

ENABLING EFFECTIVE PROJECT MANAGEMENT

DoD's Earned Value Management System Improves Outcomes

The Earned Value Management System (EVMS) is a widely accepted industry best practice for project management that is being used across the Department of Defense (DoD), the federal government and the commercial sector. DoD's EVMS coordinates the work scope, schedule and cost goals of large or complex programs and contracts, and then objectively measures progress toward these goals. All DoD cost plus fee and incentive-based contracts are required to manage programs using EVMS.

By employing EVMS, DoD program managers can:

- ★ Quantify and measure program/contract performance
- ★ Provide an early warning system for deviation from a baseline standard
- ★ Mitigate risks associated with cost and schedule overruns
- ★ Provide a means to forecast final cost and schedule outcomes

The Defense Contract Management Agency – Verifying Compliance with EVMS Standards

Primary Tripwires		Secondary Tripwires						
System Indicator	Baseline Indicator	BEI	SPI	CPLI	CPI	CPI/TCPI	Contract Mods	Baseline Revs
		< 0.95				10%	10%	5%
		0.89	0.89	0.85	1.01	0.99	<1%	10%

The Defense Contract Management Agency (DCMA) is the Executive Agent and Compliance Authority responsible for verifying the supplier's compliance with DoD EVMS. We have EVMS professionals in production plants and supplier facilities throughout the world, ensuring the fidelity of federal acquisition program's cost, schedule and technical performance baselines. DCMA EVMS Center and on-site EVMS employees provide objective assessments of the program's performance from which well-informed management decisions can be made.

DCMA's EVMS Support to Customers

DCMA's EVMS Center and all its EVMS employees are committed to resolving any systemic EVMS issues at DoD suppliers and other delegated suppliers. The agency focuses on setting expectations for use of EVMS ensuring clear delineation of roles and authority for monitoring use of EVMS, and then following through with appropriate implementation validation. DCMA's customers within the Office of the Secretary of Defense and DoD buying commands count on DCMA's EVMS teams to assure that sound, accurate and timely data is produced from suppliers.

Pre-contract award services

- ✓ Acquisition strategy input
- ✓ Contract structure and content
- ✓ Source selection activities
- ✓ Pre-contractual advice and consultation
- ✓ Supplier capability assessment
- ✓ Alpha negotiation support
- ✓ Cost/schedule risk assessments

Post-contract award services

- ✓ Compliance evaluations of supplier's EVMS
- ✓ Assistance with identified deficiency reviews
- ✓ Integrated Baseline Review (IBR) support
- ✓ System surveillance to ensure data integrity
- ✓ Timely, insightful, predictive and value-added program analysis
- ✓ On-site feedback from defense plants
- ✓ Ongoing standard system and program surveillance

