Subpart 334.2—Earned Value Management System

Parent topic: PART 334—MAJOR SYSTEM ACQUISITION

334.201 Policy.

The Department of Health and Human Services applies the earned value management system requirement as follows:

(a) For cost or incentive contracts and subcontracts valued at $20 million or more, the contractor's earned value management system shall comply with the guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (ANSI/EIA-748).

(b) For cost or incentive contracts and subcontracts valued at $50 million or more, the contractor shall have an earned value management system that has been determined by the cognizant Federal agency to be in compliance with the guidelines in ANSI/EIA-748.

(c) For cost or incentive contracts and subcontracts valued at less than $20 million—

(1) The application of earned value management is optional at the discretion of the program/project manager and is a risk-based decision that must be supported by a cost/benefit analysis; and

(2) A decision to apply earned value management shall be documented in the contract file.

(d) For firm-fixed-price contracts and subcontracts of any dollar value the application of earned value management is discouraged.

334.202 Integrated Baseline Reviews (IBRs).

(a) An IBR normally should be conducted as a post-award activity. A pre-award IBR may be conducted only if—

(1) The acquisition plan contains documentation that demonstrates the need and rationale for a pre-award IBR, including an assessment of the impact on the source selection schedule and the expected benefits;

(2) The use of a pre-award IBR is approved in writing by the head of the contracting activity prior to the issuance of the solicitation;

(3) The source selection plan and solicitation specifically addresses how the results of a pre-award IBR will be used during source selection, including any weight to be given to it in source evaluation; and

(4) Specific arrangements are made, and budget authority is provided, to compensate all offerors who prepare for or participate in a pre-award IBR; and the solicitation informs prospective offerors of the means for and conditions of such compensation.