



DCMA

DCMA Overview

Quality Management System

from a DCMA Perspective

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- DCMA at a glance
- DCMA interactions with certified auditing
- Mechanics of DCMA surveillance and where certified auditing fits
- DOD Budget/Better Buying Power and where certified auditing fits
- What Certification says about a product or contractor



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.

Vision

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

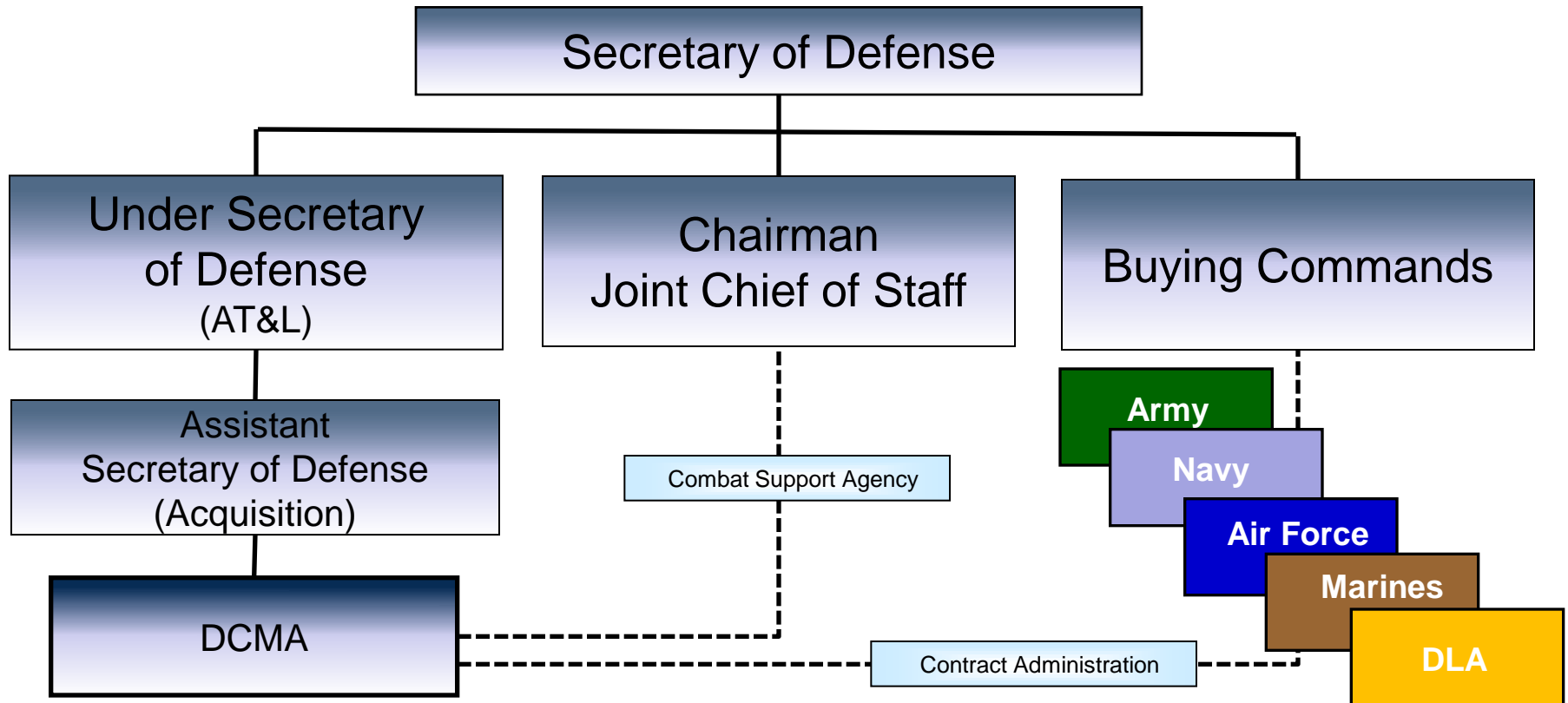
Values

Integrity – Committed to the highest standards of ethical and moral behavior at all times.

Service – Working for the benefit of our nation and putting professional responsibilities before self-interests.

Excellence – Committed to exceptional performance in everything we do.

