



TOTAL EVM IMPLEMENTATION

RADM BILL JENKINS

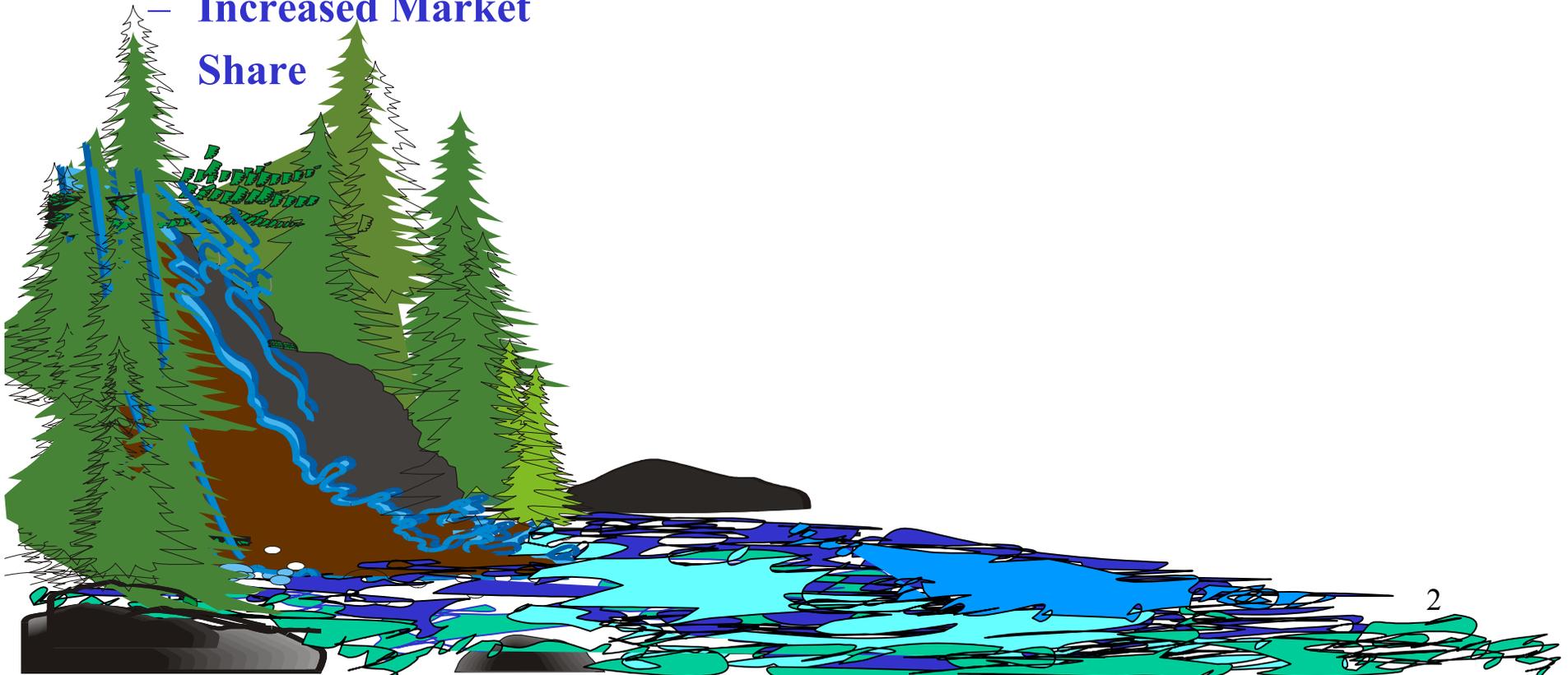
OASN(RDA)(ABM)

PM NARSOC

12 MAY 2000

INDUSTRY MOTIVATORS...

