



DCMA

EVMS Surveillance Processes

Presented By:

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- **Status of DCMA's internal policies and procedures related to EVMS compliance activities**
- **Understand the data-driven, risk-based approach to surveillance**
- **Share insights and lessons learned from initial implementation of core surveillance processes (BP 3 & 4)**

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

- **EVMS Center Business Practices** provide detailed procedures for EVMS Compliance-related activities
- **BP1 – Pre-Award EVM System Plan Review**
 - Purpose - Review contractor's plan for EVMS compliance in accordance with DFARS 252.234-7001
 - **Completed & Published**
- **BP2 – System Description Review**
 - Purpose - Review contractor's SD alignment with EVMSIG
 - **In final coordination**

- **BP3 – Contract Initiation Support**
 - Purpose - Evaluates baseline establishment & program controls on a newly initiated contract
 - **Completed & Published**
- **BP4 – EVM System Surveillance**
 - Purpose – Provide uniform process to conduct surveillance of site EVMS compliance
 - **Completed & Published**

- **BP5 – Review for Cause**

- Purpose - provides a standardized process to complete focused assessment based upon elevated concerns
- **In development**

- **BP6 – Validation Reviews**

- Purpose - defines a uniform process for the EVMS Center personnel to conduct contractor EVMS Validation Reviews (VR)
 - Effectively takes roles, timings and internal products from discontinued Instructions (208)
- **In final coordination**

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

- **BP3 – Contract Initiation Support**

- Keys off new contract awards, major modifications/changes, or OTBs
- Uses data analysis to evaluate core processes utilized in the initial stages of a contract
 - Emphasis on Organizing and PSB areas, but touches others
- May be conducted in conjunction with an IBR or as a separate visit
- Includes a standard set of metrics as part of the preliminary data analysis
- Results in a report (shared with PMO) and adjustments to risk assessment

- **BP4 – EVM System Surveillance**

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

- **BP4 – EVM System Surveillance**

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

- BP4 – EVM System Surveillance**

- Surveillance schedule:

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

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

- **Data-driven, metric approach simply formalizes what was always a best practice**
- **Risk assessment informs adjustments to the surveillance schedule and intensity**
- **Goal is always to ensure good project management – are the right processes in place and are they being implemented?**

Questions?

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DCMA Public Site for Business Practices and Compliance Metrics:

<http://www.dcma.mil/HQ/EVMS/>

