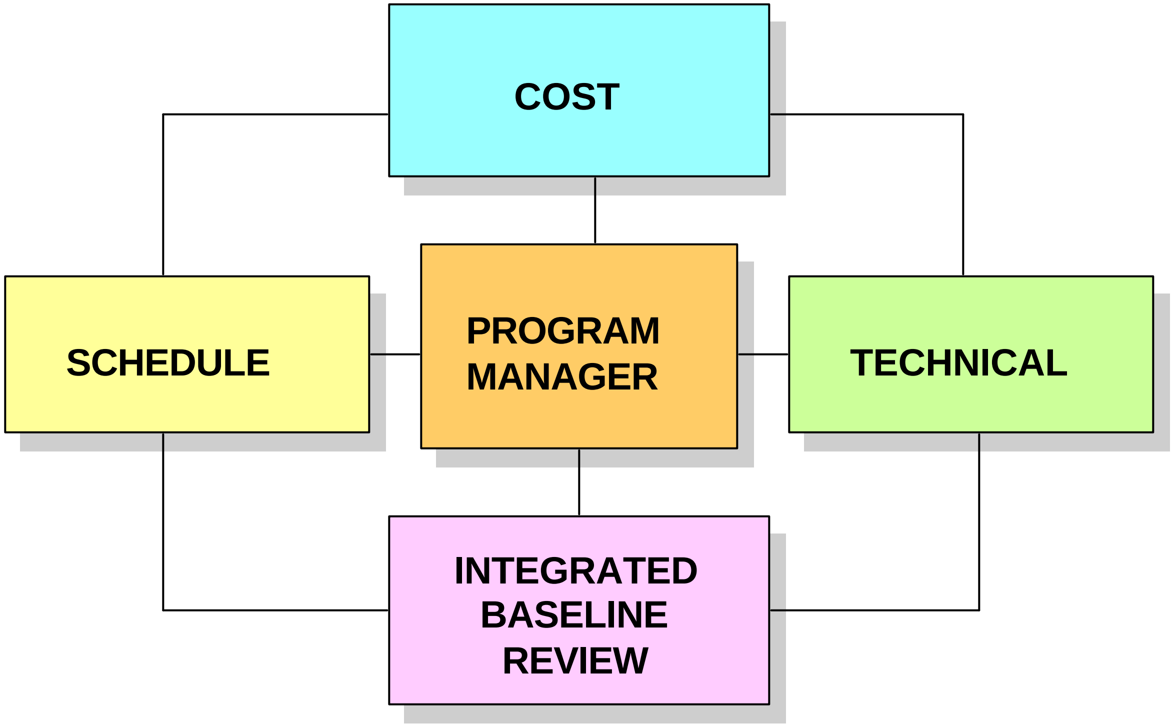
INTEGRATED BASELINE REVIEW
BEST PRACTICES



B-1B DEFENSIVE SYSTEM UPGRADE PROGRAM
BOEING NORTH AMERICAN, Inc., SEAL BEACH, CA

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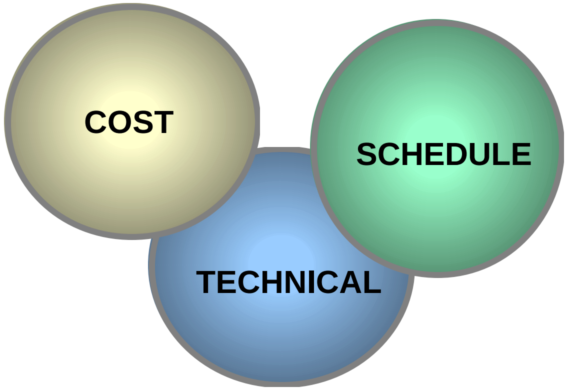
ASC/FMCM, WPAFB, OH   656-5462

OVERVIEW

- EVMS CONCEPT
- IBR OBJECTIVES
- PROCESS EVOLUTION
- PRE-IBR ACTIVITIES
- IBR PROCESS
  - TRAINING
  - TEAM MEMBERS
  - NOTEBOOK REVIEW
  - TELECONS
  - FACILITY VISIT
- SUCCESS STORY

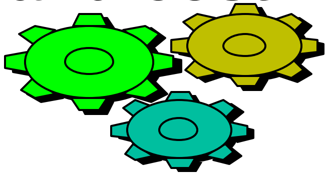
CONCEPT OF EARNED VALUE MANAGEMENT

Earned Value Management is a Tool that Allows both Government and Contractor Program Managers to have Visibility into Technical, Cost, and Schedule Progress on their Contracts. The Implementation of an Earned Value Management System is a *Recognized Function of Program Management.* It Ensures that Cost, Schedule and Technical Aspects of the Contract are Truly Integrated.

