

NDIA IPMD Meeting Minutes

Government / Industry Meeting – August 31, 2016

1. Mr. Dan Lynch, IPMD Chair, called the meeting to order and thanked the government personnel for their attendance. Dan started the meeting by asking the attendees to remember why we do what we do and for the men and women we do it for. Dan welcomed all the attendees and reviewed the agenda for the day. Dan highlighted the international visitors from Japan who are observing how industry and government interface as well as our Swedish visitor from Saab. Dan noted the work that Karen Frisk from Pratt & Whitney did in setting up this meeting. Dan thanked Pratt & Whitney for sponsoring the meeting. As is the committee's normal practice, all 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. Dan introduced Ms. Jennifer Caruso, VP Fighter Programs from Pratt & Whitney who welcomed the attendees to P&W. Jennifer discussed her background with United Technologies and showed a video of the company and its products. Jennifer showed the UTC portfolio and where P&W fits within the aerospace sector. Jennifer next discussed the three Pratt segments (military engines, commercial engines, and P&W Canada) and the products within those segments. Jennifer then highlighted in greater detail the military side of the business and her area of responsibility, fighter programs.
4. For today's government attendees, Dan quickly briefed the IPMD update charts presented yesterday. Dan highlighted the IPMD board members, a recap of past meetings and review of upcoming meetings, and the work that the IPMD has been doing. Dan noted that as an update to yesterday's discussion, Artemis will now sponsor the IPMD meeting in August 2017. Dan also highlighted and thanked the government participation in the working groups yesterday.
5. Ms. Lisa Wolf presented survey results from the Contracts Working Group. The working group call is to provide alignment between contract activity and IPM practitioners. At EVM World in May 2016 survey questions were asked. The questions asked of government and industry representatives were: (1) What are the key concerns and frustrations you face regarding the execution of EVM?, (2) Who are the key players when it comes to managing projects using EVM in a compliance required ?, (3) From your perspective, what are the greatest benefits of using EVM?, and (4) If there were one message you would want to ensure someone in your shoes should know about managing projects using EVMS in a compliance required environment, what would it be? The responses are contained in the

charts which will be posted to the IPMD website. Lisa also highlighted the future goals of the working group to include working with the NCMA and developing educational materials for contracts professionals.

6. A break was taken.
7. Mr. Vaughn Schlegel from the PM working group introduced Mr. John Miller from USAF. John presented on the USAF Superior Supplier Incentive Program. The Air Force, Army, and Navy have supplier incentive programs with consistent methodologies. John noted the program is to create a dialog between program offices, PEOs and the contractor community. The program takes CPAR data and aggregates it. John noted that the ratings have been done for the last 3 years with the most recent ratings released in July 2016. The ratings focus on high dollar value programs.

The scores are arranged by tier and are for systems (products) contracts only at this time (exclude service work). John showed the 3 tiers and the listing of companies in each tier. The criteria used is sales of \$250M over the 3 prior years and over \$50M in the recently completed year. Current performance is weighted higher than prior years and higher value contracts carry greater weight. USAF believes this is a useful tool to gauge overall business segment performance and allows for a comparison to peers and creates a dialog among senior leaders. John noted that non-systems ratings are being evaluated as to whether they would be beneficial to add to this program.

8. Mr. Mel Frank updated the committee on DOE activities. Mel presented on the “DOE Integrated Project Management in the Information Age”. Mel identified the DOE PM oversight management structure and his specific organization. He next discussed the evolution of DOE’s data driven reviews and the goal of fully automating data analysis to flag areas to investigate. Mel identified the historical and current EVMS issues to overcome, namely EVM viewed as a reporting tool and not a management tool, poor EACs and similar issues found across government agencies.

Mel noted DOE’s goal to be the best in project controls and EVM practices and discussed survey results that identified areas to focus on. Mel emphasized that consistency across organizations is key – consistent direction, policies, practices, etc. Mel then discussed the DOE EVMS Interpretation Handbook which discusses what compliance looks like. This serves as a consistent review standard for DOE contractors and benefits the entire EVMS community among the civilian agencies (CAIWG). Mel discussed the pilot project with CNS in order to attain certification. Mel also discussed the work on standard operating procedures across a number of topics, DOE’s site visits, and improved communication plans.

