

DCMA

Defense Contract Management Agency

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Delivering End-to-End Supply Chain Excellence

-The DCMA Perspective-

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Director, Operations and
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DCMA Mission



We provide Contract Administration Services to the Department of Defense Acquisition Enterprise and its partners to ensure delivery of quality products and services to the warfighter; on time and on cost

DCMA MISSION

Acquisition Enterprise



ACQUISITION ENTERPRISE

Strategic End State: Ensure our Acquisition Customers receive excellent Contract Administrative Services and the management information to make sound business decisions

- **Engage with Acquisition System customers to capture their requirements and leverage business intelligence across the Department, Military Services and the Defense Industrial Base**
- **Leverage DCMA's product-focused organizations to better support our customers**
- **Continue to improve Customer-Satisfaction Levels**

Agency Strategic Priority: Deliver predictive/decision quality information to the Acquisition Enterprise through robust industrial and supply chain analysis and by exploiting DCMA specialized expertise in: Earned Value Management, the Defense Industrial Base and financial analysis

DCMA Management Framework



ACQUISITION ENTERPRISE

HUMAN CAPITAL

PROCESSES

POLICY

STEWARDSHIP

DCMA MISSION

Today's focus area relative to supply chain support to the Acquisition Enterprise

Acquisition System Customer



Strategic End State:

DCMA's Acquisition Customers receive excellent Contract Administration Services and the management information needed to make sound business decisions.

Agency Strategic Priority:

Deliver timely predictive/decision quality information to buying activities and the Acquisition Enterprise through robust financial, industrial, and supply chain analysis and by exploiting DCMA specialized expertise in earned value management, the defense supplier base, and cost monitoring and containment.

Acquisition System Customer- Strategic Initiatives



Initiative #1: Enhance DCMA's performance as the Department's Executive Agent for Earned Value Management Systems

Initiative #2:

Continue to build the Manufacturing and Supply Chain Management core competency. Refine the process to ensure timely development and collection of predictive measures and metrics that assess and identify supplier and industrial base risks and recommend mitigating actions to alleviate such risks.

Initiative #3:

Ensure timely disposition of issues impacting the allowance of contract costs and notify customers expeditiously of actual and anticipated labor and overhead rate changes.

Acquisition System Customer- Strategic Initiatives



Initiative #4:

Re-energize Acquisition Planning Support Services to foster proactive engagement with customers, promote better acquisition strategies, and fully leverage DCMA insights into contracting best practices and industrial base capabilities.

Initiative #5:

Improve customer satisfaction and develop a methodology to measure customer satisfaction levels more effectively.

Initiative #6:

Execute our expanded mission for Contingency Contracting Administration Services (CCAS) effectively and efficiently.

Acquisition System Customer- Strategic Initiatives



Initiative #7:

Develop a supplier capabilities assessment architecture and operating concept to assemble timely, accurate, and predictive business information and allow visibility into contractor capabilities across the DoD Acquisition Enterprise.

Initiative #8:

Develop and sustain a superior competitive position in providing quality assurance support throughout the acquisition enterprise by providing pre-award system evaluation and enhanced guidance for development of contractual QA provisions.

Processes and Policies



Key focus areas are Quality Assurance, Contracting, Earned Value Management, and Supply Chain Predictability

- **Re-engineer & document critical core processes; standardize through policy and guidance**
- **Establish strong functional leads to focus on the training, development and skills needed for Quality Assurance**
 - **Develop and document work instructions for all core QA Processes**
 - **Define information functional requirements**
 - **Joint QA & IT team map processes**
- **Establish Agency Lean Six Sigma program office to drive and focus agency projects**
 - **Reduce Complexity & documentation where little value can be demonstrated**
- **Re-think PBM: Conduct bottom up review of PBM and associated initiatives**



Quality Assurance

Mission & Vision



- **Mission:**
 - Be the DoD leading Experts in Quality Assurance
- **Vision:**
 - Make Good Enough for Government Work be the New Gold Standard

Strategic Objectives



- **Achieve operational excellence which inspires warfighter confidence in the Quality Assurance services provided by the Agency.**
- **Execute leadership which effectively influences industrial base performance.**
- **Revitalize and transform our workforce and infrastructure to optimize performance.**
- **Develop and sustain a superior competitive position in providing quality assurance support throughout the acquisition system.**

