

Minutes of the NDIA Program Management Systems Committee (PMSC)
Humphreys Half Moon, San Diego, CA January 19th – 21st , 2004

The list of attendees is included in a separate file attached to these minutes.

Jim Gasbarro, PMSC Chair, called the meeting to order, and welcomed all the attendees. Wayne Abba then introduced Simon Dekker, President of Dekker, Ltd., who hosted our meeting. Mr. Dekker was introduced as the largest software distributor relative to EV new products. Some recent events for Dekker Ltd. Include: 1) At the May PMI meeting Project Portfolio Mgmt was introduced – referred to as EVM Lite. It includes the ability to print ANSI reports from MS Project. 2) Branching to a new sector with IPursuit that relates Project Management to financial indicators. Goal is to try to make EVM cost effective to implement. Program Performance Management to accounting to scheduling to costing to funding (OMB). Mr. Dekker stated he is in pursuit of advanced degree and would like to pass through papers to NDIA group to aide him in his research. The theme Simon is pursuing is How Project Management is done in the Insurance, IT, commercial, and government sectors. He asked willing candidates to contact him.

Pete Wynne, Vice Chair PMSC, then went through the agenda changes, introduced the new first time attendees and reinforced that the PMSC is an open forum and welcomes all thoughts and inputs. There was some discussion regarding the intent and form of the committee. Some of the goals of the committee include introducing lessons learned, willingness to work as a team, communication openly with no retribution, promote interaction, and continually invite participants.

Richard Coleman, former Commander for Navy Cost Analysis and now presently with Northrop Grumman, presented the results of his study titled “Predicting Final CPI” which was also presented at NAVAIR and SCEA. The question Mr. Coleman poses is “Does a pattern exist between production and development” The data, looked at separately does not show a relationship, however shown together the data does shows a pattern. Mr. Coleman used data from “Probability Distributions of CPI at Complete vs. CPI Today” written by Mike Popp in 1997. The data was shown as Plot Data % Complete against Cum CPI Midpoint against Final CPI. Development results are not statistically significant by themselves but the Equation is very solid. There is good correlation/deviation and there is a minimal number of programs with OTB that might be hampering the data. Target cost and changes to contract target would show this. Some programs have estimated cost but harder to tell what’s scope and what’s performance. Production data – statistics show a very similar model as that shown in the Development model. Have the same directional indicators along with the same sense and order of magnitude.

Steve Wake, Independent Consultant, United Kingdom (UK) Association for Project Management (APM) – has 2 million members. Mr. Wake chairs the Earned Value Special Interest Group (SIG) Department of Trade and Industry. Earned Value in the UK was non-existent in 1995. The Eurofighter got to use EV without a mandate. The UK discovered EV was good for business and today the UK Ministry of Defense is using EV consistently. Also the UK Transport and Construction sectors are now using EV. The APM has published and EV National Guideline, IBR Documentation, training syllabus and exams, as well as EV implementation guidance. The SIG is represented by Director Level Government EV Leads, Unive and other strong IT and industry. Mr. Wake stated on behalf of the UK SIG he would like to achieve reciprocity with the ANSI STD.

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Walt Berkey, Lockheed Martin, then gave an update on the status of a proposed International Standard that covers discussions of similarities between Australia, Canada, UK and US EV documentation. The benefit of the UK document is that it is not an inhibitor to doing business in the US. ISO Standard, ANSI STD, National STD, British STDS, 5000 (ANSI or equivalent) are all good examples of avenues to take. The question posed is “How do we get DOD regulations to recognize British standards?” The next EV conference is the 20th of May. John Moore lead of UK EV would welcome a rep from NDIA to represent the case.

Walt also presented that next Monday the GEIA committee meets. The IBR handbook was balloted across broad industry. 15 comments are still adjudicating. Walt hopes to have closure next Monday. 5 of 15 comments were common. 1 was a non-concur (using on-going knowledge to redo an IBR). All comments came from the Risk Management side. 9 of the comments emphasized risks not to be forgotten (IBR).

Bob Loop, Raytheon, presented the update from the Corporate Surveillance working group. Mr. Loop stated he wants to go to the CPM conference in May with the draft Surveillance Guide based on public comment to be received by February 27th. Only one input or comment has been received so far. Mr. Loop posed the following question “Where will this guide be published?” If we go ANSI the guide would be copyrighted. On the NDIA website the guide would be free to download including future updates. OSD Website? OSD is in the process of transferring their website to DAU website for learning aspects. OSD will keep policy documents including 5002.R policy which is not mandatory. The intent is to standardize surveillance. The goal is in getting something out to Industry to start using and working with it to join some of its value. Recommend a guide that gets posted on many websites. The strategy is to retain the ability to make it an ANSI handbook after it has been in use for a while.

