

COMMUNICATOR



STEWARDSHIP



Communicator is published quarterly from appropriated funds by authority of the director, Defense Contract Management Agency. The director has determined that this publication is necessary in the transaction of business required by law and the Department of Defense. Contents are not necessarily the official views of, or endorsed by, the U.S. government, DoD or DCMA. Controlled circulation. Periodicals postage paid at Temple Hills, Md., and additional mailing offices.

Subscriptions: Private subscriptions and rates are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 or (202) 512-1800. POSTMASTER: Send address changes to DEFENSE CONTRACT MANAGEMENT AGENCY, OFFICE OF PUBLIC AFFAIRS, 3901 A Avenue Bldg. 10500, Fort Lee, VA 23801-1809

DCMA DIRECTOR

Charlie E. Williams, Jr.

**OFFICE OF CONGRESSIONAL
AND PUBLIC AFFAIRS DIRECTOR**

Jackie Noble

CHIEF, PUBLIC AFFAIRS

Billy Ray Brown

EDITOR-IN-CHIEF

Mark Woodbury

LAYOUT AND DESIGN

Cheryl Jamieson

PRINTED BY

McDonald & Eudy Printers, Inc.

4509 Beech Road

Temple Hills, MD 20748

phone: (301) 423-8900

fax: (301) 423-8999

On the cover:

Top: Defense Contract Management Agency employees conduct a Contractor Purchasing System Review at Boeing Seattle. From left, Hannah Ressler, team captain; Phil Steelman, supervisory procurement analyst; Andrea Duran and Mark Jones, augmentees from the DCMA Pricing Center; and DCMA Procurement Analysts Donald Payne, Joel Mason and Jeff Mahlmeister. (Photo courtesy of CPSR group)

Middle: Al Szekretar, a contracts section supervisor at the Defense Contract Management Agency Baltimore, reviews a document with Aundre Holmes and Kelly Gustafson, both administrative contracting officers, and Veneta Magwood, a procurement technician. (Photo by Patrick Tremblay, DCMA Public Affairs)

Bottom left: Defense Contract Management Agency employees share input and lessons learned during a recent Engineering and Analysis Directorate Systems Engineering Division strategic planning session at DCMA headquarters. (Photo by Jo Adail Stephenson, DCMA Public Affairs)

Bottom right: Estell Watson, Defense Contract Management Agency Business Operations Center industrial property management specialist, reviews the Contract Property Administration System Version 1.0 user manual. (Photo by Jo Adail Stephenson, DCMA Public Affairs)

On the back cover:

Co-chairs of the Defense Contract Management Agency and Lockheed Martin Corporate Management Council Marie Greening (seated, table left) and Marcy Palus (seated, table right), signed the group charter as Charlie E. Williams, Jr., DCMA director, (standing center) council members and participants gathered at Lockheed Martin's corporate headquarters. (Contributed Photo)



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Stewardship: crucial to agency's success



Stewardship is a term we have been hearing a great deal about in the past months, and it is a key component for achieving our mission of delivering quality products and services to our nation's warfighters. In challenging financial times, being better stewards of the taxpayer's resources is more than good business, it is crucial to our success. A good steward not only manages resources, but manages in a way that uses them wisely in the present, with the future in mind. Good stewards value and respect resources in their care; they don't simply save — they invest.

This issue of the *Communicator* illustrates some innovative ways our people are becoming better stewards of resources and why it matters. In our feature article, regional commanders share thoughts on the concept of stewardship, talk about their stewardship challenges and describe how they measure successful stewardship. They also provide specifics about how CMOs in their regions invest in people, save money and manage resources.

For example, our Springfield, N.J., office developed an interactive training program to teach valuable skills in leadership, public-speaking and research to newly-hired employees. The Springfield Acquisition Workshop, or SAW, acts as a primary means for enterprise knowledge transfer. As more and more of our seasoned employees retire, we must assure their valuable skills are transferred to newer employees. Investing in training programs like SAW is one way we can increase much needed knowledge transfer.

Farther south in Baltimore, Maryland, the contracts staff helps customers properly steward their annual budgets by assuring contracts that are set to cancel receive the necessary attention. Every October the Baltimore team receives a new list of funds that will become unavailable by the end of the fiscal year. The staff works with contractors and other agencies to ensure the funds do not cancel (expire) by the end of the year. In FY11 the Baltimore group saved nearly \$43 million in funds that were scheduled to lapse — an effort that enabled various buying activities throughout the country. The current fiscal year has even more funds set to expire — \$73.5 million — so if the group meets the agency-wide metric of saving 90 percent of canceling funds, they could save as much as \$66 million.

Out west in Santa Ana, Calif., Earned Value Management teams ensure taxpayer dollars are spent responsibly by using validated processes to determine program performance. The Santa Ana office oversees 15 programs with a face value of more than \$1.2 billion and uses their extensive knowledge to provide reliable information and valuable insight across programs. The EVM team can help identify issues early and make adjustments to minimize the impact of those issues. Our customers rely on EVM to monitor the contractors' costs and schedules and to increase efficiencies.

The agency's position-based information technology equipment deployment helps us project future costs and build our requirements accordingly. Information Technology Service Center Organization will be replacing and distributing digital devices from laptops with docking stations, to computer monitors, to Blackberry PDAs and to encrypted external hard drives, as it continues to overhaul our asset distribution philosophy. This initiative, which began last year, allows employees who need the technology to have access to it, while it eliminates clutter for those who don't need extra devices. It is a fine example of wise resource management.

At DCMA our work and our choices affect the physical safety and economic well-being of many — from taxpayers, to warfighters around the nation and around the world. As budgets shrink, our responsibility for making sound choices and managing risk wisely must remain a top priority. Thank you for all you do to steward America's resources efficiently, effectively, and ethically. Together, we are making a difference.

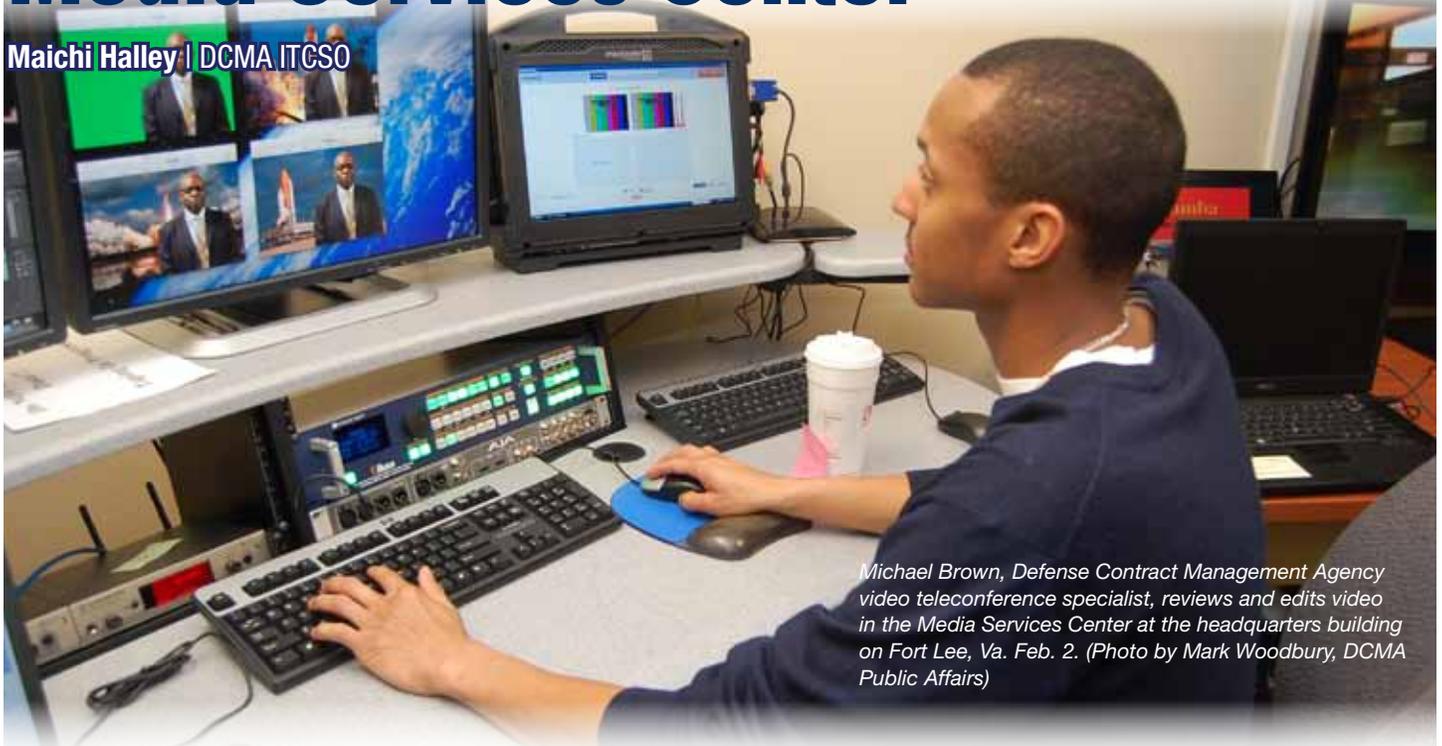
Warmly,

A handwritten signature in blue ink, appearing to read "Charlie E. Williams Jr.", with a horizontal line underneath.

Charlie E. Williams Jr.
Director

Agency headquarters introduces Media Services Center

Maichi Halley | DCMA ITCSO



Michael Brown, Defense Contract Management Agency video teleconference specialist, reviews and edits video in the Media Services Center at the headquarters building on Fort Lee, Va. Feb. 2. (Photo by Mark Woodbury, DCMA Public Affairs)

The Defense Contract Management Agency headquarters marked the opening of its Media Services Center with an official ribbon cutting

ceremony Feb. 2 officiated by Director Charlie E. Williams, Jr.

The DCMA Media Services Center, which is available during normal business hours to all DCMA employees, is an all-in-one, full production studio that will facilitate communication within the agency by supporting distance learning, demos, training, and other informational or promotional electronic media broadcasts.

The studio supports up to three cameras with teleprompters, an editing suite with software, a lighting system and a green screen. Its professional video production, editing and post-production equipment allows DCMA employees to produce media content and broadcast it live, either on televisions located throughout DCMA buildings or streaming directly to the desktops of all employees within the internal DCMA network.

Lorenzo Carter, Director of DCMA IT-I, Field Services first envisioned the DCMA Media Services Center, because, as he explained, “Before, we didn’t have the infrastructure for a proper flow of information. By the time (messages from leadership) got down (to DCMA employees), they were often watered down or changed. We wanted to create a medium where we could train and speak to the masses at one time. This is an efficient vehicle for one-to-many communication. We are reaching everyone and engaging everyone at once.”

The technology also enables two-way communication and interactivity. Previously, during meetings, participants might

have been hesitant to ask questions in front of a large group. With the new technology, participants will now have the ability to ask questions anonymously via a chat box, which are fielded by a moderator who then addresses those questions. This way, rather than having to raise their hands and speak, questions can be asked and answered one-on-one.

These new one-to-many, interactive broadcasting capabilities make the studio an effective tool for leadership such as the director, the chief operations officer, contract management office commanders, and executive staff, as it gives them the ability to speak live to the entire agency. The executive director can present agency-level All-Hands Meeting to each and every employee, for instance, without everyone being physically present in a room. Furthermore, the presentations are recorded so that leadership messages are automatically archived for future reference.

Anyone who would like to use the studio can come to the DCMA headquarters and work with the on-location staff of IT employees who facilitate production and run the center. To request studio time, submit an IT Service Center ticket stating the purpose to use the studio and the proposed time.

“We can now do something very exciting here. This fills the void of reaching everyone quickly, removing the filters, and providing more feedback,” said Carter. “This has a tremendous amount of potential, especially when we’re broadcasting right within our network ... and with its predicted success, we hope for future expansion.” 

