NDIA
Integrated Program Management Division

MRP Integration in EVMS

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EVMSIG GL6 Interpretation

EVMSIG GL6 – selected sentences

- [The IMS] contains all authorized discrete work assigned to program organizational elements, including subcontractors, responsible for performing the work consistent with the Work Breakdown Structure (WBS).
- These [M/ERP] systems are used as the basis for planning and statusing the detailed efforts which are aggregated, with the appropriate interdependencies and sequencing preserved, within the network schedule (IMS).
- An 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 (See Guideline 21).
- To support critical path analysis, the M/ERP should support and underpin the IMS, minimally at the work package level, through effective vertical and horizontal integration of network logic.

EVMSIG GL6 Clarification

- **EVMSIG GL6 – M/ERP integration clarification areas**
  - All discrete work
  - Aggregation of effort
  - Criticality assessment
  - Underpinned minimally at the WP

Points of Agreement – NDIA / ADA

- **All discrete M/ERP material is represented through assembly sequences to show the completed manufacture of each deliverable.**

GOVERNMENT

Agree

- The government agrees with this complete statement

Path Forward Question

- How does this information get made available to the customer at a level that provides sufficient insight to meet government needs?

- **INDUSTRY: best handled as part of contract negotiations by the Buying Command via the Procuring Contracting Officer (PCO) and is not a matter of System Compliance to the GL Criteria**

Points of Agreement – NDIA / ADA

- **Material parts and assemblies are incorporated into the IMS at the level that aligns to Program Management needs**
  - **Aggregation points should be addressed/verified w/PMO/PCO**

GOVERNMENT

Agree

- Second bullet. Discussions should happen at a post award discussion.

Path Forward Suggestion

- System Descriptions should clarify that for production programs, the program manager should clarify, in writing or in the CDRL, at what level the government's program needs are.

- **As per the last topic, we recommend this be handled as part of contract negotiations, through the PCO working with the supplier (post-award conference)**

Points of Agreement – NDIA / ADA

- **Programs assess materials and the assembly process to identify material items, BOM hierarchy elements, and assembly processes required items to be tracked independently in the IMS.**

GOVERNMENT

Agree

- Everything

Disagree

- Nothing

Path Forward Suggestion

- System Descriptions and/or Program Plans should clearly state the material management process and when/how a part/material is categorized. This should be discussed with the customer prior to IBR but may be part of an existing standard process.

- **We agree with the path forward that System Descriptions should state how material is managed and categorization is determined.**

Points of Agreement – NDIA / ADA

- **Process must be ongoing to support the addition of material (parts, assemblies, or combination thereof) that become critical throughout the contract due to execution or other factors.**

GOVERNMENT

Agree

- Everything

Disagree

- Nothing

Path Forward Suggestion

- System Descriptions and/or Program Plans should clearly state the material management process and when/how a part/material is categorized. This should be discussed with the customer prior to IBR but may be part of an existing standard process.

- **We agree with the path forward that System Descriptions should state how material is managed and categorization is determined.**

Points of Discussion – NDIA / ADA

- **The part sub-assembly and/or final assembly 'contains' ALL material (including LOE, PERT, non-critical) and labor effort that is consumed through that stage, process, or assembly.**

  GOVERNMENT

  Agree

  - The government agrees that upon a milestone of a sub-assembly or final assembly all material should be present in that part.

  Disagree

  - This does not speak to the availability of material to produce that part.

- Demand driven MRPs vertically integrate into the IMS to drive a summary schedule for which late parts result in a slip to the labor for the part assembly: this could be a delayed start or a start at risk with a projected finish variance

  Path Forward Suggestion

  - Lower-level material tasks that encompass necessary material for the build of the sub-assembly or final assembly and/or
  - Lower-level production tasks that encompass both material and labor with QBDs that define material availability

- **NDIA believes further discussion is necessary**

Points of Discussion – NDIA / ADA

- **Non-critical or Low Value PERT/LOE/Usage driven parts are not directly traceable to a schedule task or milestone but are managed/traceable by Exception/Shortage.**

GOVERNMENT

Agree

- For PERT/LOE/Usage or bulk driven parts, this should not be an issue and should be managed by exception.

Disagree

- For material that is simply designated Low Value or not critical doesn't mean that there should not be traceable back through MRP. Many low value or non-critical items still must be planned the CAM. They must also maintain an awareness of their availability to possibly switch that material to critical if necessary.

Path Forward Suggestion

- System Descriptions and/or Program Plans should clearly state the material management process and when/how a part is managed by exception. There should also be clear documentation on how a system or program categorizes its material.

- **NDIA concurs that the SD should clearly state the material management process, and how we manage parts by exception**

Points of Discussion – NDIA / ADA

- **"M/ERP should support and underpin the IMS, minimally at the work package level"**

GOVERNMENT

Agree

- Everything. However for Bullet 4, since the tasks in the IMS must designate a WP and CA, there should be a way to look at the WP level as a summary of the representative tasks associated to it.

Disagree

- Nothing

Path Forward Suggestion

- System Descriptions and/or Program Plans should clearly state the material planning process with direct regard to the size of work packages, CAM involvement, categorization, etc. CAMs should participate in and understand the entire planning process for material that is ultimately their responsibility. They should also understand the impacts on material availability when it becomes an issue.

- **NDIA's position is that the requirement for every IMS task designating a WP and CA is not a system compliance requirement, but one established within the IPMDAR.**

Next Steps

- **Proposed next steps**
  - Conversation is still on-going
  - Looking at the best policy solutions
    - EVMIG
    - IPMDAR
    - EVMSIG
  - What are the requirements for system descriptions
  - What should be covered in post-award conferences and how documented