DCMA is a Team Member... ...In the defense acquisition community



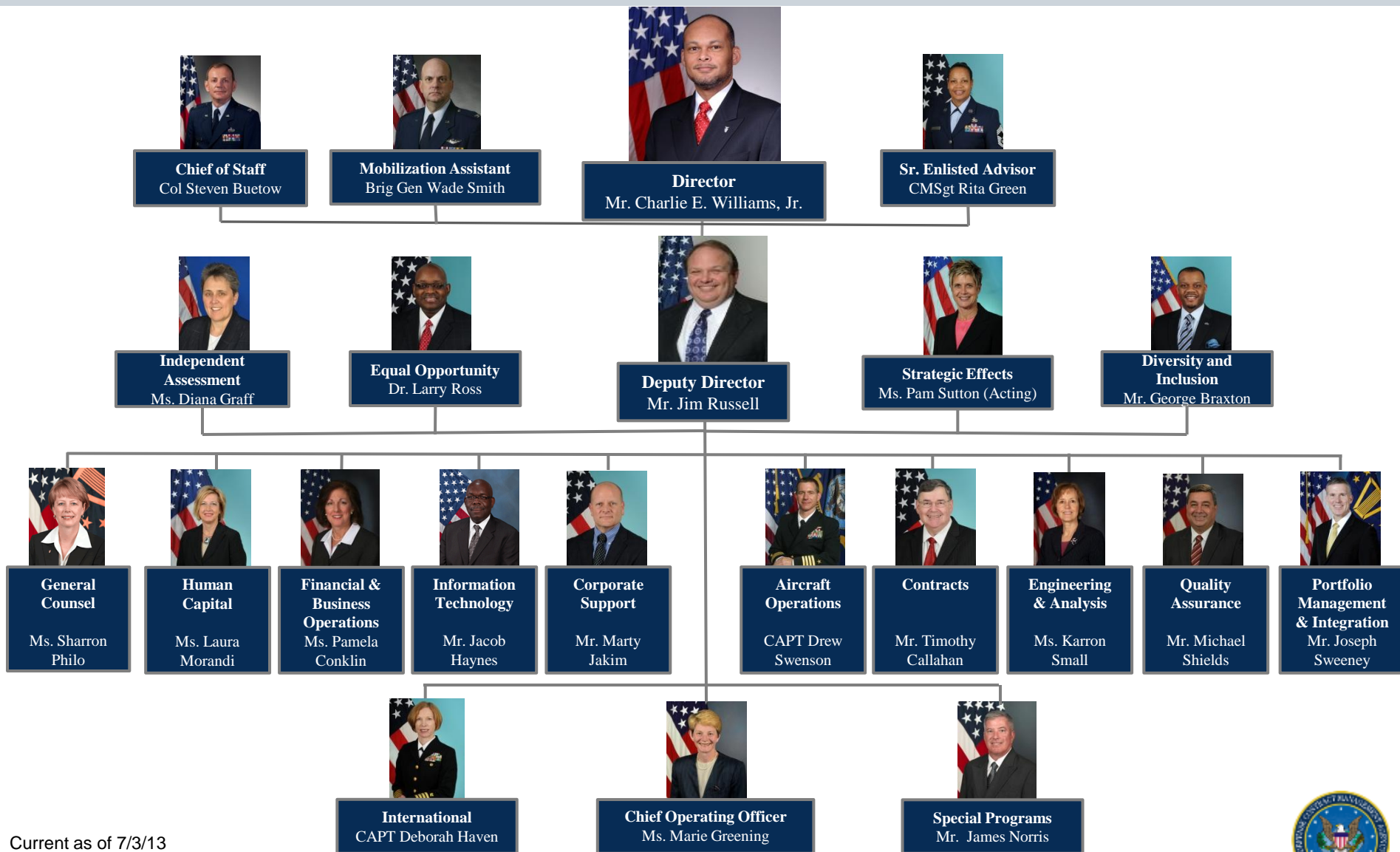
Historical Perspective – Service PROs/DCAS to DLA (1990) to DCMA (2000)

Scope of Work

- \$5,000B Total Contract Amount
- \$1,778B Obligated Amount
- 20,143 Active Contractors
- 340K Active Contracts
- \$237B Unliquidated Obligations Amount
- ACAT I (IAC, IC, ID) and II programs: 172
- Flight Operations (CY 12)
 - 1,811 Aircraft/year
 - 21,238 Flying hours
- \$157.7B Government Property Value
- \$13.4B Progress Payments
- \$22.4B Performance Based Payments

