



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

APR 4 1997

REPLY
REFER TO AQOF

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Policy Memorandum No. 97-38, Earned Value Management Fast Start Kit
for Contract Administration Office (CAO) Commanders**

This is a POLICY Memorandum. It expires on April 3, 1998, unless sooner superseded or rescinded. Target Audience: CAO Commanders.

As you heard at the Commander's Conference, the Cost/Schedule Control System Criteria (C/SCSC) world is extinct. It is now the dawn of the Earned Value Management System (EVMS) era. The purpose of this letter is to tell you what you need to do to get ready to carry out DCMC responsibilities related to the changes which fall into three large categories: policy, policy stewardship, and review responsibilities.

POLICY: The original concept of integrated cost and schedule management systems was and remains sound. Develop a baseline, track status, analyze variances from the baseline, and take corrective managerial actions to avoid/mitigate future problems. However, the Government's implementation of this concept in C/SCSC has resulted in increasing complaints from contractors regarding "over-implementation" practices, generally related to reporting requirements burdens. These "over-implementation" burdens were listed as the third largest cost driver in the Coopers and Lybrand/TASC Study on the Department of Defense (DoD) Regulatory Cost Premium.

In 1993, DoD concluded the original intent of C/SCSC was not being achieved -- it was not being used to actually manage programs. As a result, the DoD issued a vision for the future to shift the focus of C/SCSC from an environment of strict compliance removed from the overall acquisition process to an environment that actually helped Government and contractor personnel effectively manage programs. Included in this vision was the concept of joint reviews with contractors (see review responsibilities section of this letter).

In 1994, the Principal Deputy Under Secretary of Defense for Acquisition & Technology, challenged Industry to develop an Industry standard that would represent the principles and requirements of a cost/schedule performance management system that they would actually use as a management tool. The challenge was accepted by the National Security Industry Association, in cooperation with the Electronics and Aerospace Industries Associations. In August 1996, they completed their Industry Standard for Earned Value Management Systems and submitted it for

DoD consideration. The resultant standard includes 32 criteria, which are substantially the same as the current 35 DoD C/SCSC. Concurrent with the development of the standard, DoD has revised its implementation guidance to reflect suggested streamlined implementation practices. A new EVMS DFARS solicitation provision and clause have been approved and the Under Secretary of Defense for Acquisition and Technology has adopted the criteria from the Industry Standard for Earned Value Management Systems.

Taken together, the standard, the new clauses, and the new guidance represent a major shift in approach from C/SCSC to EVMS. The focus is moved from oversight to insight with the emphasis on contractor ownership and use of EVMS as a management tool. The attached kit includes changes to EVMS policy and guidance.

The Under Secretary of Defense for Acquisition and Technology has encouraged Industry to assume greater responsibility and ownership of their EVMS and to submit value-added proposals to revise their systems where necessary for improvement. We expect that DoD will want contractors to use the block change process to propose an EVMS as a replacement for C/SCSC. Therefore, to get ready, you can familiarize your staff and management council with the principles and themes of the attached documents. You should encourage contractors with C/SCSC requirements to begin thinking about an EVMS and discussing preliminary ideas at management council meetings. If you want to talk to someone who has already started down this road, please contact DCMC Lockheed-Martin Sunnyvale who has been involved in benchmarking commercial earned value management practices for over a year.

POLICY STEWARDSHIP: In December 1995, DCMC was assigned as DoD Executive Agent for C/SCSC, now EVMS. This means DCMC is responsible for shepherding the policy changes noted above. You do not need to do anything in this category right now, except be aware of it.

REVIEW RESPONSIBILITIES: There are two types of reviews: Integrated Baseline and Compliance.

The Integrated Baseline Review (IBR) concept was introduced in 1994. This concept provides for the Government and contractor to jointly review the contract baseline and mutually assess potential performance risks. The IBR, in many cases, has grown from a single event to a continuous risk and program management process. This management process will be facilitated by the EVMS. Program managers are responsible for IBRs and DCMC will support them as requested.

In October 1996, DCMC was assigned responsibility for compliance reviews and has until October 1997 to be fully operational. We are currently planning our approach and will keep you informed. Industry will be strongly encouraged to participate in these reviews, as we have been doing under the joint C/SCSC surveillance initiative. Compliance reviews are conducted on those contractors' systems which lack a prior Tri-Service validation to provide initial assurance that their system complies with the EVMS criteria. A joint DCMC/Contractor continuous system surveillance program should be established after completion of a successful compliance review. Consistent with the shift from C/SCSC to EVMS, CAOs should review their current system surveillance techniques to ensure they represent process oriented methods. Insightful system surveillance techniques should be developed and applied jointly with the contractor to measure the effectiveness and control of EVMS processes.

To help you and your folks get ready for the EVMS changes, we are sending the attached "fast start kit." The kit provides a brief overview of new initiatives in the EVMS area and relevant documents. All members of the CAO team involved in contracts containing C/SCSC should become familiar with EVMS and our related responsibilities. Please remember that the primary intention of all the policy and guidance changes is to actually use EVMS to manage the program -- on both the contractor and the Government side. While C/SCSC data was previously only used by a narrow group within DCMC, EVMS should be used as an integrated tool by all the team members.

Please direct all questions regarding this letter to Mr. Barry E Schuler, Product Design, Development and Control Team, (703) 767-3368 or DSN 427-3368.



ROBERT W. DREWES
Major General, USAF
Commander

Attachment

**DCMC CAO
COMMANDERS FAST
START KIT FOR
EARNED VALUE
MANAGEMENT
SYSTEMS CRITERIA**

DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE MANAGEMENT SYSTEMS CRITERIA

EXECUTIVE SUMMARY:

This kit is designed to inform CAO Commanders, their staff and other appropriate stakeholders of the recent changes taking place in DoD to move from Cost/Schedule Control Systems Criteria (C/SCSC) to Earned Value Management Systems Criteria (EVMS). As the DoD Executive Agent, for Earned Value Management, DCMC's implementation of EVMS has specific goals:

- 1) Contractor Responsible Ownership of EVMS processes.
- 2) EVMS data used by both Government and Contractor program offices to manage cost, schedule, and technical risk.
- 3) Continued compliance of the contractors EVMS, to the EVMS Criteria, assessed through insightful DCMC surveillance.

The change to EVMS does not affect a contractors currently validated earned value management system. Therefore, where a CAO employs insightful EVMS surveillance and the contractor does not propose any changes to their approved system the change to EVMS will have no effect at all. However, it is anticipated (and encouraged) that contractors will take advantage of this opportunity and propose value added changes to their current earned value systems that will **align earned value** with their **management** practices. Moving to insightful EVMS surveillance and assessing proposed contractor changes may result in dramatic changes at individual CAOs.

Outside of DoD, the Office of Management and Budget recognizes the need for performance measurement on civilian agency procurements. Civilian agencies may call upon DCMC for assistance in implementing Earned Value on individual procurements.

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

RESOURCES:

1) CAO Earned Value Management Systems Monitor

2) DCMC EVMS Focal Points;

DCMDW - OT

Gayle Brooks

(310)335-4209

gbrooks@dcmdw.dla.mil

DCMDE - OTPP

Lawrence Cianciolo

(617)753-3597

bot5092@dcrb.dla.mil

DCMDI - EE

William Gibson

(703)767-2793

william_gibson@hq.dla.mil

HQ DCMC - AQOF

Kevin Kane

(703)767-3357

kevin_kane@hq.dla.mil

HQ DCMC - AQOF

Barry Schuler

(703)767-3368

barry_schuler_at_ccpo07@ccgw3.hq.dla.mil

3) DCMC FEDCAS Focal Point;

HQ DCMC - AQBB

Lt Col Robert Gallagher

(703)767-2461

robert_gallagher@hq.dla.mil

4) Relevant World Wide Web Sites;

DCMC Homepage

<http://www.dcmc.dcrb.dla.mil/>

OMB Circulars

<http://www.whitehouse.gov/WH/EOP/OMB/>

OSD sponsored Earned Value Management Website

<http://www.acq.osd.mil/pm/>

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

INDEX

<i>TITLE</i>	<i>PAGE</i>
<u>PART I: WHERE IS DCMC GOING WITH EARNED VALUE MANAGEMENT</u>	
HISTORY	5
WHERE IS C/SCSC TODAY	5
WHERE IS DCMC GOING	6
<u>PART II: HOW IS DCMC GOING TO IMPLEMENT EARNED VALUE MANAGEMENT</u>	
STEP 1: MANAGEMENT COUNCILS	8
STEP 2: NEW POLICY AND GUIDANCE	8
STEP 3: BROADENING THE USE OF EARNED VALUE	10
STEP 4: COMMUNICATION	10
<u>PART III: WHAT DOES THE CHANGE TO EARNED VALUE MANAGEMENT SYSTEM GUIDELINES MEAN TO DCMC CAOs</u>	
RESPONSIBILITY	11
TRAINING	11
NEW TOOLS	12
NEW OPPORTUNITIES	12
<u>APPENDICES</u>	
A - DOCUMENTS TRACING THE CHANGE FROM C/SCSC TO EVMS	
B - DCMC POLICY ON MANAGEMENT COUNCILS	
C - DRAFT EVMS PROVISIONS AND CLAUSES	
D - REVISED TRAINING REQUIREMENT FOR EVMS Monitors	
E - wInsight BROCHURE	
F - EVMS CHANGE PRE-APPROVAL WAIVER TRACKING FORM	

DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE MANAGEMENT SYSTEMS CRITERIA

Part I: Where is DCMC Going with Earned Value Management

HISTORY:

Cost/Schedule Control System Criteria (C/SCSC) has been the DoD management tool for high cost and risky procurements for over 30 years. C/SCSC became institutionalized in the DoD program management process by incorporation into the Department of Defense Instruction 7000.2, Performance Measurement for Selected Acquisitions (1967, canceled). The commitment to using earned value to manage high cost and risky contracts was renewed by the inclusion of C/SCSC in the DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information Systems (released in March of 1996).

Over the years, complaints surfaced about the implementation of C/SCSC. The “validation” and “review” process had the effect of discouraging contractors from making cost effective changes to their earned value systems. The DoD focus on compliance versus results in many cases reduced C/SCSC implementation to a “report generator” instead of a management tool. A 1994 study on DoD regulatory cost premium, conducted by Coopers & Lybrand/TASC, identified C/SCSC as the third highest cost driver. Because implementation was recognized as a problem the process was started to rewrite guidance and improve the implementation process. The process of change was taking place slowly and was quickly overcome by several events, mainly Acquisition Reform. The flow chart on page 7 gives an overview of some of the driving correspondence and policy that has transformed C/SCSC over the last couple of years.

