NDIA IPMD Meeting Minutes

Joint Government/Industry Meeting – Sept 17, 2014

1. Ms. Carol Boser, IPMD Chair, called the meeting to order and welcomed all the attendees. Announced the continuation of the Government/Industry Day. Carol went over the agenda for the day. Carol also recognized the IPMD board and noted the newest members, Steve Barnoske, Kathy Dailey, and Yancy Qualls, elected yesterday. Carol also announced that Kathy will be the industry lead for the new Agile working group accompanying Gordon Kranz who will be the Government lead. Carol went over the IPMD Objectives for the government attendees today. As usual, all attendees introduced themselves.

2. Note: These minutes are intended to supplement the charts shown during the presentations (as applicable). Charts will be uploaded to the IPMD website shortly after the meeting.

3. Probo Data Group – Mr. Patrick Dill. – Ms. Carol Boser introduced Mr. Dill and thanked him for sponsoring today's lunch. Mr. Dill went over the software evDataPro. This tool was deployed in 1997. He went over the success story of SBIRS a Space Based Infrared System using their software. This program had many challenges including over 300 threshold violations per month. This made variance analysis reporting, analyzing, auditing very difficult. This software automates the work flow and prefills things such as rate impact and "append: button to prefill with previous month's comments. As well the complexity of the program due to multiple subcontractors which made reporting difficult. The evDataPro is an add-on to Cobra, CostView, MPM, etc. Imports from these tools and exports to Excel, Word , pdf, Html, etc. Easy to use NO training classes were needed on a $10B contract. Reporting – is also made easy. For this program the payback was in 10 months or $1.2M cost savings. Also cited couple of other programs that saved / benefitted from this software.

4. Mr. Larry Briggs – VP, Raytheon Company Program Management Excellence. Mr. Joe Kusick introduced Mr. Briggs. Mr. Briggs stated "It all starts with Integrity". Reputation is everything and if you don't have it you will fail. Become a quality zealot. You as program manager you are the quality leader. Mr. Briggs then went over the process a PM must use to achieve success. He highlighted some of the areas that the PM must organize. Here are some of the points he brought out - Organize in product teams: Utilize the Integrated Product Teams (IPTs) and Cross Product Teams CPTs; choose your staff wisely; recognize the roles and responsibilities are in your matrix org; follow the rules; conduct a comprehensive start-up review and ensure the entire team understands the program requirements and understand when what constitutes being "done"; design reviews – understand what these are and follow them; recognize the difference between results and activity; create an IMS that is all-inclusive; understand your baseline; establish MR at start-up; manage (don't monitor) significant program risks and opportunities and establish mitigation or harvest plans and are ensure these are in IMS; delta in EAC should be compared to the R&O to see if there is an risk or opportunity that is impacted; Don't shoot the messenger and insist on timely reporting; promises made = promises kept; keep and use an action item log; balance technical cost and schedule; hold "crisp" weekly IPT meetings (keeps you and everyone else informed) ; hold the monthly reviews at a higher senior level; make data based decisions; summarize program status in a weekly highlight report – this forces you to think about overall program and clarifies progress / issues; manage by metrics / data driven decisions

5. Mr. Bill Altman facilitated a panel discussion on Program Managers and Functional / Systems Engineering Best Practices in Achieving Outcomes – Panelists: Steve Barnoske, LM (PM); Kathy Dailey GD, (PM); Luke Frear, NSA (Engr.); Jason Frei, Boeing (PM); Dana Harding, GDIT, (SE); Barry Lake, NSA (PM); Bob Moran, NAVAIR (Engr.) and Ron Petricka, SAIC (SE).

   a. Bill opened the discussion by asking the panel members "what are the top 3 things that keep you up at night"? Sys. Eng. point of view; Keeping up with agile development methodology transition from the waterfall method – really staying ahead; identifying risks; and really getting a good feeling that you have done enough in these "sprints" under the Agile method; Prog. Mgr. point of view – having metrics to know where you are; having a business rhythm to get to know where you are in the program as often times your problem is not necessarily in the risk register; get in front of opportunities early to you have time; look at what are your design trades especially in early design phase.

