ADVANCE AGREEMENT

1. The Advance Agreement (AA) between the Government and a contractor should specify that the contractor uses an effective Earned Value Management System (EVMS) which complies with ANSI/EIA-748 EVMS Guidelines on the current as well as future contracts of a similar type. The AA should document the Government’s intent to minimize system reviews. The AA also should document a contractor's corporate commitment to continue to use and maintain the EVMS for current and future Government contracts.

2. The AA should be executed based on prior system validation or following the successful completion of a Validation Review and should usually remain in effect indefinitely. The AA should also be used by DoD to provide continued recognition of a contractor’s system as complying with the EVM System Guidelines. Finally, an AA should be used to provide a contractor with DoD recognition of a successful EVMS Validation Review. Once executed, the AA may be used by the contractor to demonstrate that they fulfill the requirements for an EVMS as required by DFARS 252.242-7001.

3. The AA should be signed by the cognizant Contracting Officer (CO) and a contractor representative at a commensurate level. For example, if the contractor uses a common EVMS throughout a Division, the appropriate contractor representative may be the Division Manager. The corresponding Government official would be the CO. Any amendments or changes to the AA, once executed, are to be made through the cognizant CO.

4. A sample AA and a Joint Surveillance Program outline are provided below as guides. In addition, to the guidance, the following areas should be considered for inclusion in the AA:

(a) applicable contractor and Government policy and directive references;

(b) reference to contractor and Government surveillance plans and guidance;

(c) the process to follow for system changes;

(d) internal coordination requirements for conducting continuing surveillance;

(e) documentation and reporting requirements; and

(f) documenting “rules of engagement” for resolution of areas of concern that are found through EVMS surveillance.

Neither of the following sample documents is intended to be applied exactly as shown but should be modified to fit the contractor, program, and CMO/DCAA requirements and capabilities.

Advance Agreement

between

(Cognizant CMO’s name, service, component, etc.)

and

(Contractor’s name, division, location, etc.)

for

Implementation and Maintenance

of the

Earned Value Management System

This document establishes an Advance Agreement between the [name of the cognizant CMO] and [contractor name, division, location] regarding the implementation and maintenance of an Earned Value Management System. This agreement specifically addresses [contractor name, division, location] use of the [name of the contractor’s EVMS] to meet the EVMS Guidelines established by the ANSI/EIA-748.

Whereas, the contractor has demonstrated certain management systems and subsystems as identified in [Contractor Document that identifies the contractor’s EVMS commitment dated (date)], and

The [Government component], by letter dated [date], did recognize the compliance of such systems and subsystems with the EVMS Guidelines, then

THE [NAME OF THE COGNIZANT CMO] AND [CONTRACTOR NAME, DIVISION, LOCATION] AGREE THAT:

(1) Such systems and subsystems which have been recognized as indicated above, together with approved changes thereto, apply to future [specify type of contract; for example, RDT&E, production or both] contracts, which require compliance with EVMS Guidelines, entered into between the contractor and the Government.

(2) As a result of this agreement [contractor name, division, location] agrees to maintain the [name of the contractor’s EVMS], as a DoD compliant integrated management system, through an internal surveillance program [other means; e.g., joint surveillance between the CMO, PM, and the contractor, are acceptable but should be specifically identified].

(NOTE: THE FOLLOWING OPTIONAL LANGUAGE IS FOR CMOs USING THE

PRIOR-APPROVAL WAIVER FOR EVM SYSTEM CHANGES)

(3) The [Cognizant CO], under the authority of DFARS clause 252.242-7002 [March 2005], agrees to waive the pre-approval requirements for system changes as provided in paragraph [ ] of DFARS clause 252.242-7002 [March 2005]. Pursuant to DFARS clause 252.242-7002 [March 2005] [contractor name, division, location] is required to disclose changes to the [name of the contractor’s EVMS], to [Cognizant CO], at least two weeks prior to implementation. This waiver applies to all contracts, both current and future, which contain DFARS clause 252.242-7002 [date].

This Advance Agreement remains in force indefinitely, subject to modification by mutual agreement or termination by either party.

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Contracting Officer (CO)

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Contractor Vice President and General Manager

(or equivalent)