



DCMA



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DCMA Update for NDIA IPMD

Presented By:
DCMA EVMS Center

NDIA IPMD Herndon, VA

May 2nd, 2018

- Develop and execute EVM System Surveillance Plans (SSP) to ensure ongoing system compliance
- Provide documented output in System Surveillance Reports (SSR)
 - Assess system compliance to 32 EIA-748 Guidelines
 - Seek corrective actions to resolve identified deficiencies
- Execute Validation Reviews to support EVMS DFARS and Business System requirements in CBAR
- Engage with Program Offices, Services & OSD to ensure the correct requirements are placed on contract
 - Integrated Baseline Review support
 - Perform Reviews for Cause upon customer request for contracts >\$20M
- Communicate mission and requirements to Contractors and Industry groups

- Issuances:

- Chapter in the Draft MAN-2301-01 “Contractor Business Systems”
- Business Practices that define internal processes
 - Pre-Award EVMS Plan Reviews (BP1) – **COMPLETE to be Posted**
 - Contractor System Description Review (BP2) – **FINALIZING ATTACHMENTS ECD 5/31**
 - Contract Initiation Support (BP3) – **COMPLETE to be Posted**
 - EVM System Surveillance (BP4) – **COMPLETE to be Posted**
 - Reviews for Cause (BP5) – **FINAL REVIEW ECD 5/15**
 - Compliance Reviews (BP6) – **WORKING REVISION ECD 5/31**
 - Metric Configuration Control (BP7) – **INITIAL DRAFT ECD 5/31**

- Mission Deliverables/Issuances:

- Compliance Review Reports
- System Surveillance Plans and Reports
- CAR Status Reports/CAR Closure

Results in Brief	
Earned Value Management System (EVMS) Compliance Report	
<p>Findings</p> <p>The Defense Contract Management Agency (DCMA) Earned Value Management System (EVMS) Center evaluated the Raytheon Integrated Information Systems (IIS) Aurora, CO EVMS. The objective was to determine whether their EVMS met the standards of the 32 Electronic Industries Alliance (EIA) 748 EVMS standard criteria. The Raytheon IIS EVMS was found to be compliant with all of the 32 guidelines in the Electronic Industries Alliance (EIA) 748 EVMS standard. The review identified no materially significant non-compliances on any of the 32 guidelines in the EVMS standard.</p> <p>While DCMA did not identify any EVMS deficiencies which are material in nature, there are concerns which require increased scrutiny by internal Raytheon Corporate leadership regarding “dual-trigger Management Reserve (MR)” and forecasting planning disciplines practices by the GPS OCX program team. For example, dual-trigger MR partitions values which are explicitly excluded from reported estimate at complete (EAC) values. In addition, there was a lack of discipline in following proper forward planning process which resulted in an extensive re-planning effort during the most recent planning event. This resulted in changes to work that was in-process by administratively closing it and moving the work into a future period.</p> <p>Currently there are minor issues that exist. These issues do not impede the government’s ability to trust the reported data. The review team notes that there is a history of lack of discipline, on the program, for following Raytheon’s processes. This equates to a high risk that there could be future problems with cost and schedule growth that will not be evident in the EVM data. This could lead to discontinuity in the program’s final cost and schedule and its current estimate at completion. DCMA will follow this closely throughout the remainder of this program.</p>	<p>Report #: 000</p> <p>Report Type: Initial Determination Report</p> <p>Report Date: October 13, 2017</p> <p>Supplier: Raytheon IIS</p> <p>Location: Aurora, CO</p> <p>CAGE Code(s): 58497</p> <p>Business System Rule: No</p> <p>Current CBAR Status and Date: Accepted</p> <p>Program/Service:</p> <ul style="list-style-type: none"> • GPS OCX <p>Contract #: FA8807-10-C-0001</p>
<p>Recommendation</p> <p>Based on the results from the EVMS Compliance Review (CR) conducted at the Raytheon IIS facility in Aurora, CO during December 2017, the DCMA EVMS Center recommends Raytheon provide formal root cause analysis and correction of the identified deficiencies. DCMA notes that Raytheon has a strong EVM System with accompanying processes, software and documentation control.</p>	

