



**Environmental Management Consolidated Business Center (EMCBC)**

**Subject: Earned Value Management System (EVMS) Certification,  
Reporting and Surveillance Requirements for Small Sites Projects**

Implementing Procedure      APPROVED: (Signature on File)

EMCBC Director

ISSUED BY: OFFICE OF FINANCIAL MANAGEMENT

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**1.0      PURPOSE**

The purpose of this Procedure is to establish certification, reporting and surveillance requirements for Earned Value Management System (EVMS) at the Small Sites Projects.

**2.0      SCOPE**

The scope of this procedure includes EVMS certification reviews and surveillances on projects managed by EMCBC.

**3.0      APPLICABILITY**

This procedure applies to Small Site Projects managed by the EMCBC Office Director with a Total Project Cost greater than \$50M and an approved Baseline (CD-2): Argonne National Laboratory (ANL), Brookhaven National Laboratory (BNL), Energy Technology Engineering Center (ETEC), Moab, Stanford Linear Accelerator Center (SLAC), Separations Process Research Unit (SPRU), Nevada National Security Site (N2S2), Los Alamos National Laboratory (LANL), and West Valley Demonstration Project (WVDP).

**4.0      REQUIREMENTS AND REFERENCES**

**4.1      Requirements**

4.1.1    DOE O 413.3B, Program and Project Management for the Acquisition of Capital Assets, November, 2010

4.1.2    DOE G 413.3-10, Earned Value Management System (EVMS), May 6, 2008

**4.2      References**

4.2.1    Policy, EMCBC PS-413.3B, Subject: Program and Project Management for the Acquisition of Capital Assets, Rev. 2

4.2.2    Procedure, EMCBC IP-413.3B, Consolidated Business Center Acquisition Advisory Board, Rev. 2.

- 4.2.3 Memo, J.E. Surash to Distribution, Subject: “Establishing the Requirements for an Earned Value Management System, Standardizing Minimal Reporting Requirements, and Implementing and Earned Value Management System Surveillance Program” dated July 6, 2007

5.0 **DEFINITIONS and ACRONYMS – Not Used**

6.0 **RESPONSIBILITIES**

6.1 **Office Director**

- 6.1.1 Ensure consistent implementation of EVMS reporting between sites;
- 6.1.2 Assure surveillance and certification requirements of DOE O 413.3B are completed per the requirements contained in Attachment C, EM Consolidated Business Center (EMCBC) Earned Value Management system (EVMS) Certification and Surveillance Plan; and
- 6.1.3 For delegated projects with TPC > \$50M, direct the completion of an Earned Value Management System certification per the requirements contained in Attachment C, EM Consolidated Business Center (EMCBC) Earned Value Management system (EVMS) Certification and Surveillance Plan.

6.2 **Site Manager/Federal Project Director**

- 6.2.1 Ensure that the Contractors at the Small Sites are submitting monthly EVMS reports in accordance with EM requirements;
- 6.2.2 Review contractor monthly EVMS data for completeness and accuracy;
- 6.2.3 Assure that environment, safety, health, quality assurance, and security requirements are met for all CD and BCP actions;
- 6.2.4 Ensure that monthly EVMS data is entered into IPABS Project Execution Module (PEM);
- 6.2.5 Approve contractor modifications to the OMB reporting formats to accommodate site specific needs; and
- 6.2.6 Ensure site assessment and surveillance procedures include an EVMS Surveillance Plan per the requirements contained in Attachment C, EM Consolidated Business Center (EMCBC) Earned Value Management system (EVMS) Certification and Surveillance Plan.

6.3 EMCBC Planning Team Program Analyst

- 6.3.1 Review and analyze EVMS site reports, as requested;
- 6.3.2 As the Small Sites IPABS Administrator, ensure completeness and timeliness of data entries; and
- 6.3.3 Lead the EVMS certification process on delegated projects per the requirements contained in Attachment C, EM Consolidated Business Center (EMCBC) Earned Value Management system (EVMS) Certification and Surveillance Plan.

7.0 **GENERAL INFORMATION – Not Applicable**

8.0 **PROCEDURE**

- 8.1 The objective of this procedure is to ensure that project performance are consistent in accordance with (1) the Office of Environmental Management (EM) requirements per the Integrated Planning, Budgeting and Accounting System (IPABS), (2) the Office of Management and Budget (OMB) contract performance report formats, and direction provided by the Deputy Assistant Secretary for Acquisition and Project Management (EM-50) as described in Requirement 3.3 of this procedure;
- 8.2 Perform EVMS certifications and surveillances on delegated projects with TPC > \$50M per the requirements contained in Attachment C, EM Consolidated Business Center (EMCBC) Earned Value Management system (EVMS) Certification and Surveillance Plan.
- 8.3 Review Contractors EVMS reports to ensure compliance with EM requirements (i.e. use of OMB contract reporting formats per Attachment A);
- 8.4 Review Contractor EVMS reports using the EVMS Guidelines (Attachment B) to document compliance;
- 8.5 Enter, review and approve the following EVMS data in IPABS/PEM: BCWS, BCWP, ACPW, BAC, EAC, Management Reserve Remaining (MRR), Status of the Project, Variance analyses, Corrective Actions, and Progress Toward and Estimated Completion of Recovery;
- 8.6 Monthly reviews are conducted per site assessment and surveillance procedures.