Joan Ugljesa, AIM Consultant, talked (No charts were used) the status of the EDI working group. EDI has now been officially renamed to the XML working group. ANSI X12 started the standards movement. XML stands for extensible markup language and allows the development of a language specific to the cost and schedule. XML is more flexible than the ANSI X12 and software vendors are using their defacto XML schemas that apply to their own needs. The working group needs input from government and industry because there is no specific mandate, nor funding, nor executive order that directs the use of XML. XML was essentially born by industry. Ms. Ugljesa presented 2 ways to go – 1) pick a standards group to work with or 2) develop our own schemas and find a posting place (not sanctioned). The general consensus was that NDIA prefers to go through a standards organization. Joan suggested that NDIA might have to pay to become a member of a standards organization. Wayne Abba motioned that Joan should start to work with a standards organization and, if needed, prepare a business case for funding, Peter Wynne seconded the motion. No objection from the committee.

Ron Lile, Director of OSD Defense Cost and Resource Center, presented an update of the CCDR process. DOD has been collecting data for over 40 years. Mr. Lile has put new metrics in place and these are getting senior DOD level attention. CCDR Project Office has improved the collection of data and reports to CAIG but USD (ATL), MDA, SPACE, USD(I), ASD (CSI) use the data as well. Today, IPTs are not product oriented and change their structure at every phase of the program and seems that data is harder to get for independent cost estimate. How does CAIG do estimates? What is the problem we are trying to solve with the CCDR? Roughly in 1973 the CAIG started collecting data. The CAIG collected data (specific to that program) is not

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put in the CCDR database. The CAIG chairman wants more sophistication with the collection of data. Full compliance with CCDR policy is the goal. DOD must emphasize that CCDRs are important. Mr. Lile stated that the OMB Circular 300 essentially asks for the same data. Federal statute states the Government must do an Independent Cost Evaluation and the CCDR is in place to support this statute.

The floor was opened for informal discussions and the topic of weekly earned value was brought up. The process of weekly EV entails setting up schedules with incremental values or interim milestones. A weekly discipline must be encouraged. The corporate systems should be integrated and support the management process. Management should be able to look at EV at any point if it's part of the natural business process.

A general question was proposed to the floor: Do we answer to the sub questions (EVMIG) or the 32 ANSI criteria? The process used for any EV evaluation should be adaptable.

Jim Gasbarro stated August meeting needs a host. Nominees for the position of Vice Chair were also called for. The Vice Chair position will require a time commitment to cover Procurement Planning Committee and other meetings. The Vice Chair start date is in May. The Executive Committee needs a decision by the July PPC meetings, where we will submit nominees for approval.

Peter Wynne motioned for acceptance of the meeting minutes and Patti Tisone, Northrop Grumman , seconded the motion for acceptance.

Walt Berkey, Lockheed Martin, presented a motion on the International Standards. The motion was made to put the ANSI and British STDs together. Put together what is there to get a product and update later. Wayne Abba and Walt Berkey will pursue with the UK on an agreement to establish a tie between the ANSI and the UK EV document and coordinate future changes to retain commonality. Joan Ugljesa seconded, no opposed votes from the committee.

Walt Berkey, Lockheed Martin, presented the status of the ANSI Intent working group (formerly known as the Corporate Systems for Compliance). The working group of the ANSI Intent has had limited participants. A motion was proposed to recognize the contributions of the DCMA Intelligence, Air Force, and OSD Joint group stuck together and saw the effort supported through the end. This would establish a line in the sand that recognizes all viewpoints. The end product is a draft document that includes a statement of value through the eyes of the Program Manager. The draft document includes not the "how", but the "what and where" one would find the artifacts. The working group got the draft intent document to a point of pretty good shape, not perfect. The draft document needs a wider distribution. The working group's charter included clarification as the overall intent; the intent was not to add to or rewrite the ANSI. Early phases of like-minded intent documents faced the peril – do nothing or come to agreement. The specificity in contract language is what we end up with. The basic question from Government is "What do I get with an EV system on contract?" There seems to be a lot of variation in the answers. New companies don't know what to do except what "gray beards" and experienced people tell them to do. Walt Berkey proposed the question: "Given we have established this baseline, how do we deal with the EVMIG?" DCMA owns the EVMIG and until it's documented somewhere else, they have to keep it alive and current. People and companies don't know exactly what's required and what would be acceptable. How do we be more specific

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without getting into the “how”? The committee decided to take the draft Intent Document we have and put out for Committee comments, continue with tech edit, and then decide what form it takes going forward.

