Delivering End-to-End Supply Chain Excellence

-The DCMA Perspective-

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

<table>
<thead>
<tr>
<th>MEASUREMENT GOAL</th>
<th>WHAT IS BEING MEASURED?</th>
<th>DESCRIPTION OF WHAT IS BEING MEASURED</th>
<th>OUTPUT MEASURE</th>
<th>OUTPUT MEASURE DESCRIPTION</th>
<th>COMMENTS &amp; CLARIFICATIONS</th>
<th>FUNCTION</th>
<th>PERFORMANCE STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metric #1</strong></td>
<td>PA functional specialist surveillance strategies - Actual vs required strategies developed (PA, SOF, CSI, SCIS, and SCM Plans)</td>
<td>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?</td>
<td>% of Surveillance Strategies Developed (Actual vs required for each category: PA, SOF, CSI, SCIS and SCM Plans)</td>
<td>Of these required strategies you said you were going to do that month, how many did you complete?</td>
<td>Developing Surveillance Strategies is an Agency Policy requirement. An FPA but Policy only identifies these must be developed, does not describe the &quot;how to&quot;. CMOs should have in place SOPs to ensure Surveillance Strategies are developed and may include specific formatting requirements. Based on past Resource Reviews, minimal evidence CDDs. Developing Surveillance.</td>
<td>Green: ≥ 90% strategies developed  Yellow: ≥ 85-89% strategies developed  Red: &lt; 85% strategies developed</td>
<td>Q, SCIS, SCM, ENG, SW, SCIS</td>
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<tr>
<td><strong>Metric #2</strong></td>
<td>PA Base Competencies Training Plan Developed</td>
<td>Establish training plans for base competencies in Product Assurance actual complete vs total required</td>
<td>% of PA training plans developed - Actual plans developed required total plans X 100</td>
<td>Of all the competency plans that are required to be developed, how many are actually developed?</td>
<td>The e-LF requirement will be the product that states this measure. This metric could be deleted once the e-IDP have been populated and approved.</td>
<td>PA, Q</td>
<td>Green: ≥ 80% PA-based Training Plan Complete  Yellow: ≥ 70-79% PA-based Training Plan Complete  Red: &lt; 70% PA-based Training Plan Complete</td>
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<td><strong>Metric #3</strong></td>
<td>Executing and Adjusting strategies to mitigate identified risk</td>
<td>% of strategies that show adjustment to identified risk</td>
<td>% of strategies that should have been adjusted based on risk</td>
<td>% of strategies that were adjusted during the month</td>
<td>No basis to estimate when the number of surveillance strategies that should have been adjusted based on risk. 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. Based on past Resource Reviews, minimal evidence CDDs. Adjusting Surveillance Strategies for the next audit cycle</td>
<td>Q, SCIS, SCM, ENG, SW</td>
<td>Green: ≥ 90% Strategies adjusted based on risk  Yellow: ≥ 85-89% Strategies adjusted based on risk  Red: &lt; 80% Strategies adjusted based on risk</td>
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<td><strong>Metric #4</strong></td>
<td>Category I PODRs Closed</td>
<td>Number of Category I PODRs that have been closed for the month</td>
<td>% Category I PODRs closed within time limits per DLAB 1455.24</td>
<td>Based on the total Category I PODRs % that have been closed.</td>
<td>Metric indicates % of Category I PODRs that have been closed for the month and time limits per DLAB 1455.</td>
<td>Eng, Q</td>
<td>Green: ≥ 95% closed  Yellow: ≥ 90-94% closed  Red: &lt; 90% closed*</td>
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<tr>
<td><strong>Metric #5</strong></td>
<td>Category II PODRs Closed</td>
<td>Number of Category II PODRs that have been closed for the month</td>
<td>% Category II PODRs closed within time limits per DLAB 1455.24</td>
<td>Based on the total Category II PODRs % that have been closed.</td>
<td>Metric indicates % of Category II PODRs that have been closed for the month and time limits per DLAB 1455.24</td>
<td>Eng, Q</td>
<td>Green: ≥ 95% closed  Yellow: ≥ 90-94% closed  Red: &lt; 90% closed*</td>
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</table>