9.0 **RECORDS MAINTENANCE**

Records should be submitted consistent with sites reporting and surveillance procedures.

10.0 **ATTACHMENTS**

10.1 Attachment A, Office of Management and Budget Contract Reporting Formats:

10.1.2 Format 1, DD Form 2734/1, APR 05, Work Breakdown Structure

10.1.3 Format 2, DD Form 2734/2, APR 05, Organizational Categories

10.1.4 Format 3, DD Form 2734/3, APR 05, Baseline

10.1.5 Format 4, DD Form 2734/4, APR 05, Staffing

10.1.6 Format 5, DD Form 2734/5, APR 05, Explanations and Problem Solving

Attachment A forms may be found at:

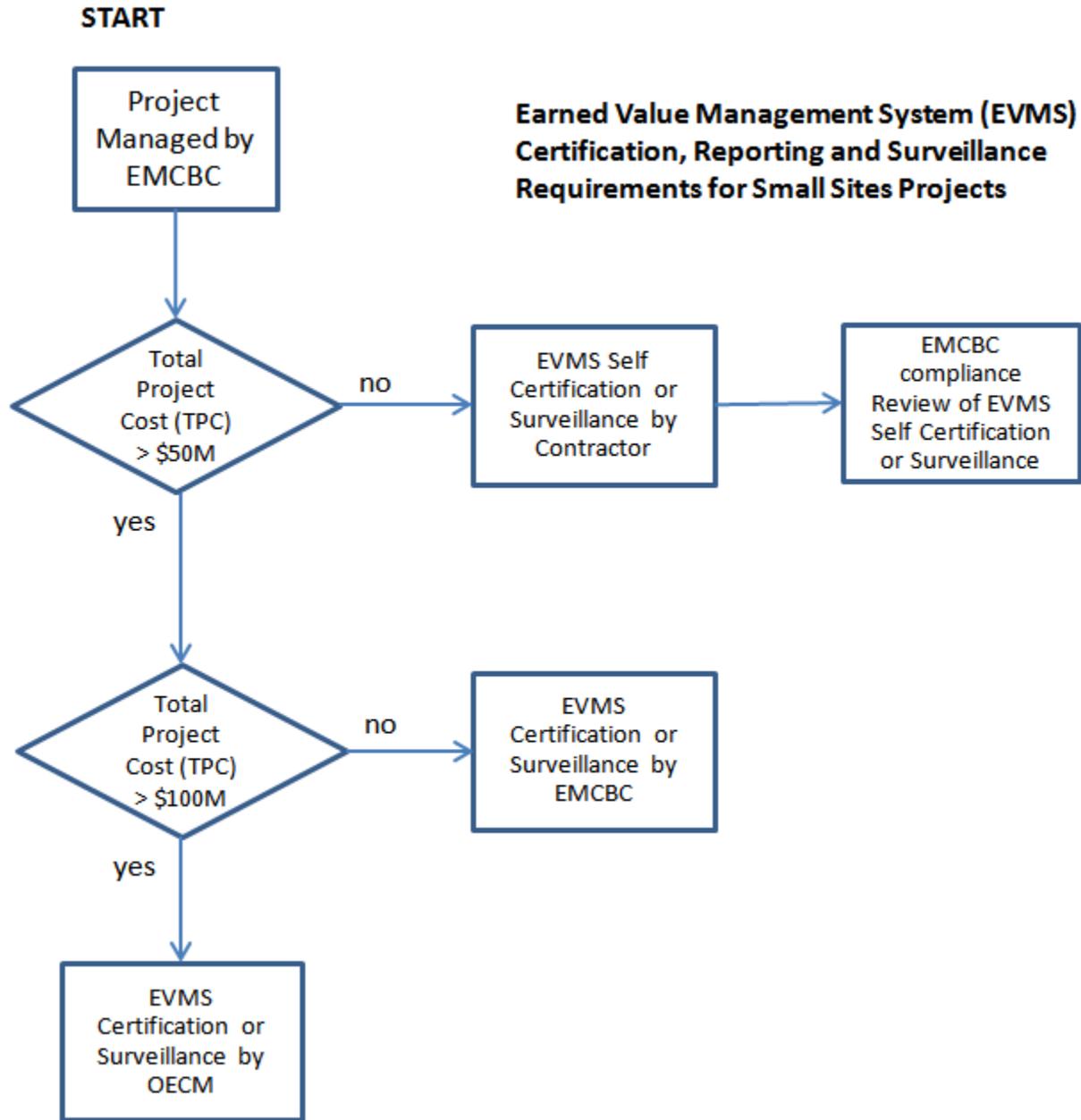
[http://www.acq.osd.mil/pm/currentpolicy/cpr\\_cfsr/CPR\\_81466.xls](http://www.acq.osd.mil/pm/currentpolicy/cpr_cfsr/CPR_81466.xls)

10.2 Attachment B - EVMS Guidelines

10.3 Attachment C – EM Consolidated Business Center (EMCBC) Earned Value Management System (EVMS) Certification and Surveillance Plan.