WHERE IS C/SCSC TODAY:

The most dramatic changes in C/SCSC have come over the last couple of months with the issuance of several policy letters from the Under Secretary of Defense for Acquisition and Technology (USD(A&T)). The USD(A&T) has transferred C/SCSC review authority to DCMC and issued policy changing the 35 C/SCSC criteria in DoD 5000.2-R to 32 Earned Value Management System (EVMS) Criteria (Letters of Acceptance for C/SCSC systems will be considered compliant under EVMS, until routine surveillance indicates non-compliance).

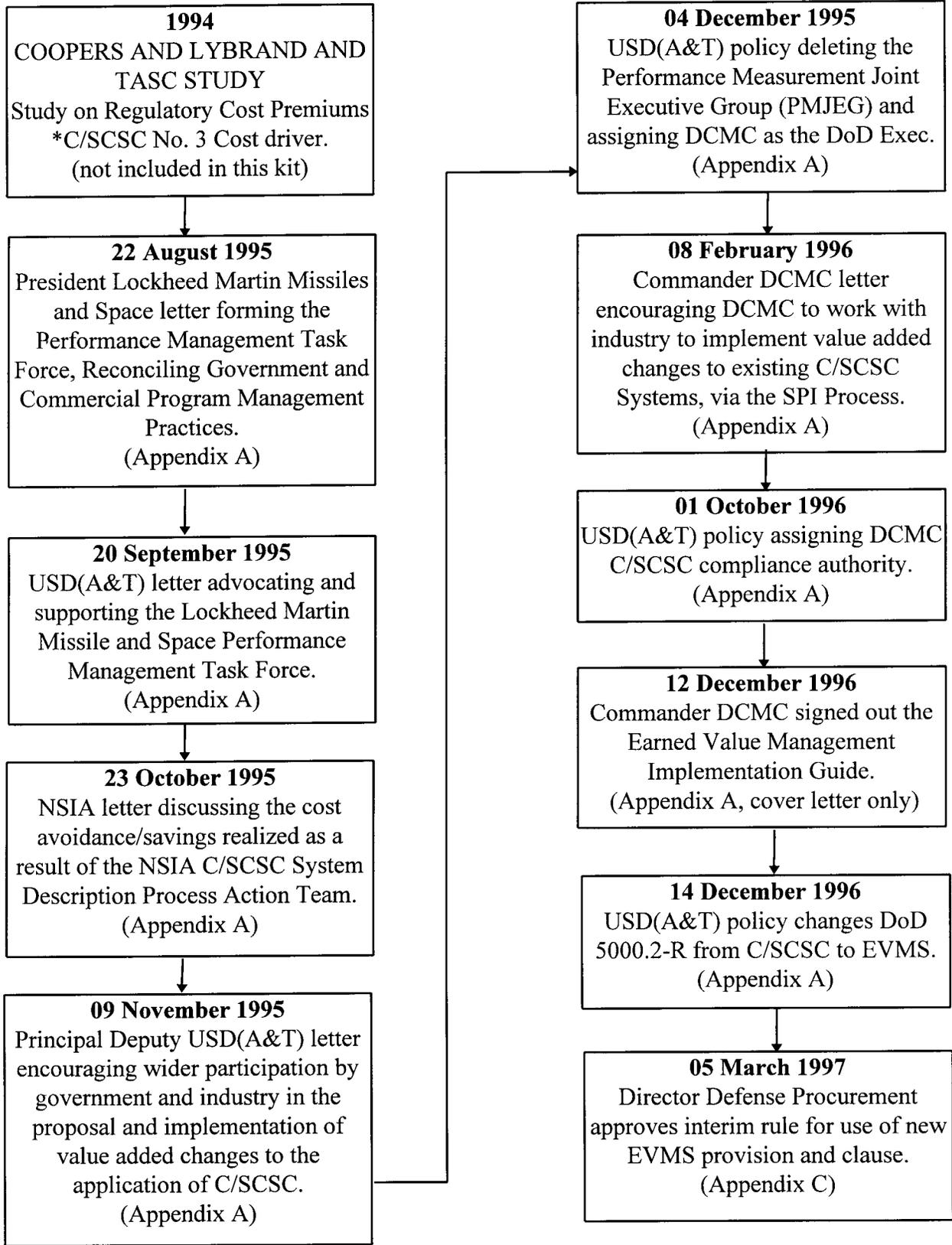
DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE MANAGEMENT SYSTEMS CRITERIA

WHERE IS DCMC GOING:

Since becoming the DoD Executive Agent for EVMS DCMC has taken the lead in changing the implementation of earned value. Through the use of **Management Councils** and the Single Process Initiative (**SPI**) DCMC is **working with industry to change earned value into a program management tool**, not just a reporting process. Through Process Oriented Contract Administration Services (**PROCAS**) DCMC is changing EVMS surveillance from intrusive oversight to joint (government-contractor) insight. Through the Program Support Team (**PST**) DCMC is ensuring EVMS data is integrated into a continuous Integrated Baseline Review (**IBR**) process that indicates areas of risk, guides surveillance activities and provides government program managers with foresight into future contract performance.

This “EVMS Fast Start Kit” is the CAO Commanders introduction to the change from C/SCSC to EVMS. This kit will assist you and your staff to prepare for upcoming policy and guidance changes and will make the transition for government and industry much easier.

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**



DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE MANAGEMENT SYSTEMS CRITERIA

Part II: How is DCMC Going to Implement Earned Value Management

STEP 1: MANAGEMENT COUNCILS

CAO Commanders, at sites with an earned value requirement, should schedule a Management Council meeting with an agenda item addressing Earned Value Management System Changes. Two policy letters were issued in October of 1996 (96-58 and 96-67, appendix B) that spoke specifically to Management Council roles and reiterated direction to form Management Councils at each field office. The Management Council should ensure contractor proposed changes are encouraged, detailed and promptly acted upon. The Management Council should adjudicate all customer concerns, allowing the contractor to maintain consistency across all programs. Additionally, the Management Council should ensure subsequent government reviews do not duplicate ongoing surveillance actions at the contractors facility.

The change from C/SCSC to EVMS has not effected the tenets of earned value but is focused on reengineering the implementation of earned value. **The reengineering of earned value implementation starts with the CAO Commander (through the Management Council) partnering with contractors to ensure management policy, practices and procedures are optimized.**

STEP 2: NEW POLICY AND GUIDANCE

CAO Commanders, at sites with an earned value requirement, should meet with the EVMS monitor and their contractor counterpart to ensure EVMS policy, regulation and guidance is being uniformly interpreted and applied. The Earned Value Management Implementation Guide is available on the DoD Earned Value Management World Wide Web Home Page (<http://www.acq.osd.mil/pm/index.html>) and the revised DFARS provision and clause are contained in Appendix C. The changes, in both Policy and DFARS provisions and clauses, for EVMS will apply prospectively to all contracts awarded after the approval date. The SPI process should be used to change, where appropriate, existing contracts to the new EVMS clause.

DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE MANAGEMENT SYSTEMS CRITERIA

A new feature of the revised EVMS Contract Clause (Appendix C) will be the ability of the ACO to grant contractors Pre-Approval Authority for EVM System changes. The ACO should consider several guidelines before a Pre-Approval Waiver is granted:

- 1) The contractor has made a business wide commitment to using Earned Value. Demonstrated through;
 - (a) use of EVMS data as a management tool by all levels of management,
 - (b) EVMS implementation on all **applicable** programs,
 - (c) effective internal surveillance that assess the health of the EVMS,
 - (d) company policy.
- 2) The contractor and the CAO are conducting system surveillance, jointly, that provides the government and contractor with the insight required to continually assess the health of the contractors EVMS implementation.
- 3) The contractor has entered into an Advanced Agreement (see the draft Earned Value Management Implementation Guide for more guidance related to EVMS Advanced Agreements) with the CAO formally acknowledging the commitment stated in item 1 and 2 above.

To ensure proper implementation of the Pre-Approval Waiver for EVMS changes DCMC Headquarters is requesting ACOs that grant the waiver complete and return the form contained in Appendix F. The form will be used by Headquarters for tracking of Pre-Approval Waivers.

Another change in the EVMS process is the methods that a contractor can use to get an Earned Value Management System recognized by the government. As stated before, any contractor system that was accepted under the 35 C/SCS Criteria will be considered acceptable under EVMS. Previously, all new systems developed to meet the government's earned value requirements, would be subject to a Demonstration/Validation Review. Now several methods exist to achieve this validation;

DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE MANAGEMENT SYSTEMS CRITERIA

- 1) Government Review
- 2) Third Party Evaluation
- 3) Self Evaluation with Government oversight

The contractor must identify, in the response to a solicitation, which method of evaluation they prefer.

Finally, EVMS represents a set of fundamental business practices that should be treated as measurable processes in a **PROCAS** environment. EVMS surveillance is encouraged to change from government review to **Joint (Government - Contractor) Surveillance**. Joint surveillance is required to shift the government emphasis from **OVERSIGHT to INSIGHT**. The shift from oversight to insight will ensure the best use of shrinking resources (both government and contractor) and will encourage contractors to take ownership of their earned value management system.

STEP 3: COMMUNICATION

CAO Commanders, at sites with an earned value requirement, should ensure that these changes are communicated within your office and also with the customer and contractor representatives. It is anticipated that there will be some confusion as the transition from C/SCSC to EVMS takes place over the next few months. Please use the resources available, local EVMS Monitor, District EVMS focal point, Headquarters EVMS professionals and Management Councils to get issues surfaced quickly and resolved intelligently.

DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE MANAGEMENT SYSTEMS CRITERIA

Part III: What Does The Change to Earned Value Management System Guidelines Mean to DCMC CAOs

RESPONSIBILITY:

OSD has recognized the high level of commitment, professionalism, and skill that DCMC has contributed to DoD acquisition. With the recognition of DCMC's ability has come increased trust and responsibility. The USD(A&T) has trusted the future of Earned Value to the global network of DCMC professionals. Working together, as one command, and partnering with industry we can exceed the expectations of our customer.

