NDIA Program Management Systems Committee – May 13, 2010 Government / Industry Meeting
Joint Government and Industry PMSC Meeting
May 12, 2010

Host: Safan - North America

Location: Marriott – Gaithersberg, Maryland

Dan Butler initiated the day with a welcome to all and went through the agenda.

Nick Pisano whose company hosted the event welcomed the PMSC and the senior partner of Safran North America LLC, Mr. Steinar Dalva presented on Cost-Schedule Integration on World's Two Largest Oil and Gas Projects.

EVMS at the Social Security Administration: Joy Day & Janene Borandi

Primary focus of Social Security Administration (SSA) is to provide benefits- Survivor benefits, retirement, disability etc. EVMS is primarily focused on IT Acquisitions. The Agency does do IBRs however they are done at a higher level, generally more at the program level. At this time, Social Security has not done any pre award IBRs. They still are evolving the IBR process as a whole and note that the Agency is struggling with defining rock solid requirements and that "Technical Status reviews" are a work in process SSA offered that EVM, the IBR process is very much a " live and learn" process.

SITAR – Strategic IT Assessment and Review
SPARS – Systems Planning and Resource System
RAS – Resource Accounting System
VISOR – Vital Signs and Observations Reporting System

Resource Accounting System
- o Government actuals repository
- o Collects resource usage at project level or lower
- o Generates reports
- o RAS reporting is tied to employee performance review
- o Provides input to monthly EVM processing
- o CARS – Contractor Actuals Repository

EVMS Administration
- o Documentation
- o EVM Training
- o "Tightening Up" Exercises
- o IBR's
- o Rotation of Personnel

External Oversite
- o GAO
- o OMB
  - – A-11
  - – Baseline Policy
  - – TechStat
  - – IT Dashboard

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Understanding Industry – Defense Acquisition University: Marsha Dollarhide

Ms. Dollarhide articulated to the committee that the focus from DAU today is on "Understanding Industry". There are several initiatives ongoing within DAU aimed at achieving better acquisition outcomes these include:

Purpose
- o Initiative aimed at achieving better acquisition outcomes by:
  - – Ensuring interests and incentives of all stakeholders are understood
  - – Open lines of communication between DoD and its industrial base suppliers

- o Responds to numerous independent and government reports
  - – OSD Study of Program Manager Training and Experience, July 2009 (Fox Report)
  - – Independent Panel, "Getting to Best: Reforming the Defense Acquisition Enterprise", July 2009
  - – Tregar, M. R. Hausann, R. C., & Sayala, S. (2008, October). Improving the Certification, Training, and Development of the AT&L Workforce: Program Management Career Field: Competency and Validation and Workforce Assessment. *Center for Naval Analysis: Analysis and Solutions*.
  - – GAO Report, "Defense Acquisitions – Fundamental Changes are Needed to Improve Weapon System Outcomes", September 2008

Description
- o DAU enterprise-wide initiative; curriculum development led by South Region
- o White paper in development capturing potential training/development topics
- o Outreach to industry initiated
  - – Tier One Representative Contractors: Large, medium, small businesses and FFRDC (Weapon System, Service, IT, classified)
  - – NDIA and AIA
  - – Word of mouth
- o Initial classroom interaction with 2011 Senior Service College Fellows
- o Pilot program (2-day event) will address highest interest topics
- o Follow-on course offerings will likely provide focused workshops, targeted training, continuous learning modules

Milestone Schedule
- o Program Strategy Development .... 06 Apr 10
  - – Phase One, Weapons System Centric .... 06 Apr 10
  - – Phase Two, FY 11 Plan .... 30 Sep 10
- o Phase One
  - – Sponsor Collaboration/Alignment .... 14 Apr 10
  - – Industry Outreach Begun (Surveys sent) .... 15 Apr 10
  - – Corporate Drivers Panel TP w/Fellows .... 21 Apr 10
  - – Research & Evaluation .... 08 May 10
  - – Design
    - ▪ White Paper 75%
    - ▪ Identify & Leverage Current Curriculum
    - ▪ Finalize SOW & Secure Contractor Support
  - – Deliver Pilot Course .... Aug-Sep 10
  - – Evaluate & Improve
- o Phase Two

    – Compile Industry Surveys   31 May 10
    – Industry Day (tentative)   TBD
    – Formulate Additional Curriculum Requirements   FY 11

