

EVM APPLICATION AND THRESHOLDS

EVM system compliance and use is required on all acquisitions for development designated as major in accordance with OMB Circular A-11 and the Capital Programming Guide. At NASA, EVM is required for development or production contracts and subcontracts (including those for flight and ground systems, institutional requirements (facility, information technology, investment, etc.) valued at or greater than \$20 million. EVM is required on NASA spaceflight projects with life cycle cost of \$250 million or greater. SMD Mission Risk Class-D space flight projects and contracts with a LCC of up to \$150M (not including launch costs) have an approved deviation from the EVM requirements of NFS 1834.201. Class-D missions with a LCC of up to \$150M (not including launch costs) should use the processes per the SMD Class-D Tailoring/Streamlining Policy. EVM reporting against the PMB begins during Key Decision Point-B (KDP-B). The primary consideration for EVM applicability is the nature of the work, associated risks, and the value of the effort. EVM is not recommended on Firm Fixed Price contracts or contracts that are exclusively LOE. Refer to the [NASA Earned Value Management](https://www.nasa.gov/evm) website at <https://www.nasa.gov/evm>.

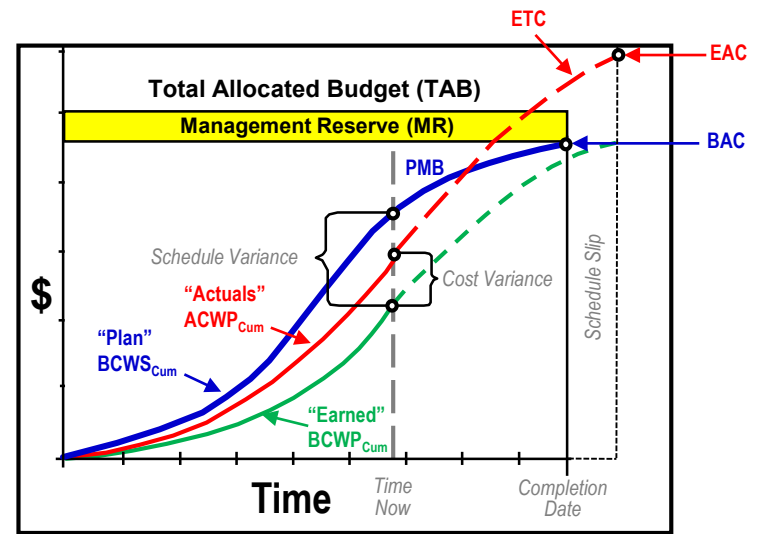
EVM required on NASA spaceflight projects with a life cycle cost of \$250 million or greater. EVM reporting against the PMB begins during KDP-B. Projects with EVM requirements will use the NASA EVM capability.

Development/ Production Contract (Total Estimated Value)	EIA-748 EVMS Standard (PCD15-05)	NASA EVMS Solicitation & Contract Clause (PCD15-05)	IPMR DRD (PIC15-06)	WBS DRD	Project Cost Report DRD (Non-EVM)	Supplier Flow Down (EVM)
Cost or Fixed Price Incentive Type ≥ \$100M	Validation Required	Required: NFS 1852.234-1 & NFS 1852.234-2	Required: Formats 1, 3, 5 and 6 (IMS); Rec.: Formats 2, 4 and 7	Required	Not Required	Prime contractor responsible for EVMS requirements on sub-contractors using same rules as applied to prime contract.
Cost or Fixed Price Incentive Type \$20M but < \$100M	Compliance with guidelines; validation not required	Required: NFS 1852.234-1 & NFS 1852.234-2 with Alternate 1	Required: Formats 1, 3, 5, and 6 (IMS); Optional: Formats 2, 4, and 7	Required	Not Required	
Cost or Fixed Price Incentive Type < \$20M; Major Acquisition Non-development contracts	Not required (optional at discretion of PM)	Not required unless PM elects to require EVM; then apply NFS 1852.234-1 & NFS 1852.234-2 with Alternate 1	Required: Format 6 (IMS) Rec.: Format 5 (Formats 1, 3 and 7 not required unless PM elects to require EVM)	Required	Required if EVMS and IPMR <u>not</u> required	
Firm Fixed Price > \$20M	Not required	Not required	Required: Format 6 (IMS); Rec.: Format 5	Required	Not required	



