SUBCHAPTER F-SPECIAL CATEGORIES OF CONTRACTING

NFS CG 1834
MAJOR SYSTEM ACQUISITION

TABLE OF CONTENTS

NFS CG 1834
MAJOR SYSTEM ACQUISITION

1834.1 - Responsibilities.

Policies related to the implementation of Major Systems Acquisition for NASA are located in FAR Part 34, NFS 1834, NASA Policy Directive (NPD) 7120.4 "NASA Engineering and Program/Project Management Policy" and NASA Procedural Requirement (NPR) 7120.5 "NASA Space Flight Program and Project Management Requirements".

1834.2—Earned Value Management System

Policy.

a) NASA applies the Earned Value Management System (EVMS) requirement to all contracts, subcontracts, and task orders, inclusive of all options that—

   Are cost or fixed-price incentive fee;

   i. Have a value of $50 million or more;

   ii. Have a period of performance of at least 18 months; and

   iii. Contain development work scope

b) For contracts, subcontracts, and task orders that meet the criteria in paragraph (a) and are valued at $100 million or more inclusive of options, the contractor must have an EVMS that has been accepted by the cognizant Federal agency (CFA) as compliant with the guidelines in the Electronic Industries Alliance 748 (EIA-748), Standard for Earned Value Management Systems.

c) For contracts, subcontracts, and task orders that meet the criteria in paragraph (a), and are valued less than $100 million, the contractor must have an EVMS that complies with the guidelines in EIA-748, as determined by the cognizant contracting officer.

d) For contracts, subcontracts, and task orders that do not meet the criteria in paragraph (a) the application of EVM is optional and is a risk-based decision at the discretion of the program/project manager.

e) EVM is not required for contracts, subcontracts, and task orders that support Science Mission Directorate, (SMD) Mission Risk Classification D space flight projects with an estimated life-cycle cost below $150M.

f) EVMS requirements may be applied to acquisitions of any value, type, or period performance designated as major by the program manager in accordance with the Office of Management and Budget (OMB) Circular A-11 or as a risk-based decision of the program manager.

g) Requests for deviations from the EVMS requirements policy in paragraph (a) must be submitted to the cognizant procurement analyst in the Office of Procurement, Program Operations Division for approval by the Assistant Administrator for Procurement. The deviation request must be prepared by the requiring organization and shall include a justification why EVMS requirements should not be levied on an acquisition meeting the criteria identified in paragraph (a).

h) If the contracting officer receives an over-target baseline (OTB) and/or an over-target schedule (OTS) request from a contractor in accordance with NFS 1852.234-2, Earned Value Management System, the contracting officer, in consultation with the requiring organization, must issue a formal written response to the contractor either approving or disapproving their request. The response must be placed in the contract file.

i) If an offeror proposes to use a system that has not been determined to be in compliance with the EIA-748, the offeror shall submit a comprehensive plan for compliance with these EVMS standards, as specified in the NFS 1852.234-1, Notice of Earned Value Management System. Offerors shall not be eliminated from consideration for contract award because they do not have an EVMS that complies with these standards.

j) Contracting officers, with support from the applicable NASA Center EVM Focal Points identified at https://www.nasa.gov/ocfo/ppc-corner/evm/ must request the assistance of the cognizant Defense Contract Management Agency (DCMA) office in determining the adequacy of offeror's proposed EVMS plans, procedures, and system compliance. The contracting officer in consultation with the NASA Center EVM focal points and DCMA, if applicable, will direct the contractor to correct any deficiencies.

Integrated Program Management Data Analysis Report (IPMDAR).

(a) NASA has adopted the IPMDAR to improve integration of cost and schedule information in reporting requirements under acquisitions involving EVM. The IPMDAR provides performance data that can be used to track and identify problems early in the acquisition life cycle and forecast future acquisition performance. The IPMDAR is the primary means to communicate cost and schedule metric trends on the program/project status and to assess future performance to achieve program/project success (i.e., meet the technical requirements on schedule and within budgets).

(b) IPMDAR focus is on cost and schedule data that needs to be provided electronically each period. The IPMDAR requires three sets of data:

1. Contract Performance Dataset (CPD) - The Contract Performance Dataset (CPD) comprises performance/execution data from the contractor's existing management systems and contains multiple files in an industry standard format called JavaScript Object Notation (JSON).