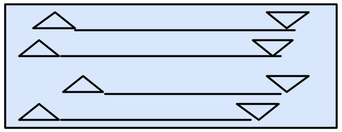


IBR OBJECTIVES

- **Ensure technical content of work packages and cost accounts (CAs) is consistent with the SOW**



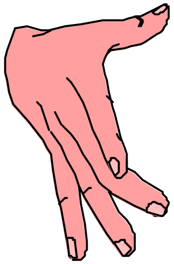
- **Ensure that there is a logical sequence of efforts that**



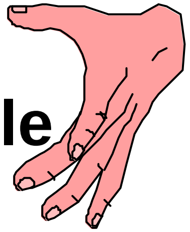
support the contract schedule

- **Assess the validity of allocated cost account budgets**

- **Understand the earned value methods for measuring accomplishment**



Establish a "*Sense of Ownership*" within the government program office of the Cost/Schedule management process

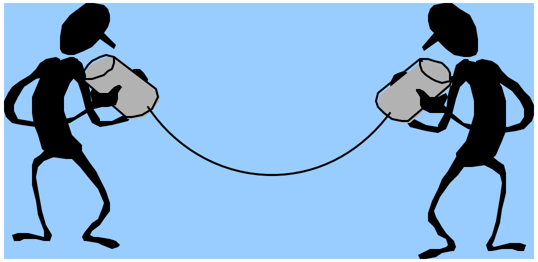
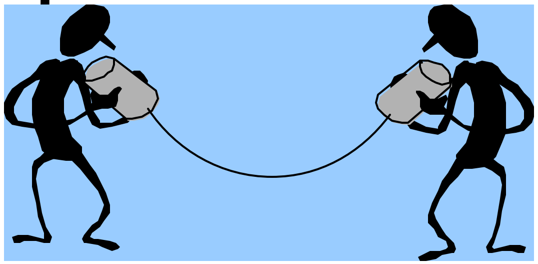
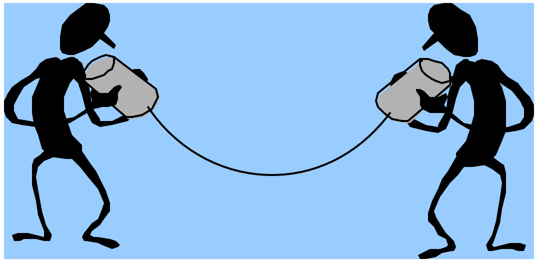


PROCESS EVOLUTION

- **Block E IBR conducted at contractor facility three months prior to Block F IBR**
  - **System Description and EVMS application reviewed**
  - **CAMs interviewed and processes reviewed**
  - **Block E IBR action items still in work prior to closeout**
  - **Some of same personnel involved in Block F**

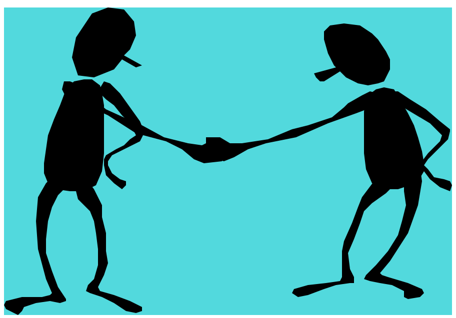
- **TDY schedules hard to coordinate with technical and management personnel**

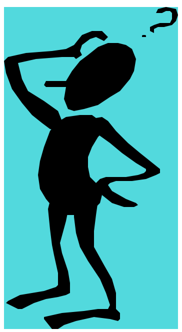
- **Less intrusive process desired**

PROCESS EVOLUTION (con’t)

- **Brainstorming session resulted in SPO in-house review concept**
- **Obtained SPO management and ASC/FMCM approval**
- **Obtained enthusiastic buy-in from contractor**





PRE-IBR ACTIVITIES

- **Team Leader Meeting**
  - **Planned the review**
  - **Documentation required**
  - **Tentative agenda**
  - **Tentative interview schedule**
  - **Team assignments**
  - **Established schedule for team training**

- **Issued Contractor Notification Letter**
  - **Dates of review**
  - **Documentation requirements**
    - **Prior to review**
    - **On arrival at plant**
  - **Requested Responsibility Assignment Matrix (Ram)**

IBR PROCESS

- **Received contractor RAM**
  - **Selected cost accounts for review**
  - **Notified contractor**

- **Training session**
  - **Basic EVMS and IBR process training by ASC/FMCM**
  - **Contractor’s EVMS overview**
    - **Organizational structure**
    - **Work Authorization documents**
    - **Program schedules**
    - **Control Account Plan**
    - **Performance Measurement System**
    - **Change processes**
    - **Management Reserve**
    - **Internal Cost Performance Report**
  - **CAM notebooks delivered**

BNA IBR TEAM MEMBERS

• Bill Lloyd	Team Chief, ASC/YDQ, DSUP Program Mgr
• Virginia Harrah	Deputy Team Chief, ASC/FMCM
• Charlotte Mathena	DSUP Financial Mgr., ASC/YDQ
• Gil Jernigan	Boeing B-1B CMUP PP&C Mgr.
• John Rush	Boeing B-1B Cost Management Lead
• Gene Satterfield	Boeing B-1B Block F Schedule Lead