PERFORMANCE MANAGEMENT REFERENCE CARD

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VARIANCES Positive is Favorable, Negative is Unfavorable
 Cost Variance CV = BCWP – ACWP
 (-)=over (+)=under budget CV % = (CV / BCWP) * 100
 Schedule Variance SV = BCWP – BCWS
 (-)=behind (+)=over schedule SV % = (SV / BCWS) * 100
 Variance at Completion VAC = BAC – EAC
 VAC % = (VAC / BAC) * 100

OVERALL STATUS*
 % Schedule = (BCWS_{CUM} / BAC) * 100
 % Complete = (BCWP_{CUM} / BAC) * 100
 % Spent = (ACWP_{CUM} / BAC) * 100
 *Note: For total contract, budget at completion should include management reserve and undistributed budget

EFFICIENCIES
 Cost Efficiency CPI = BCWP / ACWP Favorable is > 1.0, Unfavorable is < 1.0
 CPI: For every \$1.00 of actual cost, we earned \$X worth of work planned
 Schedule Efficiency SPI = BCWP / BCWS Favorable is > 1.0, Unfavorable is < 1.0
 SPI: For every \$1.00 of work planned (scheduled), \$X worth of work was accomplished or earned.

Baseline Execution Index (BEI) & Hit/Miss Task % (Favorable is > 1.0, Unfavorable is < 1.0)
 BEI = Total Baseline Tasks Completed / (Total Tasks with Baseline Finish On or Prior to Current Report Period)
 Hit / Miss Task % = 100 * (Tasks Completed ON or PRIOR to Baseline Finish / Tasks Baselined to Finish within Current Report Period).

CALCULATED ESTIMATE AT COMPLETION = Actuals to Date + [(Remaining Work) / (Performance Factor)]
Examples:

$EAC_{CPI} = ACWP_{CUM} + [(BAC - BCWP_{CUM}) / CPI_{CUM}]$ – typically a best case
 $EAC_{Composite} = ACWP_{CUM} + [(BAC - BCWP_{CUM}) / (CPI_{CUM} * SPI_{CUM})]$ – typically a worst case

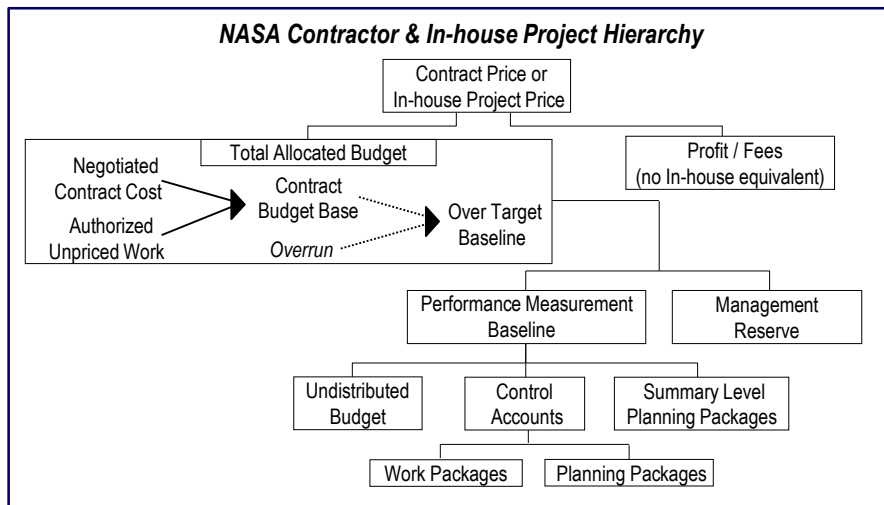
TO COMPLETE PERFORMANCE INDEX (TCPI)
 $TCPI_{Target} = \text{Work Remaining} / \text{Cost Remaining} = (BAC - BCWP_{CUM}) / (Target - ACWP_{CUM})$

