

NDIA IPMD Meeting Minutes

Joint Government/Industry Meeting – January 28, 2015

1. Ms. Carol Boser, IPMD Chair, called the meeting to order and welcomed all the attendees. Carol thanked Raytheon Missile Systems for hosting the meeting. Over 150 people are attending the meeting. Carol introduced the IPMD board and the newest elected member, John Duval. Carol highlighted the upcoming meetings in April (14-15) and August (25-26) at the Westin, Crystal City. She also noted the CPM meetings (EVM World and IPM). Carol reviewed the agenda for the day. Per custom, all the 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 IPMD website shortly after the meeting.
3. Ms. Liza Raiser and Ms. Sobia Amin from Raytheon Missile Systems gave a presentation on “Performance Based Excellence”. Sobia discussed Raytheon’s program management excellence organization, which includes the performance based excellence (PBE) group. PBE provides independent assistance to programs. Liza discussed how the group brings best practices, solutions, ideas and resources to programs. PBE partners with program when requested, at a point of a major gate review, when issues arise – whenever a program may request additional assistance. The PBE process is to diagnose the issues, design a solution and then implement the solution by bringing in the added resources and expertise. Examples of support include proposal support, contract structure and strategy, training, as well as functional support such as cost reduction initiatives.
4. Mr. Yancy Qualls discussed “Schedule Margin...err.Buffer ..I mean Reserve..umm Contingency”. Yancy noted the historic discussions around schedule margin and the fact there is not a lot of detailed literature on the topic and that various organizations call it by different names. Yancy presentation focused on “what if” there were clear definitions, what if they were calculated precisely, and what if the use was consistent across industry and government. Yancy walked through how contract target cost and MR are similar in concept to setting a baseline to finish before the contract POP end and schedule reserve.

He discussed the unique aspects of the various terminology used around schedule margin (reserve, contingency, buffer). Yancy’s presentation generated good discussion on the topic. Carol noted that there are plans in work to have a joint meeting between industry and government representatives to continue the dialog on the topic.
5. A break was conducted.

6. A panel was led by Mr. Steve Barnoske on Managing Risk Management. Panelists included Mr. Ron Krebs (Raytheon Missile Systems), Mr. Paul LeCroix (Lockheed Martin), Mr. Brett Scott (Booz Allen Hamilton) and Mr. Fred Lancaster (Northrop Grumman),. Steve asked what are the main impediments to having an effective risk management program? It was noted that you have to get past being critical of your own work (designs, plans, etc.), therefore it requires organizational leadership to set the standards and expectations around risk and opportunity management. Competing priorities was also mentioned as an impediment – what is happening today versus what might happen in the future.

A question was discussed as to who owns R&O management? Some companies have in System Engineering, while others have in Program Management. It was noted that PM has to take ownership in order for it to work effectively. Other questions asked and discussed included: how do cost pressures at the CAM level get into the risk process (it was noted EAC risk should be tied to the specific risks identified); how to categorize risk elements (by WBS, risk category, etc); who is the proper owner for risks (for example is a supplier risk owned by a CAM or procurement); the use of joint R&O management with the customer; whether there should be a dedicated risk manager position on a program or not (the panelists recommended yes); how do you get the team to identify opportunities (panelists noted this is hard to do given the constant pressure to reduce cost and span times in negotiated contracts but can be done with the proper focus, it was noted that some programs use affordability programs to drive); whether float in an IMS is examined as an area for opportunity to adjust schedule plans (the consensus was yes, usually in order to try and maintain schedule vs pull in); and how to adequately assess probability and consequence.

7. Mr. Bill Altman presented an update on the Program Management Working Group. As a reminder, the charter is to increase the focus of Program Mgmt within the IPMD. Bill discussed the purpose of the LinkedIn group site. There are currently 627 members on the site. Recent survey results indicate people would like to have anonymous responses to questions and issues. Bill provided the information on a new format to ask questions anonymously. The charts that will be posted to the NDIA IPMD website provide the details of how this process will work.
8. A break was conducted
9. Mr. Gordon Kranz provided a PARCA update, Gordon indicated he would like to have discussion. Gordon noted that the most important update is around the new DoD EVMS interpretation guide (EVMSIG) which is expected to be signed on Friday. Gordon also discussed other policy initiatives such as the recent publishing of DoDI 5000.02, on going work on the DFARS case and, agile and EVM.

Gordon noted the implementation guide was developed because of rulings indicating that DoD should not be endorsing industry guides/documents. Gordon believes that the guide

will provide greater consistency of application across the various government agencies. He believes there will be cost benefits on the government side as well as industry because everyone now will have a consistent definition on what is EVMS compliant. The guide has been in work for over a year with collaboration between various government groups and feedback from industry (Gordon noted the 363 comments received from industry).

Gordon highlighted many of the comments, how they were addressed and adjudicated and how the document was adjusted based on the comments. He provided details by guideline and areas where shipbuilders concerns differed from other contractors. Gordon believes that no requirements have changed and the guide just provides clarification and brings consistency of interpretation. Companies should review the document once published to assess whether there will be a need to modify company system descriptions. The only change should be the future deficiencies will reference this guide vs previous references to the NDIA Intent Guide.

After publishing, each agency will provide guidance to their people on how to implement the policy. DMCA in particular has been working on their test procedures on how they will incorporate into their reviews. Their pilot program working with Lockheed Martin Aeronautics has been discussed in prior meetings. In process DRs do not have to be reworked as a result of this guide (the deficiency still needs to be corrected even if the new guide would categorize the issue in a different guideline).

