

# Missile Defense Agency Earned Value Management (EVM) Update



**Presented to NDIA/PMSC**

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# MDA EVM Overview

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- **12 Major Programs with EVM Requirements**
- **4 Primary Contractors – Boeing, LM, NG, Raytheon**
- **\$31B in CBB**
- **Implemented Annual IBR Process**
- **EVM Analysis Key Component in**
  - **Director’s Program Reviews (Quarterly Baseline Execution Reviews)**
  - **MDA Baseline Accountability Report – Annual Report to Congress**
  - **Monthly Performance Summary Report (PMs to MDA leadership)—Also Requested by GAO**



# MDA EVM Overview

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- **GAO Conducts Annual Audit**
  - Evaluates Data Reliability through Software Tools
  - Evaluates Contractor Timely Incorporation of Changes into PMB
  - Evaluates IBR Process to Validate Changes (Request for IBR Out-briefs)
- **Overarching MOA with DCMA**
- **EVM Health Process (Gap Analysis and Best Practices) in following areas: Contractual Reqmts.; IBR; EVM Analysis; **Scheduling Analysis**; EVM System; DCMA; Training**
- **Develop and maintain excellent Training Modules and Provide Continuous Training**



# Director Emphasis on EVM

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- **IBR Memorandum**
  - Use of IBRs as an on-going process **and at least annually.**
  - Improve schedule “deep dives” and schedule risk assessments.
  - Review 100% of baseline. (Include level-of-effort )
  - Apply MDA IBR Best Practices
  - Make use of the MDA IBR Support Team (EVM analysts and schedulers) to facilitate consistent IBR planning and execution.
- **PMs Required to Establish Plan for Annual Review of Baselines**

