

NDIA PMSC Meeting Minutes

Industry Meeting – January 28, 2014

1. Ms. Tracie Thompson, PMSC Chair, called the meeting to order and welcomed all the attendees. Tracie thanked Deltek for sponsoring the meeting. As is the committee's normal practice, all attendees introduced themselves.
2. Note: These minutes are intended to supplement the charts shown during the presentations (as applicable). Charts (with some exceptions) will be uploaded to the PMSC website shortly after the meeting
3. Deltek welcome – Mr. Rick Miller presented a discussion on the wInsight upgrade. He discussed analytics and business processes. Business users need to move fast (“self service reporting/analyzing”) but there must be proper control over the data. wInsight Analytics utilizes “Business Discovery” which allows the user to move through the data based on their needs versus traditional linear business intelligence methods. Rick highlighted how a user can move through the data on demand. wInsight Analytics 7.0 is compatible with 6.5.1 and is available for free to 6.5.1 users.
4. Tracie discussed the agenda items for today and tomorrow and encouraged discussion and participation from the committee. She then provided a PMSC Update.

Tracie noted her chair position will end with today's meeting. Ms. Carol Boser, current PMSC vice chair will assume the chair position, assuming confirmation. Likewise Mr. Dan Lynch will assume the Vice Chair position. Tracie discussed a board position opening and a potential opening and encouraged attendees to consider taking on additional responsibility by becoming a board member. Tracie also highlighted the working groups and the individuals leading them.

Tracie discussed the PMSC operating documents including the charter, the strategic objectives and the action plan. She identified the need for potentially updating/revising these documents based on the potential change to becoming a division (and changing the name of the committee). This will be discussed further later in the morning. Tracie next discussed changes to various government documents and processes and noted that DCMA and PARCA will address those items in tomorrow's meeting.

The upcoming meetings will be April 29-30 and September 16-17. Currently a sponsor is needed for the April meeting.

5. Ms. Joan Ugljesa provided a quick update on the PMSC Guides. She discussed the 5 OMB recommended guides plus the PASEG and the mandatory 3 year cycle of updating the guides. Joan noted the Intent Guide update to align with the ANSI "C" version. The IBR update is underway but volunteers are needed for updating the Surveillance and Application guide. The Acceptance guide was updated in Mar 2013.
6. Ms. Carol Boser discussed her nomination to the Chair position and how much the committee has accomplished in recent years. Carol discussed moving forward toward becoming the Integrated Program Management Division and how she will work to strengthen our position within NDIA, our government customers and within the member companies. Mr. Dan Lynch also commented on his nomination to the Vice Chair position. He highlighted his goals for advancing the division over the coming years.
7. Mr. Bill Altman discussed the move of the PMSC from a committee under the Procurement Division to becoming a separate division under NDIA. Bill described the current organization and the change that will take place when we become the Integrated Program Management Division (IPMD). Bill noted the desire to be on par with other NDIA divisions, such as Systems Engineering or Manufacturing. Bill discussed that we will still be under the Government Policy department versus under the Operations department for NDIA. The primary changes are updating the charter (Bill provided details on the changes), changing the terminology (specifically IPMD vs PMSC), and needing to coordinate with the Procurement Executive Committee vs reporting up through them. Bill noted the vote that will take place during the lunch break. Assuming approval, we will get final signatures on the charter, post the charter to the website and update the website for the change, prepare a press release for the NDIA magazine and potentially other sources, change the title on the guides, and coordinate with DoD/OMB and other entities.
8. Mr. Mike Cuticchia provided a status on the NDIA Intent Guide refresh. Changes are being made to the guide to account for changes in ANSI/EIA -748 C as well as lessons learned and advancement in practices. Mike noted there was an interim update in 2012 but this refresh is more comprehensive. Administrative changes have been made such as consistent format with other guides and revising the table of contents. Other changes included adding new figures, various text edits and changes related to version C. The guide has been reviewed and comments have been received from both industry and government personnel. The working group will meet today to adjudicate many of those comments. Once all items are dispositioned, the guide will be published sometime in 1Q14.
9. Since we were ahead of schedule, Tracie took the time to have others who arrived after the initial introductions to introduce themselves.
10. A 25 minute break was taken.

11. Carol introduced Ms. Lil Vayhinger to speak on “A Perspective on Program Success and Failure”. Lil discussed her 32 year career and background. Her current role is with Raytheon corporate where she conducts program evaluations. Lil started with a Raytheon overview (\$24B in annual sales and over 68,000 employees), their key locations, customers and product lines. She discussed the “Raytheon Company Evaluation Team” (RCET) process and goals – independent evaluation, advice to programs, raise the level of program performance, help remove systemic issues, capture new business and grow, etc. (it is not an audit team). Lil noted a shifting focus from program execution to more focus on start up and capture and win/loss analysis.

The balance of the presentation focused on the observations on program success and failure. In terms of failure, half the findings involved the groups of planning and metrics and program leadership items. Supplier and contract management, checks and balances, engineering execution, and risks and opportunities are the other groupings. In terms of specific observations supplier issues are the most, then risk and opportunity management. Lil discussed the top 10 items the RCET team has found. Lil expanded on several of the specific issues that have been uncovered.

