

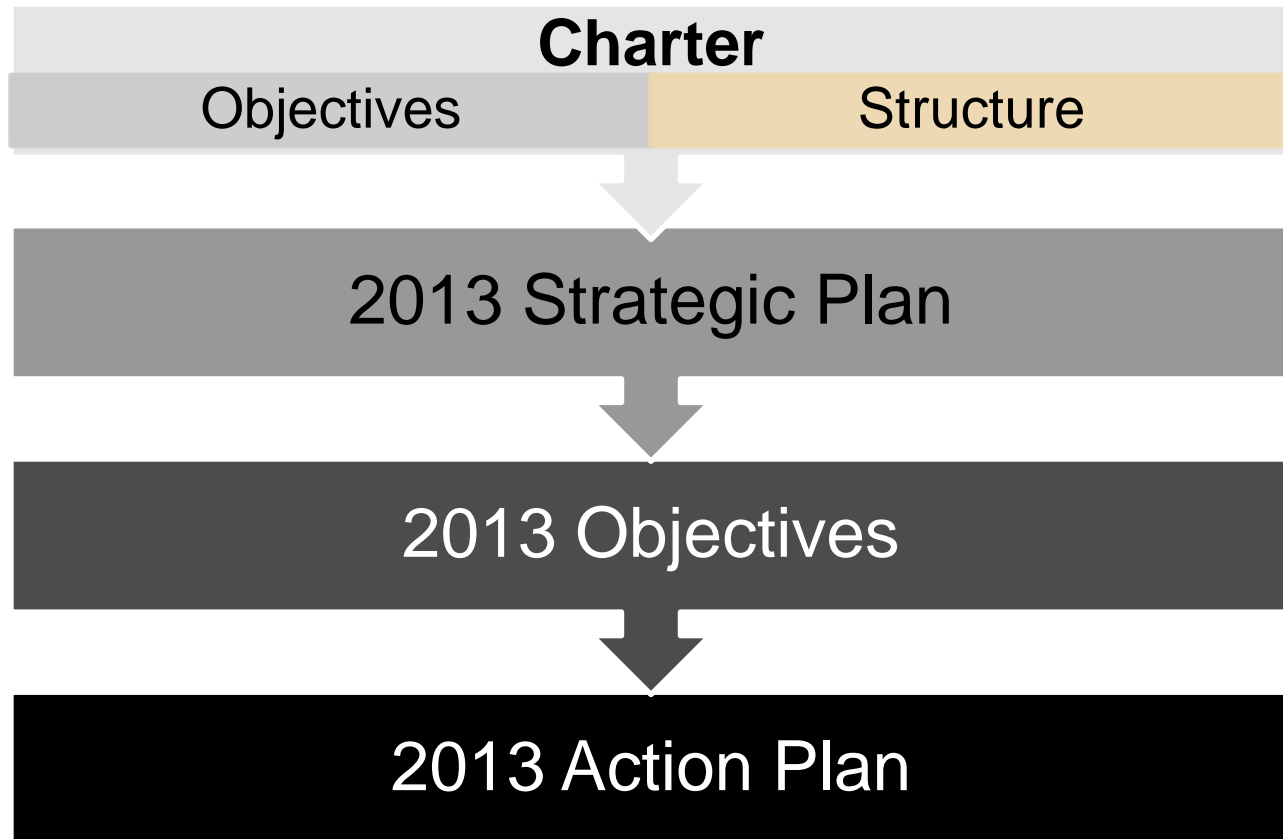


NDIA PMSC Update 29 January 2013

Tracie Thompson

- 2013 PMSC Objectives and Actions Review
- Working Group Review
- Government Documentation Update
- Current Environment – Highlight of Special Interest Areas
 - Business System Rule
 - Stop Work Order
 - New DCMA CAR Process
- Summary

NDIA PMSC 2013 Operating Documents



We'll vote today on a Charter Update

2013 Strategic Plan Reflects Broad Objectives in Charter

Serve as an effective vehicle for exchange of views/information between government and industry on Integrated PM (IPM) processes and Earned Value Management (EVM)

Foster understanding and effective relationships between government and industry regarding the development, documentation and maintenance of IPM processes

Provide government with industry perspectives on policies, practices, needs, issues within PMSC purview

Safeguard NDIA interests by carrying out policies/aims/purposes as identified in Procurement Division and PMSC Charters and NDIA By-Laws

**Program Management Systems Committee
Streamlined Strategic Plan**

Objectives with Actions

- 14 Objectives Identified with associated actions and point of contact
- Objectives and Actions tied to Strategic Plan and NDIA Objectives
- Objectives and actions align with NDIA objectives and reflect current environment