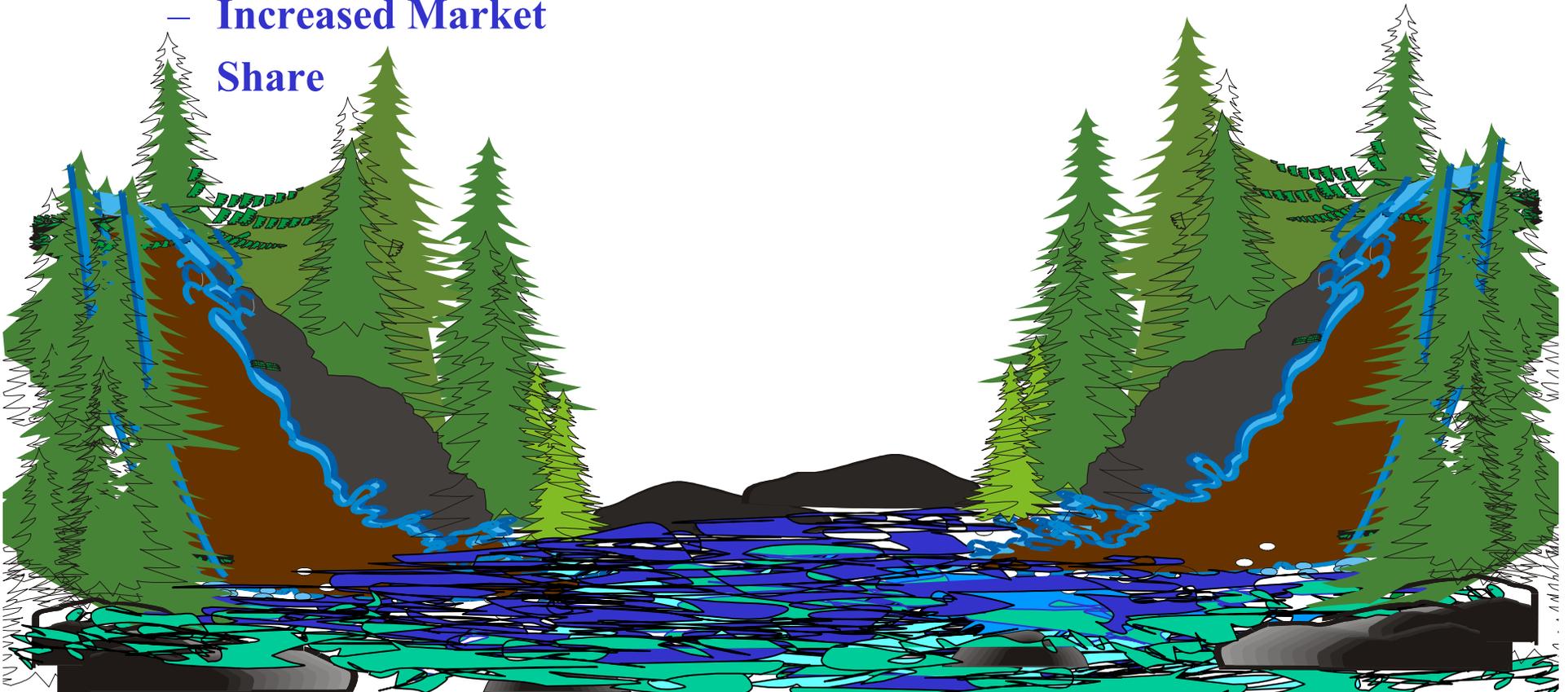
- **Industry's Motivators**
 - Increase Profits
 - Increased Sales
 - Positive Cash Flow
 - Increased Market Share



VERSUS PM'S PRIORITIES

- **Industry's Motivators**
 - Increase Profits
 - Increased Sales
 - Positive Cash Flow
 - Increased Market Share

- **PM's Priorities**
 - Quality Products
 - On-time Delivery
 - On-target Cost



INCENTIVES CAN HELP TO BRIDGE THE GAP

- Industry's Motivators
 - Increase Profits
 - Increased Sales
 - Positive Cash Flow
 - Increased Market Share

