



DCMA Manual 2303-01, Volume 3 Surveillance: Earned Value Management

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Purpose: This manual is composed of several volumes, each containing guidance and requirements for surveillance. In accordance with the authority in DoD Directive 5105.64 and DCMA Instruction 2303, "Surveillance," this volume implements policy, assigns responsibilities, and provides procedures for the planning and execution of earned value management surveillance.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA Manual (DCMA-MAN) 2303-01, “Surveillance.”

- a. This volume applies to all DCMA organizational elements who enable or perform earned value management (EVM) analysis.
- b. Special Programs Command must comply with the intent of this volume and other related issuances to the maximum extent practicable for all Special Access Program and Sensitive Compartmented Information contracts.

1.2. POLICY.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

1.3. SPECIFIED FORMS AND INFORMATION COLLECTION.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

1.4. SUMMARY OF CHANGES.

This volume is a new issuance and must be reviewed in its entirety.

SECTION 2: RESPONSIBILITIES

2.1. COMPONENT HEADS AND CAPABILITY BOARD MANAGERS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

2.2. OPERATIONAL UNIT COMMANDERS, DIRECTORS, AND CENTER DIRECTORS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

2.3. CONTRACT MANAGEMENT OFFICE COMMANDERS AND DIRECTORS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

2.4. FUNCTIONAL DIRECTORS, DEPUTIES, AND GROUP LEADERS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

2.5. SUPERVISORS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

2.6. FUNCTIONAL SPECIALIST (FS).

In addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01, the FS must perform surveillance activities on the contractor's EVM data deliverable.

2.7. ADMINISTRATIVE CONTRACTING OFFICERS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 3: SURVEILLANCE OVERVIEW

3.1. SURVEILLANCE OVERVIEW.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Surveillance activities in this volume are specifically for the EVM data deliverable and are separate from the EVM system (EVMS) compliance and system surveillance assessments performed by the EVMS Group in accordance with DCMA-MAN 2301-01, “Contractor Business Systems,” and its associated EVMS business practices.

b. In accordance with DCMA-MAN 3101-01, “Program Support,” when performing EVM analysis, the FS must review the contractor’s EVM data deliverable against the contract data requirements list (CDRL) for adequacy, compliance with contractual requirements, and effectiveness of the contractor’s ability to submit accurate EVM data. EVM analysis is required for program assessment report reporting programs with the EVMS clause pursuant to Subpart 252.234-7002 of the Defense Federal Acquisition Regulation Supplement on contract and an EVM data deliverable pursuant to DCMA-MAN 3101-01.

3.2. SURVEILLANCE GUIDANCE.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 4: RISK ASSESSMENT

4.1. PREPARING FOR RISK ASSESSMENT.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

4.2. RISK ASSESSMENT PROCESS.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Assess Risk.

The FS must select one of four available earned value analysis (EVA) key contract requirements (KCR):

- KCR-EVA-0001 - Integrated Master Schedule (IMS)
- KCR-EVA-0002 - Integrated Program Management Report (IPMR)
- KCR-EVA-0003 - Contract Performance Report
- KCR-EVA-0004 - Integrated Program Management Data and Analysis Report (IPMDAR)

(1) KCR-EVA-0002 IPMR or KCR-EVA-0004 IPMDAR are the deliverables typically required on contract. However, in rare cases, the KCR-EVA-0003 contract performance report is required instead; in such cases, the FS will also select KCR-EVA-0001 IMS, provided it is required on the contract as a separate CDRL. The IMS is inherently included with the IPMR and IPMDAR contract requirements and would not be include as a separate contract KCR.

(2) The FS will base risk ratings on the likelihood and impact of receiving an EVM data deliverable that does not comply with the contractual requirements (i.e., all cost data isn't included or it hasn't been analyzed correctly) but never on contract performance (i.e., cost overruns or is behind schedule).

(3) The FS must consider factors that impact the likelihood risk assessment, including:

(a) EVMS disapproved due to, or a corrective action request (CAR) issued pursuant to, EVMS Guidelines 22-27 of the Electronic Industries Alliance (EIA) Standard 748.