2013 Objectives and Actions

Item #	2013 Objectives	2013 Action Plan
1	Support the OSD office of Performance Assessment and Root Cause Analysis (PARCA) in the resolution of issues with industry and DOD components. Work with OSD/PARCA to find areas of consensus to improve the working relationship and communication between DOD EVMS stakeholders	<ol style="list-style-type: none">1. PMSC Clearinghouse process2. PARCA issue resolution process3. Conduct PARCA/PMSC collaboration meeting4. Respond to PARCA EVM policy documents5. Set up Sustainment/Services WG
2	Collaborate on the resolution of disparate EVM documentation emanating from multiple sources. Initiate an effort to streamline, consolidate, and strengthen EVMS guidance for use across industry and the government.	<ol style="list-style-type: none">1. CAIWG WG works this issue within their community2. Work with DCMA, PARCA and buying commands to drive consistent guidance

2013 Objectives and Actions, continued

Item #	2013 Objectives	2013 Action Plan
3	Balance the operational approach of the DCMA EVM Hubs with the realities of the current contracting environment.	<ol style="list-style-type: none">1. Continue DCMA/PMSC collaboration meetings.2. Distribute surveys on industry day meetings on best practices for a variety of topics in order to identify consistencies/inconsistencies in EVM practice.3. Establish meetings (face to face and/or telecons) with DCMA leadership
4	Clarify that EVMS is a management process supporting program management and owned by individual companies	<ol style="list-style-type: none">1. PMSC Committee meetings, especially panel discussions

2013 Objectives and Actions, continued

Item #	2013 Objectives	2013 Action Plan
5	Engage at all levels of DOD and industry to jointly improve the use of EVM by Program Managers and support revitalized EVMS training and certification processes.	<ol style="list-style-type: none">1. Support PARCA initiatives to improve DOD PM training via DAU2. Support CPM training at major conferences (EVM World & IPM)
6	Encourage more focus on the Integrated Baseline Review (IBR) process, including pre-award IBRs	<ol style="list-style-type: none">1. Update IBR guide2. Contracts WG to discuss application of FAR clause encouraging pre-award IBRs
7	Recommend and encourage reciprocity of EVMS acceptance amongst all government agencies	<ol style="list-style-type: none">1. Continue discussions at CAIWG

2013 Objectives and Actions, continued

Item #	2013 Objectives	2013 Action Plan
8	Implementation of the IPMR DID by the industry as intended	<ol style="list-style-type: none">1. Establish a community of practice specifically for the IPMR implementation, set up a LinkedIn group for IPMR2. Support the update of the IPMR guide3. Ensure PARCA participation in PMSC meetings.
9	Promote awareness of the PMSC and the PMSC website	<ol style="list-style-type: none">1. Update and streamline website2. Discuss changed/new content at PMSC meetings3. Develop press releases for NDIA magazine to promote the PMSC

2013 Objectives and Actions, continued

Item #	2013 Objectives	2013 Action Plan
10	Clearinghouse Working Group	<ol style="list-style-type: none">1. Continue the meetings of a diverse Clearinghouse Working Group of industry professionals.2. Enhance, as required, the ground rules for interactions within the working group.3. Enhance, as required, the request process, fact gathering forms, web access, searchable databases for status of resolution through publishing of final results.4. In each new case for 2013, document facts of the case, industry position and recommendations, from the working group to present to NDIA PMSC BOD.5. In each new case for 2013, take action, as approved by PMSC NDIA BOD, and publish resolution to the webpage for all NDIA PMSC membership.

2013 Objectives and Actions, continued

Item #	2013 Objectives	2013 Action Plan
11	Production EV Working Group	<ol style="list-style-type: none">1. Complete initial review of DCMA X-reference Checklist2. Adjudicate WG Initial Assessment3. Review WG Output with PMSC4. Brainstorm best method for communicating results
12	Contracts Working Group	<ol style="list-style-type: none">1. Continue to evaluate and formulate opinions and potentially direction on various contract issues relating to EVM such as data retention, EV application on contracts, stop work issues and various other topics.

2013 Objectives and Actions, continued

Item #	2013 Objectives	2013 Action Plan
13	Planning and Scheduling Working Group	<ol style="list-style-type: none">1. Work with PARCA, GAO and other groups as it pertains to Planning and Scheduling topics to ensure consistency and applicability.2. Maintain the PASEG.3. Support continued advancements in planning and scheduling theory, practice and implementation.4. <i>Explore best practices in integrating risk and opportunity management with planning and scheduling process.</i>
14	Service and Sustainment Working Group	<ol style="list-style-type: none">1. This is a new (re-formed) WG that will begin in 2013. 2013 action plan will be to form the group, develop the charter for the WG, and begin the process of addressing EV in a service and sustainment environment.

