NDIA IPMD Meeting Minutes

Government/Industry Day Meeting – April 27, 2017

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.

1. Dan Lynch, IPMD Chair, called the meeting to order and welcomed all the attendees. Dan announced the retirement of Steve Barnoske from the Board. Nominations are open to fill the position. Candidates will be vetted for consideration and voting is expect at the next IPMD meeting in San Diego in September

2. Dale Gilliam introduced Mr. Gene Frazer, Vice President, Programs, Quality and Engineering, Northrop Grumman Corporation presented on the topic: Things Your Mother Never Told You: Lessons Learned from Northrop Grumman. Mr. Frazer emphasized that technical issues are usually not the problem and most PMs and clients believe they are special. The key is to manage the invention, not the invention itself. Caution should be exercised when PMs do not welcome functional support. The second lessons learned were "Fundamentals Revisited". There is a need to recognize that requirements change. Real life examples were discussed to emphasize what not to do. Major events like CDR are not the place to revisit requirements. Establish ground rules to prevent these discussions from taking place. The third lesson was "There is no development, just integration". Usually this is a proposed justification to reduce resources like system engineering. Lessons learned: It is never just integration. The fourth lesson is "Don't confuse years of experience with Acumen." A matrix of experience by role by contract phase, contract type and size, demonstrated a way to assess potential issues. The fifth lesson was "if you think managing a program is easy, you likely don't understand the problems." When things are going well, focus on opportunities during the good times.

3. Dale Gilliam moderated a panel on Effective Program Transitions and Start-ups. Patty Baird (SAIC) shared the importance of having a transition manager versus a letting the PM perform the roles. Great starts are treated as a project. Make sure you understand the requirements of the contract. Keith French (GD-MS) spoke about the importance of making sure the team is comprised of the right skill sets. Mr. French suggested not understanding the scope was the largest problem. Vance Gilstrap (DAU) emphasized the importance of partnering between the contract and the government client. Contractor PMs are generally more prepared than Government PMs. Early training is necessary. Michael White (Leidos) also emphasized the

importance of treating the transition as a project and frequent reviews of progress against the plan.

4. A break was conducted

5. John McGregor presented on PARCA Policy updates. John provided an overview of PARCA. John discussed the central repository and encouraged industry to participate in the new "industry reviewer role" that is now available. Only two companies have signed up and been granted access. John asked for a company lead reviewer focal point to coordinate access for their employees. John presented the DoDI 5000.2 EVM Tables that were updated on 7 Jan 2017. Table 8 was broken into two tables. The new table 8 identifies the EVM applications thresholds. The applicability section was changed to address the nature of work as a criteria for EVM applicability. OTS and OTB now require government manager approval. Contracts greater than $20M now have to be 18 months in duration for EVM to be applied. IDIQ contracts should be applying EVM on the base contract and subsequent task orders if they are related. Table 9 identifies the EVM Reporting requirements. Above $50M, all 7 formats are still required. The IPMR can be tailored for contracts less than $50M. ACAT 1 contracts will submit IPMR data to the repository The IMPR2 Implementation plan schedule was discussed for cost performance standards, schedule standards, policy, and system development. Variance analysis is moving towards a pulling of data versus pushing of data. The EVMSIG is going through an update. Industry (152) and government (34) comments have been submitted. An update is expected to be publish in September. Neal Albert provided and status to the MIL-STD 881C Update. This document is expected to have many updates and will be published in the August 2017 timeframe. Issues: 1) Cybersecurity will be added to all appendixes. 2) Lower level WBS linked to Cost Estimating and adding Sustainment (O&S). 3) Adjudicating Warranty and rate tooling. John emphasized that the 881C is an EVM document, not a cost document. Its purpose is to facilitate an execution structure from which performance will be collected. John thanked the NDIA IPMD board members and many others for their proactive cooperative behavior. 5000.02 is a directive for the PM, where the DFARs is a directive for the Contracts Office. A question was posed about the volume of Format 7 received and their usefulness. 20-30% of ACAT 1 programs are submitting Format 7 to the CR. It is unknown if the data is being used to manage programs. The EVMS DFARS is on hold, but ready to proceed. There are fewer EVM deviations than last year, but they are more complex. PARCA meeting with tool vendors next month regarding IPMR2. John encouraged participates to submit questions to the PARCA website. Questions should be EVM related and not about resolving DCMA CARs and DRs.

6. Dan Butler provided a status regarding the next update to EIA 748C standard. An update to the standard is due the first quarter of 2018. Early discussion with stakeholders has occurred regarding the magnitude of changes for the next release.

The consensus is no major updates are expected in Version D. The following Version E is likely to have more significant changes to the guidelines.

7. Mr. Matthew Strain, CACI, moderated a panel on Optimizing Integrated Baseline Reviews (IBRs). The panel was introduced. The history of the IBR was presented. MDA performs annual IBRs on every program. NASA expressed that IBRs are not just an EVM tool; it should be performed on every program regardless of formal EVM requirements. The IBR is an event to demonstrate contractor competency and gain trust that program objectives are achievable. It is not a pass/fail process. Joint training improves the IBR. IBRs at 90 days are hard to execute, but at 180 days may be close to first contract event/milestone. Joint Prime/Sub IBRs can work, but if independent, do Sub IBR prior to Prime IBR. CAM presentations or CAM interviews both work. MDA uses a facilitator to keep IBR from becoming an EVM event. Pre-Award IBRs are infrequent. IBR action items should be closed within the first 60 days.

