NDIA IPMD Meeting Minutes

Joint Government/Industry Meeting – April 15, 2015

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

1. Ms. Carol Boser, IPMD Chair, called the meeting to order and welcomed all the attendees. Carol thanked Amazon GovCloud for hosting the evening reception. Approximately 88 people are attending the meeting. Carol reviewed the agenda. She also introduced Dan Lynch as the new Chair and Sung Soon as the interim vice chair. Carol highlighted the upcoming meetings in August (25-26) at the Westin, Crystal City. She also noted the CPM meetings (EVM World and IPM). Carol reviewed the agenda for the day. Per custom, all the attendees introduced themselves.

2. Gary Troup introduced Mark Fox from Amazon who gave a presentation on Amazon Web Services (AWS) World Public Sector. Mark emphasized that Cloud is now the IT norm. Mark highlighted the advantages of leveraging the commercial cloud. Government agencies are using AWS including Civilian, DoD, and the Intel Community. Mark discussed what sets AWS apart including volume of services, pace of innovation, pricing philosophy, etc. Mark described three main players in the shared security responsibilities.

3. Dale Gillam introduced Juana Collymore and Brian Bothwell from GAO who provided a presentation on GAO Scheduling Best Practices Applied to an Agile Setting. Brian reviewed why a schedule is so important for successful program management. Brian provided an overview of GAOs Scheduling Guide which was released in May 2012. The purpose of the guide is to share publically the criteria used for GAO audits. Agile is now an appendix to the guide. Ms Collymore described how Agile differs from traditional approaches. One best practice described was the lowest level of the IMS will be at the release level. Tracking sprints in a schedule means you are only monitoring level of effort. Another best practice discussed was not assigning resources to all activities, since the teams are very small. Agile metrics should be used outside the schedule to measure progress. Critical path and float monitoring is only performed at the release level. Progress is expressed by completed story points within a release. The customer determines whether the release is acceptable and can add nice to haves or return

stories to the product backlog for future consideration. Ms. Collymore concluded by showing a scorecard of how different agencies are performing Agile.

4. Ms Caroline Cremisi facilitated a panel discussion on Customer, Prime, and Subcontractors on the Aegis Baseline Air Defense Cruiser Development Program. Rick Jandrain (Customer) emphasized the importance of daily communication and trust in establishing effective working relationships. Lockheed Martin is the prime. Steve Yavorski from MSE (Subcontractor) discussed challenges that arose with fixing software and how important it was to be trusted by the prime. Challenges regarding planning for how many Change Requests were required put pressure on the work to be classified as LOE. LM stated that incentives were based on the how the whole system was performing versus just the subcontractor's piece. LM described creative approaches to handling a work stoppage and adjusting to customer requirements by using an LOE contract vehicle to rapidly provide needed support. The final question proposed to the panel regarded roadblocks. Alignment of goals and transparency were customer priorities. LM stated the transfer of requirements to the sub was particularly challenging due to the tight deadlines. MSE stated that staffing challenges regarding keeping key resources with legacy knowledge was critical.   LM discussed the use of T&M contractual vehicles to handle non fee bearing work that was out of scope of the cost plus portion of the contract. Ms Cremisi closed by thanking the panel for sharing their experiences.

5. A break was conducted.

6. Bill Altman gave a prerecorded video introducing Mr. Mark Malatesta from the Tauri Group. Mark provided a presentation on How "a" Government Program Manager Manages a Program. Mark emphasized the importance of "balanced oversight": need, versus capability, versus cost. An important point made is there is no recipe for success, because in the end, it's all about people. Mark discussed the importance of looking at the whole program within the portfolio and being able to terminate a program if necessary. Mark discussed some of the best practices to improve program design from the start like framing assumptions, knowledge points, robust cost estimates (specifically ranges), independent and contrarian reviews, measurement, etc. Mark advocated management by talking and walking around. Mark was also a strong advocate of using EVM as one of the tools in the program manager's toolbox.

7. Mr. Jerald Kerby provided an entertaining introduction for Mr. Larry Tobin who delivered a presentation on the CAIWG Project Management Survey Results. The study assessed how well the agencies have instituted comprehensive cost and schedule management policies and procedures. The top two issues today are consistent with results obtained 20 years ago: scope and requirements management. Survey results based on 59 responses across a broad range of roles. Larry can be contacted at larrytobin@comcast.net

8. Mr Gordon Kranz provided a PARCA Update. He introduced three new members supporting PARCA as well as the contractor support staff. Gordon reviewed the guiding principles driving PARCA's mission. Gordon described the state of EVM in 2011 which had many inconsistencies in its application, enforcement, and effectiveness. Significant events over the past four years were displayed in a timeline. PARCA has been very active in external communications focusing on building relationships and communicating policy to the EVM community. The recent release of the EVMSIG provides clarity regarding flexibility in applying EVM in an acceptable way. Gordon explained the Frank Kendall memo released April 9, 2015. EVM highlights include raising the threshold to $100M for Compliance Reviews and Surveillance. The lower threshold (speculated at $20M) was not specifically mentioned, but surveillance reviews to determine EVMS compliance with EIA 748 guidelines would be conducted only on an exception basis. The process requires an update to the DFARs and Mr. Kendall might be supportive of an interim agreement, since updating the DFARS takes time. Gordon reiterated that for ACAT1 programs the central repository is still the official source for EVM data. PARCA is using the Agile methodology to manage work assignments at PARCA.   PARCA is working with DAU to incorporate EVM appropriately in their training curriculum. Today, significant progress has been made since 2011. Looking forward, expect a DFARS update. Gordon reached out for ideas for continuing improvement and provided a link to submit thoughts and questions. Questions were answered from the audience. For IDIQ contracts, task orders should be added together to determine if the threshold is exceeded. The DFARS will provide greater clarity. DoD Instruction 5000.2 Table 8 will likely require updating. CADE (CSDR) wants actuals from the accounting system (not interested in ETCs). This could be a significant benefit. PARCA is expecting suggestions on changes to the MILSTD 881 to accommodate construction and services modifications.

