

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

DEPARTMENTAL REGULATION	Number: DR 3130-006
SUBJECT: USDA Earned Value Management	DATE: June 10, 2015
	OPI: Office of the Chief Information Officer, Information Resource Management

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1. PURPOSE

This Departmental Regulation (DR) establishes the policy for use of Earned Value Management (EVM) within the United States Department of Agriculture (USDA).

2. BACKGROUND

EVM is a method used to objectively measure, track, and control variance from a program/project's baseline plan. When implemented correctly, it provides a system for early detection of schedule and cost related performance issues to allow sufficient time for corrective action before the issues become more severe or unrecoverable. Current and relevant Federal policy for the required use of EVM is available within [Federal Acquisition Regulation \(FAR\) Subpart 34.2, *Earned Value Management System \(EVMS\)*](#) and Office of Management and Budget (OMB) [Capital Programming Guide](#), V3.0, Supplement to Circular A-11, *Planning, Budgeting, and Acquisition of Capital Assets*.

3. SPECIAL INSTRUCTIONS/CANCELLATIONS

This DR supersedes DR 3130-006, *Information Technology Earned Value Management*, dated January 11, 2010.

4. AUTHORITY

This DR is published in accordance with the authority vested in the Secretary of Agriculture under 44 *United States Code* (U.S.C.) [2104](#), and [3501-3548](#); and delegated to the Chief Information Officer (CIO) (*7 Code of Federal Regulations* (CFR) [2.89](#)).

5. POLICY

- a. In accordance with OMB *Capital Programming Guide*, V3.0, an EVMS is required for major acquisitions for development.
- b. USDA requires an EVMS in compliance with American National Standards Institute //Electronics Industries Alliance (ANSI/EIA) Standard 748-C, *Earned Value Management Systems*, for all investments that meet any one of the following criteria:
 - (1) All new information technology (IT) investments for which any agency or staff office is planning to spend \$20 million or more in Development, Modernization, and Enhancement (DME) over the agency-defined life cycle;
 - (2) All major IT investments that are currently in process and are budgeted for \$20 million or more in DME during the remainder of the life cycle; or
 - (3) Any investment for which an agency or staff office is planning to spend \$1 million or more in DME in current-year funding shall use an EVMS for tracking investment cost, schedule, and performance. Investments in this category are required to comply with a subset of ANSI/EIA Standard 748-C as defined in the Departmental Manual (DM). The companion DM will be found in 3100 series upon publication.
- c. Per FAR 34.201(b) through (e), if the offeror proposes to use a system that has not been determined to be in compliance with the ANSI/EIA Standard 748-C, the offeror shall submit a comprehensive plan for compliance with these EVMS standards. Offerors shall not be eliminated from consideration for contract award because they do not have an EVMS that complies with these standards.
- d. At a minimum, contracting officers shall incorporate EVM requirements within contracts subject to this policy and require contractors to submit EVM monthly reports for those contracts for which an EVMS applies.

- e. EVMS requirements shall apply to subcontractors using the same rules as applied to the prime contractor.
- f. When an offeror is required to provide an EVMS plan as part of its proposal, the contracting officer shall determine the adequacy of the proposed EVMS plan prior to contract award.
- g. All major investments with EVMS requirements and meeting the criteria defined in Section 5.b.(1) of this Directive shall comply with the full ANSI/EIA 748-C standard. Agency/staff office assigned investment Program Managers are responsible for ensuring their contractor's EVMS is ANSI/EIA Standard 748-C compliant.
- h. Per FAR 34.202, when an EVMS is required, the Government shall conduct an Integrated Baseline Review (IBR). An initial program level IBR is required in accordance with the terms of the contract but no later than the Select Phase of the [USDA Integrated IT Governance Framework](#).
 - (1) The agency/staff office assigned investment Program Manager shall submit an IBR report during the Select Phase of the USDA Integrated IT Governance Framework. The IBR report shall contain:
 - (a) Findings and outcome, assumptions, risks register;
 - (b) Attendance roster; and
 - (c) Agency/staff office CIO/other Authorized Investment Sponsor's signature.
 - (2) Agencies/staff offices shall conduct a subsequent IBR at the conclusion of any authorized re-baseline.

See DM for additional information. The companion DM will be found in 3100 series upon publication.

i. Re-baseline

Agency/staff office assigned investment Program Managers shall submit a CIO signed re-baseline request to the Office of the Chief Information Officer (OCIO) EVM Program Manager for validation and approval by USDA CIO if:

- (1) The Estimate at Completion (EAC) falls outside of +/- 10% of the authorized Budget at Completion (BAC); or
- (2) The BAC increases or decreases by more than 25% via approved changes in the investment's baseline change control process; or
- (3) The schedule has a slippage that exceeds 10% of the original baseline date(s).

