



## Earned Value Management Systems Group (EVMSG) Business Practice 2 EVM System Description Review

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<b>Approved By:</b>	Ms. Donna Holden, Director, EVMS Group

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**Purpose:** Defines the process for the EVMS Group personnel to conduct a review of the contractor's EVM System Description (EVMSD), and all related contractor EVMS descriptive documents.

**Applicability:** This Business Practice (BP) applies to the following functional area: Earned Value Management System (EVMS). All EVMS Functional Specialists must comply with this manual and other related issuances to the maximum extent practicable.

**Policy:** It is DCMA policy to:

- a. Perform risk-based surveillance in support of Contract Administration Services and in compliance with Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and other applicable regulations, supplements, directives and instructions, DCMA instructions and DCMA manuals (DCMA-MANs).
- b. Execute this Business Practice in a safe, efficient, effective, and ethical manner.

**Reference(s):**

1. **Defense Federal Acquisition Regulation Supplement (DFARS)**
  1. 252.234-7002: Earned Value Management System
2. **DoD Earned Value Management Systems Interpretation Guide (EVMSIG)**
3. **Electronic Industries Alliance (EIA) 748, EVMS Standard 32 Guidelines**

**Definition(s):**

1. **EVMS Group System Description Repository**
  - a. List of all contractor EVM System Descriptions that contains:
    - i. A list of all affected CAGE Codes.
    - ii. Copies of all documents that comprise the contractor's EVM System Description.
    - iii. Version numbers of all approved documents.
    - iv. Approval dates for all associated documents.
    - v. Copy of the CO Approval Letter.

## **Roles and Responsibilities:**

### **1. Group Director**

- a. Ensures organizational compliance with this BP.
- b. Ensures locally developed training, guidance and tools support execution of this BP.
- c. Ensures the EVMS Group has a process in place to review documentation and provide advice on identified weaknesses to the cognizant Contracting Officer (CO) and other relevant stakeholders.
- d. Ensures the EVMS Group System Description Repository is maintained within the organization.

### **2. Team Supervisor**

- a. Ensures team compliance with this BP.
- b. Assigns a System Description Review Lead as outlined in this BP.
- c. Ensures the assigned EVM System Description Review Lead is an EVMS subject matter expert, preferably "Expert" level achieved in the EVMS Career Development Program (ECDP, see BP8).
- d. Serves as the conduit between the Segment Lead and the Group Director to resolve gaps in policy/manuals/guidance.
- e. Assists and mentors their team with the implementation of this BP.
- f. Provides oversight of the team's effort and coordinates with all EVMS stakeholders in their assigned area of responsibility including but not limited to: the DCMA cognizant Contracting Officer (CO), DCMA Contract Management Office (CMO), the Program Management Office (PMO) and the contractor.
- g. Ensures relevant files are routed through internal document control in accordance with this BP prior to distribution.
- h. Ensures relevant files are retained in the Agency system of record.
- i. Communicates and coordinates review results with appropriate stakeholders.

### **4. Segment Lead / EVM System Description Review Lead (SDRL)**

- a. Non-supervisory functional leader who ensures segment compliance with this BP.
- b. Plans, schedules and executes this BP in coordination with the Team Supervisor.
- c. Communicates status with the CO, CMO, PMO, and contractor, as applicable.
- d. Oversees the efforts of the assigned EVMS Specialist(s) in accordance with the process defined in this BP, ensuring resources are properly allocated.
- e. Coordinates with CO on contractor EVMS business system status.
- f. Ensures that submitted work products are timely, accurate and distributed appropriately.
- g. Establishes, when necessary, the EVMSD Review Team and ensures any assigned EVMS Specialists are journeyman level EVMS subject matter experts,

preferably “Journey” level achieved in the ECDP.

- h. Acts as the main source and conduit of communication between EVM System Description Review Team and the contractor.

**5. EVMS Specialist**

- a. Executes the process defined in this BP, including related direction received from chain of command.
- b. Maintains communications with assigned Segment Lead and ensures submitted work products are timely and accurate.