*For any metrics marked with an asterisk (*), detailed explanations or additional considerations may be provided in the full document. This table represents a draft version and is subject to changes based on further review and updates.
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| Metric #7        | Contract Reviewed IA/Agency CSR & Foi & Log | Total Contracts (New & Mod) received this month that were Technical Related | % of Contracts Reviewed this month that were Technical Related | % of Contracts or Mods did the CMO reviewed this month that were Technical Related | 1. This metric focuses on technical personnel performing review of the contract. CMOs need to have processes in place to ensure technical personnel are performing reviews of the contract. Past resource reviews have indicated that technical personnel are not reviewing the contract and some CMOs do not have any mechanism to ensure the contract is being reviewed. | Performance | Green: 100% Contracts Reviewed
Yellow: 85-95% Contracts Reviewed
Red: < 85% Contracts Reviewed |
| Metric #8        | Total SOF Inspection Completed and % Defective SOF Inspections | Total Number of SOF Inspections Completed in the month and, of those completed, the % Defective SOF Inspections | # of Defective SOF Inspections / Total SOF Inspections x 100 | This is the number of SOF products found defective | 1. This metric should be self-explanatory. 2. If CMO does not have SOF requirements, this metric does not apply. | Performance | Green: 0% SOF Inspection Defects
Yellow: 1-5% SOF Inspection Defects
Red: > 5% SOF Inspection Defects |
| Metric #9        | Total CSI Inspection Completed and % Defective CSI Inspection | Number of CSI inspections Completed in this month | Number of CSI inspections completed this month | Number of CSI inspections found defective this month based on the total number of monthly inspections | 1. Measure frequency as number of times CSI has been inspected and has identified defects. | Performance | 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 DCMA Mandatory Inspections | Total number of DCMA mandatory inspections performed from our DCMA customers | # of Defective DCMA Mandatory Inspections | Total number of defects found while performing LDD’s workload | 1. Does not include DCMA’s and private contract workload. 2. If SOF maintenance required includes SOF requirements and any 9A8 imposed local inspection points. 3. No SOF maintenance required, include only 9A8 imposed local inspection points. | Performance | Green: 0% DCMA Mand Inspection Defects
Yellow: 1-5% DCMA Mand Inspection Defects
Red: > 5% DCMA Mand Inspection Defects |
| Metric #11       | Overall Customer Mandated Inspections Completed and % Defective Customer Mandated Inspections | Total number of mandatory inspections performed from our service customers | # of Defective Customer Mandated Inspections | This is the number of defects found while performing customer or private contracts from our service customers’ workload | 1. Does not include LDD’s and private contract workload. 2. If SOF maintenance required includes SOF requirements and any 9A8 imposed local inspection points. 3. No SOF maintenance required, include only 9A8 imposed local inspection points. | Performance | Green: 0% Customer Mand Inspection Defects
Yellow: 1-5% Customer Mand Inspection Defects
Red: > 5% Customer Mand Inspection Defects |
| Metric #12       | Determine impact of MBF on CMO | Number of MRO Actions compared with # of Recurrence each month | Number MRO Actions Recurrence | % of MRO Recurrence | 1. Does not include LDD’s and private contract workload. 2. If SOF maintenance required includes SOF requirements and any 9A8 imposed local inspection points. 3. No SOF maintenance required, include only 9A8 imposed local inspection points. | Performance | Green: 0% MRO Recurrence
Yellow: 1-3% MRO Recurrence
Red: > 3% MRO Recurrence |
Manufacturing
• 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

- Preaward Surveys
- MRP/Schedules
- Material Management
- Inventory/Warehousing
- Industrial Engineering
- Delivery Management
- ALPCs
- Industrial Capability

Entire PAS process including PAS Managers and functional outputs, external customer interface, eTools PAS System

Material Requirements Planning (MRP), Master Production Scheduling (MPS), Manufacturing Planning and Control (MPC), Critical Path Analysis

Technical Support to Material Mgmt & Accounting System (MMAS) and Contractor Purchasing System Reviews (CPSR), lead time analysis, bill of material accuracy, reasonableness of scrap, shrinkage, yields

Inventory Management, Lean Manufacturing

Engineering standards, analysis of cycle time, variability, mfg cells, Tech Support to Negotiations (TSN), Physical Progress Reviews in support of Progress Payments, Statistical Process Control

On Time Delivery, delay notices, root cause analysis, Defense priorities and Allocation System (DPAS), Industrial Labor Relations Officers (ILRo), eTools Delivery Schedule Manager (DSM), MOCAS Database for Line Item and Schedule Modules