TRAINING:

The first step in training was to define the appropriate requirements for DCMC Earned Value Management System Monitors. This was done in the 14 June 1996 memorandum to the District Commanders (Appendix D). CAOs should ensure, that where applicable, Earned Value Management System Monitors are identified and the required training is scheduled as soon as possible.

The second step in the training/awareness process is this kit. Dissemination of this kit to the CAO staff will increase awareness and raise issues/concerns early enough in the process so implementation will not be delayed.

The third step will require Headquarters and District staff to keep the field informed of changes. Also CAO EVMS Monitors will have to increase EVMS awareness among the Program Integration team members. A request often cited by DCMC's customers is for "effective Program Management by contractors"; EVMS data is a key input to effective Program Management. The biggest benefit to our customers will be the integration of EVMS coupled with DCMC routine surveillance, in every functional area, to give the government program office a complete picture of program status and risk.

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

NEW TOOLS:

To assist the field EVMS Monitor DCMC has purchased a Command wide license for wInsight (Registered Trademark) software (Appendix E). wInsight is an EVMS analysis tool that will allow EVMS Monitors greater flexibility in EVMS data analysis and facilitate PROCAS based EVMS surveillance. Distribution of wInsight software is available today through the District EVMS focal points. wInsight training is planned for early CY1997.

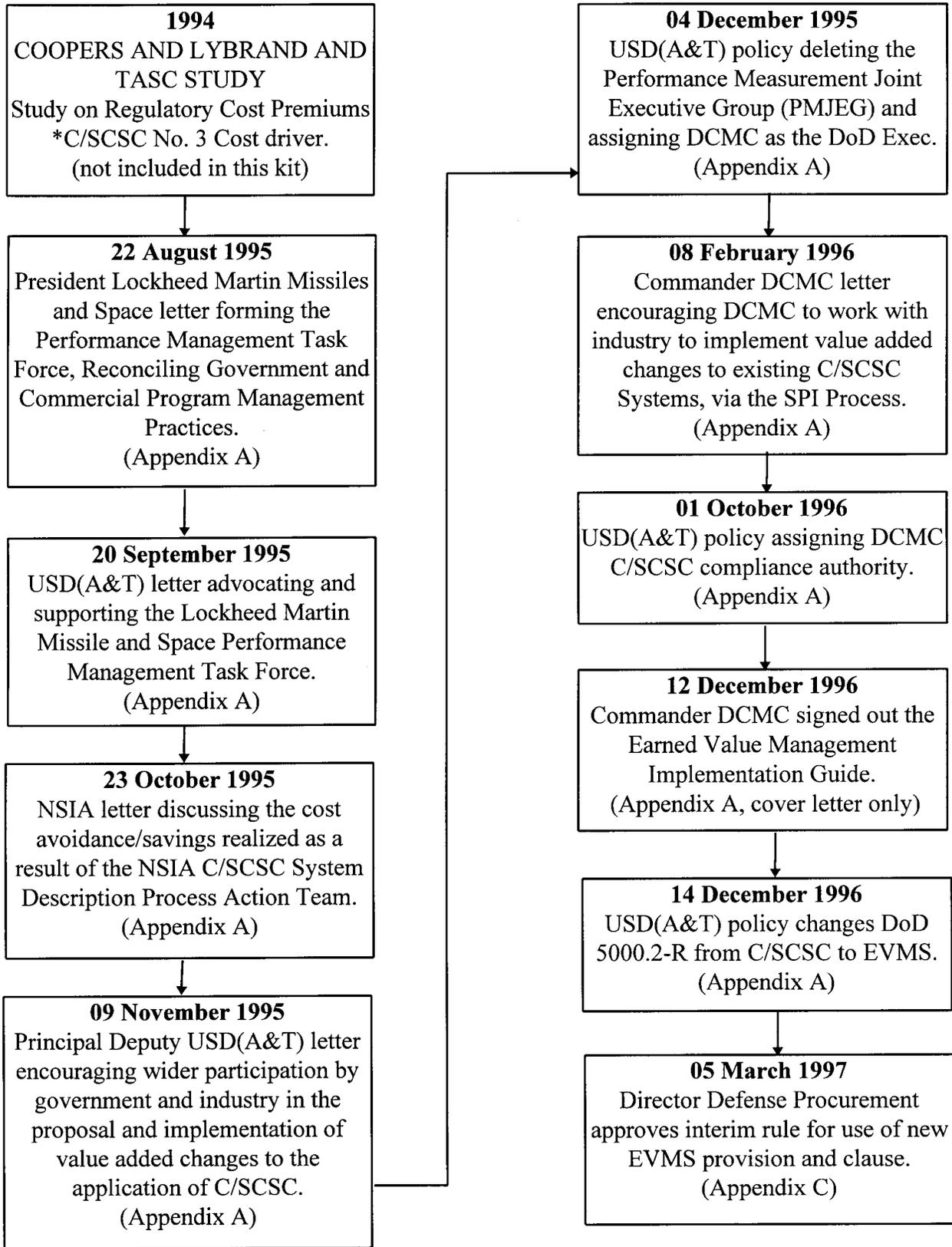
NEW OPPORTUNITIES:

Outside of the DoD community several Government Civilian Agencies presently use Earned Value or are considering using Earned Value. Civilian Agencies may call upon DCMC for assistance. DCMC assistance is available through the Headquarters FEDCAS Office.

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

Appendix A: DOCUMENTS TRACING THE CHANGE FROM C/SCSC
TO EVMS

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**



August 22, 1995

M.S. Araki
10-01
Bldg 101

SUBJECT: Performance Management Task Force

In recent years we have done much to streamline and improve the tools and procedures used in our Performance Management System. The use of "earned value" in the program management process has become more widely accepted, even where no contractual requirements exist. I intend to expand this practice and to make earned value the basis for management of all our efforts. But to make it a more cost efficient and desirable tool will require some changes.

Our programs must continue to improve their performance management practices and skills and we must intensify efforts to eliminate activities that do not add value to the program management process. To focus our attention on these objectives, I am creating a Performance Management Task Force. This team will structure its activities to determine:

- (1) The practices and requirements currently imbedded in our Performance Management System that generate costs in excess of their value.
- (2) The minimum performance management requirements consistent with prudent business practice and essential to both full C/SCSC compliance and best commercial practice.
- (3) The features of an enterprise-wide earned value based performance management process that would be endorsed, owned, and effectively applied by our program managers.
- (4) Recommended changes in our approach to performance management, considering the whole universe of internal and external requirements, processes, resources, systems, tools, training, reporting, maintenance, documentation, and internal/external oversight.

Colonel Middendorf, Dick Scanlan and I will co-chair a steering committee to periodically review progress. Bill Lewis will be the deputy chairperson and Ted Castro will serve as committee secretary. Both DPRO and DCAA will be represented on the team as well as the major users in the Product Division, EIS, and Central Finance.

Please appoint task force members from each of your major programs/lines of business, including Milstar., THAAD, FBM, Iridium and SBIR. R&DD and Special Program areas should be appropriately represented also. Please advise Bill Lewis of your task force appointees by August 28.

Ask your programs to inform their customers of this activity and solicit customer support and suggestions. We will share our findings with our customers to assist them in their efforts to streamline and improve their program management processes. Assure them that we will coordinate our findings and recommendations with appropriate customer offices and focal points before we implement changes to our approved system.

M. S. Araki
President

SEP 20 1995

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES

ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT)

DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Lockheed Martin Missiles and Space, Sunnyvale, Performance Management Task Force

On August 22, 1995, the President, Lockheed Martin Missiles and Space, Sunnyvale, announced his intention to make earned value the basis for managing all efforts, including both military and commercial programs (attachment). He will co-chair a steering committee with his Executive Vice President and with the Defense Plant Representative Office (DPRO) Commander.

To further the Performance Management Task Force objectives outlined in the attachment, I direct the following:

1. Task Force activities will not prejudice recognition by the Department of Defense of the Lockheed Martin Sunnyvale Performance Management System as compliant with Cost/Schedule Control Systems Criteria (C/SCSC).
2. The DPRO Commander will refer to the Commander, Defense Contract Management Command (DCMC), any Task Force recommendations that would require changes to C/SCSC.
3. The Commander, DCMC, will reaffirm Lockheed Martin, Sunnyvale, compliance with C/SCSC on behalf of the Department of Defense upon successful implementation of changes to the Performance Management System.
4. The DPRO Commander will consult as appropriate with the DCMC Chairman of the Performance Measurement Joint Executive Group to obtain advice and assistance on earned value best management practices throughout the Department.
5. The DPRO Commander will facilitate the development of metrics to evaluate the effectiveness of these improvement actions.

The commendable initiative shown by Lockheed Martin, Sunnyvale, and by DPRO is consistent with the objectives of Acquisition Reform, and provides an opportunity to minimize or eliminate differences between military and commercial management requirements. I request your full support for these improvement activities.

/s/

Paul G. Kaminski

Attachment

November 9, 1995

MEMORANDUM FOR: SERVICE ACQUISITION EXECUTIVES

ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT)

COMMANDER, DEFENSE CONTRACT MANAGEMENT COMMAND

SUBJECT: Earned Value Management and the Regulatory Cost Premium

Just over one year ago, we began a major effort to improve project management in the Department of Defense. The "Integrated Program Management Initiative" (IPMI) has made substantial progress, including development of process improvement metrics.

The metrics development activity included a request by the IPMI Executive Steering Group to the National Security Industrial Association (NSIA) to assess the cost savings or cost avoidances realized through its Management Systems Subcommittee process action team improvement activities. The attached response from NSIA estimates the minimum savings were more than \$91,000,000 over three years. That estimate is conservative because only 29 contractors took part in the process action team, not all of them made all the recommended changes, and some improvements defy quantification.

The 1994 Coopers & Lybrand/TASC study on the regulatory cost premium identified Cost/Schedule Control Systems Criteria (C/SCSC) as the third highest cost driver. However, the study also found that most of the cost attributed to C/SCSC was caused by paper and administrative requirements that are not in fact required, and that the Department has encouraged industry to eliminate. In a January 5, 1995, memorandum, Dr. Kaminski asked that you "... encourage and are receptive to, value added management systems changes proposed by your contractors."