**6. Contracting Officer (referred to as “CO” in this issuance)**

- a. Coordinates with the EVMS Group and appropriate team within the group for review of new or proposed changes to a contractor’s EVM System Description.

**PROCESS:**

- 1. Overview: The overall purpose of a contractor’s EVMSD is as a formal documentation of the management system and processes (i.e., tools, techniques, and procedures) that support how the contractor’s business system meets the intent of the EIA-748 Guidelines in Section 2 of the standard.

Contractors use descriptive documents to describe how they implement, use, and maintain a compliant EVMS. These contractor documents vary from a single overarching document to multiple documents. The collection of these documents is the EVMSD for the purposes of this BP.

When a contractor submits a new EVMSD or updates an already approved EVMSD, they are required to notify the cognizant CO. In these circumstances, the CO requests DCMA EVMS Group support to review the EVMSD to ensure continued EVMS compliance to the EIA-748. A contractor’s EVMSD may direct some process definitions to a program-level process document. It is necessary to identify these processes to ensure compliance during ongoing surveillance activities.

At the end of this process, the DCMA review team (EVMSD Review Team) should have a complete understanding of the contractor’s EVMSD and its ability to meet the intent of the EIA-748 32 guidelines as outlined in the EVMSIG.

**PLAN:**

- 2. Notification of SD Review Requirement - The CO, in accordance with (IAW) DFARS 252.234-7002 or NFARS 1852.234-2, notifies the EVMS Group Director and/or responsible Team Supervisor when a contractor submits an EVMSD for approval. It is likely that the EVMSG will already be aware of the coming changes or initial documents through regular communications with the contractor. If the

EVMSG is notified via the contractor and not the cognizant CO, then the EVMSG must refer the contractor to the cognizant CO. Upon official notification by the contractor, DCMA shall initiate a review of the EVMSD within 30 calendar days. The Team Supervisor must assign a System Description Review Lead (SDRL). In cases of a contractor EVMS Compliance Review (CR) (see Business Practice 6), a full review of the contractor's EVMSD should happen immediately and not wait until the CR is being accomplished. This leaves the CR to focus on implementation of the contractor's EVMSD.

### 3. Establish Surveillance Event

- a) Obtain the documents: The SDRL requests all necessary remaining documentation from the contractor. This includes:
  - I. Revised SD and all applicable sub-documents.
  - II. Red-lined SD.
  - III. Summary of changes table.
  - IV. Methodology the contractor uses to demonstrate that the SD meets the intent of the EIA-748 32 guidelines.
- b) Establish the surveillance risk: Use the Event Based Risk Table (EBRT) to establish the risk for the review of the system description (Step 4). There are three possible outcomes:
  - I. Low – Administrative changes only.
  - II. Medium – Low quantity of substantive changes.
  - III. High – Large quantity of substantive changes or an unapproved EVMSD.
- c) The SDRL uses the EBRT results to document the surveillance event in the official DCMA Surveillance Tool (Step 5).

### 4. Establish the Scope of the Surveillance Event – The outcome of the EBRT has three risk levels that determine the breadth and scope of the surveillance event:

- a) Low Risk (Score 1 - 11) – An EVMSD must have been previously approved and have only administrative changes for this risk level. None of the document changes may alter existing processes or functions of the contractor's EVMS.
  - I. Low Risk means that there is no scope to this review. **Proceed to step 12.**
- b) Medium Risk (Score 12 - 19) – An EVMSD must have been previously approved for this risk level. This risk level represents a low quantity of substantive changes. These are changes to one or more of the contractor's EVMS processes or functions. Low quantity means that one person can review the number of changes within 30 calendar days.
- c) High Risk (Score 20 - 25) – An EVMSD that is not approved automatically falls into High Risk. An "Approved" EVMSD that has a large quantity of substantive changes will also be High Risk. Both of these situations require an EVMSD Review Team, which will likely be comprised of three or more EVMS Specialists, including the SDRL.

