

Clearinghouse Committee NDIA Winter Meeting Palm Bay, FL January 29-30

National Defense Industrial Association Integrated Program Management Division

> Gary Humphreys Russ Rodewald

www.ndia.org/divisions/IPMD



1



Integrated Program Management Division (IPMD)

Purpose: Leading the Advancement of Integrated Program Management Through Industry and Government Partnership

Why attend IPMD Meetings?

Interact with government policymakers to gain a better understanding of their mission and comment on proposed regulatory changes

Broaden your professional network by working with industry and government leaders Meet and seek advice from experts and share program management best practices Participate in working groups to shape guides, industry best practices, and policy

IPMD Committee's:

Agile and EVM Contracts CSDR Program Management Production

- Planning & Scheduling
 - Prime / Subcontract
- Clearinghouse
- Civilian Agency Industry Working Group (CAIWG)
- Guides Steering Group

Next Event: IPMD Meeting Tysons Corner, VA, April 28-29, 2020 http://www.ndia.org/divisions/ipmd

Clearinghouse Committee Page – issue input forms & past briefings

http://www.ndia.org/divisions/ipmd/working-groups/clearinghouse





Clearinghouse Question

GL6 – incorporation of M/ERP

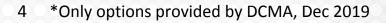
- Programs use M/ERP systems as the basis for planning and statusing the detailed efforts which are aggregated, with the appropriate interdependencies and sequencing preserved.
- An analysis of material items is required to identify categories, HVM, critical material, and material aggregation points to be tracked independently.
- To support critical path analysis, M/ERP should underpin the IMS, minimally at the WP
- At what level does is the MRP required to be incorporated into the IMS, WP or aggregated?
- AAP concurs working with government agencies to document clarification and future update to EVMSIG
 - Intent is that WP inclusion is NOT required and work can be aggregated as appropriate to manage the program.





Customer Direction to perform new Work

- Customer provided a contract directive letter that is interpreted by the contractor as additional scope to an existing DFARS contract.
 - PCO's letter states no change in contractual requirements, contract price, delivery schedule, or time of performance.
- Contractor estimates cost of work associated with letter of direction and submits a REA proposal back to the customer. Customer rejects/ignores proposal stating directed work is already within the scope of the contract.
- What options does the contractor have in this situation if they are adamant that the work associated with the letter of direction is new scope to the contract?
 - Stop Work*
 - Company Funds/Risk*
 - Conditional MR while pursuing a claim
 - Display as Authorized Unpriced Work (AUW) on IPMR
 - Treat customer work scope authorization with no additional cost as an OTB.
 - Use zero or \$1 budget WPs and only collect ACWP until resolution







- Contractor was questioned for having multiple elements of cost within a Work Package (WP)
 - It is OK to mix elements of cost in a single WP provided you earn progress in the same manner or there is a single EVT
 - Elements of cost must be broken out at the control account to support material price and usage variances along with labor rate and efficiency calculations





- There can only be one EVT for a WP
 - GL10: WP is established using the best method to budget and then measure its progress
 - The EVT is established based on how the work is planned
 - Where long duration WPs are unavoidable, ...
 - ... interim milestones representing measurable, technical accomplishment are required.
 - Milestones not centered around expenditure of resources rather by accomplishment





EVMS System validation by CAGE code

- Contractors utilize "administrative primary cage codes" to organize and receive contracts
 - Many performing sites are aligned to 2 admin sites
 - DCMA has validated sites aligned to these CAGE codes
 - Hub has requested contractor to align validation review to the performing sites
 - Sites not validated would require implementation review
- How do contractors address multiple CAGE codes and validations
- Business and leadership are supported out of HQ Admin sites (one management)
- Programs are executed by Prime & Sub personnel located across many sites





Clearinghouse Question

FFP/FPI actual cost reporting on CSDR / IPMR

- Would IPMR cost reporting be different than CSDR reported costs?
 - Can PMB be factored level in IPMR (\$50M in anticipated costs factored to \$35M negotiated price)
 - Would actual costs factored in alignment with PMB?
- FPI:
 - IPMR reports actual costs
 - CSDR reports actual costs
 - CFSR would factor for Price/EAC ratio
- FFP
 - ACWP = BCWP by definition
 - CSDR: why would the company provide actual cost visibility on FFP contract





Clearinghouse Question

Portions of WBS executed by both Prime and Sub:

- EVMS requirement has been flowed down to subcontractor
- Sub portions of shared WBS elements to be managed by Prime CAM
 - Would the IPMR WBS reporting level need to be extended to report individually by Prime and Sub?
 - Would the CAM combine Prime and Subcontract work into a singe Control Account?
 - Would the Prime submit 3 IPMR reports: Prime, Sub, and combined
 - Would subcontractor participate in the IBR
 - Should DECM Metrics be included in flow-down requirements

