

DEFENSE CONTRACT MANAGEMENT AGENCY



DCMA

ACQUISITION INSIGHT  GLOBAL ENGAGEMENT

DCMA Update to NDIA IPMD

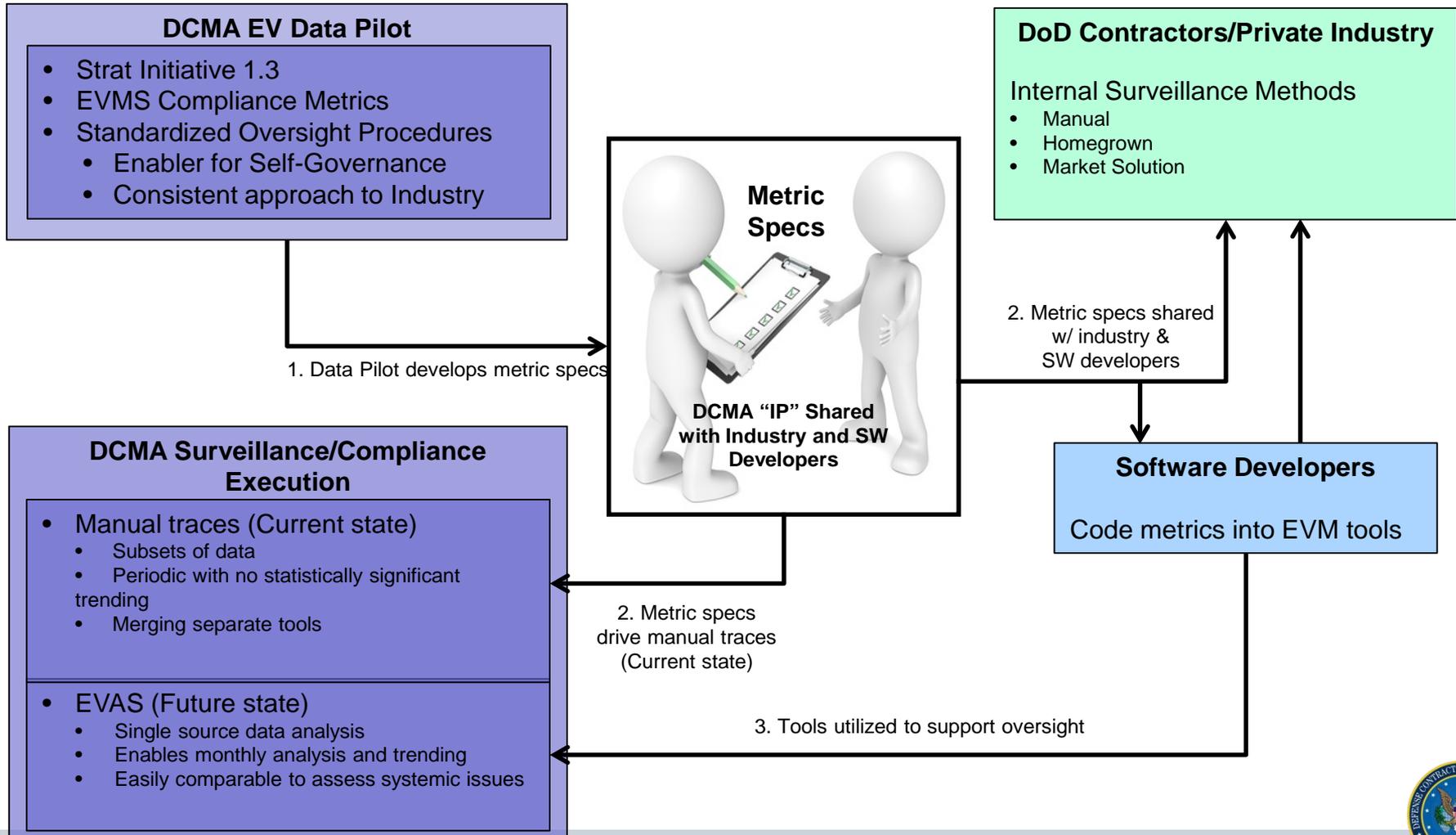
February 1, 2017

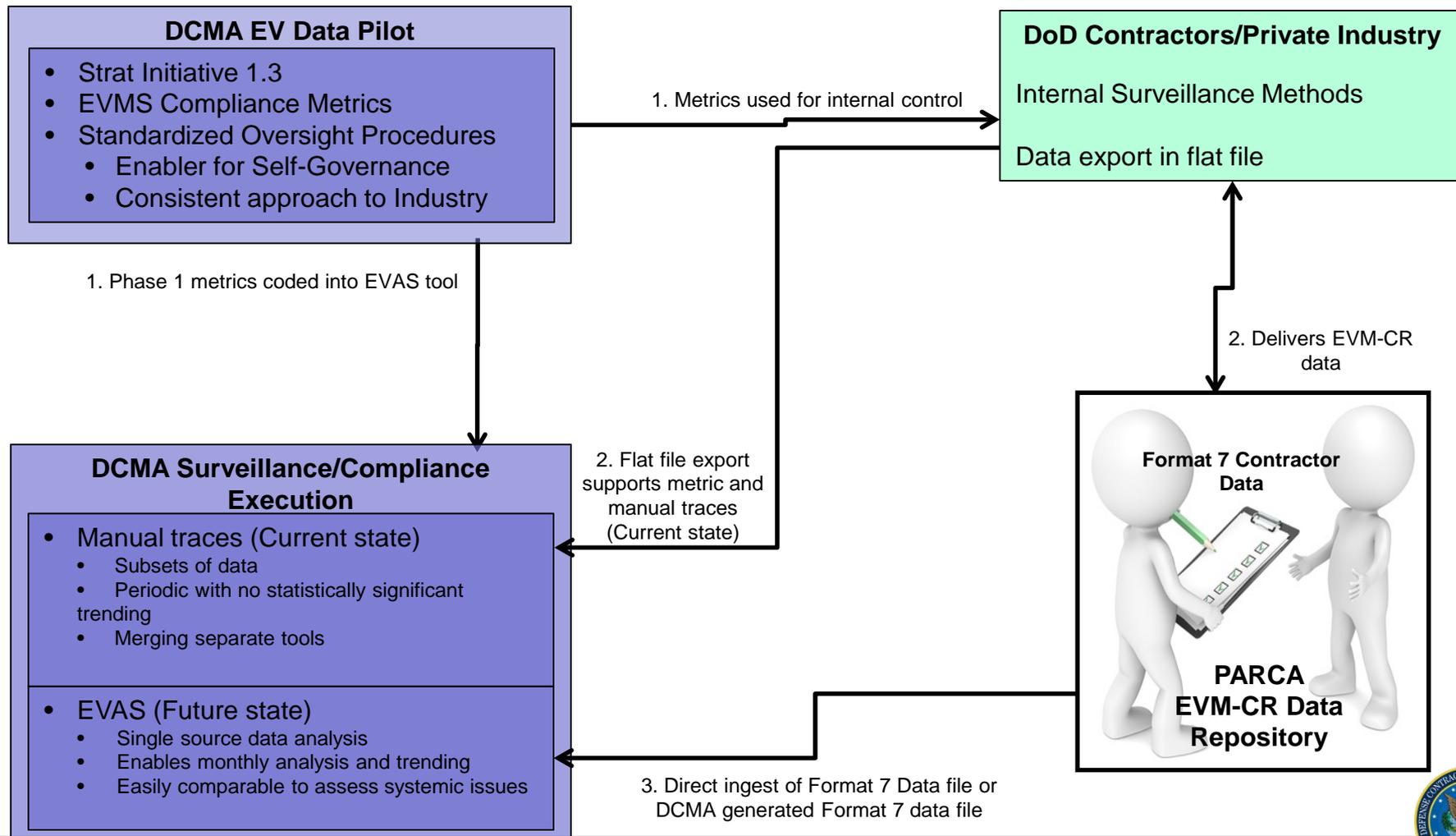
- **Strategic Initiative Update**
 - Policy Changes
 - Centralization
 - Pilot/EVAS
- **DoD Policy and Legislative Changes**
 - FY17 NDAA (Sections 842/893)
 - DoD/OMB Reciprocity Memo
- **Other Topics**
 - Agile Guide
 - Q & A

- **DCMA-INST-210, EVMS Standard Surveillance Instruction**
 - Mainly an admin update based upon change of policy format (11/8/16)
 - Following changes were made:
 - Removed DCAA support request requirements
 - Changed thresholds per BBP 3.0, DFARS deviation
 - Amended roles and responsibilities to address EVMS Center CONOPS
 - Signals a pending change to process focus, not GL/area focus
- **DCMA-INST-208, EVMS Compliance Review Instruction**
 - Same admin and roles changes as the SSI (Pending coord)
- **DCMA PAM 200-1, EVMS Program Analysis Pamphlet**
 - Pending Rescission; subsumed by an MPS Manual for Analysis & Reporting
- **In process of merging INST-208 and 210 to have one EVMS Instruction**
 - **Risk Based procedures, leveraging data analytics in EVAS**