11.0 **FLOWCHART**

IP-413-01, Rev. 2 Flowchart



CLASSIFICATION (When filled in)

CONTRACT PERFORMANCE REPORT FORMAT 1 - WORK BREAKDOWN STRUCTURE													DOLLARS IN _____			Form Approved OMB No. 0704-0188		
The public reporting burden for this collection of information is estimated to average 3.1 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0704-0188). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. <b>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.</b>																		
1. CONTRACTOR				2. CONTRACT				3. PROGRAM				4. REPORT PERIOD						
a. NAME				a. NAME				a. NAME				a. FROM (YYYYMMDD)						
b. LOCATION (Address and ZIP Code)				b. NUMBER				b. PHASE				b. TO (YYYYMMDD)						
				c. TYPE		d. SHARE RATIO		c. EVMS ACCEPTANCE										
								NO		YES (YYYYMMDD)								
5. CONTRACT DATA																		
a. QUANTITY		b. NEGOTIATED COST		c. EST. COST AUTHORIZED UNPRICED WORK		d. TARGET PROFIT/ FEE		e. TARGET PRICE		f. ESTIMATED PRICE		g. CONTRACT CEILING		h. EST. CONTRACT CEILING		i. DATE OF OTB/OTS (YYYYMMDD)		
6. ESTIMATED COST AT COMPLETION								7. AUTHORIZED CONTRACTOR REPRESENTATIVE										
		MANAGEMENT ESTIMATE AT COMPLETION (1)		CONTRACT BUDGET BASE (2)		VARIANCE (3)		a. NAME (Last, First, Middle Initial)				b. TITLE						
a. BEST CASE								c. SIGNATURE				d. DATE SIGNED (YYYYMMDD)						
b. WORST CASE																		
c. MOST LIKELY																		
8. PERFORMANCE DATA																		
ITEM (1)	CURRENT PERIOD					CUMULATIVE TO DATE					REPROGRAMMING ADJUSTMENTS			AT COMPLETION				
	BUDGETED COST		ACTUAL COST WORK PERFORMED	VARIANCE		BUDGETED COST		ACTUAL COST WORK PERFORMED	VARIANCE		COST VARIANCE (12a)	SCHEDULE VARIANCE (12b)	BUDGET (13)	BUDGETED (14)	ESTIMATED (15)	VARIANCE (16)		
	WORK SCHEDULED (2)	WORK PERFORMED (3)	(4)	SCHEDULE (5)	COST (6)	WORK SCHEDULED (7)	WORK PERFORMED (8)	(9)	SCHEDULE (10)	COST (11)								
a. WORK BREAKDOWN STRUCTURE ELEMENT																		
b. COST OF MONEY																		
c. GENERAL & ADMINISTRATIVE																		
d. UNDISTRIBUTED BUDGET																		
e. SUBTOTAL (Performance Measurement Baseline)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
f. MANAGEMENT RESERVE																		
g. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
9. RECONCILIATION TO CONTRACT BUDGET BASE																		
a. VARIANCE ADJUSTMENT																		
b. TOTAL CONTRACT VARIANCE																		
										0.00	0.00							

CLASSIFICATION (When filled in)

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CONTRACT PERFORMANCE REPORT FORMAT 2 - ORGANIZATIONAL CATEGORIES													DOLLARS IN _____			Form Approved OMB No. 0704-0188		
The public reporting burden for this collection of information is estimated to average .6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0704-0188). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.																		
1. CONTRACTOR				2. CONTRACT				3. PROGRAM				4. REPORT PERIOD						
a. NAME				a. NAME				a. NAME				a. FROM (YYYYMMDD)						
b. LOCATION (Address and ZIP Code)				b. NUMBER				b. PHASE				b. TO (YYYYMMDD)						
				c. TYPE		d. SHARE RATIO		c. EVMS ACCEPTANCE										
								<input type="checkbox"/> NO <input type="checkbox"/> YES (YYYYMMDD)										
5. PERFORMANCE DATA																		
ITEM  (1)	CURRENT PERIOD					CUMULATIVE TO DATE					REPROGRAMMING ADJUSTMENTS			AT COMPLETION				
	BUDGETED COST		ACTUAL COST	VARIANCE		BUDGETED COST		ACTUAL COST	VARIANCE		COST VARIANCE (12a)	SCHEDULE VARIANCE (12b)	BUDGET (13)	BUDGETED (14)	ESTIMATED (15)	VARIANCE (16)		
	WORK SCHEDULED (2)	WORK PERFORMED (3)	COST WORK PERFORMED (4)	SCHEDULE (5)	COST (6)	WORK SCHEDULED (7)	WORK PERFORMED (8)	COST WORK PERFORMED (9)	SCHEDULE (10)	COST (11)								
a. ORGANIZATIONAL CATEGORY				0.00														
b. COST OF MONEY																		
c. GENERAL & ADMINISTRATIVE																		
d. UNDISTRIBUTED BUDGET																		
e. SUBTOTAL (Performance Measurement Baseline)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
f. MANAGEMENT RESERVE																		
g. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				