### 5. Document the Surveillance Event – The SDRL documents the surveillance event

in the official DCMA surveillance planning tool. Along with all of the tool's mandatory fields, the surveillance event plan shall capture:

- a) CAGE Code: Determine the appropriate CAGE code based on coverage (i.e. corporate, divisional, site).
  - b) Dates: Start date is the date that the CO was notified by the contractor. End date is the expected date that the SDRL expects to complete the review.
  - c) Cost & Schedule Risk as determined by the EBRT.
  - d) Expected number of hours to complete the review.
  - e) Actual number of hours spent upon completion of the review.
6. Establish the Review Team – When the surveillance event's risk level is "Medium" the SDRL shall act independently. When the surveillance event's risk level is "High", the SDRL will likely need at least two additional EVMS Specialists for the review team. It is preferred that each EVMS Specialist be at least "Journey" level within the ECDP.

For either Medium or High Risk events, the SDRL may include newer EVMS Specialists for training purposes only. The trainees will follow all of the procedures of this manual but will not submit any official documentation.

7. Set Up Review Documentation – The SDRL sets up a shared work environment to integrate the documentation from each review team member. Review team members will set up their own full set of documentation. Having each review team member work separately ensures independent EVMSD evaluation instead of "groupthink." The SDRL is responsible for condensing individual documents into a team consensus at the end of the "Conduct" phase.

## **CONDUCT:**

8. Evaluate EVMSD – A contractor's EVMSD may exist as one document, one document with supplemental documents, or as several documents. It is the purpose of this policy to ensure that a review team member has comprehensively reviewed all documents. A review team ensures that the contractor's EVMSD and supplemental procedure(s), if any, adequately describes its sub-processes end-to-end and determines that the EVMSD meets the intent of the guidelines in EIA-748 as dictated by the intent section of the EVMSIG. The contractor must inform DCMA at the level the EVMSD applies (i.e. corporate, business unit, or site). There may be times that a contractor's lower-level supplemental procedures, if any, contain content that supports their EVMSD in meeting the intent of a guideline(s).

This must be outlined in the contractor's EVMSD especially when the intent of a guideline may not be fully addressed in the EVMSD. If this happens, the System Description Comment Table (SDCT) (Attachment A) should annotate the level of command media in which the contractor's EVMSD and/or supplemental procedure(s) minimally meets the intent of the guideline(s) in EIA-748.

Typically, supplemental procedures are written as "how to" guidance and/or tailoring of management practices below the corporate level system description

rather than a description of the management system requirements. It is important to note these sub-processes for the purposes of System Surveillance (Business Practice 4) to ensure that each applicable program implements a process that is compliant to both the contractor's EVMSD and the intent of each EIA-748 guideline.

- a) Low Risk Surveillance Event – When an approved EVMSD has only administrative changes, there is no further evaluation of the documents.
- b) Medium Risk Surveillance Event – When an approved EVMSD has a small quantity of substantive changes, the SDRL will do the following:
  - I. Review the contractor's method for ensuring compliance to the intent of the EIA-748 guidelines.
  - II. Read through all the changes.
  - III. Determine affected guidelines.
  - IV. Use the Intent section of the EVMSIG and the System Description Requirement Criteria of the Guideline Evaluation Templates (GET) (Business Practice 4 Attachment F) to assess each affected guideline.
  - V. Use the SDCT (Attachment A) to document EVMSD issues and any language considered high risk.
    - 1. High Risk language are process descriptions that may be compliant but could lead to non-compliant implementation.
- c) High Risk Surveillance Event (Previously Approved) – When an approved EVMSD has a larger number of substantive changes, each review team member will do the following:
  - I. Review the contractor's method for ensuring compliance to the intent of the EIA-748 guidelines.
  - II. Identify and review all redline changes.
    - 2. Evaluate changes for conflicts to existing documentation.
    - 3. Evaluate changes for compliance and intent to the EIA-748.
  - III. Meet as a team to agree on the guidelines affected by the changes.
  - IV. Use the Intent section of the EVMSIG and the System Description Requirement Criteria of the GET (Business Practice 4 Attachment F) to assess each affected guideline.
  - V. Use the SDCT (Attachment A) to document EVMSD issues and any language considered high risk.
    - 1. High Risk language are process descriptions that may be compliant but could lead to non-compliant implementation.
- d) High Risk Surveillance Event (Not Approved) – When an EVMSD has not been previously reviewed or approved by the CO, each review team member will do the following:
  - I. Review the contractor's method for ensuring compliance to the intent of the EIA-748 guidelines.
  - II. Read the entirety of the EVMSD document(s).
  - III. Use the Intent section of the EVMSIG and the System Description Requirement Criteria of the GET (Business Practice 4 Attachment F) to assess each affected guideline.

