Space Acquisition Tenets: Program Management Discipline & EVM

Presentation for NDIA
Integrated Program Management Division

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Message from Space Acquisition Executive (SAE)

"My expectations for everyone working space acquisition is to: drive program management discipline and execute programs **on cost and schedule**"

"The **threat** is real and the strategic environment has changed." "timely delivery of space capabilities becomes even more critical for the Nation."

"My goal as the Space Acquisition Executive is to **deliver** new **capabilities on cost and on schedule** in order to get them into the hands of our warfighters, add resiliency to our architecture"

Top **3 priorities** for space acquisition are:

1. Driving speed into our acquisitions
2. Making our space architecture more resilient …
3. Integrating our space architecture with other war fighting domains

"Proactively manage the program by continuing to actively track schedule, cost, and technical progress. Identify issues early in order to quickly resolve them. There is no better way to get **speed into acquisitions** than to deliver programs that meet performance requirements, **on schedule and on cost**"

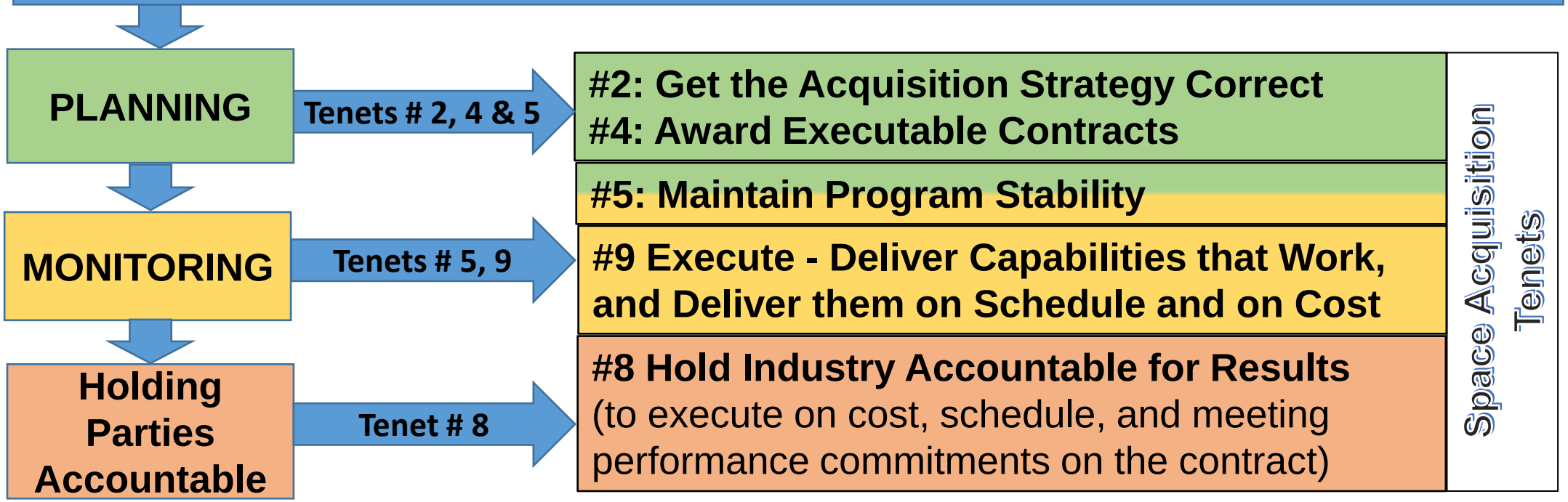
SAE: 9 Space Acquisition Tenets

1. Build Smaller Satellites, Smaller Ground Systems, and Minimize Non-Recurring Engineering
2. **Get the Acquisition Strategy Correct**
3. Enable Teamwork Between Contracting Officer & Program Manager
4. **Award Executable Contracts**
5. **Maintain Program Stability**
6. Avoid SAPs and Over Classifying
7. Deliver Ground Before Launch
8. **Hold Industry Accountable for Results**
9. **Execute - Deliver Capabilities that Work, and Deliver them on Schedule and on Cost**

Tenets serve as guideposts for enabling space acquisition approach

How the 5 Acquisition Tenets apply to EVMS?

EVM process is the **best tool** for effectively managing large, complex acquisitions available to the program management community and senior leaders for: *(Ref: FY2009 NDAA Sec 887; OSD Report to Congress on EVMS (Sep 2009))*



"Program Management Discipline is a Key Element of Speed, and is Critical to Delivering New Capabilities on Cost and Schedule."