Emerging Results
- o Insights received from
    - – Large and medium size defense companies,
    - – Representing weapon systems, IT, and service oriented firms
    - – FFRDCs
    - – Not-for-profit
- o Emerging results
    - – Avoiding adversarial relationships
    - – Timing of RFPs; delays along the road to contract award
    - – Candid/timely 2-way communications including sharing good/bad news with leadership
    - – Contract terms and unbalanced risks
    - – Large number of undefinitized contract changes
    - – Great, explicit examples coming in

What Industry Can Do to Help – Now and in Future
- o Participate in DAU's outreach to industry by providing your contact information to Mrs. Marsha Dollarhide (see POCs attached)
- o Provide specific examples of good and bad experiences
- o Offer actionable recommendations
- o Work with us during course development as issues/questions arise
- o Be willing to participate as guest speakers or panel members at DAU student/capstone events
- o Reach back to DAU during program execution when you have suggestions for our training/development mission

PARCA Update – Gary Bliss

Mr. Bliss presented his vision for the PARCA organization and plans going forward. PARCA is looking at cost effective implementation the execution status of projects. Mr Bliss stated he had some disappointing news - PARCA stand up of EVMS division will not occur until late summer due to other priorities within the Department. This is due to personnel constraints within DoD. He expressed that creating of new civilian office is extremely difficult in today's environment. Mr. Bliss identified Mr. Jim Woolsey as his performance assessment director. It is anticipated that the first meeting on EVM Policy issues with Industry with be either in late June or early July. Joe Kusick will provide to PARCA a mailing list of key companies as the invitees to the Policy meeting.

He identified one issue to the committee - there is an opinion letter for OSD Council that CPR's cannot be seen by any other contractors without non disclosure agreements. The Department will need to work through data restrictions issues and explore alternatives. The primary issue is one of disclosure of company rate information. This item may be part of the meeting on Policy issues discussed above.

Mr. Bliss provided as part of his briefing recent events and what is happening on the Hill regarding performance management. Both congressional caucuses and this administration are big on performance management. The administration views transparency as a "core value" The CIO of the Obama administration is focusing on improvement in performance management and oversight. OMB is unilaterally expecting some form of performance management system on every federally funded contract.

It was described to the committee that HR 5013 increases the scope of PARCA's domain by a factor of 4 to 5. The "Acquisition Improve Act" makes several changes. The principal change requires PARCA office involvement ranging from the MDAPs to about all items DoD buys externally. The Senate is looking at incorporating this into the defense authorization bill. The current bill as amended will require PARCA to directly report findings to the four Congressional Committees. Fundamentally this would make PARCA an arm of the legislative branch of government. The DoD strongly disagrees with this approach as it is concerned that this makes PARCA extremely political. The underlying theme is a demand for greater transparency on our execution of our performance status. This will come as a shock to support type contractors. Industry will have to evaluate how it can accommodate these expectations. Under the House Bill, PARCA may become a political appointee position. The House Bill specifically states that these performance assessments done by PARCA and that they will be used in personnel assessments. This is a new dimension to PARCA.

It was stated that the Services are coalescing around the Probability of Program Success (POPS) process. Per Mr. Bliss, POPS is a way to capture the probability of program success when potential issues are not captured in the numbers yet. It is viewed as the "greatest thing since the first ten amendments". If program personnel know of a latent issue, it will be best to reveal it through POPS. If you are on the edge of a project, and you are aware of a latent problem, POPS allows you to raise the challenge/problem, capture insipient issues. There are three versions of POPS right now. Each of the Services have their own version which are essentially used at the program level. The Department is trying to get to one DoD POPS system. It is likely POPS will be owned by the PARCA level.

DCMA Update – Gordon Kranz

Mr. Kranz presented the DCMA update by starting with a couple of points; 1) Earned Value is rarely the root cause of the failure of the program. However EV is necessary to give early management information to focus on the key issues and challenges and 2) everyone in the acquisition community has to step up to execute the contracts.

Mr Kranz following on some of the statements made by Mr. Bliss stated that POPS is being used for at the highest level of the Pentagon to understand individual programs from the big picture point of view. Not just a narrow single contract view.

Mr. Kranz provided an overview of the reorganization of DCMA as a whole. He provided insight into the establishment of the new COO position and the three major regions being established (Eastern, Central, and Western) with Marie Greening identified as acting Director. It is anticipated that the CMOs will be functionally aligned within this structure. DCMA is looking at having the CMOs provide overall assessment of programs as part on ongoing surveillance activities. Mr Kranz will be working through all CMOs to get them using the same process.
With regards to the DCMA Earned Value Center- Interaction with Dan Butler and Joe Kusick on more focused feedback. This will be a focus of the to be established DOD/Industry Working Group. Mr. Bliss will be establishing the first meeting of this working group, likely to be late June or early July.

