DATA ITEM DESCRIPTION

1. DID NUMBER: DID-PM-MGT-EVMP-V5.3
2. Title: EARNED VALUE MANAGEMENT Plan
3. DESCRIPTION AND INTENDED USE

The Earned Value Management Plan (EVMP) documents the Contractor's plans, methodologies and processes for meeting the Earned Value Management System (EVMS) requirements of the Contract, including the structure, implementation and ongoing maintenance of the Contractor’s EVMS.

The Contractor uses the EVMP to:

define, manage and monitor the EVMS program, including the implementation of the required EVMS;

ensure that those parties (including Subcontractors) who are undertaking EVMS activities understand their respective responsibilities, the processes to be used, and the time-frames involved; and

advise the Commonwealth of:

the EVMS that will be implemented to meet the Contract requirements;

the processes that the Contractor intends to use to implement the EVMS;

the Contractor’s internal system assurance strategy that will be implemented to ensure that the accepted EVMS remains compliant;

the processes for Earned Value Performance Reporting and conducting EVM reviews; and

the methodology for integrating Subcontractor performance management into the Contractor’s EVMS, including identifying the Subcontractors required to implement EVM and describing the associated Subcontractor EVMS.

The Commonwealth uses the EVMP to:

assess the ability of the Contractor’s proposed EVMS to satisfy the requirements of the Contract;

understand how the EVMS is designed to function;

gain the confidence that the Contractor understands the scope of work and risks associated with implementing a compliant EVMS;

gain the confidence that the Contractor will have the controls in place to maintain a compliant system; and

form a basis for assessing the ongoing compliance of the EVMS.

Note: The EVM Implementation Workshop, held in accordance with the Approved CSUP, is used to discuss the tendered strategy and the Contractor’s proposed EVMS, the implementation process, the system assurance strategy, and EV performance reporting, as inputs to the EVMP.

1. INTER-relationships

The EVMP is subordinate to the Project Management Plan (PMP).

The EVMP inter-relates with the following data items, where these data items are required under the Contract:

Contract Start Up Plan (CSUP);

Quality Plan (QP);

Measurement Plan (MEASP);

Contract Work Breakdown Structure (CWBS);

Contract Master Schedule (CMS); and

Earned Value Performance Report (EVPR).

1. Applicable Documents

The following documents form a part of this DID to the extent specified herein:

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| --- | --- |
| 1. AS 4817:2019 | 1. *Earned value management in project and programme management* |
| 1. CASG Manual (PM) 006 | 1. *Defence Supplement to the Australian Standard for Earned Value Management, AS 4817* |
| 1. CASG-2-Instruction (PM) 003 | 1. *Integrated Baseline Review and Earned Value Management System Review* |

1. Preparation Instructions
   1. Generic Format and Content

The data item shall comply with the general format, content and preparation instructions contained in the CDRL clause entitled ‘General Requirements for Data Items’.

Where information required by this data item is duplicated in other documents, this data item may incorporate, by express reference, the information contained in those documents. The reference to the information shall clearly and specifically identify the referenced information. The context in which the referenced information is used shall be readily apparent from the text in this data item. Where the referenced information refers to lower-level EVMS procedures, these procedures shall be included as attachments to the EVMP.

The content requirements of this data item are non-exclusive and shall not be construed so as to constrain or otherwise restrict the inclusion of any content required to effectively develop the plan or implement the EVMS requirements of the Contract.

The data item shall include a traceability matrix that defines how each specific content requirement, as contained in this DID, is addressed by sections within the data item.

* 1. Specific Content
     1. General

The EVMP shall:

address all of the EVMS requirements of the Contract;

reflect the nature and risk profile of the work to be performed under the Contract; and

define the relationships and interfaces between the EVMP and other data items required under the Contract.

The EVMP shall describe the objectives, scope, constraints, and assumptions associated with the Contractor’s EVMS program of activities. Any risks associated with the Contractor’s EVMS program shall be documented in the Risk Register; however, the EVMP shall describe the risk management strategies associated with any global, EVMS related risks.