Realignment

brings strength, consistency to *Cost and Pricing Center*

Mark Woodbury | DCMA Public Affairs



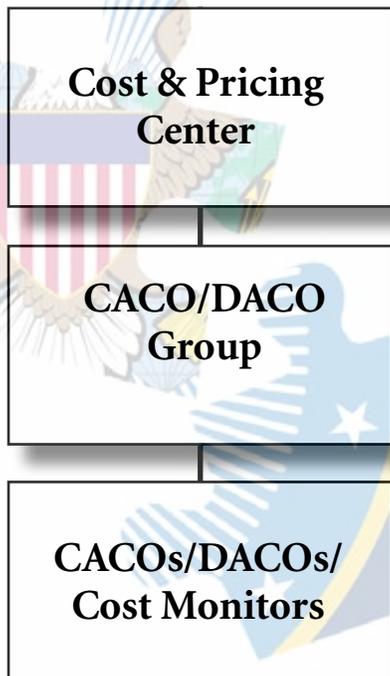
Jim Burke, divisional administrative contracting officer for the Defense Contract Management Agency Philadelphia's L-3 Communications office in Camden, N.J., is one of the many employees whose position was realigned within the agency to report up through the Cost and Pricing Center. (Photo by Patrick Tremblay, DCMA Public Affairs)

The Defense Contract Management Agency recently announced a realignment of its divisional administrative contracting officers,

or DACOs, and their associated cost monitors into a corporate-based structure falling within the same reporting chain as the corporate administrative contracting officers, or CACOs.

Charlie E. Williams, Jr., Defense Contract Management Agency director, announced this decision in a recent memo to the agency.

In the memo he explains the CACOs,



DACOs and cost monitors will report directly to the agency's Cost and Pricing Center through the CACO/DACO Group located in Boston. This group is led by Ed Giangrande, CACO/DACO Group director.

Some things, however, will remain the same – the duty locations of the CACOs, DACOs and cost monitors; and their ongoing requirement to support the agency's contract management offices and its customers on DACO-related issues.

Williams said in the memo, "It is my intention with this realignment to build a cost and pricing capability that links and unifies the community that is responsible for carrying out the business systems and indirect cost mission – the largest element of contract cost in the (Department of Defense) – into a single entity with scope, purpose and engagement that will become a dominant cost and pricing force for the Department."

Giangrande said the realignment accomplishes this in a number of ways. It allows the CACOs and DACOs to work together to ensure the integrity and completeness of the Contract Business Analysis Repository – the database which keeps track of contractors' current business systems and rate status, and key acquisition information. Additionally, there will be more peer reviews of forward

"This will ensure consistency within the corporate structure."

Charlie E. Williams, Jr., Defense Contract Management Agency director

pricing rate agreements/recommendations, or FPRAs/FPRRs, leading to improved timeliness and quality. He said another benefit will be quicker settlement of complex contractual issues through a centralized review process.

Another benefit Giangrande sees in the realignment is the opportunity for CACOs and team supervisors to review the various work products prior to finalization by the DACOs – e.g. FPRAs/FPRRs, overhead negotiations, and cost accounting and disclosure statement issues.

"This will ensure consistency within the corporate structure," he said. "This centralized approach will afford the CACO and team supervisor the visibility into all the major business segment contractual activities within the corporate structure."

Williams said, "Nothing the agency does in support of the Department's mission affects as many contract dollars as our CACO/DACO impact on rate negotiations, cost accounting standards issue settlement and ensuring soundness of contractor business systems in producing responsible contracting practices by our suppliers. When we do our jobs right, the end result is greater assurance of the reasonableness of costs paid to contractors by DoD and greater use of the Department's resources on behalf of the warfighter and the American taxpayer."

Ron Youngs, Cost and Pricing Center director, said "DCMA customers and our industry suppliers should welcome this change. It's all about delivering timely and consistent decisions from the CACO/DACO community. With the advent of the business systems rule, this becomes even more important for our agency."

The four-phased realignment is scheduled to be completed by the end of March. 

CACO/DACO/Cost Monitor Realignment Sequence:

- Raytheon
- General Dynamics
- BAE
- UTC/GE
- Northrop Grumman
- L-3 Communications
- ULA, Alliant Technologies, Jacobs Engineering, Parsons, Teledyne
- CSC, ITT, Shaw Group, McDermott, B&W, CBS, Booz Allen Hamilton, Unisys
- Ball, Johns Hopkins, Montgomery-Watson, CH2M, Rolls-Royce, Accenture
- QinetiQ
- Deloitte, IBM, ARINC
- Honeywell, DynCorp, Hewlett-Packard, General Atomics
- URS, Rockwell Collins, SAIC, Harris
- Textron, Bechtel, GenCorp, DRS, CACI, ManTech
- Boeing
- Lockheed Martin



"I'm glad the federal government gave me the opportunity to prove that even though I'm disabled, I can still be an asset." – Catherine Richardson, procurement technician, DCMA Aircraft Propulsion Operations- Kelly San Antonio

Catherine Richardson works at her DCMA Aircraft Propulsion Operations- Kelly San Antonio office. A procurement technician who has been with DCMA for 20 years, Richardson was recently recognized as a Department of Defense Outstanding Employee with a Disability. (Photos by Robert Gallegos, DCMA APO-Kelly San Antonio)



DoD honors outstanding DCMA employee

Patrick Tremblay | DCMA Public Affairs

The Department of Defense recognized a Defense Contract Management

Agency procurement technician in Baltimore in December at the 31st Annual Department of Defense Disability Awards Ceremony.

Catherine Richardson, who works at the DCMA Aircraft Propulsion Operations-Kelly San Antonio contract management office, was named an Outstanding Employee with a Disability. She was among 20 civilian and uniformed DoD personnel honored at the Dec. 7, 2011 ceremony.

A life-long San Antonio resident, Richardson has been with DCMA for 20 years. She was born with neurofibromatosis, a disorder which causes tumors to grow on nerve tissue, and credits the federal government with giving her the chance to be productive.

"I lost an arm to the disease when I was 15," she said, "and later found that nobody would hire me." Richardson was connected to DCMA through an agency which helps people with disabilities find work. "They (DCMA) were ready to hire me right away.

I'm glad the federal government gave me the opportunity to prove that even though I'm disabled, I can still be an asset."

June Gowen, supervisory contract specialist at APO-Kelly San Antonio, said Richardson always endeavors to provide outstanding customer service. "She is very conscientious and works very hard to assure she meets her customers' needs," said Gowen, noting that even with the disability Richardson has the lowest level of absenteeism in their office.

Richardson doesn't see work as more difficult for her than others. "I'm on oxygen, so I have to drag the canister around, and it's usually easier for people to come to me than for me to go to them. But more challenging? Not really." She said people who have been working with her for years tend to forget about her disability. She describing herself even as "more handi-capable than handicapped."

Richardson asked Gowen to accompany her to the awards ceremony, and the two were able to do some sightseeing around the nation's capital prior to the event. There, Richardson was presented with a framed certificate signed by Secretary of

Defense Leon Panetta.

"Catherine is very deserving of this award," said Gowen. "When her citation was read at the ceremony and it stated that she worked on two indefinite quantity contracts which had a combined value of over \$10 billion, I noted a gasp from the crowd. DCMA APO-Kelly San Antonio is very proud of Catherine and all of her accomplishments."

Stephen King, the Pentagon's director of Disability Programs for the Office of Diversity Management and Equal Opportunity, presided over the ceremony. "At DoD, we know our strength is in the diversity of our people. By investing in workers with disabilities, DoD reaps the benefits many times over."

The awards program was started in 1981 to recognize DoD civilian employees with disabilities. Last year it was expanded to include uniformed service members. The ceremony also recognizes DoD organizations for achievements in employing individuals with disabilities. DCMA was among those honored in 2009. 



Co-chairs of the Defense Contract Management Agency and Lockheed Martin Corporate Management Council Marie Greening (seated, table left) and Marcy Palus (seated, table right), signed the group charter as Charlie E. Williams, Jr., DCMA director, (standing center) council members and participants gathered at Lockheed Martin's corporate headquarters. (Contributed Photo)

Corporate Management Council provides strategic forum

Matthew Montgomery | DCMA Public Affairs

Leaders from the Defense Contract Management Agency and Lockheed Martin recently established

a Corporate Management Council to provide a strategic level forum for principal stakeholders in both organizations to address issues, share ideas and improve contract execution with a particular focus on efficiency and affordability.

The kickoff event was held at the Lockheed Martin corporate headquarters last year, where leaders formally signed the council charter and presented topics of mutual interest. “The Corporate Management Council provides a foundation for ongoing communication between Lockheed Martin and DCMA to address overarching issues of mutual

concern,” said Brian Reilly, DCMA-LM CMC coordinator.

The meeting brought together a comprehensive mix of DCMA, Defense Contract Audit Agency and Lockheed Martin senior level executives. The meeting was officiated by Charlie E. Williams, Jr., DCMA director, and co-chaired by Marie Greening, DCMA chief operations officer, and Marcy Palus, Lockheed Martin vice president of contracts.

Reilly said DCMA is establishing corporate level management councils with the five largest defense contractors. The councils will network vertically with business sector and contract management office level management councils at the corporation’s numerous sites.

CMC core members from DCMA

include Greening; Timothy Callahan, executive director of contracts; Michael Shields, executive director of quality assurance; John Cuddy, acting executive director of engineering and analysis; Jorge Oliveras, Lockheed Martin Corporate administrative contracting officer; and Reilly.

The CMC will collaborate, deliberate and take actions on matters of mutual importance to both parties. These issues include quality assurance, contractor business systems rules, forward pricing rate agreements and cost reduction initiatives.

The most recent meeting was held Jan. 12, at the DCMA headquarters in Fort Lee, Va. The next meeting is tentatively scheduled for June. 



Custom IT solutions save taxpayer dollars

Jordan Holt | Information Technology Customer Service Organization

In this period of fiscal responsibility on behalf of taxpayer dollars, the Information Technology Customer Service Organization is launching a massive deployment, aimed at minimizing waste and maximizing use of our IT assets.

The Position Based Distribution of IT Assets initiative is a complete overhaul of our asset distribution system. This initiative structures the dissemination of the agency's IT assets – PCs, laptops, PDAs, etc. – so that each employee receives only the most appropriate and necessary IT tools, based on job duties and mobility requirements of their position. At its most basic, ITCSO will no longer be distributing IT assets based on rank or other non-mission related criteria.

“DCMA’s Position Based Distribution of IT Assets is a part of an overall strategy to increase the mobility and efficiency of DCMA’s workforce,” said Peter Amstutz, Architecture & Infrastructure director. “It establishes categories of equipment based on the type of work that an employee is

performing.”

For example, if you work primarily in your office and travel very little, your IT tools would consist of a desktop PC and the associated software. Conversely, if you are a more mobile employee who travels quite frequently, your IT tools could consist of a laptop and docking station, a Blackberry with tethering capabilities, and other associated software.

“The Position Based Distribution of IT Assets takes the guess work out of providing equipment for the masses and allows efficient direct allocation of specific equipment required based on employee or job role category,” said Derrick Vining and Thomas Byers, Northeast and Southern California sector administrators, respectively.

This Position Based Distribution of IT Assets initiative is the largest deployment of IT assets the agency has undergone to date. ITCSO is replacing/distributing tens of thousands of pieces of equipment, from laptops with docking stations to monitors to Blackberrys to encrypted external hard drives.

“For years, DCMA distributed IT assets through the standard business practice of assigning equipment by seniority, title with some consideration to mission need,” said Jacob Haynes, Information Technology executive director and chief information officer. “As technology and mobility have become even more important and

accountability for how the government spends taxpayers dollars has increased, especially for IT devices, having a device strategy is imperative. With position based deployment, we can project IT future costs and build our requirements in the POM with a simple business model to support it.”

Agency leadership and ITCSO came to the realization that more efficient utilization of the agency's IT assets would be advantageous in two ways.

First, within the agency workforce by increasing the mobility of those employees that need it and eliminating the “technology clutter” that can occur when an employee has too many unneeded devices to maintain.

Secondly, by distributing IT assets in a more effective manner, the agency takes advantage of mobile applications and secure devices that will ultimately allow employees to work as far forward as possible.

As a part of the Position Based Deployment of IT Assets initiative, projects such as Multi-Protocol Label Switching (MPLS) and DCMA360 will allow “true mobility to become a reality in ways we would have never thought of just two years ago,” said Haynes.

The initiative was launched in November 2011 and is being implemented throughout the agency. 

Defining Stewardship: simply a matter of trust

DCMA Public Affairs

S **tew-ard-ship [stoo-erd-ship]**
noun - the position and duties of a steward, a person who

acts as the surrogate of another or others, especially by managing property, financial affairs, an estate, etc.

Stewardship is a word we hear daily, if not certainly on a weekly basis. Most recently within the Department of Defense stewardship has been closely associated with money and how, as government employees, we are responsible to being good stewards with the money the American taxpayer provides.

This stewardship responsibility for taxpayer dollars is certainly crucial and something we all owe to the American people; however, as employees of the Defense Contract Management Agency there are many differing stewardship responsibilities we are expected to maintain.

DCMA region commanders recently shared their perspectives on stewardship, as well as specific stewardship responsibilities they provide to the agency and the American people. The following is what they shared.

What does stewardship mean to you?