Mr. Kranz presented the new organization of EVM Center implemented March 15 2010. It was stated that the first priority is to get through compliance assessments and second priory is training and communication. He covered their current reorganization. DCMA is moving toward EVMS center hubs (Carson, CA, Tucson/Phoenix, Orlando, Boston, Twin Cities, and Boston). It is anticipated that there will be Focal points at those sites; however DCMA is still working through this concept. Mr. Kranz also went through the courses they are being developed for training. He further stated that DCMA will share their coursework material with industry. The Center continues to work multiple EVM guides some are under rework and Mr. Kranz stated

that DCMA would like industry input. He stated there is some question on Trip Wire instructions in order to support preference for the DAES. Kendall may change out the trip wire instructions. Format and content could change. There are plans underway which will transfer the responsibility of annual surveillance to the COO who will be responsible for the implementation of the process at the CMO's.

The specifics of the EVM Center reorganization are as follows:

    EVM Center Director – Dave Kester

    Deputy Director Dennis Chapman

    Training – Donna Holden

    Compliance Policy & Process – Jim Henderson

    Surveillance Policy & Process – Greg Griffith

    Compliance Execution – Gayle Brooks/Paula Mullenix

    Surveillance Execution – Bob Keysar

    Tools & Assessment – Delaney

Regarding the status and schedule of reviews for FY 2010 – Mr. Kranz suggested contacting Jim Henderson for initial assessments and validations. He stated that DCMA is not currently releasing the schedule for all reviews to industry but that typically 60 day notice for compliance/validation review will be given to those companies that are scheduled. He assured the audience that all contractors on the list have been contacted to inform them of their review status for 2010. A question was asked from the committee regarding self-assessment – Mr. Kranz stated that he is up in the air on the formal requirement for contractor self assessments. He went on to say that this is really something that individual contractors should be doing for themselves anyway. Regarding the breath of requirements for within individual companies and sites Mr. Kranz clearly made the statement that new acquisitions, new sites acquired by companies will require a new validation. A question rose from the committee – if surveillance has been going on non validated sites, then what is the value of a validation? Mr. Kranz did not have an answer and he would need to research.

NGA – Ivan Bembers

Mr. Bembers expressed that the intent of his presentation is to share that EVM is getting a lot of attention at the highest levels of NGA. He stated that it is very important to NGA to have collaboration with industry and stated that he is looking at how to be more collaborative. This is across the entire spectrum of program management of which EVM is a part. NGA is strongly stating that EVM is an overlay to program management not separate. NGA is now providing an annual report to their senior leadership on the state of EVM by industry and company to their senior leadership. Mr. Bembers is focusing on company level assessments and program level assessments. Bottom line is that EVM is an integrated program management tool. It has to take into account that the technical approach is part of the program management discipline. Technical approach is driven into the business management approach to include scheduling and the disciplines associated with the program IMS. Companies need to be able to demonstrate practices for program success are in place through the EVMS performance measurement baseline.

NGA strongly states that EVMS does not work if you do not get the program start up set up correctly. NGA is stressing the need to get the plan right and plan for uncertainty. Rigorous maintenance of program plans and established change control for technical, schedule, and cost is essential. Mr. Bembers stated that there is a learning curve in industry it continues to have to repeat itself. Issues start with the process description and the need to define what and how process is implemented. Then can the system be implemented and demonstrated on a program/programs. If it is not implemented correctly is it because of missing processes, clarification, or training, discipline. NGA always looks at people, processes, tools that produce useable management data. Mr. Bembers believes there is a need to move from minimal compliance to focus on program management and focus on best practices.

Mr. Bembers went on to explain how NGA conducts EVM review and the method by which the organization views system and program implementation issues:

Three categorization of findings:
      Compliance
      Implementation
      Discipline

Severities of findings are
      Major Findings
      Minor
      Administrative Findings

The primary message is that most findings are due to industry not using the information to manage. Waiting for NGA to catch the issue, rather than work with processes and enabling programs to succeed.

Program level assessments:
      Accepted Process Description/Demonstrate
      Have Surveillance Reviews been done at least annually
      Resolution of CARs in a timely manner

Summary- Industry needs to focus on investment at program start up. Unique skill set needed at program start up. Each individual company needs an effective internal surveillance program.

