

## Joint Government/Industry Meeting – August 26, 2015

Note: These minutes are intended to supplement the charts shown during the presentations (as applicable). Charts (with some exceptions) will be uploaded to the IPMD website shortly after the meeting.

1. Mr. Daniel Lynch, IPMD Chair, called the meeting to order and welcomed all the attendees. Dan. He informed attendees that there is a survey for today's meeting. Dan reviewed the agenda. He introduced the Board Members and stated that the Board is now accepting nominations for the Vice Chair in April 2016. This is a 4 year commitment and all nominations must be received by Feb 4, 2016.
2. As is the normal practice, all attendees introduced themselves.
3. Neil Albert introduced Ms. Mary Margaret Evans from OSD, responsible for the Manufacturing & Industrial Base Policy. She has a role in the Better Buying Power 3.0 initiative. She is the focal point with Industry. She stated that we are in the middle of the Better Buying Power rollout and are still defining how to proceed. She said there should be more information for Industry on this initiative in the fall. She provided information on the Manufacturing and Policy office, an organization that is not program oriented. The office was created in 1994 and has various titles. It is led by Deputy Assistant Secretary of Defense. The goal is to modernize the defense industrial base for the 21st century. This office is the principle DoD advisor for the maintenance of the Defense Industrial Base (DIB). Office seeks to preserve the domestic defense industrial base. She discussed the mission, strategic priorities, functions, and outreach to industry on BBP 3.0. She closed the presentation by soliciting questions and answering them.
4. Mr. Bill Altman led a Panel Discussion on Managing Programs without an EVMS Requirement. Panel members were Mr. Dennis Nihiser (SAIC), Mr. Steve Barnoske (Lockheed Martin), Mr. Mark Malatesta (Tauri Group), Ms. Teresa Camp (P&W) and Mr. Gerry Becker (Harris). Not all programs have EVM requirements so this panel explored how programs that did not have the EVMS DFARS Clause manage their programs. The panel had a few prepared questions but also solicited questions from meeting participants.

The panel discussed use of metrics when EVM is not required. Some representatives manage all programs with EVM via a Standard Program Review template and scale it based on scope. Some programs manage without EVM but manage the programs with measures similar to EVM. One panelist stated EVM was a tool in a PM's toolkit but not always required. For some programs, the risks and issues result in identifying substitute metrics. If there is a lot of project risk, there is a lot

of focus on that plus requirements. One panelists' employer used a system called EV Lite. The panelist said any program starts with intent, requirements and placing protection in place for risk, manage change and diligently work communication. Some panelists applied EVM principles in some programs but not all.

Tools and discipline are keys to program success. Costs against budget have to be monitored whether you are using EVM or not. One panelist likes using EVM without the reporting and surveillance requirements. EVM provides an advantage of discipline to manage the program in a more efficient manner. One representative stated his company uses EVM for all development work, even without an EVM program. All programs have to plan, schedule, and budget work and track scope accomplishment against the plan. For one company, all programs have to track Estimate to Complete (ETC), estimated completion date, and technical percent complete. Another company creates a Program Performance Management document that contains the same information. Some people would call this EVM but they have flexibility with which metrics are used. It is more important to have disciplined program managers that can use EVM tool as a tool.

It was stressed that industry needs to get people thinking that we need good project management with discipline and then using tools like EVM to support that discipline. The intent of EVM and the surveillance process has tainted some teams but teams with discipline get to a successful project end easier. There is also a leader component to this but some PMs are not leaders. A good summary on this subject was a quote from one of the panelists, "If you are leading people and no one is following, you are just out for a walk."

When you think about how many projects are planned, it seems to really be EVM basics. Some programs use some form of EVM without being 748 compliant and feel like they are being successful without reporting and surveillance. Panelists generally use the same tools whether they are using EVM or not.

The IPMD PM Working Group released a Predictive Measures Guide about a year ago. It outlines metrics some companies use to manage programs.