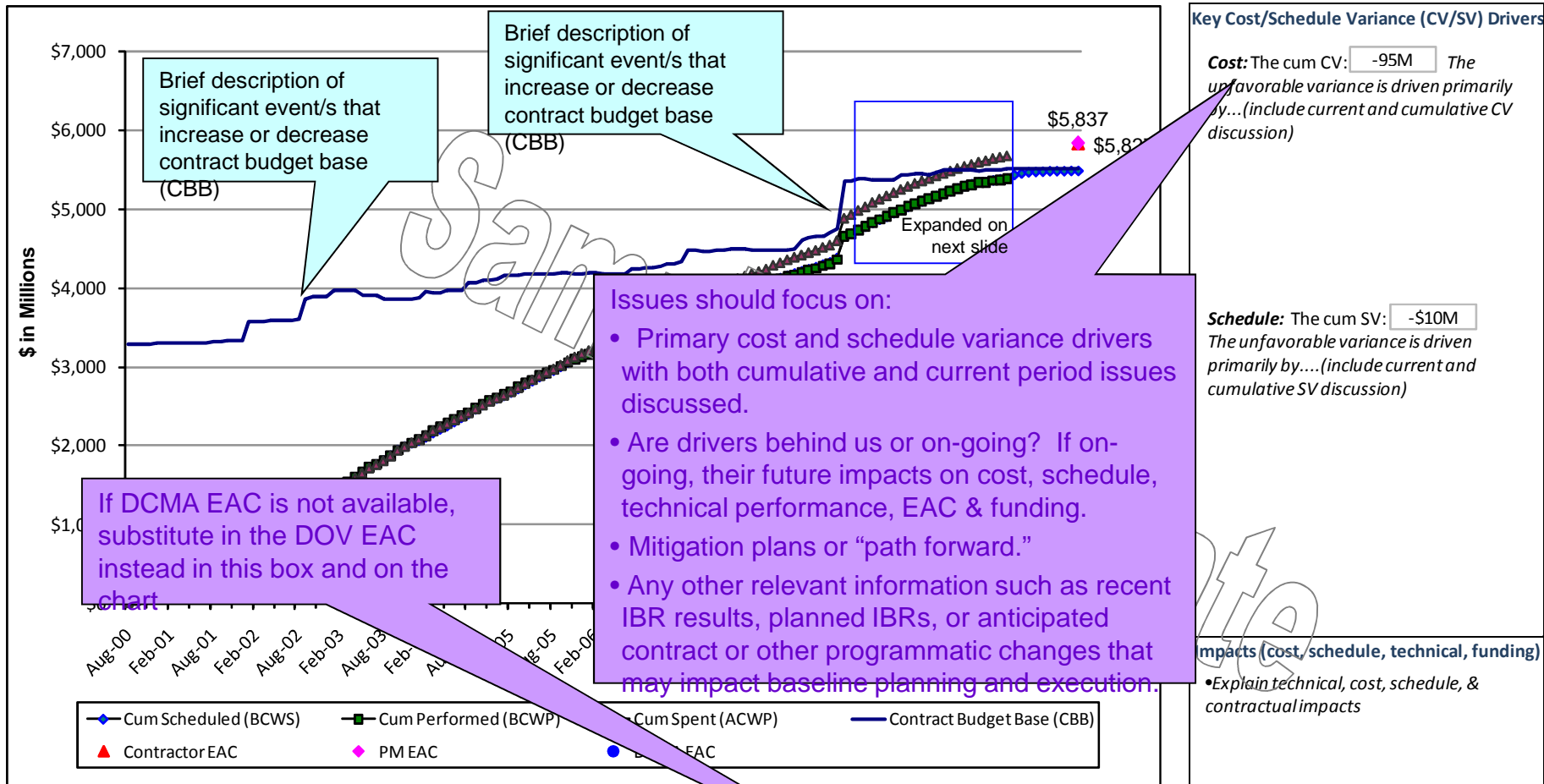


# MDA IBRs – Recent & Future

Program	Contractor	<i>Recent IBR Information</i>			<i>Future IBR Information</i>		
		Date	Dollar Amount	Scope	Planned Date	Dollar Amount	Scope
1	A						
2	B						
3	C						
4	B						



# Program EVM Data – Part 1



If DCMA EAC is not available, substitute in the DOV EAC instead in this box and on the chart

Issues should focus on:

- Primary cost and schedule variance drivers with both cumulative and current period issues discussed.
- Are drivers behind us or on-going? If on-going, their future impacts on cost, schedule, technical performance, EAC & funding.
- Mitigation plans or "path forward."
- Any other relevant information such as recent IBR results, planned IBRs, or anticipated contract or other programmatic changes that may impact baseline planning and execution.

Prime Contractor	Contract Type	CBB	Variations	Cumulative	Current Month	EAC	VAC
Lockheed Martin	CPAF	\$5,507	SV	-\$7.8 -0.1%	-\$0.4 -3.4%	PM \$5,837.5	-\$330.3
<b>Period of Performance</b>	<b>Work Remaining</b>	<b>% Complete</b>	<b>CV</b>	<b>-\$287.1 -5.3%</b>	<b>-\$7.1 -65.0%</b>	<b>KTR \$5,826.6</b>	<b>-\$319.4</b>
Aug 2000 - Aug 2011	\$712	97.8%	Level of Effort (LOE) Percentage	12%	DCMA	\$5,826.6	-\$319.4

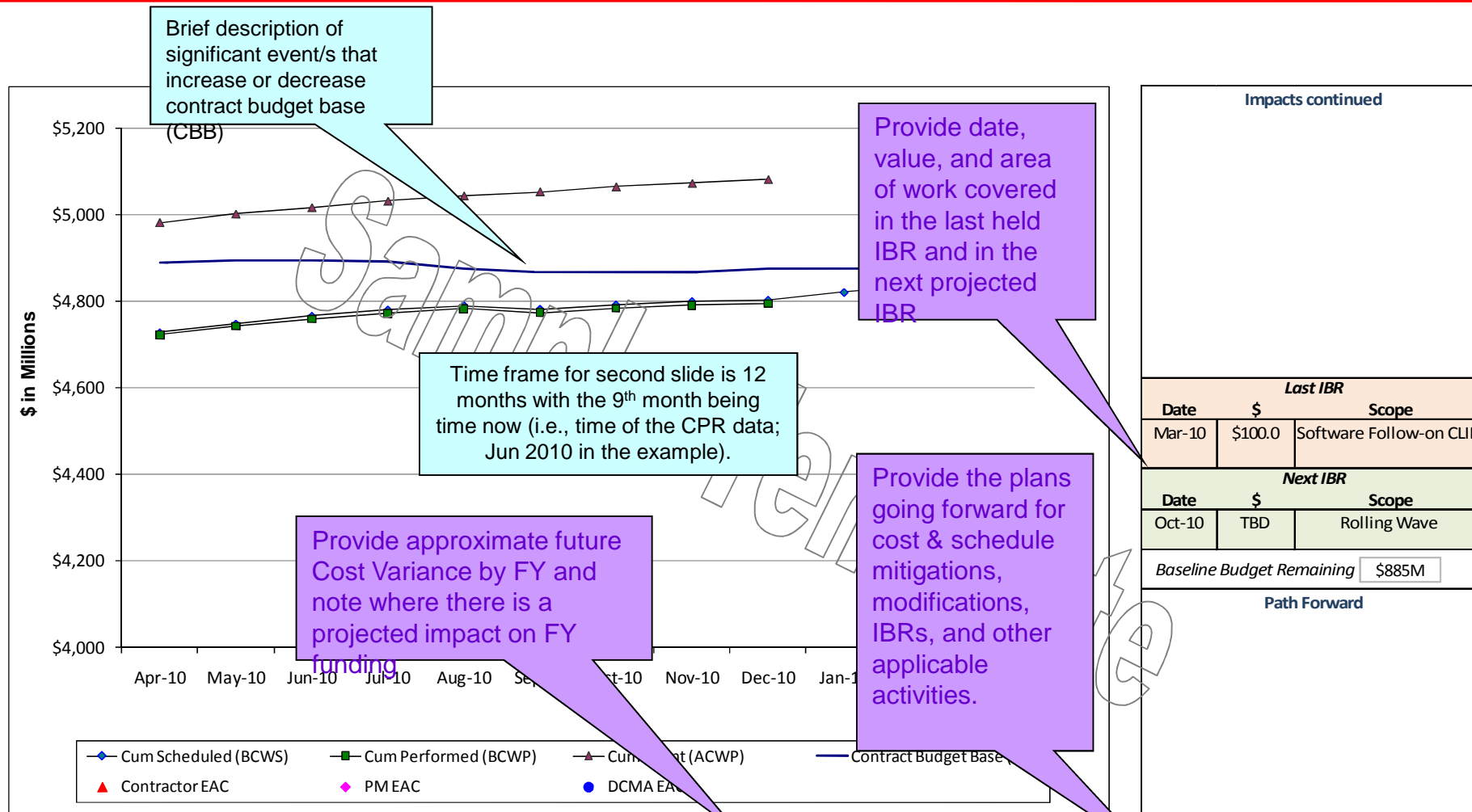
If LOE % is greater than 18% please include a backup slide explaining LOE value.