- PM's Priorities
 - Quality Products
 - On-time Delivery
 - On-target Cost



WITH THE SUPPORT AND INSIGHT PROVIDED BY EVMS

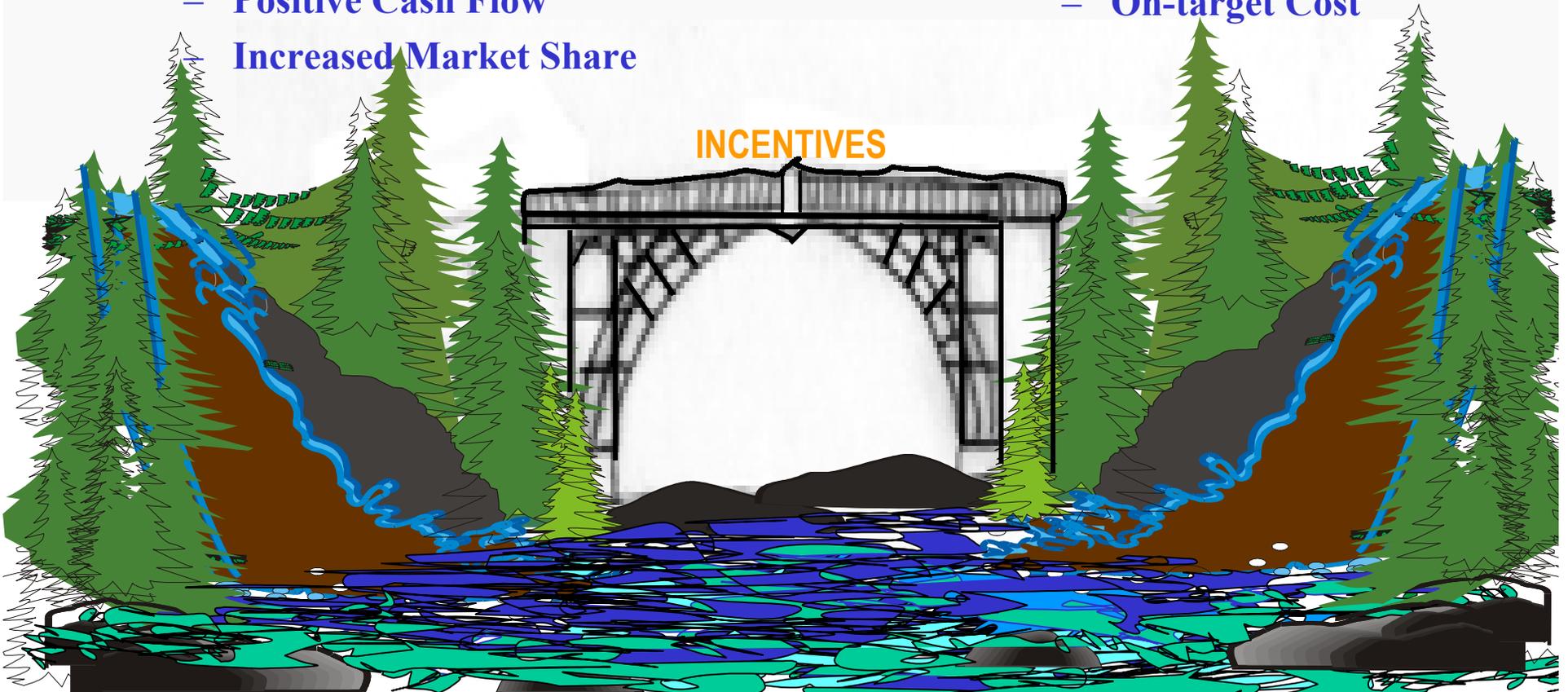
- **Industry's Motivators**

- Increase Profits
- Increased Sales
- Positive Cash Flow
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- **PM's Priorities**

- Quality Products
- On-time Delivery
- On-target Cost

INCENTIVES





WHAT'S REQUIRED?

