

SCAMPI-Bs for Contract Monitoring—A Case Study of the Mission Planning Enterprise Contractors

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Agenda

→ Background

What is a PIER

How PIER was Employed for MPEC

How has PIER and the results change how the Program Office does business?

Lessons Learned

Way Ahead

Summary



DOD Weapon Systems Acquisition Continues To Be High Risk Area

While DOD's acquisition process has produced the best weapons in the world, it also yields undesirable consequences in weapon system programs – cost increases, schedule delays, and performance shortfalls

Problems occur because weapon programs do not capture early on the requisite knowledge that is needed to effectively manage risks

Programs move forward with unrealistic cost and schedules estimates, lack clearly defined and stable requirements, use immature technologies, and fail to solidify design and manufacturing processes at appropriate junctures in development

As a result, programs require more resources than planned, the buying power of the defense dollar is reduced, and funds are not available for other competing needs

*Paul Francis, Director
Acquisition and Sourcing Management
U.S. Government Accountability Office
May 18, 2004*





Problem Statement

A statement of organizational process maturity or capability level does not guarantee performance to that same level of proficiency on an individual project

Most DoD contractors claim high maturity/capability levels, yet from the perspective of the acquirer, systems engineering and program management practices are severely lacking

Teaming arrangements further cloud the issue of process execution and proficiency

Associated problems may not be evident until significant cost, schedule, or performance objectives have been missed at a late point in the program where corrective actions are very costly

How can the acquirer gain the necessary insight into process execution and proficiency as well as reinforce desired behaviors?



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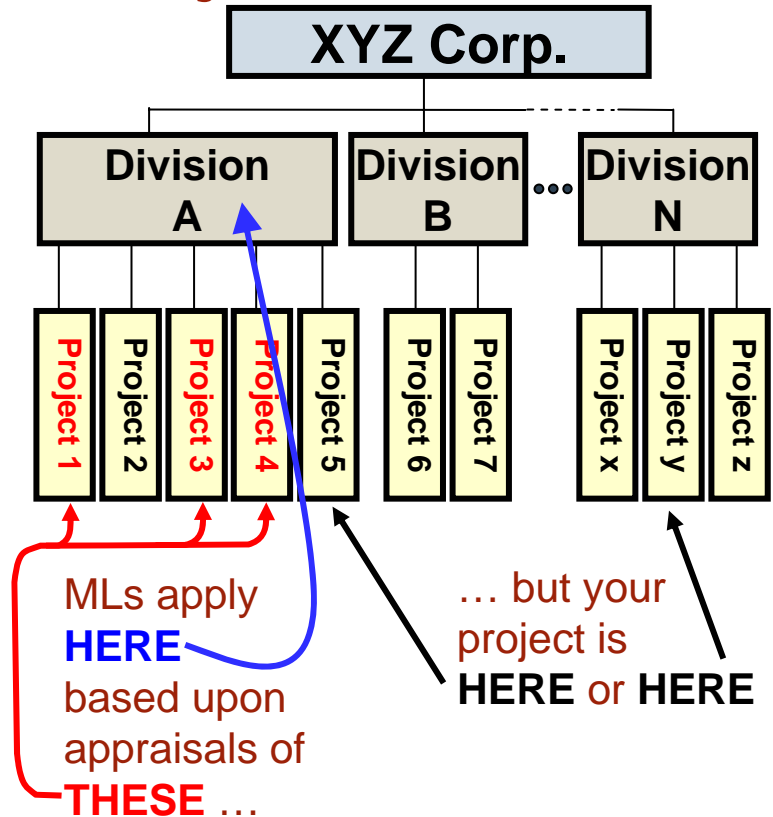
High Maturity Organizations

Maturity Levels are indicators of organizational *potential performance*.

