



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

AUG 10 2011

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
DIRECTOR, OPERATIONAL TEST AND EVALUATION
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
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ASSISTANT SECRETARIES OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Earned Value Management (EVM) Systems Performance, Oversight, and Governance

EVM is one of DoD's and industry's most powerful program management tools. EVM is primarily a program management planning tool which is also used by government and industry program managers to track program execution as they navigate the day-to-day constraints and risks that all DoD programs face.

This memorandum provides guidance that will improve the effectiveness of EVM across the Department. To be successful, EVM practices and competencies must be integrated into the program manager's acquisition planning and execution processes; the data provided by EVM must be accurate, reliable, and timely; and EVM must be implemented in a disciplined manner.

The Office of Performance Assessment and Root Cause Analysis (PARCA) was created in December 2009 as the principal DoD office for conducting performance assessments and root cause analyses of Major Defense Acquisition Programs (MDAPs) as statutorily required by the Weapon Systems Acquisition Reform Act (WSARA) of 2009, Public Law 111-23. A key element of PARCA's statutory responsibility entails evaluating the utility of performance metrics for cost, schedule, and performance of MDAPs. The implementation and use of EVM across the Acquisition Community falls within PARCA's area of responsibility.

PARCA is responsible and accountable for EVM performance, oversight, and governance across the Department. Specifically, PARCA will:

- Develop, publish, and maintain DoD policy and guidance on EVM;

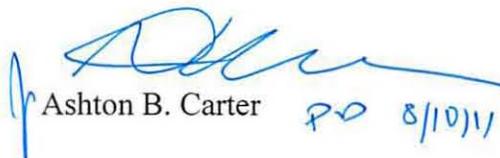
- Resolve differences in interpretation of EVM policy, practice, and requirements among DoD Components;
- Maintain communications with industry on EVM policy;
- Represent the Department in resolving differences with other Federal agencies;
- Be responsible for the Earned Value Central Repository (CR) for the Department and maintain CR data alignment with the Acquisition Visibility framework;
- Review and approve EVM data requirements for MDAP programs with initial focus on ACAT ID programs and follow-on emphasis on other programs in close coordination with the Services and Defense agencies.
- Report EVM data compliance, integrity, and quality to the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics.
- Serve as EVM Functional Lead and, as such, support other OSD Defense Acquisition Workforce Improvement Act Functional Leads with EVM expertise to influence the competency requirements for Earned Value within their respective functional areas. Coordinate with DAU to execute the responsibilities outlined in DoDI 5000.66.

Although primary EVM acquisition and procurement policy matters will be the responsibility of the Director, PARCA, EVM implementation is the responsibility of the acquisition leadership throughout the Department. Toward that end, PARCA will coordinate and publish a roles and responsibilities document using the attached memorandum and the results of the Defense Support Team Report as a starting point.

The Defense Contract Management Agency will retain responsibility for EVM System Compliance for the Department, with the Defense Contract Audit Agency's support, except for those DoD Components that are also part of the Intelligence Community and are excluded from the requirement to delegate EVMS authorities to DCMA.

In addition, PARCA will maintain a DoD EVM Integrated Planning Team with representatives from all relevant DoD agencies.

Thank you in advance for your support of this important initiative. My point of contact is Mr. Gordon M. Kranz at 571-256-0646.


Ashton B. Carter PD 8/10/11

Attachment:
As stated

cc:
USD(AT&L) Direct Reports