CMO Health Performance Indicators



MEASUREMENT GOAL	WHAT IS BEING MEASURED?	DESCRIPTION OF WHAT IS BEING MEASURED	OUTPUT MEASURE	OUTPUT MEASURE DESCRIPTION	COMMENTS & CLARIFICATIONS	FUNCTION	PERFORMANCE STANDARD
Metric #1 Surveillance Strategies Developed (PA, SOF, CSI, SCIS SCM Plans)	PA functional specialist surveillance strategies - Actual vs required strategies developed (PA, SOF, CSI, SCIS and SCM Plans)	How many of the PA, SOF, CSI, SCIS and SCM strategies are documented in your Facility to influence your customer outcomes? How many strategies did you come up with that you were going to evaluate (product examination, process reviews, system audit etc...) this month?	% of Surveillance Strategies Developed (Actual vs required for each category: PA, SOF, CSI, SCIS and SCM Plans)	Of these required strategies you said you were going to do that month; how many did you complete?	1. Developing Surveillance Strategies is an Agency Policy requirement IAW PA but Policy only identifies these must be developed, does not describe the "how to". 2. CMOs should have in place SOPs to ensure Surveillance Strategies are developed and may include specific formatting requirements. 3. Based on past Resource Reviews, minimal evidence CMOs developing Surveillance	Q, SCM, SCIS, ENG, SW, SCIS	Green: ≥ 95% strategies developed Yellow: > 85-94% strategies developed Red: < 85% strategies developed
Metric #2 PA Base Competencies Training Plan Developed	Establish training plans for base competencies in Product Assurance actual complete vs total required	How many competency plans have been developed that contains the specific competencies Functional Specialist must have based on their job series.	% of PA training plans developed = Actual plans developed / required total plans X 100	Of all the competency plans that are required to be developed, how many are actually developed?	1. The e-IDP requirement will be the product that satisfies this measure. 2. This metric could be deleted once the e-IDP have been populated and approved.	PA, Q	Green: ≥ 90% PA based Trng Plans Complete Yellow: < 90-80% PA based Trng Plans Complete Red: < 80% PA Based Trng Plans Complete
Metric #3 Executing and Adjusting strategies to mitigate identified risk.	% of strategies that show adjustment to identified risk	How many of the strategies during the month do you have identified at that facility	% strategies that should have been adjusted based on risk	How many of the strategies schedule during the month require adjustment based on risk	1. Focus of metric is to have an indication on the number of surveillance strategies that should have been adjusted based on risk. 2. CMOs should have a process in place that describes how they ensure surveillance strategies are adjusted in a timely manner based on shift in surveillance 3. Based on past Resource Reviews, minimal evidence CMOs are adjusting Surveillance Strategies for the ones that do exist.	Q, SCM, SCIS, ENG, SW	Green: ≥ 95% Strategies adj based on risk Yellow: < 95-90% Strategies adj based on risk Red: < 90% Strategies adj based on risk
Metric #5 PQDR CAT I Evaluation	Category I PQDRs Closed	Number of Category I PQDRs that have been closed for the month	% Category I PQDRs closed within time limits per DLAR 4155.24	Based on the total Category I PQDRs, % that have been closed.	1. Metric indicates % of Category I PQDRs that have been closed vs the total number of Category I PQDR based on time limits as identified in DLAR 4155.24	Eng, Q	Green: > 98% closed Yellow: > 90-98 closed Red: < 90% closed"
Metric 6 PQDR CAT II Evaluation	Category II PQDRs Closed	Number of Category II PQDRs that have been closed for the month	% Category II PQDRs closed within time limits per DLAR 4155.24	Based on the total Category II PQDRs, % that have been closed.	1. Metric indicates % of Category II PQDRs that have been closed vs the total number of Category II PQDR based on time limits as identified in DLAR 4155.24	Eng, Q	Green: > 98% closed Yellow: > 90-98 closed Red: < 90% closed"

