

NDIA IPMD Meeting Minutes

Industry Meeting – Sept 16, 2014

1. Ms. Carol Boser, IPMD Chair, called the meeting to order and welcomed all the attendees. As is the committee's normal practice, all attendees introduced themselves. Carol then reviewed the agenda for both days. She noted that the Government day will start at 2:30pm today and thanked Artemis for sponsoring the social tonight. We will be voting for 3 board members and asked if there were any concerns over the cost of attending the event. No verbal response was received. She stated that the Board is very sensitive about the cost of the event.
2. Note: These minutes are intended to supplement the charts shown during the presentations (as applicable). Charts will be uploaded to the IPMD website shortly after the meeting.
3. Artemis Today – Mr. Leo Rodriguez. Mr. Rodriguez went over Artemis. Artemis is very sensitive to industry challenges – specifically scalability and performance. He highlighted 2 areas: – 1) Reporting being built into the engine. Fully integrated that is bottom up as well as top down solution. 2) CostView EVM integration with P6 and MSP Server – Fully automated integration with schedules. You can preview at the scheduling side the impact of the cost before integrating into the CostView EV side.
4. Ms. Carol Boser provided the IPMD update and DoD EVMS Operating Environment. IPMD Update: 1) Board Member Update of current board members and noted again that there are 7 candidates for 3 open positions; she discussed the need to have diversity on the board as we evolve into IPMD. 2) Board Member Strategy Offsite – August 12th/August 13th – Defined IPM at a higher level “The disciplined performance management methodology of planning and executing programs to optimize outcomes” ; Refined and reordered the 5 IPMD Objectives. These will be posted on the website; Reviewed Working Groups – Decision was to stand up 2 new working groups – Agile (Gordon Kranz will be the Government Lead...looking for Industry Lead) and Prime/Sub Contract Management (Lead Dan Lynch and Sung Soon Stultz); Decision to Sunset by the end of 2014 two working groups – Contracts and Production, Manufacturing & Naval Construction EV; Decision was also made to incorporate the Risk and Opportunity to the Program Management Working Group. Each of the working group leads then briefly discussed their working group objectives.

Carol went over the DoD EVMS Operating Environment – Leadership: Let. Gen. Wendy M Masiello, Director DCMA; Anita F. Bales, Director DCAA (Comptroller); Policy: PARCA DoD IPM EVMS Implementation Instruction – Projected release for Industry Sept 22 and NDIA IPMD will coordinate industry comments. CAPE is in the process of getting the DIDs electronically and changing the DIDs. Some changes are minor but others are significant (e.g. Technical Data; WBS Dictionary). A lot of activity going on in the CAPE. We need industry to get engaged in CSDR Focus Group. Usually meets twice a year, May and January. IPM Fall conference November 3-5 in Bethesda MD; IPMD tentative schedule for next year's meetings are Jan 27-28 (Raytheon in Tucson, AZ); April 28-29 TBD; Aug 24-26 TBD.
5. Mr. Jon Etherton, Sr. Fellow for Acquisition Reform for NDIA - NDIA Acquisition Reform Initiatives - Neil Albert introduced Mr. Etherton. Mr. Etherton reviewed what NDIA is doing to answer the mail about different aspect of acquisition process and what needs to be done to afford the process itself. NDIA has met

with Mr. Kendall, acquisition members and Pentagon personnel to get additional insight. In the process of getting the inputs from industry to draft a response. Go to the NDIA website and search on Acquisition Reform. All of the documents that they are working on is available for review. NDIA is focused on addressing the issues of people and accountability.

Areas that NDIA is addressing: Authority and Accountability – Reduce Management by compliance measurement; Matching Requirements/Resources to process – acquisition process requirements to the resources. Tailor process requirements to the actual capabilities of the workforce. Increase (where appropriate) those capabilities and resources; Evidence Based Decision Making – this needs to be greater focus. Better understanding of value of measuring outcomes.

Slides presented today will be up on the NDIA Home website.

6. Mr. Bill Altman – Predictive Measures Guide – Bill went over the status of the Guide and the voting for today. First deliverable of the Program Management working group. Basis of the guide was off of the ICPM (Industrial Committee of Program Managers) Predictive Measures presentation. This is not a new set of standards that you will held compliance to. There are 31 predictive measures. This is a GUIDE not a new requirement. Received 55 comments. Only 16 comments were rejected and these were documented. IPMD Board recommends that Division membership votes to approve the guide for publishing today. Once approved the guide will be updated in 2017.

A question was asked about the relationship between ICPM and IPMD. The IPMD has representation on the ICPM. The ICPM is more specific on Program Management. As our group has evolved to address more program management issues we should be more active / called upon by ICPM. ICPM is small group by invitation only.

