

Acquisition Management Policy - (1/2014)

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4.16 Earned Value Management Added 10/2005

All organizations responsible for FAA capital investment programs that involve development, modernization, or enhancement are required to develop and implement an earned value management (EVM) system consistent with guidance in FAST ([link to EVM Guide](#)). The objective is integration of all related management disciplines (e.g., systems engineering, cost estimating, procurement, scheduling, and risk management) using earned value management to effectively support program execution. Earned value management provides the FAA with timely, accurate, and integrated cost, schedule, and technical performance information for both the total investment program and individual supporting contracts. It continuously measures the quantity and value of completed work and enables the forecast of reliable estimates of future performance.

4.16.1 Program Requirements Revised 11/2009

Development, modernization, and enhancement programs must use an EVM system based on the guidelines in American National Standard ANSI/EIA-748, Earned Value Management Systems, for the total program effort, including both government and contractor work, according to the following table. Program EVM must be consistent with the acquisition strategy in the implementation strategy and planning document, section 3.2, Program Control. Major investment programs are those required by the Office of Management and Budget to submit an OMB Exhibit 300. The Joint Resources Council or appropriate investment decision authority designates non-major programs required to have an EVMS.

FAA Program EVMS Requirements

	Program Type	Program Type	Program Type
EVMS Requirements	Major	Non-Major	Other
Exhibit 300	R	T	O
Integrated Master Schedule	R	T	O
Integrated Baseline Review	R	T	O
EVM Standard Compliance	R	R	O
EVM System Certification	R	O	O

R = Required by approving authority

T = Tailored: requirement may be tailored by program

O = Optional

4.16.2 Contract Requirements Revised 11/2009

Contractor EVM implementation must be consistent with the strategy in the implementation strategy and planning document, section 2.8, Contract Management. All capital investment programs must use the following table to determine the application of EVM to the development, modernization, and enhancement work assigned to contractors. The requirements apply to all

contract types. On an exception basis, low-risk contractor efforts, i.e., firm fixed-price production, may implement EVM within a FAA program office at the program level. Contractor EVM implementation must be based on an assessment of the cost, schedule, and technical performance risk of each contract.

FAA Contract EVMS Requirements

	Total Contract Value (\$M)	Total Contract Value (\$M)
EVMS Requirements	>\$10	<\$10
Contract Performance Report	R	O
Integrated Master Schedule	R	O
Integrated Baseline Reviews	R	O
EVMS Standard Compliance	R	O
EVM System Certification	R	O

R = Required by approving authority

O = Optional

4.16.3 EVMS Certification Requirements Revised 10/2013

Capital investment programs required to use an EVM system in accordance with AMS Section 4.16.1 must be certified as meeting the guidelines of ANSI/EIA-748. The EVM Focal Point (ATO-A) assesses and validates EVM implementation and monitors application to ensure compliance. The AIT Value Management Office (AIT) certifies program EVM systems.

FAA contractors required to use an EVM system in accordance with AMS Section 4.16.2 must be certified as meeting the guidelines of ANSI/EIA-748. Contractor EVM implementation must be validated by the Contracting Officer, assisted by the EVM Focal Point. The EVM Focal Point determines whether a contractor requires an EVMS certification review or whether an existing certification and EVM surveillance process are acceptable. The EVM Focal Point will establish agreements with other government agencies to recognize contractor EVM certifications and surveillance reports.