Wayne Abba stated if document is out there and has value, then people will use it. The Government is out of the prescriptive business and is looking for industry to define happiness.

The decision to release to the PMSC Committee for a 60-day comment period stands. The draft document goes on the NDIA website and comments are wide open but the committee needs to think about high end, high risk efforts when thinking in terms of application.

Gay Infanti, Northrop Grumman, presented the status of the Risk Management working group. The goal of the working group is to integrate EV with Risk Management effectively. Ms Infanti has arranged the 2 presentations on the PMSC agenda. One is Richard Coleman, National Rep, SCEA and the other is Creaghe Gordon. The Risk Management working group hosted at the IPM Fall Conference Meeting a panel discussion. The working group also advertised the survey that has been distributed through DAU. The intent is at the April meeting share results of the survey. The next working group meeting is proposed for March 2nd. Ms Infanti talked about a Risk Management Guide for DoD acquisition. Created by DAU, OSD and acquisition management organizations throughout DoD.

Creaghe Gordon, retired Lockheed Martin Fleet Ballistic Missile Program, presented the RACM process.

OMB Updates – Wayne Abba for Dave Muzio

Mr. Abba passed on compliments to the working group. FAR clause will be taken up next week for comment.

OSD Update - Debbie Tomsic

Personnel changes – Chris Hilder, Australian exchange Officer, is now working with OSD through May. Bob Leach is now out of the EV picture, Bob is now System CARS, CAS. Larry Axtell is the back-up EV person (primary SARS person). The Defense Acquisition Guidebook (old, now named Interim Guide Book) is no longer mandatory and should be Best Practices, etc. Expect publication in the Spring. Ms Tomsic also stated that OSD is more focused on EVM and plans to stay engaged. The Defense Acquisition Management Information Retrieval (DAMIR) EV Pilot is in place and moves from reliance on services from push to a pull of data while the DAES info is 3-5 months old. Ms Tomsic also talked about the MOU with Australia, Canada, and United States that was signed in 1995. The OSD is looking at an extension of this MOU. Transition Acquisition Community Connection and Noteboard is in transition to the DAU. The Fundamentals training course is being updated – 23-week on-line course. The Intermediate course is updated and improved. 2-week classroom.

Chris Hilder, OSD Acquisition Resources and Analysis, is assigned to the DOD IBR Manual as well as the action to combine the CPR / CSSR DID. He doesn't see any pushback on this action to eliminate the CSSR DID and update the CPR DID.

On the subjects of EVM on FFP contracts and IMS DID update Ms. Tomsic stated the DAEC tasking from their 10/7/03 meeting. DOD OSD is looking for ideas/opinions. Would like to have a kick-off meeting in April/May time frame.

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DCMA Update– Steve Kripokovich

DCMA's 1st newsletter was just released Tuesday. Will send to Jim and Peter for dissemination. DCAA has a link to their website to view DCAA policies in public domain.

Tools – DCMA has an Agency-wide license to wInsight. The guidance to field offices is to use whatever is appropriate in that environment.

Mr. Kripokovich stated he has been given action to look at publishing the DCMA policy.

In the Fiscal Year '05 Performance Plans to Establish EV goals the DCMA Executive Director wanted to maintain a list of the “validated systems”. DCMA will start looking for that from ACOs.

Civilian Agency Contractor Compliance – got some agreements out there. DCMA is staffed for DOD work on a reimbursable basis with the DOE, NASA, and 3rd party or ISO. If DCMA is provided the appropriate information, they can look at it and consider.

Air Force Update - Major John Garrett reports to Blaise Durante.
System Management Report Tool – SMART

Intelligence Community Update - Jim Gordon

Intelligence command EV council is moving towards considering wide application of EVM.

NASA Update - Bill Simpson

NASA is undergoing change and discussing how to implement the President's charter. Out of the Columbia investigation the focus for NASA is on exploration. NASA has moved EV from Finance to Program Management (Chief Engineer). The NASA 7120 document has EV in it – there is a separate handbook for Risk Management.

International Update – Wayne Abba

Jim Gasbarro gave the closing Comments. The next meeting will be April (27-29) the location for the meeting is at the Hilton Garden Inn in Arlington VA. The August PMSC meeting will be hosted by Battelle in Ohio. The Procurement Committee educational seminar will be March 1-3 in St. Pete. IIPMC is scheduled for November 14-17.

For access to the PMSC minutes go to this www.ndia.org/pms .

Nominees for Vice Chair and Executive Committee Board member can be sent to Jim Gasbarro and Peter Wynne

Thanks to Steve Wake for attending and sharing.