(b) EVM analysis CAR written against the CDRL deliverable or concern with a previous CDRL surveillance activity.

(4) The FS must consider factors that impact the consequence risk assessment, including:

(a) Value of contract or contract line-item number (CLIN).

(b) Effort remaining on contract or CLIN; if less than five percent effort remains, EVM analysis is not required but may be considered if there is significant risk.

b. Re-evaluate Risk Rating.

The FS will re-evaluate risk rating criteria each quarter to determine if the risk rating has changed. Figure EV1 shows an example of the risk rating results with corresponding likelihood and consequence levels, as well as resulting frequency requirement based on the risk rating. Using the risk rating criteria in Paragraph 4.2.a., the results for CDRL surveillance generated by the risk rating tool are located at the program support collaboration site, pursuant to the Program Support Guidebook, PS-3101-GB-01, “PST Collaboration Site Guidebook.”

Figure EV1. Risk Rating Results

	Risk Rating	Analysis Frequency
CDRL Surveillance	Moderate - L3, C4	Quarterly

c. Assess Risk via 5x5.

In addition to the program support collaboration site risk rating tool, Tables EV1 and EV2 provide clearer criteria for each level and may assist with documenting the risk rating rationale.

Table EV1. Consequence Levels

Level	Cost or Schedule
5 Severe	<ul style="list-style-type: none"> • >\$50M contractor CLIN and >20% effort remaining • Or active CAR
4 Significant	<ul style="list-style-type: none"> • \$20M-\$50M contract or CLIN and >20% effort remaining, • Or >\$50M contract/CLIN and >10% effort remaining
3 Moderate	<ul style="list-style-type: none"> • <\$20M contract or CLIN and >20% effort remaining • Or \$20M-\$50M contract or CLIN and 10%-20% effort remaining, • Or >\$50M contract or CLIN and <10% effort remaining
2 Minor	<ul style="list-style-type: none"> • <\$20M contract or CLIN and <20% effort remaining, • Or \$20M-\$50M contract or CLIN and <10% effort remaining
1 Minimal	<ul style="list-style-type: none"> • Less than 5% effort remaining, • Or <\$20M contract or CLIN and <10% effort remaining

Table EV2. Likelihood Levels

Level	Performance History
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5 Near Certainty	<ul style="list-style-type: none"> • Active EVM CDRL CAR, • Or concern with a previous CDRL, • Or disapproved EVMS based on guidelines 22-27 • Or level III CAR against EVMS based on guidelines 22-27
4 Highly Likely	<ul style="list-style-type: none"> • EVM CDRL CAR closed in past 6 months
3 Likely	<ul style="list-style-type: none"> • EVMS not evaluated
2 Low Likelihood	<ul style="list-style-type: none"> • No EVM CDRL CARs issued • Or >6 months since EVM CDRL CAR closed, • Or EVMS validated
1 Not Likely	<ul style="list-style-type: none"> • Less than 5% effort remaining

d. Surveillance Rationale.

Each selected KCR requires a detailed rationale for the risk rating that explains the consequence and likelihood of the contractor submitting a non-compliant CDRL. The risk rating rationale is not based on contract performance data such as cost overruns or schedule delays. For example, likelihood of a non-compliant CDRL could be due to past issues during CDRL surveillance or EVMS surveillance reviews; consequence of a non-compliant CDRL could be an inability to correctly quantify cost and schedule issues. Contract value and effort remaining could increase the consequence level as there is more potential cost and schedule impact from non-compliant data. Whether the main concern with a non-compliant deliverable is based on cost or schedule, the FS will populate the appropriate consequence field with values that correspond to the contract (e.g., value and effort remaining). Examples of appropriate rationale are:

(1) Rationale for Risk Consequence - Cost.

“Non-compliant CDRL may result in cost projections that do not reflect actual, anticipated performance. May impact U.S. Government and contractor ability to determine accurate estimates at completion, which could result in funding issues or unknown overruns. Contract value is \$120M; errors in process or reporting have a significant cost impact.”

(2) Rationale for Risk Consequence - Schedule.