Lil also discussed why programs succeed and provided the top reasons RCET has determined for success. Lil provided the characteristics of a successful program manager, including items like running the program like a business, cultivating a relationship with the customer, and being an engaged leader. She also shared program leadership best practices. Lil described the RCETs findings on how to create opportunities for growth – program management drives via relationship with the customer. Throughout Lil’s presentation there was good discussion with numerous questions coming from the floor.

12. Carol Boser led a panel on “Life after EVMS Advanced Agreements”. Panelists were Randy Steeno (Boeing), Joe Kusick (Raytheon), Dale Gilliam (SAIC) and Dave Ricci (Northrop Grumman). Carol discussed the Dec 2013 decision by DCMA to discontinue using Advanced Agreements to confirm EVMS validation. DCMA noted that while useful in the past they were no longer needed because of the new Business System Rule and the CBAR database that contains the contractor system approvals/disapprovals by cage code.

Part of industry’s concern with eliminating the AAs is that companies with corporate approved System Descriptions could see local CMOs start to push for changes by site and therefore remove the efficiency of having a common corporate process. Other concerns are the validity of the CBAR database (industry does not have access). There are also issues with the cage codes not being update due to moving businesses and/or multiple businesses at a single site.

It was noted that despite concerns companies can still work toward and maintain corporate System Descriptions. It was also discussed that AAs from non-DoD/DCMA entities are still in place.

From a DCMA perspective it was discussed that EVMS AAs were always the “outlier” relative to the other business systems and that the “new” CBAR database/process was preceded by similar reports. In general, the consensus is that the removal of the AAs will not represent a major issue, most of the items addressed in the AA is still in place (ACO approval, surveillance requirements, etc.).

13. Mr. Gary Humphreys provided the ballots to the attendees with voting rights to vote on the Chair, Vice Chair and the change from PMSC to IPMD.
14. A one hour break for lunch was conducted.
15. Tracie announced the results of the vote. Carol Boser and Dan Lynch were confirmed as Chair and Vice Chair and the move to a division and the charter were confirmed.
16. Mr. Bill Altman provided a status on the guide being prepared on “Predictive Measures”. The publishing of the guide will be the first deliverable for the Predictive Measures Working Group. The goal for the guide is to provide various predictive measures drawn from government and industry and bring together in one document. The guide will be able to be used to effectively manage programs and as the title indicates the focus is on the predictive nature of the metric.

Approximately 30 metrics will be identified in the guide (reminder it is not a standard). It is assumed that no single program would necessarily utilize all 30 metrics but program managers would select those that best represent the needs of their particular program. The guide is also intended to help smaller organizations that may not have robust PM offices and therefore may not have been exposed to all the potential metrics that can be used.

The guide is in final iterations with senior level reviewer comments being dispositioned. Expect PMSC (IPMD) board review in Q1 and then the document will be sent to the general committee in Q2. It is expected the guide to be published at the time of the September 2014 meeting.

17. Mr. Dan Lynch presented a current status on “Recommended Practice Comment Consolidation”. This is an initiative by ACEI (American Association Cost Engineering International). They are working to develop recommended practices, many of which are EVM related. 4 EVM related RPs are published or released for comment. MR is published. LOE, OBS & RAM, and EVM required skills and knowledge are the ones released for comment. Dan noted that the MR RP incorporated around 90% of the comments the division provided to ACEI. Other items in work include an RP on EAC.

Dan discussed some specifics on MR and some current disagreements that exist around the definition and use of MR. The concern is exacerbated because certain documents

seem to conflict (new IPMR guide for example). Dan requested participation from the division in providing comments on these RPs if it is agreed we should continue to provide comments as a division (individual comments are not precluded but it is believed to be more effective to have a consolidated response from the NDIA IPMD). Dan noted that these are not utilized by DoD but may be used by other agencies (DOE for example).

18. Mr. Dan Butler kicked off a discussion on “Hot Topics”. The first item was the various government guides and policies around EVM compliance. With PARCA producing an interpretive guide, DCMA working to a compliance procedure and the advanced agreements being removed, it is unclear how future compliance and/or surveillance will take place and thinking big picture what is implication to the NDIA Intent Guide or even the ANSI standard. Also part of the discussion is how EVM is applied or utilized for Services or Production or how programs are managed when EVMS is not required.

Mr. Gary Humphreys continued the Hot Topics discussion by bringing up the differences in opinion on how MR is viewed. DOE pulled a group together from various government agencies and consultants late last year to discuss MR usage. DOE was giving contractors CARs over MR being used for anything except “new scope” and indirect rate changes (but not direct). During the meeting the direct quote from the ANSI standard was discussed with provides a broader view of MR usage. In the end, DOE leadership agreed to align DOE’s interpretation with the rest of government/industry.

Gary also discussed the recommendation made by Paul Solomon to remove 12 of the 32 guidelines because they are duplicative or not needed (drives unnecessary cost).

Gary also handed out some surveys for the attendees to review and complete and provide back to Gary tomorrow.

19. The PMSC working groups convened.
20. A networking event hosted by Deltek was held.