Mr. Bembers expressed the desire of NGA that presentation material not be posted on the NDIA website. If anyone desires access to the material please contact Ivan Bembers at: Ivan.L.Bembers@nga.mil

Navy Presentation- Beau Willis did not make it due to last minute schedule conflict

Air Force EVMS Update – Alan Lachel

Air Force conducted first IPT meeting with all their product centers, began consideration of AF EVM Policy. Too early to discuss details. Subjects the Air Force is trying to address include; EVM applicability, OTB/OTS, and single point adjustments.

NASA Update – Steve Newton

Mr. Newton presented to the PMSC that NASA is striving to set their budgets to at least a 70% probability of execution based on schedule and cost. NASA is working to secure Agency executive leadership support for the requirements, purpose, issues and benefits of EVM. He stated that most NASA gaps in EVM are due to business systems or management practices.

o   Policy and Requirements Update
    –   Currently updating NASA's Program/Project Management Requirements for Flight Projects Version E (4th quarter 2010)
        ▪   Incorporates probalistic confidence assessment requirements for both cost and schedule (potential requirement for resource loaded schedules)

- Updates and clarifies "baseline" definition and associated requirements
  - Commitment Baseline (external customers)
  - Management Agreement (internal project management)
- Provide additional guidance and clarity to EV requirements
- EVM principles vs. guideline applicability for in-house effort
- IBR-like requirement for NASA in-house project management implementations
- Ensure consistency between new "Management Agreement" and PBB/PMB
- Completed first draft of NASA EVM System Description document
- To be updated during EVM implementation on two pilot projects

o NASA EVM Capability Development Status
  - July 2009 NASA authorized the start of development activities for an in-house EVM capability for the agency that satisfies ANSI/EIA-748 Guidelines
  - Responsibility for EVM capability development assigned to Marshall Space Flight Center
  - Established a strong implementation team made up of both contractors and civil servants with substantial EVM experience

o NASA EVM Capability Development Status
  - Secured agency leadership support – communicated the requirements, purpose, issues and benefits of EVM
  - Received authorization and funding to develop Agency processes and support (training, documentation, etc.) that would provide a capability for Agency-wide (in-house and contracted work) EVM. Actual implementation of these processes is outside the scope of this project.
  - Currently completing an independent peer review of all products and processes developed to date. Initial results of the review are very positive.
  - Assessed existing NASA systems, processes, and procedures to identify gaps where ANSI-748 EVM guidelines are not being adequately met. Currently working with the Agency's business systems community & associated working group partners to identify temporary and permanent solutions for gaps
  - Started the first of two pilot projects, in which the processes and products will be utilized and validated using actual space flight projects with significant work performed in-house at two NASA Centers. Pilot specific gaps have been identified and agreed upon. Currently working with the pilot's management team to develop gap closure plans. Implementation of gap fixes will follow.

o Highlights of FY11 Budget Request
  - The President's FY11 budget request to Congress contains major changes in Human Space Flight:
    - Constellation Program cancelled
    - No extension of Shuttle Program
    - Space Station extended from 2015 to 2020
    - Greater use of commercial sector
    - More universities and small businesses involved in research and technology development
    - "Commercial Crew" for Space Station support
    - Alternate technologies will be evaluated prior to commitment of a heavy-lift vehicle approach planned for 2015
  - Impacts of these changes are currently being evaluated

WBS Mil STD 881 - Neil Albert

Mr. Albert provided the committee with an update of the activities associated with the development of the WBS Mil Standard 881. He sated that the group has added a number of new products to the proposed WBS Standard, worked on enhanced definitions of software, and added templates with links to the handbook.

The Intent is for the standard to be implemented on new contracts, not retroactive. The WBS is being focused on all proposed WBS's are product oriented. Government and industry have worked together to ensure common definitions and application. It is believes that software and the ability to capture new technology is paramount and is incorporated into all appendices. The drive to include the Construction effort in the standard is delayed due to lack of participation from Corps of Engineers and navy Facilities

The anticipated schedule for the standard is a follows:
> Finish definitions and rewrite by end of July
> Send to Government/Industry for final review Aug Sept
> Publish October 2010