5. A break was conducted.
6. Mr. Gordon Kranz and Mr. John McGregor (new PARCA Deputy Director for EVM) from PARCA were introduced. Mr. Kranz stated that the Program Management Panel earlier in the meeting was a perfect culmination of his 4 1/2 years. He favors the term Integrated Program Management and stated that EVM is a byproduct of good project management. He turned the session over to Mr. McGregor who introduced himself and provided a PARCA update. He reviewed the PARCA EVM Accomplishments and stressed open communication between industry and the Government. He reviewed PARCA EVM Ongoing Initiatives including the OTB/OTS Guide, and stated that PARCA would be producing guidance on EVM and Agile. He discussed the formal DFARS update for

threshold increase to \$100M and EVM application based on work scope. This will be a retroactive requirement and DCMA will come in when the data tells them they need to come in and conduct surveillance. He then discussed PARCA next steps including institutionalizing the use of EVM through policies and facilitating the proper application of EVM. Mr. Kranz stated that there is consideration being given to requiring that the format 5 submission be submitted in a predefined format. Mr. Dan Lynch asked a question regarding schedule margin language and Mr. Kranz stated that it had been approved and is awaiting a DID number (likely 81861A) and Mr. McGregor stated it will be published before the end of the year. Mr. McGregor fielded several additional questions. Mr. Lynch thanked Mr. Kranz for his NDIA IPMD support and presented him with an appreciation plaque.

7. Ms. Bess Dopkeen provided a presentation on the Cost Assessment Data Enterprise (CAPE). She reviewed CADE Objectives including providing decision makers with relevant actionable analyses for better acquisition strategies and execution, improved analyst productivity, comprehensiveness and community knowledge sharing. KPPs include quality and transparency of source data and properly secured. The goal is total Analyst access with seamless integration of authoritative data sources. She reviewed CADE progress since the Jan 2014 brief and the CADE Coalition members. Major initiatives include CARD Streamlining, Development Software Resource Data Report (SRDR), Cost Data Summary Report (CSDR) Problem Statement, FlexFile Objectives and Plans, and Planned Accomplishments for the next 12 months. Ms. Dopkeen then fielded questions from the audience.
8. A break for lunch was conducted.
9. Mr. Gary Bliss first discussed relief for old open contracts. Everyone is interested in getting these programs off the books and there is some consensus with key staffers on the hill. We need to work together to get contracts off the books.

He then presented “Seamless Threat Awareness in Acquisition Programs” that focused on re-thinking DoD’s Acquisition/Intelligence/Requirements Interface. The new national security environment increases inter-dependencies and demands agility. Intelligence and Acquisition are not in sync and need to interact. The Intel Community needs less sunk cost on wasted opportunities and acquisition needs faster response and better focus. Mr. Bliss briefed the architecture and management tools that the acquisition and Intel Community will use to jointly manage data. There will be an Executive Steering Group to aid in prioritizing requests. AGORA will improve transparency. The Threat Module IPC managers will supply a matrix of current threat system and attribution collection to Agora. Users will be able to see current threat system and attribute collection for each threat module to provide situational awareness. The concepts, processes and governance are still being defined.

10. Mr. Neil Albert then provided a WBS (MIL\_STD\_881 Version D) update. The WBS update was delayed due to lack of funding. He reviewed questions and answers from the Feb 2015 survey on

MIL-STD\_881C and trending issues. Appendix K will be revised and there is a desire to include more O&S. There are differing levels DCARD versus PARCA and Customer Management. The definitions need to be expanded to ensure consistency and there is a need to educate Government and Industry on the use of the standard. Working groups will be used to manage the updates. The timing of the update will be based on receipt of funding. It will probably be released in mid-2016.

11. A break was conducted.
12. Mr. Joe Sweeney led a DCMA EVMS Discussion. He began his discussion by stating that things have advanced greatly in the last four years. DCMA has to do things better, smarter and cheaper. DoD now has the EVM System Interpretation Guide (EVMSIG) to get on the same page so the DoD can have a single authoritative source for EIA-748 Guideline interpretation. This will enable the DoD to speak as one team, one voice to industry, and improve the way in which we all work together.

