Ministry of Defence

Contract Number: DGM/1880

Schedule 16: Earned Value Management

For:
Next Generation Munitions Solution (NGMS) Programme

November 2020

1 EVM FOR NGMS

1.1 This Schedule 16 sets out how Earned Value Management (**EVM**) will be conducted to measure performance against schedule and cost for:

(a) Deliveries of Type A Munitions against the NGMS Delivery Plan; and

(b) Critical Design Services.

1.2 The Parties intend that the MASS P&T EVM pilot (pursuant to section E.3 of Annex E to MASS TASK FORM - ENG-GCM-00004-V1) is completed prior to the end of the Transition Period to enable the activities within this Schedule 16 to be completed within the timeframes provided. Should this not be the case, the Parties shall agree alternative timescales.

Initial Deliverables

1.3 Figure 1 illustrates the process flow for the initial deliverables that will be produced, as described within this section.

{ EMBED Visio.Drawing.11 **}**

*Figure **{** SEQ Figure * ARABIC **}**: Initial deliverables process flow*

Authority Provides CWBS, CWBS Dictionary & CLINs

1.4 The Authority is required to provide the Contract Work Breakdown Structure (**CWBS**), CWBS dictionary and the Contract Line Item Numbers (**CLINs**) at Effective Date, alongside the statement of work for the Contract for the Articles Deliveries and the Critical Design Services.

1.5 The Contractor shall manage the Contract in accordance with the approved CWBS & CWBS dictionary. Alignment of data from CWBS to Contract Line Item Number (**CLIN**) is to be maintained to enable the Customer Contracting, Purchasing & Finance data requirements.

Contractor Generates EVM Plan

1.6 An EVM Plan (**EVMP**) will be generated by the Contractor and will contain:

(a) The Contractor's plans and methodologies for applying EVM and the processes for ensuring compliance, including the level within the CWBS structure that EVM shall be applied to.

(b) A description of the system structure and data flows, Project Controls System Description (**PCSD**), plans for implementation and subsequent review and maintenance of the Contractor’s EVM system.

1.7 The EVMP shall be issued for review and acceptance by the Authority 60 (sixty) Business Days following both the end of the Transition Period and the CWBS and CLINs being provided by the Authority. Should the EVMP not be accepted, it shall be referred to the Fast-Track Dispute Resolution Procedure. The EVMP needs to be agreed before any subsequent action can be taken to implement EVM for this Contract.

Authority issues IBR invitation and agenda

1.8 Following acceptance of the EVMP, the Authority shall issue the invitation for the Integrated Baseline Review (**IBR**). The IBR shall be conducted a minimum of 60 (sixty) Business Days following issue of the invitation. The invitation shall make clear the proposed agenda and documents to be provided by the Contractor to support the IBR, in accordance with the EVMP.

Parties provide IBR documentation to attendees

1.9 The deliverables from both Parties into the IBR, the objectives of it, and the exit criteria out of the IBR are to be jointly agreed by the Parties within the EVMP, but are expected to include the items listed in Paragraphs 1.9, 1.10 and 1.11 for each of the Contracted Orders and Tasks related to Critical Design Services.

1.10 The expected deliverables into the IBR are:

(a) EVMP (jointly agreed – Paragraph 1.6)

(b) CWBS and dictionary (Authority)

(c) Contract Master Schedule (**CMS**) (Contractor)

(d) Basis of estimate (Contractor)

(e) Responsibility assignment matrix (by control account/by work package) (Contractor)

(f) Project management plan (Contractor)

Parties hold IBR

1.11 The expected objectives of the IBR are:

(a) All activities and deliverables required are contained within the Work Breakdown Structure (**WBS**) and all activities in the WBS are in either the Articles Delivery contract or Critical Design Services contract (as relevant).

(b) There is a logical sequence of effort, consistent with the Contract Master Schedule, and that all activities and deliverables in the WBS are on the Integrated

Master Schedule (**IMS**) and all scheduled activities and deliverables are in the WBS.

(c) The allocated control accounts and budgets are valid, and that all activities and deliverables in the WBS are budgeted and all budgeted items are in the WBS.

(d) The WBS, IMS, and budget not only agree with but support each other, and the technical content of the work packages and planning packages is consistent with the contract, CWBS, and the CWBS dictionary.

Parties agree IMS & PMB

1.12 The expected exit criteria out of the IBR are:

(a) IMS

(b) Project Management Baseline (**PMB**)

(c) Issues identified & action plan

(d) Next steps if IBR not agreed

1.13 Subsequent IBRs will follow once contracts are agreed for each Service Year's Type A Munitions' deliveries and each Critical Design Services contract.

1.14 Following agreement of the PMB any changes throughout the course of the contract shall require a Baseline Change Request (**BCR**), as detailed within the EVMP.

Contractor produces first Cost Performance Reports

1.15 Following completion of the IBR and agreement of the PMB, the initial Cost Performance Reports listed below will be provided within 60 (sixty) Business Days (unless otherwise agreed within the EVMP). The defined level of data to be provided and presentation method for each will be detailed within the EVMP.

(a) Format 1 – Measures cost and schedule performance by CWBS

(b) Format 3 – Provides a record of the changes against the PMB during the reporting period

(c) Format 4 – Manpower loading forecasts correlating with resource estimate predictions, supported by the forecast schedule

(d) Format 5 – Narrative report used to explain significant cost and schedule variances together with other related Contractor problems. Significant variances are those that exceed the thresholds for these variances, as defined within the EVMP

(e) Format 6 – Reporting against the Contract Master Schedule

(f) Format 7 – Full EVMP data export, expected to be XML format, for the CMS and Microsoft Word or Excel for all other deliverables.

(g) Format 8 – Time-phased estimate at completion.

2 ONGOING DELIVERABLES

2.1 Following completion of the initial deliverables within Paragraph 1, it is expected that the Contractor will provide the deliverables detailed within Table 1. The definition and frequency of deliverables will be confirmed within the EVMP.

*Table { SEQ Table * ARABIC }: Ongoing Deliverables*

Activity	Item	Description	Delivery Date
1	Cost Performance Reports	Formats 1 ,3,4, 5,6, 7 and 8	End of each month +20 calendar days
5	Estimate at Completion	EAC comprehensive and detailed estimate and risk analysis	Quarterly
6	Estimate at Completion	EAC comprehensive and detailed estimate and risk analysis	Annual
7	Estimate at Completion	EAC substantial Change	Ad-hoc as required
8	EVMP, CMS, CWBS & CWBS Dictionary	Updated EVMP/ CMS/CWBS/CWBS Dictionary	Ad-hoc as required