DRAFT

CMO Health Performance Indicators



DRAFT

MEASUREMENT GOAL	WHAT IS BEING MEASURED?	DESCRIPTION OF WHAT IS BEING MEASURED	OUTPUT MEASURE	OUTPUT MEASURE DESCRIPTION	COMMENTS & CLARIFICATIONS	FUNCTION	PERFORMANCE STANDARD
Metric #7 Contract Reviewed IAW Agency CR&R Policy	Total Contracts (New & Mods) received this month that are Technical Related	How many contracts or Mod's did the CMO received this month that are Technical Related	% of Contracts Reviewed this month that were Technical Related	How many contracts or Mod's did the CMO reviewed this month that were Technical Related	1. This metric focus on technical personnel performing review of the contract 2. CMOs need to have process in place to ensure technical personnel are performing review of the contract 3. Past resource Reviews have indicated technical personnel are not reviewing the contract and some CMOs do not have any mechanism to ensure the contract is being	PI, ENG, Q, SCM, SW	Green: 100% Contracts Reviewed Yellow: 99-95% Contracts Reviewed Red: < 95% Contracts Reviewed
Metric #8 Total SOF Inspections Completed and % Defective SOF Inspections	Total Number of SOF Inspections Completed in the month and, of those completed, the % Defective SOF Inspections	SOF applies to aircraft level contracts that invoke the Ground and Flight Risk clause, DFARS 252.228-7001, and/or the Aircraft Flight Risk clause, DFARS 252.228-7002. Additionally, SOF surveillance may apply in cases where the manufacture of new aircraft sections are enclosed at the manufacturer's facility but installed on the aircraft at another facility and the	# of Defective SOF Inspections / Total SOF Inspections X 100	This the number of SOF product found defective	1. This metric should be self explanatory 2. If CMO does not have SOF requirements, this metric does not apply	Q	Green: 0% SOF Inspection Defects Yellow: 1-5% SOF Inspection Defects Red: > 5% SOF Inspection Defects
Metric #9 Total CSI Inspections Completed and % Defective CSI Inspections	Number of CSI Inspections Completed in the month	Number of CSI Inspections completed this month	# of Defective CSI Inspections	Number of CSI Inspections found defective this month based on the total number of monthly inspections	1. Measure focuses on number of times DCMA has inspected CSI part and has identified defects.	Q	Green: 0% CSI Inspection Defects Yellow: 1-5% CSI Inspection Defects Red: > 5% CSI Inspection Defects
Metric #10 Total DCMA Mandatory Inspections Completed and % Defective Inspections	Number of DCMA Mandatory Inspections Completed in the month	This the number of LOD's inspection performed from our DCMA Customers	# of Defective DCMA Mandatory Inspections Found	Total number of defects found while performing on LOD's workload	1. Does not include QUAL's and Prime contract workload 2. If SOF surveillance required, include SOF requirements and any GAR imposed local inspection points. 3. If no SOF surveillance required, include only GAR imposed local inspection points	Q	Green: 0% DCMA Mand Inspection Defects Yellow: 1-5% DCMA Mand Inspection Defects Red: > 5% DCMA Mand Inspection Defects
Metric #11 Total Customer Mandatory Inspections Completed and % Defective Customer Mandatory Inspections	Number of Customer Mandatory Inspections completed in the month	This the number of mandatory inspections performed from our Service customers	# of Defective Customer Mandatory Inspections	This is the number of defects found while performing QUAL's or prime contracts from our service customers workload	1. Does not include LOD workload 2. Includes only mandatory inspections from Service Customers pections performed from our Service customers only (PCO's, PEO, PoP etc...)	Q	Green: 0% Customer Mand Inspection Defects Yellow: 1-5% Customer Mand Inspection Defects Red: > 5% Customer Mand Inspection Defects
Metric #18 Determine Impact of MRB on CMO	Number of MRB Actions compared with # of Reoccurrences each month	MRB actions and determine if the MRB is repetitive.	Number MRB & Reoccurrence	% of MRB reoccurrence	NONE	Q	Green: 0% MRB Reoccurrence Yellow: 1-3% MRB Reoccurrence Red: < 3% MRB Reoccurrence



