Reaching New Dimensions In Performance Management

Where Are We Going?
How Do We Get There?

DoD Integrated Program Management Initiative
Executive Steering Group
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Where Are We Going? How Do We Get There?

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OUSD(A&T)

APUBLIC RELEASE

Papers and presentations from 8th Annual Cost Schedule Performance Management Conference held October 20-24, 1996 in Tysons Corner, VA.
C/SCSC IS DEAD
Long Live

Earned Value
Transfer of Compliance Responsibility for C/SCSC

- SAE/DAE meeting June 11, 1996
  - Integrated Program Management Initiative

- Growing acceptance of earned value
  - Declining review activity
    - Need to ensure a minimal core of expertise

- Approved October 1, 1996
  - Effective ASAP
  - NLT September 30, 1997
Transfer of Compliance Responsibility for C/SCSC

Each Component required to:

- Implement earned value effectively on contracts;
- Ensure management systems reviews are requested when necessary;
- Ensure DCMC is supported with appropriate program office and functional personnel when reviews are required.
Industry Standard Guidelines for Earned Value Management Systems (EVMS)

- DoD Requests Industry to develop standard, September 1994
  - ISO 9000 “Model”
- Industry responded with EVMS “Guidelines,” August 19, 1996
  - NSIA, AIA, EIA, SCA, ASA
Industry Standard Guidelines for Earned Value Management Systems (EVMS)

- Proposed DoD response:
  - Adopt EVMS guidelines as replacement for C/SCSC;
  - “Self certification” not acceptable;
    - Reserve the right to review “for cause”
      - Break the direct link between contract award and reviews;
      - Joint surveillance;
      - Focus on specific identified deficiencies
  - Continue evolution toward a true “standard.”
    - ANSI, ISO, etc.
    - Big world: BS 6079; ISO 10006
The Proposed Processes

**AWARD**

1. Contract Award
   - Yes
   - Did they propose to self-certify?
     - No
     - Government: Review & Validation
     - Yes
   - Government: Review & Validation
   - No
   - Obtain 3rd Party Certification
   - Yes
   - Implement system & conduct self-evaluation
   - No
   - Acceptability to Government?
   - No
   - Self-Certification continue
   - Yes
   - Advance Agreement/Letters of Acceptance
   - Surveillance

**SURVEILLANCE**

1. BBR
   - Yes
   - Determine magnitude of problem (Focused Surveillance Review)
   - No
   - Compliant with Criteria?
     - No
     - Terminate Agreement
     - Yes
     - Advise Ktr of problems
     - Are problems fixed?
       - No
       - Terminate Agreement, take contractual remedies
       - Yes
       - Compliant with Criteria?
         - No
         - Resume Routine Surveillance
         - Yes
         - Continue development
   - Implement changes
   - Routine Surveillance

2. PM Concerns
   - No
   - Implement changes
   - Resume Surveillance

3. Routine Surveillance
   - No
   - Advise Ktr of problems
   - Are problems fixed?
     - No
     - Terminate Agreement, take contractual remedies
     - Yes
     - Resume Routine Surveillance

**CHANGES**

1. Contract development
   - Yes
   - Submit change for approval
   - Yes
   - Implement changes
   - Routine Surveillance
   - No
   - Advise Ktr of problems
   - Are problems fixed?
     - No
     - Focused Surveillance Review
     - Yes
     - Review findings, cleared?
       - No
       - Terminate Agreement, take contractual remedies
       - Yes
       - Resume Acceptance Process

2. Changes: 3rd Party Certification
   - Obtain 3rd Party Certification
   - Yes
   - Advise Ktr of problems
   - Are problems fixed?
     - No
     - Terminate Agreement, take contractual remedies
     - Yes
     - Resume Routine Surveillance
System Reviews

- For contractors with current Letter of Acceptance, Advance Agreement, or “3rd party” certification, only two ways to trigger a review:
  - Surveillance
    - IBR
    - PM
    - Plant rep
  - System change
- Today’s process OR the proposed process!!
So What is the Big Problem?

- Contract clause requires prior approval of system changes!
- Proposed process allows ACO waiver of prior approval.
Work Shop Focus

- The surveillance process.
- Considerations in determining waiver of prior change approval.
  - If EVMS is a real “standard,” it should be plant-wide.
USD(A&T) Direction
July 9, 1996

- Expand Integrated Project Management Initiative Executive Steering Group to include other Defense and non-Defense agencies;
- Establish metrics;
- Priority emphasis on EDI to include relationship to CALS/CITIS; implications of “on-line” access;
- Develop and implement a plan of action that will lead to the availability of tools to better integrate cost, schedule, technical performance, and risk management.