



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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SUBJECT: Guidance for Integrated Baseline Review

Earned Value Management (EVM) is one of DoD's and industry's most powerful proven program management tools. Government and Industry program managers use EVM to provide joint situational awareness of program status, to assess cost, schedule, and technical performance on programs, and to support proactive decision-making as program teams navigate constraints and risks in the performance of DoD programs. As a program management tool, EVM practices and competencies must be integrated into the program manager's acquisition decision-making processes, the data provided by the EVM System (EVMS) must be timely, accurate, reliable, auditable, and implemented in a disciplined manner consistent with the 32 Guidelines prescribed in Section 2 of the Electronic Industries Alliance Standard-748 (EIA-748). The Office of Performance Assessments and Root Cause Analyses (PARCA) in OSD serves as the policy and competency owner of EVM for the Department and ensures that EVM guidance is current and correct for constituents.

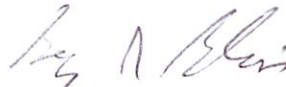
In the DoD, EVM should be a cost effective system that shares program situational awareness between Government and Contractor. In an oversight role, a critical function of the Government Program Office is to utilize all data, including cost, schedule, and technical performance metrics, to identify early indicators of problems so that adjustments can be made to influence future program performance. The decision to apply EVM and the related EVM reporting requirements should be based on work scope, complexity, and risk along with the threshold requirements in the DFARS.

The Integrated Baseline Review (IBR) is not a one-time occurrence, but is a process and an event to allow the Government and the contractor to jointly assess the contractor's plan for completing the contractual scope of work. An IBR should be conducted as early as practical for

the program within the required 180 days after contract award to ensure understanding and agreement of the performance measurement baseline.

However, in situations where the entire work scope is not known in the 180 days, the IBR can be conducted in stages, such as with an undefinitized contract action. A review of the known work scope should be conducted within the 180 day window with follow-up IBRs scheduled at a later time for the work not yet completed in the context of the entire performance measurement baseline. As a rule of thumb, this initial IBR should run through the first major milestone for the program. Any IBR event increment should not be driven by definitization, but should represent the best time to hold the IBR to assess the plan for the work. An IBR must always be conducted within 180 days after award, even if it does not cover the entire scope of an unpriced contract action. A letter from the Contracting Officer to the contractor may be needed to clarify initial IBR requirements.

PARCA promotes an incremental approach for conducting the IBR to facilitate communication and ensure a common understanding of the work scope to be completed in advance of work starting. Thank you in advance for your support of this important initiative. My point of contact is Mr. Gordon M. Kranz, Deputy Director, EVM, Office of Performance Assessment and Root Cause Analyses at 703-697-3703 or Gordon.m.kranz.civ@mail.mil.



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