Current Funding Impact:

Continued on Next Slide



# Program EVM Data – Part 2



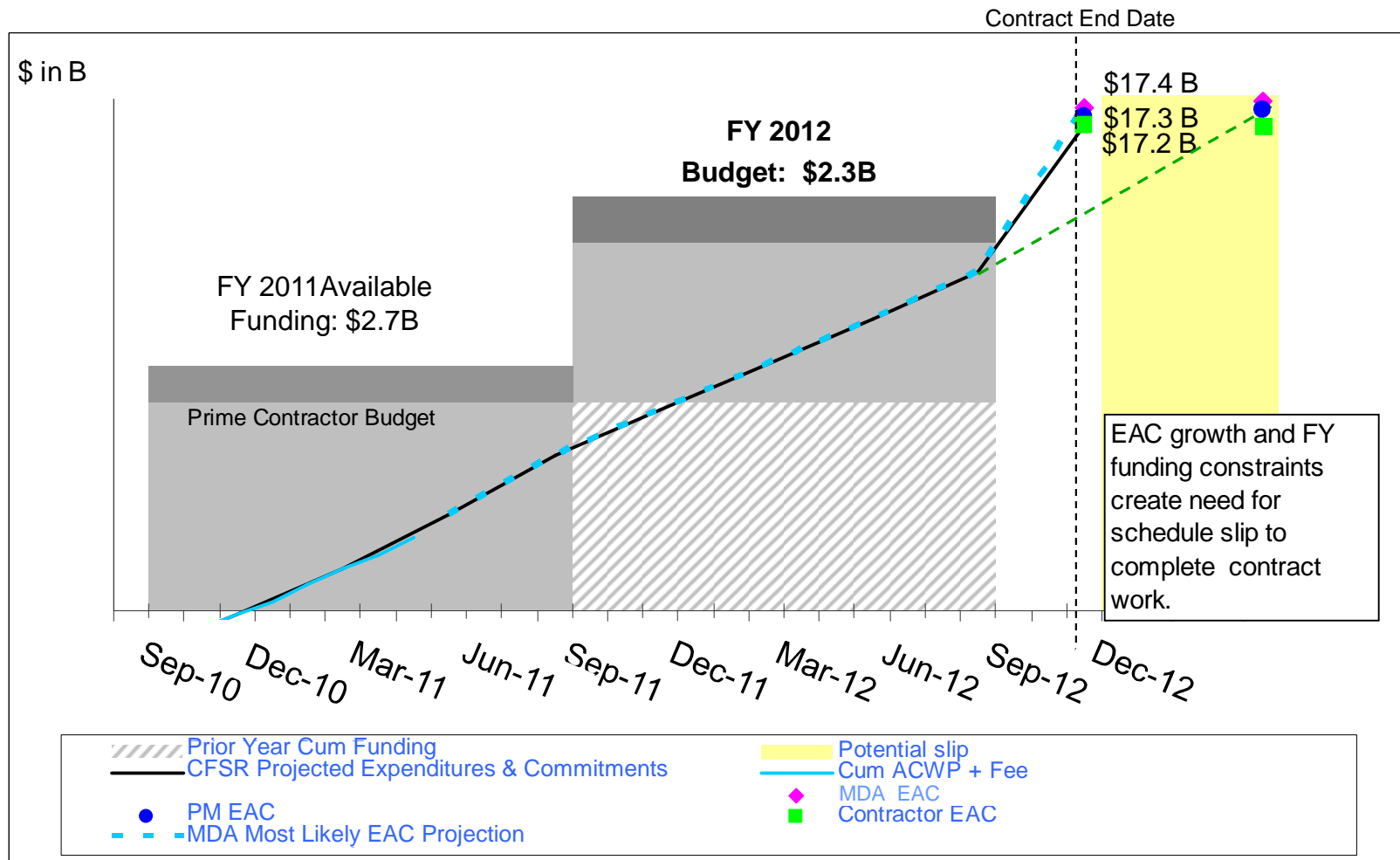
Impacts continued		
Last IBR		
Date	\$	Scope
Mar-10	\$100.0	Software Follow-on CLIN
Next IBR		
Date	\$	Scope
Oct-10	TBD	Rolling Wave
Baseline Budget Remaining		\$885M
Path Forward		