8. A lunch break was taken.

9. Tom Coonce from IDA presented a request for assistance from DPAP regarding the Congressional Request for Insight into Flowdown Requirements, Bid, and Proposal. IDA is looking for contractors to interview to gain a better understanding issues related to B&P and the Prime to Subcontractors flowdowns. Trying to identify what is discouraging participations: B&P costs, Pricing data, FPRAs, etc.

10. Russ Rodewald from DCMA presented a DCMA Update. The EVAS industry pilot is complete. Test metrics (v 3.0) stand at 131 buy may be refined over time later. All DCMA IT programs have been temporarily stopped, via stand down, for 90 days. EVAS software testing protocols development during May-August 2017. EVAS rollout now expected mid November 2017. Merging INST 208 and 210 into one EVMS manual. EVMS Business Systems are to be recertified every 3-5 years. DCMA achieves this through Surveillance. A large consolidation of processes is in progress. A common set of processes across DCMA is the goal. Goal of condensing 200 practices down to 20-30 practices. The manual will be broken down into 5 sections. General Issuance Information, Responsibilities, Pre-Award support processes, oversight management process and review for cause. A more detailed review of each process was presented. Moving from detection to prevention processes. Plan for manual to be complete by August. DCMA is expecting companies to self-assess compliance for contracts between $20-$100M. DCMA has moved away from the 14 point schedule assessments for compliance reviews.

11. Working Group Out-Briefs:
    a. Clearing house: Negative BCWP for both LOE and Discrete, Stop Work Orders and de-scoping contract, Gate Month EACs.
    b. PM Working Group: Provided status on the Predictive Measures Guide, PM Guide.

   c. Prime/Sub Contract Working Group will be revisiting the draft guide, breaking it up into four sections to reflect the project life cycle: Proposal, Contract Award, Execution and Monitoring, and Closeout. Working Group needs volunteers.

   d. CSDR Working Group reviewed the plan and status. CAPE has published several DIDs. Comments on SRDR due 28 April.

   e. Planning & Scheduling Working Group briefed. Recent accomplishments were presented including support to Agile WG, Data Exchange WG and Top-Level Schedules. Guides will be reviewed for consistency. The PASEG update is expected to kick-off in January 2018.

   f. EVMS for Agile Development Working Group briefed. Looking for a new Co-lead. Effort has begun on Version 1.2. Looking for additional support for the five sub groups. The status of each of the five sub groups was briefed.

   g. Data Exchange Working Group briefed status and schedule. End of January 2018 is the target for having the IPMR2 DID ready.

   h. Contracts Working Group briefed. Roles and responsibilities are being defined as well as frequently asked questions documentation.

12. Jerald Kirby, EVM Focal Point for NASA provided an Update. NASA has submitted changes to their NASA FAR Supplement (NFS) to OMB for review. Changing their thresholds from $50M to $100M and the period of performance from 12 months to 18 months and "contains development work" (which is different from DoD). EVM Organization changes were announced and expected to be approved May/June. PP&C Functions including EVM have been moved from the Chief Engineer (OCE) to the Office of the Chief Financial Officer (OCFO). Mr. Kirby described a new validation approach for one-time contracts. Validation only applies to the current contract, not corporate EVMS. Validation is performed by the program with support from the agency. Acceptance and surveillance approaches was discussed for: 1) large industry contractors via DCMA, 2) universities and labs via NASA Agency EVM lead, and 3) small businesses with one time contract via the NASA program. The NASA website was displayed.

13. Dr. Peter Eggan, PARCA Deputy Director of Program Assessments (PA). Presented a PARCA PA Update. The PARCA organization chart was displayed. Dr. Eggan described the assessment process. Evaluations are performed on request. An evaluation of the utility of performance metrics is made for MDAP programs. They use the reports from the EVM-CR. PARCA performed 329 assessments on 80 programs in FY2016. An example of the Defense Acquisition Executive Summary (DAES) was displayed. Dr. Eggan showed how EVM performance data is used for briefing OUSD (AT&L) leadership. An example of the monthly business rhythm illustrated the review schedules. Examples of Earned Value Analysis (EVA) System outputs were presented: EVA Thermometer chart; Data Blips; Schedule analysis;

IMS submissions; program funding vs actual performance; implications of LRIP costs.

14. Tom Davis, Senior Fellow, NDIA Industry Chair, DAU, presented on NDIA Executive Level Initiatives, "Understanding Today's Defense Industry". Mr. Davis described the "Distorted Defense Market". A chart was displayed showing the decline of defense companies in the Fortune 100 since 1961. DoD needs to recognize that it is a new industrial environment. Mr. Davis encouraged people to keep talking, use the NDIA forum for that purpose, and use the IBR technique to get there.

15. Dale Gilliam and Dan Lynch closed the meeting thanking anyone for attending.