Tenet #2: Get the Acquisition Strategy Correct

SAE Guidance

- Establish good acquisition strategies up front including contract type and contract incentives for both speed, and performance
- Have clear, specific, unambiguous SOW, concepts of operations, and requirements for the RFP
- Minimize and avoid GFE and avoid putting the government … as the integrator
- Be clear on how … engage and interact with industry within SOW and minimize CDRLs
- Do not be afraid to use fixed price contracts. Fixed price contracts increase the level of program management discipline across industry and the Government

SSC Implementation Plan

- Acquisition Strategy: Identify EVM implementation or alternative approach.
- Firm Fixed Price/Other Transaction Authority: Leverage process implemented for Middle-Tier Acquisition programs. Contractor to propose (EVMS or alternative) integrated approach on how to manage program schedule and cost
- Request for Proposal: Employ **S**SC **E**VM **A**pplicability & **R**eporting **R**equirements (**SEARR**) Tool to assist PMs & COs in determining EVM applicability & crafting requirements for RFP

Tenet #4: Award Executable Contracts

SAE Guidance

- Evaluate cost and schedule realism as part of the proposal evaluation to avoid low bids and buy-in
- Ensure companies have the correct skills to successfully execute the contract on cost, schedule, and meeting performance
- Negotiation between Government and industry should be Win-Win - the Government gets a capability fast that works, and industry has a right to a fair profit
- Keep up with news and information about the space industrial base. Understand what companies are capable of doing or not doing otherwise this can lead to awarding development contracts to companies that do not have the experience, skills, and domain expertise to do the job

SSC Implementation Plan

- Source Selection Plan:
  - Implement SSC guidance (in-progress) for Technical Evaluation Team
  - Augment source selection training w/emphasis on SOW, IMS, IMP, WBS
  - Revamp evaluation criteria and rating (RFP Section M) for past performance (CPARS)
  - Assess cost and schedule artifacts as an integrated solution

Tenet #5: Maintain Program Stability

SAE guidance

- Establish the contract cost and schedule baseline and manage to it
- Push back on year-to-year budget changes that drive rebaselining which diminish speed
- Avoid Undefinitized Contract Actions (UCAs) that last more than a few months and budget promises to fix programs the following fiscal year
- Avoid accepting new requirements after going on contract, and do not accept requirements that industry cannot technically meet

SSC Implementation Plan

- Improve & Institutionalize IBR Process
- Improve analytical tool to further incorporate automation of schedule risk assessment & risk register inputs and other attributes (Agile, Technical, etc.)
- Establish a robust Configuration Review Board process

Tenet #9: Deliver Capabilities that Work, and Deliver them on Schedule and on Cost

SAE Guidance

- Proactively manage the program by continuing to actively track schedule, cost, and tech. progress
- Identify issues early in order to quickly resolve them. There is no better way to get speed into acquisitions than to deliver programs that meet performance requirements, on schedule & on cost

SSC Implementation Plan

- Continue to seek solutions or process improvement
  - Transition IPMR to IPMDAR for Ctrs with multiyear outstanding performance
  - Work closely with OSD IPT on improving IPMDAR DID requirements in the area of integration of Financial, Risk & Technical data and narrative analysis as part of the data for effective and efficient integrated analysis

Most Important Tenet – Success is Measured by Executing on Plan

Tenet #8: Hold Industry Accountable for Results

SAE Guidance

- **Hold industry accountable to execute on cost, schedule, and meeting performance commitments on the contract**
- With the urgent need to provide new space capabilities faster and for architecture resiliency, do not tolerate bad performance that we have seen in some traditional large satellite and large ground cost plus contracts
- Take corrective action and consider all tools available for poor performers including loss of fee, use of the Contractor Responsibility Watch List, and if necessary, stopping programs. **Industry works for you, so be a demanding customer**

Quarterly … **each PEO team** will get 2-3 hours for each of their programs to walk through **schedule, cost, and performance status**

PMRs, BMRs, Tech Reviews, IBRs

- **CPARS/Past Performance**
- **Loss of Fees/ Contracts Cancellation**

Collaboration Between Gov't & Industry for Achieving the Goal

Government

- Putting out good RFPs
- Evaluate cost and schedule realism … to avoid low bid & buy-ins
- Ensure companies have the correct skills to successfully execute the contract on cost, schedule, and meeting performance
- Negotiation between Govt and industry should be Win-Win; Govt gets a capability fast that works, and Industry has a right to a fair profit
- Proactively managing programs cost, schedule, and performance

Industry

- Delivering executable proposals with realistic cost and schedules that industry can meet
- Helping Gov't take advantage of existing technology so that we are not constantly redesigning everything
- Meeting contract commitments by delivering programs on cost, on schedule, and meeting requirements

Help drive speed and get capabilities to the warfighters

References

Assistant Secretary of the Air Force for Space Acquisition & Integration (Sec. Calvelli):

- **National Security Space Association (07/26/2022)**
- **Memorandum: Space Acquisition Tenets (10/31/2022)**