Additional information includes:
- Background of MIL-STD Update
  - Update initiated in October 2008 with requirement to:
    - Update to Incorporate Changes to reflect DoD Acquisition Policy and Guidance (DODI 5000.02)
    - Add/Improve upon WBS Definitions
    - Clarify How WBS can be used with Newer Terms and Processes
    - Ensure the WBS is characterized as an Acquisition tool
    - WBS to support budget, cost, schedule, technical, contractual and performance management
    - Ensure Industry Participation
  - Mr. Young's memorandum of 9 January 2009
    - Establishes MIL-HDBK as MIL-STD to ensure consistency in application
    - Enforces April 2005 Memorandum - WBS is consistent for Cost Estimating (CCDR), Performance Measurement (EVM), and Scheduling (IMS)
    - Supports development/maintenance of Central Repository
- Systems/Appendices Addressed
  - Established focus groups to update WBS and definitions for all appendices and add new appendices
    - Aircraft Systems
    - AIS/ERP Systems (new appendix)
    - Electronic Systems including embedded SW (adding templates: Processors, EW, Radar, Comm, Nav/Guide)
    - Missile Systems
    - Launch Vehicles (new appendix)
    - Space Systems
    - Unmanned Aircraft Systems
    - Sea Systems
    - Unmanned Sea Systems (new appendix)
    - Ordnance Systems
    - Surface Vehicle Systems
    - Propulsion Systems (added to Appendix B)
    - Construction (adding template)
    - Common Elements
    - System of Systems (new addendum)
- Status of Appendices
  - Aircraft Systems (Draft Completed)
  - Working Group met Face-To-Face in December to finalize the structure and definitions

  – Working group completed their review and internal coordination
  – Will be ready for final coordination within the next couple of months
  – AIS/ERP Systems (new appendix) (Draft Completed)
  – Created structure
  – Working group completed their review and internal coordination
  – Will be ready for final coordination within the next couple of months
  – Electronic Systems including embedded SW (Draft Completed – Templates in process)
  – No change to WBS structure in MIL-STD
  – Software definitions and structures inserted per the working Software Working Group
  – Creating templates for Processors, EW, Radar, Comm, Navy/Guide (hosted outside the STD)
  – Participation weak from industry on receiving templates
  – Requested AFCAA and DCARC to provide additional templates
  – Missile Systems (Draft Completed)
  – Working Group met Face-To-Face in December to finalize the structure and definitions
  – Working group completed their review and internal coordination
  – Will be ready for final coordination within the next couple of months
  – Launch Vehicles (new appendix)
  – Working Group met Face-To-Face in February to finalize the structure and definitions
  – Working group working on their review and internal coordination
  – Working group will meet in June to finalize by July
  – Will be ready for final coordination within the next couple of months

Program Stability Working Group - Neil Albert

The working group believes that they have address issues and the approach to program stability by defining the use of rolling wave planning. The group will be addressing top level recommendations with ICPM in July. Then get to PMSC in August

Program Management Outreach – Jane Spriggs/Bill Altman

o PM Outreach Working Group Charter
  – Mission: Broaden the focus and membership of the PMSC to influence acquisition policy and share best practices among program management professionals.
  – Objectives:
    ▪ Modify PMSC charter and objectives to reflect broader focus.
    ▪ Promote the formation of additional PMSC working groups to address a range of topics essential to successful program execution.
    ▪ Initiate a campaign to increase program manager participation in PMSC.
o Objective #1: Modifying PMSC Charter
  – Proposed Changes Presented at May 11th Board Meeting
  – Why the proposed changes?
    • Current PMSC Charter Heavily Focused on "Earned Value Management"
    • To Better Engage PMs . . . Need to Address a More Comprehensive View of Program Management
  – Summary of Proposed Changes
    ▪ Total Number of Broad and Specific Objectives Remain the Same

- ▪ Slight Re-Wording of Broad Objectives to Better Emphasize Integrated Program Management
- ▪ Slight Re-Wording and Re-Ordering of Some Specific Objectives
- ▪ Overall the Board Supported the Proposed Changes with Minor Revisions
- ▪ Will be Presented to PMSC in August for Discussion/Approval