9. Mr. Buddy Everage described the EFCOG (NDIA like organization with a focus on DOE contractors). Buddy then introduced a DOE panel comprised of Mr. Mel Frank, Mr. Dave

Kester, Mr. Greg Hewitt, Mr. Kevin McGuire, and Ms. Sandy Traci - representatives from both DOE and CNS. The panel discussed EVMS compliance initiatives and processes and doing so with a view toward cost efficiency. Dave noted that a goal is to produce data needed to manage effectively and use that to determine compliance versus requiring data not normally used for management purposes but solely required for compliance tests. The panel discussed the collaboration between industry and DOE and the group formed to review and discuss compliance topics.

The panel discussed the value of the interpretation handbook which provides the rationale and basis for tests to confirm compliance – it provides an “open book test”. The panel noted the benefits of the pilot project allowing for more open dialogue in the review process. DOE panel members confirmed the improvement in collaboration and understanding between the contractor and customer. The panel next discussed how data and tests are being automated and the personnel skill sets needed to accomplish this.

10. A lunch break was taken.
11. The IPMD working groups provided brief updates from their discussions yesterday and the initiatives they are working.
 - a. CSDR (Mr. Randy Steeno): Group was formed this year to conduct a dialog with CAPE/DCARC. CAPE has worked to change DIDs on their cost estimating needs. The group meets monthly to discuss current information and participants attend various CAPE meetings. Randy noted that the DIDs are still fluid but progressing to completion. Randy discussed the new SRDR DID (software development and software maintenance) which has significantly more requirements than previous. The working group also provided comments (42) to CAPE on the new “Flexfile DID”. This DID requirements have grown to become a very complicated requirement to meet. Randy also discussed the new proposed technical data DID (1921-T covers technical data, 1921-Q covers quantity, and 1921-R covers repair data). Randy also noted the Section 812 portion of the FY17 NDAA (addressed by Gary Bliss in yesterday’s notes) and the NDIA IPMD response to the proposed legislation.
 - b. Agile (Ms. Kathy Dailey): Kathy noted the publication of the Agile guide in April 2016 and the work starting for the next update for sometime in 2017 (target is April). Because of the rapidly evolving nature of agile, the working group plans on annual updates for the near term. The working group is divided into sub groups to work various sections of the guide.
 - c. Prime/Sub (Ms. Caroline Cremisi): Working group effort is to identify, discuss and document issues related to the prime/sub relationship and publish a white paper on the topic. Caroline noted a major discussion area is scalability – what makes

sense to flow down. She also noted the need for training for subs that are not mature in their EVMS.

- d. OTB/OTS (Ms. Mary Ann Hale): Mary Ann noted the working group plan is to be short lived – gather comments to the PARCA guide and provide inputs to the update. She commented on the gaps, overlaps and need for a frequently asked question section. The group will also present a panel discussion at the IPMW in November and will provide inputs to PARCA before the end of the year.
 - e. Technical Survey (Mr. John Duval): John noted the survey will focus on the question “what does it cost to conduct EVM on a recurring basis”? John noted a historical survey was performed and this survey will modify some of those questions. John also noted there will be a discussion at the IPMW.
 - f. Planning and Scheduling (Mr. Yancy Qualls): Yancy noted the recent approval of the PASEG update and yesterday’s session was focused on what are the “next items” to work. Yancy noted that support to the OTB/OTS and Agile guides will be worked. Yancy noted that it is desired to include agile guidance in the next PASEG update as well as the discussion in yesterday’s meeting around incorporating higher level schedule information.
 - g. Federal Agency EVM Policy Summary (Mr. Dan Bellovary): Dan noted this policy summary will be completed by the time of the IPMW and he highlighted the various agencies that rely on the document.
 - h. PM (Mr. Vaughn Schlegel): Vaughn noted that the PM Handbook work is underway and sections have been assigned to various working group members. Vaughn discussed the outreach to PM effort and a renewed focus on that in the coming months.
 - i. Clearinghouse (Mr. Gary Humphreys): Gary noted PARCA and DCMA participation at yesterday’s meeting. Gary discussed the LOE item from yesterday’s meeting (included in the notes) and the working group’s plan to document various options. Gary noted discussion topics on reciprocity and EAC updates.
12. Mr. John McGregor provided a PARCA update and discussed their plans for a Format 7. John started by discussing the IRR process at PARCA where questions/issues can be submitted for adjudication of issues. John noted the process is not for items where a CAR has already been issued, it is intended to work questions in advance. John also noted that the “\$200M threshold issue” is no longer being pursued.