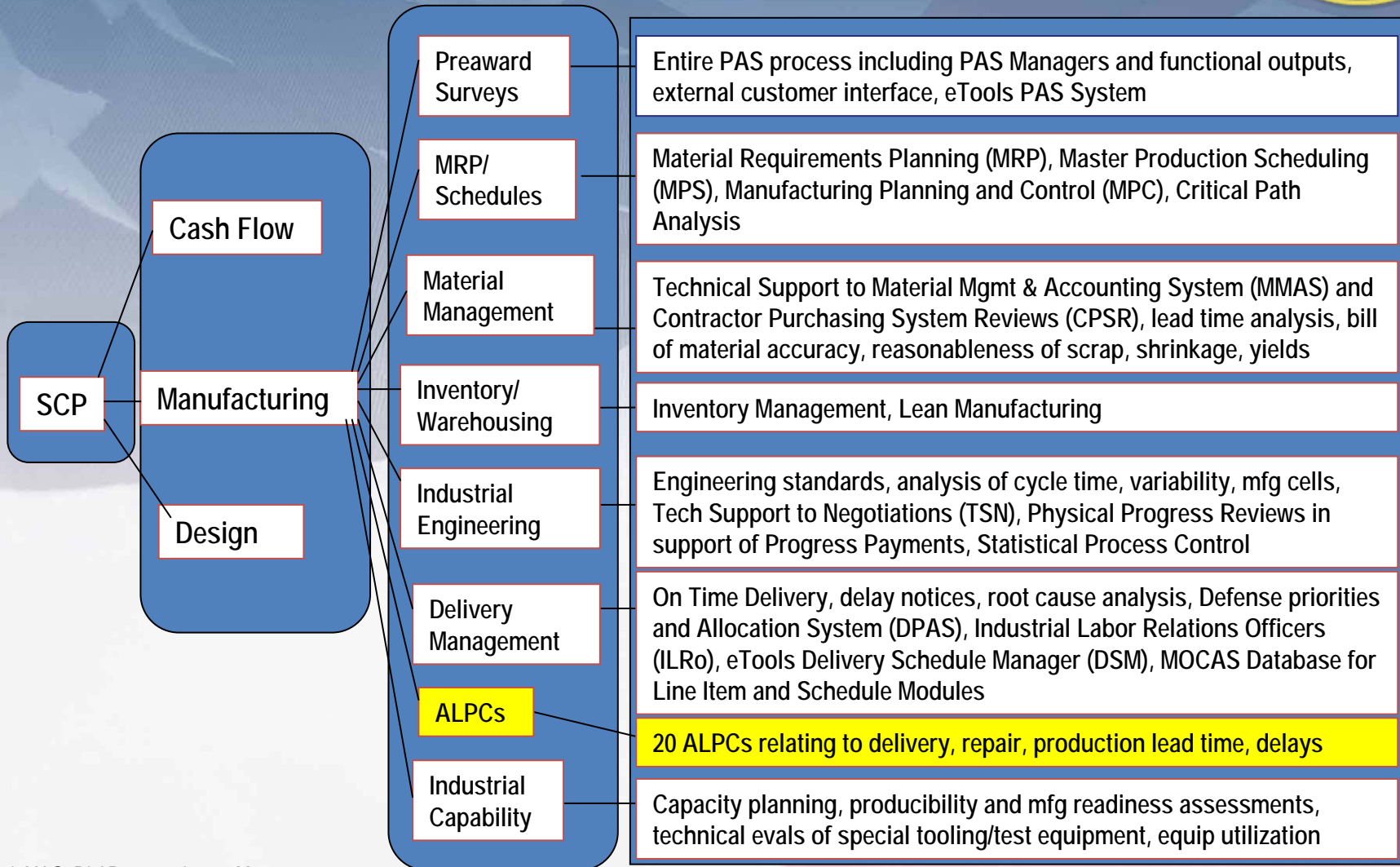
Manufacturing

Manufacturing & Supply Chain Predictability Mission



- **Manufacturing / Production surveillance is a significant part the Agency's on-going mission and the most significant piece of Supply Chain Predictability**
 - *Approx 1000 Industrial Specialists, Industrial Engineers, Supply Chain Integrators, Program Integrators*
- **Supply Chain Predictability is the oversight of materials, information, and finances as they move from supplier to manufacturer to the customer.**
 - *Involves coordinating and integrating these flows both within and among companies with the delivery of product, from raw material to finished product*