IV. Use the SDCT (Attachment A) to document EVMSD issues, how the contractor's EVMSD meets the intent of each guideline, and any language considered high risk.

1. High Risk language are process descriptions that may be compliant but could lead to non-compliant implementation.

**Note** – The Guideline Evaluation Template (GET) (Business Practice 4 Attachment F) is the mechanism to provide a complete guideline evaluation of the contractor's processes and EVMS implementation. It contains guidance on what a contractor's EVMSD should contain for each guideline.

9. Document All Possible Non-Compliances – The SDRL facilitates, with the review team's assistance where applicable, writing and reviewing Deficiency Reports (DRs) (Attachment C) for each possible non-compliance. The SDRL then:

- a) Forwards the DRs to the contractor for review.

10. Evaluate & Integrate Documentation – The amount of documentation depends on the risk level of the surveillance event.

- a) Low Risk Surveillance Event – As there is no formal surveillance on a low risk EVMSD change, there is no documentation to review or integrate.

- b) Medium Risk Surveillance Event – For EVMSD changes that warrant a Medium Risk level surveillance event, there is no integration of comments, as the SDRL is the only reviewer. For this, the SDRL reviews the documentation for completeness. The goal is to ensure clarity of any issues when communicating with the contractor.

- c) High Risk Surveillance Event – As each review team member finishes reviewing the EVMSD, they will accomplish the following tasks:

- I. Review the SDCT (Attachment A) for completeness, ensuring any non-compliances are adequately marked and documented in one or more DR(s).

- II. Forward SDCT (Attachment A) to the SDRL.

- III. Forward any DRs to the SDRL.

- IV. The SDRL must establish a meeting with the team to review all of the inputs and integrate all:

1. EVMSD comments.

2. DRs noting non-compliances.

3. Risk/Compliance evaluation via a combined SDCT (Attachment A).

11. Adjudicate Issues with Contractor – The SDRL facilitates meetings between the review team and the contractor to discuss the various comments, risk concerns and adjudicate any DRs. This is a cyclical sequence of events intended to resolve any conflicting direction, questions, deficiencies or incomplete process descriptions. Adjudicate issues by following these steps:

- a) SDRL sends DRs back to the contractor for review.
- b) Review Team meets with contractor to walk through all documented DRs, questions and comments. The goal of this meeting is to answer any government questions, to provide the review team with adjudicating information, and for the contractor to propose corrective actions.
- c) Set a deadline to receive a revised EVMSD before the end of the meeting.
  - I. Caution should be taken to not direct the contractor on specific fixes. Maintain focus on the EIA-748 and EVMSIG requirements.
  - II. Gain clarity on any issues that are vague to the review team.
  - III. Walk through any corrective actions proposed by the contractor.
- d) Receive revised EVMSD from the contractor.
- e) Evaluate the revised EVMSD for corrections. The SDRL will consult with the Team Supervisor If there continue to be unresolved DRs. If there are new questions and/or issues, repeat step 11. The Team Supervisor will determine if the review team should repeat the process or move forward and provide a recommendation to the CO for a formal corrective action and/or rejection of the system description.