While the attached NSIA letter shows large savings are possible through cooperation with our contractors, the small number of participants on the process action team suggests we need to offer more encouragement. Please ensure that your procuring command C/SCSC organizations explicitly invite contractors to propose value added changes, and that such changes, when consistent with C/SCSC, are accepted and implemented promptly. Contractors should work with their customers, Defense Contract Management Command, NSIA, or any other appropriate organization.

R. Noel Longuemare

Attachment

cc:

Director, BMDO

Director, NSA

IPMI Executive Steering Group

President, NSIA



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



DEC 04 1995

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT)
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, NATIONAL SECURITY AGENCY

SUBJECT: Performance Measurement Joint Executive Group (PMJEG)

Department of Defense Acquisition Reform initiatives are changing the way we do business. Changes originate from many sources, ranging from new Department policy to local "Reinvention Laboratory" recommendations. The changes' scope and diversity demand responsive, innovative, and forward-looking policy implementation structures. Change also requires willingness to abandon practices that no longer add value, and to take prudent risks that hold promise for significant process improvement.

The PMJEG was chartered many years ago to ensure consistent tri-Service implementation of the Cost/Schedule Control Systems Criteria (C/SCSC). It fulfilled that mission well. Today, most major Defense contractors' management systems meet the C/SCSC. The occasional new application should not require the stringent tri-Service coordination performed in the past because C/SCSC is widely understood, and because the Department has reaffirmed the C/SCSC earned value management process as the tool of choice for managing risky, cost-based contracts. A recent Navy contract allowed the contractor to perform its own review with a tri-Service team observing rather than performing, resulting in cost avoidance and improved management by the contractor.

These positive changes indicate that a committee for C/SCSC implementation and coordination is no longer required. DoD Instruction 5000.2 therefore will be revised to delete the requirement for the PMJEG. I hereby reassign its responsibilities to the Defense Logistics Agency C/SCSC focal point organization in the Defense Contract Management Command (DCMC). DCMC should present to the Integrated Program Management Initiative Executive Steering Group a plan to transition PMJEG responsibilities from the current committee structure to an executive. The plan should also address proposed changes to the C/SCSC Joint Implementation Guide, continued effective coordination with industry, and red defined DoD Component relationships.

Each DoD Component will still be required to implement earned value effectively on its contracts, including performing reviews when necessary, and to designate to DCMC a Component C/SCSC focal point(s). The PMJEG policy changes are intended to simplify and streamline the C/SCSC review and acceptance process, and to develop a management structure that will encourage responsible, timely innovation.

Paul G. Kaminski
Paul G. Kaminski



ATC 3



DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221



IN REPLY
REFER TO

AQOF

FEB 08 1996

MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS
COMMANDER, DEFENSE CONTRACT MANAGEMENT
COMMAND INTERNATIONAL

SUBJECT: Earned Value Management Systems

Three letters from Under Secretary Kaminski and Principal Deputy Under Secretary Longuemare underscore the importance of changing the way DoD manages and implements Earned Value Management System requirements (also known as Cost/Schedule Control Systems Criteria (C/SCSC)). As with the Common Process/Block Change initiative, the letters highlight the key role DoD senior leaders expect from DCMC in acquisition reform.

Dr. Kaminski's September 20, 1995 letter (attachment 1) commended Lockheed-Martin, Sunnyvale, CA and DPRO Lockheed-Martin efforts to develop an "enterprise-wide earned value process" for all commercial, NASA, and DoD contracts at that facility. He demonstrated his confidence in DCMC by stating that we -- rather than the traditional Tri-Service C/SCSC review team -- would reaffirm Lockheed-Martin's compliance with C/SCSC.

Mr. Longuemare's November 9, 1995 letter to the Service Acquisition Executives and the DCMC Commander (attachment 2) recognized that excessive C/SCSC costs are often caused by paper and administrative requirements rather than the criteria. He requested procuring commands to "explicitly invite contractors to propose value-added changes to C/SCSC management system requirements" and to work with DCMC in this effort.

On December 4, 1995, Dr. Kaminski disestablished the Performance Measurement Joint Executive Group and reassigned C/SCSC focal point responsibility to DCMC (attachment 3). Each DoD component, however, retained responsibility for implementing C/SCSC on contracts and for performing reviews.

There is clear linkage between the C/SCSC direction and the Common Process/Block Change initiative. Many contractor C/SCSC change proposals will likely be handled by existing block change procedures. Additionally, there is the OSD expectation that DCMC will lead the effort to improve C/SCSC implementation practices across DoD. Because of this, my staff needs to be aware of any contractor proposed changes that could potentially trigger



formal Tri-Service reexamination of an already validated C/SCSC system (as outlined in the C/SCSC Joint Implementation Guide).

The Product Design, Development and Control Team (AQOF) is the DCMC focal point organization for C/SCSC. Please forward to them information copies of contractor proposed C/SCSC changes. If you need any assistance, please call Mr. David Robertson at (703) 767-3351/DSN 427-3351 or Mr. Kevin Kane at (703) 767-3357/ DSN 427-3357.



ROBERT W. DREWES
Major General, USAF
Commander

Attachments

cc:
IPMI Executive Steering Group

ACQUISITION AND
TECHNOLOGYTHE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D. C. 20301-3010

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT & COMPTROLLER)
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, NATIONAL SECURITY AGENCY

OCT 01 1996

SUBJECT: Compliance responsibility for the Cost/Schedule Control Systems Criteria
(C/SCSC)

Department of Defense Acquisition Reform initiatives are changing the way we do business. Changes originate from many sources, ranging from new Department policy to local "Reinvention Laboratory" recommendations. The changes' scope and diversity demand responsive, innovative, and forward-looking policy implementation structures. Change also requires willingness to abandon practices that no longer add value, and to take prudent risks that hold promise for significant process improvement.

On June 11, 1996, the Service Acquisition Executives briefed the status of their activities to improve the use and implementation of earned value and the Cost/Schedule Control Systems Criteria (C/SCSC). Among other things, the Air Force presented, as a "future option," a proposal to assign C/SCSC "compliance" responsibility to DCMC.

Contractor management system compliance reviews under the C/SCSC are of three types: Initial compliance evaluations of proposed earned value management systems; post acceptance reviews of approved systems; and reviews required due to identified deficiencies in previously accepted systems. Since most facilities have undergone "initial compliance evaluations" (this requirement began in 1967), most compliance reviews are now of the "post acceptance" and "deficiencies" type. Only four C/SCSC compliance reviews were conducted last year and there have been only four so far this year, one of which was led by DCMC. This represents a significant reduction from historical levels, and reflects the great strides you have jointly made in the last three years to improve DoD and industry acceptance of earned value and integrated management systems as a fundamental part of program management.

Growing acceptance of earned value and declining review activity have reduced but not eliminated the need to ensure a minimal core of expertise. However, after carefully considering your comments, I have decided that in a period of declining personnel resources we can most effectively ensure retention of that necessary expertise by transferring to DCMC the responsibility for verifying contractor compliance with the DoD Cost/Schedule Control Systems Criteria. As soon as possible, but no later than the end of FY 1997, DCMC will assume responsibility for all future C/SCSC compliance reviews of contractor management systems. The Director, Acquisition Program Integration, will take the actions necessary to provide for the appropriate



adjustments to Service and DCMC manpower levels through PDM II, with FY97 adjustments made through PBD or other appropriate venue.

A major benefit of this transfer will be to allow Program Managers (PMs) to "assume" the integrity of the data produced by the contractor's earned value management system (EVMS), thereby allowing PMs to focus on the use of the EVMS data in the management of their programs. This transfer applies only to C/SCSC compliance reviews and not to the other related support each of the Services provides to program management offices (PMOs), such as Integrated Baseline Reviews (IBRs). Since only the compliance activities are being transferred, I expect that this valuable Service support to PMOs will continue.

Each DoD Component will still be required to implement earned value effectively on its contracts, including ensuring that management systems reviews are requested when necessary, and that DCMC is supported with appropriate program office and functional personnel when reviews are required. DCMC will ensure that its support to program offices in this area is maintained and improved.


Paul G. Kaminski

Paul G. Kaminski



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

DEC 12 1996

REPLY
REFER TO

AQOF

MEMORANDUM FOR COMPONENT ACQUISITION EXECUTIVES
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR, BALLISTIC MISSILE DEFENSE OFFICE
DIRECTOR, NATIONAL SECURITY AGENCY
COMMANDANT, DEFENSE SYSTEMS MANAGEMENT
COLLEGE

SUBJECT: Earned Value Management Implementation Guide

As the DoD Executive Agent for Earned Value Management, I am pleased to provide the attached implementation guide. The guide represents several years of coordinated effort between the services and government agencies collectively responsible for effective implementation of earned value management.

This guide incorporates USD(A&T) policy change in DoD 5000.2-R, from 35 Cost/Schedule Control Systems Criteria to the 32 Earned Value Management System (EVMS) Criteria.

The implementation of EVMS, as reflected in this guide, represents the DoD commitment to abandon practices that no longer add value, and to take prudent risks that hold promise for significant process improvement. This guide presents a less intrusive approach to earned value management that focuses on results and insight versus strict compliance and oversight. The guide moves DoD acquisition closer to commercial practices and embraces many concepts consistent with the Department's acquisition reform goals.

As the DoD Executive Agent for EVMS, I would like to express my appreciation to the inter-service team that prepared the guide and to the acquisition professionals who contributed invaluable comments. I see the change to EVMS as a challenge to both government and industry to work with local Management Councils in implementing EVMS "best business practices" that will reduce cost, increase efficiency and manage program risk.

ROBERT W. DREWES
Major General, USAF
Commander

Attachment



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



DEC 14 1996

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT)
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, NATIONAL SECURITY AGENCY

SUBJECT: Industry Standard "Guidelines for Earned Value Management Systems"

On August 19, 1996, The National Security Industrial Association, in conjunction with the Aerospace Industries Association, the Electronic Industries Association, the Shipbuilding Council of America, and the American Shipbuilding Association, submitted for DoD recognition the Industry Standard Guidelines for Earned Value Management Systems (EVMS). The "Guidelines" were reviewed by the joint DoD team that is revising the DoD Cost/Schedule Control Systems Criteria (C/SCSC) Joint Implementation Guide. The team, which has followed the progress of the industry standard since 1994, concluded that the industry guidelines are acceptable substitutes for the C/SCSC.

