

Contracts Working Group

30-31 August 2016

Contracts Working Group

Overview

Focus is to get alignment between the Contract Management Organization and Integrated Program Management (IPM) Practitioners, with emphasis on EVM and project scheduling practices, on interpretation of requirements as it relates to Contractual Application of EVMS

Leadership



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- **Goals:**
 1. Establish a Formal Channel of communication and collaboration between NDIA-IPMD and the National Contract Management Association (NCMA)
 2. Develop a set of collaboratively produced educational materials
 3. Provide training at various venues
- **Unique Construct:**
 - Partnering with 'outside' experts in this domain (aka NCMA) to obtain balanced view

EVM World Feedback Government Perspectives

1) What are the key concerns and frustrations you face regarding the execution of EVM?

- Education level of training of people doing it
- Foundational element that's missing from existing training, even with DAU
- There is a concept, a stereotype, that EVM is just for EVM specialists
- Trying to engage a multifunctional team to approach and to get all relevant personnel to understand that they are part of the process
- Untimely and unrealistic EACs from Contractors, which affects Government's ability to fund
- Should not even call it EVM or EV anymore. Just call it project management or integrated project management. Should change the language.
- Not enough scrutiny on the risk components, are they realistic?
- Contractors sometimes take advantage of the lack of government personnel knowledge and do not fully follow the DID, so makes it difficult when DCMA comes in and the reports are accepted incomplete (e.g., Format 5 summary)
- Personnel often don't know who their respective counterparts are (not just DCMA as above, but engineer to engineer, etc.)
- Disparate software programs in Government PMOs make it difficult to integrated data.
- IMSs not properly integrated between Prime and Sub – often missing giver/receiver relationships so not fully integrated.
- Subcontract issues n. EAC MR skewing data
- Agile – no one understands what the key elements are needed from the government's perspective.

EVM World Feedback Contractor Perspectives

1) What are the key concerns and frustrations you face regarding the execution of EVM?

- Frustrations regarding the type of contracts requiring EVM production ... cannot fix problem after award (IPMR vs. Production)
- Funding changes – Difference between funding and budget
- The time it takes to make changes/modifications
- Communication with the procurement office
- Reading and understanding of the requirements (EVM folks do not get involved early on in the acquisition/solicitation process)
- Flow down to Subcontract (EVM implementation) and non-compliance with requirements
- PMs get stuck with the requirements
- Lack of empowerment of the EVM program managers
- Issues with the internal culture of the organization (the client does not care about the EVM requirements)
- Non-compliant environment
- Internal requirement vs. external requirement

EVM World Feedback Government Perspectives

2) Who are the key 'players' when it comes to managing projects using EVM in a compliance-required environment?

- Program Manager
- Program Controls, Project Controls, EVM Specialists, Planners/Schedulers
- Engineers
- Contracting Officer (CO) and specialists, COR
- Government CAM - - counterpart to industry CAM
- QRO – quality reliability officer – on site – signing off on IPMRs (so they say) on the DD-254 (FAA)
- Compliance – division directors
- Trainers personnel – leading IBRs, asking the right questions, etc. (DCMA, DAU, etc.)
- EVM Focal Points at Contractors
- Financial team on government side – cost estimators. In AF – 501 (financial analysts) responsible for EVM.
- Cost estimators are involved before the contract, not so much during program execution.
- Acquisition managers

EVM World Feedback Contractor Perspectives

2) Who are the key 'players' when it comes to managing projects using EVM in a compliance-required environment?

- Business Analyst, Planner/Finance, CAM

EVM World Feedback Government Perspectives

3) From your perspective, what are the greatest benefits of using EVM?

