



**Integrated Program Management Division
Prime-Sub Contract Management
Working Group
January 2015**

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Sung Soon Stultz (Rockwell Collins)**

Prime/Sub Contract Management Working Group

Overview

Objective is to address the needs and challenges of both Prime Contractors and Subcontractors within the DoD Industry.

This working group will address contractual and execution performance issues with an emphasis on integration and flow down that may exist at the Prime and Subcontractor level.

Leadership

Caroline Cremisi
Raytheon
(Prime perspective)

Sung Soon Stultz
Rockwell Collins
(Sub perspective)

- **Possible working guide to provide guidance on commonly found issues**
 - Sub-Contractor Integration
 - Flow Down Requirements
 - Communications protocol
 - Issue resolution Process – (non-attribution)

- Workshop at November IPMW 2014
 - Well attended with good mix of Industry and Government
 - Split into 4 groups and received constructive inputs
 - Inputs summarized into 53 concerns / issues
 - Summarized into 5 categories
 - EVMS Compliance (12)
 - Contractual Flow Down (15)
 - Integration (11)
 - Timing (7)
 - General (8)

- Working Group members (Based on Attendees at first WG meeting after IPMC workshop)
 - David Black – Structnet
 - Judy Adkins – OPDEC
 - Mark Bear – Boeing
 - John Kanicsar – Orbital
 - Anna Blachman – LMCO
 - Linda Pack – GD
 - Stephanie Devins – LMCO
 - Grada Munson – RMS
 - Debbie Charland – NGC
- If interested in becoming a FULL time member, please ATTEND the working group meeting THIS AFTERNOON

- Two sub-groups formed to address the 5 categories
 - Compliance and Flow Down – Lead, Caroline Cremisi
 - Judy Adkins – OPDEC
 - Mark Bear – Boeing
 - John Kanicsar – Orbital
 - Linda Pack – GD
 - Grada Munson – RMS
 - Debbie Charland – NGC
 - Integration and Timing – Lead, Sung Soon Stultz
 - David Black – Structnet
 - Anna Blachman – LMCO
 - Stephanie Devins – LMCO
- Both groups will address “General” Category as applicable
- Each group member will reach out to their contacts (prime/sub) for additional inputs / support

- Format of the output?
 - Guide? White Paper of Best Practices?
- Consensus - White Paper
- Title? “Generally Accepted Prime-Sub Management Practices” ?
- Suggested Format of White Paper
 - Introduction / Disclaimers
 - Concise Statement of Concern / Issue
 - Solution
 - Generally accepted solution
 - Rationale for solution
 - Caveats / Limitations / Notes
 - Possible questions
 - Source / Reference Documents

- ✓ Define Concerns / Issues Dec 2014
- Finalize on Title / Format Feb 2015
- First Draft May 2015
- Second Draft Aug 2015
- Senior Review Sept 2015
- NDIA Workshop at IPMC Nov 2015
- Submit to IPMD Board for comment Nov 2015
- Submit to IPMD for comment Dec 2015
- IPMD Approval Jan 2016

Schedule needs to be vetted with the working group

Prime-Sub Concerns / Issues



EVMS Compliance	EVMS CAR communication process - No notification process at DCMA to Inform Prime
EVMS Compliance	Valid EV From Sub that do not have EVM Systems
EVMS Compliance	Surveillance (how much prime does O&A DCMA/DCAA; Roles of OSR's; CAR to Sub communicated to Prime and vice-a-versa; some subs do not share system description; role of prime CAM; some sore of industry standard
EVMS Compliance	What is really the Prime's responsibility for subcontractor oversight
EVMS Compliance	Reconciliation of Subcontractor invoice to CPR/IPMR actual costs
EVMS Compliance	Can Prime sit with DCMA for surveillance or Prime do it independently?
EVMS Compliance	Issues with proprietary information Sub doesn't want to share with prime but share with DCMA
EVMS Compliance	Prime receive CAR for Sub Not passing Certification or inadequate IBR
EVMS Compliance	Can Prime get a CAR fro action of Sub?
EVMS Compliance	Prime not getting redacted copy of Sub's CAR. Prime not getting notifications especially Level 2 or Level 3
EVMS Compliance	Sub not telling Prime about CARs
EVMS Compliance	What is the most common/practical way of ensuring subcontractor knows exactly wha the sub must do to ensure EV is performed correctly? Is there an industry standard for defining it (e.g. document, clause, etc.)

