

NDIA Integrated Program Management Division

Clearinghouse Working Group

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Clearinghouse Topics

- **February Meeting topics**
 - MRP/IMS planning, changes to production WPs;
 - WP/charge linked to PO's or shop order
 - Ongoing discussion – passed to MFG Working Group for April meeting
 - Review of update DCMA Cross Reference Checklist (CRC)
 - Comments passed to DCMA for response & discussion (31 MAR)
 - Ownership of IPMR EAC value in 6.c.1
 - DCMA & AAP reaffirmed that the value represents the contractor PM's estimate at complete
 - Value should include actuals to date

Clearinghouse Topics

- **February Meeting topics**
 - EVAS test metrics & automated surveillance
 - Surveillance will never be fully automated
 - DCMA working with NDIA to announce metric updates
 - To what extent should a subcontractor IMS be integrated into Prime
 - Depends on risk, but at a minimum the hand-off milestones

Past presentations and issue input forms available on the Clearinghouse WG Page

<http://www.ndia.org/divisions/ipmd/working-groups/clearinghouse>

Clearinghouse Topics

- **DCMA Metric Testing**

- Current tests available on public site: www.dcma.mil
 - EVMS Compliance Metrics/Procedures
- Provide feedback / metric suggestions or issues at:
 - dcma.lee.hq.mbx.dcma-pix-evms-center@mail.mil
 - Shortcut available on Metrics page
 - Submit suggestions on Clearinghouse input form on our Working Group page

Clearinghouse Topics

- **EVMSIG GL6 M/ERP incorporation:**
 - “...analysis of material items is required to identify categories, high-value material, critical material, and **material aggregation points** to be tracked independently in the IMS.”
 - “To support Critical Path analysis, the M/ERP should support and **underpin the IMS**, minimally at the work package ...”
 - MRP contains work package data and incorporated as needed into IMS
 - Task level, WP level, CA level, or other aggregation point
 - Level or aggregation preserves precedence and logic in support of Critical Path
 - August 2018 – AAP: MRP detail does not need to be repeated within IMS.

Clearinghouse Topics

- **Changes to material work packages contained within MRP**
 - Past guidance has been given that material and manufacturing labor can be added in the future to M/ERP driven work packages as long as it was for new scope and control milestones were not impacted.
 - EVMSIG guidance implies that all open work packages must be closed and new ones opened for replanning efforts should they be for scope affecting an open work package.

• **Baseline Change on Open WP**

Issue: There are instances in material and production work packages where a change needs to be made to an open work package including:

1) Rework

MRP constraints of tying re-work to existing Manufacturing/Work/Floor Orders link that re-work to the existing Work Package

2) Rephasing remaining effort

Cost/Benefit analysis must be conducted to better understand if addressing variances versus replanning will yield better management data

Instances where rephasing may be considered include reprioritization of material through GPD or borrow/payback

3) Additional scope and budget added to an open work package with Purchase Order(s) or Production Floor order(s)

Further analysis by the working group is needed to better understand the affects of adding budget and scope to open work packages

Guideline 29 and attributes

Guideline 29 (2.5b): Maintain Baseline and Reconcile Budgets

Guideline statement:

- Definition: Reconcile current budgets to prior budgets in terms of changes to the authorized work and internal replanning in the detail needed by management for effective control.
- Attributes:
 - Currently authorized work/scope budget relationship is reconcilable to the prior work/scope budget relationship.
 - MR and UB transactions are appropriate and accurately tracked in applicable logs and reports.
 - The most current indirect rates are reconcilable as applied to future planning efforts.
 - Effective controls are in place to restrict changes to work scope and budgets for open work packages.
 - The PMB is effectively controlled in the freeze period to prevent multiple continuing adjustments with proactive and timely baseline maintenance activities.
 - Effective forward planning discipline is maintained with consideration to the size and complexity of the acquisition and the program business rhythm to ensure baseline integrity.

- EIA-748 National Defense Industrial Association (NDIA) Intent Guide
 - Guideline 29 – “Reconcile current budgets to prior budgets” does not specifically address adding budget to open WPs.

Guideline 29 CRC

Guideline 29 (2.5b): Maintain Baseline and Reconcile Budgets

Cross Reference Checklist (CRC) Procedure:

- Are current budgets resulting from changes to the authorized work and/or internal replanning reconcilable to original budgets for specified reporting items? initiate appropriate corrective action?
- Are records maintained to show how Management Reserve (MR) is used (sources, control account affected, current value)?
- Are records maintained to show how undistributed budgets are controlled (e.g. use, control account affected, current value)?
- Do procedures specify under what circumstances replanning of open work packages may occur and the methods to be followed?
- Are current indirect rates used for changes to future work and reconcilable to the prior indirect rates incorporated in the Performance Measurement Baseline (PMB)?
- Are procedures in existence that control replanning of unopened work packages?
- Do procedures specify that during the freeze period only customer approved contract actions, rate changes, and economic price adjustments can adjust the baseline?

- EVMS-113 Compliance Templates - Guideline 29 Cross Reference Checklist (CRC) Procedure 7.d. seeks contractor procedures that specify under what circumstances replanning of open work packages may occur and the methods to be followed.

Clearinghouse Topics

- How would you report AUW in a contract's letter which includes fee/profit?
 - AUW typically does not include fee
 - Fee should not be held in UB
 - Fee/profit typically established upon definitization

Clearinghouse Topics

- **CAMs**
 - Not employees of contractor
 - Admin CAMs ie. Not technical leaders of an effort

Clearinghouse Topics

- **Accounting issues**
 - EV and ACWP in different accounting periods

Clearinghouse Topics

- **Change Control**
 - CBB logs not being maintained except quarterly or semi annually

Clearinghouse Topics

- Using MR for rework
 - When is it allowed?
 - When is de-earning more appropriate?

BACKUP: EVMSIG and CRC Update Comments on Incorporation