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CONTRACT PERFORMANCE REPORT FORMAT 3 - BASELINE												Form Approved OMB No. 0704-0188				
DOLLARS IN _____																
The public reporting burden for this collection of information is estimated to average 6.3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0704-0188). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.																
1. CONTRACTOR				2. CONTRACT				3. PROGRAM				4. REPORT PERIOD				
a. NAME				a. NAME				a. NAME				a. FROM (YYYYMMDD)				
b. LOCATION (Address and ZIP Code)				b. NUMBER				b. PHASE				b. TO (YYYYMMDD)				
				c. TYPE		d. SHARE RATIO		c. EVMS ACCEPTANCE								
								NO		YES (YYYYMMDD)						
5. CONTRACT DATA																
a. ORIGINAL NEGOTIATED COST		b. NEGOTIATED CONTRACT CHANGES		c. CURRENT NEGOTIATED COST (a. + b.)		d. ESTIMATED COST OF AUTHORIZED UNPRICED WORK		e. CONTRACT BUDGET BASE (c. + d.)		f. TOTAL ALLOCATED BUDGET		g. DIFFERENCE (e. - f.)				
				0.00				0.00				0.00				
h. CONTRACT START DATE (YYYYMMDD)			i. CONTRACT DEFINITIZATION DATE (YYYYMMDD)			j. PLANNED COMPLETION DATE (YYYYMMDD)			k. CONTRACT COMPLETION DATE (YYYYMMDD)			l. ESTIMATED COMPLETION DATE (YYYYMMDD)				
6. PERFORMANCE DATA																
ITEM (1)	BCWS CUMULATIVE TO DATE (2)	BCWS FOR REPORT PERIOD (3)	BUDGETED COST FOR WORK SCHEDULED (BCWS) (Non-Cumulative)											UNDIS-TRIBUTED BUDGET (15)	TOTAL BUDGET (16)	
			SIX MONTH FORECAST (Enter names of months)						ENTER SPECIFIED PERIODS							
			+1 (4)	+2 (5)	+3 (6)	+4 (7)	+5 (8)	+6 (9)	(10)	(11)	(12)	(13)	(14)			
a. PERFORMANCE MEASUREMENT BASELINE (Beginning of Period)																0.00
b. BASELINE CHANGES AUTHORIZED DURING REPORT PERIOD																
c. PERFORMANCE MEASUREMENT BASELINE (End of Period)																0.00
7. MANAGEMENT RESERVE																
8. TOTAL															0.00	

DD FORM 2734/3, APR 2005

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CONTRACT PERFORMANCE REPORT FORMAT 4 - STAFFING											Form Approved OMB No. 0704-0188			
The public reporting burden for this collection of information is estimated to average 5.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0704-0188). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.														
1. CONTRACTOR			2. CONTRACT				3. PROGRAM				4. REPORT PERIOD			
a. NAME			a. NAME				a. NAME				a. FROM (YYYYMMDD)			
b. LOCATION (Address and ZIP Code)			b. NUMBER				b. PHASE				b. TO (YYYYMMDD)			
			c. TYPE		d. SHARE RATIO		c. EVMS ACCEPTANCE							
							NO		YES (YYYYMMDD)					
5. PERFORMANCE DATA (All figures in whole numbers)														
ORGANIZATIONAL CATEGORY	ACTUAL CURRENT PERIOD	ACTUAL END OF CURRENT PERIOD (Cumulative)	FORECAST (Non-Cumulative)											AT COMPLETION
			SIX MONTH FORECAST BY MONTH (Enter names of months)						ENTER SPECIFIED PERIODS					
			+ 1	+ 2	+ 3	+ 4	+ 5	+ 6	(10)	(11)	(12)	(13)	(14)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
6. TOTAL DIRECT	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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<b>CONTRACT PERFORMANCE REPORT FORMAT 5 - EXPLANATIONS AND PROBLEM ANALYSES</b>				<i>Form Approved OMB No. 0704-0188</i>
<small>The public reporting burden for this collection of information is estimated to average 36.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services Directorate (0704-0188). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. SUBMIT COMPLETED FORMS IN ACCORDANCE WITH CONTRACTUAL REQUIREMENTS.</small>				
<b>1. CONTRACTOR</b>	<b>2. CONTRACT</b>	<b>3. PROGRAM</b>	<b>4. REPORT PERIOD</b>	
a. NAME	a. NAME	a. NAME	a. FROM (YYYYMMDD)	
b. LOCATION (Address and ZIP Code)	b. NUMBER	b. PHASE	b. TO (YYYYMMDD)	
	c. TYPE	d. SHARE RATIO		
		<input type="checkbox"/> NO	<input type="checkbox"/> YES (YYYYMMDD)	
<b>5. EVALUATION</b>				
<p><u>Discussion should include but is not limited to:</u></p> <p><u>Summary Analysis:</u></p> <ul style="list-style-type: none"> <li>Summary of Overall Contract Variances</li> <li>Differences between EAC's (Blocks 6.a., 6.b., 6.c., or Block 8.15)</li> <li>Changes in Undistributed Budget</li> <li>Changes in Management Reserve</li> <li>Significant timephasing shifts in Baseline (BCWS) (Format 3)</li> <li>Significant timephasing shifts or overall changes in Forecasted Staffing (Format 4)</li> <li>Discussion of Over Target Baseline and/or Over Target Schedule incorporation</li> </ul> <p><u>Analysis of Significant Variances</u> (identify and describe each):</p> <ul style="list-style-type: none"> <li>Type and Magnitude of Variance</li> <li>Explanation of Significant Reasons</li> <li>Effect on Immediate Task</li> <li>Effect on Total Contract</li> <li>Corrective Actions Taken or Planned</li> </ul>				