   b. What role does SE team play in Agile? SE participates in every Scrum calls in either daily but definitely weekly. SE is a product / capability owner.

   c. How much and how does EV affect your day to day execution? PM – even though not all programs require EV they still look at performance data; Have married the Agile management process with EV management to know where the program is at; Generally organize around EVMS whether it is a contract requirement or not. EVMS process is utilized. At the PM level the intersection of EVMS and day to day program rhythm is more limited to the schedule aspect and variance analysis.

   d. What are your thoughts on incentivizing the CAMs for embracing their roles? Getting the visibility / acknowledgement and empowerment is how they are incentivized. Give them the level of importance. It should not be seen as an extra duty so make sure you select the right level of CAMs. There are engineers who want to be engineers so keep them that way. SE – Often the CAM is a double headed versatile individual and often times they are the SE. They need to be trained on EV. In the Agile environment the SE is planning the work therefore the EV comes out of just having them do the work. PM – Success and failure depends on selection of CAMs – selection is a Leadership role – it is transitional role and become a higher level manager. We supply these leaders with support personnel (e.g. planner, financial analyst)

   e. What point do you sense when the CAM is not working out? If the analyses / communication isn't there then after extra mentoring then if it doesn't work then look at reassignment.

   f. How much EV do you use in day to day as an SE? SE will probably get involved probably more in the reporting cycle. Within SE they fall in the side of the excitement of the designing vs. paperwork. This is where the mentoring and educating the SE is key.. The risk is scope creep…when you get SE from contractor and SE from Government the scope will continue to creep. Therefore, the SE needs to be trained. How effective is the collaboration of the team determines also the use of EV.

   g. How do you sense the PM is not addressing issues? See the PM as a resource manager. If things of this type aren't resolved then the PM issues are apparent. PM - It is always the PM's fault. And if the PM doesn't know it is his/her issue then that is a problem.

   h. How do you make TPM and EVM are aligned – during the IBR traceability of TPM and EVM should be determined and the correlation is understood. You are going to get 2 sets of data and you are going to analyze when the data is not telling you the same thing. Then you should err on the side

that is more conservative. Don't have your program into just reporting of the EV tool that may not be relevant. Make sure the baseline is current. You need to validate that the product you are delivering is what the customer wanted not just relying on EV data. Need tolerance for ambiguity around design. If you design specificity in the design too soon then you could drive cost and schedule when you don't really know the full design requirements. These requirements evolve at times.

i. How do you balance the amount of time System Engineering has to look ahead vs. what they are working on today? Depends on your role. At higher level you should be looking ahead. Bad thing about EV is that it gives you in front of your nose. Leadership needs to look at ahead to critical path, get financial folks with expertise to look ahead.

j. Comment: We keep talking about EVM as something different than technical plan. EV is a methodology not a report and if there is something wrong with that then SE should be in front of it. If we are driving documentation to levels not needed then we need to go review that.

k. Is there a way to track metrics maturity? Is there something that can tells you what level of maturity you should be at what point? It is not base-lining requirements you are base-lining solution. So really don't have good metrics for maturity for the solution. So maybe look at how stable the solution is. How stable is your change requests. Talking about locking down requirements will become less it will be more discussion around how to manage change. Constant communication with the customer also is very beneficial.

l. How do you manage subcontractors that you flow EVM down to? PM – Not as well you would like to. Our primary focus as a prime is the quality of data that they are flowing to us vs. worrying about the "compliance" piece. As far as the technical requirements we need to get more involved since we seem to get involved it seems like at major technical milestones. Hopefully your level of report you are requesting is at least the same level as you are reporting.