EVMS Center Business Practice 4

Effective Date: March 1, 2018
 Subject: Earned Value Management System (EVMS) Surveillance
 Process Output: Consistent Surveillance Reporting
 DAI Code(s): D5460 Execute surveillance (Sys Audit-Earned Value)
 D4000 Surveillance planning
 D9000 Analyze results
 Point(s) of Contact: DCMA-FP EVMS Policy Lead, Kevin Carney, 804-416-9166

Reference: DFARS 234.201, DFARS 252.234-7002, EVMS Interpretation Guide (EVMSIG), DCMA-INST 1201 Corrective Action Process, Test Metric Specification Sheets, DCMA-MAN xxx EVMS TRD

Purpose: Business Practice 4 defines a uniform process to conduct ongoing assessments (surveillance) of contractor EVMS compliance to the Electronic Industries Alliance Standard 748 EVMS (EIA-748) guidelines. The DCMA surveillance process will not replace the contractor’s internal EVMS surveillance process or in any way remove the contractor’s responsibility to implement and maintain an approved EVMS.

Roles and Responsibilities:

1. **Director, EVMS Center (referred to as “Director” in this issuance).** Final authority for all surveillance actions, including surveillance retained by Special Programs as defined below. Responsible for issuance of plans, review and outcomes of review activities. Final authority for the issuance or rescission of all surveillance Corrective Action Requests (CARs).
2. **Group Lead, EVMS Center (referred to as “Group Lead” in this issuance).** Assigns responsibilities to the Team Leads and Team Members to perform surveillance as outlined in this business practice. Responsible for approval/disapproval of all surveillance plans/reports and any resulting CARs.
3. **Team Lead, EVMS Center (referred to as “Team Lead” in this issuance).** Reviews the technical content and coordinates all surveillance plans/reports and any resulting CARs with the Group Lead. Ensures consistent corporate level ongoing compliance coverage. Coordinates site system status with cognizant contracting officers.
4. **Team Member, EVMS Center (referred to as “Team Member” in this issuance).** Executes the activities as directed in accordance with the process defined below.
5. **Director, DCMA Special Programs (SP).** Maintains personnel trained and capable of supporting surveillance planning and

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Defense Contract Management Agency

[EVMS Center Group Name]
 [Contractor Name]
 [CITY, STATE]
 [Cage Code]



EVMS SURVEILLANCE PLAN
 [DATE]

