contractor Effectiveness policy**
 - **To be circulated for internal DCMA coordination**

- **EVMS Center Business Practices provide detailed procedures for EVMS Compliance-related activities**
- **BP1 – Pre-Award EVM System Plan Review**
 - Purpose - Review contractor's plan for EVMS compliance in accordance with DFARS 252.234-7001
 - **Completed – Signing out Feb 2018**
- **BP2 – System Description Review**
 - Purpose - Review contractor's SD alignment with EVMSIG
 - **Initial draft received; awaiting EVMSIG release for finalization**

- **BP3 – Contract Initiation Support**

- Purpose - Evaluates baseline establishment & program controls on a newly initiated contract
- **Completed – Signing out Feb 2018**

- **BP4 – EVM System Surveillance**

- Purpose – Provide uniform process to conduct surveillance of site EVMS compliance
- **Completed – Signing out Feb 2018**

- **BP5 – Review for Cause**

- Purpose - provides a standardized process to complete focused assessment based upon elevated concerns
- **First draft submitted—Held due to resources; ECD end February**

- **BP6 – Validation Reviews**

- Purpose - defines a uniform process for the EVMS Center personnel to conduct contractor EVMS Validation Reviews (VR)
 - Effectively takes roles, timings and internal products from discontinued Instructions (208)
- **First draft submitted, ECD end February**

- **First reviews begin in March – 3 step process**
 - Review contractors EVM SD documents to ensure processes meet intent of 32 guidelines
 - Perform data analysis (131 metrics) to identify risk areas in system outputs
 - Native tool IMS and cost tool export are data sources of record
 - EVMS team will use excel templates to calculate results manually
 - CAM interviews to allow demonstration of processes as described in process documents
 - Interviews will address all system processes
 - Data analysis directs additional (more in depth) follow-up

- **BP4 – EVM System Surveillance**

- Execution of groups of metrics throughout the year based on system risk evaluated at division, site, & contract load
- Loosely organized based upon automation & data requirements
- Establishes minimum frequencies unless adjusted by risk profile
- Metric Groups
 - Group 1 – Cost and schedule execution indicators
 - 47 metrics using cost and schedule data
 - Group 2 – S-P-A follow-up and AMR
 - Group 3 – Change control and budget management
 - Group 4 & 5 – Integrating processes – Material and Accounting

- **BP4 – EVM System Surveillance**
 - Risk characteristics for evaluating an EVMS:
 - Underlying system risks of people/processes & tools
 - Characteristics of the individual contracts
 - Specific criteria evaluated include:
 - Efficacy Assessment of the contractor's internal control/audit Results/findings from contractor internal oversight activities
 - Results/findings from prior EVMS assessments to include recent EVMS CARs for the site and/or business unit
 - Other concerns identified by Government PMOs, CMO Program Support Teams, and other stakeholders

- BP4 – EVM System Surveillance**

- Surveillance schedule:

2.A. INTEGRATING PROCESSES - ACCOUNTING, MATERIAL MANAGEMENT (AREAS COVERED ON MULTI-YEAR SCHEDULE)		ACCOUNTING			MATERIAL MANAGEMENT				OTHER					
		Jan 2016 Contract XXXX			May 2017 Contract AAAA				date & contract					
		METRIC REVIEW SCHEDULE												
2.A. PROGRAM	2.B. CONTRACT	BP3 COMPETITION DATE	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C
										U S T	T E B R	O B E R	E M B E R	E M B E R
XXXX		n/a					BP4-3					BP4-1		
YYYY		n/a	BP4-1			BP4-1	BP4-3							
ZZZZ		17-Dec	BP4-1			BP4-1						BP4-1	BP4-4	
AAAA		est 3/2018			BP3				BP4-1					
BBBB		n/a	Omitted from surveillance based upon risk											
CCCC		n/a					BP4-3		BP4-1				BP4-4	
PART 3: END OF YEAR RECONCILIATION OF REVIEWS, PREPARE RECOMMENDATION TO ACO.														
3.A. DATE SYSTEM RE-CERTIFICATION REQUIRED												1-Jul-2020		

- “Processes must be reviewed and updated to account for new tools and execution of internal surveillance” — **Risk-Based Surveillance does not drive SD/Process Reqs.**
- “Contractors have Critical Monthly process to implement data corrections as required before sending data to DCMA; Good News - if you can get the data right and automate the process, it should alleviate the need for costly data requests and onsite surveillance”
NO!! The intent is to assess data metrics and indicators to assess process efficacy and make improvements if necessary. The data shouldn't be “fixed” to meet a metric outcome!!
 - **A METRIC TRIP DOES NOT, BY DEFAULT, INDICATE A BROKEN PROCESS**
- “DCMA has currently configured their EVAS software to accept the UN/CEFACT XML files submitted to the PARCA EVM Central Repository (EVM-CR) requirements” — **Not true; current DCARC files do not have the data extensions required; we are using flat file conversion, which can come from any tool. This is OUR problem, not contractors.**
- “DCMA recommends that government contractors use the Earned Value Analysis System (EVAS) metrics for internal analysis before submission to the government - the metrics cover all 32 EIA-748 guidelines” **Nope. We are doing this and will share results.**

If you have questions, ask:

Shane Olsen, Director EVMS Center

Stephen.olsen@dcma.mil ; 804-416-9212 (o)

Russ Rodewald, Deputy Director EVMS Center

Russell.Rodewald@dcma.mil ; 804-416-9153 (o), 714-264-2353 (m)

