Earned Value Management
Past, Present, and Future

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The Past

• In the past...
  • The ANSI/EIA 748 32 Guidelines allowed for a wealth of expert opinions
  • Contractors rationalized and justified how the “intent” was being met
  • DOE parachuted in with teams and wrote CARs based on their expert opinions
  • We discovered we had no shortage of expert opinions
  • However, most of the experts somehow “interpreted” the requirements differently
  • And...the interpretations seemed to align with what ever our current EVMS conditions happen to have been at the moment
  • Houston...we have a problem!!!
Recognizing we had a problem...

- EVMS implementation, certification, and surveillance was subjective not objective, so...
  - DOE-PM commissions an EVMS survey and partners with EFCOG for distribution and feedback
  - The survey results decisively point to the need for EVMS requirement clarity and specificity with respect to how compliance is tested
  - Based on the survey results DOE-PM begins to draft the Earned Value Management System Interpretation Handbook (EVMSIH), Lines of Inquiry (LOIs), and Companion data tests, based on the EVMS Body of Knowledge
  - EVMS compliance shifts from subjective to data driven objective results
• Since mid-April 2015 DOE-PM and EFCOG have worked to develop, review, comment, and implement the EVMSIH
  • DOE-PM authored the EVMSIH narrative
  • EFCOG distributed, reviewed, and provided DOE-PM consolidated comments
  • DOE-PM/EFCOG jointly adjudicated comments that required discussion
  • This was an iterative process through the EVMSIH “Initial Release”, Version 1.0, and the current Version 2.0
  • DOE-PM/EFCOG jointly performed a review of “live” contractor data to examine the EVMSIH principles and test for functionality
The Present

- DOE-PM and EFCOG Partnership:
  - EVMSIH “Relook” to:
    - Remove Redundancy and requirements without basis
    - Eliminate low to no value requirements or where cost exceeds benefit
  - Peer Reviews
  - LANS Certification Review
  - Consolidated Nuclear Security (CNS) Pilot Program
  - College of Performance Management Joint Sessions
  - National Defense Industrial Association Panel Discussions
  - EVCSA automated data testing
  - March 2017 PM-30 Workshop Panel Discussion
• Current DOE-PM/EFCOG Initiatives:
  • CNS Pilot Program nearing completion
    • LOIs now at 95, Tests down to 271, Automation @ 87%
  • EVCSA Automated tool implementation in-process at various sites
  • EVMSIH 3.0 planned for an “incremental release”
    – Organization May 2017
    – Planning and Budgeting July 2017
    – Analysis Aug 2017
    – Revisions Sep 2017
    – Accounting | Indirect Oct 2017

• New data “flat files” in development (for data extraction)
The Future

• Self-Governance:
  • Contractors will have the:
    • Requirements (EVMSIH)
    • Tests (companion document) and...
    • Tools
    • EVMS compliance is an “open book test”
  • Data driven approach will shift from a data request to a data extraction
  • “Transparency of Data Analysis via Monthly PARS II (Central Data Repository) provides ability for continual surveillance from afar”
  • “Visible to Individual Contractors”
  • Allows contractors to resolve issues before DOE “steps in”
“Long Term Strategy (Future Pay-off)”

- **Return on Investment:**
  - Stabilizes the EVMS compliance platform
  - A stable compliance platform helps with project planning (CD process)
  - Eliminates costly misinterpretation of EVMS compliance requirements
  - Eliminates need for traditional surveillances (review teams parachute in)
  - Allows DOE-PM to be in all places at once (true oversight)
  - Affords limited resources to focus on issues/areas of concern
  - Normalizes the review process and opens the door to an EVMS data maturity/integrity/confidence score similar to a FICO® credit score
  - Provides a path to self-certification
Questions???