



**DCMA**

# DCMA Update

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**Presented By:**  
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**14 April 2016**

- **Challenges facing EVMS Mission over time**
- **EVAS / Pilot Update**
- **CAR process / changes**
- **Common Review Findings & Observed Best Practices**



MONTH	DAY	YEAR	HOUR	MIN
may	05	i997	02	00
DESTINATION TIME				
MONTH	DAY	YEAR	HOUR	MIN
apr	i4	20 i6	03	i8
PRESENT TIME				
MONTH	DAY	YEAR	HOUR	MIN
apr	30	20 i6	06	:30
LAST TIME DEPARTED				

- **GAO issued a report on 5 May 1997 regarding changes to DoD's EVM Process**
- **Report covers the transition from CS<sup>2</sup> to EVMS and the transition of the mission to DCMC**
  - **Many of the salient points are still very relevant.....and some haven't really been addressed**

GAO

United States General Accounting Office  
Report to the Subcommittee on  
Acquisition and Technology, Committee  
on Armed Services, U.S. Senate

May 1997

## MAJOR ACQUISITIONS

Significant Changes  
Underway in DOD's  
Earned Value  
Management Process



GAO/NSIAD-97-108

- **“DCMC faces a number of challenges as it begins its stewardship of the process.”**
  - **Implementing initiatives to improve its utility to program mgrs**
  - **Streamline certification and reporting requirements**
  - **Determine how to best manage the certification review process**
  - **Better balance the needs of the different communities that depend on EV data**
- **“To be successful, DCMC will need to understand the resource implications of these challenges”**

- “Since it is likely that DCMC will not receive more than 6 additional billets to supplement its current level of 150 cost performance monitors, DCMA is.....”
  - Reengineering its approach to CS<sup>2</sup> implementation along the lines of statistical process control measurement techniques
  - “DCMC staff would only be required to **review those processes that are out of tolerance**”
- **Result: Utilized programmatic issues to define System Risk**
  - **High Risk: This risk rating would be appropriate where:**
    - The process is out of control or performance data casts significant doubt on the capability of the system or key process to meet requirements, or
    - A major disruption is highly probable and the likelihood is the supplier will not meet the performance, schedule, or cost objectives

- **The EVMS risk rating was determined by a PI and PST charged with program analysis, not system compliance factors**
  - **EVMS Monitor supported program analysis and system surveillance**
  - **wInsight analytics formed the basis of system review approach**
    - **Nov 2002 Memo highlighted the problem with this approach:**  
**“The difference between system surveillance and program analysis not understood”**
- **Small sized center, under 10 personnel, resulted in a growing backlog of un-validated systems**

# Creation of the EVM Center

- **EVM Center was created in 2006, with the arrival of additional personnel from NAVAIR**
  - This was created based upon constant criticism from Program Offices about DCMA's stewardship of the EVM Systems mission
- **Several Initiatives were undertaken**
  - Workforce for the EVM Center was increased to ~40 personnel
  - EVMIG was updated to reflect a complete reference to EVM implementation on contracts through system review processes
  - Policies/Instructions for program analysis, system surveillance and compliance reviews were established

This marked a change from a poorly implemented "insight" model to that of oversight of systems



- **DCMA kept the tiered structure with the Center and CMO having resources doing the EVMS mission**
  - **CMO retained ongoing system surveillance & program analysis**
    - **System Surveillance based upon manual data traces**
    - **Some home grown data analytics; often tied to program analysis**
  - **EVM Center performed Compliance Reviews**
    - **Performed a different set of manual data traces**
    - **Reviewed System Descriptions**
    - **Introduced expanded data analysis/anomaly tools in 2011**
- **Process still resulted in inconsistent enforcement and a burdensome process**

- **BBP 3.0**
  - **Increase DFARS threshold to \$100M to focus oversight effort where the risk lies**
  - **DCMA needs to streamline and centralize the workforce to improve consistency of performance**
    - **GAO 1997: DCMC is Implementing initiatives to improve its utility of personnel and streamline certification**
  - **Continue to build on the data pilot to improve execution and reduce costs of oversight**
    - **GAO 1997- Reengineering its approach to implementation along the lines of statistical process control measurement techniques & only review those processes that are out of tolerance**

