

Acquisition Management Policy - (4/2014)

[4.16 Earned Value Management](#) Revised 4/2014

[4.16.1 EVM Requirements](#) Revised 4/2014

[4.16.2 Contractor Management Control System Certification](#) Revised 4/2014

4.16 Earned Value Management Revised 4/2014

Organizations responsible for FAA capital investment programs that involve development, modernization, or enhancement may be required to develop and implement an earned value management (EVM) system. Earned value management provides the FAA with timely, accurate, and integrated cost, schedule, and technical performance information for managing development, modernization, and enhancement activity.

4.16.1 EVM Requirements Revised 4/2014

FAA capital investment programs must use Table 4.16.1-1 to determine application of earned value management to development, modernization, and enhancement work assigned to contractors. Implementation is based on contract value, contract type, and an assessment of cost, schedule, and technical performance risk of each contract. Implementation must be consistent with the acquisition strategy in the implementation strategy and planning document, section 2.8, Contract Management.

Table 4.16.1-1 FAA EVM Requirements

Contract Type	Contract Value > \$50M	Contract Value \$20M - \$50M	Contract Value < \$20M
Cost reimbursement	R	T	N
Fixed-price incentive	R	T	N
Firm fixed price	N	N	N
Time & materials	N	N	N
Other contract types	N	N	N
Fixed price construction	N	N	N

R = EVM normally required

T = Application of EVM is tailored by the program manager, contracting officer, and EVM focal point

N = EVM not normally applied

The Joint Resources Council may designate the application of earned value management to any development, modernization, and enhancement contract.

4.16.2 Contractor Management Control System Certification Revised 4/2014

Contractors are required to apply earned value management on development, modernization, and enhancement contracts over \$50 million. They must have an earned value management control system that is certified to comply with the 32 guidelines of ANSI/EIA-748, Earned Value Management Systems. For development, modernization, and enhancement contracts between \$20

and \$50 million, the contractor management control system must comply with the ANSI/EIA-748 guidelines as tailored by the program manager, contracting officer, and EVM focal point. (See the FAA EVM Guide for tailoring guidance).

The contracting officer validates the contractor management control system as meeting contract management control requirements, assisted by the EVM focal point. The EVM focal point assesses contractor implementation of its management control system and monitors application to ensure compliance. The EVM focal point determines whether a contractor requires an EVMS certification review or whether an existing certification is acceptable. The EVM focal point establishes agreements with other government agencies to recognize contractor EVM certifications and surveillance reports.