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***Earned Value Management System (EVMS) Guidelines***

**Organization**

- 1 Define the authorized work elements for the program. A work breakdown structure (WBS), tailored for effective internal management control, is commonly used in this process.**

  - One WBS per project
  - All Contract Line Items and End Items
  - WBS elements for reporting; WBS dictionary
  - Down to Control Account (minimum)
  - Definition of Work Scope
  - Evolves with program requirements
  
- 2 Identify the program organizational structure including the major subcontractors responsible for accomplishing the authorized work, and define the organizational elements in which work will be planned and controlled.**

  - Organizational Breakdown Structure
  - All work assigned
  - Include major Subcontractors
  
- 3 Provide for the integration of the company's planning, scheduling, budgeting, work authorization and cost accumulation processes with each other, and as appropriate, the program work breakdown structure and the program organizational structure.**

  - Schedules - Master, Intermediate and detail
  - Manufacturing Requirements Planning (MRP) or Enterprise Requirements Planning (ERP) schedule
  - Control Account Plans
  - Performance reports by WBS and OBS
  - Responsibility Assignment Matrix (RAM)
  - Statement of Work
  - Work Authorization
  - WBS and OBS
  
- 4 Identify the company organization or function responsible for controlling overhead (indirect costs).**

  - Organizations assignment/Authority (Org Chart)
  - Overhead Process - resources assigned, budgets established, expense controlled
  - Chart of Accounts
  
- 5 Provide for the integration of the program work breakdown structure and the program organizational structure in a manner that permits cost and schedule performance measurement by elements of either or both structures as needed.**

  - RAM - Control account is the intersection of the WBS & OBS
  - Performance elements






**Planning, Scheduling and Budgeting**

**6 Schedule the authorized work in a manner which describes the sequence of work and identifies significant task interdependencies required to meet the requirements of the program.**

- Expected logical sequence of work, relationships and interdependencies
- Clear definition of start and completion of task (discrete work)
- Can be summarized by either WBS or OBS from detail tasks
- Traceable to the WBS and Statement of Work (SOW)
- Includes critical target dates, milestones, contractual events, accomplishment criteria, and project decision points
- Task durations are meaningful (usually short)
- Basis for measuring performance
- Provides current status and forecasts of completion dates
- Supports development of critical path


**7 Identify physical products, milestones, technical performance goals, or other indicators that will be used to measure progress.**

- Objective completion criteria to measure progress
- Interim milestones and lower tier tasks to measure progress
- Control Account Plans


**8 Establish and maintain a time-phased budget baseline, at the control account level, against which program performance can be measured.**

- Performance Measurement Baseline (PMB) - within 90 days of contract award
- Compares work accomplished (performed) with work scheduled and actual cost at the control account level
  - BCWP vs. BCWS vs. ACWP
- Planning packages
- Summary level planning packages
- Over-target Baseline (OTB)
- Management Reserve
- Work authorization document


**9 Establish budgets for authorized work with identification of significant cost elements (labor, material, etc.) as needed for internal management and for control of subcontractors**

- Control Account Plans (CAP) and Work Package Plans include appropriate direct cost elements
  - Labor - Hours and Dollars
  - Subcontract Labor - Hours and Dollars
  - Material
  - Travel
  - Depreciation for equipment, facilities unique to this program/project.
  - Other Direct Costs
- Natural flow of work (don't front load)
- Related to contract events that will be supported by completion of this effort
- RAM dollarized
- Bill of Materials (BOM)


- 10 To the extent it is practicable to identify the authorized work in discrete work packages in hours, dollars and/or other measurable units.**

  - Uniquely defined Work packages - where the work is performed
  - Planning Packages
  - Assigned to a single organizational element or IP Team aligned with functional disciplines
  - Scheduled start and completion dates; with interim milestones where possible
  - Duration - reasonable
  - Level of effort
  
- 11 Provide that the sum of all work package budgets plus planning package budgets with a control account equals the control account budget**

  - Control account plan total budget
  - Work package budget
  - Planning package budget
  - Budget Log
  
- 12 Identify and control level of effort activity by time-phased budgets established for this purpose. Only that effort which is unmeasurable or for which measurement is impracticable may be classified as level of effort.**

  - Held to lowest practical level (10-20% max)
  - When level of effort is mixed with a discrete control account, ensure visibility of both
  
- 13 Establish overhead budgets for each significant organizational component of the company for expenses which will become indirect costs. Reflect in the program budgets, at the appropriate level, the amounts in overhead pools that are planned to be allocated to the program as indirect costs.**

  - Overhead (The project or program management, computing)
  - Burden (Corporate Allocations - management, computing, etc.)
  - Usage and Occupancy
  - General and Administrative Expense
  - Organization chart - identify organization(s) maintaining and managing indirect costs
  - Overhead policies and procedures are traceable, rational
  - Chart of Accounts
  - Consistent and proper accounting (Cost Accounting Standards Board (CASB))
  
- 14 Identify management reserves and undistributed budget.**

  - Program Control Log (sometimes called a Budget Log)
  - PMB (showing monthly changes identifying contract mods, current value and changes to management reserve)
  - Cost Performance Reports (CPRs)
  