6. A break was conducted.

7. Mr. Irv Blickstein, RAND Corporation– Digging Out of Root Causes of Nunn-McCurdy Breaches – Mr. Wayne Abba introduced Mr. Blickstein. Mr. Blickstein commented on the previous panel discussion. How do we stabilize requirements? DoD is going in the opposite direction. They are looking at how to adapt more quickly to requirements changes…not less requirements changes. RAND assists PARCA in conducting Nunn-McCurdy (NM) Breaches. Mr. Blickstein discussed Congress' increase focus on cost overruns. He reviewed the 2 types of NM Breaches – Significant and Critical. The 2009 Weapons System Reform Act (WSRA) also established PARCA in OSD. All of the studies that RAND was involved in is available on their website. Mr. Blickstein covered the general process for getting to the root causes of NM Breaches: e.g. Understanding Framing Assumptions – (Per Gordon Kranz: these are fundamental and these assumptions must be true. Must track the assumptions and as soon as you are drifting you must readdress these assumptions). Then Mr. Blickstein went over an example using the Wideband Global Satellite program. The key conclusions from this breach, none were a surprised. It wasn't necessary the program's fault or the program manager's fault. Basic causes over 6-7 programs – Planning – Baseline cost estimates, ambitious schedules, poor contract incentives, not enough RDT&E, poor manufacturing processes, unrealistic performance expectations; Changes in Economy – changes in component and labor costs, decreased private sector demand (component or technology); and Program management – Unforeseen design, manufacturing,

technology integration issues, poor government oversight or contractor performance, inadequate or unstable funding, accounting artifacts.

Mr. Gary Bliss joined Mr. Blickstein and provided additional insight into the root cause analyses.

8. Gary Bliss, Director, PARCA and Mr. Gordon Kranz, PARCA Deputy Director for EVM - PARCA Update. Mr. Kranz was going over the results of each of their guiding principles

    a. Increase the quality and utility of the EVM Data out of the EV CR database - Reporting compliance went from reporting on time or other administrative issues and now transitioning to focus on data quality. More analysts and PMs are looking at the data and utilizing the data. Data quality reports are sent to the corporations so they can assist in data quality. Continued Transition to IPMR. Out of 300 submissions a month only about 17 are required to submit via the IPMR required electronic format.
    b. Increase the use of EVM across the Acquisition work chain - EVM Policy Strategy support BBP 2.0 Objectives. Working on training for Scalability of applying the IPMR DID. IPMR DID/Guide Comments/ Results – about 170 comments came in – Common theme was subcontractor reporting, WBS structure, Variance Analysis and IMS. DFARS Update – fundamental change that they want to get in is focused on applying EVM for the right scope, risk etc. In process of reconciling with OMB and with 5000.02. Updated threshold (e.g. $20 / $50M) and is out to EVMIPT for review. EVM Implementation Instruction (DoD IPM EVMS II) – Provide an authoritative DoD interpretation of the 32 guidelines contained in the ANSI to facilitate consistency and a common understanding for driving EVM compliance and validation within the DoD. Plan is to get it out to services and industry early next week for comments. Looking for comments to address major breaks that could cause an issue. They will provide a traceability to the Intent Guide such that it is very clear. Mr. Bliss: PARCA is trying to remove ambiguity from the review process. So when providing feedback keep this in mind.
    c. Improve Acquisition Professionals' Ability to Utilize EVM – mostly about role based competency model. Working with DAU, HR, EVM competency model, etc. e.g. PARCA assisted SE guides write a course content for EVM. Program management – added a scheduling class. Also assisting in developing qualification standards to get to role based competency model. Conducted a survey of the EV specialists out in the workforce. Preliminary analysis has that only about 100 programs have EV requirements…so therefore should be able to distribute the EV specialists to these programs
    d. Reduce Contractor's Administrative Burden of Inefficient Use of EVM - EVM Data Requirements; EVM Waiver/Deviation; EVM Guidance and Interpretation - In order to deviate from the DFARS then you must go to Contracts. Question: IF the DFARS clause is NOT on the contract then DCMA will not do surveillance. What if a deviation was processed then the contracting officer should not put it on the contract. However, if the contracting officer puts it on the contract by mistake then DCMA will (due to contractual receipt and review) conduct surveillance. Subcontractor flow down – Legal stated that there is no legal requirement from the DFARS reading that says you must flow down the identical requirement. Legal, however, recommended that PARCA go to DPAP for reading. WBS 881C – working with CAPE. Really about getting CSDR plan and the WBS plan to manage the program are aligned. PARCA is looking at updating the mil-std. To get alignment they