DCMA Manufacturing Core Competencies



DCMA Supply Chain Predictability Core Competencies



Supply Chain Predictability Branch

Enterprise Level SCM

Business process integration, value mapping, supplier certification program assessments, supply chain assessments, supply chain responsiveness matrix, sourcing analysis, product viability

Supplier Level SCM

Impacts of engineering design changes, bill of material accuracy, procurement management, manufacturing planning and scheduling, capacity utilization, financial analysis, subcontractor relationships, warehousing and distribution, inventory, lead times, cause and effect, fishbone analysis, process capability

Program Integration

Major Program Support

Performance Integration

Identify metrics and dashboard requirements, identify, communicate, and coordinate requirements with IT

DCMA/DLA Partnership



- **A DCMA/DLA partnership drives “End-to-End Supply Chain Excellence” by:**
 - **Providing on-site engagement with DCMA technical experts on DLA contracts administered by DCMA therefore:**
 - **“Boots on the ground”**
 - **Issue visibility**
 - **Predictive Analysis; drivers identified, Long term fix solutions, root cause analysis, risk mitigation**

Manufacturing IPT



Path forward:

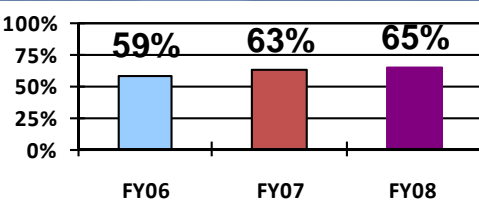
- **Assist in vertical alignment of DLA field level concerns with DLA Enterprise level metrics**
 - DCMA coordinating with DLA “Attainment To Plan” Group, to determine Enterprise Level metrics aligned to DLA concerns
 - DCMA coordinating with DSCR to develop “straw-man” metrics, useful at the Field Activity level

Current Manufacturing Related ALPCs In Update



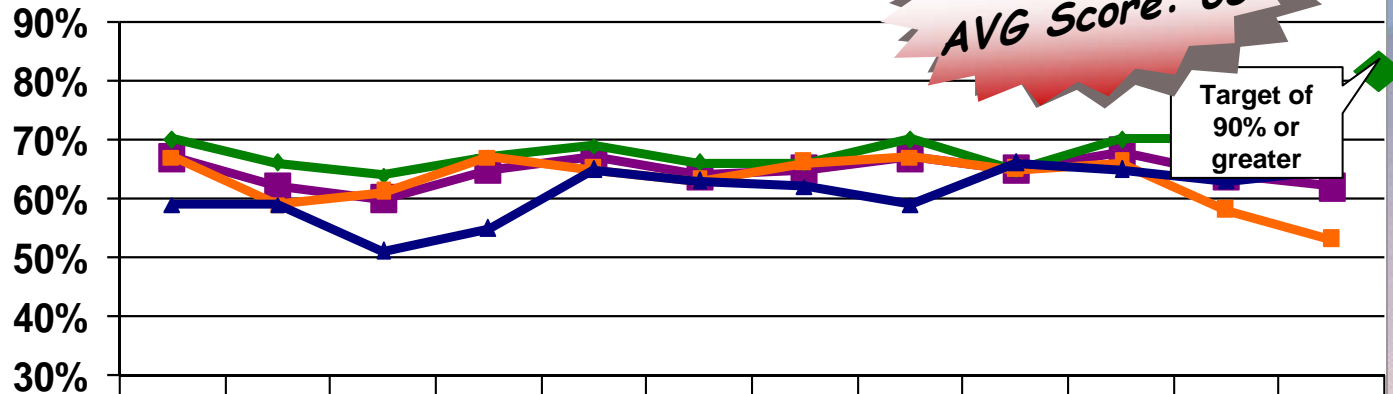
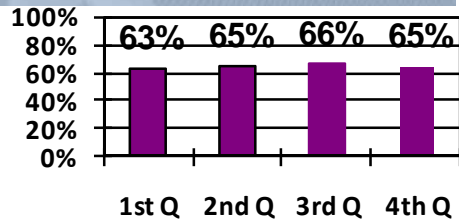
Metric	Customer	Performance Commitment
7	AFMC ALC	Improve delivery rates on SCD A and B contracts by 5%
8	DLA	Achieve actual on-time delivery rates on 90% of SCD A and B contracts
9	NAVICP	Achieve actual on time delivery rates of 80% for SCD A and B contracts.
10	AFMC ALC	Notification of potential delays 15 days prior to occurrence on <u>90% of SCD A</u> and 80% of SCD B contracts
11	AFMC ALC	Notification of potential delays 15 days prior to occurrence on 90% of SCD A and <u>80% of SCD B</u> contracts
12	DLA	Notification of potential delays on SCD A & B contracts 15 days before occurrence on <u>90% of SCD A</u> and B contracts
13	DLA	Notification of potential delays on SCD A & B contracts 15 days before occurrence on 90% of SCD A and <u>B</u> contracts
14	NAVICP	Notification of potential delays on non-PBL SCD A & B contracts 30 days before occurrence on <u>90% of SCD A</u> and 80% of SCD B
15	NAVICP	Notification of potential delays on non-PBL SCD A & B contracts 30 days before occurrence on 90% of SCD A and <u>80% of SCD B</u>
16	AFMC ALC	Improve ship dates on expedite and accelerate requests through CPSS on 50% of requests
17	DLA	Improve ship dates on Accelerate/Expedite, Backorder Items, Crisis, or Readiness-coded CPSS requests on 50% of requests.
18	NAVICP	Improve ship dates on expedite and accelerate requests through CPSS on 50% of requests. (CY06) (Current baseline for NAVICP CPSS requests that were accelerated is 12%.)
19	AFMC ALC	Reduction of in-plant production lead time by 10% at selected Strategic Supplier locations
20	AFMC ALC	Reduction of repair turn-around time by 5% at Strategic Suppliers (related to CAV-FY07)
21	NAVICP	Reduce RTAT by 10% on all repair BOAs (NAVICP Commander's Standing Orders)
23	AFMC ALC	All customer requests responded to within customer requested suspense date
52	AMCOM	Achieve actual on-time delivery rates on 90% of SCD A and B contracts {FY08 interim goal: 80% / FY09 interim goal: 85% / FY10 goal: 90%}
53	AMCOM	Notification of potential delays 30 days prior to occurrence on 90% of SCD A and SCD B contract
54	AMCOM	Improve ship dates on expedite and accelerate requests through DSM on 50% of requests
57	AMCOM	Reduce production cycle time by 5% at selected top suppliers

