



DEPARTMENT OF DEFENSE
Defense Contract Management Agency

INSTRUCTION

Industry Management Councils (IMC)

Portfolio Management and Integration Directorate
OPR: DCMA-PI

DCMA-INST 403
August 14, 2012

1. PURPOSE. This Instruction:

- a. Cancels the “Management Councils” Guidebook, (Reference (a)).
- b. Establishes the Policy and assigns associated membership, functions, and administrative support responsibilities for developing and maintaining effective and efficient management councils.
- c. Is established in accordance with DoD Directive (DoDD) 5105.64 (Reference (b)).

2. APPLICABILITY. This Instruction applies to all DCMA activities.

3. MANAGERS’ INTERNAL CONTROL PROGRAM. This instruction contains managers’ internal control provisions that are subject to evaluation and testing as required in (Reference (c)). The process flowchart is located at Appendix A.

4. RELEASABILITY – UNLIMITED. This instruction is approved for public release.

5. PLAS CODE. 004 Customer Outreach

6. RESOURCE PAGE. <https://home.dcma.mil/policy/403r/index.cfm>

7. EFFECTIVE DATE. By order of the Director, DCMA, this Instruction is effective immediately.

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REFERENCES

- (a) DCMA Guidebook, "Management Councils" (hereby canceled)
- (b) DoDD 5105.64, "Defense Contract Management Agency," September 27, 2000
- (c) DCMA Instruction, "Managers' Internal Control Program," September 12, 2011
- (d) Federal Acquisition Regulation, Part 42.302, "Contract Administration Office Functions"

CHAPTER 1

POLICY

1.1. PURPOSE.

1.1. A fundamental element of DCMA's mission responsibilities is to regularly interface with industry in the conduct of providing contract administration services on behalf of DoD procurement activities. Engagements with Defense Industry range from tactical daily interaction in the administration of individual contracts to strategic involvement in a variety of industry initiatives and business processes (i.e., National Defense Industry Association).

1.2. Industry Management Councils (IMC) are used by the Agency to formally partner with individual DoD contractors to share ideas; identify systemic acquisition issues and possible solutions; strengthen customer interaction and satisfaction; and collaborate in the implementation of changes to the acquisition process impacting both the Agency and the Corporation. The ultimate goal of IMCs is to accelerate improvements in defense acquisition processes benefitting both industry and DoD.

1.3. This Instruction establishes DCMA IMC policy in support of the Agency's mission responsibilities FAR 42.302, "Contract Administration Office Functions," (Reference (d)), and (Reference (b)). It addresses the Agency's approach to establish and efficiently operate DCMA management councils.

1.2. ORGANIZATION FRAMEWORK. The structure of management councils vary contingent on the level of Agency engagement with industry, from strategic to tactical:

1.2.1. At the strategic level, DCMA utilizes a Corporate Management Council (CMC) construct for its largest DoD Contractors to address acquisition-related issues to the benefit of both Government and the selected contractor. It covers all Services/Customer bases and addresses issues that are Corporate-wide, not program specific.

1.2.2. CMCs are organized in a three-tier construct: Corporate, Business Sector, and Contract Management Office (CMO) Resident Command (See Figure 1, Management Council Matrix). CMC Executives (both DCMA and company) may decide to establish Business Sector Councils to address commodity specific issues. Tactically, CMO Management Councils are required to be established to address site specific issues and ensure alignment with strategic issues.

1.2.3. In those cases where a DCMA Resident CMO command is not aligned to a CMC, the CMO Management Council follows the CMC precepts and will address common DCMA Focus Areas, acquisition-related issues to the benefit of the government and contractor, as well as site specific issues.

1.3. MANAGEMENT COUNCIL MEMBERSHIP.

1.3.1. When CMCs are established, the DCMA Chief Operations Officer (COO), and typically the Contractor's Executive Vice President (VP) for Contracts, for a given corporation, shall co-chair. In addition, the CMC will be composed of Contractor Senior Functional VP, DCMA Executive Directors, and Senior Acquisition Executives or their representatives.

1.3.1.1. CMC Customer Representation. Each Senior Acquisition Executive (SAE) or Senior Executive Service (SES) representative is invited to be a member of the CMC. Besides the SAE or their representative, the SAE/representative may identify one additional participant for each CMC meeting from the military service buying community (e.g., Navy SYSCOM, Air Force/Army Buying Commands, and Program Executive Officers (PEO), as appropriate).

1.3.1.2. General CMC Meeting Participatio. Besides the CMC members, and invited CMC customer representatives, attendance of the CMC will be limited to briefers in support of agenda topics.