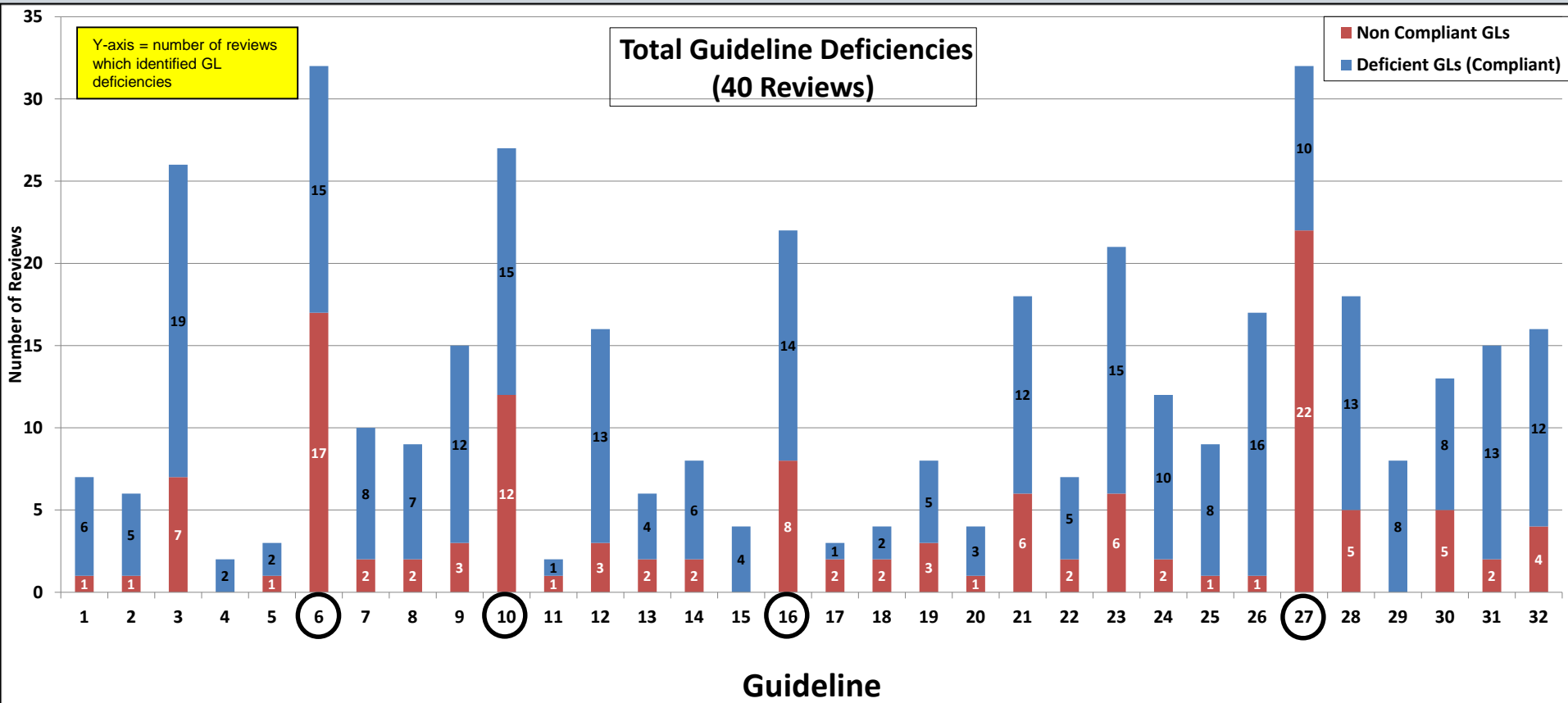
- **Complete Re-org to separate roles/responsibilities of EVM System reviews and Cost Surveillance**
  - System review done by personnel trained solely for this task
  - Corporate alignment enhances communication and develops understanding of the system being reviewed
- **Capitalize on technology and experience in the pilot to create a standard EVMS assessment criteria**
  - Provide to the public for transparency; push ownership of system maintenance—can essentially be an internal control
  - Utilize the criteria to determine necessity of review, GL coverage, frequency and depth
    - Essentially, EVAS provides the risk assessment

- **Initial baseline line review to complete by May 2016**
  - **ORG, PSB, Acct, and AMR Initial Review Complete**
    - **Baseline Test Metric Count: 163**
    - **Current Test Metric Count: 135**
  - **RDM metric meeting scheduled for April 19**
- **Metric testing started on Org and Scheduling**
  - **Initial results due in 13 April for 20 April CCB meeting**
  - **5 iterations of metric testing to approved metrics every 4 weeks**
    - **Plan is to address changes along the way through August**
    - **Additional metric testing to occur thereafter to test revisions/backlog**

- **Documentation submitted for 30 April RFQ**
  - **Anticipate award by end of July 2016**
  
- **Requirements reworked to focus on getting COTS capability to automate calculated metrics**
  - **This enables us to quickly field a program analytics tool for our program support teams**
  - **Focus for EVMS evaluations will be to build to the compliance metric specs for automated high frequency testing**
    - **Requirement to add manual input; incorporate manual test steps**
  - **Removed workflow management and event planning aspects of the EVAS concept—will utilize agency enterprise efforts**

- **DCMA-INST 1201 – 08 September 2015**
  - **Section 3.5.4.5 - Level III & IV CARs are subject to a Communication Process prior to release**
  - **Section 3.9 - Clarification that a contractor has 45 CALENDAR days to submit a Corrective Action Plan**
  - **Section 3.9 - Revision of wording on escalation from “will raise” to “should raise” – with an example of when escalation is not required being when the contractor has ongoing satisfactory efforts.**