Navy Capt. Sidney J. Kim, DCMA Eastern Region commander:

Stewardship means that we are not only conscious of its importance but also that we are putting in place processes to ensure we exercise good stewardship at all times. Taxpayers and warfighters expect and deserve our best efforts to: reduce

waste, deliver our products as efficiently as possible, and ensure that resources are being used for what is absolutely necessary.

Army Col. John Ellis, DCMA Central Region commander:

Very simply, it means that as the Central Region Commander, I have a fiduciary responsibility to protect the interests of the taxpayer and the interests of the warfighter. I become specifically involved in this as it relates to manpower and budgetary issues.

Michael A. Lowry, DCMA Western Region director:

Stewardship is critical to being a responsible leader in the management of all resources entrusted in the execution of the agency mission. It is my responsibility to ensure integrated resource assets are effectively aligned and executed to planned objectives, and performance is measured to ensure all contract management offices meet expectations of public trust.

How do you reinforce the value and importance of being good stewards of public funds?

Ellis: We emphasize stewardship at every region War Room and every region stand up meeting. Stewardship is emphasized in our mission essential tasks and in the commander's initiatives, which reinforces the need to balance the Central Region requirements with the necessary resources.

Kim: We reinforce the value and importance of stewardship through regular

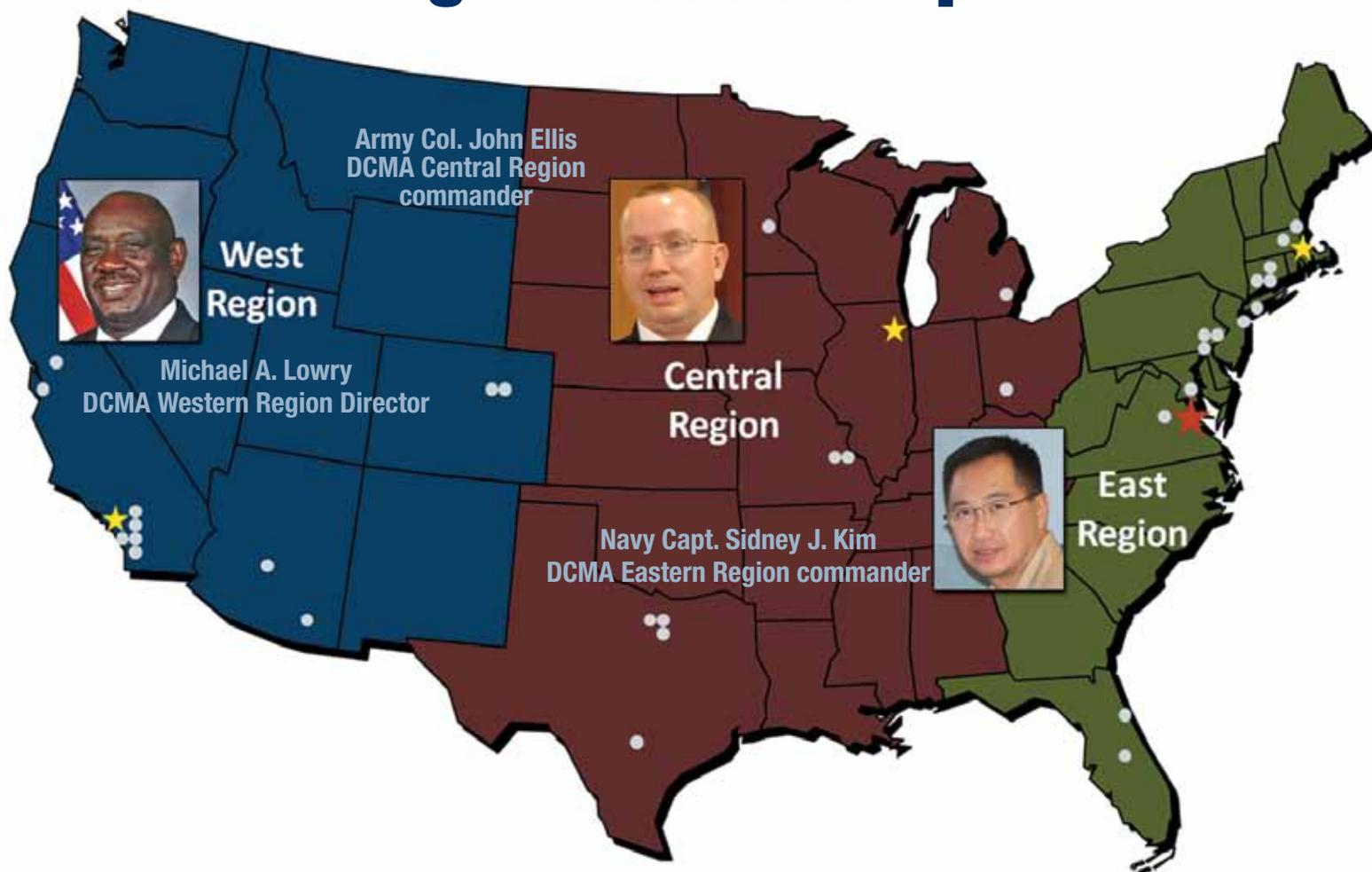
staff meetings, Performance Reviews, region War Rooms and by providing examples of other good stewardship efforts across the region. We have tried to instill "good stewardship in everything we do," especially during the last few years of budget turmoil and uncertainty.

Lowry: This requires constant communication at all levels of the CMO. This is accomplished by holding Command Operations Briefings each quarter where CMO leaders present their plans and performance accomplishments aligned to the resources expended. During Town Hall meetings, it is stressed that each member of the organization has the responsibility of ensuring and maintaining public trust as part of mission execution. I remind everyone they can make a difference in how effective and efficient they operate, and to not shy away from opportunities to improve execution of duties.

How do you ensure your staff and the contract management offices implement the director's stewardship initiatives?

Lowry: My primary role is to ensure my staff and CMOs effectively implement all of the director's stewardship initiatives. This is accomplished through established CMO performance plans traceable to the initiatives. These plans and their effectiveness measures are validated by my staff to ensure CMO compliance, along with other agency established performance indicators. The focus on internal control

Region Leadership



measures is also a means used to verify CMO progress. Progress of any corrective actions that result from the internal control reviews and management review team audits are also monitored. The region and CMO staffs' expertise is used to ensure the planned corrective actions are adequate to correct noncompliances.

Kim: We constantly focus on labor and non-labor budgets across the region, including at the staff level. Through the Individual Performance Plan process and, more specifically, Contributions to Mission Accomplishment 3: Resource Management, we are able to effectively ensure all goals are flowed throughout the Eastern Region. We have instituted plans to cut back on travel expenses, supported the agency's information technology initiative to reduce BlackBerry devices, and have begun a comprehensive review of

the region's government owned vehicle fleet usage.

Ellis: The Central Region has initiated a very proactive approach to performance management and accountability. Using the tools available to us such as Metrics Studio, Individual Performance Plans, Mission Review Teams, resource reviews, etc., we communicate desired outcomes, measure performance and implement corrective actions where necessary to ensure compliance.

How does stewardship at the CMO level enhance the agency's overall importance to the Department of Defense?

Ellis: The CMOs engage directly with those contractors who are servicing the Army, Navy, Marines, Air Force, Coast

Guard and NASA in support of the warfighter. It is each respective CMO's responsibility to ensure products are delivered on time, at cost, with the required quality requirements. If these conditions are not achieved, we fail not only the warfighter but also the taxpayer—the two most important DoD stakeholders.

Lowry: Stewardship at the CMO level is the most critical point in the execution of stewardship in DCMA as a DoD organization. It is where the rubber meets the road in resource utilization. Accountability for best utilizing the resources committed to accomplishing the agency mission is job one for CMOs. It is where the warfighter sees the return on DoD's investments in the agency, manifested through our CMOs, as quality products are delivered on time and on cost. The face of DoD to industry and the



industrial workforce most often are those in the CMOs. Public trust can be, and is often, developed during very real and up-front experiences between CMO personnel and our defense contractor partners. This most often occurs when CMOs are engaged in the inspection and acceptance of products or in timely payments to contractors who, in turn, compensate their workers.

What are some examples of programs in your region that effectively and efficiently manage public resources? This is not limited to but could include: resource planning and analysis, management controls, financial systems and business processes that in the end can be assessed with performance indicators such as improving cash management, effective budget execution, full-time equivalent (FTE) management, and reimbursable operations.

Kim: During fiscal year 2011, the region successfully balanced personnel needs

with budget requirements. As the largest region in Operations, we were able to help the agency balance the budget without compromising our region's ability to get the mission accomplished at the lowest possible risk. This was a collaborative effort between Operations, the Eastern Region and our 17 primary CMOs.

At DCMA Atlanta, overhead expenses have been lowered through a careful review of government owned vehicle use. Over the course of the past year the CMO has decreased the size of its GOV fleet by 20 percent. A two-person team looked at various metrics involved with the fleet, including miles driven and fuel efficiency, to determine a breakeven cost for each vehicle. With input from group chiefs and senior leaders, the CMO ultimately turned in seven vehicles, bringing to 25 the number of GOVs used to cover offices all over Georgia and South Carolina.

Lowry: Within the Western Region, an example of a program used by us is our WAR Review Program and Process. It is a critical program that enables the region

to effectively manage program planning, budget the allocation and execution of all resources. Sound stewardship at the CMO level establishes confidence and is a cornerstone for the DoD. Recently the agency has moved to add position management and implementation manning documents to provide clear alignment of resources and requirements. To help integrate these is another program tool called Enterprise Integrated Toolset (EITS), an additional portal tool which enhances collaboration within and across CMOs and our customers. Programs like these will give insight into execution, allowing for targeting of resource alignment and accountability of resources based upon performance.

Ellis: All of the programs mentioned in the question: resource planning and analysis; management controls; and management internal control program; program objectives memorandum processes; and financial business processes are defined, tracked, communicated and enforced throughout the Central Region. The war room process is an extremely

exhaustive process to identify and validate manpower requirements throughout the region. The process was notably improved with the agency-wide implementation of position management. In conjunction with this, the region has been directly involved with an information technology initiative to allocate IT resources to positions, thereby reducing equipment redundancy and improving efficiency. Also, in the past year, the Central Region eliminated the requirement for mailing equipment in each office by implementing a virtual mail system with Stamps.com, an online provider of mail services.

What is the largest stewardship challenge facing your office/ organization, and what do you currently have in place to meet that challenge?

Kim: At this time, there is no single challenge we are facing. Rather, we are looking at every budget, process and expenditure for possible efficiencies. Stewardship is in everything we do, and sometimes at the expense of past practices that provided employees comfort levels that could be considered excessive. Moving forward, we realize the future defense budget will see significant reductions. That appears to be the largest challenge we will face in the near future. We will need to continue to ensure mission accomplishment while realizing diminishing resources in labor and non-labor. The processes we put in

place now will be a tremendous benefit to our meeting these future tests to budget management and stewardship.

Ellis: Given the recent budgetary issues regarding DoD spending, our biggest challenge as a region will be to “do more with less.” Our manpower and budgetary resources will be reduced, but we will still have an obligation to complete our mission and ensure our customer requirements are met.

Lowry: Today the biggest challenge facing stewardship in the Western Region is managing knowledge resources. This challenge is critical because as we shed experienced workers and bring on board a wave of new interns, we need to possess the ability to effectively harvest the tacit knowledge of our experienced workers. To bridge this gap there is a need to create a focus on education and training in the discipline of integrated contract administration, along with building a distributed collaborative environment capable of collecting, storing and searching such tacit information.

How do you measure success of stewardship of resources?

Ellis: The most common measurements include performance to budget and manpower allocation. However, as we work to meet the challenges of severely reduced budgets, I think the ultimate measure of stewardship will be our

collective ability to meet our agency mission to provide products and services to the warfighter on time, at cost and at the specified quality.

Kim: We measure success by full-time equivalent management, non-labor budget execution and contract management office success stories.

Lowry: I measure the success by gauging the effectiveness of each of the performance elements linked to programing planning and budgeting to mission outcomes. I assess the knowledge and training delivered to our resources and their ability to execute based upon changes in the key critical performance indices. What is hard is assessing and measuring the proficiency associated with productivity within each CMO. The maturity of the workforce is different between functions within each organization. To gauge the measures of stewardship success in resources capability I again look at accomplishments against CMO strategies and tactical execution plans at command operations briefing and evaluation of management control processes utilized by the CMO leadership. 