1.3.1.3. In cases where Business Sector Management Councils (BSMC) are established within the CMC framework, membership will be determined by the CMC designated leaders for the BSMC. Typical members of the BSMC are identified in Figure 1.

1.3.2. CMO Management Council Membership will be determined by the Resident CMO Commander/Director and the industry partner. Typical members of the BSMC are identified in Figure 1.

1.4. FREQUENCY OF MANAGEMENT COUNCIL MEETINGS.

1.4.1. As a goal, the CMC will meet at least two times each year on dates mutually agreed upon.

1.4.2. BSMC will meet as required.

1.4.3. CMO Management Councils will meet as required, but no less than semi-annually.

Figure 1. Management Council Matrix

	CORPORATE MANAGEMENT COUNCILS (CMC)	BUSINESS SECTOR MANAGEMENT COUNCILS (BSMC)**	CMO MANAGEMENT COUNCILS
Level of Engagement	Strategic	Operational	Tactical
Leadership	- Senior Corp. Leadership - Chief Operations Officer	- Business Level VP - Sector Division Leads *	- On-site Company Leaders - CMO Commander/Director
Membership	- Senior Functional VPs - DCMA Exec Directors - DCMA Sector Div. Directors - SAE (or SAE Rep) ***	- Business Functional Leadership - Operations Functional Leads - PEOs	- Local Leadership - CMO Leadership - Program Managers
Issues	- Strategic Initiatives - Corporate. Processes	- CMC Objectives Alignment - Product Lines - Business Processes	- CMC Objectives Alignment - Programs - Sites
Frequency	Two/Three per year	As Required	Semi-Annually at a minimum

Note: * CMO Commander/Director should lead the BSMC only if the company's business sector is co-located with CMO Resident Command (e.g., DCMA Lockheed Fort Worth)

Note: ** Joint Management Councils (JMCs) are customer engagements between service acquisition buying commands and a specific company. JMCs are primarily programmatic in nature, designed to address issues of a specific buying activity. JMCs are customer driven engagements supported by DCMA Operational Sector Divisions on a case by case basis. JMCs are **NOT** part of the CMC construct.

In some cases, there may be instances where DCMA and a buying command jointly lead a forum with a specific CMC corporation. In those instances, the engagement may be categorized at the BSMC level at the discretion of the DCMA COO or designee.

Note: *** At the discretion of the SAE, one additional participant from a Service Buying Command may be invited to attend a CMC meeting.

CHAPTER 2

ROLES AND RESPONSIBILITIES

2.1. MANAGEMENT COUNCIL CHARTERS.

2.1.1. All management councils shall have a charter to clearly state roles and responsibilities that is signed by both parties.

2.1.2. Each Charter shall:

2.1.2.1. Identify goals/objectives, membership, meeting schedules, member responsibilities, and record keeping. (A standard template for Charter is provided to assist the establishment of a Management Council Charter and can be found on the Resource Page under the Tools and Additional Guidance Section).

2.1.2.2. Set forth procedures for documenting decisions and assignment of action items.

2.2. DCMA CHIEF OPERATIONS OFFICER (COO). The COO:

2.2.1. Shall recommend to the DCMA Director when an individual corporation merits CMC establishment.

2.2.2. Serves as the Agency Chairperson for each CMC, with the power of re-delegation to the Deputy COO.

2.2.3. Has signatory authority for CMC charters.

2.2.4. Advises the DCMA Director on matters of policy relating to the efficient organization and management of CMC s.

2.2.5. Is responsible for overall management of CMC and shall:

2.2.5.1. Designate an Operations Sector Division Director as the CMC Action Officer (AO) to facilitate and act as the point of contact for each CMC.

2.2.5.2. Operate CMC s and work with Agency Executive Directors to identify issues to be worked at CMC.

2.2.5.3. Ensure CMCs are consistent in operation and focus as DCMA engages selected corporations (common administration and DCMA focus areas).

2.2.5.4. Invite International, Special Programs, and other DCMA Executive Directors, and Sector Division Directors to the CMC meeting on a situational and/or as needed basis.

2.3. DCMA EXECUTIVE DIRECTORS.

2.3.1. Portfolio Management & Integration (PM&I), Quality Assurance, Engineering and Analysis, and Contracting Functional Executive Directors are members of each CMC.

2.3.1.1. Executive Director, Portfolio Management & Integration will designate a Service Portfolio Division Director for each CMC to serve as the PM&I-SAE AO to facilitate engagement with SAEs and Service Buying Commands.

2.3.1.2. The PM&I-SAE AO will coordinate with the CMC AO on Strategic Customers' concerns/issues for the upcoming CMC meeting.

