

Operational Centers: A Union of Function, Commodity and Experience

by Ms. Dianne Ryder, Public Affairs Assistant, DCMA Headquarters

Mr. Dave Ricci, Contract Business Operations director at the Defense Contract Management Agency (DCMA), is leading the establishment of the Agency's new operational centers. Mr. Ricci began his involvement in the operational centers in August 2004, with the formation of an Integrated Product Team (IPT).



Q: Can you provide a brief description of DCMA's new operational centers?

DR: The short answer is: an organization within DCMA established to provide a specific product or service.

In August 2004, the [DCMA] director [Air Force Maj. Gen. Darryl A. Scott] ordered the establishment of an IPT to evaluate the "Operational Performance Centers of Excellence" concept — defined as consolidated DCMA entities responsible for well-defined support or transaction-based activities. This was one of several different realignment concepts discussed by DCMA Senior Leaders. The "commodity CMO" [contract management office] concept that has led to the larger realignment of the East and West Districts into four product-centered divisions was one of the other ideas. The IPT was chartered to focus on ways to optimize DCMA's impact on customer outcomes. The IPT was led by me and Navy Capt. Russell Pendergrass, DCMA Denver

commander, and was comprised principally of CMO commanders and deputies. The IPT concluded that the Centers could generally increase DCMA's effectiveness in impacting customer outcomes through increased skills, surge capability, technical supervision, single focus, responsiveness, one face to customer and consistency. The IPT recommendations were accepted in December 2004.

Q: What are the names of these Centers?

DR: In August 2005, six Operational Centers were established covering the functions of Plant Clearance, Contract Safety, Terminations, Transportation, Small Business and Contractor Purchasing System Reviews. A seventh Center will be established in December 2005 for Financial Analysis. In total, these Centers will contain almost 400 employees.

Q: Where are the Centers located?

DR: The Centers are actually virtual organizations, meaning that the employees are dispersed throughout the Agency's locations. The operating-level employees were transferred from the CMOs to the Centers but remain duty stationed at their former offices — not a single person will be required to relocate.

If you want to say the Center is located where the Center director resides, that's okay, but it doesn't really reflect the reality that the work is performed throughout the Agency. For most of the Centers, there is maximum flexibility

(Above) Mr. Dave Ricci, DCMA director of Contract Business Operations, has overseen the establishment of the Agency's new operational centers. (DCMA staff photo)

as to the duty station for the Center director, supervisors and employees. This allows for the best candidates to be selected for those positions rather than the best who are willing to move to a certain location. This tenet of the Center approach is considered highly beneficial for both the employees and the Agency as a whole.

Efficiency improvements were considered, of course, but were not the driving force behind the creation of the Centers. I think that by removing geographic boundaries, which will facilitate workload balancing and improve surge capability, and putting in place management teams that really understand the specific functions and responsibilities of the jobs, some manpower savings can be achieved. To the extent that occurs, I'd like to see those savings invested in training and other developmental opportunities to further the skills of those in the Centers. This has been the subject of discussions with the Senior Leadership Team during the stand-up of the Centers.

Q: To whom will the Center directors report?

DR: The Center directors will report to DCMA Headquarters, Contract Management Operations Directorate. Originally, some of the Centers were reporting to the East District, some to the West District and others to DCMA Headquarters. Now the organization is more in line with the IPT recommendations.

Q: What feedback have you received from the new Center employees — do they like the arrangement?

DR: The feedback I have received has been extremely positive. The most common thing I hear is that folks are excited about working in an organization dedicated to their function or specialty — and being involved from the onset in shaping the new organization (especially with the flexibility and creativity afforded by performance-based management). I've also heard from other folks who recommend that the functions they perform on a daily basis be made into a Center. If all goes as we hope, ideas

involving candidates for additional Centers may be considered late next spring.

Q: How do you expect to measure the effectiveness of this new concept?

DR: Like every other organization in DCMA, the Centers' performance will be assessed in terms of their impact on customer outcomes. One of the new Center directors' first and most important tasks will be to ascertain those outcomes and develop strategies (accompanied by organizational-level standards and metrics) to focus their activities on those outcomes. Like the CMO commanders, each Center director will deliver a "Command Operations Brief" to the [Agency] director and Senior Leadership Team. That said, the expectation is that the measures of "effectiveness" will vary among the Centers and be very specifically tied to the mission of the particular Center. The Plant Clearance Center, for example, may perhaps measure itself in terms of the dollar amount of government property reutilized and the timeliness of issuance of disposition instructions. The Terminations Center may decide that an appropriate measure is early communication with the Buying Office on excess funds available for de-obligation. The key point is that we will be looking for quantifiable and substantial improvement in operational performance as measured through the eyes of the Centers' customers.

As of December 2005, DCMA will have seven Operational Centers staffed by nearly 400 employees:

- Plant Clearance Center
- Small Business Center
- Contract Safety Center
- Contractor Purchasing System Reviews Center
- Terminations Center
- Financial Analysis Center
- Transportation Center

By focusing each center on a single commodity, processes will be streamlined, and DCMA will present a more unified face to the customer.