- 15 Provide that the program target cost goal is reconciled with the sum of all internal program budgets and management reserves.**

  - Program Control Log (sometimes called a Budget Log)
  - Contract Budget Base (total Contract Value less Fee)
  - Program Management Reserve
  - Undistributed Budget
  - Planning Packages
  - Performance Measurement Baseline (Direct Costs, Indirect Costs, Functional Management Reserve (not recommended))

**Accounting Considerations**

- 16 Record direct costs in a manner consistent with the budgets in a formal system controlled by the general books of account.**  
 For each control account and each cost element within the control account there should be a unique charge line. (minimum)

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- 17 When a work breakdown structure is used, summarize direct costs from control accounts into work breakdown structure without allocation of a single control account to two or more work breakdown structure elements.**  
 WBS Structure (roll-up scheme) showing hierarchy of WBS elements, control accounts and work packages.  
 Monthly CPR Report

- 18 Summarize Direct Costs from the control accounts into the contractor's organization elements without allocation of a single control account to two or more organizational elements.**  
 Organization chart; OBS structure (roll-up scheme)  
 Program established charging structure that matches to OBS and WBS  
*An EVMS system should be able to roll costs in various ways - by WBS, by control account, by cost element; by cost element by control account; by Subcontractor by control account, by WBS; by functional organization by control account, by cost element; and any other way you can think of - flexibility.*

- 19 Record all indirect costs which will be allocated to the project.**  
 Cost collection account structure - identifies chargeable items to cost centers  
 Cost collection mapping.

- 20 Identify unit costs, equivalent unit costs, or lot costs when needed.**  
 Primarily used for manufacturing - MRP and ERP systems

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- 21 For EVMS, the material accounting system will provide for:**  
 1) Accurate cost accumulation and assignment of costs to control accounts in a manner consistent with the budgets using recognized, acceptable costing techniques.  
 2) Cost performance measurement at the point in time most suitable for the category of material involved, but no earlier than the time of progress payments or  
 3) Full accountability of all material purchased for the project including the residual inventory.  
 Usage accountability - accepted costing techniques.


**Analysis and Management Reports**

- 22 At least on a monthly basis, generate the following information at the control account and other levels as necessary for management control using actual cost data from, or reconcilable with, the accounting system.**  
 1) Comparison of the amount of planned budget and the amount of budget earned for work accomplished. This comparison provides the schedule variance.  
 2) Comparison of the amount of the budget earned and the actual direct costs for the same work. This comparison provides the cost variance.  
 Cost Performance Report  
 BCWS, BCWP, ACWP, Schedule Variance, Cost Variance, Variance at Completion, Variance Analysis Report (VAR)  
 Variance thresholds to establish reporting criteria for VARs.


- 23 Identify, at least monthly, the significant difference between both planned and actual schedule performance and planned and actual cost performance, and provide the reasons for the variances in the detail needed by program management.**

  - Variance Analysis Report (VAR)
  - Reason, Action, Impact Statements (Root Causes, Action Plans)
  - Update EAC if necessary
  - Analyze Schedule impact on whole program
  
- 24 Identify budgeted and applied (or actual) indirect costs at the level and frequency needed by management for effective control, along with the reasons for any significant variance.**

  - Indirect Variance Analyses
  - Thresholds
  - Reason, Action, Impact Statements (Root Causes, Action Plans)
  - Update EAC if necessary
  
- 25 Summarize the data elements and associated variance through the program organization and/or work breakdown structure to support management needs and any customer reporting specified in the project.**

  - Use the same data, information and variance explanations for internal and external reporting
  
- 26 Implement managerial action taken as the result of earned value information.**

  - Follow-up of action plans to verify implementation.
  - Risk management data and metrics.
  - Management action plans and review briefings.
  - To complete performance index (TCPI)
  
- 27 Develop revised estimates of cost at completion based on performance to date, commitment values for material, ad estimates of future conditions. Compare this information with the performance measurement baseline to identify variances at completion important to company management and any applicable customer reporting requirements including statements of funding requirements.**

  - Evaluate performance to date efficiency achieved by performing organizations for complete work and comparing it to remaining budget.
  - Operational Metrics
  - Basis of estimates
  - Risk Management Plans (identification, mitigation, and opportunities)
  - Earned Value Metrics
  - EACs
  - Material and subcontractor performance data



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**Revisions and Data Maintenance**

**28 Incorporate authorized changes in a timely manner, recording the effects of such changes in the budgets and schedules. In the directed effort prior to negotiation of a change, base such revisions on the amount estimated and budgeted to the program organizations.**

- Contractual change documents.
- Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)
- Control Account/work package/planning packages
- Master schedules, intermediate schedules, detailed schedules
- Statement of Work (SOW), WBS, and WBS dictionary.
- Work authorization documents
- CPRs and applicable management reports

**29 Reconcile current budgets to prior budgets in terms of changes to the authorized work and internal replanning in the detail needed by management for effective control.**

- Contractual change documents.
- Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)
- Control Account/work package/planning packages
- Master schedules, intermediate schedules, detailed schedules
- Statement of Work (SOW), WBS, and WBS dictionary.
- Work authorization documents
- CPRs and applicable management reports

**30 Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs, earned value, or budgets. Adjustments should be made only for correction of errors, routine accounting adjustments, effects of customer or management directed changes, or to improve the baseline integrity and accuracy of performance measurement data.**

- Retroactive change control process including approval of internal management and external customer.