Canceling funds in Baltimore

Patrick Tremblay | DCMA Public Affairs



Members of the 80-person strong Contracts Operations Group gather at the Defense Contract Management Agency Baltimore. The team includes administrative contracting officers, contract administrators and procurement technicians. Last fiscal year they saved Department of Defense customers 97 percent of their at-risk funds – nearly \$43 million – through diligent canceling funds efforts. (Photo illustration by DCMA Public Affairs)

The contracting staff at Defense Contract Management Agency

Baltimore has a lofty job this fiscal year – tackle more than \$70 million in at-risk funds. Failure to address them could mean the customer’s loss of their use.

At-risk funds are funds assigned to existing contracts set to cancel at the end of the fiscal year. “It can be a significant part of the workload,” said Kelly Gustafson, one of 20 administrative contracting officers at DCMA Baltimore. Gustafson also serves as the process owner for the canceling funds function at the contract management office, and

estimates about 40 percent of her work is in canceling funds.

The office is responsible for a diverse area including Maryland, the District of Columbia and part of West Virginia. The office’s Contract Operations Group, made up of administrative contracting officers, contract administrators and procurement technicians, is responsible for administering a large volume of contracts that range by type and complexity. The entire group works on canceling funds.

Each October the contract management office receives a new list of funds set to become unavailable at the end of the fiscal year. “Our mission is to work with the contractors, buying activities and other

Department of Defense agencies to ensure these funds are saved by the deadline,” said Gustafson. “Canceling funds allows us to help the customer be a proper steward of their annual budget.”

This means one of two things must happen to the funds. “Either the contractor has to arrange to bill for the funds prior to the end of the year, or they have to give us permission to de-obligate the funds,” Gustafson said. De-obligation allows the buying activity, or customer, to maintain control of the funds, and either redirect or return them.

Each administrative contract officer has a portfolio of contracts, or CAGE (commercial and government entity)

codes, they are responsible for shepherding through the canceling process.

“This year I have \$10 million in funds in my cage codes,” said Gustafson, who came to the agency in 2007 through the Keystone intern program. “We solicit help from the contract administrators, and everyone in the Contract Operations Group assists with the process.”

The program requires regular communication with various stakeholders, including the Defense Finance and Accounting Service, procuring contract offices, customer liaisons and defense contractors.

“This is an area where our work continues to grow,” said Dave Appold, one of two contracts chiefs at the office. “Our folks do an outstanding job of identifying, engaging early and using the latest data to save the buying entity money.”

Appold and fellow contract chief Marcella Parish oversee DCMA Baltimore’s contracts group of about 80 professionals. The group manages roughly 20,000 contract accounting classification reference numbers, or ACRNs, each with the potential to include canceling funds. Over the past three years, the total of these has grown.

The agency-wide metric is to save 90 percent of canceling funds, either by facilitating their billing during the current fiscal year or by having the contractor

de-obligate the funds so the customer can regain their control. DCMA Baltimore has exceeded the agency’s goal in the past two years.

“In fiscal year 2010, we saved 97 percent of \$20 million in canceling funds,” said Gustafson. “In 2011, it was \$42.9 million, and we saved 96.6 percent.”

The current fiscal year has an even larger number - \$73.5 million. More than \$66 million of this has an elevated classification, meaning the customer has to use the at-risk funds during the current year or lose them altogether.

Mark Brown, DCMA Baltimore’s deputy director, arrived at the office in December 2011. He came from a contract management office that had \$12 million in canceling funds in fiscal year 2011.

“I was a bit shocked when I initially was briefed on our fiscal year 2012 goal of \$73.5 million here,” said Brown. “While it will be a significant challenge, we have an outstanding team of contracting professionals and solid processes that will allow us to accomplish our goal. CMO leadership has significant involvement in the program and we’re ready to engage with senior officials in industry and the buying commands, as needed. We have a plan, and we’re working it.”

Charlene Ivey, DCMA Baltimore director, said the canceling funds team had a huge success last year. “By saving

nearly \$43 million in canceling funds, DCMA Baltimore’s Contract Operations Group enabled various buying activities throughout the country to utilize these funds to re-procure needed and valuable Defense Department supplies and services.”

The contracts chiefs, Appold and Parish, report the group’s progress to the director monthly, then weekly as the fiscal year nears its end. Several times a year the entire team will meet, with each member briefing the director on individual progress. Ivey said this gives the diligent team the attention they deserve.

“The first time we held meetings with the CMO director everyone was nervous. Now they really look forward to it,” said Ivey. “It’s a great opportunity for each to see how an individual’s work adds to the larger success of the canceling funds program and the CMO.”

This year, Brown started meeting with the entire team early in the fiscal year to ensure they had a clear path forward and a solid plan to address the larger number of canceling funds.

Brown said, “This gives the group an opportunity to identify directly to management where we can assist in the progress and step-in to elevate concerns to buying activities, program offices and DFAS.”

The DCMA Baltimore Contract Operations Group will be recognized for outstanding contributions in stewardship to the Department of Defense, including the canceling funds program, at the Baltimore Federal Executive Board’s 2012 Excellence in Federal Career Awards. 



Al Szekehtar, a contracts section supervisor at the Defense Contract Management Agency Baltimore, reviews a document with Aundre Holmes and Kelly Gustafson, both administrative contracting officers, and Veneta Magwood, a procurement technician. The four are among 80 contract professionals at the contract management office who work canceling funds to help Defense Department customers be good stewards of their budgets. (Photo by Patrick Tremblay, DCMA Public Affairs)

EVM

ensures fiscal responsibility

Matthew Montgomery | DCMA Public Affairs

The Earned Value Management team at the Defense Contract

Management Agency Santa Ana office oversees 15 programs with a face value of more than \$1.2 billion. Ensuring these contracts are effectively monitored is the responsibility of a team of 10 specialists.

EVM is a tool to determine the performance of programs by comparing planned work with accomplished work as it relates to the associated dollar value. It has been a cornerstone of Department of Defense acquisition practices since the mid-1960s.

“Earned Value Management analysis helps to ensure taxpayer dollars are spent responsibly,” said Carlene Cooks, DCMA Santa Ana director. “By continuously looking at cost and schedule performance, it assures we are effectively tracking where and how program dollars are spent.”

Cooks said the EVM team illustrates the concept of stewardship as it relates to fiscal and data efficiency. “Our customers rely on our EVM specialists to regularly monitor the contractors’ implementation of effective cost and schedule management systems for producing reliable programmatic data useful for decision making.”

This data is used by leaders at all levels to make informed decisions about programs and make appropriate adjustments when necessary. Identifying cost and schedule issues early helps to

minimize their impact and formulate recovery plans in a timely manner.

An example is a program the team is currently supporting in which contracts are in place with three contractors. Eventually, a down-select will occur and one of the companies will be awarded a contract with full responsibility for the program.

Depending on the contractor, the current program percentage of physical completion ranges from 98 to 100 percent. “Due to fixes required resulting from a Functional Qualification Test, the program is overspent by approximately 130 percent with customer knowledge,” said Cooks. “This has caused the contractors to implement an unauthorized baseline or report against zero budget control accounts – actions in violation of one of the EVM standards.”

As a result, Cooks said the EVM team issued separate CARs to each of the contractors. The CARs were issued in December so the office is unable to quantify any savings so far. Even without a dollar figure, Cooks said it demonstrates the DCMA independent assessment role inherent in support of major programs by placing contractors on notice of

their noncompliance.

Tri Dinh, DCMA San Diego Engineer, Program Integrator and Manufacturing Group chief, said this is a great example of how the EVM team provides an independent assessment of contractor’s performance. “These assessments allow me as a leader to provide critical insights to customers on program status, which in turn enhances DCMA credibility and value.”

“It also assures the allocated budget for any given project is managed in the most efficient way possible,” continued Dinh. “In cases where the cost significantly exceeds the original budget, the use of EVM allows for traceability to identify how funding was used. The result is better planning and better estimates on future projects.”

Heading up the DCMA Santa Ana and San Diego team is EVM subject matter expert, Jim Baber. “We are focused on assessing the cost schedule and technical performance on major weapons systems, either in development or upgrade status.”

During his five-year span at DCMA, Baber said the earned value program has improved considerably. “When I first arrived, changes needed to be made,” said Baber. “We weren’t doing the surveillance

at the level we should have been, mainly because of manpower.”

A year after Baber’s arrival, a resource review was scheduled and ultimately resulted in hiring five additional Earned Value people.

“We were able to demonstrate what was not getting done and why the additional manpower was needed,” said Baber. The additional people were necessary to provide review of the myriad of programs overseen by the DCMA office.

“One of the things I preach, and the thing we do, is read everything pertaining to EV at each of our contractor sites,” said Baber. “This requires each EVMS specialist to be exceptionally conversant with all aspects of their contractors EVMS procedural documents.”

To accomplish this, EVM specialists spend many hours reading and analyzing policies and procedures for redundancies, inconsistencies and errors. Baber said this often results in reading hundreds of pages of contractor EVMS policy per contractor site.

“There have been many times we have found errors and inconsistencies, either within the contractor base documents, their EV manuals or standard policies pertaining to EV,” said Baber. “On several occasions, we have highlighted

“Earned Value Management analysis helps to ensure taxpayer dollars are spent responsibly,”

—Carlene Cooks, DCMA Santa Ana director

policy issues which cut across the entire contractor organization where we have effected a change to policy documents for the entire.”

Dinh said during EV audits, it is not uncommon for the team to find issues with variance analysis reports which either have incomplete root cause analysis of a problem or no analysis on the impact of the problem. “Variance analysis reports should provide detailed explanation of problems, impact to the program and what the contractor will do to correct the problem.”

“Corrective actions must be in the variance report with steps taken to address the issues in time before those issues could adversely affect cost,” continued Dinh. “The team issues Corrective Action Reports on a regular basis to correct issues identified with lack of EVM compliance. The correction of these deficiencies saves

money, time or both throughout the execution of any given program.”

Cooks said while EVM does not guarantee a program will come in on cost or on schedule, the use of established, validated processes leads to the most efficient use of resources. “EVM specialists are members of our Program Support Team and I rely on their assessments to identify cost and schedule variances. I expect their analysis to be reliable and credible. This establishes trustworthiness with our customers.”

Dinh said the work of Baber and his team allow for the agency to further improve their role as assigned by the Office of the Secretary of Defense. “As a result of DCMA’s EVM oversight, Defense contractors are working diligently to implement effective EVM processes and tools to comply with government EVM standards.”

Baber said his team serves a vital role as it pertains to stewardship and strives to ensure leaders are armed with the necessary knowledge to make informed decisions. “We are interested in the accuracy and validity of the documents and making sure decision makers can believe in the accuracy of the information coming out of the reports.” 



Jim Baber, Defense Contract Management Agency Santa Ana Earned Value Management subject matter expert, reads and analyzes policies and procedures for redundancies, inconsistencies and errors. Baber and his team spend many hours reading hundreds of pages of contractor documents.

Team takes pride in SV-1 successful launch

Matthew Montgomery | DCMA Public Affairs

Members of the Defense Contract Management Agency Mobile User Objective System program

support team watched Feb. 24 as the first MUOS satellite, known as SV-1, blasted into orbit from Cape Canaveral, Fla.

The launch marks the end of a long delivery process started in California. “We were there to witness and inspect the packaging and loading of the satellite onto a C-5C transport aircraft,” said Monte Spotti, PST quality assurance specialist. “SV-1 launching represents a significant program milestone and was the culmination of a long process.”

The MUOS program support team at the Lockheed Martin Space Systems Company campus, and DCMA team members across all main subcontractors, played a key role in the overall success of the integration, test and delivery of the first system. “Behind the scenes making this all come together was a hardworking and dedicated DCMA team of professionals,” said Lyle Batema, MUOS program integrator.

Once at Cape Canaveral, SV-1 underwent post shipment testing, fueling, and payload fairing encapsulation and finally mating to the Atlas V launch vehicle. The mission of SV-1 is to support the Navy’s satellite communications program.