Span of Control

- 10,429 Civilian Professionals
- 548 Military (427 Active; 121 Reservists)
- 3 Operational Directorates
- 45 Contract Management Offices (CMOs)
- 740+ Locations World Wide
- \$1.4B Budget Authority
- \$134M Reimbursable Target



Strategic Plan establishes our approach for dealing with the critical challenges we face as an Agency

This Plan:

- Focus on four perspectives
 - I. Acquisition Enterprise
 - II. Policies and Processes
 - III. Human Capital
 - IV. Stewardship
- Lays out what we are trying to achieve
- Establishes priorities
- Identifies key initiatives
- Defines how we measure results

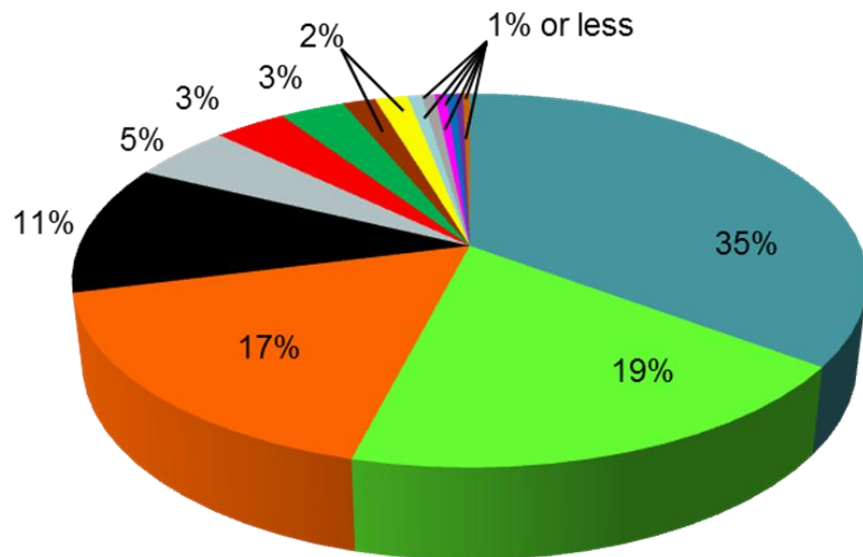


Strategic Plan charts the beginning of our journey from being “good” to “great”