**31 Prevent revisions to the program budget except for authorized changes.**

- Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)

**32 Document changes to the performance measurement baseline.**

- Change control logs (management reserve, undistributed budget, performance measurement baseline, and contract budget base)

**EM Consolidated Business Center (EMCBC)  
Earned Value Management System (EVMS)  
Certification and Surveillance Plan**

**I. PURPOSE**

This plan is issued to provide a uniform way to ensure that an Earned Value Management System (EVMS) meets the thirty-two (32) ANSI/EIA-748 EVMS guidelines and nine (9) management processes. The purpose of this document is to provide instructions and a template for the EVMS Certification/Surveillance.

Certification is a process that involves reviewing and certifying that the design and implementation of a contractor's EVMS is in conformance with ANSI/EIA-748. The certification is not to verify how well projects or programs are performing, but to assess the capability of the system to provide an objective measure of progress and the effective use of the system by the contractor and for the Department. Elements of the EVMS are evaluated individually and as a whole to ensure that they meet the intent of ANSI/EIA 748. EVMS certification applies to the following:

- Projects with a TPC between \$20M and \$50M require self-certification by the contractor.
- Projects with a TPC between \$50M and \$100M require certification by the PMSO (in this case EMCBC).
- Projects with a TPC greater than \$100M requires certification by OECM (EMCBC will review certification materials for assigned projects prior to submission to OECM for certification review).

Surveillance is the recurring process of reviewing a contractor's EVMS to ensure continued compliance with ANSI/EIA-748. An effective surveillance process ensures that the key elements and the use of an EVMS are maintained over time and on subsequent projects. The purpose of surveillance is to ensure that the contractor is continuing to use their EVMS effectively to monitor and manage cost, schedule and technical performance. The cost thresholds listed above for EVMS Certification also apply to EVMS Surveillance responsibility.

The results of system surveillances are documented in a written report, consistent with the Site Surveillance Program. The report will be issued in accordance with the annual EVMS surveillance schedule and should include an overall assessment of the contractor's implementation of the EVMS, scope of the review, personnel interviewed, and findings of deficiency or non-compliance that resulted in Corrective Action Requests (CARs).

This Plan has been developed to document the ability of the contractor to implement the EVMS as an integral part of its management process and to ensure that cost and schedule reports provide DOE with:

- Timely and reliable cost, schedule, and technical performance measurement data and information that depicts actual conditions;
- Data and information that is auditable;
- Timely indications of actual or potential problems;
- Comprehensive variance analysis and corrective action reporting regarding cost, schedule, technical, and other problem areas, as well as proposed date(s) for cost and schedule recovery; and
- Insights on actions taken to mitigate risks to the program.

This Plan also serves as a mechanism to document that the contractor's EVMS meets and/or continues to be compliant with the thirty-two (32) ANSI/EIA-748 EVMS guidelines and nine (9) management processes by:

- Training designated program personnel in the use of the EVMS;
- Integrating cost, schedule, and technical planning into a single, well-controlled performance measurement baseline.
- Establishing clear lines of authority and responsibility for accomplishment of work elements;
- Using information early, and continuously, to formulate corrective actions and work around plans to mitigate significant variances from the baseline plan;
- Providing valid and timely management information; and
- Ensuring the integration of management systems.

This Plan also serves to accomplish the following oversight activities:

- Encourage continuous improvement and innovation of the EVMS to include people, processes, tools, and techniques.
- Maintain a disciplined process using EVMS
- Follow-up on the contractor's corrective action to assure the current and any foreseeable problems are eliminated.
- Maintain metrics to determine the effectiveness of the EVMS and to distinguish between systemic and non-systemic problems.

## II. SCOPE

Certification review scope encompasses a project's statement of work as reflected by a project specific contract and/or PEP. When a contractor has multiple projects, certification may be accomplished on a single or multiple project basis, with this decision being dependent primarily on the types of projects being managed and where each project is in its life cycle.

The EVMS surveillance process is risk-based and assessed annually, with a requirement to review all nine (9) management processes and thirty-two (32) guidelines over the course of a year. This allows flexibility in the timing of scheduled reviews and adjusting for key program events so that surveillance does not intrude on program requirements yet appropriately matches process reviews with program content. The selection of key management processes and guidelines reviewed should be relevant to operations.

The scope of a certification review or surveillance should include the following:

- Review of all Guidelines and Process areas to determine whether processes, procedures, and methods are compliant with the EVMS guidelines;
- Review descriptive documents containing contractor's policies and procedures to ensure they are understood and followed in actual operation;
- Determine how data is generated by the system and used in the management of the program;
- Determine management's knowledge of the EVMS roles and responsibilities of its operating personnel;
- Provide an explanation of any revisions or deviations from the approved annual schedule;
- Document CAM discussions;
- Identify areas for independent data traces; and
- Status of the program's CARs.

## III. METHODOLOGY

The following system and program documentation will be reviewed. This list is not exhaustive and can be updated to include more specific items, or can be tailored to remove items not required at any one specific review.