Mr. Sweeney is working with all participants to make this process much more efficient and data-driven, but we have room for improvement. We expect to see issues in the Pilots so we can learn and resolve them to improve the process. The challenge is to get all the data into one format so that we can standardize it and use it to validate the test metrics. We have to share information with each other to get where we need to be with automated data validation.

DCMA has two BBP 3.0 actions: 1) Expand the data-driven pilots; 2) come up with an actionable plan to streamline and centralize the DCMA EVMS mission. This includes the reduction of personnel needed in plant to conduct EVMS surveillance. Those resources once identified will be repurposed to conduct other non-EVMS DCMA missions. In the future, DCMA will not have the number of resources in plant as we have now. We need to be more agile. Mr. Sweeney stated that moving forward, there is one complaint department, him. From this point forward there will also be a single POC for leading the execution of the Pilots: Shane Olsen from DCMA Operations. Mr. Sweeney will work with Shane and the DCMA CIO to make sure the Data-driven Pilots and the EVAS tool development/deployment get integrated and stay in sync. He wants to ensure we can assess the goodness of a business system in a fair, consistent and efficient manner that is driven by data and automation. We are changing the way we do our job. Collectively, we will all learn from the pilots and decide what makes sense. We will do what is right to develop a standard that can be applied equally to contracts that have legitimate earned value clauses.

We know geographic hubs is the wrong structure, and Mr. Sweeney sees more alignment by major corporations similar to how DCMA Cost and Pricing Center is organized. Regardless of how we organize, we will look at what we need to get the job done as efficiently and effectively as possible. Data automation is the key enabler. The intent is to reduce the number of resources on both the side of DCMA and the contractor needed to assess the compliance of the EVM business system.

Mr. Sweeney stated the current schedule is confusing and does not make good sense. The plan of

action & milestones (POAM) for the data-driven Pilots and EVAS need to be integrated. It seems like there is a lot of activity on it without results. It is way too far to the right. The slides are not an honest portrayal of what we should be doing. He stated that currently out of 163 test metrics, only 60 are fully automated thus far, and they have not been shared/demonstrated to the Pilot stakeholders yet. We will do that very soon. We need help validating the 60 test metrics we have thus far, and then we can start tackling the others. Mr. Sweeney said he owes industry a better POAM.

There was a lot of discussion about the two concurrent paths, and the resulting confusion related to which tools the Pilot sites should be using. We will get to the point where EVAS is the only tool used by the Pilot sites. The contract \$ value threshold is going up regardless of what happens with the data-driven initiative, but they are related. Industry needs to see a schedule. The schedule slide that was provided to NDIA IPMD is incomplete/inaccurate, and therefore will not be posted. Once Mr. Sweeney briefs the revised integrated POAM to the DCMA Director, then ASD(A), he will be able to share the approved path forward to Industry. Expect to have this done by end of month/Early October.

13. Mr. Frank Serna provided a presentation on the NDIA System Engineering Division. He discussed the mission, organization and processes. The mission is to promote effective system engineering in government and industry to achieve affordable and supportable systems. It is one of the largest and most active NDIA Divisions. The organization has several key initiatives including system engineering effectiveness, system assurance, education and training and System Engineering standards.

He shared ongoing activities, recent events and products. The Division has a bi-monthly meeting and committees and working groups meet at least bi-monthly. Workshops are held on critical topics each year. Major events include an Annual SE Conference and SE Annual planning meeting each December. Other ongoing activities by working groups are Division committee pursuits of critical SE topics and standards mapping.

14. Mr. Yancy Qualls led a discussion on The Evolution of Schedule Margin (what to expect when the revised IPMR DID is released). He demonstrated some schedule margin was and is examples. He explained improvements and discussed the items that remain the same.
15. There were no Working Group Out briefs.
16. Mr. Dan Lynch requested participants complete survey and Adjourned.