7. Short Break for 15 minutes
8. Ms. Carol Boser – DCMA EVMS Site Approval Authentication - Memo from Joe Sweeney to ACO community that was initiated by Mr. Shane Olsen. The database (CBAR) keeps the status of the sites. The feeling was that DCMA needed to ensure the integrity of the database. Goal is integrity of information in CBAR tool being reported up through ATL. DCMA wanted to ensure the database is valid and make adjustments if not valid. If the site has contract with DFARS requirement then Approved status will be maintained in CBAR and DCMA will take appropriate action. There will be no change to CBAR without data being presented to the DCMA BoR. If there is previous data indicating issues then the rating may be adjusted. If not, and there is no evidence either way, EVMID would be asked to perform a Compliance Review (CR). Site is cage code specific. Examples cited by industry was that they are on the CR schedule because their site (Cage Code) was approved in the 80's and that was considered too outdated.
9. Mr. Pete Wynne and Mr. Gary Humphreys – Clearing House Update and Discussions of Open Issues & Concerns (Forms were handed out to the attendees to send in any questions or concerns)
 - a. LOE Replanning – Where you planned the LOE work but the work is stretching out beyond the plan period. Actuals coming in while you might've fully "earned" . If you fully earned then you must get management reserve and if you don't have any MR then you must spread whatever you have. Or you might have to performance regression and re-spread. The new interpretation seems

to be you must use Management Reserve. LOE packages are getting more scrutiny. They are looking at “Why” was this work package planned as LOE vs. Discrete or Apportioned? What is the LOE supporting? Evidence is needed as to why you are moving out the LOE dates. This issue needs to be brought forward formally to Clearing House via the form to bring forward to DCMA for resolution. Remember we can deal with these issues anonymously.

- b. Subs Management Reserves – How do you handle the Subs MR? A recent recommended method is that you put the Subs MR into a Prime Planning Package. The membership found this approach to be highly problematic. What is the scope? What is the element of cost? What is the SOW reference? Why was this PoP selected. This is an issue we need to get resolution via Clearing House or PARCA Resolution website. Same issue exists with Undistributed Budget.
 - c. Subcontractor Flow Down – It is a contractual related item. Will need customer contractual (PCO) concurrence for the flow down of EVMS since they will be bearing the costs. What if a subcontractor tripped the \$20/\$50M threshold after the program has started? The cost of flowing down the EVMS should be borne by the government. However, the government must concur before Prime flowing down the requirement. What about SDRLs... what SDRLs are required? Mr. Kranz’s initial reaction is that contractually Prime is responsible for ensuring the CDRLs are met. Thus there is nothing in Policy that says what the prime must flow down to the subs. There will be more discussion on this on Thursday.
 - d. Growing trend where PCOs are reducing target costs when reducing funding costs (no scope of work is being changed). Other companies are seeing this happen. Where PMBs are reduced either because of underrun or the program is running so long that they are doing a “sweep” up of budget with no change of scope of work. Issue is that FUNDING and BUDGETING are considered the same thing by some PCOs. CARs are being issued. General consensus is that PCOs and Industry contract personnel require more education in this arena.
 - e. Pete Wynne brought up that he is getting questions related to more precise definition of GPD (Grouping, Pegging and Distribution) of what does that mean to the CAM. These are the type of things the clearing house group discusses.
 - f. Gary Humphrey’s reminded the group that these discussions should not be attributed to a specific company or person.
 - g. Control Account Managers – more questions around “administrative” CAMs. You have to have accountability and responsibility...they can get assistance and the CAM does not necessary have to be the performing. DCMA is scrutinizing the qualifications of CAMs.
10. Mr. Gary Humphreys – IPMD Board Member Candidates – Ms. Carolyn Anderson (GD), Mr. Steve Barnoske (LM), Ms. Kathy Dailey (GD), Mr. John Duval (CSC), Mr. Robert Jennings (Raytheon), Ms. Linda Nobel (Raytheon), and Mr. Yancy Qualls (Bell Helicopter), Each candidate was given 3 minutes to discuss their qualifications and goals for the board. A vote will be conducted before lunch.
11. Lunch Break.
12. Carol announced the new elected members to the board of directors: Yancy Qualls, Kathy Dailey and Steve Barnoske. The Predictive Measures Guide was approved.

13. Mr. Jeff Bantle, VP/GM Naval Combat and Missile Defense Systems – Program Leadership – Ms. Carol introduced Mr. Bantle. Brief look at MH-60 and VH-71 Root Causes – Jeff went over the issues / concerns with these 2 programs from getting multiple customer / stakeholder alignment to firming up requirements to learning how to deal with change and subcontractors.

Program Management – Keys – 5 management keys; (1) Requirements – Using Systems Engineering V-Chart and Schedule (2) Baseline Management – you don't baseline requirements you baseline solutions (3) Change Management - minimal change; manage and assess change (4) Program Metrics and Business Rhythm – Accountability; You get what you measure. Accountability (5) Contract Type and Incentives

Program Leadership – Customer; Accountability, Teamwork PARTNERSHIPS. These make up for a lot of problems. Conversely you can have the best baseline and EVM utilization but if you don't have these 3 things right then you'll have issues. Everybody owns what they have, otherwise you just get information. Sometimes, just putting out an agenda WITH Names on them gets ownership. Must develop trust amongst the team.