9. A lunch break was conducted.

10. Joe Sweeney provided a DCMA update. Mr. Sweeney emphasized that our goal is to do integrated program management well. With the release of Better Buying Power 3.0, DCMA is interested in suggestions for improvements. DCMA is using the EVMSIG as the new standard now. Additional pilots for the data driven testing approach are expected. Mr. Sweeney reviewed some of the feedback companies provided on improving operations and lowering cost. The first topic was having different hubs interpret compliance differently. When asked to raise their hands, many people have experienced this inconsistency. A suggestion was made for using a Wikipedia like posting to provide clarification on gray areas. The contractors and DCMA could go to one source for an embellished explanation. A suggestion to not duplicate a validation review for a different cage code when the

same system description is being utilized from a cage code that was approved. A discussion was held regarding the need to approve a company's system description versus assessing compliance with EIA 748. A question was posed on whether the newly released EVMSIG will affect DRs written based on the other documentation. Joe said DCMA will need some addition time to internally work those issues and solutions.

11. Melvin Frank presented on the subject of improving EVM and Project Management Integration in the Department of Energy. DOE is pursuing creating a risk assessment process that yields independent and unbiased advice above the line management on the program. The organization was presented and discussed and the EVM requirements were plotted against the DOE acquisition lifecycle. Emphasis was placed on getting EVM activities involved early in the lifecycle process. DOE issues with EVM issues are similar to other agencies. A new initiative has been launched to improve the integration of EVM and program management. A plan exists to create a final report to document ideas and the path forward. A survey was distributed with 88 responses received. The primary message is consistency. DOE expects to follow the DoD regarding the use of the EVMSIG. Additional documentation will include an interpretation handbook that goes into more detail. Qualifying Expectations Lines of Inquiry (QE LOI) includes 351 detailed items to assess compliance against. This should improve consistency in interpreting compliance. Melvin discussed the timeline for completing the EVMSIH. A draft is expected in September, 2105. DOE is following an approach to surveillance similar to DCMA with data-driven testing. A central repository is also used to store contractor performance data. The PARS II system was based on Dekker modules and plans are in place to transition to UNCFACT Scheme. Three new handbooks have been developed and training was improved as was the encouragement of obtaining EVM certifications like the EVP. In closing, Melvin emphasized that DOE will continue to make improvements to improve efficiency and effectiveness.

12. Barbra Phillips announced a CPM Agile meeting on April 22, 2015 at 4:30 PM to 7:00 PM at the Hyatt Regency Reston. Go to mycpm.org for more information.

13. Dale Gillam facilitated a panel discussion on Current Trends and Lessons Learned for Effective Contracting. Dale provided and overview of an ongoing series of events related to contracting and encouraged everyone to participate. The panel was asked about LPTA, bid to win, versus bid to execute. Bid to win is common when requirements aren't well known. Bid to execute is used more by incumbents. These are disconnects with communicating and understanding requirements. Government should know what the "should costs" are. It was recommended to not bid on everything and be selective on what you bid on.   Another question came in about how to handle AUW not being definitized quickly. Ms Scheider said it often

takes longer to modify a contract than to award new contract. Another situation was discussed where funding was added to a contract and contract ceiling was changed when scope wasn't changed. Another issue rose relating to being awarded a FFP contract, yet the client managed it as a FFP LOE contract. The panel talked about numerous options to mitigate these situations. The panel emphasized the importance in reading the whole contract, questioning your auditor, and focusing on communication. Dale closed the discussion by thanking the panel members for their time and willingness to participate.

14. Yancy Qualls presented Schedule Margin Resolution Status. Both the IPMR DID and IPMR DID Implementation Guide allow scheduling of margin after significant events. An appeal was made to PARCA for clarification and the response was consistent with the IPMR documentation. PARCA hosted a meeting to discuss government agency issues with schedule margin. Schedule margin should be based on a SRA. Based on the results of the meeting, if SM represents the estimated schedule risk to the subsequent event (and not just "leftover" time) the follow-on effort is more accurately located. Five guidelines for compliance were discussed. Two guidelines led to additional discussion; SM should be traceable to the contractor's risk management system; and tasks that make up the Critical Path are different when SM is removed and the CP is recalculated. Post meeting, DCMA/ NAVAIR are expressing concerns with zero-duration SM baselines. DCMA/ NAVAIR are proposing an alternative approach using "Float Management". Pros and Cons for the Float Management approach were explained. The Planning and Scheduling Working Group unanimously supports the "Risk Management" approach to determining and managing SM and is not in favor of utilizing the "Float Management" approach. An additional meeting will be scheduled to continue the discussions.

15. Carol Boser provided closing comments thanking all attendees.

16. Dan Lynch and the entire IPMD Board of Directors presented Carol with an appreciation plaque signed by all Board members and Gordon Kranz. Carol was also presented with a very colorful Hawaiian shirt: a tradition for departing Chairs.