“A non-compliant CDRL may result in schedule projections that do not reflect actual, anticipated performance. The non-compliant CDRL may also impact U.S. Government and

contractor ability to determine accurate estimated completion dates, which could result in unknown or inaccurate schedule forecasts. 60 percent effort remains; errors in process or reporting could have a significant schedule impact.”

(3) Rationale for Risk Consequence - Performance.

“Poor-quality CDRL developed that would result in incorrect or inaccurate contract data, not compliant with contractual requirements.” Consequence of a non-compliant EVM data deliverable is more impactful in the cost and schedule areas.

(4) Rationale for Risk Likelihood.

“CDRL review in previous months had consistent issues with data item description non-compliance and, the EVMS has not been evaluated.” These types of issues may lead to increased likelihood of future issues.

SECTION 5: SURVEILLANCE PLANNING

5.1. SURVEILLANCE PLANNING.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Surveillance Plan.

If the risk rating result is “low” for the CDRL surveillance event indicating “no analysis,” the FS must ensure the risk rating on the program support team (PST) collaboration site under the “EVM Risk Assessment” is “low and no analysis.”

b. Surveillance Plan Fields.

The FS must ensure the “assigned functional area” for the surveillance plan is “EVA.” The functional area of “earned value” is applicable to the EVMS Group compliance and surveillance activities, which assesses the compliance of the contractor EVM system.

5.2. PRIORITIZE SURVEILLANCE.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

5.3. DETERMINE TYPE OF SURVEILLANCE.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

5.4. DEVELOP SCHEDULE.

In addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01, EVM surveillance is typically conducted monthly. Pursuant to DCMA-MAN 3101-01, the FS may reduce the frequency of CDRL analysis or surveillance events based on risk assessment. If there is little risk of a deficient CDRL delivered, the FS may reduce the risk rating frequency to quarterly or not at all based on the program support collaboration site risk rating tool determination.

5.5. SURVEILLANCE PLAN MODIFICATIONS.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

5.6. DELEGATE SURVEILLANCE DECISION.

In addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01, if EVM requirements are flowed down to a subcontractor, the FS may issue a delegation to provide insight and analysis at that level. The program integrator and the FS will determine whether a delegation is needed. This would typically occur for significant work that poses cost and schedule risk and could include cost and schedule analysis to roll up for analysis in the program assessment report. EVM analysis delegations may include the EVM data deliverable CDRL surveillance activity to ensure EVM data used in the analysis is compliant and accurate. The PST determines the inclusion of specific activities of EVM analysis in the delegation.

SECTION 6: EXECUTE SURVEILLANCE

6.1. PREPARE FOR SURVEILLANCE.

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

a. Determine Surveillance Logistics.

To execute surveillance, it is important to understand the contractor's processes and resources (i.e., EVMS system description, lower-level internal procedures, IMS data description, work breakdown structure dictionary) and contractual requirements. The contractors' EVM deliverables are normally submitted to the EVM Central Repository to allow access and U.S. Government review.

b. Determine Surveillance Techniques.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

6.2. EXECUTE SURVEILLANCE.

In addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01, the FS must perform the CDRL surveillance event within five calendar days after the contractor has submitted the deliverable. The FS must inspect the quality of the EVM data pursuant to the evaluation criteria in DCMA-MAN 3101-01.

a. EVM Data Concerns.

The FS investigates any areas of risk associated with the cost or schedule metrics either by reviewing the EVM data or discussing with the contractor.

b. EVM Data Rejection.

If the EVM data deliverable is non-compliant with the contractual requirements, the FS must consider whether to recommend rejection of the CDRL.

6.3. RESCHEDULE OR CANCEL SURVEILLANCE.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

SECTION 7: DOCUMENT RESULTS

The following requirements, information, and guidance are in addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

7.1. DOCUMENT SURVEILLANCE RESULTS.

If there are non-compliances with the EVM data deliverable, the FS must:

- a. Consider whether to issue a CAR in accordance with DCMA-MAN 2303-05, “Addressing Contractor Noncompliances and Corrective Action Requests.”
- b. If the FS recommends rejection of the CDRL, then the FS will forward the recommendation with justification to the program management office.