- Program specific instructions on EVMS implementation;
- Correspondence relating to EVMS;
- Organization charts;
- Statement of Work;

- Contract Work Breakdown Structure;
- Dollarized Responsibility Assignment Matrix identifying Control Account Managers by WBS and OBS;
- Work authorization documentation;
- Contract Budget Baseline, Management Reserve, and Undistributed Budget logs;
- Baseline Changes;
- Control Account Plans;
- Material purchasing reports;
- Subcontractor reports, as applicable;
- Contract Performance Reports;
- Program schedules, Integrated Master Schedule;
- EVM related contract deliverables;
- Staffing plans;
- Rate applications and changes since the last review;
- Modifications to the contract since last review;
- Modifications to the EVM System; and
- Estimate at Completion supporting documentation.

#### IV. SCHEDULE

In most cases, EVMS certification will be a condition for CD-3 approval. Therefore, efforts need to be made to plan and execute the certification process on a schedule that can meet this requirement. The certification process should be scheduled in advance in anticipation of referenced CDs and new contractors.

The system surveillance schedule is developed annually and identifies processes, guidelines, program(s)/contract(s), and timeframes. This schedule is based on risks and new developments, as appropriate. For the last quarter of the year, a surveillance will be conducted to reconcile previous quarterly surveillances and CARs, and provide a summarization with a recommendation relative to the status of the EVMS.

ANNUAL EVMS SURVEILLANCE SCHEDULE				
<b>PART 1:</b>				
<b>1.A. FISCAL YEAR</b>		<b>1.B. SURVEILLANCE POINT OF CONTACT</b>		
<b>1.C. FEDERAL PROJECT OFFICE</b>		<b>1.D. PBS</b>		
<b>1.E. CONTRACTOR</b>		<b>1.F. LOCATION (CITY/STATE)</b>		
<b>1.G. DATE SURVEILLANCE SCHEDULE PREPARED</b>		<b>1.H. FEDERAL SITE MANAGER APPROVAL</b>		
<b>PART 2: FOR EACH OF THE NINE PROCESSES, IDENTIFY WHICH GUIDELINES WILL BE REVIEWED. IDENTIFY WHICH WBS ELEMENTS WILL BE REVIEWED AGAINST EACH OF THESE GUIDELINES AND THE NAMES OF THE REVIEWERS.</b>				
<b>2.A. PROCESS(ES)</b>	<b>2.B. GUIDELINES</b>	<b>2.C. WBS ELEMENT(S)</b>	<b>2.D. PERIOD OF SURVEILLANCE</b>	<b>2.E. REVIEWER(S)</b>
ORGANIZING	1, 2, 3, 5		QUARTER 1	
WORK/BUDGET AUTHORIZATION	8, 9, 10, 11		QUARTER 1	
WORK/BUDGET AUTHORIZATION	12, 14, 15		QUARTER 1	
SCHEDULING	6 AND 7		QUARTER 2	
ACCOUNTING	16, 17, 18, 20, 22, 30		QUARTER 2	
MATERIAL MANAGEMENT SUBCONTRACT MANAGEMENT	21 (2, 16)		QUARTER 2	
MATERIAL MANAGEMENT SUBCONTRACT MANAGEMENT	(9, 10, 12, 22, 23, 27) (9, 10, 12, 22, 23, 27)		QUARTER 2	
MANAGERIAL ANALYSIS	22, 23, 25, 26		QUARTER 3	
MANAGERIAL ANALYSIS	27		QUARTER 3	
CHANGE INCORPORATION	28, 29, 30, 31, 32		QUARTER 3	
INDIRECT MANAGEMENT	4, 8, 13, 19, 24, 27		QUARTER 3	
<b>PART 3: END OF YEAR RECONCILIATION OF REVIEWS, PREPARE RECOMMENDATION TO FEDERAL SITE MANAGER.</b>				
<b>3.A. SCHEDULED COMPLETION DATE OF YEAR END RECOMMENDATION TO ACO</b>			<b>QUARTER 4</b>	

**V. REFERENCES**

1. DOE O 413.3B, Program and Project Management for the Acquisition of Capital Assets, November 29, 2010
2. Memo, J.E. Surash to Distribution, Subject: “Establishing the Requirements for an Earned Value Management System, Standardizing Minimal Reporting Requirements, and Implementing and Earned Value Management System Surveillance Program” dated July 6, 2007
3. EMCBC PS 413.3B, Subject: Program and Project Management for the Acquisition of Capital Assets, Rev. 2 dated June, 2011
4. Memo, Standardizing Reporting and Surveillance for an Earned Value Management System Surveillance, November 27, 2008.
5. DOE G 413.3-10, Earned Value Management System (EVMS), May 6, 2008

**EMCBC RECORD OF REVISION****DOCUMENT - Earned Value Management System (EVMS) Certification, Reporting and Surveillance Requirements for Small Sites Projects**

If there are changes to the controlled document, the revision number increases by one. Indicate changes by one of the following:

- I Placing a vertical black line in the margin adjacent to sentence or paragraph that was revised.
- I Placing the words GENERAL REVISION at the beginning of the text.

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<b>Rev. No.</b>	<b>Description of Changes</b>	<b>Revision on Pages</b>	<b>Date</b>
1	Original procedure	All	11/6/07
2	General Revision Changes to address revised Order and AE Authority Delegation	All	06/23/11