Based on our joint finding of acceptability, the attached 32 EVMS guidelines will replace the 35 criteria currently required by DoD Regulation 5000.2-R, Part 3.3.4.3 Cost Performance, for new contracts. This change will be effective in accordance with the prescription that will be published in the Defense Federal Acquisition Regulation Supplement (DFARS). The Director, API will incorporate this change in DoD 5000.2-R and the Director, Defense Procurement will make appropriate changes to the DFARS. Contractors that wish to change to the new criteria on existing contracts may request to do so in accordance with Block Change procedures.

Contractors operating management systems that have been accepted as compliant with C/SCSC should be encouraged to submit proposals through the Block Change procedures to change all existing contracts with C/SCSC requirements within their facilities to a single EVMS business process. When a contractor applies EVMS appropriately on all work in a facility, as would be expected when implementing an industry standard, the contractor should be encouraged to execute with the Contract Administration Office an Advance Agreement providing for ongoing effective surveillance. Surveillance will be conducted in a manner that protects the essential public interest without imposing unessential requirements on government or industry.

Although the current industry EVMS guidelines and C/SCSC are equivalent, the Industry Standard Guidelines for EVMS is not a true standard and is somewhat limited in application. The DoD policy therefore will be to establish the 32 EVMS guidelines as a new DoD 5000.2-R baseline criteria requirement against which similar standards, as well as future changes to the industry EVMS guidelines, may be evaluated for possible recognition as an equivalent substitute for the DoD criteria. The Director, Acquisition Program



Integration, will incorporate in DoD 5000.2-R this policy of a basic requirement against which substitutes may be authorized. The policy may be reviewed if a recognized standards-setting body promulgates a widely acknowledged and accepted industry or international standard that obviates the need for DoD to maintain a separate set of criteria.

While the convergence of EVMS guidelines and C/SCSC is a remarkable achievement, I did not accept the industry self-certification methods contained in the "System Certification" section of the Industry Standard Guidelines for EVMS, because they may not protect adequately the public interest on large, cost-based contracts. However, we should remain open to the possibility of alternative verification methods, including third party certification, should industry choose to propose such alternatives. Consequently, DoD EVMS implementation will continue to reserve the right for government review of contractor management systems. The Commander, DCMC, will ensure that implementation guidance limits such reviews to (1) those instances when DCMC or a DoD program manager determines it is necessary, and (2) the minimum level of detail required to verify that the contractor's system in fact meets the EVMS guidelines.



Attachment

Paul G. Kaminski

EVMS GUIDELINES

2.1. Organization

- a. Define the authorized work elements for the program. A work breakdown structure (WBS), tailored for effective internal management control, is commonly used in this process.
- b. Identify the program organizational structure including the major subcontractors responsible for accomplishing the authorized work, and define the organizational elements in which work will be planned and controlled.
- c. Provide for the integration of the company's planning, scheduling, budgeting, work authorization and cost accumulation processes with each other, and as appropriate, the program work breakdown structure and the program organizational structure.
- d. Identify the company organization or function responsible for controlling overhead (indirect costs).
- e. Provide for integration of the program work breakdown structure and the program organizational structure in a manner that permits cost and schedule performance measurement by elements of either or both structures as needed.

2.2. Planning, Scheduling, and Budgeting

- a. Schedule the authorized work in a manner which describes the sequence of work and identifies significant task interdependencies required to meet the requirements of the program .
- b. Identify physical products, milestones, technical performance goals, or other indicators that will be used to measure progress.
- c. Establish and maintain a time-phased budget baseline, at the control account level, against which program performance can be measured. Budget for far-term efforts may be held in higher level accounts until an appropriate time for allocation at the control account level. Initial budgets established for performance measurement will be based on either internal management goals or the external customer negotiated target cost including estimates for authorized but undefinitized work. On government contracts, if an over target baseline is used for performance measurement reporting purposes, prior notification must be provided to the customer.
- d. Establish budgets for authorized work with identification of significant cost elements (labor, material, etc.) as needed for internal management and for control of subcontractors .
- e. To the extent it is practical to identify the authorized work in discrete work packages, establish budgets or his work in terms of dollars, hours, or other measurable units. Where the entire control account is not subdivided into work packages, identify the far term effort in larger planning packages for budget and scheduling purposes.
- f. Provide that the sum of all work package budgets plus planning package budgets within a control account equals the control account budget.
9. Identify and control level of effort activity by time-phased budgets established for this purpose. Only that effort which is unmeasurable or for which measurement is impractical may be classified as level of effort.
- h. Establish overhead budgets for each significant organizational component of the company for expenses which will become indirect costs. Reflect in the program budgets, at the appropriate level, the amounts in overhead pools that are planned to be allocated to the program as indirect costs.

1. Identify management reserves and undistributed budget.

j. Provide that the program target cost goal is reconciled with the sum of all internal program budgets and management reserves.

2.3. Accounting Considerations

- a. Record direct costs in a manner consistent with the budgets in a formal system controlled by the general books of account.
- b. When a work breakdown structure is used, summarize direct costs from control accounts into the work breakdown structure without allocation of a single control account to two or more work breakdown structure elements.
- c. Summarize direct costs from the control accounts into the contractor's organizational elements without allocation of a single control account to two or more organizational elements.

d. Record all indirect costs which will be allocated to the contract.

e. Identify unit costs, equivalent units costs, or lot costs when needed.

f. For EVMS, the material accounting system will provide for:

(1) Accurate cost accumulation and assignment of costs to control accounts in a manner consistent with the budgets using recognized, acceptable, costing techniques.

(2) Cost performance measurement at the point in time most suitable for the category of material involved, but no earlier than the time of progress payments or actual receipt of material.

(3) Full accountability of all material purchased for the program including the residual inventory.

2.4. Analysis and Management Reports

a. At least on a monthly basis, generate the following information at the control account and other levels as necessary for management control using actual cost data from, or reconcilable with, the accounting system:

(1) Comparison of the amount of planned budget and the amount of budget earned for work accomplished. This comparison provides the schedule variance.

(2) Comparison of the amount of the budget earned the actual (applied where appropriate) direct costs for the same work. This comparison provides the cost variance.

b. Identify, at least monthly, the significant differences between both planned and actual schedule performance and planned and actual cost performance, and provide the reasons for the variances in the detail needed by program management.

c. Identify budgeted and applied (or actual) indirect costs at the level and frequency needed by management for effective control, along with the reasons for any significant variances.

d. Summarize the data elements and associated variances through the program organization and/or work breakdown structure to support management needs and any customer reporting specified in the contract.

e. Implement managerial actions taken as the result of earned value information.

f. Develop revised estimates of cost at completion based on performance to date, commitment values for material, and estimates of future conditions. Compare this information with the performance measurement baseline to identify variances at completion important to company management and any applicable customer reporting requirements including statements of funding requirements.

2.5. Revisions and Data Maintenance

a. Incorporate authorized changes in a timely manner, recording the effects of such changes in budgets and schedules. In the directed effort prior to negotiation of a change, base such revisions on the amount estimated and budgeted to the program organizations.

b. Reconcile current budgets to prior budgets in terms of changes to the authorized work and internal replanning in the detail needed by management for effective control.

c. Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs, earned value, or budgets. Adjustments should be made only for correction of errors, routine accounting adjustments, effects of customer or management directed changes, or to improve the baseline integrity and accuracy of performance measurement data.

d. Prevent revisions to the program budget except for authorized changes.

e. Document changes to the performance measurement baseline.

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

Appendix B: DCMC POLICY ON MANAGEMENT COUNCILS



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO

AQOG

OCT 22 1996

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 96-58, Role of Management Council in
Facilitating the Reduction of Multiple Government Audits (POLICY)**

This is a POLICY memorandum. It expires when content is included in DLAD 5000.4, Contract Management (One Book). Target audience: Management Council members. The purpose of this memorandum is to expand the DCMC policy execution of the Under Secretary of Defense (Acquisition & Technology) memorandum, Implementing More Efficient Oversight of Defense Contractors, August 21, 1995.

The DoD goal is to eliminate unnecessary contractor overhead costs and decrease duplicative government audits. Effective immediately, the role of the DCMC Contract Administration Office (CAO) Management Council will include serving as a catalyst in minimizing audits performed by government entities at specific contractor locations. The Management Council will coordinate and integrate planned government audit activity among the various government customers at each applicable contractor facility.

The DCMC CAO collects, stores, and accesses data received from government agencies relating to audits, reviews or ratings of contractor operations, systems, and performance. The Management Council should encourage the use of existing government contractor performance information or the availability of DCMC audit skills by customers planning an on-site audit. When a project/program unique audit is determined to be necessary at the direction of the project/program office, then the DCMC Management Council will share information and audit skill assets with the applicable project/program office to target the scope of the unique audit.

Questions on this memorandum may be referred to Maurice Poulin, Product and Manufacturing Assurance Team, (AQOG), at DSN 427-2395 or (703) 767-2395, Internet address: maurice_poulin@hq.dla.mil.

ROBERT W. DREWES
Major General, USAF
Commander



DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221



IN REPLY
REFER TO

OCT 30 1996

AQOD

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

SUBJECT: DCMC Memorandum No. 96-67, Management Councils (POLICY)

This is a POLICY memorandum. It expires when its contents are included in DLAD 5000.4, Contract Management, or after one year. Target Audience: All DCMC employees.

We are in the process of ending the Reinvention Laboratory for Reducing Oversight Costs in favor of the DoD Single Process Initiative (SPI). SPI provides an effective mechanism for addressing contractor waiver requirements, and provides a better capability for combining the same or similar requests from an enormously larger population of defense contractors. SPI participation is actively encouraged from all 24,000 contractors under the cognizance of DCMC, while reinvention lab participation has been limited to a few contractors.

A Reinvention Laboratory innovation we most definitely want to preserve, though, is joint Government/Contractor Management Councils. When the Reinvention Laboratory for Reducing Oversight Costs was established in September 1994, each of the lab sites was directed to establish a Management Council. The Councils, which have been one of the lab's greatest successes, are responsible for chartering multi-functional, multi-organizational teams and then managing the activities of those teams, providing guidance, coordinating issues, resolving disputes, and approving team recommendations. Council membership includes key DCMC, DCAA, contractor, buying activity, and program office representatives.

