

NDIA PMSC Meeting Minutes

Industry Meeting – September 10, 2013

1. SAP Welcome – Mr. Magnus Bjorendahl, VP, Aerospace & Defense Industry Solutions welcomed the attendees. He highlighted several thoughts which led to some follow on questions (noted below in f and g):
 - a. ERP makes sure you do things right.
 - b. Weakness of ERP is “are we doing the right things”?
 - c. Technology now has evolved – SAP HANA – “completely re-imagined platform designed for the real-time business”
 - d. Should transform Program Management - Allows the capability to arm the project manager with whole new set of information
 - e. Technology to shape the future of Project Management
 - f. ? Do I need to buy the HANA if I already of SAP? HANA is not Hardware. HANA can run on 9 different HW ...HP, IBM, Hitachi etc.
 - g. ? Is it a Big Project to integrate? With SAP there should be “seamless” / minimal to no disruption. HANA runs entire business operation and still provides new use cases
2. Ms. Tracie Thompson, PMSC Chair, called the meeting to order and welcomed all the attendees. Tracie discussed the agenda and various logistics items.
3. Note: These minutes are intended to supplement the charts shown during the presentations (as applicable). Charts will be uploaded to the PMSC website shortly after the meeting.
4. Introductions were made for each attendee.
5. Tracie provided a PMSC Update and Ms. Joan Ugljesa provided a PMSC Guide Update.

Tracie noted her chair position will end in May/June 2014. Ms. Carol Boser, current PMSC vice chair will assume the chair position at that time pending a confirmation vote. Tracie discussed the recent board activities and the strategy meeting conducted in late August. Of note, Tracie highlighted PMSC's planned move to become an NDIA division. Tracie discussed each of the PMSC working groups and their activities. Tracie requested the committee to be prepared in the afternoon to discuss policy or surveillance related issues and handed out forms that can be filled out to submit issues. It was noted that we expect to see DCMA's updated CAR process soon which is expected to address some of the concerns industry submitted. Tracie provided the planned PMSC meeting dates for 2014

(Jan 28/29, Jun 17/18 and Sep 16/17) – all meetings planned to be conducted in the DC area.

Joan provided the objectives of the PMSC Guides working group and noted the status of each guide, highlighting the guides that are in the process of being updated and those that are planned to be updated in 2014.

6. Mr. Mike Cuticchia discussed the status of the NDIA PMSC Intent Guide update. The guide will incorporate the changes to the recently published ANSI Standard (Revision C) as well as any lessons learned/best practices. After the guide is updated, it will be coordinated with the applicable government agencies and then provided to the PMSC board and Committee for approval. Current target is to complete by mid-2014.
7. Mr. Neil Albert discussed the update to the IBR Guide. Neil noted that this particular guide is undergoing a much more substantial change as the current guide is at a too high a level to be effective. The new guide will bring a focus on executability of the program baseline and the risk in accomplishing it. Target completion is expected around the end of the year and the document is planned to be around 50 pages.
8. A 15 minute break was taken.
9. Ms. Carol Boser introduced the keynote speaker, Mr. Joe Trench of LM Space Systems. Mr. Trench has extensive experience as a program manager and general manager. Mr. Trench discussed “EVMS – A 30 Year Journey”. He highlighted the traits of successful programs (discipline with agility; continuous risk management; appropriate instrumentation (where are you?); and clear responsibility, accountability and authority). He noted that program mgmt is more often art than science. He stated that a well implemented EVMS supports the traits of a successful program.

Mr. Trench made some observations about EVMS – it is conceptually sound and works when a PM “buys in”. He noted that “precision and utility” must be balanced, that data needs to be converted into quality information, process and infrastructure are essential and oversight/support can be complimentary. He discussed in a detailed manner the characteristics that show a PM “gets it”, precision vs utility items (logical WBS/OBS, appropriate reporting thresholds and schedule detail, and right sized control accounts), what constitutes important information needed, the keys to infrastructure support, and his thoughts on “supportive oversight”.

10. A panel on subcontract issues was conducted. Mr. Gary Humphreys facilitated the panel consisting of Mr. Gregg Hughes (CH2M Hill), Mr. Dan Lynch (Raytheon), Mr. Randy Steeno (Boeing) and Ms. Sung Soon Stultz (Rockwell Collins). An example of the discussion was around the prime WBS reporting levels:

- a. Prime can summarize the subcontractor's CPR/IPMR into one prime WBS element
- b. Prime can summarize the subcontractors CPR/IPMR into 2 or more prime WBS elements
- c. Prime can integrate the subs CPR/IPMR WBS elements one for one

It was noted that the prime can choose which method is the best for the program. Another discussion was around how to handle the subcontractor's profit/fee which is typically not included on a CPR/IPMR. Similarly, one needs to determine how to handle G&A or FCOM and UB/MR. The panel also discussed DFARS and other terms and condition flow downs; IBRs and system acceptance; and the issues around CARs. Reporting issues were also discussed including dealing with different accounting periods; overriding the subcontractor's EAC; reviewing VARs and formats 5; and change control processes. The subcontractor's point of view was also discussed to include things like inappropriate flow downs; directed use of MR; scope creep when performance is good; and directed single point adjustments in cases where not needed.

11. A one hour break for lunch was conducted.
12. A general committee discussion was held based on forms that were distributed earlier in the day (see note 5 above). Sung Soon facilitated the discussion. Active past chair board members Mr. Pete Wynne, Mr. Gary Humphreys, Mr. Dan Butler and Mr. Joe Kusick participated on the panel. More questions were submitted than time allotted and the board will develop a process for vetting all the questions. Among the questions discussed were:
 - a. Joint surveillance being performed on different locations that are part of the same program. It was noted this is common and that there are times where the local CMOs are inconsistent in their findings.
 - b. A question was raised about the interaction between EV and the IMS.
 - c. A question was raised about DCMA denying the use of 50/50 technique if the budget is not spread evenly between two periods.
 - d. Is a BCR required when QBD methods are changed?
 - e. Discussion occurred about collaboration between industry and the government.
 - f. What about the differences between the IPMR DID and Guide?
 - g. What is the order of precedence in the various guides and guidance?
13. Mr. Dan Lynch presented an update on "Recommended Practice Comment Consolidation". This is an initiative by AACEI (American Association Cost Engineering International). They are working to develop recommended practices, many of which are EVM related. Dan presented the comments the PMSC board will make on one of the items covering MR and UB. We are not certain about the goal of AACEI in developing these items but believe they are updating their body of material on various subjects which may tie into their certification practices. Dan discussed the differences between the RPs

and what would be considered standard EVM practices (and as highlighted in the NDIA PMSC Intent Guide).

14. A break was conducted.
15. Ms. Carol Boser and Mr. Kim Herrington discussed PARCA's request for industry to provide input on the upcoming EVMS DFARS clause change/update. It was noted that the PMSC provided a letter highlighting that we believe the dollar threshold should be re-examined and that the major issue is applying EVMS to work scope that is not appropriate. An example is repair work where the work scope is not identifiable in advance (what will need repair, when and how much?). The PMSC will continue to work with PARCA on this issue. The question was posed to the committee on what would they like to see changed? Discussion ensued and comments were recorded.
16. The PMSC working groups convened.
17. After the working groups, the SAP sponsored social was held.