- o Objective #2: Additional PMSC Agenda Topics and Working Groups
  - – May Meeting
    - ▪ Risk and Opportunity Management
    - ▪ DAU Program Management
  - – August Meeting
    - ▪ Panel Presentation: Exploring Acquisition Review Improvement
  - – Ideas for Future Topics (and Potential Working Groups)
    - ▪ Program Start-up (SMC PMAG or DAU Start-up Workshop)
    - ▪ Probability of Program Success (POPS)
    - ▪ Subcontract Management
    - ▪ Managing Agile Development Programs (Carnegie Mellon)
    - ▪ Affordability, etc.
  - – Working Groups
    - ▪ Risk and Opportunity Management
      - – Draft Charter Presented to PMSC Board; Approved w/Minor Changes
      - – Leader Identified; Soliciting Members
- Objective #3: Increase PM Participation in PMSC
  - – PMSC Brochure Prepared and Initial Release Approved by NDIA
  - – PMSC Article
    - ▪ Provided to *National Defense* in April
    - ▪ Provided to *Measurable News* in May
    - ▪ Others . . . *Defense News*, *The Offic*er, *Navy*, *Aviation Weekly*, *DAU AT&L, PMI Network, etc.*
  - – Proposed Additional URL Shortcut to PMSC Website
    - ▪ Currently: www.ndia.org/evm
    - ▪ Proposed Addition: www.ndia.org/pmsc
  - – Efforts to Increase Government PM Participation
    - ▪ Invite Government Participation in Working Groups
    - ▪ Establish "Rules of Engagement" to Promote Open Communication
    - ▪ Recommend That Two of the Three Meetings be Held in DC Area
    - ▪ Solicit Suggested Agenda Items from Our Government Customers
- Objective #3: Increase PM Participation in PMSC
  - – Proposed Electronic On-Line Registration Process
    - ▪ Minimize Administrative Burden on PMSC Leaders and Participants
    - ▪ Requesting Additional Info to Understand Individual's Organizational Role, Thus Understand Their Needs . . . Pull-Down Categories:
  - – Assessed Composition of February and May Participants

PMSC Guides Update Working Group – Gay Infanti / Dave Roberts

Ms. Infanti presented to the committee the activities associated with the Guides Working Group. This group has under its umbrella current activities with the Intent Guide, IBR Guide, and Surveillance Guide.

Ms. Infanti stated that the Work Team for the Intent Guide is waiting for additional input from DCMA. They will adjudicate the input from DCMA and then present to committee for adoption this fall.

Based on PMSC decision The IBR Guide was identified as next priority behind the Intent Guide and as such the Work Team has been diligent addressing issues and meeting with government and industry participants over the last number of months. The team has taken in extensive comments and address issues in a revised version of the IBR Guide. Per a vote of confidence from the PMSC voting member the updated IBR Guide will be posted on PMSC website as a working draft for the period of two months. During this time the committee will seek additional input from Civilian government agencies that did not participate to date in the update and then adjudicated any input received. Final vote on the resulting updated IBR Guide will be at August meeting. Committee leadership will distribute this version out 30 days prior to August 11.

It was further reported that the Surveillance Guide team has been formed and update process began in April. Ms. Infanti asked government to come in and join working group sessions during industry day. It was noted that there is a need for someone from the Intelligence Community to join. (RTN, O'Neill, GD Hale) volunteered. Gary Humphreys noted need to get more other agencies signed up.

Surveillance Guide Update Plan presented
        Focusing on areas for update
        Schedule Surveillance
        Risk/Opportunity
        Data/report review/reconciliation
        Identify differences between this guide and SSOM

Content from the presentation slides include the following:
o Guide Update Process/Timeline
  - Survey conducted in Spring 2009 indicated PMSC Guides require update; in future, guides will be reviewed/maintained on a regular cycle
  - Intent Guide updated last Spring to incorporate changes in ANSI 748-B
    - Additional changes proposed by Scheduling working group
    - Other changes tentatively expected from DCMA EVMC
    - Proposed changes will be reviewed by the Steering Committee
    - Decision to undertake an out-of-cycle revision to the Intent Guide will be made based on a Steering Committee recommendation to the PMSC Board and PMSC member approval
    - Recommendation will take into account the volume and significance of proposed changes received
  - PMSC decision to tackle IBR guide next
  - PMSC Guides Update Team established; government and additional industry participation added in November
  - First draft revised IBR Guide released for public comment in early October; feedback adjudication began in early November; joint team reached agreement on main body of guide
  - Significant update to Pre-Award IBR section in December
  - Second draft release in January. Comments addressed and incorporate; revised draft distributed on 4/14/10
  - Formal PMSC membership vote to approve IBR Guide as working draft, for 2-month use/comment period prior to final publication, scheduled for 12 May 2010
  - Targeting final publication of revised IBR Guide immediately following the August meeting
  - Surveillance Guide team formed and update begun in April
  - Acceptance and Application Guides to follow soon
o IBR Guide Update Team
  - Industry Participants
    - Matt Pflieger - Battelle
    - Marty Doucette – Pilgrim Companions