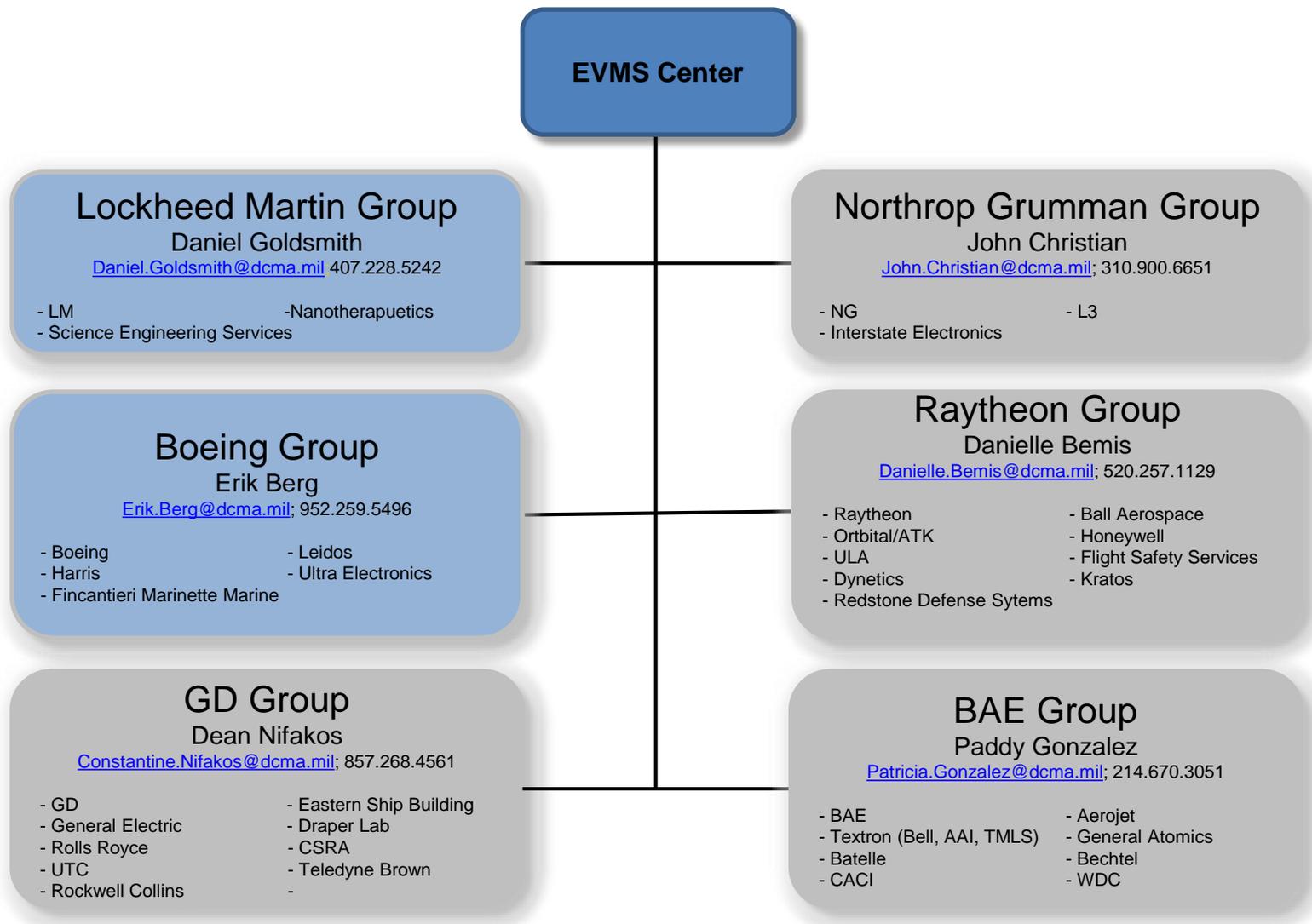
• What the GL says:

- The integration of planning, scheduling, budgeting, work authorization, and cost accumulation management processes provides the capability for establishing the Performance Measurement Baseline (PMB), identifying work progress, and collecting actual costs, thereby facilitating management analysis and corrective actions
- Through coding structures that use unique IDs and common data elements or a simple mapping method, the contractor's planning, scheduling, budgeting, work authorization, and cost accumulation processes are integrated.
- This will allow the data derived from one system to relate to and be consistent with the data of each of the other systems at the control account level through the total contract level.

Attribute 1:

- The planning, scheduling, budgeting, work authorization and cost accumulation systems are integrated via a common coding structure and, as appropriate, with the Contract Work Breakdown Structure (CWBS) and the organizational structure at the Control Account (at a minimum) through the total contract level.

The Focus is on integration of data elements, from differing sources, aligned to a structure to allow for analysis.



DFARS 252.234-7002

(b) In the performance of this contract the Contractor shall use—

- (1) An **EVMS that complies with the-guidelines** in the EIA-748; and
- (2) **Management procedures that provide for generation of timely, reliable, and verifiable information** in support of the applicable earned value management reporting requirements of this contract.

(c) If this contract, has a **value of \$100 million** or more, the Contractor shall use an **EVMS that has been approved by the Contracting Officer**. ...

(d) If this contract has a value of less than \$100 million, at the discretion of the Contracting Officer, **a review of compliance with guidelines of EIA-748 may be directed when the Government indicates a need** ...

(g) The **Contractor shall provide access to all pertinent records** and data requested by the Contracting Officer or duly authorized representative as necessary **to permit initial and ongoing compliance assessment**.