OSD Activities Update

National Defense Industrial Association Procurement Committee Program Management Systems Committee

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Acquisition, Technology, and Logistics

Acquisition Resources and Analysis

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EVM - OSD Perspective

- EVM information is a fundamental component of program decision making and oversight
  - DoD acquisition management processes – Milestone Decision process, Selected Acquisition Reports (SARs), and Defense Acquisition Executive Summary (DAES).
  - Nunn-McCurdy certification process.

Senior leadership relies on EVM information !

EVM – OSD Activities

- **Review contractor cost performance information for Major Defense Acquisition Programs (MDAPs)**

  - **As part of the monthly DAES process**
    - **Programs submit a DAES report quarterly**
    - **1/3 of the programs report each month**

  - **As follow-on activity for programs with Nunn-McCurdy unit cost breaches**
    - **Review monthly EVM information for 6 programs that USD(AT&L) certified to Congress in 2002**

  - ***EVM info serves as early warning sign of program challenges.***

  - ***About 75 programs are reviewed.***

EVM info is essential for the DAES process.

EVM - OSD Activities
(cont'd)

- **Program Related Site Visits**

  - **SBIRS High program Integrated Baseline Review (IBR)**
    - **Training session - October 2002**
    - **Outbrief to Program Manager - November 2002**
    - **Program Assessment to USD(AT&L) on January 27, 2003**

  - **USMC H-1 Senior Executive Review Board (SERB)**
    - **Meeting at Bell Helicopters on January 16-17, 2003**

Program office staff frequently visit the Pentagon.

EVM - OSD Activities
(cont'd)

- **NDIA Member Involvement**

  - **Provided quarterly EVM brief by Boeing EVM focal points – October 24**

  - **Attended Lockheed Martin EVM Management Council meeting – November 21**

  - **Plan to visit Northrop Grumman Electronic Systems site**

Plan to stay engaged.

EVM - OSD Activities
(cont'd)

- **DoD EVM Integrated Product Team**

  - **First meeting held at the 14th Annual International Integrated Program Management Conference**

  - **Attendees included representatives from DCMA, Army, Navy, Air Force, MDA, DAU**

  - **Each organization made a short presentation on the state of EVM from that organization's perspective, with an emphasis on areas that need improvement.**

Re-engaged DoD EVM IPT.

EVM - OSD Activities
(cont'd)

- **EVM International participation**

  - **Participated in the 1st UK Performance Management Symposium in October 2002.**

  - **Frequent correspondence with Australian Program Manager for Earned Value Management**

Plan to expand international participation.

EVM - OSD Activities
(cont'd)

- ## Updating the DoD EVM Web-Site
    - **Analyst recently designated to assist with maintenance of the web-site.**
    - **Review of entire web-site is underway.**
    - **Some pages are being redesigned.**
    - **Please e-mail items for inclusion on the web-site to:**

        Bob.Leach@osd.mil.

Suggestions are welcome.

EVM - DoD Priorities

- **Ensure that EVM contributes to improved contractor program management.**
  - Ensure DCMA is focused on surveillance function and make sure people are properly trained.
    - Ensure DCMA has current (i.e., signed by current PM) MOAs with all program offices.
  - Ensure that government PMs place EVM on contract effectively.

Sometimes PMs direct contractors to take measures that directly contradict EVM policies and principles.

EVM - DoD Priorities
(cont'd)

- **Ensure that DoD acquisition community has an awareness of when Over-Target Baselines (OTBs) are necessary for proper program management.**

  – Reflects an awareness of EVM as a management process rather than a required report.

- **Ensure contractors have management systems capable of producing reliable EVM data.**

- **Address EVM specialist and analyst workforce needs.**

EVM - DoD Priorities
(cont'd)

- **Update DoD EVM policy and guidance documents.**
  - EVM Implementation Guide
    - Synchronize with DCMA "One Book" and policy documents
  - Data Item Descriptions (DIDs) – Cost Performance Report (CPR), Contract Funds Status Report (CFSR), and possibly Cost/Schedule Status Report (C/SSR)

- **Continue partnership with NDIA.**
  - Integrated Baseline Review (IBR) Guide for Program Managers has been revised by NDIA and DoD. Document is in DoD coordination process. Target for signature/publication is ASAP.