- **DCMA-INST 1201 – 08 September 2015**
  - **Section 3.10.1 – When a CAP is rejected that the **Written Rejection will address the specific part(s) of the CAP that are deemed inadequate and describe the basis for that determination.** If the Ktr then fails to submit an adequate CAP within 10 days or the resubmitted response if found inadequate escalation should be considered. If the CMO Leadership is confident the Ktr will take action without escalation then an explanation will be provided in the follow-up field of the CAR and a new 10-day period established.**



- **Total of 400 Guidelines with deficiencies in the 40 reviews (10/11-9/15)**
  - Includes both compliant GLs (blue bars) and non compliant GLs (red bars)
- **Deficiencies (compliant and non compliant) found on GLs 6 & 27 in 32 of 40 reviews (80%) (total of red and blue bars)**

- Total of 400 Guidelines with deficiencies in the 40 reviews
- Average of 10 Guidelines with deficiencies per review





- **Schedule not statused to time now**
- **Missing/Incomplete Logic**
- **Lack of process for critical path identification / analysis**
- **SVT used for PMB activity (LOE)**
- **Missing Baseline Dates / Changing Actual Dates**

- **Lack of Objective measures to assess performance**
  - QBDs based upon effort, not completion
  - Absence of any QBD for percent complete
  - Measurement does not indicate technical accomplishment
- **Lack of clearly defined EVT options/usage guidance in command media**
- **LOE use on what is otherwise a discrete deliverable or effort**

- **Lack of process to reconcile actual costs for the program into the CAs in the EVMS**
- **Actuals Errors not addressed during execution of the contract**
- **Failure to use Estimated Actuals to allow accurate variances**
  - **Also, failure to remove estimated actuals when accounting system records costs**

- **Negative ETCs or no ETC with effort remaining**
  - Typically occurs due to “gate month” EACs
- **CAMs unaware of changes to EAC made after their input to the process**
  - While management “challenge” to reduce cost is a good thing, doing it without a plan to achieve it is not
  - Management not permitting escalation of ETCs
    - Often seen because “a comprehensive is coming”
- **VAC=CV; ETC=BCWR; TCPI/CPI Divergence**
  - Measures show ETC not being actively managed / updated

- **Statusing as a team, vice one at a time**
  - Better visibility of impacts of other CAM efforts
- **End of Month schedule analysis**
  - 14 point as a starting place to improve logic network
- **Defined procedures / work instructions for CP analysis tailored to the tools used**

- **Use of EVT decision trees**
  - LOE is the last resort; impracticable to measure
- **Work Authorizations detailing scope decomposition to measureable elements**
- **Use of Apportioned EVT for variable effort supporting a discrete activity (eg, test support)**

- **Routine reconciliation of actual costs between systems**
- **Procedures for resolving “unattributed” actual costs**
  - **Focus on timeliness/trend of assignment of actuals to CAs**
- **Monthly CAM review of estimated actuals input**
  - **Not the sole effort of a Financial Analyst**

- **Clearly defined management processes!**
  - Roles and responsibilities for ensuring valid, maintained EAC
- **Risk Management incorporated into EAC development and reporting**



**NOTE: AQKD~~X~~ = Cost & Pricing Center CACO/DACO Team**

## General Dynamics Group

<b>AQKDB</b>	General Dynamics
<b>AQKDG</b>	GE Rolls Royce Corp Hamilton Sunstrand (UTC) Pratt & Whitney (UTC)
<b>AQKDM</b>	Computer Sciences Corp
<b>CMO ACO</b>	Assurance Tech Corp (ATC) C.S. Draper Labs Medivector Dynport Vaccine Company SES

Site count = 16

## Raytheon Group

<b>AQKDD</b>	Raytheon
<b>AQKDJ</b>	Orbital ATK Rockwell Collins ULA

Site count = 21

## Northrop Grumman Group

<b>AQKDF</b>	Northrop Grumman
<b>AQKDI</b>	Honeywell

Site count = 21

## BAE Group

<b>AQKDH</b>	BAE
<b>AQKDL</b>	Textron (Bell, AAI, TMLS)
<b>AQKDN</b>	Aerojet Bechtel National General Atomics URS
<b>CMO ACO</b>	Battelle

Site count = 18

## Boeing Group

<b>AQKDE</b>	Boeing
<b>AQKDC</b>	L-3
<b>AQKDK</b>	Harris/Exelis
<b>AQKDQ</b>	Leidos

Site count = 19

## Lockheed Martin Group

<b>AQKDA</b>	Lockheed Martin
<b>CMO ACO</b>	Nanotherapeutics

Site count = 21

Cost & Pricing Center CACO/DACO groups are aligned to a single EVMS Center group with no overlap.

# Questions?