



National
Aeronautics and
Space
Administration

Routing Slip

Mail Suite	Name	Action
		Approval
		Call me
OZ121	Camille Alleyne	Concurrence
	<i>per attached email</i>	File
DA000	Gregory L. Robinson <i>3/22</i>	Information
	<i>[Signature]</i>	Investigate and Advise
DA000	Thomas H. Zurbuchen <i>3/22</i>	Note and Forward
	<i>[Signature]</i>	Note and Return
LP011	GEOFFREY SARGE	Per Request
	<i>[Signature]</i>	Per Phone Conversation
MD000	SCOTT BARBER	Recommendation
	<i>[Signature]</i>	Seeme
LP010	WILLIAM MCARDLE	Signature
	<i>[Signature]</i>	Circulate and Destroy
	MONICA MANNING	

Sarge
4/5/18

Request for a Deviation from the Federal Acquisition Regulations (FAR) and the NASA FAR Supplement (NFS) 1834.201 Earned Value Management System Policy for SMD Class-D Tailored/Streamlined Missions \$150M or less.

Please call Denise Hart (x4425) for pick-up when completed.

Name	Tel. No. (or suite) & Ext.
CAMILLE ALLEYNE	X0538
Suite (or other designation)	Date
	3/23/2018

National Aeronautics and
Space Administration

Headquarters
Washington, DC 20546-0001



Reply to Attn of: Program Operations Division

TO: Science Mission Directorate (SMD)
Attn: Thomas H. Zurbuchen, Ph.D., Associate Administrator

FROM: Assistant Administrator for Procurement

SUBJECT: Approval of Request to Deviate – Earned Value Management Systems from SMD
Class-D Tailored/Streamlined Missions

I hereby grant approval for the NASA Science Mission Directorate (SMD) to deviate from the FAR and NFS 1834.201, Earned Value Management Systems requirement, for certain contracts that support SMD Mission Risk Classification D space flight projects. Accordingly, this deviation would apply to those cost or fixed-price incentive contracts and subcontracts with a value of at least \$20M and with an estimated life-cycle cost below \$150M.

Should you have any questions or concerns, please feel free to contact Sonya Harmon, Procurement Analyst, HQ, Program Operations Division at 202-358-0115 or sonya.harmon@nasa.gov.

Monica Y. Manning

Date

March 23, 2018

PS01

TO: Assistant Administrator for Procurement

FROM: Associate Administrator for Science Mission Directorate (SMD)

SUBJECT: Request for a Deviation from the Federal Acquisition Regulations (FAR) and the NASA FAR Supplement (NFS) 1834.201 Earned Value Management System Policy for SMD Class-D Tailored/Streamlined Missions \$150M or less.

To assist in evaluating this request for deviation, the following information is provided in accordance with NFS 1801.471(b) for your review:

1. Identification of the FAR or the NFS requirement from which a deviation is sought

1834.201 Policy.

(a) NASA requires use of an Earned Value Management System (EVMS) on contracts for development or production work, including development or production work for flight and ground support systems and components, prototypes, and institutional investments (facilities, IT infrastructure, etc.) as specified below:

(1) For cost or fixed-price incentive contracts and subcontracts valued at \$100 million or more the contractor shall have an EVMS that has been determined by the cognizant Federal agency to be in compliance with the guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (ANSI/EIA-748).

(2) For cost or fixed-price incentive contracts and subcontracts valued at \$20 million or more but less than \$100 million, the contractor shall have an EVMS that complies with the guidelines in ANSI/EIA-748, as determined by the cognizant Contracting Officer.

2. Full Description of the Deviation

A deviation is sought from the EVMS requirement of NFS 1834.201 for certain contracts that support SMD Mission Risk Classification D space flight projects that are tailored to the SMD Class-D Tailoring/Streamlining Policy. Specifically, the requested deviation would apply to cost or fixed-price incentive contracts and subcontracts with a value of at least \$20 million and with an estimated Life Cycle Cost (LCC) below \$150 million.