TCPI: For every \$1.00 of cost, estimate to earn \$X worth of work planned to finish on EAC
 \$ To Determine the TCPI for BAC or EAC ; Replace TARGET with BAC or EAC
 # To Determine the Contract Level TCPI for EAC, You May Replace BAC with TAB

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Refer to NASA EVM Website at <https://www.nasa.gov/evm> for NASA EVM policy, requirements, guidance, etc.

EVM REGULATIONS/REQUIREMENTS (<https://www.nasa.gov/evm/regulations> unless otherwise noted)

- OMB Circular A-11, Appendix J
- NASA NPD 7120.4 – NASA Engineering and Program/Project Management Policy
- NPR 7120.5 – NASA Space Flight Program and Project Management Requirements - defines when EVM is required and requires projects with EVM requirements to use an EVM system that complies with the 32 Guidelines found in the EIA-748 Earned Value Management System (EVMS) Standard at <https://www.acq.osd.mil/evm/#/policy-guidance/evms-guidelines>
- NPR 7120.7 – NASA Information Technology Program and Project Management Requirements
- NPR 7120.8 – NASA Research and Technology Program and Project Management Requirements
- NASA Procurement Class Deviation (PCD) 15-05, Class Deviation to NFS 1834.2, 1834.203-70, 1852.234-1, and 1852.234-2 – EARNED VALUE MANAGEMENT SYSTEM, November 10, 2015
- NASA Procurement Information Circular (PIC) 10-17, Class Deviation to NFS 1816.405-274: Award Fee Evaluation Factors are not Directly Tied to EVM Metrics, November 15, 2010
- NASA PIC 15-06, Guidance on the Integrated Program Management Report (IPMR) for EVM, April 28, 2015
- NASA EVM Contract Requirements Checklist
- NASA/Defense Contract Management Agency Memorandum of Understanding

EVM GUIDANCE (<https://www.nasa.gov/evm/guidance> unless otherwise noted)

- The Integrated Program Management Report (IPMR), Data Item Description DI-MGMT-81861 (Rev A) at <https://www.acq.osd.mil/evm/#/policy-guidance/archive>, is a consolidation of the Contract Performance Report (CPR) and the Integrated Master Schedule (IMS). See NASA IPMR Data Requirements Description (DRD) Guide for preparation of the IPMR DRD.
- Sample Standard Analysis Package
- Requesting Access to EVM Tools
- Reporting for Contracts with No Earned Value Management (EVM) Requirements

EVM IMPLEMENTATION HANDBOOKS (<https://www.nasa.gov/evm/handbooks>)

- EVM Implementation Handbook
- Integrated Baseline Review (IBR) Handbook
- NASA Schedule Management Handbook
- NASA Work Breakdown (WBS) Structure Handbook
- EVM Reference Guide for Project Control Account Managers