Prime-Sub Concerns / Issues



Flow Down	Flowing requirements (EV non-DEARS) to a sub when there isn't a sub DFARS requirement
Flow Down	Evoking DFARS requirements mid-stream
Flow Down	Thoughtless application of Flow down clauses (Including ANSI 748; especially application to non-cost type CLINS)
Flow Down	Government Imposing Flow downs (DFARS) to Sub
Flow Down	Prime imposing System Description
Flow Down	Flow Down of Prime EVMS to Subcontractor and cost associated with the flow down
Flow Down	Requests for data deliveries that are never used. Specifically schedule reports
Flow Down	Flow of information; Lack of clarity on instructions. Progressive disclosure. Surprises
Flow Down	Prime Asking Sub to get rid of EVMS to get lower cost; "we'll take care of it"
Flow Down	Ref. "cut and paste" shouldn't be word for word flow down
Flow Down	Contract grows from <\$20M to >\$20M
Flow Down	Use of IDIQ by Prime to avoid Sub doing EVM But seems artificial break down of work and Sub states it need EVM
Flow Down	Late Requirements / Changing flow down requirements on multiyear agreements
Flow Down	When customer does not provide a list of subcontractors or work to be subcontracted in the DFARS clause included in the contract, what should the contractor use as the default?
Flow Down	Prime contractor has left the EVMS clause in the SOW but then give non-contractual direction verbal or email, that the sub does not have to abide

Prime-Sub Concerns / Issues



Integration	Where to capture Sub's MR in Prime's Data
Integration	Sub to Prime Schedule (IMS) Alignment / Integration
Integration	Control Account Alignment with different SLIN Alignment
Integration	Risk / Opportunity identification
Integration	Proper way to integrate Subcontractor IMS
Integration	When and How to document taking judgment on Subcontractor EVMS data (including EAC)
Integration	How to handle Subcontractor Fee in the Prime PMB
Integration	Third Party impacts (such as JSR data integrity reviews)
Integration	How to handle confidential information between prime and subcontractor
Integration	How is Subcontractor fee handled in CPR, CFSR, IPMR?
Integration	When and How to factor subcontractor data

Prime-Sub Concerns / Issues



Timing	Timing of Deliverables e.g. IPMR; CPR; IMS etc.
Timing	Dealing with Accounting Month Differences - Reporting Cycle time challenges
Timing	Calendar Timeliness - Especially sub data to Prime
Timing	CDRL date acceleration by the customer to the Prime to the subcontractor and how that affects the quality of the data
Timing	Difference between system month-ends
Timing	No time to analyze data from sub before reporting up e.g. 12 days; 15 days
Timing	Submitting meaningful data within 12 days. No time to analyze and cycle data

Prime-Sub Concerns / Issues



General	Multiple IBRs
General	List of Never Do's
General	CCDR Concerns
General	Inconsistent system description. Prime asking sub to violate their validated system
General	Difference between prime/sub vs. partners. Purple badge vs. Grey badge. Access to Information
General	Talking to DCMA at same time talking to Prime. I.E. 2 bosses - do they contradict?
General	Industry distinction between single and multiple EVM systems? Where subcontractors enter data directly into prime's system and every other type of EVM with subcontractors? What does industry call it? Does it have any guidelines? Does industry care?
General	Is there a standard industry definition of the difference between subcontractor and supplier? In basic English (dictionary), subcontractor and supplier are the same. When does a supplier become a subcontractor?