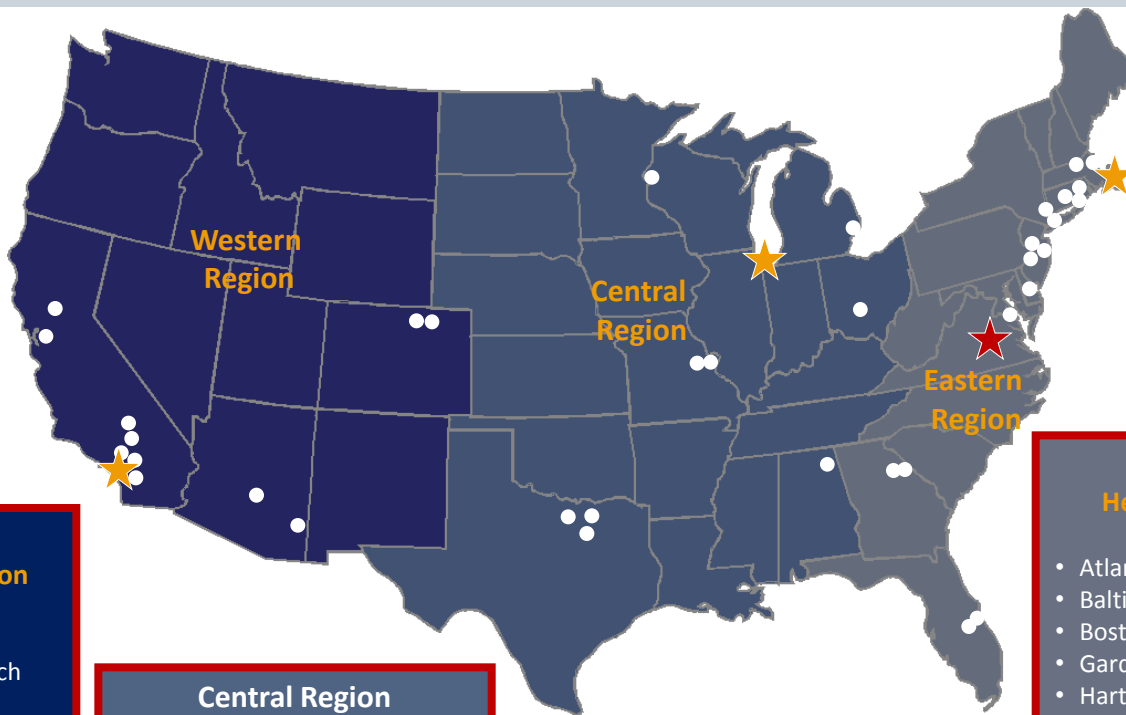
Lines of Service

-  Contract Administration Support and Services
-  Contractor Purchasing System Reviews
-  Cost and Pricing Services
-  Property Management and Plant Clearance Services
-  Small Business Support
-  Contract Termination Services
-  Quality Assurance Services
-  Contract Safety Services
-  Transportation Services
-  Major Program Support
-  Supply Chain Support
-  Earned Value Management System Reviews
-  Engineering and Manufacturing Services
-  Industrial Base Analysis Services
-  Aircraft Operations Services

Hours of Effort per Line of Service
Data for 2QFY13







- Special Programs**
- Special Programs East
 - Special Programs South
 - Special Programs West

- Western Region
Headquarters – Carson**
- Denver
 - Boeing Huntington Beach
 - Lathrop
 - Lockheed Martin Denver
 - Los Angeles
 - Palmdale
 - Phoenix
 - Santa Ana
 - Lockheed Martin Sunnyvale
 - Raytheon Tucson
 - NPO

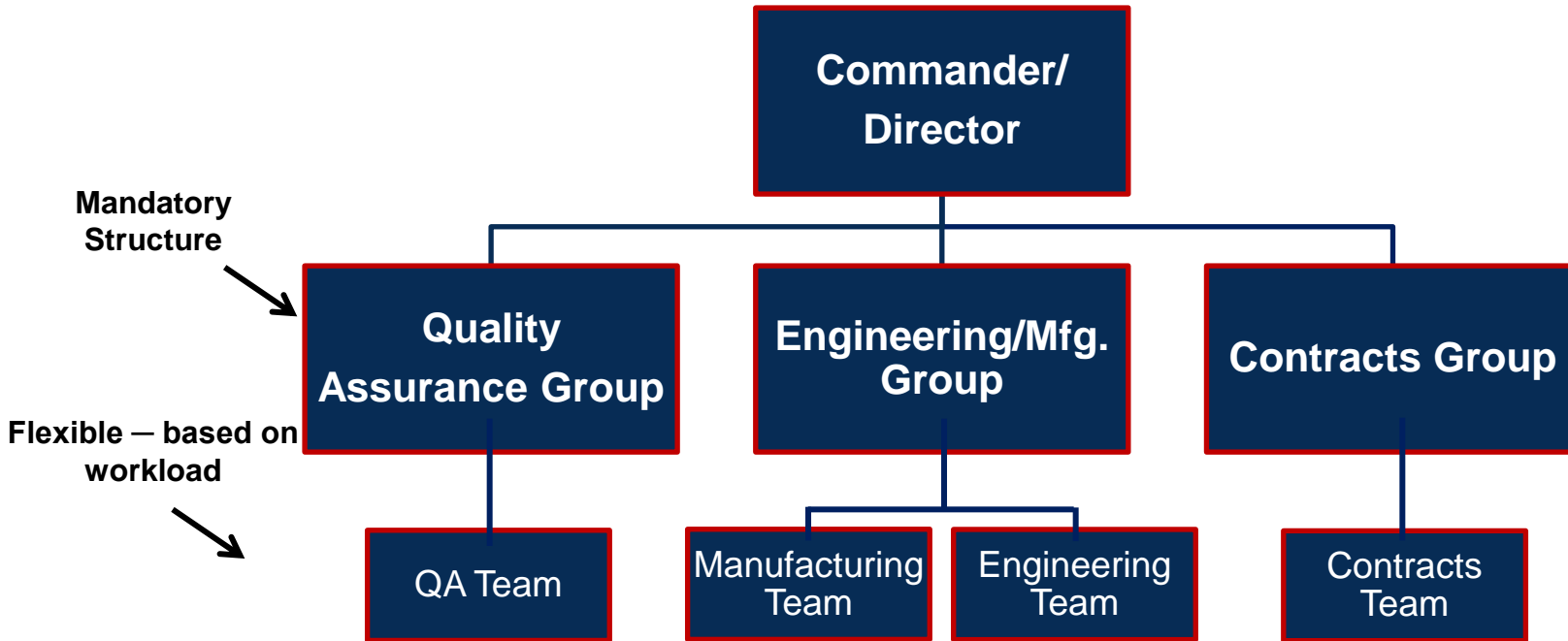
- Central Region
Headquarters - Chicago**
- Chicago
 - Dallas
 - Dayton
 - Detroit
 - Lockheed Martin Forth Worth
 - Bell Helicopter Forth Worth
 - Huntsville
 - Boeing St. Louis
 - Twin Cities
 - AIMO