See DM for detailed information regarding re-baselining. The companion DM will be found in 3100 series upon publication.

j. Reporting

- (1) Agency/staff office assigned investment Program Managers shall submit an EVM report signed by the investment/program's approving official, by the 5th workday of each month to OCIO for every investment with EVMS requirements.
- (2) Agency/staff office assigned investment Program Managers shall submit a Corrective Action Plan (CAP) with explanation to OCIO when three consecutive periods of either a positive or negative trend is observed in the investment's cumulative cost performance index.

See DM for detailed information regarding EVM, Contract Performance Report (CPR), and/or CAP reporting. The companion DM will be found in 3100 series upon publication.

6. ROLES AND RESPONSIBILITIES

- a. USDA CIO shall establish EVM policy, and conduct EVM oversight, compliance reviews, and monitoring. The USDA CIO shall be responsible for approving re-baseline requests.
- b. The Information Resource Management (IRM) Associate Chief Information Officer (ACIO) shall provide oversight of EVM policy creation and updates.
- c. The OCIO EVM Program Manager shall track submission of EVM reports, analyze performance data, and provide EVM guidance to Agency/staff office Program Managers. The OCIO EVM Program Manager shall also provide recommendations to USDA CIO on agency/staff office re-baseline approval.
- d. Agency/staff office CIOs shall validate contractor's EVMS for compliance with ANSI/EIA 748-C and sign re-baseline notifications/requests.
- e. Agency/staff office Program Managers assigned to investments required to report EVM shall:
 - (1) Ensure investments comply with this policy;
 - (2) Ensure personnel assigned to establish baselines and report EVM data have received sufficient training and are knowledgeable in EVM;

- (3) Submit monthly EVM reports and CAPs to the USDA CIO as identified in this policy;
 - (4) Submit signed re-baseline notifications/requests to the OCIO; and
 - (5) Conduct an IBR in accordance with the terms of the contract but no later than the Select Phase of the USDA Integrated IT Governance Framework and at the conclusion of any authorized re-baseline.
- f. Offerors, Contractors, Prime Contractors, and Subcontractors shall comply with this policy. Prime Contractors shall submit comprehensive plans for compliance with this policy to the agency/staff office CIO in those cases where their existing system has not been determined to be compliant.
 - g. Contracting Officers shall require contractors to submit EVM monthly reports to the agency/staff office Program Manager assigned to investments required to report EVM.
 - h. The agency/staff office CIO or their delegated Authorized Investment Sponsor shall sign the completed IBR report prior to submission to the USDA CIO.

7. TRAINING

A minimum of two hours of annual EVM training is required for individuals with the following roles within USDA:

- a. Executives with oversight responsibility of major and non-major investments;
- b. Program/Project Managers assigned to manage investments that have EVM requirements; and
- c. Contract/Procurement professionals.

8. ABBREVIATIONS

ACIO	Associate Chief Information Officer
ANSI/EIA	American National Standards Institute/Electronics Industries Alliance
BAC	Budget at Completion
CAP	Corrective Action Plan
CFR	Code of Federal Regulations
CIO	Chief Information Officer
CPR	Contract Performance Report
DM	Departmental Manual
DME	Development, Modernization, and Enhancement
DR	Departmental Regulation

EAC	Estimate at Completion
EVM	Earned Value Management
EVMS	Earned Value Management System
FAR	Federal Acquisition Regulation
IBR	Integrated Baseline Review
IRM	Information Resource Management
IT	Information Technology
OCIO	Office of Chief Information Officer
OMB	Office of Management and Budget
U.S.C.	
USDA	United States Code United States Department of Agriculture

See DM for definitions and EVMS implementation instructions. The companion DM will be found in 3100 series upon publication.

9. REFERENCES

- a. Federal Acquisition Regulation (FAR), [Subpart - 34.2](#), *Earned Value Management System*
- b. Office of Management and Budget (OMB), *Capital Programming Guide*, v3.0, Supplement to [Circular A-11](#), *Planning, Budgeting, and Acquisition of Capital Assets*, July 2013
- c. USDA DM, *USDA Earned Value Management Implementation Guide*
- d. USDA [DR 3130-008](#), *Definition of Major Information Technology (IT) Investments*, May 29, 2013
- e. [USDA Integrated IT Governance Framework](#), v3.2, April 2014
- f. American National Standards Institute /Electronics Industries Alliance (ANSI/EIA) [Standard 748-C](#), *Earned Value Management Systems*, March 2013

10. INQUIRIES

The point of contact for this policy is the ACIO, IRM, OCIO.

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