



Update on Executive Agent Role

Presented By:

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- Executive Agent
- Things Going Well
- Things Needing Additional Work
- What DCMA is Working
- EVM System Problems
- Final Thoughts



- Dec 95 DCMC assigned DoD

Executive Agent

– “...a committee for C/SCSC

implementation and coordination is no longer required. ... reassign its responsibilities to ... DCMC.”



- **Oct 96 DCMC assigned Compliance Authority**
 - “...by transferring to DCMC the responsibility for verifying contractor compliance with the DoD Cost/Schedule Control Systems Criteria.”
 - Initial Compliance Evaluations
 - Post Acceptance reviews
 - Reviews required due to identified deficiencies
 - This transfer applies only to C/SCSC compliance reviews and not to other related support each of the Services provides to program management offices (PMOs), such as Integrated Baseline reviews (IBRs).

- Jan 98 EVM Center established in support of Executive Agent
- Jan 03 EVM Center moved to DCMA HQ (Northern VA.)
 - Consolidation of organizational support
 - Efficiencies gained from consolidation of all EVM staff personnel
 - Richard Zell still Supplier Operations Director
 - Steve Krivokopich still Center Director
 - Hiring 2 new positions
- What does this mean to you?
 - New phone numbers
 - Some of the same faces and some new ones



- Relationship with Industry
 - NDIA
 - PMI-CPM
 - The Big Four (Corporate AAs)
- Relationship with NAVAIR is improving
- MOU with NASA & DOE
- Understanding & use of EV within DoD is good

- Limited working relationships with other services
- Continued questioning of validity of grand fathered C/SCSC validations
- Continuing debate on System adequacy vs. program performance
 - Tri-Service Guidance (EVMIG)



- Growing concern from Industry regarding “*redundant audits*”
 - Intelligence Agencies
 - Civilian Agencies
- Expectations with “Industry Ownership”
- Common understanding of Industry Guidelines

- Working with Industry on implementation guidance
- Significant Compliance review workload
 - New Contractors
 - JSF Subcontractors
 - Reviews for Cause
 - Defense Threat Reduction Agency
 - DOE



- **What is an EVM System validation?**
 - DoD's formal recognition of supplier's capability to meet the Industry Standard for an EVM System
 - **How do suppliers get validated?**
 - The Center does a Risk-based analysis, and if warranted:
 - Makes recommendation to CACO/DACO/ACO:
 - » accept system
 - » enter into Advance Agreement
 - Most suppliers were validated under Tri-Service agreement (still valid)

- **However, a validation does not assure**
 - **successful program/project performance, or that the system will be:**
 - Maintained
 - Applied on all programs consistently
 - and most importantly ... embraced by senior management as tool for program/project management!!!

- **There are common EVM issues arising:**
 - Estimate at Completion
 - Not timely and/ or Not thorough
 - Low confidence levels in Supplier EAC
 - Baseline control and maintenance problems
 - Inappropriate EV Techniques
 - Use and control of MR
 - Material performance measurement



– **Where Do We Begin?**

- **Do we believe the data? If so, ...**
Focus on the programmatic (usually a technical issue) driving the cost/schedule variance(s).
- **But when the data isn't credible ...**
Application of the EVM System on the program is the problem!

– Influence

- **Corrective Action Requests from System Surveillance**
- **Agenda Item at Management Councils (Continue to elevate to Corporate Councils if necessary)**
- **Publicize in Program Integrator Reports**

– Contractual Remedies

- **Contractual Notification (CACO/DACA/ACO) that system does not meet contract requirements**
- **Pursue “due-process” vigorously**
 - **If not acceptable on one contract what about general system acceptance status? Tough question for supplier!**

- *Integrated Baseline Review (IBR)*
 - We have information to help your planning process and review
 - We can identify Management Systems Health and Risk

- *Use the Supplier's EVM System to your advantage*
 - EV Data visible to all
(PEO/MDA/SAE/OSD)
 - Leverage DCMA when Data integrity is questioned

- *Estimate at Completion (EAC)*
 - Understand differences –
Your's, Supplier's, and DCMA's
 - Challenge Assumptions



- Earned Value System adequacy is necessary, however the value of EVM is in its meaningful application - A Validated EVM System does not assure program success!