LEGEND

- ★ Agency Headquarters
- ★ Regional Headquarters
- Contract Management Office

- Eastern Region
Headquarters - Boston**
- Atlanta
 - Baltimore
 - Boston
 - Garden City
 - Hartford
 - Manassas
 - Lockheed Martin Marietta
 - Lockheed Martin Moorestown
 - Lockheed Martin Orlando
 - Orlando
 - Philadelphia
 - Boeing Philadelphia
 - Sikorsky Aircraft
 - Springfield
 - Raytheon Tewksbury
 - APO
 - NSEO





- Full service on-site support
 - co-located with major contractor, or
 - geographically oriented
- On-site eyes and ears of the customers
- Accept products for military services
- Provide business systems insight and ensure compliance
- Analyze contractor performance capability
- Assess contractor progress and authorize payments

Mission

Continuously improve operational efficiency and maintain warfighter confidence in the quality of products and services provided



Impact

- Administers over 125,000 contracts with over 30,000 requiring quality system reviews
- Contracts value for higher level review exceeds \$259B

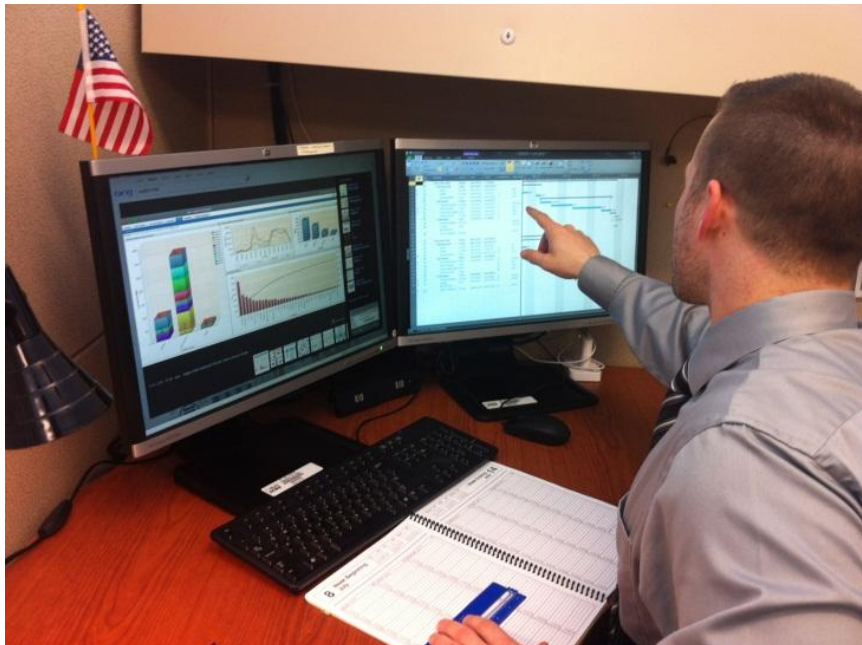
Functions

- Conduct audits and assess capability of contractor quality systems
- Provide insight to contractors' Quality Management System based on past performance
- Ensure product meets quality contract requirements and perform government acceptance