Those Management Councils were so successful in promoting better teamwork, communication, and cooperation between contractors, DCMC, DCAA, and our major customers, that DoD adopted the laboratory's Management Council concept for SPI. Management Councils were also set up in late 1995 to manage the Reinvention Laboratory, "Enhance the Use of Parametric Cost Estimating Techniques." In a December 11, 1995 memorandum to the District Commanders, I wrote: "Each field office should establish a Management Council comprised of contractor, DCMC, DCAA,



and key customer representatives in order to facilitate a timely and constructive exchange of information.” That direction still stands. In fact, I want to further emphasize it.

I strongly believe that joint Government/Contractor Management Councils are ideal for fostering process improvements and successfully managing initiatives for reducing oversight and acquisition costs. They have also proven extremely successful in opening new channels of communications between ourselves, contractors, DCAA, and our customers. They have enabled us all to tackle, and correct, problems that before would have been simply impossible to solve. I want those successes to continue. If there are any questions, please contact Mr. Don Reiter, Contractor Capability and Proposal Analysis Team (AQOD), at (703) 767-3407 or DSN 427-3407.



ROBERT W. DREWES
Major General, USAF
Commander

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

Appendix C: EVMS PROVISIONS AND CLAUSES

[Federal Register: March 5, 1997 (Volume 62, Number 43)]
[Rules and Regulations]
[Page 9990-9993]
From the Federal Register Online via GPO Access [wais.access.gpo.gov]
[DOCID:fr05mr97-21]

=====

DEPARTMENT OF DEFENSE

48 CFR Parts 234, 242, and 252

[DFARS Case 96-D024]

Defense Federal Acquisition Regulation Supplement; Earned Value Management Systems

AGENCY: Department of Defense (DoD).

ACTION: Interim rule with request for comments.

SUMMARY: The Director of Defense Procurement has issued an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to adopt industry-standard ``Guidelines for Earned Value Management Systems'' in lieu of the cost/schedule control systems criteria that are unique to DoD contracts.

DATES: Effective date: March 5, 1997.

Comment date: Comments on the interim rule should be submitted in writing to the address shown below on or before May 5, 1997 to be considered in the formulation of the final rule.

ADDRESSES: Interested parties should submit written comments to: Defense Acquisition Regulations Council, Attn: Mr. Michael Pelkey, PDUSD(A&T)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax number (703) 602-0350.

[[Page 9991]]

Please cite DFARS Case 96-D024 in all correspondence related to this issue.

FOR FURTHER INFORMATION CONTACT:
Michael Pelkey, (703) 602-0131.

SUPPLEMENTARY INFORMATION:

A. Background

On August 19, 1996, the National Security Industrial Association, Aerospace Industries Association, American Shipbuilding Association, Shipbuilders Council of America, and Electronic Industries Association proposed that DoD recognize industry-standard ``Guidelines for Earned Value Management Systems (EVMS)'' as an alternative to DoD-unique cost/schedule control systems. On December 14, 1996, the Under Secretary of Defense for Acquisition and Technology directed that these guidelines be adopted for use as the criteria by which the acceptability of DoD contractors' management control systems will be evaluated. Since DoD's cost/schedule control systems criteria are considered to be equivalent to EVMS, contractors' previously approved cost/schedule control systems are considered to be acceptable under the EVMS criteria.

B. Regulatory Flexibility Act

The interim rule is not expected to have a significant economic

impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because the rule only applies to contractors for certain major defense programs, and eliminates the requirement that such contractors use a unique management control system for DoD contracts. An initial regulatory flexibility analysis has, therefore, not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities concerning the affected DFARS subparts also will be considered in accordance with Section 610 of the Act. Such comments should be submitted separately and should cite DFARS Case 96-D024 in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any new information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

D. Determination to Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense to issue this rule as in interim rule. Urgent and compelling reasons exist to promulgate this rule without prior opportunity for public comment. This interim rule implements the December 14, 1996, direction from the Under Secretary of Defense for Acquisition and Technology that DoD recognizes industry-standard ``Guidelines for Earned Value Management Systems'' as an alternative to DoD-unique cost/schedule control systems. Immediate implementation is necessary to preclude incurring unnecessary costs to create or maintain DoD-unique cost/schedule control systems at DoD contractors' facilities where acceptable earned value management systems exist. However, comments received in response to the publication of this interim rule will be considered in formulating the final rule.

List of Subjects in 48 CFR Parts 234, 242, and 252

Government procurement.
Michele P. Peterson,
Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Parts 234, 242, and 252 are amended as follows:
1. The authority citation for 48 CFR Parts 234, 242, and 252 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 234--MAJOR SYSTEM ACQUISITION

2. Section 234.005-70 is revised to read as follows:

234.005-70 Earned value management systems.

When an offeror provides an earned value management system (EVMS) plan as part of its proposal in accordance with the provision at 252.234-7000, the contracting officer shall forward a copy of the plan to the cognizant administrative contracting officer (ACO). The procuring contracting officer shall obtain the assistance of the ACO in determining the adequacy of the proposed EVMS plan.

3. Section 234.005-71 is added to read as follows:

234.005-71 Solicitation provision and contract clause.

When the Government requires contractor compliance with DoD earned value management system criteria--

(a) Use the provision at 252.234-7000, Notice of Earned Value Management System, in solicitations; and

(b) Use the clause at 252.234-7001, Earned Value Management Systems, in solicitations and contracts.

PART 242--CONTRACT ADMINISTRATION

4. Section 242.302 is amended by revising paragraph (a) (41) to read as follows:

242.302 Contract administration functions.

(a) * * *

(41) The Defense Contract Management Command (DCMC) has responsibility for reviewing earned value management system (EVMS) plans and verifying initial and continuing contractor compliance with DoD EVMS criteria.

* * * * *

5. Section 242.1107-70 is revised to read as follows:

242,1107-70 Solicitation provision and contract clause.

(a) Use the clause at 252.242-7005, Cost/Schedule Status Report, in solicitations and contracts for other than major systems that require cost-schedule status reporting (i.e., the Contract Data Requirements List includes DI-MGMT-81467).

(b) Use the provision at 252.242-7006, Cost/Schedule Status Report Plans, in solicitations for other than major systems that require cost/schedule status reporting.

PART 252--SOLICITATION PROVISIONS AND CONTRACT CLAUSES

6. Section 252.234-7000 is revised to read as follows:

252.234-7000 Notice of earned value management system.

As prescribed in 234.005-71, use the following provision:

Notice of Earned Value Management System (Mar 1997)

(a) The offeror shall provide documentation that the cognizant Administrative Contracting Officer (ACO) has recognized that the proposed earned value management system (EVMS) complies with the EVMS criteria of DoD 5000.2, Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information Systems, or that the proposed cost/schedule control system has been accepted by the Government.

(b) If the offeror proposes to use a system that does not meet the requirements of paragraph (a) of this provision, the offeror shall submit a comprehensive plan for compliance with the EVMS criteria.

(1) The plan shall--

(A) Describe the EVMS the offeror intends to use in performance of the contract;

(B) Distinguish between the offeror's existing management system and modifications proposed to meet the criteria;

(C) Describe the management system and its application in terms of the 32 EVMS criteria;

[[Page 9992]]

(D) Describe the proposed procedure for administration of the criteria as applied to subcontractors; and

(E) Provide documentation describing the process and results of any third-party or self-evaluation of the system's compliance with EVMS criteria.

(2) The offeror shall provide information and assistance as required by the Contracting Officer to support review of the plan.

(3) The Government will review the offeror's plan for EVMS before contract award.

(c) Offerors shall identify the major subcontractors, or major subcontracted effort if major subcontractors have not been selected, planned for application of the criteria. The prime contractor and

the Government shall agree to subcontractors selected for application of the EVMS criteria.

(End of provision)

7. Section 252.234-7001 is revised to read as follows:

252.234-7001 Earned value management system.

As prescribed in 234.005-71, use the following clause:

Earned Value Management System (Mar 1997)

(a) In the performance of this contract, the Contractor shall use an earned value management system (EVMS) meeting the criteria provided in DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information Systems.

(b) If the Contractor has an EVMS that has been recognized by the cognizant Administrative Contracting Officer (ACO) as complying with the EVMS criteria (or an existing cost/schedule control system (C/SCS) that has been accepted by the Government), the Contractor shall apply the system to this contract within 60 calendar days after contract award or as otherwise agreed to by the parties.

(c) If the Contractor does not have an EVMS that has been recognized by the cognizant ACO as complying with EVMS criteria (or does not have an existing C/SCS that has been accepted by the Government), the Contractor shall be prepared to demonstrate to the ACO that the EVMS complies with the EVMS criteria referenced in paragraph (a) of this clause.

(d) The Government may require an integrated baseline review within 180 calendar days after (1) contract award, (2) the exercise of significant contract options, or (3) the incorporation of major modifications. The purpose of the integrated baseline review is for the Government and the Contractor to jointly assess areas, such as the Contractor's planning, to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks.

(e) Unless a waiver is granted by the ACO, Contractor proposed EVMS changes require approval of the ACO prior to implementation. The ACO shall advise the Contractor of the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the ACO, the Contractor shall disclose EVMS changes to the ACO at least 14 calendar days prior to the effective date of implementation.

(f) The Contractor agrees to provide access to all pertinent records and data requested by the ACO or duly authorized representatives. Access is to permit Government surveillance to ensure that the EVMS complies, and continues to comply, with the criteria referenced in paragraph (a) of this clause.

(g) The Contractor shall require those subcontractors specified in the contract for application of the EVMS criteria to comply with the requirements of this clause.

(End of clause)

8. Section 252.242-7005 is revised to read as follows:

252.242-7005 Cost/Schedule Status Report.

As prescribed in 242.1107-70(a), use the following clause:

Cost/Schedule Status Report (Mar 1997)

(a) The Contractor shall use management procedures in the performance of this contract that provide for--

- (1) Planning and control of costs;
- (2) Measurement of performance (value for completed tasks); and
- (3) Generation of timely and reliable information for the cost/

schedule status report (C/SSR).

