



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Acquisition Bulletin (AB)
No. 06-01
November 9, 2005

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Thomas A. Sharpe, Jr. 
Senior Procurement Executive
Office of the Procurement Executive

SUBJECT: Earned Value Management

Purpose: This AB implements the mandate in OMB Circular A-11 that requires all major acquisitions to include Earned Value Management (EVM) in the program's project management and to require the Contractor for a major acquisition to: (a) have an Earned Value Management System (EVMS) that is certified as compliant with ANSI-EIA Standard 748, or (b) present a plan for providing EVM data that complies with ANSI-EIA Standard 748. The implementation of EVM also requires that an Integrated Baseline Review be completed and that the Contractor submit periodic (frequency to be determined by the Program Manager/COTR) reports of its EVM data to the Government.

Effective Date: This AB is effective immediately.

Expiration Date: This AB will expire when cancelled or superseded.

Background: EVM is a project management tool that measures a Contractor's actual cost, schedule and performance against the planned cost, schedule and performance to determine if any deviations from the planned milestones exist, the extent of those deviations, and the impact of those deviations to the remainder of the project. Mitigation of the observed risks is then built into the program plan. Implementation of EVM requires the Contractor to have a project planning software system that meets the criteria of ANSI-EIA Standard 748.

To determine the planned criteria, an Integrated Baseline Review is performed. The Contractor and the Government validate the Integrated Baseline Review and measure the actual data against it.

Required Actions:

1. Acquisition Planning

All written acquisition plans shall include the following:

- a. a determination from the requirements official as to whether the program is a major acquisition under FAR Part 34 and OMB Circular A-11;
- b. if so, whether the program is required to include EVM and if the Contractor is required to have an EVMS;
- c. if so, whether the program official is EVM trained and qualified or has support that is EVM trained and certified; and
- d. when and how an Integrated Baseline Review will be completed.

2. Solicitations and Contract Awards

All solicitations and subsequent contract awards of major acquisitions requiring EVM must contain a requirement that the Contractor and its subcontractors either have an EVMS that has been certified as being ANSI-EIA Standard 748 compliant or that the Contractor deliver a plan to provide EVM data that meets that standard. In addition, the solicitations and subsequent contract awards must provide for the completion of an Integrated Baseline Review that meets the Government standard and that the Contractor provide periodic reporting of the EVM data. All EVM determinations as set forth in 1 and 2, above, shall be documented in the pre-award and contract files, as appropriate.

3. Program Management

For those contracts to which EVM applies, the program manager/contracting officer's technical representative (COTR) shall:

- a. ensure that EVM requirements are included in the contract statement of work;
- b. determine whether the contractor's EVMS (and that of its subcontractors) is ANSI-EIA Standard 748 compliant, or determine whether the contractor's plan to provide EVM data meets the required standard; and
- c. validate and approve the IBR and the subsequently issued EVM reports.

These program management requirements shall be included in the contracting officer's written appointment letter to the program manager/COTR.

Questions about this AB may be directed to Kevin Youel Page at kevin.youel-page@do.treas.gov or (202) 622-0651.