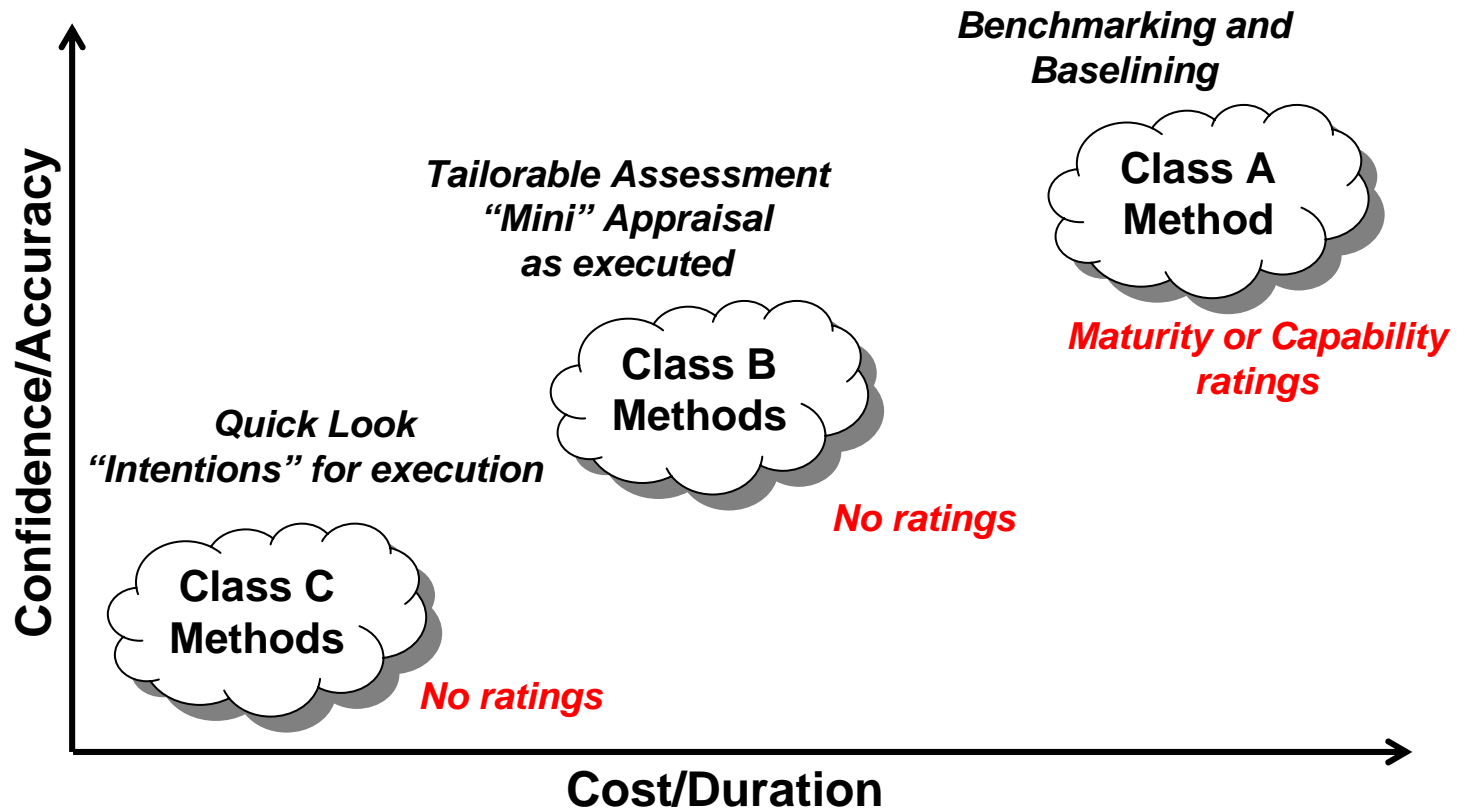
They describe how the next project may *perform* based on a sampling of existing projects.

Maturity Levels reside at the organizational level and are not an indication of how an individual project *is performing*.

High Maturity Projects



Standard CMMI Appraisal Method for Process Improvement (SCAMPI)





PIER Ground Rules

- **Use the process model – CMMI**
 - Interview questions based on model
- **Appraisal of process performance and adherence**
- **Focus on risk assessment – risks associated with process performance, adherence, and capability**
- **Observe strict confidentiality**
 - Results not attributable to individuals or interview groups
- **Approach SCAMPI collaboratively**
- **Results in actionable findings by Program Office and/or Contractor**