## REPORT:

12. Summarization to Team Supervisor – The level of documentation is dependent upon the risk level and type of surveillance event.
  - a) Low Risk – Low Risk surveillance events for system description are administrative in nature and do not alter any contractor processes. As such, the SDRL will:
    - I. Prepare the Contracting Officer Memo (Attachment B) stating that all changes were administrative in nature and thus the changes to the EVMSD are recommended for acceptance by the cognizant CO.
    - II. Send the memo to the Team Supervisor for concurrence and digital signature IAW internal document control.
  - b) Medium/High Risk – The SDRL will submit the following documents to the Team Supervisor for concurrence of the surveillance event:
    - I. The integrated SDCT (Attachment A).
    - II. Draft Contracting Officer Memo (Attachment B) summarizing a recommendation for or against an EVMSD acceptance by the cognizant CO.
    - III. All DRs, including any DRs that have already been corrected.
    - IV. If necessary, a draft of the level 2 Corrective Action Request.
13. Team Supervisor Assessment - The Team Supervisor must review the surveillance event documents and either concur or non-concur with the assessment.
  - a) Concur
    - I. The Team Supervisor must follow internal document control



procedures, digitally sign the CO Memo, and forward all integrated documentation to the cognizant CO (forwarding the documentation may be delegated to the SDRL).

- II. The Team Supervisor should host a meeting between the review team and the cognizant CO to answer any questions and confirm receipt of the Contracting Officer Memo (Attachment B).

b) Non-Concur

- I. The Team Supervisor must document their concerns in the SDCT (Attachment A) and return all documentation back to the SDRL.
- II. The SDRL must use the above processes to adjudicate all the Team Supervisor's concerns.
- III. Upon completion, the SDRL must re-submit all documentation to the Team Supervisor and repeat these steps until the Team Supervisor concurs.

14. Cognizant Contracting Officer Notification – The cognizant CO reviews the supplied documentation and either accepts or rejects the contractor's SD submission. The DCMA-MAN 2301-01 "Contractor Business Systems" defines these processes.

a) Accept

- I. The SDRL must notate the accepted version in the DCMA EVMSG SD Repository.
- II. The SDRL must upload the newly accepted version of all documents.
- III. The Team Supervisor must confirm that all documents and notations have been updated.

b) Reject

- I. The SDRL must notate the rejection in the DCMA EVMSG SD Repository.
- II. The SDRL must work with both the cognizant CO and the contractor to resolve all issues in accordance with DCMA corrective action policy.

15. Document Naming Convention – All documents requiring archival shall use the naming convention CAGEDocTypeDAYMONYYYY.

16. Classification Markings – The author of any document(s)/attachments(s) related to this BP shall ensure appropriate classification IAW applicable laws, regulations, and Government-wide policies, and the safeguarding and protection requirements for each.

17. Documentation Control and Archival - The following documents must be routed through EVMS Group internal document control so they can be assigned a document control number prior to distribution outside of the

EVMS Group:

I. Attachment B: CO Notification Letter

Once digitally signed by the Team Supervisor, Attachment B of this business practice must be archived within the Agency system of record.

Potential input, updates, edits, etc. to this BP may be considered during the annual re-assessment activity. Submissions for BP update consideration should be sent to [dcma.gregg-adams.candp-cmd.mbx.pc-e-evms-team@mail.mil](mailto:dcma.gregg-adams.candp-cmd.mbx.pc-e-evms-team@mail.mil)

**NOTE** – In compliance with DCMA manual 3101-04, communications containing reports or other deliverables that are sent outside of the agency must contain a statement and link to the DCMA Customer Satisfaction Survey (i.e. “We greatly appreciate your feedback to help us better support your needs, please complete a brief survey at: <https://www.dcmamil/Customers/Customer-Satisfaction-Survey/>”)

**Attachments:**

- A. System Description Comment Table (SDCT)
- B. CO Notification Letter
- C. Deficiency Report

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