ACRONYMS

- ACWP Actual Cost of Work Performed** – Cost actually incurred in accomplishing work performed aka Actual Cost (AC)
- AUW Authorized Unpriced Work** – Work formally authorized, but not yet negotiated/definitized
- BAC Budget At Completion** – Total budget for total project/contract thru any given level
- BCWP Budgeted Cost for Work Performed** – Value of completed work in terms of the work's assigned budget aka *Earned Value (EV)*
- BCWS Budgeted Cost for Work Scheduled** – Time-phased Budget Plan for work currently scheduled aka *Planned Value (PV)*
- BEI Baseline Execution Index** – Similar to the SPI, the metric used to indicate the efficiency with which actual work has been accomplished when measured against the baseline. It compares the cumulative number of baselined tasks actually completed each month to the cumulative number of baselined tasks scheduled to be completed each month. To assess whether the tasks actually completed as planned during a current month, calculate the **Hit/Miss Task %**.
- CA Control Account** – Lowest WBS element assigned to a single focal point to plan & control scope / schedule / budget
- CBB Contract Budget Base** – Sum of the negotiated project/contract cost plus the estimated cost of authorized unpriced work. It includes the PMB and MR. Customer approval is generally required to change it.
- CPI Cost Performance Index** – A measure of cost efficiency. Worth of work for every dollar spent. It compares BCWP to the actual cost to perform that work ($CPI = BCWP / ACWP$).
- CPM Critical Path Method** – A sequential path of tasks in a network schedule that represents the longest overall duration from "time now" through project completion. Any slippage of the tasks in the critical path will increase the project duration.
- DRD Data Requirements Description** – The document that describes the specific data required for supplier/contract management and reporting.
- EAC Estimate At Completion** – Estimate of total cost for project/contract thru any given level generated by Supplier (Ktr), PMO, DCMA, etc. = $EAC_{Ktr / PMO / DCMA}$. The Supplier's EAC is also known as **Latest Revised Estimate (LRE)**.
- ETC Estimate To Complete** – Expected/anticipated costs needed to complete the remainder of work on project/contract.
- IBR Integrated Baseline Review** – A risk-based review conducted by Program/Project Management to ensure mutual understanding between the customer and supplier of the risks inherent in the supplier's performance measurement baseline (PMB) and to ensure the PMB can be accomplished within the authorized schedule and budget.
- IPMR Integrated Program Management Report** – Consists of seven formats containing data for measuring cost and schedule performance on Government acquisition contracts (Formats 1-5 formerly the Contract Performance Report (CPR)):
 - Format 1 defines cost and schedule performance data by product-oriented WBS elements.
 - Format 2 defines cost and schedule performance data by supplier's organization structure.
 - Format 3 defines changes to the Performance Measurement Baseline (PMB).
 - Format 4 Defines staffing forecasts.
 - Format 5 is a narrative report used to provide the required analysis of data contained in Formats 1-4 and 6.
 - Format 6 defines and contains the Integrated Master Schedule (IMS).
 - Format 7 defines the time-phased historical and forecast cost submission.
- LOE Level of Effort** – Effort of a general or supportive nature that does not produce definite end products. Examples include supervision, program administration and contract administration.
- NCC Negotiated Contract Cost** – Contract Price Minus profit or fee(s). For In-house projects, the agreed to value.
- OTB Over Target Baseline** – Sum of CBB + additional budget approved for remaining work.
- PAC Price At Completion** – EAC Plus Adjusted Profit or Fee(s).
- PMB Performance Measurement Baseline** – The time-phased budget plan for authorized work.
- PP Planning Package** – Far-term effort not yet defined into WPs.
- SLPP Summary Level Planning Package** – Far-term contract activities not yet defined into CAs.
- SPI Schedule Performance Index** – A measure of schedule efficiency. It compares the BCWP to the work scheduled ($SPI = BCWP/BCWS$). An index of 1.0 means the work is being performed right to the schedule. $SPI > 1.0$ means that the work is ahead of schedule. $SPI < 1.0$ means that the work is behind schedule.
- TAB Total Allocated Budget** – Sum of all budgets for work on in-house project or contract = NCC, CBB, or OTB.
- UB Undistributed Budget** – Budget associated with specific work scope or authorized changes that have not been assigned to a CA or lower level WBS element.
- UFE Unallocated Future Expenses** – Estimated cost that cannot be allocated to WBS elements due to risk and future needs.
- VAC Variance at Completion** – Comparison of the BAC to the EAC through any given level (expected overrun or underrun of total costs)
- WP Work Package** – Near-term, detail-planned activities within control account; unit of work at level work is performed.
- WBS Work Breakdown Structure** – A hierarchical product-oriented division of program tasks depicting the breakdown of work scope for work authorization, tracking, and reporting purposes.