7.2. MULTIFUNCTIONAL COMMUNICATION AND REPORTING.

The FS may communicate EVM data quality concerns to the EVMS Group. The PST may use the EVM data from the contractor as part of their surveillance; the FS will forward deliverable issues to the PST.

SECTION 8: DATA COLLECTION AND ANALYSIS

In addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01, the FS must perform data collection and analysis for the CDRL surveillance event pursuant to the Program Support Guidebook, PS-3101-GB-05, “Program Support Earned Value Management (EVM) Analysis Guidebook.”

SECTION 9: EVALUATE SURVEILLANCE PLAN

9.1. FS EVALUATE SURVEILLANCE PLAN.

In addition to the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01, the FS will evaluate the surveillance results and make changes to the documented surveillance plan as necessary. Typically, during routine CDRL surveillance activities, concerns with the EVM data or a non-compliance that results in a CAR will immediately change the risk rating to high and require the FS to perform CDRL surveillance activity monthly until the issues are resolved and confidence is restored.

9.2. SUPERVISOR EVALUATE SURVEILLANCE PLAN.

This paragraph requires no additional details beyond the requirements, information, and guidance in accordance with Volume 1 of DCMA-MAN 2303-01.

GLOSSARY

G.1. ABBREVIATIONS AND ACRONYMS.

ACRONYM	MEANING
CAR	corrective action request
CDRL	contract data requirements list
CLIN	contract line-item number
DCMA-MAN	DCMA Manual
EIA	Electronic Industries Alliance
EVA	earned value analysis
EVM	earned value management
EVMS	earned value management system
FS	functional specialist
IMS	integrated master schedule
IPMR	integrated program management report
IPMDAR	integrated program management data and analysis report
KCR	key contract requirement
PST	program support team

GLOSSARY

G.2. DEFINITIONS.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

TERM	MEANING
EVM	A program management technique for measuring program performance and progress in an objective manner.
EVMS	An integrated management system that integrates the work scope, schedule, and cost parameters of a program in a manner that provides objective performance measurement data. It measures progress objectively with earned value metrics, accumulates direct costs, allows for analysis of deviations from plans, facilitates forecasting the achievement of milestones and contract events, provides supporting data for forecasting of estimated costs, and fosters discipline in incorporating changes to the baseline in a timely manner.
EVMS compliance	A process for assessing the initial compliance of the contractor's EVMS pursuant to the guidelines in EIA Standard 748.
EVMS surveillance	A recurring process for assessing the continuous compliance of the contractor's EVMS pursuant to the guidelines in EIA Standard 748
guideline	EIA Standard 748 provides basic guidelines for organizations to use in establishing and applying EVMS.
system description	The set or series of integrated process descriptions and procedures that describe a contractor's EVMS.
work breakdown structure	A hierarchical product-oriented division of program tasks depicting the breakdown of work scope for work authorization, tracking, and reporting purposes.
work breakdown structure dictionary	A listing of work breakdown structure elements with a description of the work scope content in each element. The work descriptions are normally summary level and provide for clear segregation of work for work authorization and accounting purposes.

REFERENCES

DCMA Manual 2301-01, “Contractor Business Systems,” April 28, 2019
DCMA Manual 2303-01, Volume 1, “Surveillance,” June 9, 2025
DCMA Manual 2303-05, “Addressing Contractor Noncompliances and Corrective Action Requests,” June 9, 2025
DCMA-Manual 3101-01, “Program Support,” April 14, 2021, as amended
DCMA Program Support Guidebook PS-3101-GB-01, “PST Collaboration Site Guidebook,” January 8, 2025
DCMA Program Support Guidebook PS-3101-GB-05, “Program Support Earned Value Management (EVM) Analysis Guidebook,” May 22, 2024
Defense Federal Acquisition Regulation Supplement, Subpart 252.234-7002, current edition
DoD Directive 5105.64, “Defense Contract Management Agency (DCMA)” January 10, 2013, as amended
Electronic Industries Alliance (EIA) Standard 748, “Earned Value Management Systems (EVMS),” August 28, 2018