

334.201 Policy.

The Department of Health and Human Services applies the earned value management system requirement as follows:

- (a) For cost or incentive contracts and subcontracts valued at \$20 million or more, the contractor's earned value management system shall comply with the guidelines in the American National Standards Institute/Electronic Industries Alliance Standard 748, Earned Value Management Systems (ANSI/EIA-748).
- (b) For cost or incentive contracts and subcontracts valued at \$50 million or more, the contractor shall have an earned value management system that has been determined by the cognizant Federal agency to be in compliance with the guidelines in ANSI/EIA-748.
- (c) For cost or incentive contracts and subcontracts valued at less than \$20 million -
 - (1) The application of earned value management is optional at the discretion of the program/project manager and is a risk-based decision that must be supported by a cost/benefit analysis; and
 - (2) A decision to apply earned value management shall be documented in the contract file.
- (d) For firm-fixed-price contracts and subcontracts of any dollar value the application of earned value management is discouraged.

Parent topic: [Subpart 334.2 - Earned Value Management System](#)