PMSC Working Groups

Working Group	Lead	Comments
Civilian Agency Industry Working Group (CAIWG)	Jerald Kerby Tracie Thompson	Leader Change
Clearinghouse	Kathryn Flanigan, Bev Solomon	In addition to formal issues, this forum allows industry members to discuss concerns and best practices
Contracts	Nick Pisano	Various issues including Stop Work orders, Business Systems Rule impact on PBPs; CAS Harmonization

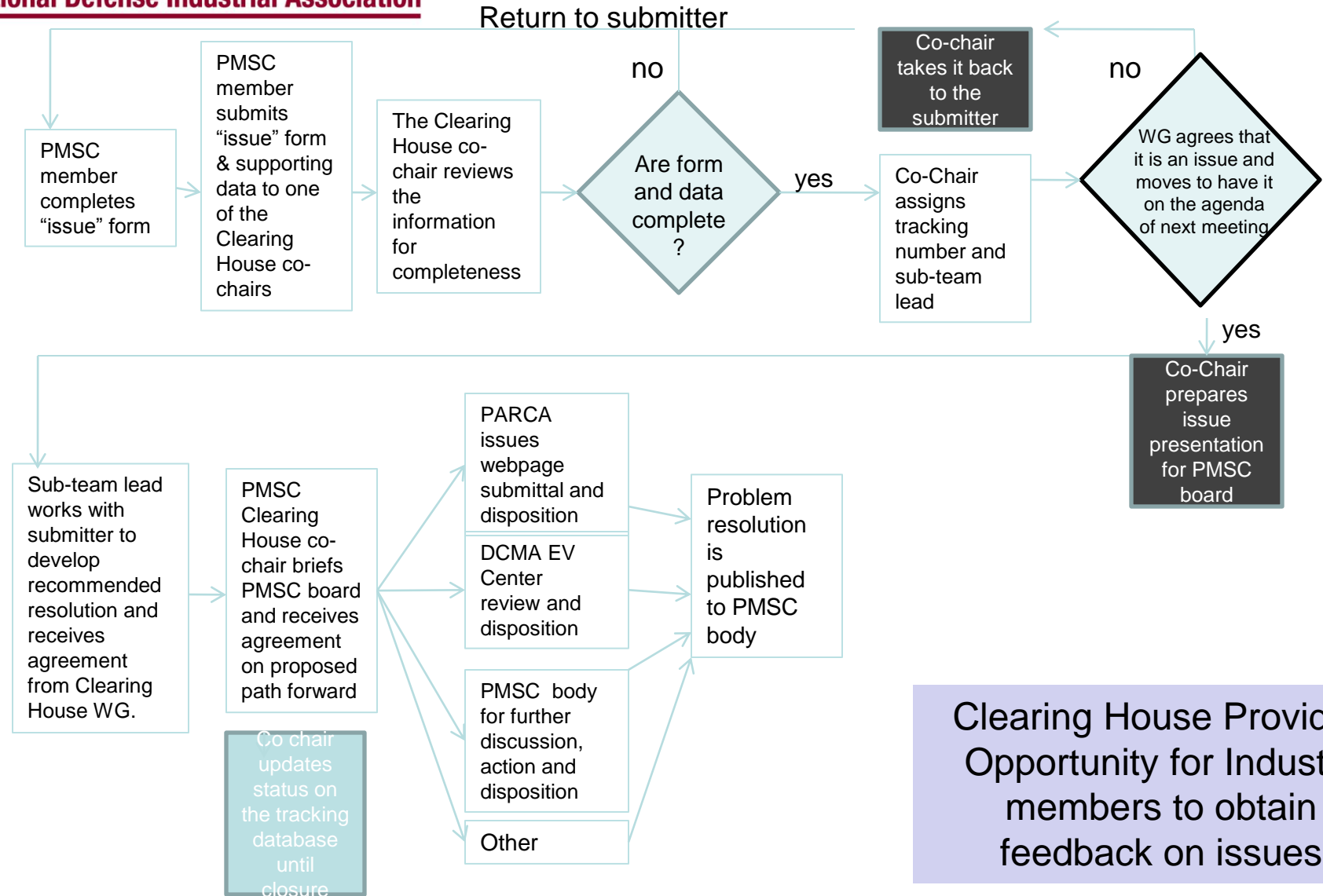
PMSC Working Groups, continued

Working Group	Lead	Comments
Guides	Dan Butler, Joan Ugljesa	ANSI Update, Intent Guide Update, IBR Guide Update in 2013
Planning And Scheduling Sub Group: Risk & Opportunity Management	Carla Guilhuys/ Yancy Qualls R&O Sub Group Lead: John Driessnack	NEW! This group will maintain the PASEG, and comment on Schedule related documents; Charter to be developed
Production	Scott Gring	Actively reviewing and responding to DCMA questions related to EVM in a Production environment