2.4. DCMA OPERATIONS SECTOR DIVISION DIRECTORS. The Operations Sector Division Director designated as the CMC AO shall:

2.4.1. If designated by CMC, establish charter for a BSMC that is in line with the guidance provided in paragraph 2.1.

2.4.2. Consider Special Programs staff as CMC participants when the contractor possesses a significant Special Programs workload.

2.4.3. Coordinate and lead BSMC meetings when identified.

2.4.4. Manage the CMC process and provide support to the COO for specific CMC s.

2.4.5. Ensure consistency across CMCs and vertically integrate CMC activities/initiatives by each Business Sector and CMO Management Council.

2.4.6. Ensure PM&I-SAE AO is included in communications with SAEs and ensure Customer Liaison Representatives are included in communications with Service Buying Commands.

2.4.7. Document CMC meeting minutes and action items. (Standard templates for the Minutes and Action Items are provided and can be found on the Resource Page under the Tools and Additional Guidance Section to help prepare minutes of each meeting and manage action items.)

2.4.8. Maintain official CMC records in the DCMA Operations Directorate eCommunity (i.e., Portal or SharePoint).

2.5. RESIDENT CMO COMMANDERS/DIRECTORS. Resident CMO Commanders/Directors shall:

2.5.1. Establish a CMO Management Council Charter that is in line with the guidance provided in paragraph 2.1.

2.5.2. Hold CMO Management Councils on a regular basis as determined necessary, but no less than two times per year to work site specific issues as well as supporting the goals/objectives of the CMC, and BSMC (if applicable) or DCMA focus areas if the Agency has not established a CMC at the strategic level.

2.5.3. Post action items, minutes, briefings and all related documents from the CMO Management Council meetings to DCMA Operations Directorate eCommunity (i.e., Portal or SharePoint) for historical and sharing purposes.

2.5.4. In those cases where resident CMOs are aligned to a specific Business Sector, the resident CMO Commander/Director may represent the Agency, rather than an Operations Sector Division Director, at the discretion of the COO (see Figure 1 note).

CHAPTER 3

PROCEDURES

3.1. ESTABLISHMENT OF MANAGEMENT COUNCILS.

3.1.1. COO shall identify and recommend individual corporations to the DCMA Director for CMC establishment and assign an Operations Sector Division Director as the CMC AO to coordinate and facilitate the CMC.

3.1.2. Each CMC will determine if BSMC will be established.

3.3.3. CMO Commander/Director shall establish a CMO Management Council for all residency commands, primary and streamlined, regardless whether the COO has established a CMC with the company.

3.2. COORDINATION OF THE INITIAL CMC MEETING. The AO shall:

3.2.1. Arrange initial meeting with the company's representatives, typically the Executive VP for Contracts with a letter from Director/COO to appropriate Company official.

3.2.2. Attend the meeting with COO and the company's executives to discuss the establishment of a CMC and agree on the following:

- Objectives – focus areas of both DCMA and the company
- Draft charter
- Attendees [Note: SAE representatives do not attend first CMC]
- Agenda for first meeting
- Date and location of first meeting

3.2.3. Coordinate the first CMC meeting with the guidance provided in paragraph 3.5.

3.3. COORDINATION OF CMC MEETINGS.

3.3.1. For the preparation of each CMC, the AO shall:

3.3.1.1. Collaborate with company's representatives to arrange appropriate administrative matters for the CMC

3.3.1.2. If applicable, collaborate with DCMA Executive Directors and the company's representatives on briefings and action items from last meeting.

3.3.1.3. Ensure a meeting notice is sent to inform meeting participants with the date and location of the meeting, specific data requirements, and any other action requirements.

3.3.1.4. Coordinate with PM&I-SAE AO on new strategic customer concerns/issues to be included on the agenda.

3.3.1.5. Brief COO on final preparation and finalize agenda, briefings, and all documents required prior to the CMC meeting.

3.3.1.6. Pursue strategic alternatives to Government travel in support of CMC s whenever practicable to ensure efficient Government travel spending. These alternatives include local or technological alternatives such as teleconferencing and video conferencing, as well as, efficient scheduling methods to minimize lodging and per diem expenses.

3.3.2. During the CMC meeting, the AO, in collaboration with company officials, shall:

3.3.2.1. Facilitate the meeting.

3.3.2.2. If this is the first engagement meeting, ensure charter is reviewed and signed.

3.3.2.3. Ensure action items and meeting minutes are taken.

3.3.2.4. Coordinate and agree on the date, location, and participants for the next IMC meeting.

3.3.2.5. Brief all vertical integration activities with CMO and BSMC councils and provide an executive summary of initiatives and results from those efforts.