- Sustainment Program at DHS implemented EVM-“like” – they previously had no idea where the money was going – oh, we’re out of money, why? Now I know where every penny goes. I can see where it goes. Makes my life easier – when trying to justify future budgets.
- Ability to use data to provide forecasts.
- Planning discipline – gives everybody the same playbook to structure the plan.
- A forcing function for solid Project Management
- Engineers/technical people have a better idea of what’s going on – both qualitatively and quantitatively
- Format five summary is extremely valuable to making PM decisions
- When done right, you have a PM that has the same information as his/her counterpart so they can make informed, factual decision-making vice emotional

EVM World Feedback Contractor Perspectives

3) From your perspective, what are the greatest benefits of using EVM?

- Joint Situational Awareness (JSA) – establishing scope creep management
- Using the data to get management approval
- Reduces surprises
- Predictive measure
- Successful completion of the project – it adds value (fundamental

EVM World Feedback Government Perspectives

4) If there were one message you would want to ensure someone in your shoes should know about managing projects using EVM in a compliance-required environment, what would it be?

- Stay away from EVM purists – zealots
- Understand the difference between requirements and application.
- Understand the proper method for waiving EVM – who is really the approving authority, and in what instances does it makes sense?
- Have a champion – someone who will carry the flag to ensure the right things are being done (not just checking a box)
- Use the data to manage the program – directors, components, PMs, engineers
- Have EVM metrics in PMRs
- TCPIs – have key players have that level of knowledge to talk about it clearly. Know what ensures whether an EAC makes sense.
- Simplify where possible. Follow the foundational concepts. Do the analysis. Come up with simple message so it makes sense.
- Don't forget the big picture.
- Tie incentives to information availability (vice metrics)
- Maturity models should fall into the dialogue somewhere when assessing contractor performance

EVM World Feedback Contractor Perspectives

4) If there were one message you would want to ensure someone in your shoes should know about managing projects using EVM in a compliance-required environment, what would it be?

- Complete buy in from top to bottom
- Take a pro-active role from cradle to grave
- Setup EVM right from the beginning
- Use the labor effectively as it was originally intended, and make sure you establish the baseline and maintain it.

Status of Working Group

- **Members – 24 Members, 2 Co-Leads (total: 26)**
 - *We lost 4 members, gained 3.*
- **New Members this meeting:**
 - Robert Berkowitz, PARCA
 - Michael Atwood, Pratt & Whitney
 - Kevin Shanley, Pratt & Whitney

Status: Goal 1

- **Goal 2:** Establish a Formal Channel of communication and collaboration between NDIA-IPMD and the National Contract Management Association (NCMA) - Ongoing
- **Status:** The creation of this working group has significantly opened this communication and collaboration
 - *Special Notes:*
 - *Lisa and Dale presented EVMS at NCMA 2016 World Congress in Orlando, Florida (July 22-27, 2016).*

Status: Goal 2

- **Goal 2:** Develop a set of collaboratively produced educational materials
- **Work Teams Status** (collaboratively produced educational materials):
 - **Industry Roles/Responsibilities** (Lead: Anna Blachman)
 - **Government Roles/Responsibilities** (Lead: Dianna Patterson-Williams)
 - *These two work teams are concurrently finalizing the draft*
 - *We anticipate distribution to the NDIA IPMD by October 1 for comment.*
 - **Glossary/Dictionary** (Lead: Scott Rummel)
 - *Developing one for Agile WG; will leverage that for this effort to ensure consistency across Working Groups – Finalizing Draft*

Status: Goal 3

- **Goal 3**: Provide training at various venues
- **Status**: Upcoming trainings/presentations
 - *Presented at EVM World June, 2016 (Lisa Wolf & Jean Lohier) on WG efforts, interactive workshop to identify key areas of industry concerns, etc. - presentation well Received*
 - *Presented at NCMA World Congress July 2016 (Dale Gillam and Lisa Wolf) on Contracting and Subcontracting for EVM*

Next Steps

- **Oct 1 (Goals) – Roles and Responsibilities to NDIA IPMD for comment**
- **Take another bite of the elephant**
 - Determined our approach to the start of a guide. Working through details; need a Team Lead.