(b) As a minimum, these procedures must provide for--

(1) Establishing the time-phased budgeted cost of work scheduled (including work authorization, budgeting, and scheduling), the budgeted cost for work performed, the actual cost of work performed, the budget at completion, the estimate at completion, and provisions for subcontractor performance measurement and reporting;

(2) Applying all direct and indirect costs and provisions for use and control of management reserve and undistributed budget;

(3) Incorporating changes to the contract budget base for both Government directed changes and internal replanning;

(4) Establishing constraints to preclude subjective adjustment of data to ensure performance measurement remains realistic. Unless the Contracting Officer provides prior written approval, in no case shall the total allocated budget exceed the contract budget base. For cost-reimbursement contracts, the contract budget base shall exclude changes for cost growth increases, other than for authorized changes to the contract scope; and

(5) Establishing the capability to accurately identify and explain significant cost and schedule variances, both on a cumulative basis and projected at completion basis.

(c) The Contractor may use a cost/schedule control system that has been recognized by the cognizant Administrative Contracting Officer (ACO) as complying with the earned value management system criteria provided in DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information Systems.

(d) The Government may require an integrated baseline review within 180 calendar days after (1) contract award, (2) the exercise of significant contract options, or (3) the incorporation of major modifications. The purpose of the integrated baseline review is for the Government and the Contractor to jointly assess areas, such as the Contractor's planning, to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks. The Contractor shall provide necessary documents and data which describe the methods of planning, control and data generation in actual operation and satisfy the requirements of paragraph (a) of this clause.

(e) The Contractor shall provide access to all pertinent records, company procedures, and data requested by the ACO, or authorized representative, to--

(1) Show proper implementation of the procedures generating the cost and schedule information being used to satisfy the C/SSR contractual data requirements to the Government; and

(2) Ensure continuing application of the accepted company procedures in satisfying the C/SSR data item.

(f) The Contractor shall submit any substantive changes to the procedures and their impact to the ACO for review.

(g) The Contractor shall require a subcontractor to furnish C/SSR in each case where the subcontract is other than firm-fixed-price, is 12 months or more in duration, and has critical or significant tasks related to the prime contract. Critical or significant tasks shall be defined by mutual agreement between the Government and Contractor. Each subcontractor's reported cost and schedule information shall be incorporated into the Contractor's C/SSR.

(End of clause)

9. Section 252.242-7006 is added to read as follows:

252.242-7006 Cost/Schedule Status Report Plans.

As prescribed in 242.1107-70(b), use the following provision:

Cost/Schedule Status Report Plans (Mar 1997)

(a) The offeror shall submit a written summary of the management

procedures it will establish, maintain, and use in the performance of any resultant contract to comply with the requirements of the clause at 252.242-7005, Cost/Schedule Status Report.

(b) If the offeror proposes to use a cost/schedule control system that has been recognized by the cognizant Administrative Contracting Officer as complying with the earned value management system criteria of DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information Systems, the offeror may submit a copy of the documentation of such recognition instead of the written summary required by paragraph (a) of this provision.

[[Page 9993]]

(End of provision)

[FR Doc. 97-5362 Filed 3-4-97; 8:45 am]
BILLING CODE 5000-04-M

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

**Appendix D: REVISED TRAINING REQUIREMENTS FOR EARNED
VALUE MANAGEMENT MONITORS**



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221



IN REPLY
REFER TO CAHW

JUN 14 1996

MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT DISTRICTS

SUBJECT: Revised Requirements for Cost Performance Measurement (CPM) Monitors

This letter provides a formal revision to previous Defense Acquisition Workforce Improvement Act (DAWIA) certification requirements for CPM monitors. Specifically, this letter rescinds the requirement for DAWIA Level II Business, Cost Estimating, and Financial Management (BCEFM) certification of the Defense Logistics Agency CPM monitors. This requirement was previously mandated in: CAHW letter dated March 20, 1995, subject, Certification Requirements for Cost Performance Measurement (CPM) Monitors, and AQC letter dated January 13, 1995, subject, Strengthening Cost/Schedule Control Systems Criteria (C/SCSC) Surveillance.

Effective immediately, training requirements for individuals designated as CPM monitors are as follows:

- a. DAWIA Level II certification in ANY career field (vs. previous BCEFM requirement).
- b. Completion of both the Fundamentals and Intermediate Contractor Performance Measurement courses (BFM 102 and BFM 203).

These changes acknowledge that most CPM monitors are already professionally recognized as members of the acquisition workforce having received primary career field DAWIA Level II certification. In addition to a Level II certification, assignment specific training is required to ensure personnel assigned to CPM monitor positions, and performing critical surveillance functions, are competent and fully qualified. Defense Contract Management Command Metric #3.12.1.1 regarding qualified CPM monitors will be revised accordingly to reflect this change.

The surveillance functions performed by CPM monitors still remain a critical competency, consistent with the renewed emphasis on surveillance provided by current C/SCSC reform initiatives.



JUN 14 1995

2

The Headquarters DCMC action officer for this program is Mr. Kevin Kane, AQOF, DSN 427-3357. Please direct all questions regarding this change to Mr. Kane.



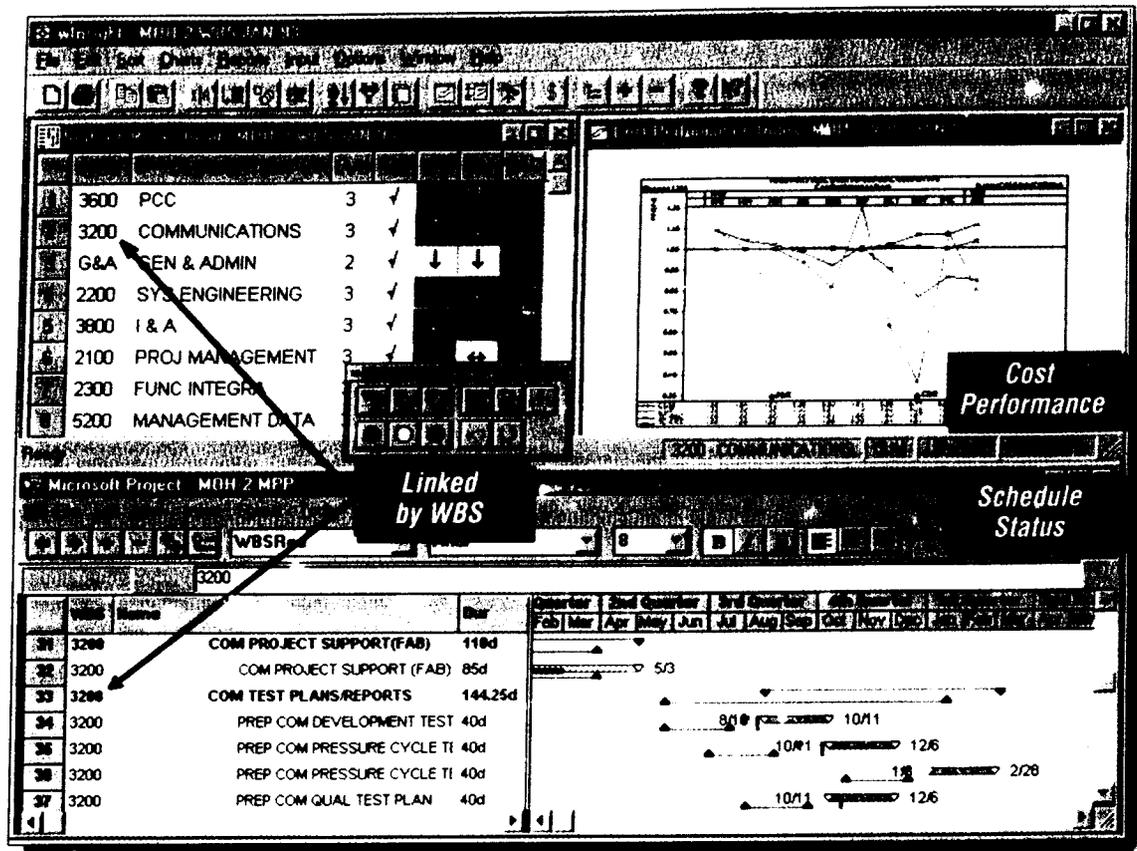
SANDRA M. MILLER
Assistant Executive Director
Workforce Effectiveness and
Development Group
Human Resources

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

Appendix E: wInsight BROCHURE

IPD ToolKit

Program Management with the lights on!



The *IPD ToolKit* is a collection of proven processes and software tools that provide integrated cost, schedule, and risk performance management for Integrated Product Development (IPD) Team members. The ToolKit customizes and integrates off-the-shelf software including MS Project, Open Plan Professional, winsight, C/S Glue, The Scheduler's Assistant and Risk+. The IPD ToolKit currently supports Windows 3.1, Windows 95, Windows NT, Macintosh and Power Macintosh in their native modes.

Management by Exception

The IPD ToolKit provides exception reporting via color codes to identify contract elements with poor performance, and arrows to indicate the trend since the previous month. This allows the team members to quickly identify problem areas and focus on the items that have deteriorated since the previous month. The system also displays analysis trend charts, reports, and true schedule status.

Integrated "Analysis View" of Cost Performance and Integrated Master Schedule Data

The IPD ToolKit re-integrates cost and schedule data so IPD team members can quickly review what work was planned, what work was actually accomplished, forecasted work and the cost performance related to the effort.

Risk Analysis Mitigation

Predicting how long a project will take or how much it will cost is almost impossible, and single point estimates for task duration and cost can be dangerously misleading. Risk+ uses sophisticated Monte Carlo-based simulation techniques to provide IPD team members with quantitative assessments of cost and schedule risk, such as the probability of completing by a certain date or at a certain cost, and the probability that a specific task will appear on the critical path.

Quick Generation of Briefing Charts

The items displayed in the IPD ToolKit can be quickly copied to any MS Windows application such as MS PowerPoint, MS Word, and Lotus Freelance for briefing and report preparation. Using the ToolKit, IPD team members can generate in minutes status briefings that previously required several hours to prepare.

wInsight

wInsight - MOH 2 WBS JAN 93

File Edit View Reports Input Options Window Help

WBS	DESCRIPTION	LVL	LL	SV	CV	VAC
1	3600 PCC	3	✓	↑	↓	
2	3200 COMMUNICATIONS	3	✓	↑	↓	
3	3200 GEN & ADMIN	2	✓	↓	↓	
4	2200 SYS ENGINEERING	3	✓	↓	↓	
5	3800 I & A	3	✓	↓	↓	
6	2100 PROJ MANAGEMENT	3	✓	↔	↔	
7	2300 FUNC INTEGRA	3	✓	↓	↔	
8	5200 MANAGEMENT DATA	3	✓	↓	↑	

Loss Performance Index MOH 2 WBS JAN 93

Evolutionary Variance Dollars MOH 2 WBS JAN 93

All Narrative Report MOH 2 WBS JAN 93

STATUS OF ELEMENT

This element represents 9.8 percent of the total contract. Monthly actuals are running at \$21.2k. This effort has an unfavorable cost variance of -18.5%. There are indications that you've got problems developing! Earned value data indicates this effort is about 35% complete. Work in process is behind schedule. At current performance, earned value data indicates the schedule is...