3.3.3. For post CMC engagement meetings, the AO, in collaboration with company officials, will:

3.3.3.1. Finalize action items and minutes.

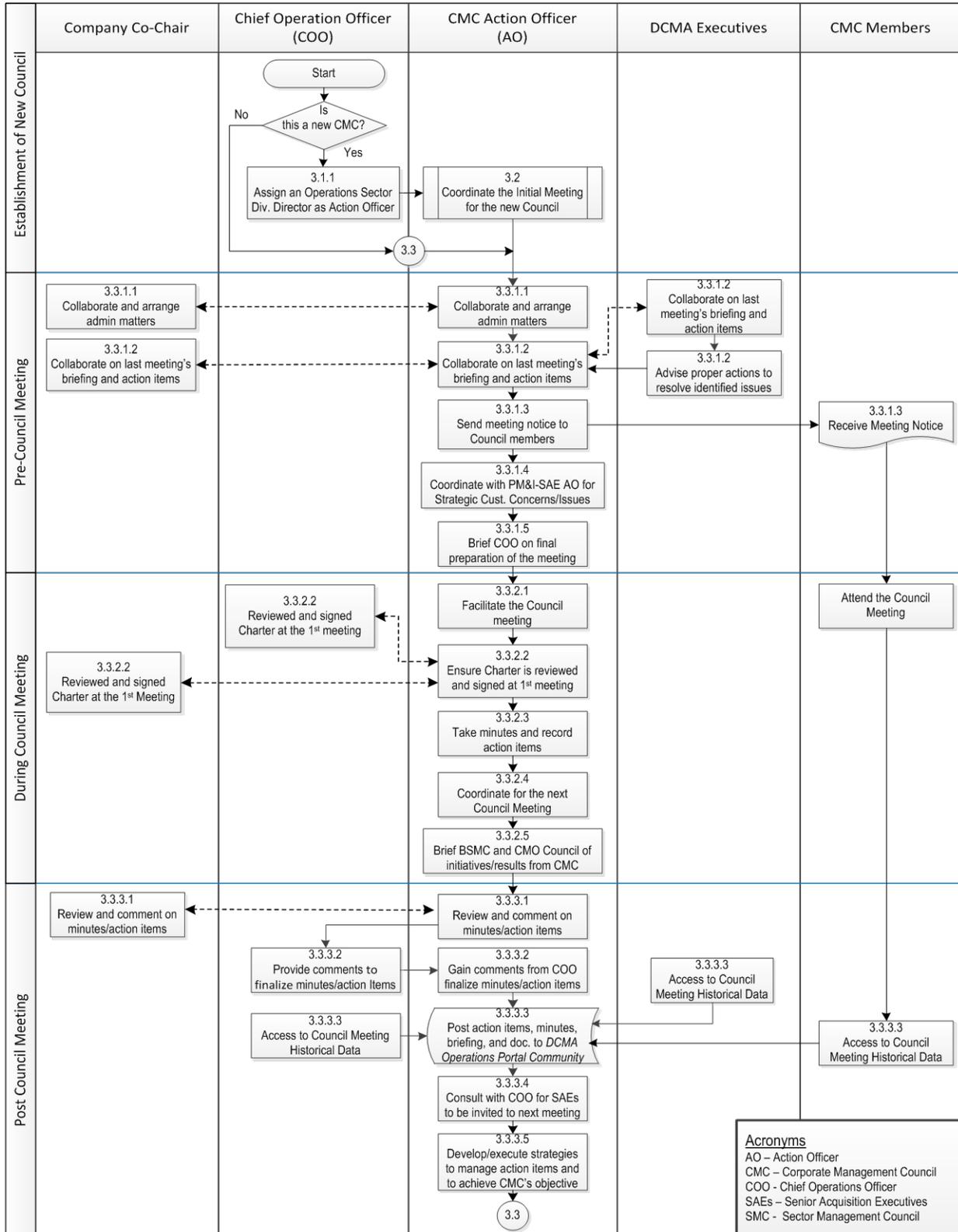
3.3.3.2. Coordinate final comments with COO.

3.3.3.3. Post action items, minutes, briefings and all related documents for the meeting to DCMA Operations Directorate eCommunity (i.e., Portal or SharePoint) for historical and sharing purposes.