Mission

Provide timely supply chain insight to the acquisition enterprise by identifying risk and mitigating potential disruption that would adversely affect the DOD's national security mission



Functions

- Gathers information through assessment of a prime contractors' performance to their supply chain management processes
- Provide DCMA customers with information about supply chain risk levels and supplier subcontract performance throughout the acquisition process
- Enable effective and proactive mitigation strategies to minimize supply chain disruptions
- Promote the delivery of products and services within technical, schedule, and cost expectations

Mission

Provide our customers the Engineering and Manufacturing insight they need to meet our warfighter's needs



Functions

- Support design reviews, test and evaluation efforts, contract negotiations, and technical system reviews
- Assess contractor performance and engineering compliance through tailored, risk-based planning and provide engineering surveillance data and analyses for DOD
- Provide customer insight into contractors' manufacturing performance and provide predictive analyses of contractors' delivery performance.
- Provide surveillance of contractors' manufacturing systems to determine potential effects on contract success, risk, and associated metrics to predict future contract performance
- Provide surveillance of contractors' manufacturing performance for contract cost and schedule
- Assist in evaluation of deviations and Engineering Change Proposals



- **Quality-Government Contract Quality Assurance surveillance plan (GCQA plan)**
- **Engineering-Systems Engineering surveillance plan (SESP)**
- **Manufacturing-Production surveillance plan (M-PSP)**



SURVEILLANCE PLANNING AND EXECUTION MUST BE PRIORITIZED

Contract Tech Review

- Review contractual requirements

THIS PROCESS IS A CONTINUOUS LOOP

Risk Assessment

- Identify Risk

Adjust

- Does Risk still exist?
- Is it the same level?
- Adjust your surveillance plan to mitigate remaining risk

- Determine what YOU WILL DO to mitigate risk
- System Audit, PR, PE, DC&A are methods to mitigate Risk
- What combo of these “tools” will you use?

Surveillance Planning

DC&A affects the entire Cycle

- Execute your plan
- Analyze the results
- Make changes based on results (Less, More, Same)
- Re-assess the Risk

Surveillance Execution & Analysis



Data Collection and Analysis

- Inputs from QMS, NUCAP, FAA all feed the DCMA Risk Assessment Process
- Risk Assessment drives surveillance strategy
- Execution of the surveillance strategy provides the final data point for surveillance update/adjustment



KTR INPUTS FROM AUDITS ENABLE DCMA RESOURCE ALLOCATION

TODAY'S DOD BUDGET



TOMORROW'S DOD BUDGET



BUDGET IS RETURNING CLOSER TO PRE-GWOT LEVELS



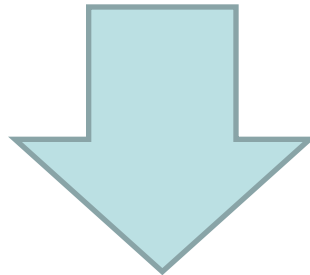
- **Deputy Defense Secretary Ashton Carter**
 - “Better Buying Power's goal was ... more capability for the warfighter and more value for the taxpayer by obtaining greater efficiency and productivity in defense spending -- what economists call productivity growth”
- **In order to achieve these objectives, Carter said, there were 23 principal actions directed in five major areas:**
 - Targeting affordability and cost growth in defense programs;
 - Incentivizing productivity and innovation in industry through profit and partnership;
 - Promoting real competition wherever possible;
 - Improving tradecraft in acquisition of services as opposed to goods
 - Reducing nonproductive processes and bureaucracy in the government and in industry.

- Makes the product more affordable
 - Less rework/Less scrap/Fewer concessions
 - More “Right First Time” Quality
- Increases efficiency and effectiveness
- Makes the product more competitive
- Removing non-value added (non-productive) processes



- Sign of standardization & process control
- Sign of commitment to improving
- Reduces product risk
- Builds DOD confidence in product and contractor

PRODUCT CONFIDENCE BUILDS WARFIGHTER ADVOCACY



- **Your audit results/reports are vital inputs to DCMA's Risk Assessment and surveillance strategy development**
- **Benefits of QMS auditing link directly to BBP 2.0**
- **Adherence to Certification tells DOD a great deal about a Contractor's commitment to continuous improvement**

