

Missile Defense Agency Earned Value Management (EVM) Update



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BMDS - THE BALLISTIC MISSILE DEFENSE SYSTEM

SENSORS

SPACE TRACKING AND SURVEILLANCE SYSTEM



SEA-BASED X-BAND RADAR



AEGIS BMD SPY-1 RADAR



FORWARD-BASED RADAR



EARLY WARNING RADAR

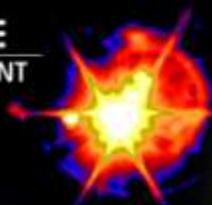


BOOST/ASCENT DEFENSE SEGMENT



POTENTIAL NEW TECHNOLOGIES

MIDCOURSE DEFENSE SEGMENT



TERMINAL DEFENSE SEGMENT

SEA-BASED TERMINAL



AEGIS BALLISTIC MISSILE DEFENSE STANDARD MISSILE-3



SM-3

GROUND-BASED MIDCOURSE DEFENSE

GBI



TERMINAL HIGH ALTITUDE AREA DEFENSE

PATRIOT ADVANCED CAPABILITY-3



C2BMC

COMMAND, CONTROL, BATTLE MANAGEMENT AND COMMUNICATIONS



NMCC

USSTRATCOM

USNORTHCOM

USPACOM

EUCOM

CENTCOM



MDA EVM Overview

- **11 Major Programs with EVM Requirements** (Aegis SM-3, GMD, THAAD, Targets & CM, C2BMC, Sensors, STSS; and Contractors - NG, LM, Raytheon, Boeing)
- **\$31B in CBB; 37 EVM Analysts** (Includes Schedule Analysts)
- **Annual IBR Process**
- **EVM Key Component in**
 - **Director's Program Reviews (Quarterly Baseline Execution Reviews)**
 - **MDA Baseline Accountability Report – Annual Report to Congress**
 - **Monthly Performance Summary Report (PMs to MDA leadership)—Also Requested by GAO**
 - **Financial Execution Reviews (EVM and CFSR Data in Addition to Government Accounting Data)**



MDA Director's Emphasis on EVM

- **PM Responsible for EVM**
- **IBR Memorandum**
 - Use of IBRs as an on-going process and at least annually.
 - Improve schedule “deep dives” and schedule risk assessments.
 - Review 100% of baseline. (Include level-of-effort)
- **PMs Required to Establish Plan for Annual Review of Baselines**
- **Minimize LOE**
- **Review any Requests for Single Point Adjustments**



Current Events

- **MDA Central Repository Initiative**
- **Initiatives for improvements in internal processes**
 - **EVM and Budget Integration**
 - **EVM and Cost Estimating community collaboration**
 - **Promoting scheduling best practices/processes**
- **Developing enhanced training materiel – scheduling, budget integration, EAC development**
- **Targeted interest in DCMA surveillance process**
- **Update of Director's policy on Single Point Adjustments**



Discussion Topic

- The SPA / OTB Dilemma -

- **Background**: Circumstances occur where task underruns result in unused funding and contract value, which could allow for additional, in-scope tasks.
 - These are IDIQ-type contracts with broad SOWs where the total CLIN value / Contract Budget Base (CBB) is allocated to Task Orders for specific tasks.
 - Tasks underrun...with residual funding, BUT the entire CBB has been allocated.
- **The Problem**: How to provide budget for additional, in-scope tasks to utilize residual funding.
 - Tendency is to consider SPAs to recoup Budget for new, in-scope tasks.
 - MDA EVM policy does not view SPAs favorably for the obvious reasons (zeroing variances/distorting metrics/inhibits trend analysis).
 - Alternative approach is to authorize an OTB (TAB > CBB) to provide planning budgets for new, in-scope tasks.
- **Discussion**:
 - OTBs are universally understood to provide budget for significant overruns.
 - In this case the desire is to utilize an OTB in underrun situations.

What's wrong with authorizing an OTB for underruns?