John focused his discussion on the planned Format 7 concept. John stressed that the IPMR and EVM reporting is not broken. The idea on Format 7 is a joint effort with DCMA to feed data for automated testing. The goal is to develop a file that is the “singular data receipt for OSD that provides joint situational awareness for EVM performance and supports DCMA compliance activities. John noted that if enough detail is provided it allows for the elimination of Formats 1-4. The complication is gathering the data to support multiple users (that is DCMA for compliance/surveillance efforts). John noted that trying to fold in the CAPE requirements would fundamentally be too difficult. PARCA’s goal is to efficiently get existing data that supports the needs of PARCA and DCMA and not create new data requirements.

John noted that this potential changed has been worked collaboratively between PARCA, DCMA, NDIA IPMD and the EVM vendor community. John described the plan (identify data elements, review with stakeholders, proof of concept, etc). Next step will be to take the identified data needed and compare it to DCMA’s pilot data package needs. The Format 7 would be adjusted as necessary. John noted the end state goal is that the Format 7 data submittal would feed the DCMA EVAS tool (data driven plan). John discussed the schema for data submittal needs to be defined and agreed to which requires collaboration between government, industry and tool providers.

John noted other initiatives being worked by PARCA – DFARS update (review in early Sep), 5000.02 update (being reviewed by DoD leadership), MIL-STD 881C update (kick off events have occurred), OTB/OTS guide update (IPMD working items to be submitted to PARCA), and EVMS reciprocity with other agencies. John encouraged the audience to read the proposed DFARS update. John also discussed assisting with the OMB Capital Programming Guide on the topic of agile.

13. A break was taken.

14. Mr. Shane Olsen presented the DCMA update to the IPMD. Shane started by discussing the status of the DCMA pilot. Shane reviewed the pilot project goals – reduce information asymmetry and increase data transparency, utilize system data and manual process sampling to assess system risk, and improve analysis to provide better programmatic insight. Shane summarized the progress to date – 133 metrics have been put into test (reduced from 163) with the ratio of manual to automated of 3:2.

Shane showed the current test results, he noted that some of the tests are being evaluated to determine if they really are effective. 98 of the 133 metrics have been validated as being effective. Shane discussed that the DCMA home page provides communication on the pilot program. It provides test metric information and pilot status. Shane noted that DCMA is 2-3 months behind where they want to be driven by resource availability and EVAS tool contract award. Shane noted he cannot discuss EVAS in detail because the award has not been made yet.

Shane then discussed the EVMS center organization changes. The CONOPS were approved on June 23, 2016. It establishes the EVMS Center as the singular DCMA organization performing system compliance. CAR authority is under the EVMS Center. The Center has been stood up as of Aug 22. This reassigns the EVMID from DCMA Operations to DCMA PM&BI. On-going reorganizations will occur for the next few months. Shane noted that there will be a reduction in total EVMS positions from 428 to 345 but the EVMS Center will increase from 73 to 96. When complete there will be clear delineation between EVM program analysis and the EVMS system center. This will provide consistent messages across companies with different DCMA offices. Shane stated that SSPs are on-going during the transition. Shane did show the POCs for the 6 major corporations (with smaller contractors aligned under the 6 groupings).

15. Dan Lynch closed the meeting by discussing final logistics and by thanking the attendees and presenters. Dan mentioned that the Jan/Feb meeting may change locations to the west coast but stay tuned, more information to follow. Dan thanked Karen Frisk and Pratt & Whitney for hosting.