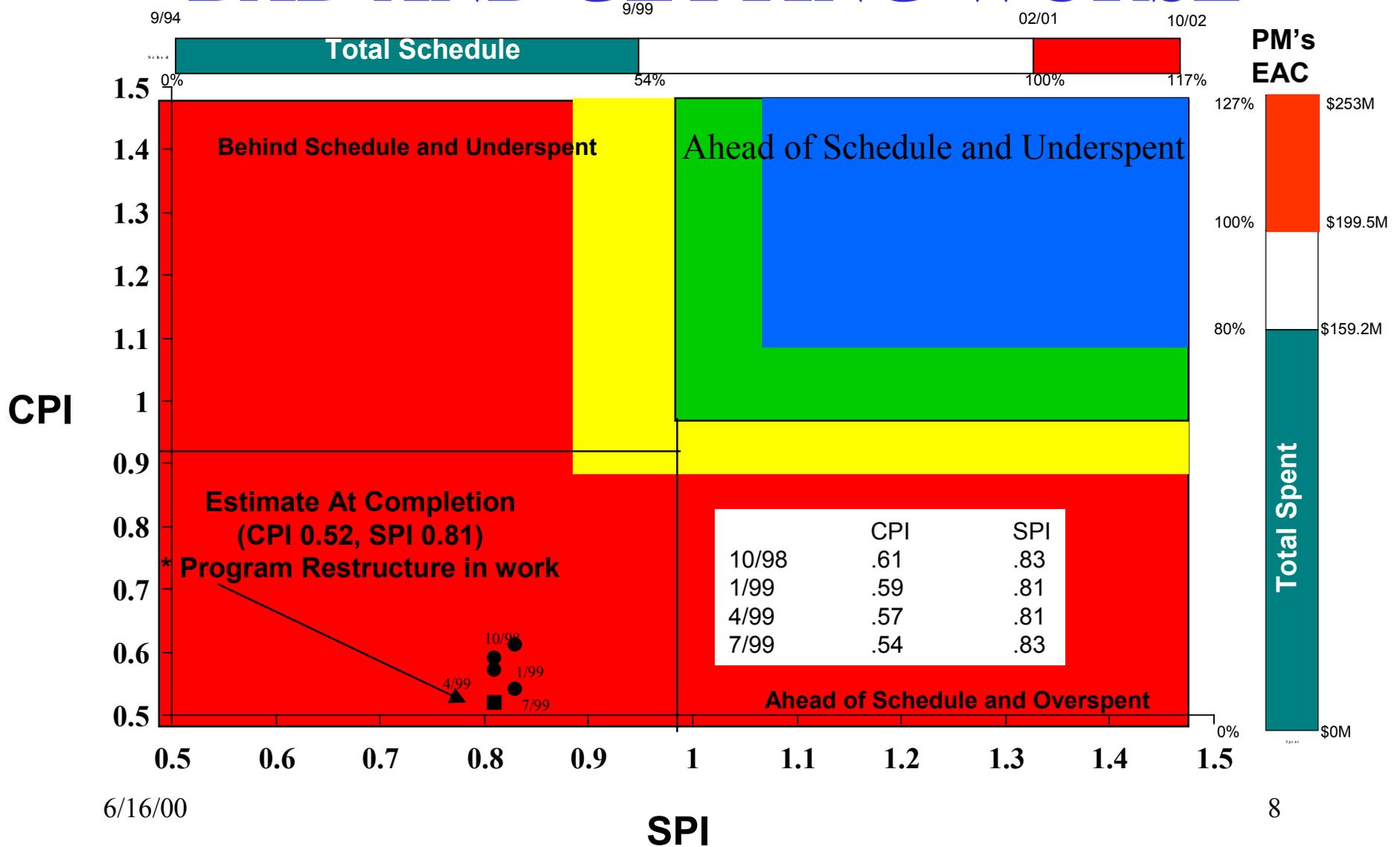
- Good partnering between PM/PCO/ACO team and Contractor staffs, to include cognizant cost departments
- Solid, up front Acquisition Planning
- Carefully crafted incentive arrangements to properly motivate contractor performance
- Effective monitoring with EVMS



CONTRACTORS' ROLE

- **Need for current, accurate and complete cost and schedule data.**
- **Accurate Estimates To Complete.**
- **Full disclosure on pending accounting system changes**
- **Involvement of contractor management.**
- **Issue is to be addressed at future Corporate Council meetings.**
- **Need for Contractors to work with us on this...**

WHEN IT DOESN'T WORK... BAD AND GETTING WORSE





A SEA STORY

The A-12



wINSIGHT VIDEO

- Recommended by DCMA as their primary Earned Value analysis tool
- Flexible and easy to use to locate problem areas, analyze data, and update Estimate at Completion (EAC).
- [Roll Video.](#)



EVM

POINTS OF CONTACT

- **DCMC, HQ EVM Executive Agent**
 - **Bill Gibson, EVM Process Owner**
- **DSMC**
 - **Lt. COL Dave Melton (EVM Department chair)**
- **OASN(RDA), ABM**
 - **Charles Sell**
- **OASN(RDA), ARO**
 - **Michael Skratulia**
- **NAVSEA**
 - **Larry Kamitis, NAVSEA 017**
- **NAVAIR**
 - **Ted Rogers, NAVAIR 4.2**
- **SPAWAR**

6/16/00 **Mourad Yacoub, SPAWAR 016**



EVM WEBSITES

www.acq.osd.mil/pm

www.dsmc.dsm.mil/courses/crslist.htm

www.ar.navy.mil



EVMS DATA USED IN PERFORMANCE ASSESSMENTS

- PM's Quarterly Contractor Performance Assessment
- SAE's Semi-annual Program Review
- OSD's Annual Contractor Assessment
- Award Fee Determinations
- CPARS