The deviation will apply to all Class-D missions with a LCC of up to \$150M (not including launch costs) that are using tailored and streamlined processes per the SMD Class-D Tailoring/Streamlining Policy.

3. Effect

The intended effect of not requiring these class of missions to have a formal EVMS is to allow Class-D projects to be low cost, have a short development and operational life cycle and a higher risk. This allows SMD to maintain a balanced portfolio across several mission classes. It also relieves these Class-D tailored/streamlined missions of the management processes traditionally applied to other mission classes that can drive schedules and cost and that can inadvertently hinder the potential innovativeness of these missions.

4. History

Not Applicable – The SMD Class-D Tailoring/Streamlining Policy went into effect January 1, 2018. It applies to all future missions with a LCC of up to \$150 million (excluding lunch vehicle costs)

5. Contractor Identification

All contractors and subcontractors under cost reimbursable and fixed priced contracts or subcontracts in support of future Class-D missions implementing the Class-D Tailoring/Streamlining Policy that do not exceed \$150 million will be affected.

6. Rationale

EVMS represents additional monitoring, oversight, and reporting that is not consistent with SMD's desire for streamlined processes for Class-D tailored missions \$150M or less. Although EVM is not required, SMD expects that performance measurement basic best practices are necessary as defined per the performance measurement referenced in the NASA Associate Administrator memo dated Sept 26, 2014 found at https://soma.larc.nasa.gov/standardao/pdf_files/CAT3-ClassD-Letter.pdf. This reflects sound accounting practices that rely on a detailed understanding of the overall work to be performed, its breakdown into measurable pieces, a well-formed understanding on how hardware and services are acquired, and a financial system that detects that expenditures and progress towards completion of the proposed hardware are consistent and verifiable.

Class-D missions are a crucial part of the Science Mission Directorate's mission portfolio, even though they are typically at lower cost than other missions and lower national priority. However, they provide an ideal platform for technological and architecture innovation and are training ground for a diverse set of scientists and engineers. Class-D missions are also well-suited for novel partnership models between NASA and the commercial sector. These missions are thus a critical part of the SMD mission portfolio, but only if their management process are aligned with their overall goals. For that reason, SMD has been pursuing a streamlined process for implementing Class-D mission that recognizes their unique and important role in SMD's mission portfolio, which can only occur if management processes traditionally applied to other mission

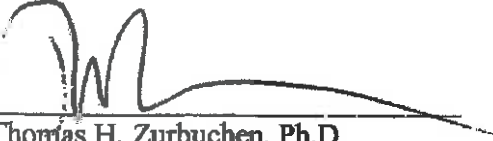
classes don't inadvertently diminish the potential innovativeness of these missions. An overall SMD approach to managing Class-D science missions has been developed to describe the principles and approach that will guide the implementation of Class-D missions going forward. This new approach is a tailoring/streamlining of how we execute per NPR 8704.5, Risk Classification for NASA Payloads (updated w/change 3); NPR 7120.5, NASA Space Flight Program and Project Management Requirements w changes 1-15; and the SMD Management handbook.

The deviation will be in place and aligned with the duration of SMD Class-D Tailoring/Streamlining Policy.

7. A copy of counsel's concurrence or comments

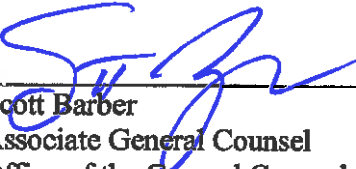
The Office of the General Counsel reviewed the subject deviation request and determined it to be legally sufficient, as evidenced by the concurrence signature below.

Signature Page



Thomas H. Zurbuchen, Ph.D.
Associate Administrator
Science Mission Directorate

Concurrence:



Scott Barber
Associate General Counsel
Office of the General Counsel

4/5/2018

Date

Approval:

Monica Y. Manning
Assistant Administrator for Procurement

Date