Subpart 34.2 - Earned Value Management System

Parent topic: Part 34 - Major System Acquisition

34.201 Policy.

(a) An *Earned Value Management System* (EVMS) is required for major *acquisitions* for development, in accordance with OMB Circular A-11. The Government *may* also require an EVMS for other *acquisitions*, in accordance with agency procedures.

(b) If the *offeror* proposes to use a system that has not been determined to be in compliance with the Electronic Industries Alliance Standard 748 (EIA-748), 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.

(c) As a minimum, *contracting officers shall* require contractors to submit EVMS monthly reports for those contracts for which an EVMS applies.

(d) EVMS requirements will be applied to subcontractors using the same rules as applied to the prime contractor.

(e) When an *offeror* is required to provide an EVMS plan as part of its proposal, the *contracting officer* will determine the adequacy of the proposed EVMS plan prior to contract award.

34.202 Integrated Baseline Reviews.

(a) When an EVMS is required, the Government will conduct an Integrated Baseline Review (IBR).

(b) The purpose of the IBR is to verify the technical content and the realism of the related performance budgets, resources, and schedules. It *should* provide a mutual understanding of the inherent risks in *offerors*'/ contractors' performance plans and the underlying management control systems, and it *should* formulate a plan to handle these risks.

(c) The IBR is a joint assessment by the *offeror* or contractor, and the Government, of the-

(1) Ability of the project's technical plan to achieve the objectives of the scope of work;

(2) Adequacy of the time allocated for performing the defined tasks to successfully achieve the project schedule objectives;

(3) Ability of the Performance Measurement Baseline (PMB) to successfully execute the project and attain cost objectives, recognizing the relationship between budget resources, funding, schedule, and scope of work;

(4) Availability of personnel, facilities, and equipment when required, to perform the defined tasks needed to execute the program successfully; and

(5) The degree to which the management process provides effective and integrated technical/schedule/cost planning and baseline control.

(d) The timing and conduct of the IBR *shall* be in accordance with agency procedures. If a pre-award IBR will be conducted, the *solicitation must* include the procedures for conducting the IBR and address whether *offerors* will be reimbursed for the associated costs. If permitted, reimbursement of *offerors*' pre-award IBR costs is governed by the provisions of FAR part 31.

34.203 Solicitation provisions and contract clause.

(a) The *contracting officer shall* insert a provision that is substantially the same as the provision at FAR 52.234-2, Notice of *Earned Value Management System*-Preaward Integrated Baseline Review, in *solicitations* for contracts that require the contractor to use an *Earned Value Management System* (EVMS) and for which the Government requires an Integrated Baseline Review (IBR) prior to award.

(b) The *contracting officer shall* insert a provision that is substantially the same as the provision at 52.234-3, Notice of *Earned Value Management System*-Postaward Integrated Baseline Review, in *solicitations* for contracts that require the contractor to use an *Earned Value Management System* (EVMS) and for which the Government requires an Integrated Baseline Review (IBR) after contract award.

(c) The *contracting officer shall* insert a clause that is substantially the same as the clause at FAR 52.234-4, *Earned Value Management System*, in *solicitations* and contracts that require a contractor to use an EVMS.