are looking at adding a column to DD Form 2794 to include IPMR Format 1 reporting requirement levels. PARCA Outreach – Reaching out to NDIA IPMD, DOD EVM IPT, EVM World, IPM Conference Workshops, EVM/CSDR Training and Webinars. Making more concerted effort to reach out to the Government folks.

- e. Question: Difference between NDIA Intent Guide vs. the DoD implementation Instruction- The DoD Implementation Instruction is what DCMA is going to be using to compliance and validation.
- f. Question: What are you thinking about as far as $ Threshold? Not looking at a huge level. Not ready now to release the number. Testing the waters to see if it makes sense to shift the threshold.

9. A one hour break for lunch sponsored by Probo Data Group was conducted.

10. Mr. David Kester (Director, EVM Policy and Strategy for DCMA)

- a. Rethinking EVMS Compliance – Big Data – Transforming How DCMA executes its DFARS EVMS Compliance Mission – Focus on the 3 "C"s: Provide Clarity; Ensure for Consistency and Reduce or Eliminate Costs. Primary Goal is to influence industry partners to field effective (and efficient) EVMS that are compliant (Goal is not to fail you). Focus on quantitative analysis of system. Use the data to get early detection. Industry will know what questions are going to be asked and what data DCMA will be looking at. Should not be a surprise. DCMA will define what will be needed. Schedule for "automation" is dependent on the maturity / development of the AIMS tool. So no real change to the reviews / what locals are doing till the tool is available which could be in FY16. Then the consolidated policy changes along with the AIMS tool should be rolled out.
- b. Data – The New Raw Material – More does not mean better decisions.
- c. Clarity – 32 ANSI Guidelines; 62 Guideline Attributes (which is what PARCA is developing); 136 Tests and 189 Metrics. 136 of 189 metrics are automated. The tests are against the 62 attributes. When the attributes are out then the DCMA interpretative guide should be at least available for review shortly afterwards (sometime in FY15). The tool (AIMS – Analytic and Information Management System) is being designed to conduct these tests. A prototype in excel has been developed and is being tested at sites such as LM Aeronautics, Fort Worth; BAE UK (sub to LM Aeronautics); Raytheon Missile Systems, Tucson. AIMS is more than just the compliance tool. At this time there is no intent to do data calls any more frequently than what is the requirement today, quarterly. Maybe, depending on maturity of the site could go semi-annually. Additionally just because a "red" is identified on a particular guide does not necessarily mean an automatic CAR. There will be consistency in how the results might be reviewed.
- d. CBAR – Total Cage Code Count 4131 about 286 have EVMS Requirements of which 252 Approved; 8 Disapproved; and 26 Not Evaluated. However, DCMA is not sure of the validity of this data. And therefore, the reason for the Mr. Sweeney memo to authenticate the EVMS system status in CBAR by defining "approved". An SSR is not objective evidence (OE) enough. Looking for Tri-Service or prior AA or a review for cause or a review due to Nunn-McCurdy breaches. If objective evidence does not exist to substantiate the approved status, then…
- e. FY15 Reviews have been planned. There are 8 initial visits. There are 20 compliance reviews for multiple reasons.