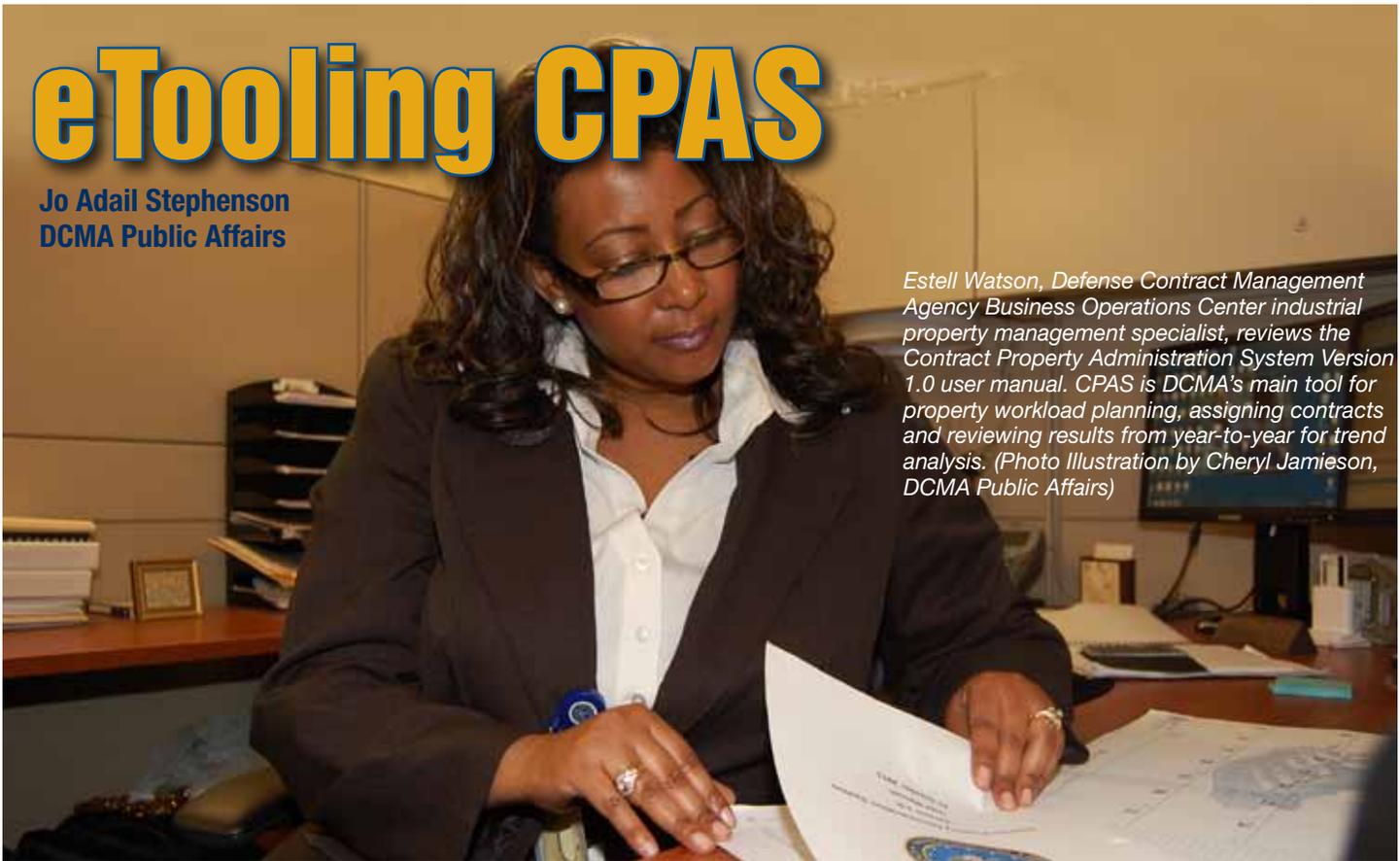
Designed to replace the aging fleet of communication satellites, the MUOS satellite program is a key component of the nation’s UHF Military Satellite Communications system. It supports military users with greater mobility, higher data rates and improved operational availability. With Third Generation Wideband Code Division Multiple Access cell phone network architecture, the constellation of multiple satellites and ground stations will provide more than 10 times the capacity of the current UFO constellation.

With the first satellite in orbit and a successful launch conducted, the team now focuses on duplicating the process. “We are continuing our progress on the subsequent satellites. The next MUOS space vehicle is undergoing environmental testing which will validate its performance in a simulated space environment,” said Bill Owens, PST quality assurance specialist. “Other MUOS satellites are also steadily progressing in the production flow.” 

The Mobile User Objective System-1 satellite is inspected before shipment to Cape Canaveral, Fla., where it will be processed and mated to an ATLAS-V 551 rocket. Employees from the Defense Contract Management Agency witnessed the packaging and loading process. (Courtesy photo)

eTooling CPAS

Jo Adail Stephenson
DCMA Public Affairs



Estell Watson, Defense Contract Management Agency Business Operations Center industrial property management specialist, reviews the Contract Property Administration System Version 1.0 user manual. CPAS is DCMA's main tool for property workload planning, assigning contracts and reviewing results from year-to-year for trend analysis. (Photo Illustration by Cheryl Jamieson, DCMA Public Affairs)

In November 2011, the Defense Contract Management Agency added a new application to its eTools portfolio - the Contract Property Administration System known as CPAS.

CPAS 1.0 allows for planning surveillance and monitoring of government property in the custody of contractors. It provides a web-based, user-friendly interface for DCMA property administrators to: receive and review contracts with property; schedule property audits; record results of audits; close out the property administration portion of contracts in MOCAS - the Mechanization of Contract Administration Services system; reopen the property administration portion of contracts in MOCAS.

"It took some time to get CPAS deployed. The idea behind the system has been around approximately five years," said Tom Ruckdaschel, DCMA's deputy director for Government Property Policy. "But the requirements package wasn't completed until 2009. Then we had to secure management's buy-in, work the milestones and work through design

development and functional testing. It took a while, but it's been well worth the wait."

CPAS is DCMA's main tool for property workload planning, assigning contracts and reviewing results from year-to-year for trend analysis.

This enterprise-wide capability includes the agency's property business areas: Property Group (CONUS - continental U.S.); DCMA International (OCONUS - outside of the continental U.S.); Contract Contingency administration Services, or CCAS (Iraq, Kuwait and Afghanistan).

The enterprise-wide visibility, which CPAS offers, is all the more important given the new Defense Federal Acquisition Regulation Supplement, or DFARS, business system rule, according to Ruckdaschel.

"Under the business system rule, the DCMA contracting officer, in consultation with the assigned property administrator, must determine the acceptability of the contractor's property management system, approve or disapprove the system, and pursue correction of any deficiencies," Ruckdaschel explained. "But the real

"... the real beauty of the system is that it can display the status of any contractor property system - enterprise-wide." - Tom Ruckdaschel
deputy director for Government Property Policy

beauty of the system is that it can display the status of any contractor property system - enterprise-wide."

One property administrator said, "What I really like is its ability to produce customized reports. These reports pull data by CAGE (commercial and government entity) code or contract number. I can even customize a report for my entire team, which will lead to better workload planning and scheduling."

As with any new application, there are still a number of technical fixes to be worked, Ruckdaschel noted. But with more than \$170 billion in government property at more than 4,000 contractors across the globe, the need for a robust CPAS application is clear. 

CI event improves management process

supply chain

Matthew Montgomery | DCMA Public Affairs



Quality assurance specialists, engineers, earned value management specialists, supply chain experts and team leaders from Defense Contract Management Agency Lockheed Martin Sunnyvale stand in front of the board used to formulate ideas and construct plans during a recent continuous improvement event focusing on supply chain management. The event took place over the course of a week and resulted in a streamlined system for handling the letter of delegation process. (Courtesy photo)

Defense Contract Management Agency Lockheed Martin Sunnyvale, Calif., with support from the DCMA Reserve team and local Navy Strategic Systems Program Management Office, conducted a continuous improvement/Kaizen event in October 2011, focusing on the supply chain management process.

“This CI event was important because it addressed the agency’s view on stewardship and what it means to be good stewards of resources,” said Air Force Col. Henry Pandes, DCMA Lockheed Martin Sunnyvale commander.

The final result will be an elimination

of the office’s growing letter of delegation backlog and a reduction in processing time. It will also mean a streamlined system for agency personnel dealing with future delegations.

The event addressed an on-going issue within the contract management office. “Because we are short of resources, particularly manpower in the supply chain management area, we used this event to figure out how we could more effectively use our personnel,” said Pandes. “In this case, we focused on the delegation process and how we could reduce processing time by simplifying the process.”

The event started on a Monday, and by Friday the team had an out-brief ready

for the commander. “As the CI event concluded, my overall feeling was the entire team had done a super job,” said Pandes. “Not only did they meet the intent of why we had the event, but they also met the objective of helping to improve the process by exercising and using lean discipline steps to identify wasteful and repetitive actions.”

To ensure success of the CI event, a team of 18 civilian and military personnel from varying backgrounds were brought together. The group was selected based on research and surveys performed by Air Force Lt. Col. Soleiman Rahel, Continuous Process Improvement green belt in training. His selection included



Freda Glover, Defense Contract Management Agency Sunnyvale Supply Chain Logistics Industrial Specialist team supervisor, works with Pauline Meggs, DCMA Sunnyvale supply management specialist and Concepcion Martin, DCMA Sunnyvale supply management specialist. The three coworkers were part of the continuous improvement/Kaizen event held October 2011, at the contract management office. (Photo Illustration by DCMA Public Affairs)

program integrators, quality assurance specialists, engineers, a software specialist, administrating contracting officer, earned value management specialist and team leaders.

The CI event had the right leadership at the helm, said Pandes. Rahel and Nancy Miles, CPI black belt mentor, both from the Navy Strategic Systems Programs in Sunnyvale, facilitated the week-long event and were instrumental in the overall success.

Rahel said the event represented a great partnership between the Navy and DCMA. “The DCMA Reserve leadership provided additional funding for me to support the CI event, which amounted to numerous training days and more than three weeks of active duty days,” said Rahel. “This time was used to perform research and conduct surveys and interviews for the CMO to develop the event charter.”

“The Navy PMO where I am employed as a DoD civilian provided tremendous support by allowing me to take time off from my civilian duties and provide the support of their black belt to coach me throughout the long planning phase and week-long event,” continued Rahel. “This enabled me to guide the team through

the challenges of defining the problems, identifying the root causes, and defining plans of action to resolve the CMO challenges.”

Pandes said Miles and Rahel both did an outstanding job providing leadership and expertise for the event. Under the guidance and leadership of Rahel, the group worked toward developing concrete solutions to limited resource problems.

“We took folks who typically don’t work together and put them in a room for five days,” said Pandes. “I was very pleased with the Integrated Product Team process and how the group was able to come to a common agreement of what solutions were needed. It was time well spent.”

This is not going to be the last time these folks are going to have to work with individuals with different skills from different offices, continued Pandes. “The ability to put aside grades and rank, understand the common objective and get the job done is a valuable skill.”

The event started with introducing the team to CI/Kaizen principles, tools, and different phases of working together as a team, said Rahel. “The goal of the team was to define the current state, identify gaps, and perform root cause analysis

and corrective action to help identify the burning platform.”

The burning platform during a CI event is the key area of focus which gives the biggest return on investment. “We started out at the beginning of the week with this big monstrosity of a question - how do we do our job more effectively?” said Freda Glover, Supply Chain Logistics Industrial Specialist team supervisor. “We let the people in the group brainstorm and develop ideas about what they thought needed to be done.”

By Wednesday, the letter of delegation process was identified as the burning platform with the greatest impact on CMO mission and direct impact to the warfighter, said Rahel. “If delegations are not issued, items are not inspected at suppliers resulting in potential non-conforming items being sent to the warfighter.”

The group was able to identify 28 steps used to handle the delegation process. At the end of the week, the group had formulated a comprehensive plan for reducing the number of steps to only eight.

“It took us almost two months to complete the process using the 28-step method,” said Glover. “Once we are able to

get it down to eight, the same task should only take a little over 20 days.”

At the conclusion of the CI event, the group created a leadership briefing of their findings and a plan for implementation.

“The outcome of the event is a three-phase plan that will result in a streamlining of the letter of delegation issuance process, reduction in the number of steps and events leading up to delegation, and a less overall labor intensive process,” said Pandes.

Phase one of the plan is currently being worked with the contractor. “We have asked the contractor to develop a central location for tracking and housing the needed documentation,” said Glover. “This creates one area where we can go and start working from, ultimately cutting down on the research time we currently spend gathering documents from various areas.”

The next phase focuses on accomplishing the backlog of delegations and monitoring the work. “Once the backlog is eliminated, we will be able to resume our normal delegation workload and focus on other surveillance areas within our supply chains,” said Glover.

The third and final phase of the plan focuses on improvements within the process. The team plans to compare actual times with the time goals established during the CI event. This may involve workload or process changes depending on the data gathered. Metrics will be measured every 60 to 240 days and corrective action taken as needed.

Sunnyvale is implementing a pull-based system, effectively balancing workload and facilitating continuous improvement for the delegation process. The entire plan is expected to be fully implemented

by mid-2012.

Rahel said the success of the event serves as a great reminder. “A diverse team of professionals working together can accomplish tremendous success despite budgetary and resource constraints.”