PMSC Working Groups, continued

Working Group	Lead	Comments
Program Management Outreach	Bill Altman	Working to obtain PDUs for PMSC meetings; Linked in Site with 200 members; new member outreach
EV for Sustainment and Service Contracts	John Duval	Developing guidance on the use of EV on Sustainment and Service type contracts
XML Working Group	Joan Ugljesa	Recent activity related to IPMR DID

Summary NDIA PMSC Clearing House Issue Process Flow



Clearing House Provides Opportunity for Industry members to obtain feedback on issues

Government Documentation Update– IPMR DID, Guide

- The Integrated Program Management Report (IPMR) Data Item Description was released 6/19/12 and is on the PARCA website
 - Combines the Contract Performance Report (CPR) and the Integrated Master Schedule (IMS)
 - Industry worked extensively with PARCA to provide comments, many of which were accepted
- IPMR Implementation Guide developed by PARCA
 - PMSC Coordinated and submitted comments to PARCA
 - Guide released on PARCA site 1/28/13
 - Incorporates industry schedule margin comments

<http://www.acq.osd.mil/evm/>

Government Documentation Update– OTB/OTS Guide

- Over Target Baseline and Over Target Schedule Guide released by PARCA 12/5/12
 - PMSC provided comments to the updated Guide
 - Completely reorganized from 2003 Guide
 - New Steps/Process defined
 - Updated OTB/OTS Guide on the PARCA website

OTB and OTS Guide on PARCA EVM Site:

<http://www.acq.osd.mil/evm/resources/guidance-references.shtml>

Business Systems Rule

- Final business systems DFAR Rule released - identifies 6 business systems, including EVMS
 - DCMA is now implementing an “automatic” Deficiency Report tool that is based on perceptions of data integrity
 - Industry on April 19th has requested from DCMA the capability to utilize this tool and understand the check points – [DCMA is still working this –Contract awarded to help develop this tool](#)
 - Tool will be used to substantiate “significant deficiencies” that trigger EVMS System Disapproval and progress payment and other financing withholds
 - Questions remain from industry as to “materiality” of findings
 - Current Environment is heavily focused on data integrity, tool integration and compliance to strict interpretation of the EVMS guidelines
 - PMSC Continues to question inconsistencies in implementation

Current Environment - Stop Work Order (SWO)

Awaiting Gov't Response

● Problem Statement

- Cost Type Contracts Not Always Properly Reflecting the Impact of a SWO on the Contract Target Cost (CTC) and resultant basis for Fee calculations
- There are no issues with Actual costs and associated payments calculations
- Tendency Is To Remove Actual Costs (or even Remaining Estimate) From the CTC Value Instead of Budgeted Values

● Background

- Genesis: We Contract for Original Budget Units (e.g.: “A Program for Five Aircraft”)
 - Problems Occur - the First 2 Aircraft overrun cost significantly with a forecast for even more significant total cost overrun at completion
- Stop Work/ Delete Work Should ALSO be at the Original Budget Units (Each Original Budget Unit [Aircraft] Budgeted at \$ XM)
 - Should Remove 3 times \$ XM for the SWO on the 3 Remaining Aircraft
 - Attempting to Remove Actuals (\$ XM PLUS \$ YM) or Remaining Estimate (\$ YM) would make the resultant CTC Go Negative

Current Environment – New DCMA CAR Process

● Problem Statement

- DCMA released a Corrective Action Process Instruction 12/10/12 that indicates Prime Contractors will receive CARs for Subcontractors
- Various companies addressing this
- PMSC is reviewing and will determine action appropriate for this committee

Check the DCMA website under Quality Assurance, Corrective Action Process: <http://www.dcma.mil/policy/>

Industry Perception of the Current State of EVMS

Summary

PMSC is working collaboratively with Government agencies to insure effective Integrated Program Management Processes are implemented efficiently in a time of fiscal constraint...

- Government scrutiny is increasing (OSD and the Civilian Agencies).
- Industry and Government must work together to achieve consensus on common challenges.
- Items to Consider:
 - Are you properly organizationally aligned and staffed to respond to these changes?
 - Are your Program Managers and Senior Functional Managers aware of the current Government procurement landscape and the associated impacts?
 - Does your company adequately utilize EVMS data in the management of its programs?
 - Is your current self-governance process adequate?

Summary

- The PMSC Working Groups are active and producing value added feedback to government and industry
- The PMSC is actively influencing policy
- The PMSC is working collaboratively with government to help ensure effective implementation of EVM - Industry and Government will have to leverage off of each of our best practices
- Focus must be maintained on working through issues which affect the execution of our programs and maintain the compliance and acceptance of our program management systems
- NDIA PMSC remains the repository of corporate knowledge on the proper use, guidance and implementation of EVMS as an effective program management tool.

