



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

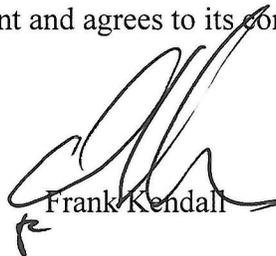
DEC 22 2016

ACQUISITION,  
TECHNOLOGY,  
AND LOGISTICS

MEMORANDUM FOR OFFICE OF FEDERAL PROCUREMENT POLICY, OFFICE OF  
MANAGEMENT AND BUDGET (ATTN: MR. JAMES WADE)

SUBJECT: Reciprocal Agreement for Sharing of Compliance Information of a Supplier's  
Earned Value Management System

In support of the Office of Management and Budget (OMB) efforts to "Reduce the Burden of Certifying Earned Value Management Systems (EVMS)" (TAB C), the United States Department of Defense (DoD) participated in discussions with OMB and other Federal agencies to create the attached Memorandum of Understanding (MOU) for participant agencies to share EVMS compliance data. In accordance with the MOU document, system compliance determination remains at our discretion. As contracts are executed with common suppliers, we will consider more detailed supplemental agreements with the other Federal agencies. DoD has reviewed the umbrella EVMS MOU document and agrees to its content.

  
Frank Kendall

Attachment:  
As stated

MEMORANDUM OF UNDERSTANDING  
RECIPROCAL AGREEMENT FOR SHARING OF COMPLIANCE INFORMATION  
OF A SUPPLIER'S EARNED VALUE MANAGEMENT SYSTEM

**PREAMBLE**

The United States Department of Defense, the AGENCY 1 etc. (herein referred to as the "Participants"):

NOTING the requirements of Federal Acquisition Regulation (FAR) Part 34 (Major System Acquisition) and Office of Management and Budget (OMB) Circular A-11 (Preparation, Submission and Execution of the Budget) for major acquisitions for development to have an Earned Value Management System (EVMS) that has been determined to be in compliance with the current version of Electronic Industries Alliance (EIA) Standard 748 (hereinafter called "EIA-748");

DESIRING to minimize duplication of effort;

DESIRING to increase efficiency and reduce costs; and

DESIRING to reduce barriers and burdens to contracting with the Federal Government;

HAVE ARRANGED as follows:

**SECTION 1 - Definitions**

For the purpose of this Memorandum of Understanding (MOU), the definitions in the FAR Part 34, OMB Circular A-11 and the current version of EIA-748 apply.

**SECTION 2 - Purpose**

This MOU establishes the sharing of Earned Value Management System (EVMS) review information between and among the Participants. The intent of this MOU is to facilitate, to the maximum extent practicable, efficient execution of each Agency's responsibilities to determine a supplier's EIA-748 compliance status. This collaboration will enable the EVM community across Federal Agencies to gain insight into their common Contractors' EVM systems and to more efficiently use their resources.

**SECTION 3 - Implementation and Management**

This MOU will be implemented and managed by the Participants and will be executed by each Participant in accordance with each Participant's own Agency procedures.

When an Agency has conducted a review of a supplier's EVMS, the other Participants may utilize the originating Agency's compliance review information (e.g., reports and findings) to determine a supplier's EIA-748 compliance status under the receiving Agency's contract(s) with the supplier. Final determinations of a supplier's EVMS compliance with EIA-748 under each of the Participant's respective contracts remain at the discretion of each participating Cognizant Federal Agency (CFA) based upon factors including, but not limited to, the method, thoroughness, and rigor of the compliance review

process, the expertise of the personnel that administered the assessment, and the knowledge and expertise of the supplier's staff (e.g., program/project managers, Control Account Managers, project control staff, contracting officer, others) involved in each subject contract.

Each participant reserves the right to observe another Participant's surveillance processes, share surveillance results among any participant that has a contract with a specific supplier, review a supplier's EVMS under another Participant's contract with the supplier, and as warranted, revoke a supplier's EVMS certification of compliance with EIA-748 under their Agency's contract(s) with the supplier at any time.

Participants will retain signed copies of this MOU and make them readily available to other agencies and share any relevant documentation, surveillance findings, best practices, and lessons learned among the participants of this MOU.

Detailed supplemental agreements should be entered into by Agencies and lower level organizations as they implement and execute contracts with a common supplier.

#### **SECTION 4 – Coordination Areas/Efforts**

The parties agree to work together to achieve the goals set forth below to the maximum extent practicable.

1. Develop cross-community understanding of EVMS Compliance.
  - a) Facilitate documented system compliance evaluation methods.
  - b) Develop system compliance determination(s) documentation.
  - c) Identify methods that enable joint recognition of an EVMS validation when the review is conducted by only one party.
2. Enhance information exchange. As applicable, information contained in review and surveillance reports will be redacted and/or summarized to safeguard against release of program critical information.
  - a) Share system review schedules in an effort to maximize collaboration objectives.
  - b) Share summary level system review findings in order to reduce oversight redundancies.
  - c) Share major guideline level deficiencies to include corrective action requests.
  - d) Collaborate to identify and resolve sub-tier EVMS implementation issues.

#### **SECTION 5 - Cost of Participation**

Each Participant will be responsible for the cost of its participation in this MOU.

#### **SECTION 6 - Extension of Participation**

By mutual consent of the Participants, this MOU may be expanded to include other Federal agencies with the same terms of participation.

### **SECTION 7 - Duration, Amendment, and Termination**

This agreement is effective upon signature. This MOU will be reviewed annually for modification by mutual written agreement or termination by either party. This MOU may be terminated by either party at any time upon 30 days written notice.