Reaching New Dimensions In Performance Management

Where Are We Going?
How Do We Get There?

DoD Integrated Program Management Initiative
Executive Steering Group
October 28, 1996
### Reaching New Dimensions in Performance Management

**Where Are We Going? How Do We Get There?**

- **Authors:** Christle, Gary
- **Dates:** 20-10-1996 to 24-10-1996
- **Performing Organization:** OUSD(A&T)
- **Availability:** Public Release

Papers and presentations from the 8th Annual Cost Schedule Performance Management Conference held October 20-24, 1996 in Tysons Corner, VA.

**Access:**
- [lfenster@dtic.mil](mailto:lfenster@dtic.mil)

**Contact Details:**
- International Area Code: 703
- Area Code Telephone Number: 703767-9007
- DSN: 427-9007

**Security Classification:**
- Report: Unclassified
- Abstract: Unclassified
- This Page: Unclassified

**Limitation of Abstract:** Public Release

**Number of Pages:** 12
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
   - Proposed LDA, AA or 3rd Party Certification?
     - Yes
       - Government: Review & Validation
     - No
       - Did they propose Third Party Certification?
         - Yes
           - Obtain 3rd Party Certification
         - No
           - Implement system & conduct self-evaluation
           - Acceptable to Government?
             - Yes
               - Complete Self-Certification
             - No
               - Surveillance

SURVEILLANCE

1. BBR
   - PM Concerns
     - Routine Surveillance
     - Apparent System Problems
       - Determine magnitude of problem (Focused Surveillance Review)
       - Compliant with Criteria?
         - Yes
           - Advise Ktr of problems
         - No
           - Are problems fixed?
             - Yes
               - Resume routine Surveillance
             - No
               - Terminate Advance Agreement and take contractual remedies

CHANGES

1. Customer development change
   - Obtain change for approval
   - Adjudicate
     - Complaint with Criteria?
       - Yes
         - Advise Ktr of problems
       - No
         - Focused Surveillance Review
         - Review findings cleared?
           - Yes
             - Resume routine Surveillance
           - No
             - Terminate Advance Agreement & take contractual remedies
   - Implement changes
   - 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.