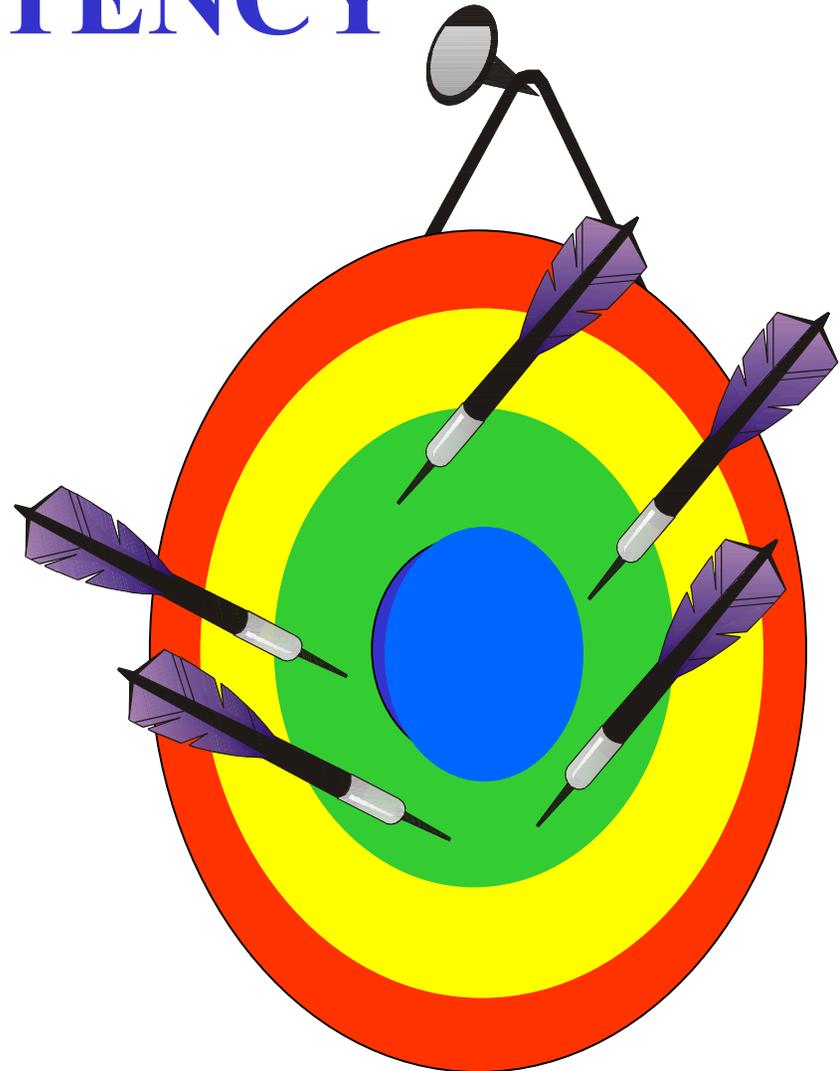


WHILE THERE ARE DIFFERENCES AMONG THE ASSESSMENTS...

- Different ratings - Four color codes versus Five
- Different criterion - Simple Cost/Schedule versus complex
- Different weightings - All equal versus heavy weighting to some

A NEED FOR CONSISTENCY

- **PM Assessment - Green**
- **SAE Assessment - Green**
- **OSD Assessment - Green**
- **Award Fee Payment - Yes**
- **CPARS - Green**





OSD CONCERN WITH AWARD FEE PAY-OUTS

- Issue Raised at the 5 Jun 99 Sat Morning Contractor Assessment of Lockheed Martin.
- Concern With Large Number of ACAT I/II Programs Rated Red in Performance Assessments.
- OSD Notes General Disconnect Between Performance Ratings and Award Fee Pay-outs.