* + 1. Earned Value Management System Overview

The EVMP shall provide a description of the Contractor’s EVMS for meeting the requirements of the Contract, including:

as an explanation of existing capability on which to develop the EVMS, a summary of previous experience in applying an EVMS to manage contracts, including:

contract title and description;

contract type and value;

EVMS standards applied; and

any formal recognition of the applied EVMS;

an overview of the EVMS, written around the 11‑step earned value performance measurement process defined in AS 4817:2019, as amended by CASG Manual (PM) 006 and the Contract, including:

any deviations from AS 4817:2019 and CASG Manual (PM) 006;

the procedures to be employed; and

the interfaces between the various information management systems that will be employed to meet the EVMS requirements of the Contract (eg accounting, material handling, scheduling, EVMS data accumulation and reporting systems);

identification of the EVMS-related organisational structure, including all key EVMS personnel (eg, Project Manager, Control Account Managers (CAMs), Functional Managers, Project Scheduler and EVMS controller);

how the Contractor will manage Subcontractor performance, including:

if applicable, the identification of any Subcontractors that are EVM Flowdown Subcontractors under the Subcontractor Management clause of the SOW, including the rationale for their selection;

for each EVM Flowdown Subcontractor, provide an overview of the Subcontractor EVMS to be established, including any tailoring of the EVM standards applicable to the Contract, the timeframes for establishing the EVMS, and the timeframes for conducting each of the Subcontractor EVMS reviews;

the integration of Subcontractor performance data into the Contractor’s EVMS performance reporting, including describing the different approaches that may be used for EVM Flowdown Subcontractors versus other Subcontractors; and

the interfaces between the EVMS program and the measurement program, if a measurement program is required under the Contract; and

when the Contractor proposes that the EVMS under the Contract will be used to forecast, monitor and report Australian Contract Expenditure (ACE) and Imported Contract Expenditure (ICE) as part of the Australian Industry Capability (AIC) program, describe how the EVMS has been adapted to support these activities.

* + 1. Implementation Process

The EVMP shall describe the processes that the Contractor intends to use to implement the EVMS described under clause 6.2.2, including:

a description of the areas of non‑compliance between the Contractor’s current project management system and the EVMS described under clause 6.2.2;

the corrective actions to be undertaken to rectify the areas of non-compliance, including the timeframes involved;

identification of any new or modified procedures, an overview of the scope of the new or modified procedures, and the responsibilities and timeframes for developing and approving these procedures;

identification of training requirements and an overview of the training plan;

identification of areas of risk and proposed mitigation strategy; and

a summary of the implementation schedule, with the full implementation schedule being provided as part of either:

the CMS; or

the schedule attached to the CSUP,

whichever is the governing schedule for the Contract at the time that the schedule is delivered to the Commonwealth.

* + 1. System Assurance Strategy

The EVMP shall describe the Contractor’s EVMS quality assurance strategy to ensure that the EVMS remains compliant with the requirements of the Contract, including:

the criteria that the Contractor uses to determine that a System Assurance Review is required;

the methodologies to be used to conduct the System Assurance Review;

the company personnel involved in the reviews/activities;

the proposed Subcontractor System Assurance Reviews; and

details of any continuous improvement process the company utilises.

* + 1. Earned Value Performance Reporting

Note: The reporting levels specified should provide the Commonwealth with visibility of CWBS elements in which significant risks reside (eg, software development).

The EVMP shall describe the EVMS performance reporting processes used by the Contractor, including:

the reporting levels, structures and variance thresholds for the provision of EVPRs, including:

the reporting levels by CWBS element for EVPR Format 1 (clause 3.2.5.2.3 of the SOW);

the functional reporting structure for EVPR Format 2;

the specified periods for EVPR Formats 3 and 4;

the labour structure for EVPR Format 4; and

the variance thresholds that, when exceeded, require the provision of EVPR Format 5 (clause 3.2.5.2.5 of the SOW);

any variations to the reporting levels and variance thresholds as the Contract progresses or the risk profile changes;

any variations to the standard EVPR reporting formats to facilitate reporting of ACE and ICE under the AIC program; and

the electronic formats for the provision of EVMS data to the Commonwealth to facilitate data transfer and analysis.

Note: Acceptable file types, which are compatible with the Commonwealth’s analysis software and reporting tools, include X12, XML and Microsoft Excel©.

* + 1. Conduct of Reviews

The EVMP shall describe the facilities and assistance that will be provided to the Commonwealth for the conduct of Integrated Baseline Reviews (IBRs), the EVMS Review, and the System Assurance Review, including:

the provision of appropriate documentation to the Commonwealth review team for review prior to the start of each of these reviews;

the provision of working space and support for the Commonwealth review team;

the arrangements for interviews with CAMs and other project management staff to ensure these personnel are available as planned; and

the access provisions to documentation such as EVMS process/procedures, schedules, and CAM documentation.