DoDI 5000.02 was published on Jan 7, 2015. EV items are contained in Table 8. FPIF contracts require EVMS for contracts with measurable and discrete work scope. If not, program offices can and should follow the process to request a deviation. Gordon discussed the status of updating the DFARS as to when EVMS should be applied. Again, work scope is the primary driver as to whether EVMS is applicable (discrete, measurable) or not (some services, repairs, etc.). He noted that thresholds for applicability are also being reviewed. Gordon is unsure when the DFARS would be updated. It is likely that it will take at least to the end of this year.

Gordon next discussed guidance on Agile development projects. PARCA has coordinated various discussions to gain understanding, identify successes, coordinate with industry, etc with the end goal of providing guidance on the use of EVM and Agile methodologies (establishing a baseline, measuring progress, changes in requirements, standardization of terminology). Gordon noted that he is hosting a meeting on the subject (open to government and industry) on Feb 19-20 at the Institute for Defense Analyses (presentation abstracts are due on Feb 6). Carol will send out information to the IPMD if anyone wants to attend this meeting. Gordon expects to publish some initial guidance or lessons learned in April 2015.

10. A break for lunch was conducted

11. Mr. Joe Sweeney and Mr. David Kester provided a DCMA policy update. Joe presented first and mentioned the recent Defense Business Board recommendation to reduce defense spending by \$125B over 5 years. Joe DCMA discussed strategic initiatives around maximizing the effectiveness of contractor oversight while reducing industry cost of compliance. DCMA will do this by partnering with industry associations, DAU and professional associations to reduce the cost of compliance, including EVMS. DCMA will gather inputs and publish a study on how to do this.

Joe described a notional roadmap on how to reduce the cost of EVMS compliance. He highlighted the pilot exercise at LM Aero, increasing the use of technology solutions to automate and streamline, expand the pilot program, incorporate lessons learned, improve their workforce through training, etc. Over time, the expectation is compliance reviews and surveillance will be performed more efficiently and effectively.

Dave followed by first discussing his initiatives to make compliance reviews more data driven – the goals of doing this is to provide better clarity, ensure consistency and reduce costs. Dave discussed the establishment of test points around the new EVMSIG. DCMA will be circulating the test steps that are tied to the attributes in the EVMSIG soon. Dave noted that DCMA has reduced the number of test steps as the number of attributes have been reduced (approximately 60% reduction).

The operating manual DCMA will use to instruct their personnel on how to use the EVMSIG is in work. Dave provided some examples of how the pilot is using data and how the test steps are being accomplished. With data the opportunity exists for DCMA to focus on just the areas where thresholds are breached and the CAMs to interview.

12. Mr. Shane Olsen provided a DCMA EVMID update. Shane's goal for today is to discuss the operations division organizational structure and then engage the group in discussion. Shane noted the Hub function (conduct reviews, assist CMOs in conducting surveillance and review/approve CARs, and provide support to major programs) and the Corporate group function (provide analytics to support the division and hubs and be a single point of contact for major DoD contractors).

Shane noted that to escalate issues the first step would be to contact your hub lead. Shane answered a question that if one hub is overloaded they will borrow personnel from other areas to assist. Another question related to the software tool to be used in reviews. Dave Kester noted that they are exploring technology options and will work that into their pilot cases.

13. Mr. Neil Albert presented the status on the IBR Guide. Neil discussed that the update has taken about 2 years, longer than anticipated (sequestration, attrition on the team) but the document is now ready to send out for review (anticipated next week). The review period will last approximately 30 days before final revision and then publishing.

The update was made as the prior guide was at a very high level and did not provide the detail needed. A significant amount of the document was focused on pre-IBR activities (too much emphasis). Also more emphasis was needed on the purpose – program baseline execution review, not a EVMS certification process. Neil showed the steering committee members and advisors. The updated guide was developed by personnel from both industry and government.

Neil briefly described the chapters of the guide and the revised process flow from initiating an IBR, preparation, conducting the event and closure actions. As an aside, Neil noted an upcoming survey on the WBS Mil-Std that will be sent out – how you use it and how it can be improved.

14. A break was conducted

15. Mr. Phil Norris gave a presentation on “Project Planning and Execution at the Shipyard: An Austal Perspective”. Phil first discussed Austal’s history, growth and products. Austal is an Australian company with shipyards in Perth, Australia; Mobile, AL; and the Philippines. Austal in Mobile started in 1998 and has expanded significantly to today. Phil described the toolsets used at Austal to plan and manage programs.

Phil described how they are upgrading their toolsets to be able to answer questions more quickly and allow anyone to access the information easily. Phil emphasized the need to continue to expand their capabilities in data analytics, personnel knowledge in EVMS and program management practices.

16. Mr. Gary Humphreys facilitated a panel on shipyard practices. Panelists included Mr. Jim Chappell (Huntington Ingalls) and Mr. Phil Norris (Austal). The panelists first addressed the challenges in managing very large programs that span long periods of time – technology changes within the period of performance and requires agility, both technically as well as the performance management baseline. They also discussed the need to have basic process discipline to underpin the use of better toolsets. Without that there can be the garbage in/garbage out principle.

They discussed various steps in the management process including setting the baseline, IBRs (including a discussion around pre-contract IBRs), and change management. The panelists addressed the challenges they see in the industry as well as executing an efficient EVMS.

17. Carol closed the meeting by asking for feedback on the last 2 days – comments can be sent to Carol Boser or Dan Lynch. Dan Lynch again thanked the attendees and specifically thanked Jenny Hess who coordinated all the details and arrangements for the meeting. Carol discussed the PARCA/DCMA/Industry (invitation only) dialogue tomorrow. Carol thanked everyone and adjourned the meeting.