General Questions: How much detail do you need in IMS? He felt generally we ask for too much detail. This level detail then could lead into longer reviews etc. which does not necessarily mean better reviews. Are you getting the return on investment on EVMS? He realized the cost of getting “revalidated” is really expensive. Therefore, it is better to ensure we maintain the discipline to stay validated. However, he does encourage his program managers to question the team if they feel the level of detail or what they are asked to do does not bring value to their program.

14. Mr. Steve Henry, NDIA Systems Engineering Division Chair – NDIA Systems Engineering Division Activities and Ideas to Better Integrate with IPM Practice – Mr. Bill Altman introduced Mr. Henry from Northrup Grumman who is currently the chair. Bill attended the SED meeting in June to inform them about the IPMD and then invited Mr. Henry to come and inform the IPMD about what SED is doing. Mr. Henry went over the objective and the organizational chart of the Division. The SED is simply about improving the practice of Systems Engineering. Their study identified that the Number 1 input/benefit of / from systems engineering: Program Planning. The Division meets Bi-Monthly. Their briefings are available on the SED website. The Division has multiple committees that work on different subjects. Their 17th Annual SE Conference is 27-30 of October 2014.
15. Break – Then official start of the Government / Industry Day
16. Mr. Mel Frank – Chief, Policy and Systems Division, Office of Acquisition and Project Management - DOE EVMS Operational Environment – Mr. Frank went over the general organizational structure of DOE. His division's mission – to develop and maintain Department-wide policies, directives, standards, and practices...(inclusive of EVMS). Mr. Frank discussed the value of EVM and the policies regarding EVM within DOE. There are guidelines and policies regarding EVM. DOE does do validation with contractors. Typical validations take a year. If there is not a validation at the site his office does not conduct surveillance. His office certifies contracts over \$100M; Support office greater than or equal to \$50M. Contractor Self

certification greater than equal to \$20M but less than \$50M. Project Assessment and Reporting System (PARS IIe) – reporting currently at the control account level. Looking at receiving data at lower level for the future.

DOE EVMS Path Forward – 1) Reinforce leadership’s Acquisition direction – change contracting culture; shift to fixed-price contracting; establish credible performance baseline; 2) Develop and Enhance IT tools; 3) Establishing “business systems” H-clause(s) – initiate DEAR clause(s) – similar to DoD 4) Policy on use of EVMS indices metrics 5) EVMS Compliance 6) EVMS Corrective Action SOP 7) Training – e.g. have road show on training their people on things like authorized unpriced work, use of management reserve 8) Improve analytics skills, tools, processes 9) EVM Snippet deployment – 34 online refreshers

17. Mr. Rick Bradshaw and Mr. Cotye Julian – Sandia National Labs (B61) EVM Rightsizing – Mr. Pete Wynne introduced Mr. Julian, Program Manager, B61-12 Life Extension Program Mr. Bradshaw, VP of High Bridge Associates Inc. representing NNSA. Mr. Bradshaw provided overview of the B61-12 Life Extension Program. The program purpose is to address the aging issues and ensure service life requirements. NNSA (National Nuclear Security Administration) Cost Estimate \$8.1B with first production Unit 2020 with production completion of 2024. Mr. Bradshaw emphasized Mr. Bantle’s discussion on Trust. In the past scope managed by Product Realization Teams (PRTs) and cost estimates for labor was dominated by level of effort and schedule/budget measured by milestones and adherence to spend plan. Drivers for change – US Congress and GAO. NNSA then issued a mandate that EVMS be used on major programs in 2012 – Utilization of resource loaded Primavera Schedules and EVMS implementation. Today the program is managed with a PMB and cost estimates are mostly discrete tasks. Additionally the program has developed a Project Control System Descriptions (PCSD) which describes the “what” and Project Control Manual (PCM) which describes the “how”. The B61 program is being used a pilot to develop these policies/systems.

Mr. Julian was the implementation lead when these instructions (EVMS) were issued for Sandia Labs. Sandia is responsible for designing of the non-nuclear components. Roughly 700 personnel working on this program in 44 PRTs. First step in addressing the problem is to ADMIT that you have a problem. In the past cost was managed mostly via LOE. The team did have an IMS that had over 60K lines in MSP. Felt at that time the more detail you had in the schedule the better you had control. Looking back – Keys to Success – High level philosophy in EVMS implementation. Requirements and design solutions must benefit the organization and these benefits must be communicated effectively to managers. Three factors leading to success; Assure proper sizing of the EVMS; Develop an efficient schedule architecture; Establish a program business rhythm. At the end the schedule went from 60K level to 15K level in Primavera. For resources took it to a generic resource level instead of very detail resource level. Implemented Primavera and EcoSys tied to their accounting system Oracle. Lessons learned in implementing new tools. Need at least 3 months of testing prior to snapping a PMB. Started in Jan 2013 through Feb 2014 to re-do schedule and load resources.

18. The IPMD working groups convened and met for approximately 1 ½ hours.
19. A networking event hosted by Artemis was held.