Approved By: _____ Received By: _____

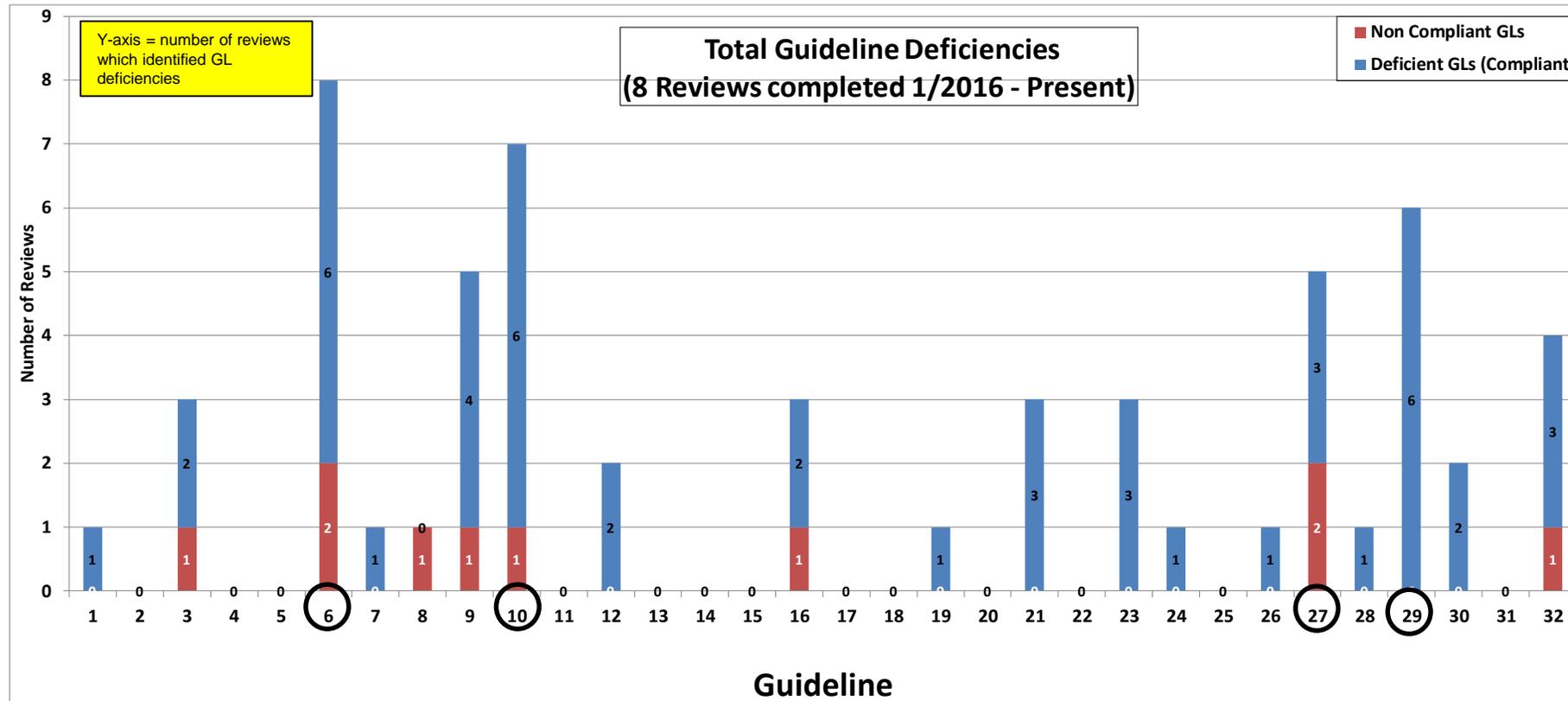
X
 Name: _____
 Title: _____

X
 Contractor POC Name: _____
 Title: _____

Distribution Statement: Distribution authorized to Contractor Name & Cage Code and U.S. Government Offices listed in Table 2 of this document only. Other requests for this document shall be referred to the DCMA EVMS Center Director.