He added, “Their out of the box thinking and unique solutions provided the CMO a great opportunity to reduce delegation backlogs and establish a streamlined process with tremendous surge capability to handle increased workloads and accomplish CMO mission.”

Glover said the event was rewarding. “The outcome will mean we aren’t wasting taxpayer money by using a process that takes too long to complete – we’re working smarter not harder. To us it is a savings in manpower, a valuable resource we can devote to other customer requests.” 

	<p>DCMAW-LMS Standard Work Instructions (SWI) Delegation Process</p>	<p>(DCMAW-SL2) Revision: (1) Effective Date: 15 Oct 11</p>
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APPROVAL SIGNATURES		DATE
	HENRY PANDES, Col, USAF Commander, DCMA Lockheed Martin Sunnyvale	15 Sep 11

REVISION HISTORY			
Revision	Description of Change	Author	Effective Date
Basic	Initial Release	Freda Glover/LSS Team	15 Sep 11

REFERENCE DOCUMENTS	
Document	Title
Delegation 1.0 Training	Delegation 1.0 Training
Delegation 1.0 Users Guide	Delegation 1.0 Users Guide
DCMA Instruction	Manufacturing and Production Jul 2010
DCMA Instruction	Delegat Surveillance - Quality Assurance Sep 2010
FAR 42.302(a)(46-47)	Contract Administration Functions
DLAD 5000.4	Schedule & Delivery Management Jan 2000
FAR 52.246-2 through 8	Standard Inspection Clauses
FAR 52.246-11	Higher Level Contract Quality Requirement
FAR 46.405	Subcontracts

Getting a handle on GOVs in Atlanta

Patrick Tremblay | DCMA Public Affairs

At the Defense Contract Management Agency Atlanta, a closer look at getting employees from point A to point B has led to a 20 percent reduction in the size of the contract management office's vehicle fleet. The result is lowered costs through increased efficiency.

Across DCMA, CMOs and personnel work to ensure delivery of quality products and services to the warfighter; on time and on cost. They also look inward to make sure logistics required to perform core functions are providing adequate value to both the customer and taxpayer.

"We started to talk seriously about government owned vehicle use in late 2010," said Scott McDonald, a contracts team leader from the Atlanta office. "By December the CMO had set up a two-person team to look closer at the issue, to see if we were performing local travel in the most cost effective way."

The office was already reporting basic GOV use to the Eastern Region as a

quarterly performance indicator. Under regional guidelines, 80 percent of CMO fleet vehicles must meet a minimum mileage requirement. For example, a typical sedan needs to be driven 750 miles a month to justify remaining in the fleet.

Using the existing requirement as a starting point, McDonald and Emily Hopkins, the CMO's GOV manager formed a two person team and began their work.

"We took it a little further by creating a spreadsheet that, in addition to tracking monthly mileage, calculates a breakeven point based upon each vehicle's cost of ownership," said McDonald.

The team also looked at other variables, things McDonald said require more analysis than just monthly numbers.

Variables like size and type of vehicle affect the operating costs. The Atlanta fleet includes some gas-electric hybrids. These and other small vehicles are more fuel efficient and have a lower breakeven cost in terms of miles driven. The team also has to look at number of seats, keeping at

least one larger vehicle for small groups to travel together.

Nat Ortega, DCMA's GOV program manager, said DCMA Atlanta is ahead of the curve. DCMA headquarters and Operations Directorate are putting together a vehicle allocation methodology, or VAM, to meet the requirements of the Presidential Memorandum to federal Executive Order 13514. The 2011 memorandum sets sustainability goals for agencies and focuses on making improvements in environmental, energy and economic performance.

"The VAM will assess each vehicle against its mission, and identify non-essential vehicles," said Ortega. "DCMA Atlanta has taken a forward approach in assessing and returning vehicles without headquarters or regional requirement."

An added challenge for the Atlanta team is the CMO has smaller offices, and fleet vehicles, dispersed all over Georgia and South Carolina. "One of the considerations we have is access itinerant offices may have to vehicles," said McDonald. "In some

cases there may be only a few employees. Though a local vehicle isn't always meeting the use requirements, it may be the only option for that office."

Significant differences in seasonal and even monthly use can also make decisions difficult. For example, during the holidays there may be very little travel, as people use leave and some contractors close completely for a week or two.

Hopkins says it's a careful balance. "We have to have vehicles available when needed, but at the same time we shouldn't be paying for underutilized vehicles. This data lets me monitor the vehicles and, for those that are underutilized, determine if these vehicles are a cost burden to the CMO."

Vehicle use trend data is presented to the CMO senior leadership team during monthly performance reviews, and quarterly to group chiefs for input on vehicle requirements.

"When we started this process, decisions were made by about 80 percent subjective need determination," said Navy Capt. Bob Cox, DCMA Atlanta commander. "So the sky would fall every time group chiefs or I questioned the validity of underutilized vehicles. Now, with a relatively simple break-even cost analysis, we're at about 80 percent objective and the result is a fairly significant savings to the taxpayer."

The bottom line for the project is to find the best use of funds, and it's already proving successful. In the first year of



Emily Hopkins, Defense Contract Management Agency Atlanta GOV manager, and Scott McDonald, a contracts team leader, have teamed together to reduce the number of vehicles used by the contract management office, leading to lowered costs through increased efficiency. (Photo by Bernice Keith, DCMA Atlanta)

tracking, the CMO was able to decrease its fleet from 32 vehicles to 25. In addition to the 20 percent reduction in vehicles, others have been moved to maximize their use. A smaller fleet now continues to effectively serve the CMO and itinerant offices, some far from Atlanta.

"Our expectation is to continue to look at the fleet so that we're consistently hitting the 80 percent usage number," McDonald said. "When this is examined in

relation to the breakeven cost of owning the vehicle, we may find that in some cases it's more cost effective to occasionally pay mileage for personally owned vehicle use, or to pay for a rental vehicle," he added. "In the end, we should be looking at all options to make sure we're taking the most cost effective course of action." ©





Connecting industries, supporting warfighters

Matthew Sablan | Staff Writer

Elaine S. Howell, Defense Contract Management Agency Small Business Operations Center Mentor-Protégé Division director, speaks during the signing of the Mentor-Protégé agreement between Northrop Grumman and MVLE. This is the first agreement between a nonprofit AbilityOne program and a mentor corporation. DCMA provides oversight and support to this agreement, which ultimately benefits wounded warriors, people with disabilities, the industrial base and the Department of Defense. (Photo courtesy of Northrop Grumman)

The Department of Defense looks to reduce time and cost, improve performance from its suppliers, better its collective processes and build a stronger industrial base. One significant way DoD does this is through a 20-year old, lesser-known program, the DoD Pilot Mentor-Protégé Program, designed to help small businesses make inroads in getting to the DoD contracting table with fresh ideas and methods.

The program, established in the 1991 National Defense Authorization Act, provides the framework and gives incentives for large business contractors to mentor small businesses protégés through tailored developmental assistance plans in the form of a Mentor-Protégé Agreement. These agreements enhance the protégés skills and ability to compete in the larger arena as subcontractors, suppliers and, ultimately, DoD prime contractors.

Checks and Balances

DoD relies on the Defense Contract Management Agency Small Business

Center's Mentor-Protégé Division as a check and balance for the agreements' overarching interests. DCMA's small, dedicated team is an independent voice to verify data, identify issues, analyze context, offer insight, and make correlations and recommendations. DCMA's Annual Reviews fulfill its regulatory mandate; they are delivered to the Office of the Secretary of Defense Office of Small Business Programs and other stakeholders via the Cumulative Annual Report to Congress.

DCMA verifies and analyzes the data to put the resulting dynamics into context. DCMA uses its business insight to qualify data. These reports cover a wide range of statistics, such as prime and subcontract awards as well as the agreement's impact on the protégé's revenue and employment. DCMA provides a critical, independent analysis for all stakeholders.

Mentors and Protégés

Mentors are generally major DoD contractors with at least one active subcontracting plan. The mentor conducts a thorough needs assessment, identifying

realistic pacing for and assessing what developmental assistance it can provide to enhance the protégé's capabilities.

Protégés are primarily "small disadvantaged businesses," as defined in Federal and Defense Acquisition Regulation Supplement and in concert with The Small Business Act. The program includes qualifying groups recognized and stipulated by statutes into its framework, including organizations employing the severely disabled; woman-owned; historically underutilized business zones; and veteran-owned and service-disabled veteran-owned businesses.

"The program allows large businesses to 'guide' small businesses and help them understand how to do business with DoD," said Mark Olson, DCMA Small Business director. "We have been able to document how mentor-protégé agreements have created jobs in small businesses. These agreements are a great thing, helping small businesses flourish."

An agreement outlines what services the mentor will provide, the protégé's obligations, and DoD's collective oversight



From left: Mary Seabolt, Defense Contract Management Agency Small Business Office deputy director; Cynthia Abarca, DCMA Mentor-Protégé program manager; Elaine S. Howell, DCMA Small Business Operations Center Mentor-Protégé Division director; Rosalyn Wiggins, DCMA Mentor-Protégé program manager; Enid Allen, a retired DCMA Mentor-Protégé program manager; and David Jorza, a retired DCMA Mentor-Protégé program manager. The Mentor-Protégé division serves as a key enabler of business partnerships between large and small corporations. The division is also crucial to providing Congress and the Department of Defense with vital data on the health of the program. (Photo courtesy of the DCMA Small Business Office)

roles. The mentor’s benefits are either direct reimbursement of costs incurred or credit-based, meaning costs-incurred translate into credits with the benefit of regulatory multipliers allowed for each cost-category that can be applied to each protégé’s qualifying category, crediting a significant amount to the mentor’s total small business category, helping it meet its subcontracting plan goals from credit-based Mentor-Protégé Agreements instead of “directly subcontracted” dollars.

The DCMA Mentor-Protégé Team

“Our team fills a unique, niche skill. We provide reviews, comments and recommendations in a cohesive pattern, with cumulative recommendations and opinions becoming key in assessing the viability of a proposed agreement,” Elaine S. Howell, DCMA Small Business Operations Center Mentor-Protégé Division director, said.

Howell instituted strategies and stronger record-keeping techniques and templates to economize operations and strengthen annual reviews and Congressional reporting. This increased consistency in documentation methods and housing and retrieving data. “The team provided input, improving the original documents. We developed stronger methods to produce insights that serve the team well

and help the larger mandate to provide the independent voice, check, balance and accountability we bring to these agreements,” Howell said.

“We built a pathway one brick at a time. Conveying the fundamental reporting requirements to the Mentor-Protégé participants remains part of a learning process. Core documentation is key to producing meaningful and stronger Annual Reviews that are an integrated analysis of data, observed facts and documented events,” Howell said.

Mentor-Protégé Agreements Provide Knowledge Transfer to Small Businesses

The accurate and detailed reports show a stronger industrial base and new companies’ growing role in the DoD marketplace, “Each agreement can be win-win for both firms and the government,” Olson said.

DoD agreements focus both on high-tech areas with large potential for innovation and should be of value to DoD. Successful agreements build the industrial base and allow large businesses to find and develop multiple sources. “It is good to have competition, and it is good to have more than one source to meet high demands or provide continuity in case the first source fails,” Olson said.

“Historically, we have worked to develop suppliers to help manufacture key components for our systems,” said Robin Tate, FLIR Systems Director of Materials and Small Business Liaison Officer. Mentor corporations, like FLIR, find suitable protégés, such as Custom Interface, a custom cable and wiring developer who produces interfaces and electromechanical builds.

Jane Beatty, Custom Interface president, explained the impact of FLIR Systems’ training and support. “We’ve made significant improvements in processes,” Beatty said. “We have become (International Traffic in Arms Regulations) compliant and taken a deep dive into Lean Six Sigma to streamline our processes.”

Through the agreement, Custom Interface achieved IPC-610 and IPC-620 training for Electronic Assemblies, electrostatic discharge certifications; Custom Interface is also AS9100 quality compliant and pursuing certification in that field. Custom Interface is now capable of training others in IPC-610 certification, further promoting expertise through the industrial base.

Lockheed Martin Corporation is a long-time mentor. “Success depends on open and honest communication and using DCMA as an adviser,” said Sharon Dougherty, then Lockheed

Martin Small Business Mentor-Protégé Program manager.

Lockheed Martin's protégé — Fort Walton Machining Inc. — received risk management and proposal writing training. "The biggest benefit for us was in the development of our metal-finishing division," Greg Britton, CEO Fort Walton Machining Inc., said. "This increased our ability to deliver products in a narrow, critical capability. We can now reduce lead time by weeks and reduce costs to the government."