Prime Contractor	Cum CV	VAC	Future Cost Variance (VAC - CVcum) by FY	FY 11	FY 12	FY 13 & Out
Lockheed Martin	-\$287.1	-\$330.3			-\$25.0	-\$12.4
Period of Performance	Prior FY CV	To-Go CV		Funding impact discussion...	Funding impact discussion...	Funding impact discussion...
Aug 2000 - Feb 2011	-\$275.3	-\$43.2				



# MDA EV / Budget Integration

- Chart tells a similar story







# MDA EVM Health Metrics

EVM Contract Requirements	Performance Measurement Baseline		Scheduling	Analysis / Integration	EVM Systems	DCMA	Training
	Annual IBR Process (next 12 mos)	Baseline Maintenance					
YELLOW	GREEN	GREEN	YELLOW	GREEN	GREEN	YELLOW	GREEN
GREEN	GREEN	GREEN	YELLOW	GREEN	GREEN	GREEN	GREEN
GREEN	GREEN	GREEN	GREEN	YELLOW	GREEN	YELLOW	GREEN
GREEN	GREEN	GREEN	YELLOW	YELLOW ↓	YELLOW ↑	GREEN	GREEN
GREEN	GREEN	GREEN	GREEN	YELLOW ↑	YELLOW ↑	GREEN	GREEN
GREEN	GREEN	GREEN	Not Assessed	YELLOW	YELLOW	N/A	GREEN
GREEN	GREEN	GREEN	GREEN	GREEN	GREEN	GREEN	GREEN
GREEN	GREEN	GREEN	GREEN	GREEN	GREEN	GREEN	GREEN
GREEN	GREEN	YELLOW ↑	Not Assessed	GREEN	GREEN	GREEN	GREEN
GREEN	GREEN	GREEN	GREEN	GREEN	YELLOW ↑	GREEN	GREEN
GREEN	Assessment Pending	Assessment Pending	GREEN	GREEN	GREEN	GREEN	GREEN

Rationale is provided below primarily for blue (best practice), green (down arrow), yellow, and red color coding and for change in arrows. (Up arrow indicates slight improvement; down arrow indicates slight deterioration)



# DCMA / MDA Collaboration

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- **Overarching MOA with DCMA**
  - Validate LOE Work
  - Develop Independent EAC
  - Reconcile CPR & CFSR
  - Support Rigorous IBR Planning Process
  
- **MDA Support of EVM Surveillance**
  - Schedule Integration
  - Managerial Analysis
  - Change Incorporation



# Conclusion

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- **EVM role at MDA**
  - **Implement Integrated Project Management Processes (EVM)**
  - **Plan and facilitate a thorough Integrated Baseline Review Process in all MDA programs**
  - **Develop reliable independent Estimates at Completion (EACs) on all contracts**
  - **Ensure analyses of time-phased EACs with FY budgets and funding**
  - **Ensure EVM cost data and variance trends are integrated with scheduling analysis**
  - **Assist PMs and BFM use of EVM as a planning, execution, and performance measurement process**
  - **Maintain EVM , Schedule Analyst, and PM Staff Skill Levels**



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QUESTIONS??