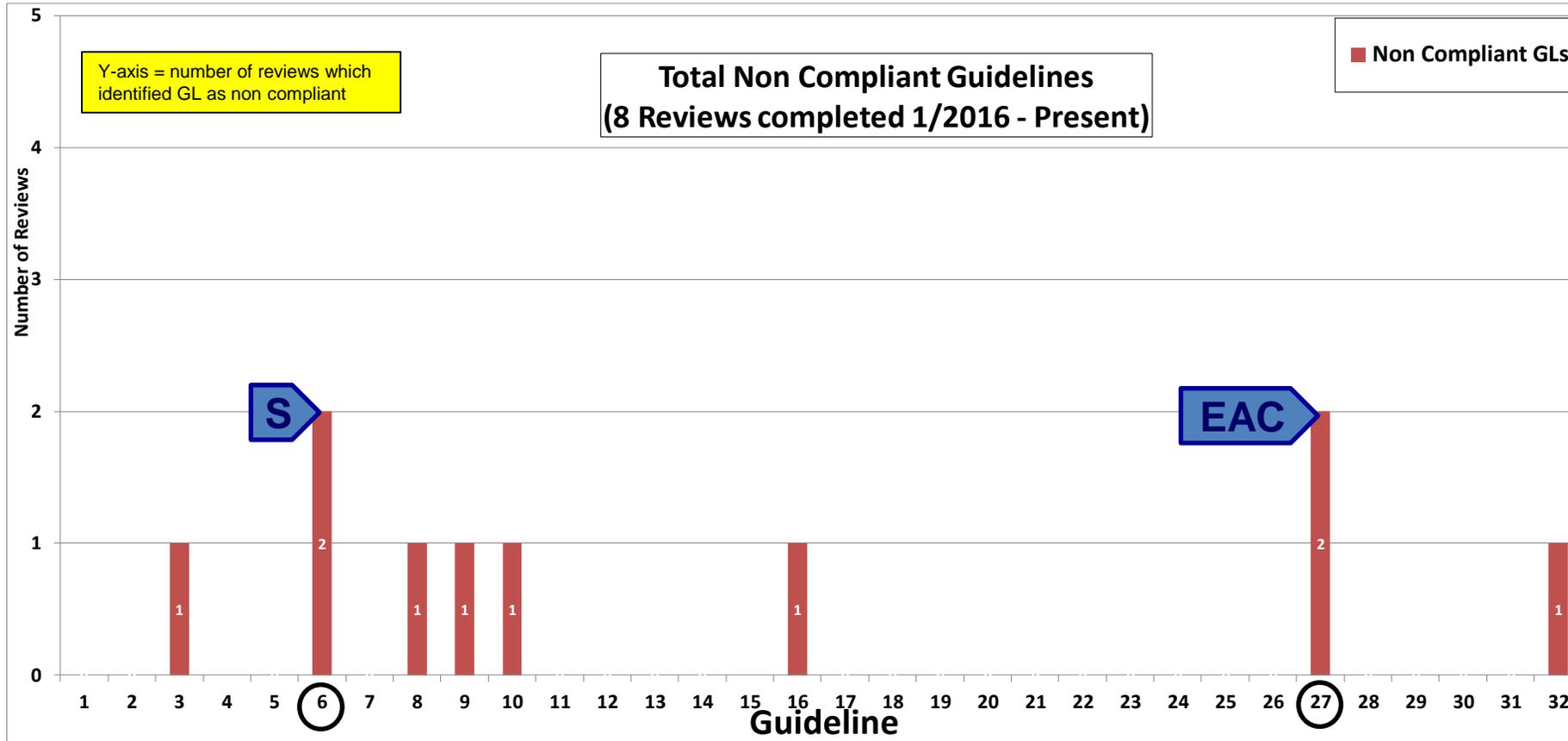
BBP 3.0 Initiative Completion

- Consolidation of EVMS mission to EVMS Center - COMPLETED
 - Full transfer of mission January 2018
 - Single point of contact for Contractors
 - Consistency in oversight actions across compliance mission
- Completion of EVMS Data Pilot and incorporation into surveillance - COMPLETED
 - Consistency in system risk assessment for system surveillance
 - Transparent process facilitates contractor efficiency in Internal Surveillance
 - Limits onsite engagements to risk initiated (minimum one visit per year)
 - Metrics being utilized in surveillance and compliance reviews
- Metric Automation
 - Delayed implementation due to IT stand down
 - Software installed on machines and personnel trained
 - Software testing not complete – system not currently in use



- Total of 58 deficiencies noted against the guidelines in the 8 reviews (FY2016-Present)
 - Includes both compliant GLs (blue bars) and non compliant GLs (red bars)
- Deficiencies (compliant and non compliant) found on GLs 6, 10, 27 or 29 – in over 50% of reviews