11. Mr. Jerald Kerby, NASA EVM Program Executive, NASA EVMS Operational Environment – Mr. Kerby gave an overview of the organizational structure. As part of the CAIWG they are going to send out the scalability guideline to NDIA IPMD for comments. To see the list of NASA EVM Working group members go to the NASA EVM website (www.evm.nasa.gov). Plan is to transition IPMR DID for EVM and IMS reporting for new reporting. Contact information jerald.g.kerby@nasa.gov

12. Short Break

13. The various NDIA IPMD working groups that met yesterday afternoon provided brief reports on their discussions:

    a. Production/John Kanicsar – John noted that the WG identified 1,6,10,11,21,22 and 23 as different for production. Assigned authors with support members. Drafts have been reviewed and intend to send it out next week. The intent is to append to the white paper previously published by the working group

    b. Clearinghouse/Pete Wynne – Pete noted the discussions that was held during the industry only session yesterday. Gary Humphreys and Pete will document the 2 topics that were discussed yesterday…1) LOE actuals past the planned period 2) How to treat subcontractor MR?

    c. Planning and Scheduling/Yancy Qualls – Update to the PASEG. 94 total comments received. 2 New sections suggested: Agile Scheduling and Earned Schedule. Looking for IPMD approval last week in April 2015.

    d. Program Management/Bill Altman – 14 people attended the working group yesterday. Predictive Measures guide was approved. Through Linked-In conducted a survey response to question on "is Linked-in site of use to you?" 2 to 1 response was "no". Would a non-attribution site be of value to you? About 70% said yes. So the working group is looking at what are the alternatives. Additionally, question was asked about what

    e. Prime/Sub Management / Dan Lynch – discussed what kind of things we can address in the future and what we could publish. Early in October we plan on having a telecom with those folks who attended yesterday to get additional information to use in the November IPM conference. If you plan on attending the IPM then please attend the workshop.

14. Mr. Dale Gillam facilitated a panel discussion on Educating our Workforce in IPM. Panelists: Mr. Bill Parker, DAU, Mr. Bill Mathis, CPM, Dr. Stephen Gordon, Old Dominion University, and Mr. Bill Altman, Battelle.
    a. Why is this important? In year 2000, 94,000 people aged 60+ for federal Government. In 2013 it was ~262,000.
    b. When we think of education we jump immediately to training (creating charts and presenting)… how does education different from training? Training teaches us to how to do things…while

Education is creating the awareness and the ability analyze and solve problems. Utilization of is 10%(training), 30%(mentoring), 60%(experience) model. Education is portable in different environment. It survives in different companies and countries.

c. What is your view of IPM (is it just a repackaging of Program Management?)? Three domains to integrated to program management 1) Technical / Outcomes management 2) Cost Management 3) Schedule management. Challenge of this group is using the term IPM. When you use IPM you create an identify issues as there are multiple facets to Program Management.

d. If we are going to certify PM? If so, then what is the standard? DAU does not certify PMs. Certification for PM/IPM is useful for basic understanding (getting common basic knowledge) it doesn't really tell you much about the individual. Without experiences the certification is meaningless.

e. Bill Parker: As a result of GAO study on the DCMA training department it was recommended that the DCMA seek support from DAU. So DAU has created a separate college that is very specific to DCMA which includes schedule for example.

f. What certifications are there out in the industry that is useful? There isn't really one out there that can stay on its own. It really needs to be experienced based not just certification.

g. Conversely to the aging workforce, we need to get the new / younger folks into the workforce. We need to employ our "under employed" educated young people. Have been impressed with the caliber of people coming into the workforce.

h. What are the top couple of things that keep you up at night? Money, it takes money to train people. When times get tough first things that get cut is training. Money from standpoint of achieving your goals for example minority students. We want to see experience. We want to see engineers that are able to communicate not just good grades.

15. Mr. Bill Mathis, CPM Update – VP Education / Certification - Overviewed CPM and its Core Activities. Best known for workshops, webinars, The Measurable News, Research Programs etc.

16. Carol closed the meeting by asking for feedback on the last 2 days. PARCA meeting tomorrow for up to 2 people from each company 8am – 11am or around 10am. She thanked everyone for attending.