3.3.3.4. Consult with COO for the listing of SAE representatives to be invited for the next CMC meeting.

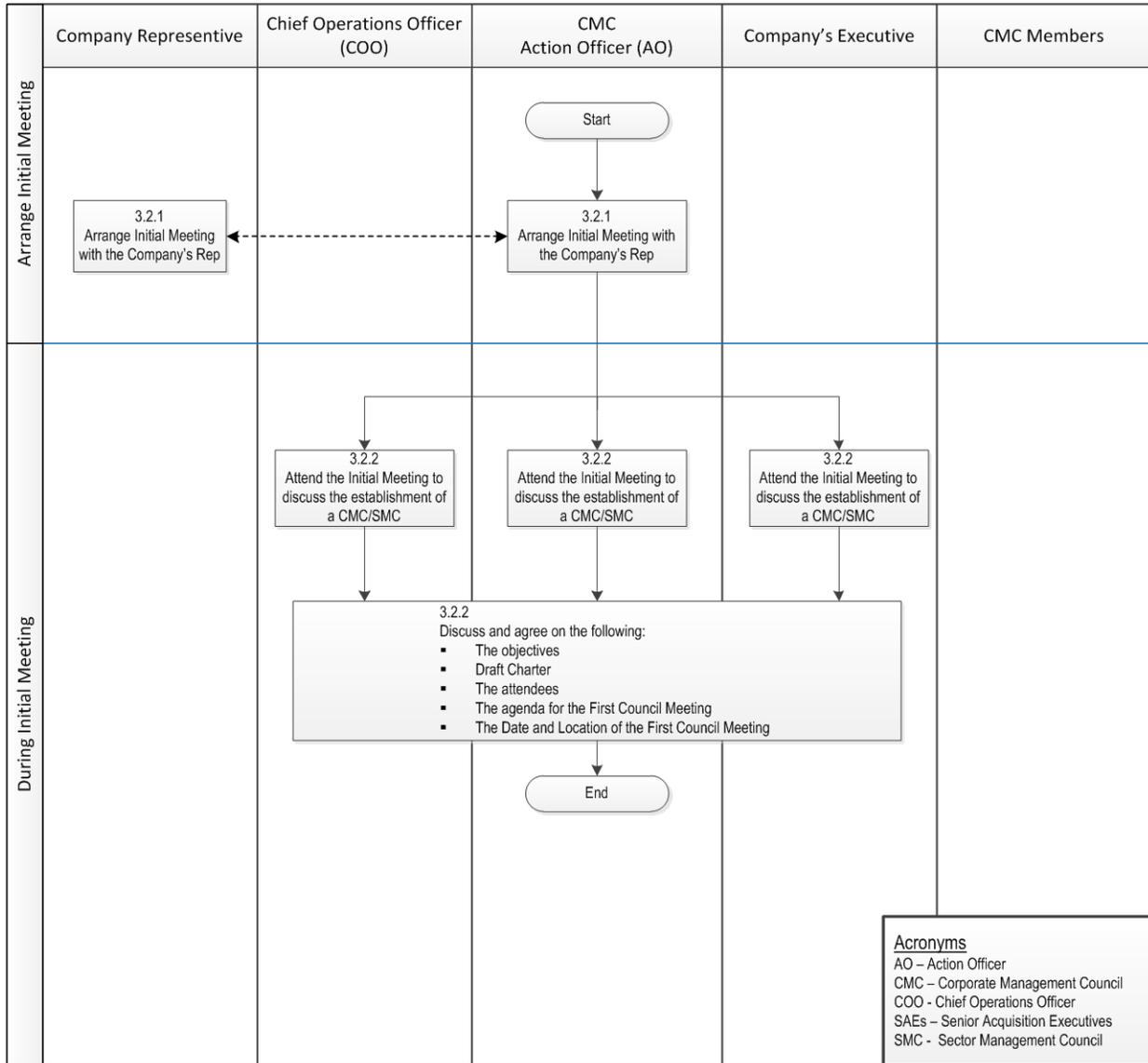
3.3.3.6. Manage action item process to facilitate development and execution of strategies to achieve CMC objectives.

APPENDIX A
CMCs Cross-Functional Process Flowchart
Main Process Flow



**CMCs Cross-Functional Process Flowchart
Sub-Process Flow (3.2)**

Coordination of the Initial Corporate Management Council Meeting



GLOSSARY

ACRONYMS

AO	Action Officer
BSMC	Business Sector Management Council
CMC	Corporate Management Council
CMO	Contract Management Office
COO	Chief Operations Officer
DoDD	DoD Directive
IMC	Industry Management Council
JMC	Joint Management Council
PEO	Program Executive Officer
PLAS	Performance Labor Account System
PM&I	Portfolio Management and Integration
SAE	Senior Acquisition Executive
SES	Senior Executive Service
VP	Vice President