- **EVMS Center Stand-Up on 22 August 16**
 - 6 Groups aligned by CACO/DACO Corporate Groupings—96 people
 - Currently restructuring as we move from geographical org to a centralized corporate org
 - Work transfer dependent upon personnel placement/attrition
- **Directly Impacted by the Federal Hiring Freeze:**

“I hereby order a freeze on the hiring of Federal civilian employees to be applied across the board in the executive branch. As part of this freeze, **no vacant positions** existing at noon on January 22, 2017, **may be filled** and **no new positions may be created**, except in limited circumstances. This order does not include or apply to military personnel. The head of any executive department or agency may exempt from the hiring freeze any positions that it deems necessary to meet national security or public safety responsibilities. In addition, the Director of the Office of Personnel Management (OPM) may grant exemptions from this freeze where those exemptions are otherwise necessary.”





- **Pilot CCB Meeting 2/3/2017**
 - Finalize Phase 1 Metrics
 - Updates to metrics will continue through testing phase
- **Code/Configure Phase 1 metrics into EVAS software Feb – May 2017**
 - Finalize data import protocols based upon flat file submittals
 - Develop format 7 data import protocols
- **Develop EVMS guideline/process testing protocols May – Aug 2017**
 - Establish tolerance thresholds and follow-up procedures
- **Roll-out data driven surveillance process across enterprise 8/31/2017**

Sec 842: Amendments Relating To Independent Cost Estimation And Cost Analysis

- The NDAA language standardizes and increases the scope of cost data collected by CAPE to create an enterprise cost data repository for use by all DoD costing and acquisition
- The provision puts an entity outside of the acquisition chain – CAPE – as, effectively, the determiner of contract data reporting; this reporting is a key burden of DoD regulation and this move means that those who specify the costs of reporting compliance do not face those costs

“This provision subordinates the acquisition community’s concerns to those of the cost community.”

- **How does this impact the acquisition community?**
 - CAPE has been very clear that they wish to “leverage” EVMS data
 - We believe the data requirements will drive cost
- **How does this impact the EVMS oversight?**
 - PARCA is the authority for EVM policy, EVMSIG and IPMR reporting requirements
 - The CSDR is not an EVM artifact utilized for compliance assessment
 - EVM compliance is assessed at the level which data is collected

Sec 893: Amendments To Contractor Business System Requirements

- Contractors may submit certified documentation from a public accounting firm attesting to the contractor's internal controls against the business system requirements in subsection (b)(1), thereby eliminating need for further review by government auditors.

“If a registered public accounting firm attests to the internal control assessment of a contractor, pursuant to section 404(b) of the Sarbanes-14 Oxley Act of 2002 allow the Contractor... to submit certified documentation from such registered public accounting firm that the contractor business systems of the contractor meet the business system requirements referred to in subsection (b)(1) and to thereby eliminate the need for further review of the contractor business systems by the Secretary of Defense”

- **What does this change?**
 - As it is written, not much. We will still perform reviews as required to support contracting officer determinations.
- **Will we leverage Third-Party reviews to adjust/limit review activity?**

YES

- **MOU signed by Mr. Kendall 22 December 2016**
 - PARCA coordinated effort with DCMA support
- **Joint Viewpoint carried over into the MOU**
 - Intent is to leverage other Agency's processes and outputs in order to reduce burden of duplicative efforts on common suppliers
 - Much like Third Party reviews, we will leverage other agency activity and reports to focus our efforts
 - "System Compliance Determination remains at our discretion"
 - Detailed Supplemental agreements to address common suppliers are a possibility
- Reciprocity requests for DCMA should be made to:

DCMA's EVMS Center, through the Executive Director Portfolio Management and Business Integration, Mr. Walt Eady

- **DCMA has provided comments back on the NDIA Agile Guide**
 - NDIA Guide is inconsistent with PARCA Agile and EVM Desk Guide
 - Notable deficiencies in budget/scope alignment and freeze periods
- **Contractor MUST document agile processes within system description if they are not consistent with standard implementation**
 - What are the modified procedures and minimum requirements for compliance
- **Implementation must be in accordance with EVMSIG and EVMSD**
 - For example, violating the established freeze period as a result of customer direction would indicate that the EVMSD is deficient
 - Guide is not a source of justification for deficient practice

Questions?