On Time Delivery Rates



Achieve actual on-time delivery rates on 90% of SCD A and B contracts

FY08 4Q Cumulative AVG Score: 65%



Target of 90% or greater

4Q FY08
DSCC: 68% (20948/30969)
DSCP: 63% (13969/22281)
DSCR: 61% (6992/11493)
DLA: 65% (41909/64743)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
DLA	67%	62%	60%	65%	67%	64%	65%	67%	65%	68%	64%	62%
DSCC	70%	66%	64%	67%	69%	66%	66%	70%	65%	70%	70%	67%
DSCP	67%	59%	61%	67%	65%	63%	66%	67%	65%	66%	58%	53%
DSCR	59%	59%	51%	55%	65%	63%	62%	59%	66%	65%	63%	65%

Deliveries	6134	5491	5381	5227	4917	5240	4801	5070	5240	5513	5758	5971
On-Time	4102	3417	3240	3399	3288	3365	3140	3394	3429	3740	3711	3684

Our Vision



**DoD's leading experts in Quality Assurance;
Cost, Schedule, and Supply Chain Predictability;
and Contract Administration; enabling our
partners to achieve contract objectives**



INTEGRITY

A circular icon with a blue gradient background and a black border. Inside the circle, several puzzle pieces are arranged in a circular pattern, with a bright light source from the bottom creating a glow. The word "INTEGRITY" is written in white, bold, uppercase letters across the center.

SERVICE

A circular icon with a blue gradient background and a black border. Inside the circle, several puzzle pieces are arranged in a circular pattern, with a bright light source from the bottom creating a glow. The word "SERVICE" is written in white, bold, uppercase letters across the center.

EXCELLENCE

A circular icon with a blue gradient background and a black border. Inside the circle, several puzzle pieces are arranged in a circular pattern, with a bright light source from the bottom creating a glow. The word "EXCELLENCE" is written in white, bold, uppercase letters across the center.

Indispensable Partner