RELATED MEMOS

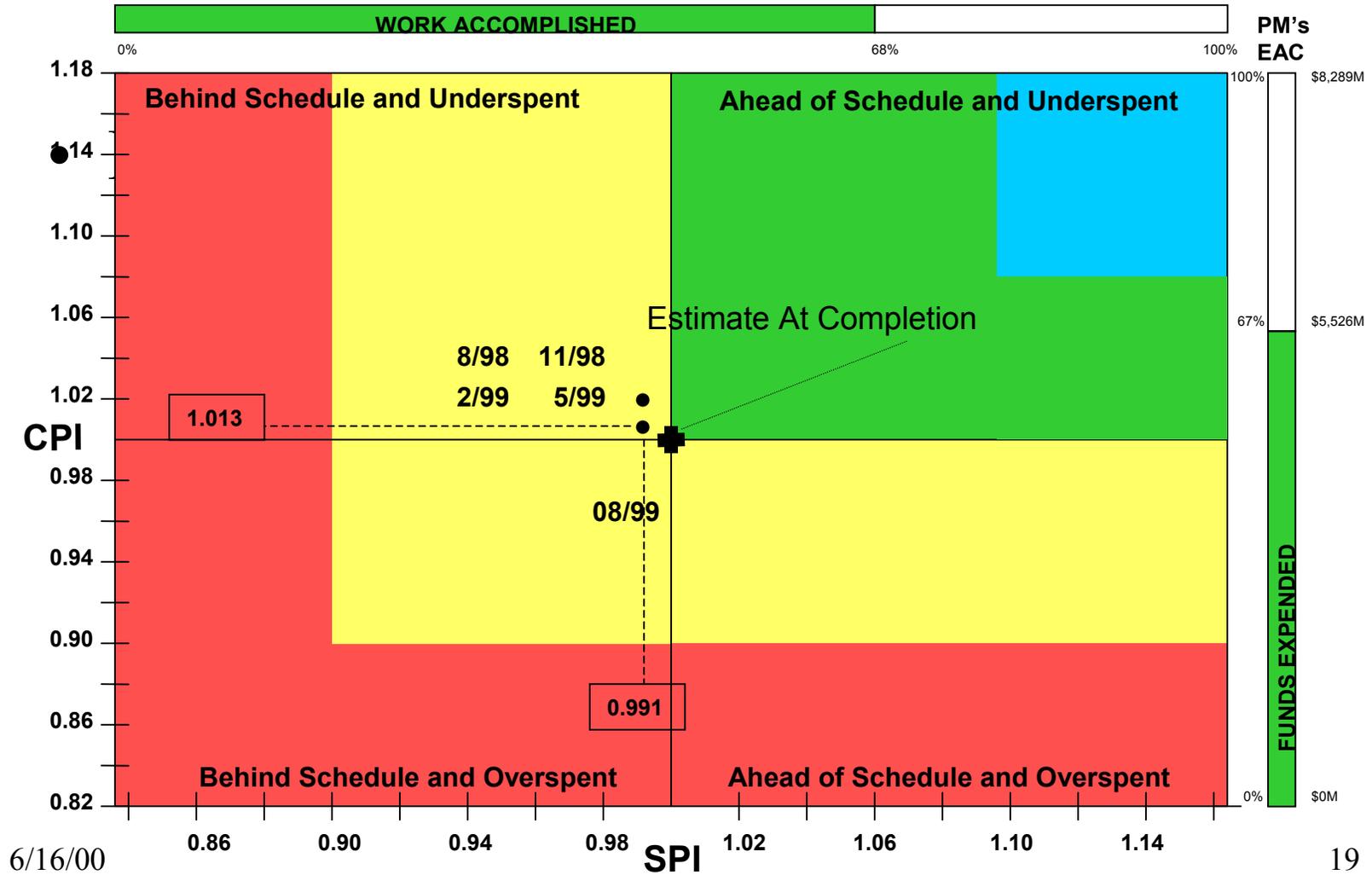
- **Gansler Memo of 27 Feb 99 - “...award fees...are not consistent with poor contract performance. ...should be assessed during contract performance.**
- **Buchanan Memo of 20 APR 99 “...review award fees...to see if they are consistent with desired outcomes”.**
- **Oliver Memo of 19 April 99 “...the aggregation of quarterly assessments should be considered in establishing award fees.”**
- **Buchanan memo of 23 Jul 99, “...provide award fees indicative of contractor performance.... ...will review all award fee determinations for programs in the Red quadrant.”**



NOW FOR A GOOD EXAMPLE

- F/A-18 E/F
 - Close NAVAIR Team partnership with the contractor
 - Did their homework with Acquisition Planning
 - Crafted carefully thought-out incentive package that is clearly effective
 - Monitoring of contractor performance closely

F/A-18 E/F





CLOSING THOUGHTS - SOME FINAL SEA STORIES

- The good ship “Rizal”
- MH-53E