3200 - COMMUNICATIONS CUM LOWEST All Elements

C/S Glue

Microsoft Project - MOH 2 MPP

File Edit View Insert Format Tools Window Help

WBS	Name	Dur
31	3200 COM PROJECT SUPPORT (FAB)	118d
32	3200 COM PROJECT SUPPORT (FAB)	95d
33	3200 COM TEST PLANS/REPORTS	144.75d
34	3200 PREP COM DEVELOPMENT TEST	40d
35	3200 PREP COM PRES	
36	3200 PREP COM PRES	
37	3200 PREP COM QUAL	
38	3200 PREP QUAL TEST	
39	3200 COM TESTS	
40	3200 CONDUCT COM DEVELOPMENT	
41	3200 CONDUCT COM PRESSURE	
42	3200 CONDUCT COM QUAL TEST	
43	3200 FAB COM HARDWARE	
44	3200 FAB COM PRESSURE CYCLE TEST	
45	3200 FAB COM QUAL TEST HOME	
46	3200 DEVI/QUAL COM DELIVERABLE	
47	3200 GAPD BUILD COM APD SEN	
48	3200 GAPD BUILD COM APD SEN	
49	3200 GAPD BUILD COM APD SEN	
50	3200 GAPD BUILD COM INTEGRA	
51	3200 GAPD BUILD COM INTEGRA	
52	3200 COM PROJECT SUPPORT (TEST)	
53	3200 COM PROJECT SUPPORT (TEST)	
54	3200 COM PROJECT SUPPORT (TEST)	
55	3200 COM PROJECT SUPPORT (TEST)	
56	3200 COM PROJECT SUPPORT (TEST)	

Schedule Baseline

Risk+

Microsoft Project - D1.MPJ

File Edit View Insert Format Tools Risk Analysis Window Help

Widget

1994

Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Task Name

1	Widget
2	Design Phase 1
3	Preliminary Design
4	Design Review
5	Unit A1
6	Design Unit A
7	Fabricate Unit A
8	Test Unit A
9	Unit B1
10	Design Unit B
11	Fabricate Unit B
12	Test Unit B
13	Design Phase 2
14	Preliminary Design
15	Design Review
16	Unit A2
17	Design Unit A
18	Fabricate Unit A
19	Test Unit A
20	Unit B-1
21	Design Unit B
22	Fabricate Unit B

Displays Risk Critical Path

Seamless Integration

Embedded Graphics

Ready Calculate

The Scheduler

Run Analysis

Analysis Run ID	DEMO1	Anal
MS Project File	DEMO.MPP	Descri
Analysis File	demo1	Comp
Analysis Date	09/20/96	
Status Date (DTD)	09/17/94	

Stoplight	Act 1	Act 2	Rel
Critical	█	█	Start
Cost Variance	█	█	Finish
Schedule Variance	█	█	Isolated
BCWP	█	█	Summary
BCWS	█	█	Unstarted
Constraint Alert	█	█	Duration

Top Prev Next Bottom End

winsight & C/S Glue Integration

The screenshot displays the 'winsight' application window with the title 'MDH 2 WBS JAN 93'. It features a menu bar (File, Edit, Sort, Charts, Reports, Input, Options, Window, Help) and a toolbar. The main area is divided into two panes:

- Left Pane:** A Work Breakdown Structure (WBS) tree showing levels 1 through 8. Level 2 includes 'COMMUNICATIONS', level 3 includes 'GEN & ADMIN', level 4 includes 'SYS ENGINEERING', level 5 includes 'I &...', level 6 includes 'PROJ. MANAGEMENT', level 7 includes 'FUNC. INTEGRA...', and level 8 includes 'MANAGEMENT DATA'. A 'C/S Glue' icon is visible below the WBS list.
- Right Pane:** A Gantt chart titled 'Cost Performance Index: MDH 2 WBS JAN 93' showing project progress over time.

Below the main window, a smaller window titled 'Microsoft Project - MDH 2.MPJ' is shown, displaying a Gantt chart for 'WBSR...'. A callout box labeled 'Linked by WBS' points to the connection between the two windows.

This screenshot shows a project management software interface with several callout boxes highlighting specific features:

- Consecutive Slips:** Points to a node in a network diagram.
- Current Schedule:** Points to a node in the network diagram.
- Drop Dead Date:** Points to a node in the network diagram.

The interface includes a toolbar at the top and a network diagram with nodes and connecting lines.

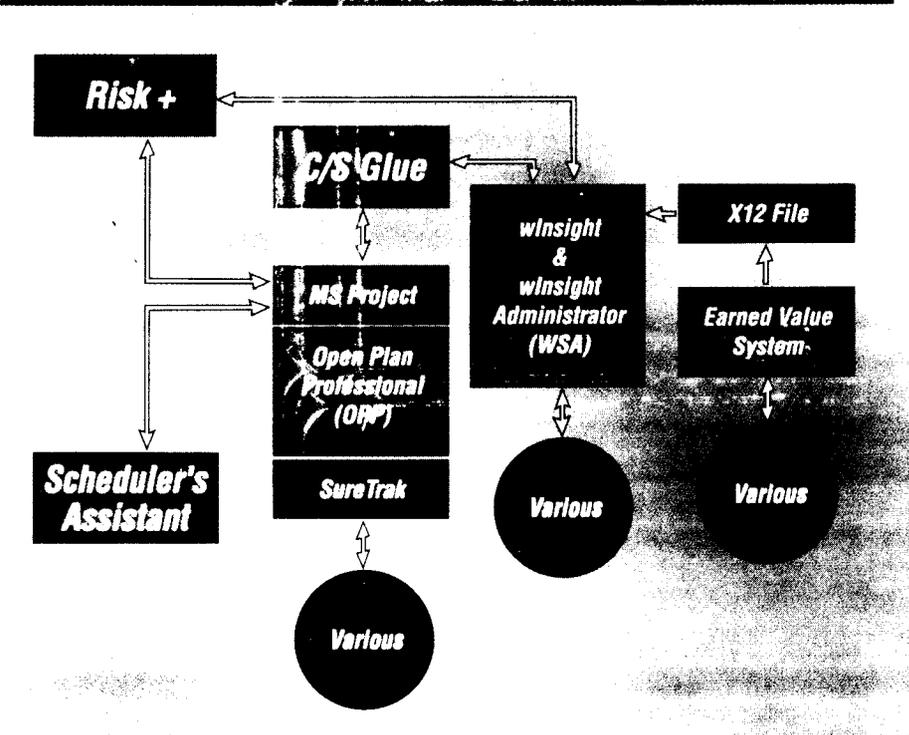
Assistant

The 'Assistant' window displays a 'PMSI Product Demonstration Schedule' and a 'Through' button. Below this, there are several analysis options:

- Analysis Completed
- Critical
- Fields
- Cost
- Analysis
- Baseline Missing
- Start Variance
- Finish Variance
- Lag Alert
- Relationship Alert
- Long Durations

At the bottom, there are buttons for 'Edit', 'Delete', 'Analyze', 'Print', and 'Exit'.

ToolKit Software Components



Performance Features

- ◆ Supports electronic data exchange (EDI)
- ◆ Uses existing data sources
- ◆ Provides an effective tool to facilitate accountability
- ◆ Displays cost and schedule trend data
- ◆ Integrates cost, schedule and risk assessment
- ◆ Supports copy and paste of information into other MS Windows applications for quick briefing and report generation
- ◆ Simple to use and support
- ◆ Designed to support professional cost and schedule analysts, as well as Integrated Product Development (IPD) team members
- ◆ Compatible with existing hardware and software
- ◆ Focuses IPD team on key issues
- ◆ Allows IPD team to make informed cost benefit/trade-off decisions
- ◆ Improves IPD team productivity
- ◆ Scalable to any size program
- ◆ Delivers the right information, to the right people, at the right time

Specifications

- ◆ Microsoft Windows 95, Windows 3.1, Windows for Workgroups 3.11, Windows NT 3.51, Mac OS 7.1 or later
- ◆ Macintosh 68040 or later
- ◆ Microsoft Project version 4.0 or later
- ◆ PC using a 486 or higher microprocessor
- ◆ 8 MB of memory (16 MB is strongly recommended)
- ◆ 3.5 high-density (1.44 MB) disk drive
- ◆ Hard disk

Services

- ◆ System Architecture Analysis
- ◆ System Implementation
- ◆ Basic & Advanced Training
- ◆ Software Customization



C/S Solutions, Inc.
1324-J State Street 174 Santa Barbara, CA 93101-1024
Tel: (805) 563-4951 Fax: (805) 563-4961
www.cs-solutions.com



Program Management Solutions, Inc.
111 N. Sepulveda Blvd. Suite 333 Manhattan Beach, CA 90266-6861
Tel: (310) 374-0455 Fax: (310) 374-2090
www.prog-mgmt.com

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

Appendix F: EVMS CHANGE PRE-APPROVAL WAIVER TRACKING
FORM

**DCMC CAO COMMANDERS FAST START KIT FOR EARNED VALUE
MANAGEMENT SYSTEMS CRITERIA**

EVMS CHANGE PRE-APPROVAL WAIVER TRACKING FORM

DATE: _____

DCMC DISTRICT / CAO: _____

ACO GRANTING WAIVER / PHONE NUMBER:

CAO EVMS MONITOR / PHONE NUMBER:

ADVANCED AGREEMENT IN PLACE WITH CONTRACTOR?

YES NO

CONTRACTOR GRANTED WAIVER (List if applicable to multiple sites):

PROGRAM(S) and CONTRACT(S) WAIVER IS APPLICABLE TO:

Return completed form to DCMC Headquarters attention Mr. Kevin Kane or Mr. Barry Schuler: fax number (703)767-2460; email kevin_kane@hq.dlq.mil or barry_schuler_at_ccpo07@ccgw3.hq.dla.mil