2. Schedule Performance Dataset (SPD) - The Schedule Performance Dataset (SPD) comprises a native file format of the integrated master schedule (IMS) and the SPD that contains multiple files of schedule related data in the JSON format.

3. Performance Narrative Report - A Performance Narrative Report consisting of an Executive Summary and Detailed Analysis Report will typically be in DOCX or PDF format and is like the earlier CPR/IPMR Format 5.

(c) These datasets are delivered to the NASA customer per instructions in the IPMDAR data requirements descriptions (DRDs)/Contract Data Requirements List (CDRL) and uploaded to NASA's EVM-CR (Central Repository) at the agreed dates. NASA's EVM Working Group has developed an IPMDAR Tailoring Supplement that is intended to help acquisition teams, including Program/Project Managers, EVM, procurement and financial management personnel, develop and prepare IPMDAR DRDs/CDRLs.
(d) Contracting Officers (CO) must include a DRD/CDRL developed by the requiring organization in solicitations and contracts. The IPMDAR Tailoring Supplement provides more detailed information about the IPMDAR, identifies options for tailoring to specific types of acquisitions, provides definitions and instructions for the contractor/supplier, and provides a sample IPMDAR DRD. The NASA IPMDAR Tailoring Supplement can be found at https://www.nasa.gov/ocfo/ppc-corner/evm/guidance/.

Integrated Baseline Reviews Guidance.

(a) Earned Value Management (EVM) (See FAR 34.2 and NFS 1834.2) is one of NASA's and industry's most powerful proven program management tools for over 50 years. Government and industry program managers use EVM to provide joint situational awareness of program status; assess cost, schedule, and technical performance on programs; and support proactive decision-making as program teams navigate constraints and risks in the performance of programs.

(b) As a program management system, EVM practices and competencies must be integrated into the program manager's acquisition decision-making processes. The data provided by the EVM System (EVMS) must be timely, accurate, reliable, auditable, and implemented in a disciplined approach consistent with the EIA-748, EVMS Guidelines. The Office of the Chief Financial Officer serves as the EVM policy and competency owner and ensures that EVM requirements and guidance are current and correct (see NPR 7120.5).

(c) IBRs are a critical component of EVM, establishing a common understanding and baseline for the program within 180 days of contract, subcontract, or task order award. Delays in completing an IBR introduces greater risk to the Government and Industry partners in executing requirements, within cost and schedule. NASA promotes an incremental approach for conducting an IBR to facilitate communication and ensure a common understanding of the approved contract work scope, budget, schedule, and risks at contract award or before.

(d) EVM is a cost-effective system that shares program situational awareness between the Government and contractor. In an oversight role, a critical function of the Government Program Office is to utilize all data, including cost, schedule, and technical performance metrics, to identify early indicators of problems so that adjustments can be made to make effective decisions and influence future program performance. The decision to apply EVM and the related EVM reporting requirements should be based on work scope, complexity, and risk along with the threshold requirements in the NFS.

(e) A contract is awarded based on a plan as it relates to EVM (e.g., schedule, basis of estimate, technical approach, risks). The IBR is not a one-time occurrence or event, but rather a process to allow the Government and the contractor to jointly assess the plan for completing the contractual scope of work. In accordance with NFS 1852.234- 2(c), an IBR should be conducted as early as practical for the program to ensure an understanding and agreement of the performance measurement baseline (PMB). A letter from the Contracting Officer (or other communication) to the contractor may be needed to clarify initial IBR requirements.

(f) An IBR must be conducted within 180-calendar days after contract, subcontract, or task order award, even if it does not cover the entire scope of an (priced or unpriced) contract action. In situations where the entire work scope is not completely known within 180 calendar days, an IBR can be conducted in stages, such as with an undefinitized contract action (UCA). However, a review of the known scope of work should be conducted within the 180-calendar day window, with follow-up IBRs scheduled for the work not yet completed in the context of the entire PMB. As a rule of thumb, the initial IBR should extend through the first major milestone for the program. Any IBR event increment should not be driven by contract definitization but should represent the best time to assess the plan of work. A timely and thorough IBR is to the benefit of all parties involved including the Government and the contractor.

For more, see the NASA IBR Handbook located at https://www.nasa.gov/ocfo/ppc-corner/ppc-guidance-documents/#EVMHandbooks.