- Bill Mendelsohn - ITT
- Scott Gring - Lockheed
- Mitzi Shepard - Lockheed
- Ruth Taylor – Lockheed
- Dave Roberts – Navigant (IBR Guide Lead)
- Todd Schulzetenberg - Raytheon
- Ed Silvia - Raytheon
- Dale Gillam – SAIC
- Jim Brasell – Unisys
- Pam Brooker – Battelle
- Pete Wynne – Lockheed
- Gay Infanti – NGC (Guides Update Lead)
- Evelyn Neely – Raytheon
- Frank Malsbury – Raytheon
- Richard Childress – Unisys
  - Government Participants
    - Fred Meyer – Air Force
    - Bob Loop - Air Force
    - Keith Samuels – Army
    - Mia Lasat – Army
    - Jesse Stewart – DAU
    - Robert Pratt – DAU
    - Roberta Tomasini - DAU
    - Dennis Chapman – DCMA EVMC
    - Brian Kong – DOE
    - Matt Gonzales – JPL
    - Ken Poole – NASA
    - Beau Willis – Navy
    - Anita Cukr – Navy
    - Ted Rogers – NAVAIR
    - Annette Junek - NAVAIR
    - David Driver – Navy
    - Aaron Risdal – Navy
    - Lt Col David Arrieta – OSD
  - Summary of IBR Guide Changes
    - Established new standardized format/style for this guide; plan to use on all PMSC guides
    - Improved applicability and use for non-DOD agencies and for in-house IBRs
    - Improved consistency of the IBR process across all stakeholders
    - Added content to address both types of IBRs, pre- and post-award
    - Increased content and focus on risk/opportunity assessment and management
    - Included CAM/PM/IPT risk discussion objectives for each of the following risk areas: technical, cost, schedule, resources & management
    - Added recommended content for IBR Preparation
      - Objectives, entrance/exit criteria
      - Training
      - Data requests
    - Included typical IBR execution agenda
    - Clarified that IBR is not an EVMS review
      - EVMS should be reviewed in connection with management system risk only

- – EVMS risk should be assessed by checking its status via coordination with applicable CFA responsible for EVMS surveillance
- ▪ Additional material/guidance added regarding pre-award IBR
  - – Acquisition planning guidance to identify when pre-award IBRs should be considered
  - – Mechanisms for applying and funding pre-award IBR requirements
  - – Pre-award IBR process guidance
- o Surveillance Guide Update Team
- – Industry Participants
  - ▪ Dave Roberts – Navigant Consulting (Team Lead)
  - ▪ Pam Brooker – Battelle
  - ▪ Bill Mendelsohn - ITT
  - ▪ Scott Gring – Lockheed Martin
  - ▪ Lucy Haines – Lockheed Martin
  - ▪ Mitzi Shepard – Lockheed Martin
  - ▪ Pete Wynne – Lockheed Martin
  - ▪ Marty Doucette – Pilgrim Companions, Inc
  - ▪ Ed Silvia - Raytheon
- – Government Participants
  - ▪ Brian Kong – DOE
  - ▪ Jim Fountain – DOE
  - ▪ Tom Bruder - DOE
  - ▪ Aaron Risdal – Navy
- o Surveillance Guide Update Plan
- – Objective - Update Surveillance guide's references based on:
  - ▪ Latest ANSI/EIA 748-B standard
  - ▪ Latest government guidance/policy
- – Focus areas for update
  - ▪ Schedule surveillance
  - ▪ Risk/opportunity integration
  - ▪ Data/report review/reconciliation
  - ▪ Identify differences between this guide and SSOM
  - ▪ Determine and incorporate guidance concerning applicability of the PMSC Surveillance Guide (vs. the SSOM)
- – Timing
  - ▪ Initial rewrite by mid July
  - ▪ Distribution to PMSC membership for comments – mid July
  - ▪ Receive public comments by August PMSC meeting
  - ▪ Adjudicate comments and distribute for final approval – October 1.
- o Next Steps
- – Determine the order of remaining guide updates
- – Identify leads for Acceptance Guide and Application Guide update teams
- – Form teams and initiate Acceptance and Application Guide updates
  - ▪ Target completion by year-end
  - ▪ Plan to distribute both for review/comment prior to Winter meeting

Production EVM Working Group – Kim Herrington

NDIA Program Management Systems Committee – May 13, 2010 Government / Industry Meeting

Mr. Herrington covered the working group charter and common understanding of EVM practices and processes on production contracts and provides a common understanding of terminology, processes and earned value application used in a production environment. The planned output for the working group is to document production EVM issues, typical company practices. The working group has been very active in its short time in existence with 3 conference calls and one face to face meeting conducted to date.

