

APPENDIX I—EARNED VALUE MANAGEMENT

Earned Value Management (EVM) references:

- Departmental Regulation 3130-006 (12/21/05) Information Technology Earned Value Management (see <http://www.ocio.usda.gov/directives/files/dr/DR3130-006.pdf>)
- Federal Acquisition Regulation (FAR) Subpart 34.2 – Earned Value Management System. See <http://www.arnet.gov/far/loadmainre.html>.
- OMB Circular No. A11 Supplement to Part 7 – Capital Programming Guide, 1.5.5.4 Planning for Acquisition Management and OMB Circular No. A11 Part 7, Section 300, Planning, budgeting, acquisition, and management of capital assets reference Performance-based acquisition management.
- See http://www.whitehouse.gov/omb/circulars/a11/current_year/a11_toc.html for links to OMB Circular No. A11.
- National Defense Industrial Association (NDIA) Program Management Systems Committee (PMSC) ANSI/EIA-748-A Standard for Earned Value Management Systems (EVMS) Intent Guide, created by the NDIA – PMSC to promote a clearer understanding of the American National Standards Institute/Electronic Industry Alliance (ANSI/EIA) standard 748. For each of the 32 earned value management guidelines this Guide provides: the value to management, an intent statement, typical attributes, and examples of objective evidence.
- National Defense Industrial Association (NDIA) Program Management Systems Committee (PMSC) Surveillance Guide, this guide was developed by the NDIA - PMSC and the Department of Defense for the implementation for EVMS surveillance in accordance with the American National Standards Institute/Electronic Industry Alliance (ANSI/EIA) standard 748.
- National Defense Industrial Association (NDIA) The PM Guide to IBR Process is the principal IBR reference and should be used to implement an integrated baseline discipline on an acquisition program.

See https://acc.dau.mil/simplify/ev_en.php?ID=52961_201&ID2=DO_TOPIC for links to the three NDIA guides.

DEFINITIONS

- Agency Head:** Person designated in charge of a USDA agency; i.e. Agency Administrator, Chief, or Office Director.
- ANSI/EIA-748-A:** American National Standards Institute (ANSI)/Electronic Industries Alliance (EIA) Standard, Earned Value Management Systems (ANSI/EIA-748-A), Approved May 19, 1998 (Revised January 2002)
- Certification of Earned Value Management System:** Each USDA Agency Head with responsibility for a major IT investment(s) will provide a signed guarantee to OCIO that the agency has an EVM system that complies with ANSI/EIA-748-A.
- Corrective Action Plan** – A document in which the agency describes what steps will be taken to improve the cost and schedule performance of an investment.
- Development, modernization, or enhancement (D/M/E):** Cost for new investments, changes or modifications to existing systems that improve capability or performance, changes mandated by the Congress or agency leadership, personnel costs for project (investment) management, and direct support.
- Earned Value (EV):** The value of completed work expressed in terms of the approved budget assigned to that work for a schedule activity or work breakdown structure component. Also referred to as the budgeted cost of work performed (BCWP) (PMBOK 2003)
- Earned Value Management (EVM):** A management methodology for integrating scope, schedule, and resources, and for objectively measuring project performance and progress. Performance is measured by determining the budgeted cost of work performed (i.e. earned value) and comparing it to the actual cost of work performed (i.e. actual cost). Progress is measured by comparing the earned value to the planned value. (PMBOK 2003)
- EVM System (EVMS):** The set of policies, practices, tools, outputs, and people that together meet the requirements defined in ANSI/EIA-748-A.
- Integrated Baseline Review (IBR):** A review jointly conducted by the customer and the supplier Program Managers and selected staffs to effectively assess the PMB to ensure understanding of the scope of the program, and to better understand inherent risks. Generally conducted at the control account level, the review will examine the scope statement for the control account, the resources assigned, and the schedule parameters to ensure realistic planning and to identify risk.
- Major Investment:** A program or investment that requires the submission of an OMB Exhibit 300, or a combination of programs and/or investments that has been designated by OCIO to be major because of risk, external interest, or other factors used by OCIO for determination. The criteria for defining major investments are outlined in the USDA CPIC Guide.
- Performance Measurement Baseline:** The time-phased budget plan against which project performance is measured. It is the schedule for expenditure of the resources allocated to accomplish program scope and schedule objectives. (ANSI/EIA-748-A)
- Program:** A combination of projects with one common set of objectives or any major investment as designated by USDA.
- Project:** An effort of finite duration and scope with cost/budget limitations.
- Product Performance Measurement:** A pre-defined practice that measures the effectiveness and efficiencies gained through the capability/product produced by the program or investment and defined within the context of Appendix G, USDA CPIC Guide to Information Technology.
- Project Performance Measurement:** A pre-defined practice that measures the progress and performance of an investment or program against a performance measurement baseline (PMB) and defined in an official document defined generically as a System Description.
- WBS Dictionary:** A companion document to the WBS that describes the scope for each and every WBS element. The WBS Dictionary covers the entire scope of the project including management and support activities performed as part of the project.
- Work Breakdown Structure (WBS):** A product-oriented hierarchical structure that defines the work to be accomplished in the project.