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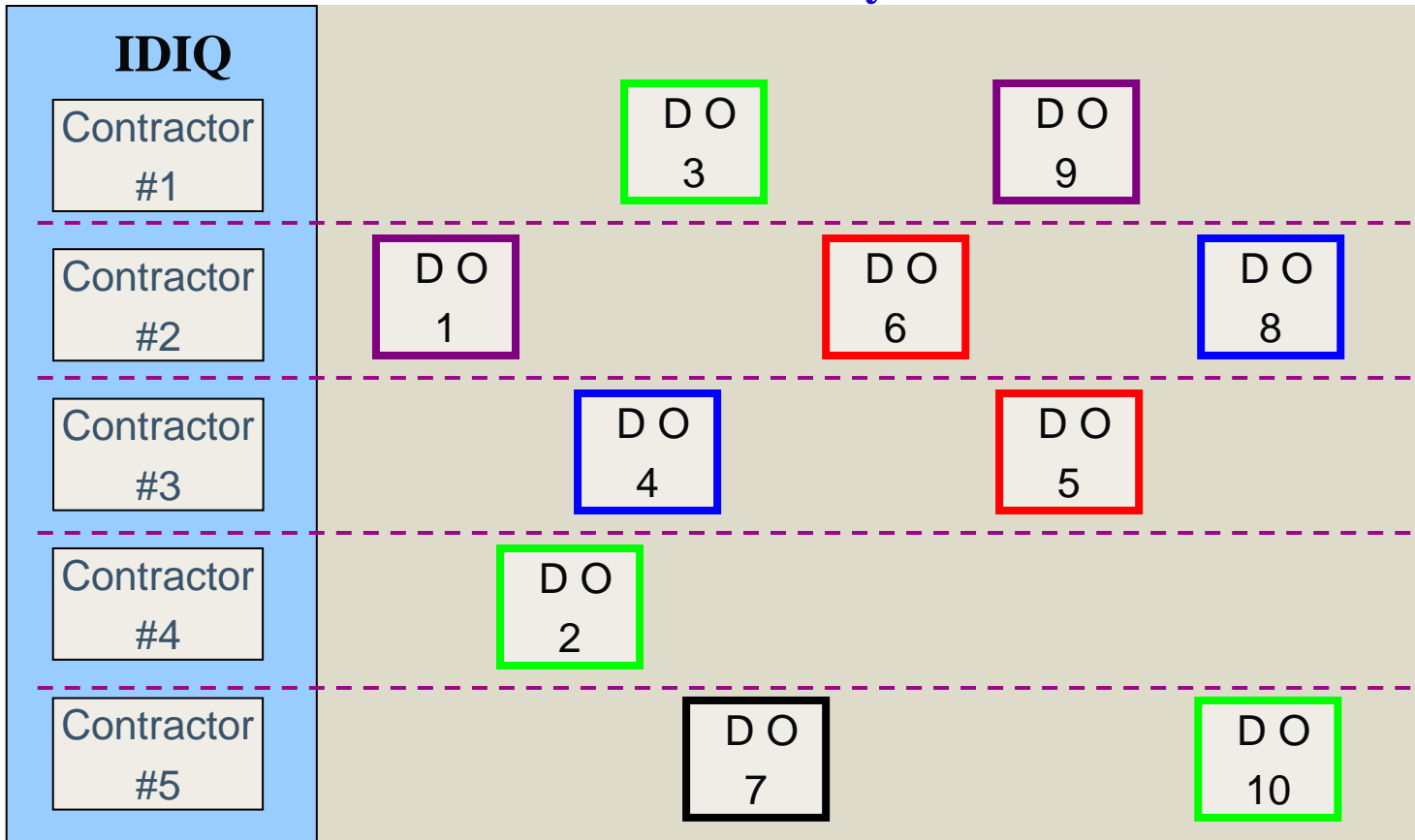
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Mission Planning Contracting Structure

Delivery Orders





How PIER was Employed for MPEC

- **Used appraisals to baseline compliance with CMMI requirement**
 - demonstrate capability *or*
 - develop findings which yield improvement opportunities
- **One project would be selected from each contractor as a 'representative' of all Mission Planning projects for that contractor**
- **Appraisal findings would be used to assess progress toward meeting this the 24 month CMMI requirement**
 - Results to be factored into future DO competitions
- **Appraisal finding to be used for contract monitoring to identify areas of risk in project execution**
- **Appraisal findings resulted in request for Process Improvement Plans from the contractors**
 - Way ahead to fix findings in representative project
 - Way ahead to fix similar known deficiencies in all Mission Planning work



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PIER Results have changed the way the Program Office does business

- Contractor Process Improvement Plans and status are tied to contractor award fee
- RFP language has been modified to better reflect the program office desire for CMMI compliance across development teams – including subcontractors
- Based on input from appraisals, the program office is reviewing/modifying the standard CDRL list to get best ROI
- Business and technical rules for MP developers have been modified
- Program Office is modifying internal processes to better take advantage of information provided through contractor's standard processes (e.g. metrics)

“In light of significant personnel cuts, we need to provide a smart way to provide a laser-like focus to our key issues. PIER reviews and EVM analysis provide that focus for us.”