Content from the presentation slides include the following:
- o Production EVM Working Group Charter
  - – Analyze EVM practices and processes on production contracts and provide a common understanding of terminology, processes and earned value application used in a production environment

- o Planned Output
  - – Documenting production EVM issues, typical company practices, difference in production process versus typical development program process (and/or outputs), and perceived expectations of production EVM process
  - – Consolidate individual issue documentation into a white paper summarizing production EVM issues
- o Activities Since Last PMSC
  - – 3 conference calls and 1 face to face meeting conducted
    - ▪ Averaging about 15-20 members per meeting
    - ▪ Industry and government participants
  - – 2 company (volunteer) reviews by government personnel conducted
    - ▪ Companies described production EVM processes, systems and organization
  - – Sub groups formed to begin documenting common production EVM issues
- o Major Effort Accomplished
  - – Defined terms to ensure common understanding
  - – Identified approximately 120 various issues encountered when executing and/or reviewing production contracts with EVM
    - ▪ Grouped like items and will address similar items together
- o Formed 11 sub groups to take lead in documenting identified issues:
  1. Change Management   7. Part Movement
  2. EVM Application in Production   8. Scheduling
  3. Level of WBS/Detail   9. Scrap/Rework
  4. Material   10. Support Labor
  5. Manufacturing Labor   11. Work Authorization
  6. Organization
- o Work In Progress
  - – Each sub group has a list of issues that they are in charge of documenting
  - – Template for documenting each item created:
    - ▪ Topic, Process Description, Potential Concerns, Common Industry Practices, Relation to Earned Value, Perceived Expectations, and Potential Differences to Development
    - ▪ Writing drafts has begun
- o Challenges
  - – Lots of items to document, requiring lots of time and resources to accomplish
  - – Even if we had 3 people per sub group (x 11 teams) that does not ensure all industry/government input can be gained within the sub groups – thus a period of significant edits will have to be accomplished
  - – Not all sub groups are adequately staffed

Contracts Working Group Status – Mike Martin

Mr. Martin reported that the working group is being restarted. He made the request for additional government participation and he expressed the need for this activity to be brought up at DoD Industry working group meeting.

Content from the presentation slides include the following:
- o Joint Team Members
  - – Mike Martin – P&W Rocketdyne
  - – Gay Infanti – Northrop Grumman
  - – Peter Schwarz – MDA
  - – Jeff Poulson – Raytheon
  - – Mike Pelkey – OSD DPAP
  - – Randy Steeno – Boeing
  - – TBD – OSD PSA
  - – TBD – DCMA EV Center
  - – TBD – OSD PARCA
  - – Dan Feeney – Lockheed Martin
  - – Kathryn Flannigan – General Dynamics
  - – Tom Tasker – General Atomics
  - – Mike Pauly – ITT
  - – Barbara Kjorstad – ATK
- o Overview
  - – The actions contained herein have or will be executed through a collaborative industry / government effort
  - – The team is currently on hiatus until new government participation can be confirmed.
  - – The following issues were previously addressed by the Contracts Issues Working Group but remain unresolved:
    - ▪ Contract vs. EVM system order of precedence.
    - ▪ Subcontractor compliance, validation and surveillance
    - ▪ EVM Contract Flowdown Challenges
    - ▪ DCMA EV Standard Surveillance Instruction (SSI)
  - – Three new issues are pending study/action by the team:
    - ▪ Use of a supplier's previously-validated process at a new supplier site
    - ▪ Ownership and Control of Management Reserve
    - ▪ Undefinitized Contractual Actions (UCAs) / Unpriced Change Orders (UCOs)
- o Summary
- – The following issues remain open pending further actions:
  - ▪ Contract vs. EVM system order of precedence.
  - ▪ Subcontractor compliance, validation and surveillance.
  - ▪ Knowledge gap between EVM and contracting communities.
- – The following issue is actively being worked to closure in 2010.
  - ▪ DCMA EV Standard Surveillance Instruction (SSI)
- – The following issues are new and need team discussion:
  - ▪ Use of a supplier's previously-validated process at a new site.
  - ▪ Ownership and Control of Management Reserve.
  - ▪ Undefinitzed Contractual Actions (UCA's) & Unpriced Change Orders (UCOs)
- – Once new government participants are established suggest a face to face kickoff to reenergize the team.
- – Government participation has been requested.