

**MEMORANDUM OF UNDERSTANDING
CONCERNING RECIPROCAL RECOGNITION
OF A SUPPLIER'S EARNED VALUE MANAGEMENT SYSTEM**

PREAMBLE

The National Aeronautics and Space Administration (NASA) and the Federal Aviation Administration (FAA) (herein individually referred to as a "Participant" and collectively referred to as the "Participants"):

NOTING the requirements of Federal Acquisition Regulation (FAR) Part 34 (Major System Acquisition), NASA FAR Supplement Part 1834 and the NASA EVM Implementation Handbook for NASA, the Acquisition Management System (AMS) for FAA, and Office of Management and Budget (OMB) Circular A-11 (Preparation, Submission and Execution of the Budget) for development of major acquisitions, to have an Earned Value Management System (EVMS) that has been determined to be in compliance with the current version of Electronic Industries Alliance (EIA) Standard 748 (hereinafter called "EIA-748"), and the Presidential Memorandum, *Reducing the Burden of Certifying Earned Value Management Systems*, dated October 23, 2015, encouraging agencies to enter into reciprocal agreements;

DESIRING to eliminate unnecessary or duplicative processes;

DESIRING to increase efficiency and reduce costs;

DESIRING to reduce barriers and burdens to contracting with the Federal Government;

HAVE ARRANGED as follows:

SECTION 1 – Authorities

NASA enters into this Memorandum of Understanding (MOU) in accordance with 51 U.S.C. § 20113. FAA enters into this MOU in accordance with 49 U.S.C. § 106 (f)(2)(A) and 106(l) and (m). This MOU is nonbinding on the Participants. Any activity that requires a binding obligation will be negotiated and entered into using a separate agreement, in accordance with the respective Participants' policies and processes.

SECTION 2 - Definitions

For the purpose of this MOU, the definitions in the FAR Part 34, to the extent those definitions are consistent with AMS, OMB Circular A-11, and the current version of EIA-748, apply.

SECTION 3 - Purpose

Earned Value Management (EVM) is a program management technique for measuring program performance and progress in an objective manner. EVM provides a disciplined approach to managing programs through the use of an integrated EVMS to plan and control authorized work to achieve cost, schedule, and technical objectives. To achieve compliance certification, the EVMS processes must be documented and integrated into the contractor's acquisition decision-making processes; the EVMS data must be accurate, reliable and auditable; and the EVMS must be implemented in a disciplined manner consistent with the 32 Guidelines in the EIA-748. Depending on the rigor of the compliance review and other variables, a contractor that achieves certification for its system at one agency may not be recognized by other agencies as having a compliant system and may be required to complete yet another certification process. Recognition of another agency's certification, as appropriate, eliminates duplicative compliance reviews and results in cost savings for both the contractor and the taxpayer. This MOU intends to eliminate duplicative EIA-748 compliance reviews by establishing the mutual recognition or reciprocity of these reviews between the Participants.

SECTION 4 - Implementation and Management

Program implementation will be executed in accordance with each agency's procedures.

General principles include:

If a supplier demonstrated compliance of its EVMS with all EIA-748 guidelines to a Participant (e.g., approval by the Cognizant Federal Agency [CFA] in accordance with agency procedures or the Contracting Officer in the absence of a CFA), the other Participant will recognize the supplier's EVMS as EIA-748 compliant, provided that the system is continuously maintained. Typical evidence of system maintenance is EVMS Surveillance Plans and Reports, and EVM System Revision Procedures.

If a supplier demonstrated compliance of its EVMS with only certain appropriate EIA-748 guidelines to a Participant, the other Participant will recognize the supplier's EVMS compliance with the specified EIA-748 guidelines, provided that the system is continuously maintained by the organization cited in the compliance recognition documentation. In this case, before recognizing the supplier's EVMS as fully compliant, another Participant will only require a supplier to demonstrate compliance with any remaining relevant criteria.

A supplier's EVMS compliance with the EIA-748 guidelines will be determined by a Participant in accordance with the standards established in one of the following, FAA Earned Value Management System Acceptance Guide, Department of Defense EVMS Interpretation Guide, and/or National Defense Industrial Association (NDIA) EVMS Intent Guide and the NDIA EVMS Acceptance Guide. In addition, the FAA EVMS

Surveillance Guide and/or NDIA EVMS Surveillance Guide will be used to determine the continued maintenance of the supplier's EVMS.

To further the goal of increasing the number of Federal agencies which participate in EVMS reciprocity arrangements, Participants will make this MOU readily available to other agencies and share any relevant documentation, best practices and lessons learned.

SECTION 5 – Financial Obligations

There will be no transfer of funds between the Participants under this MOU and each Participant will fund its own participation, subject to the availability of appropriated funds.

SECTION 6 - Data Rights-Free Exchange of Data

The Participants agree that the information and data exchanged in furtherance of the activities under this MOU will be exchanged without use and disclosure restrictions unless required by national security regulations (e.g., classified information) or agreed to by the Participants for specifically identified information or data (e.g., information or data specifically marked with a restrictive notice).

SECTION 7 - Duration, Amendment and Termination

This MOU becomes effective upon the date of the last signature below ("Effective Date") and shall remain in effect until the completion of all obligations of the Participants hereto, or five years from the Effective Date.

Any modification to this MOU shall be executed, in writing, and signed by an authorized representative of the Participants.

Either Participant may unilaterally terminate this MOU by providing thirty (30) calendar days written notice to the other Participant.

SECTION 8 - Points of Contact

The following personnel are designated as the Points of Contact between the Participants in the performance of this MOU.

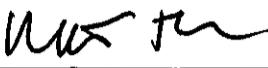
NASA:
Jerald G. Kerby
NASA EVM Program Executive
jerald.g.kerby@nasa.gov
256.544.3243

FAA:
Matoka Forbes
FAA EVM Focal Point
Matoka.Forbes@faa.gov
202-267-0356

SECTION 9 - Dispute Resolution

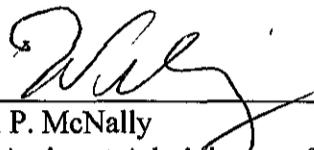
All disputes concerning questions of fact or law arising under this MOU shall be referred by the claimant in writing to the appropriate person identified in this MOU as the "Points of Contact." The persons identified as the "Points of Contact" for the Participants will consult and attempt to resolve all issues arising from the implementation of this MOU. If they are unable to come to agreement on any issue, the dispute will be referred to the signatories to this MOU, or their designees, for resolution.

SECTION 10 – Signatures and Dates



Nathan Tash
FAA Acquisition Executive

3/31/16
Date



William P. McNally
NASA, Assistant Administrator for Procurement

3/31/16
Date