20 ALPCs relating to delivery, repair, production lead time, delays

Capacity planning, producibility and mfg readiness assessments, technical evals of special tooling/test equipment, equip utilization
DCMA Supply Chain
Predictability Core Competencies

Supply Chain Predictability Branch

Enterprise Level SCM

Supplier Level SCM

Program Integration

Performance Integration

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

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

Major Program Support

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

<table>
<thead>
<tr>
<th>Metric</th>
<th>Customer</th>
<th>Performance Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>AFMC ALC</td>
<td>Improve delivery rates on SCD A and B contracts by 5%</td>
</tr>
<tr>
<td>8</td>
<td>DLA</td>
<td>Achieve actual on-time delivery rates on 90% of SCD A and B contracts</td>
</tr>
<tr>
<td>9</td>
<td>NAVICP</td>
<td>Achieve actual on time delivery rates of 80% for SCD A and B contracts.</td>
</tr>
<tr>
<td>10</td>
<td>AFMC ALC</td>
<td>Notification of potential delays 15 days prior to occurrence on 90% of SCD A and B contracts</td>
</tr>
<tr>
<td>11</td>
<td>AFMC ALC</td>
<td>Notification of potential delays 15 days prior to occurrence on 90% of SCD A and 80% of SCD B contracts</td>
</tr>
<tr>
<td>12</td>
<td>DLA</td>
<td>Notification of potential delays on SCD A &amp; B contracts 15 days before occurrence on 90% of SCD A and B contracts</td>
</tr>
<tr>
<td>13</td>
<td>DLA</td>
<td>Notification of potential delays on SCD A &amp; B contracts 15 days before occurrence on 90% of SCD A and B contracts</td>
</tr>
<tr>
<td>14</td>
<td>NAVICP</td>
<td>Notification of potential delays on non-PBL SCD A &amp; B contracts 30 days before occurrence on 90% of SCD A and 80% of SCD B</td>
</tr>
<tr>
<td>15</td>
<td>NAVICP</td>
<td>Notification of potential delays on non-PBL SCD A &amp; B contracts 30 days before occurrence on 90% of SCD A and 80% of SCD B</td>
</tr>
<tr>
<td>16</td>
<td>AFMC ALC</td>
<td>Improve ship dates on expedite and accelerate requests through CPSS on 50% of requests</td>
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<tr>
<td>17</td>
<td>DLA</td>
<td>Improve ship dates on Accelerate/Expedite, Backorder Items, Crisis, or Readiness-coded CPSS requests on 50% of requests.</td>
</tr>
<tr>
<td>18</td>
<td>NAVICP</td>
<td>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%).</td>
</tr>
<tr>
<td>19</td>
<td>AFMC ALC</td>
<td>Reduction of in-plant production lead time by 10% at selected Strategic Supplier locations</td>
</tr>
<tr>
<td>20</td>
<td>AFMC ALC</td>
<td>Reduction of repair turn-around time by 5% at Strategic Suppliers (related to CAV-FY07)</td>
</tr>
<tr>
<td>21</td>
<td>NAVICP</td>
<td>Reduce RTAT by 10% on all repair BOAs (NAVICP Commander’s Standing Orders)</td>
</tr>
<tr>
<td>23</td>
<td>AFMC ALC</td>
<td>All customer requests responded to within customer requested suspense date</td>
</tr>
<tr>
<td>52</td>
<td>AMCOM</td>
<td>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%)</td>
</tr>
<tr>
<td>53</td>
<td>AMCOM</td>
<td>Notification of potential delays 30 days prior to occurrence on 90% of SCD A and SCD B contract</td>
</tr>
<tr>
<td>54</td>
<td>AMCOM</td>
<td>Improve ship dates on expedite and accelerate requests through DSM on 50% of requests</td>
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<tr>
<td>57</td>
<td>AMCOM</td>
<td>Reduce production cycle time by 5% at selected top suppliers</td>
</tr>
</tbody>
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On Time Delivery Rates

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

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
On-Time

Target of 90% or greater

Cumulative AVG Score: 65%
DoD’s leading experts in Quality Assurance; Cost, Schedule, and Supply Chain Predictability; and Contract Administration; enabling our partners to achieve contract objectives

INTEGRITY
SERVICE
EXCELLENCE

Indispensable Partner