Mentoring helps small businesses grow in the industrial base. DoD doesn't take the business-build from a ground-up build, as an SBA program may. Instead, it enhances a viable company's skills, providing even stronger sources to better qualify and compete for mission-critical supplies. "The end result is more than just a return-on-investment," Beatty said. "Long-term, I firmly believe that after this agreement ends, we will have built a strong foundation."

"No one truly understands the personal attention the mentors give protégés and how happy they are to help. They do not get enough credit for what they do," Britton said.

"To be successful, we need strong, flexible suppliers," Tate said. "Mentoring suppliers allows us to develop suppliers

that can grow their business."

Agreements Make a Difference

One agreement — between MVLE Inc., an AbilityOne organization, and Northrop Grumman — created opportunities for people with significant disabilities and wounded warriors. The program is helping MVLE transition to supporting the government, with Northrop Grumman providing institutional knowledge of proposal writing and other tasks, such as LSS training, business development and International Organization for Standardization certification training.

"Over the years, I have been able to share in and experience MVLE's wonderful success story and the professional growth of my son and the hundreds of others like him who work within the MVLE community," said Larry Peters, Northrop Grumman program manager. "Without MVLE — more importantly, the corporate partnerships that make this possible — (my son) would not be living the quality of life he now enjoys. The partnership provides him a sense of contribution to the family, his community and a reason to get out of bed every day."

In 2010, this agreement became the first non-profit AbilityOne program with a recognized mentor-protégé agreement. "Having worked with MVLE for six years,

Northrop Grumman saw the value and importance in creating opportunities for people with significant disabilities," Susan Coté, Vice President Corporate Contracts, Pricing and Supply Chain, Northrop Grumman, said. "This is a long-term journey for the employees."

"The inclusion of small business partners is aligned with Northrop Grumman Corp.'s business objectives and the importance of diversity and the advantages it provides in our supply chain," said Wes Bush, chairman, CEO and president of Northrop Grumman.

"Unemployment for persons with severe disabilities is around 75 percent. Providing these employment opportunities for AbilityOne is a great benefit for all involved," said Tizoc Loza, Northrop Grumman Corporate Mentor-Protégé program manager.

"DCMA has truly been a partner. They have provided advice every step of the way," Coté said. "DCMA went the extra mile. Without their leadership, this program wouldn't be where it is today."

"This program raises the bar of skills we need to newer, yet-to-be-discovered levels for DoD," Howell said. "The DCMA Mentor-Protégé Division looks forward to serving both OSD OSBP and DoD's overarching interests as entrusted to us." 



From left: Elaine S. Howell, Defense Contract Management Agency Small Business Operations Center Mentor-Protégé Division director; Joe Apa, MVLE Board of Directors chairman; Susan Cote, Northrop Grumman, Corporate Contracts, Pricing and Supply Chain vice president; Rep. Gerry Connolly, Virginia Congressman; April Pinch-Keeler, MVLE president; and Tizoc Loza, Northrop Grumman Corporate Mentor-Protégé program manager. The Mentor-Protégé agreement with MVLE is an example of how the partnerships support the goals of the Department of Defense, DCMA, and the mentor and protégé corporations. (Photo courtesy of the DCMA Small Business Office)

DCMA's *trusted eyes and ears*

Matthew Sablan | Staff Writer



From left: Brian Scolpino, U.S. Navy Air Systems Command 1.0 Program Success Orientation Team, Pamela Gray, NAVAIR 2.3 Contracts Division V-22 Program chief, and Doris Sciara, Defense Contract Management Agency customer liaison, Navy Portfolio Division, pose for a photograph at a Program Executive Office Aviation off-site. Off-site events like this are an opportunity for DCMA Portfolio Management and Integration customer liaisons to build bridges with the services. (Photos courtesy of Doris Sciara)

“**W**e ride ahead in advance of DCMA’s Operations; we serve as DCMA’s trusted eyes and ears,” said Joseph Sweeney, Defense Contract Management Agency Portfolio Management and Integration Directorate executive director.

Sweeney compared PM&I to a military’s scouts and cavalry, helping DCMA better understand what is coming over the hill in terms of DCMA customers’ emerging demands. Gathering this intelligence and keeping the DCMA senior leadership team and operations up-to-date is the PM&I Directorate’s job.

This forward reconnaissance gives DCMA an external awareness with respect to the Office of the Secretary of Defense,

the military services, as well as the defense industrial base. PM&I gathers business intelligence and provides acquisition insight to alert DCMA’s senior leadership team and the Operational Directors (Chief Operating Office, International and Special Programs) of potential challenges, and where the Department of Defense will need help from DCMA.

The information PM&I feeds to Operations helps DCMA be best prepared

“We’re on AT&L’s speed dial; they’re always asking for more information.”

— Walter Eady, Defense Contract Management Agency Portfolio Management and Integration Directorate deputy executive director

to meet their customers’ needs. “PM&I is focused on customer satisfaction,” said Walter Eady, DCMA PM&I deputy executive director.

PM&I provides a direct connection to the heart of the agency. It constantly engages through our onsite customer liaison representatives stationed at customer buying activities throughout the country. PM&I also executes a strategic customer engagement plan to stay connected with the senior leadership levels of the Office of the Secretary of Defense, service acquisition executives and program executive officers.

“Communication is key,” Sweeney said. “We can’t leave Operations and the agency blind; we serve as the primary conduit for DCMA’s strategic customers

to get their issues, concerns and priorities communicated to the agency.”

Sweeney also described PM&I’s role in the Defense Acquisition Executive Summary Review Process. “The DAES review is the principal mechanism for tracking Major Defense Acquisition Programs between milestone reviews. In a Memorandum dated May 12, 2010, the Principal Deputy Under Secretary of Defense for Acquisition, Technology and Logistics, Mr. Frank Kendall, reinstated quarterly OSD staff assessments of program execution performance, which also led to DCMA being designated as an independent OSD rating organization. This is the first time in our agency’s history we have been asked by DoD to provide our independent cost assessments of major program execution performance directly to OSD. This is significant.”

Not only does the agency submit independent assessments directly to OSD, but Sweeney also represents the agency at the actual defense acquisition executive summary reviews. Kendall chairs these monthly at the Pentagon that are attended by all the SAEs.

Better Buying, More Power

“We live and rely on accurate information,” Eady said. “The data we gather is critical. Our information/data must be independent and fact-based.”

PM&I’s role is to provide this data to DoD in support of Dr. Ashton Carter’s

Better Buying Power initiative. The collected data is briefed out at the DoD-level and is critical to informing the government’s implementation of the initiative.

“We’re on AT&L’s speed dial; they’re always asking for more information,” Eady said. “One thing we look at is where problems are that can be identified so we can provide advice to the services and OSD on any issues driving up costs.”

Another initiative PM&I is leading is the Standards Based Management Contract Oversight Program, scheduled to come online spring 2012. This program will be modeled after the Superior Supplier Incentive Program established by the Under Secretary of Defense for Acquisition, Technology and Logistics. It will potentially let DCMA reduce oversight on high-performing suppliers so it can focus those resources where they would yield higher returns.

“PM&I is really looking at all the services and engaging with them to communicate and find the issues that DCMA needs to engage,” Sweeney said.

Acquiring Acquisition Insight

To meet customers’ goals, PM&I also participates in the Industry Corporate Management Councils. Corporate Management Councils gives DCMA the opportunity to speak with senior levels of the defense industry about their business systems and to resolve customer issues.

“PM&I serves as the primary conduit for DCMA’s customers and their requirements. We can’t leave Operations and the agency blind.”

— Joseph Sweeney, Defense Contract Management Agency Portfolio Management and Integration Directorate executive director

This has proven to be an excellent forum for communicating ideas, encouraging and sponsoring process improvement efforts; supporting acquisition initiatives by utilizing teaming, process management, and risk management tools; and for bringing to the table those customer issues that require top-level focus (e.g., performing financial/technical reviews, researching issues, addressing high risk/problem areas, etc.)

“Being the cavalry means that we gather information, and we convert that information into acquisition insight,” Sweeney said. “We then share this insight to effectively position our agency’s operations.”

“PM&I is always on the road, looking for what is coming over the hill,” Sweeney said. “PM&I is uniquely positioned to provide the agency with the acquisition insight it needs.” 

Training the Agency

The PM&I intranet site has multiple webcasts on a variety of customer-related policies. To access this information, visit their website at https://home.dcma.mil/DCMAHQ/dcma_PI/index.cfm.



From left: Navy Rear Adm. Steven Eastburg, now vice commander, Naval Air Systems Command; and Deputy Program Executive Officer Aviation Todd Balazs discuss various objectives between sessions. The Defense Contract Management Agency meets with stakeholders, customers and subject matter experts like Eastburg and Balazs to keep informed of the community’s growing needs.

Engineering a way forward

Jo Adail Stephenson | DCMA Public Affairs



Defense Contract Management Agency employees share input and lessons learned during a recent Engineering and Analysis Directorate Systems Engineering Division strategic planning session at DCMA headquarters. The outcome of the meeting was critical data and information exchange to facilitate future Systems Engineering Division policy training and tool development. (Photos by Jo Adail Stephenson, DCMA Public Affairs)

The Defense Contract Management Agency Engineering and Analysis

Directorate recently hosted a two-day strategic planning session at the headquarters building on Fort Lee, Va., to share its 2012 Systems Engineering Division vision and plans for policy, training and tool development with DCMA engineering workforce personnel.

Sixteen representatives from 11 contract management offices spanning the East, Central and West regions, the Operations Directorate staff and regions and the

Quality Assurance Directorate met to share input and lessons learned from the engineers currently executing systems engineering surveillance in the field with existing deployed SE products.

“Every (contract management office) represented has been actively engaged with us over the last two years as we deployed and supported the initial release of the Systems Engineering policy,” said Nathan Scoggin, SE Division director. “Their experience in actually applying our policy to their contracts and programs at the CMO has been invaluable as we forge a

path forward in 2012.”

During the session, small groups led by SE personnel discussed: engineering change proposals – including value engineering change proposals; technical reviews; material review boards/request for deviations; and SE Path Forward including contract technical review, execution and documentation and performance indicators.

“If we write policy and develop training and tools in a vacuum at headquarters, we produce and deploy policy that is often difficult to effectively execute,” said Kellie



Engineering and Analysis Directorate personnel are pictured here with Charlie E. Williams, Jr., (center front row) DCMA director. The representatives met at DCMA headquarters to share input and lessons learned from the engineers currently executing systems engineering surveillance with existing deployed SE products.



Two Defense Contract Management Agency employees discuss information at the recent two-day strategic planning session hosted by the agency's Engineering and Analysis Directorate. During the session, SE leadership shared its 2012 Systems Engineering Division vision for policy, training and tool development with engineering workforce employees.

Unsworth, SE Policy Branch chief.

“Interaction early and often pays dividends and can help us develop the most relevant policy. Face-to-face opportunities such as this meeting as well as the monthly SE policy implementation telecom session, co-hosted with the Operations Directorate, and through the many phone calls and emails on a day-to-day basis support this goal,” Unsworth said.

The outcome of the meeting was critical data and information exchange to facilitate future policy training and tool development to support each of the four areas.

“It is our intent to continue to engage Operations and the CMOs in future sessions covering a variety of Engineering and Analysis initiatives/updates throughout the year,” said John Cuddy, Engineering and Analysis acting executive director.

“The benefits derived from these small group exchanges, both between

headquarters E&A and the field as well as the opportunity to share ideas and best practices across CMOs, are invaluable and will certainly result in better engineering policy, training and tools deployed to the field,” Cuddy said. 



A U.S. flag flies from a Mine Resistant Ambush Protected vehicle, part of the last convoy to leave Iraq, as it crosses over into Kuwait, Dec. 18, 2011, signaling the end of Operation New Dawn. Despite the final battalions' departure, the U.S. will continue to build and strengthen a mutually-beneficial partnership with Iraq. (Photo by Army Spc. Bradley Wancour)

Transitioning DCMA's mission in Iraq

Air Force Lt. Col. Kevin Sellers | DCMA Iraq

From 2003 through 2011, hundreds of Defense Contract Management Agency personnel, along with U.S. and coalition partners, supported Operations Iraqi Freedom and New Dawn in Iraq. Last year, 2011, proved to be an epic year for the mission with the departure of combat troops from Iraq per the security agreement between the United States and the Government of Iraq.

DCMA Iraq began in 2010 to plan in earnest for the massive undertaking of supporting two complex operational missions.

These missions included the Department of Defense's combat troop and contractor personnel drawdown and the simultaneous transition of the mission in Iraq to the Department of State as the lead agency. At the same time, DCMA continued

to sustain and execute the fast-paced core mission of contingency contract administration and oversight functions.