Government Team

Pryor
Eviston
Anderson
Smith
Trilli
Doelling
Monzon
Gillespie
Padilla
Bridges
Wysong
Carter

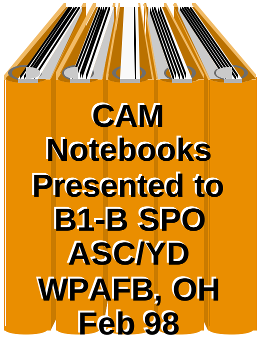
Contractor CAMS

Waller
Andrew
Eden-Logan
Stelmak
Smith
Pruett
D'Onofrio
Jernigan
Gulick
Vanden Brink
Nelson
Haller
Vanderslice
Bitten

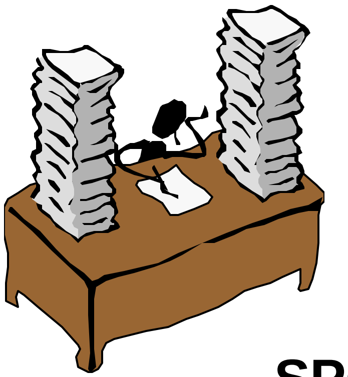
GOV'T REVIEW OF CAM NOTEBOOKS

- **Attended notebook training session**
- **Set aside sufficient time for thorough review**
- **Stayed within review time frame**
- **Government preparation:**
  - **Familiarization with the system**
  - **Planned approach to take**
  - **Used questionnaire as guideline for review of data**
- **Developed questions for CAM telecon**

GOV'T REVIEW OF CAM NOTEBOOKS
(con't)



- **Notebook review details:**
  - SPO technical staff reviewed CAM notebooks
    - Compared with proposal evaluation data
    - Assessed task descriptions and labor hours
    - Assessed performance measurement methodology
    - Tracked from work package schedules to contact schedule
    - Developed questions for CAM interview telecons

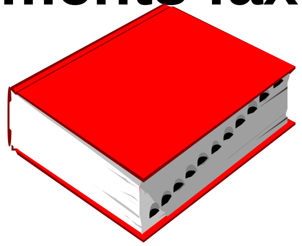


  - SPO Financial Manager, Contractor, and FMCM representative provided assistance as required

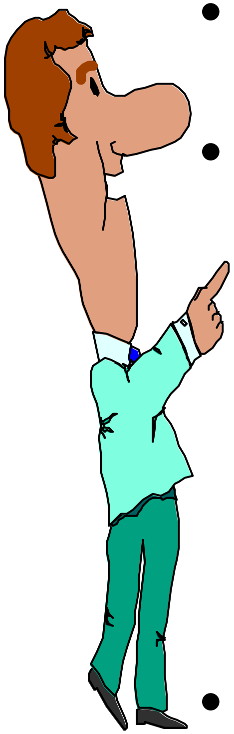
CAM TELECON

- Telecons scheduled when convenient for both sides
- CAMs were prepared
  - Had documentation available
  - Understood contents of notebooks
  - Showed support for answers
  - Good Communication

- Additional document requirements faxed
- Agreed on areas of concern
- Documented discussions

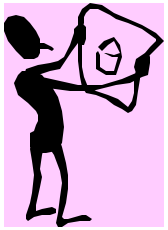


DISCUSSION FLOW FOR TELECON



- Introduced team members present for telecon
- Told the Cost Account Manager what they were trying to accomplish
  - Content of Work Authorization vs. scope of work
  - Scheduling
  - Resource allocation and time phasing
  - Earned Value method
  - Baseline management
- Started discussion by asking CAM to describe what they do and how they manage their scope of work
- Discussed questions developed during notebook review

DISCUSSION FLOW FOR TELECON (con't)

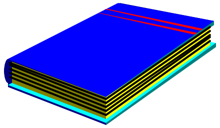


- **Discussions were "Show Me" type**
  - Questions focused on particular part of notebook that needed clarification
  - CAM identified documentation he/she was talking about when answering questions

- **Determined confidence in the following:**
  - Scope of work was completely allocated
  - Work Authorization process was formally coordinated between program office and cost account managers
  - Scheduling was logical and consistent (master, intermediate, detailed)
  - Resource allocation, time phasing, and Earned Value methodology appropriate and adequate for assessing progress

CONTRACTOR FACILITY VISIT

- **Program Manager, SPO Financial Manager, and FMCM representative visited contractor's facility to review in-house documentation**
  - **Contractor Book of Accounts**
  - **Management Reserve Log**
  - **Undistributed Budget Log**
  - **Change Process**
  - **ECP Process**
  - **CPR/CFSR reconciliation**



- **Program Manager presented outbriefing to Contractor**

BNA IBR SUCCESS STORY

- **SPO technical staff gained greater insight into PMB**
  - **More time for task comparisons with SOW**
  - **Time phasing of tasks and schedule trace closely reviewed**
  - **Better understanding of performance measurement process**
- **Taxpayer Cost Avoidance ~ $75K-$100K**

- **Reduced disruption at contractor facility**
- **Both government and contractor pleased with results**