*Steven A. Cote, GS-15, DAF
Deputy Director, 951st Electronic Systems Group*



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Lessons Learned

Positive lessons / Benefits

- **Overcoming common misperceptions program offices have about CMMI**
 - What does a maturity level mean – how is it attained
 - Need to understand the scope of previous appraisals and certifications
 - Organizational unit appraised
- **More savvy consumers**
 - Monitoring is more necessary than people think
 - CMMI compliance and appraisal finding resolution should be tied into program office business activities
 - Award Fee Criteria (powerful motivator)
 - Business and Technical Rules
 - Proposal Evaluation Criteria
- **Appraisal results can be used to assist program management**
 - PMRs can focus on areas of concern based on findings
- **Uncovering program risks is more important than specific maturity levels – real time contract monitoring is key**



Lessons Learned

Hard lessons / Ongoing challenges

- **Spirit vs. letter of the model**
 - Assure intent of the model is met versus using “checklist” mentality
 - Determine consistent approach to dealing with corporate “process lawyers”
 - Shouldn’t judge “goodness”, but you should judge “reasonableness”
- **Variability in the process itself, within the allowable scope of the method, can itself modify results**
 - Teams take on personalities based on membership (team members and lead appraisers)
 - Different personalities can provide inconsistent results
 - Need to ensure that decision criteria are consistently applied
 - Having a core group as a subset of each appraisal team provided a consistent methodology and interpretation of evidence



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Way Ahead -1

- **Mission Planning is reviewing options for verification of the November 2006 CMMI Maturity Level 3 requirement**
 - **Accept results of contractor SCAMPI As?**
 - Review of detailed appraisal results
 - **Conduct Program Office sponsored SCAMPI As?**
 - Requires core team to re-appraise contractors
 - **Verify completion of all process improvement activities outlined in approved Process Improvement Plan**



Way Ahead -2

- **How do we “maintain” the process improvement/process maturity focus to ensure consistent levels of performance/execution?**
 - **The Program Office is working to develop a multi-year plan for continual assessment/monitoring**
 - Additional appraisal for all contractors (cost/benefit)
 - “Spot check” areas of known deficiency
 - Appraisals for projects with performance issues
 - Appraisals for projects that fall within another organizational unit than “representative” project
- **Beginning to analyze PIER results against product quality to determine if there are correlations**
 - Could impact risk management/corrective actions in the future



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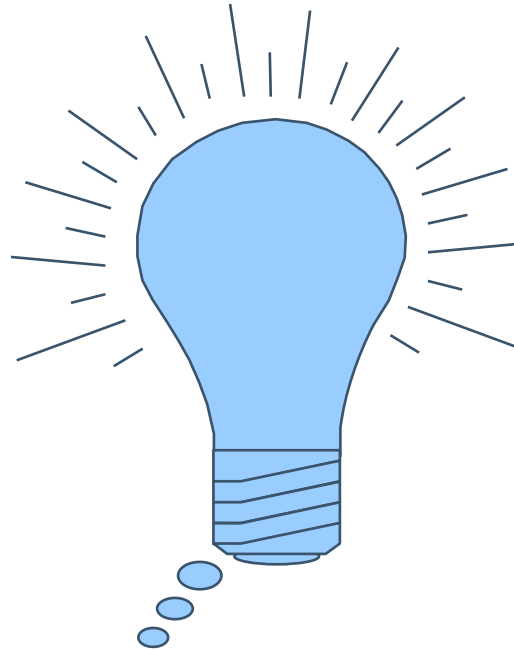
Summary

- **PIERs were very positive for Mission Planning**
 - Provided insight into contractor processes and potential program risks
- **Consistency is key**
- **Appraisal results have become a useful source of data to assist in program management activities**
 - PMs can focus attention on areas of the project that have highest risk due to inconsistent (or non-existent) standard processes
- **PIERs started as a way to do a “quick check” of contractor CMMI requirement compliance – and have now become a powerful management tool**

Savvy consumers can utilize PIERs as part of their management “tool box”



Questions





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