Two other significant internal planning activities were occurring as well. DCMA Iraq was planning the drawdown of three tertiary commands and their personnel and preparing to stand-up one command with personnel located across Iraq.

The DCMA Iraq contingency contract administration leadership team and numerous tertiary staff planners created an operational planning tool called the Integrated Sight Picture. This multi-faceted and multi-layered matrix synchronized these operational and internal planning actions with the United States Forces-Iraq strategic drawdown plan.

This enormous and detailed plan called

for maintaining operational flexibility during the drawdown phase while closing bases starting from northern Iraq and proceeding southward toward Kuwait. It meant the logistics and sustainment community, including the contractor support services, had to retain as much service and resource capability for as long as possible in case military advise and assist teams were requested to stay in Iraq beyond 2011. This would have meant keeping open more operating sites than were currently planned for the Department of State mission in 2012.

The strategic drawdown plan contained a standard tactical base closure timeline template, which scheduled every action needed to occur in order to safely, successfully and honorably return the site to the Government of Iraq. DCMA Iraq

planners had the challenge of integrating this detailed base closure timeline plan and then translating the two divergent philosophies and structures of maintaining operational flexibility and the base closure timeline into the DCMA Iraq drawdown and transition the Integrated Sight Picture for every contract managed by DCMA Iraq at each site.

By the end of the planning cycle, every contract at each site had its specific timeline structured to ensure the timely and accurate delivery of direction to the contractors.

Along with the drawdown planning, DCMA Iraq prepared a similar by-site, by-contract plan to enable the intricate transition of several different base life support contracts, the Logistics Civil Augmentation Program III, the LOGCAP IV, the Air Force Civil Augmentation Program, and numerous Omnibus BLS contracts, into one contract.

DCMA Iraq also prepared to transition several security service contracts at the enduring sites from the legacy Theater-Wide Internal Security Service contracts

to the newly awarded Security Support Service-Iraq.

With more than 1,000 services supporting the almost 16,000 U.S. government and contractor personnel, both of these critical contracts, the LOGCAP IV and the SSS-I, would form the life, health and safety foundation of the contract services enabling the existence and execution of the enduring Department of State mission in Iraq. During this planning phase, DCMA Iraq constructed numerous tactical plans supporting its own operations. In order to support both drawdown and transition efforts, DCMA Iraq planned several organizational changes.

First, it planned the reduction of its manning by approximately 60 percent by the end of 2012. This effort required close collaboration between the four different command staffs (DCMA Iraq headquarters and the three tertiary commands) to ensure the right functional personnel remained available or on-site during base closures and to retain the right skill set and numbers of personnel to support the

follow-on mission.

Second, DCMA Iraq planned the moving of its headquarters, as well as two of the three tertiary command headquarters multiple times. These actions were based on the customer's location moves, which were further dictated by the strategic drawdown plan's specific base closure plans.

This meant DCMA Iraq headquarters basically had to split into two separate entities in the second half of 2011 to support the DoD customer and the DoS customer without any increase in personnel. Maintaining a strong communication link within the command and with other stakeholders through a robust information technology system was the final critical planning piece to enable DCMA to successfully execute these missions.

Near the end of the planning cycle in the summer of 2011, the Integrated Sight Picture went from a synchronization matrix to an executable plan. 

The last U.S. military forces drive across the Iraqi border Dec. 18, 2011, following the Iraqi and U.S. security agreement requiring all U.S. service members to depart the country by Dec. 31, 2011. Since 2003, more than 1 million airmen, soldiers, sailors and Marines have served in Iraq. (Photo by Air Force Master Sgt. Cecilio Ricardo)





CPSRs support DCMA mission

Matthew Sablan | Staff Writer

The Defense Contract Management Agency Contractor Purchasing System Review Group ensures contractors spend the government's money wisely when purchasing and subcontracting. The CPSR Group is a team dedicated to conducting system reviews of more than 400 contractors, each with more than \$25 million in qualifying purchases or subcontracting across the globe, including in the Middle East.

"We identify system weaknesses when present, and drive contractors to more efficient practices," said E. Jean Labadini,

DCMA CPSR Group director.

When a prime contractor makes purchases under a government contract, it must satisfy various acquisition regulations and contract specific terms and conditions. Contractors use many different systems, each with varying degrees of sophistication, integration and controls. With any system a contractor uses, there is a risk of increased contract cost when that system does not make the most efficient use of its resources. "We ensure contractors are utilizing sound subcontracting practices and reputable suppliers to minimize that risk," Labadini said.

The CPSR group evaluates a number of system characteristics. "We review purchase orders and subcontract files to determine whether the prime contractor is meeting prime contract and acquisition regulation requirements associated with procurement, long-standing industry standards and good business practice," said Judy Collier, DCMA supervisory procurement analyst.

For each review, one of the 27 procurement analysts currently on-board serves as a team captain, with other analysts supporting; a normal review takes about two weeks of work in the



Defense Contract Management Agency employees conduct a Contractor Purchasing System Review at Boeing Seattle. From left, Hannah Ressler, team captain; Phil Steelman, supervisory procurement analyst; Andrea Duran and Mark Jones, augmentees from the DCMA Pricing Center; and DCMA Procurement Analysts Donald Payne, Joel Mason and Jeff Mahlmeister work together at a desk to compare findings. CPSR teams like these compile data and review purchasing systems to ensure contractors spend the government's money efficiently. (Photo courtesy of CPSR group)

field. Because these reviews are performed in a contractor's facility, the CPSR team spends about 50 percent of their time on the road. Prior to leaving for a review, the analysts get input from the cognizant Corporate Administrative Contracting Officer, Divisional ACO and ACO, along with DCMA functional experts familiar with or assigned to the contractor — such as quality assurance representatives, industrial specialists, small business specialists. The group's primary customers are the ACOs, who receive the reports and corrective action plans.

The CPSR group coordinates with the

“We ensure contractors are utilizing sound subcontracting practices and reputable suppliers to minimize that risk.”

—E. Jean Labadini, DCMA CPSR Group director

Defense Contract Audit Agency to determine whether any other business system weaknesses appear to be rooted in purchasing. DCAA's input contributes to the analysts' understanding of the

contractor's operations, enabling a more comprehensive assessment of the system.

The analysts test a considerable number of procurement transactions against a wide variety of contractual, regulatory and statutory requirements, and industry best practices. “We fill an important niche, but we also cover contracts worldwide,” Collier said.

Once all of this data is collected, analysts draft a report. The CPSR group has instituted Boards of Review to vet and improve reports before delivering them to the ACOs. “The Board of Review is an internal mechanism where we evaluate

CPSR reports to ensure they are quality products,” said Phillip Steelman, DCMA supervisory procurement analyst.

When not in the field, the analysts write reports, prepare for the next review, review corrective action plans and answer questions from ACOs about past reviews and reports.

“As acquisition has changed, CPSRs are our chance to help ACOs and provide them with enough information to make decisions,” Collier said.

“ACOs have so many different responsibilities. As subject matter experts, we can be a great resource to them in navigating the CPSR process,” said Jessica Kidd, a DCMA procurement analyst. The reports Kidd and other CPSR team members produce support the ACOs and provide insightful data that the ACOs have no other means of acquiring.

DCMA uses CPSRs to identify strengths and weaknesses in purchasing systems; unhealthy systems are generally disapproved, while healthy systems can be approved even where opportunities for improvement exist. “We’re not just looking for problems; we’re trying to find the

**“The Board of Review is an internal mechanism where we evaluate CPSR reports to ensure they are quality products.”
Phillip Steelman, DCMA supervisory procurement analyst.”**

—Phillip Steelman, DCMA supervisory procurement analyst

underlying causes and describe the entire system,” Kidd said.

To help tackle quality and insight initiatives, DCMA is growing the CPSR group by adding new resources. The CPSR Group is comprised of contract administrators in the 1102 series and, like many organizations within DCMA, a drawdown in staff over time has had its effects. “We learned some hard lessons from that drawdown,” Labadini said. “We now know the tremendous value the 1102s bring to the Department of Defense.”

For Fiscal Year 2012, CPSR has been authorized to grow to 45 positions

within this specialty. In addition, when needed, their teams are augmented with representatives from the Pricing Center.

Labadini is also instituting changes to make the reviews more informative and thorough, such as the implementation of the Board of Review. The CPSR group has also shifted to standardized practices. She also highlighted “back to basics” training to add quality and depth to reviews.

“There have been a lot of changes recently, and ACOs seem surprised with the thorough recommendations we provide,” Kidd continued. “Because we have more resources now than we once did, we are better able to get statistically valid samples and ask the right questions.”

This more detailed analysis allows DCMA to get a more complete picture of the risks involved with a given system. “CPSRs are a 360-degree effort. What we’re looking at is how the contractor manages its procurement processes,” Steelman said. “It’s important we execute our processes to evaluate any risks to the efforts for which we rely on the contractor.”

Acquisition regulations are constantly changing, and the CPSR Group needs to

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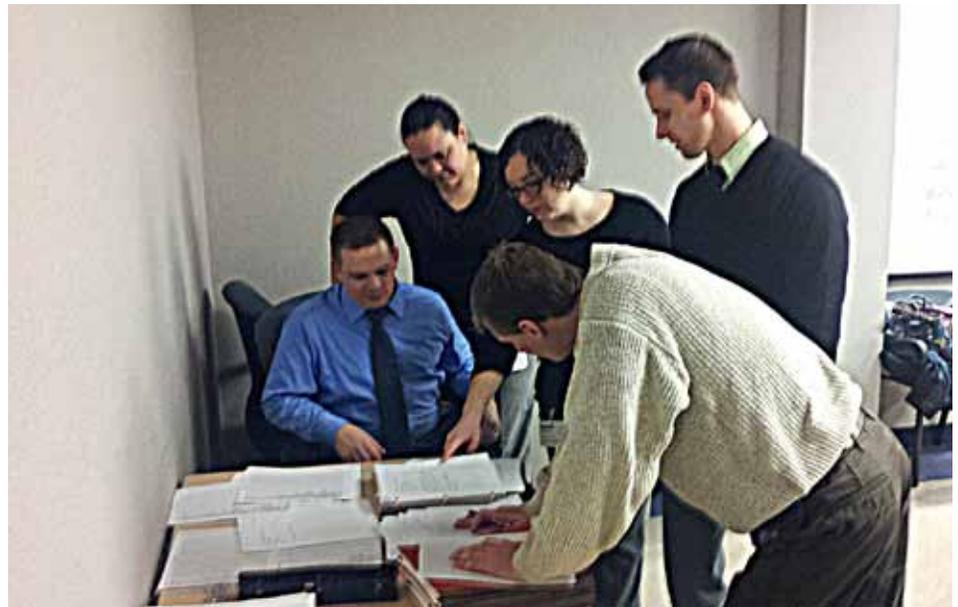
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be aware of any impact on procurement processes or subcontracting requirements. For example, updates to the Defense Acquisition Regulations System in 2011 significantly altered what an ACO should do if business systems are considered deficient. “The overall health of a procurement system deeply impacts a contractor’s ability to deliver the right product at the right cost to DoD,” Kidd said. “If we don’t look at these things, no one will.”

“Our work is very challenging, and my team truly exemplifies the definition of road warriors; we’re fighting the fight for continuous process improvement,” Labadini said, praising her team. “Buying efficiently gets warfighters good, quality products on-time and saves money that can be used for future government purchases.” The CPSRs ensure contractors continue to buy efficiently and highlight systems that are failing to properly safeguard government dollars.

“These reviews help the warfighter, taxpayer and government. They contribute to controlling and curbing waste, fraud and abuse and make sure that contractors are accountable and held to the same



Members of the Contractor Purchasing System Review team examine paperwork and confer together at Raytheon IDS in Andover, Mass. The CPSR team is often on the road and on contractor sites to analyze and gather data about purchase systems. This information is taken back to DCMA and filed into reports for administrative contracting officers within DCMA. In the foreground is Carter Ruth, Defense Contract Management Agency procurement analyst. Behind him, from left: Chris Spaeth, DCMA procurement analyst; Judy Collier, DCMA supervisory procurement analyst; Jessica Kidd, DCMA procurement analyst; and Jeff Mahlmeister, DCMA procurement analyst. (Photo courtesy of CPSR team)

standard as the government,” Collier said. By constantly improving the review process, DCMA furthers its commitment to proper stewardship of those dollars

to best meet its responsibilities to the taxpayer, warfighter and DoD. 



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DCMA

Defense Contract Management Agency
3901 A Avenue Building 10500, Fort Lee, VA 23801

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