Average of 7.25 deficiencies documented per review



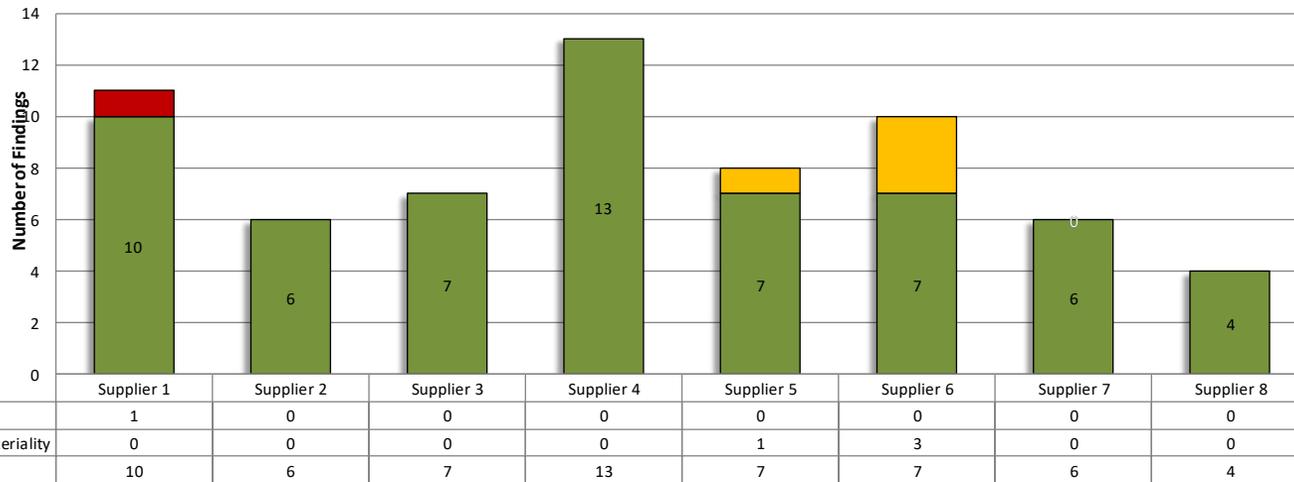
- Total of 10 deficiencies were determined to be significant in the 8 reviews
 - GL 6 (schedule with network logic) – non compliant in 2 of 8 reviews (25%)
 - GL 27 (revise EAC – estimate at completion) – non compliant in 2 of 8 reviews (25%)

In 3 of 8 total reviews, Contractor system was determined compliant at initial assessment

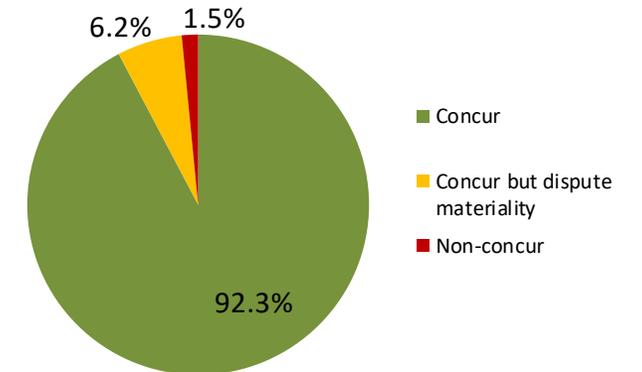
Supplier Responses – FY 16-17

	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5	Supplier 6	Supplier 7	Supplier 8	
Concur	10	6	7	13	7	7	6	4	92.3%
Concur but dispute materiality	0	0	0	0	1	3	0	0	6.2%
Non-concur	1	0	0	0	0	0	0	0	1.5%
Significant	1	0	2	2	1	4	0	0	
Total findings	11	6	7	13	8	10	6	4	100.0%

Response by Supplier



Breakdown of Suppliers' Responses to Initial Determination Findings



- Contractors concurred with 92.3% of the 65 total Determination Findings in FY16-17
 - Total of 4 cited findings were agreed to as deficiencies however materiality was challenged (6.7%)
 - Total of 1 cited findings were non-concurred with as deficiencies by reviewed contractor (1.5%)

- Consistency of oversight across Contractors
 - Surveillance and compliance missions performed by same group
 - Metrics being utilized in surveillance and compliance reviews
 - System surveillance leading up to VR has improved outcomes
- Early engagement with PMO & Contractor
 - Initiation engagement looking to move oversight from D2P
 - Early warning on potential system issues can limit materiality
- Leveraging internal oversight to limit onsite engagements
 - Effectiveness of contractor internal controls impact level of engagement
 - Onsite reviews based on risk (minimum one visit per year)
- Continued push towards automation of metric assessment

Questions?

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