2010 SCEA Conference

PMAG

Technical Content and Risk Based Integrated Baseline Review – PMAG Approach

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Agenda

- **IBR Basics**
  - What?
  - Why?
  - When?
  - Policy and Process
- **Samples of SMC PMAG IBR Findings**
- **SMC PMAG Approach to IBR**
- **Summary**

IBR Policy and Guidance

The Program Managers' Guide to the Integrated Baseline Review Process

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ACQUISITION, TECHNOLOGY AND LOGISTICS

JUN 04 2003

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES

SUBJECT: The Program Manager's Guide to the Integrated Baseline Review Process

In accordance with Department of Defense (DoD) acquisition policy, Program Managers (PMs) must conduct Integrated Baseline Reviews (IBRs) on contracts with Earned Value Management (EVM) requirements. IBRs are intended to provide a mutual understanding of risks inherent in contractors' performance plans and underlying management control systems. Properly executed IBRs are an essential element of a PM's risk management approach.

While most IBRs generally conform to DoD policy, inconsistent policy interpretation resulted in the development of individual Service/Agency IBR guidebooks, differing perceptions of purpose and value, and inconsistent IBR execution. To improve the consistency of the overall IBR Process, *The Program Managers' Guide to the Integrated Baseline Review Process* was developed (**TAB A**). This Guide clearly defines the purpose, goals, and objectives of an IBR. It also describes attributes of an effective IBR and discusses a baseline review process that will lead to a better understanding of program risks.

This Guide is the principal IBR reference and should be used to implement an integrated baseline discipline on an acquisition program. PMs are strongly encouraged to use this Guide during IBR training, when preparing for an IBR, and then again during the actual execution and conduct of the IBR. Attached at **TAB B** is a letter of endorsement from the former Under Secretary of Defense (Acquisition, Technology and Logistics) encouraging the use of the IBR Guide to improve the consistency of the overall process. The IBR Guide resides on the Office of the Secretary of Defense EVM web site (www.acq.osd.mil/pm/). Comments or questions on the IBR Guide may be directed to Ms. Debbie Tomsic, (703) 695-0707.

Nancy L. Spruill
Director, Acquisition Resources and Analysis

Attachments:
As stated

Defense Acquisition Guidebook 2009

SMC IBR Policy 2008

What is Integrated Baseline Review?

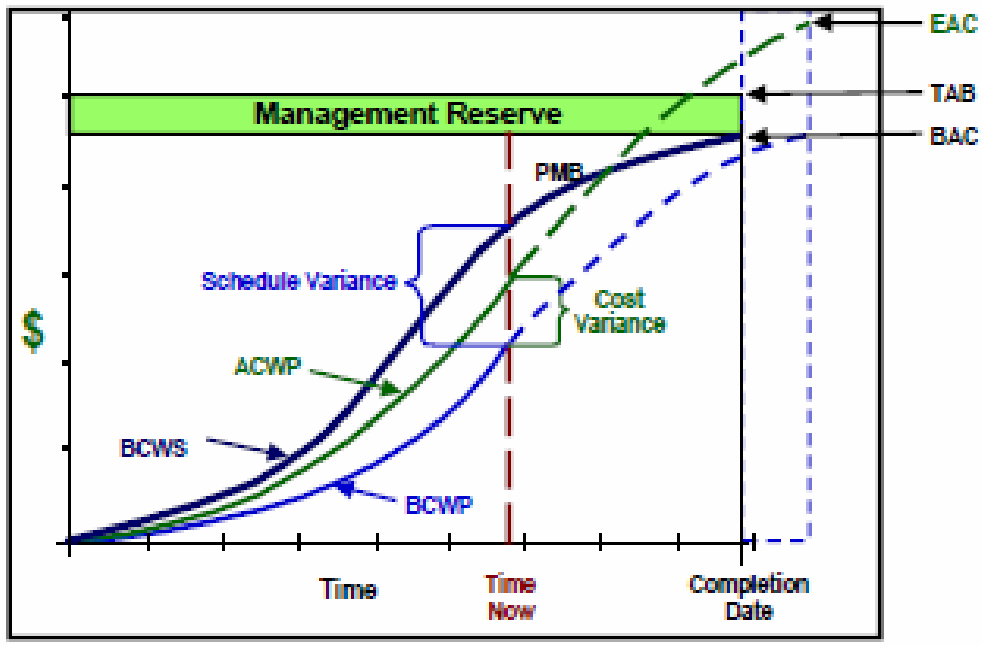
- **IBR is an event; however, it is a continuing process to ensure mutual understanding of PMB and its Integrity**
  - Associated Risks (Cost, Schedule, Performance, Resource, and Management Control processes)
  - Delta IBRs, as required after main IBR
- **IBR preparation and planning are the key to a successful review**
- **A Complete PMB that is well documented at the appropriate level of detail is a key element to achieve Project or Program Objectives**
- **The amount of time required to perform an IBR and assess risk is directly related to the training provided**

Mutual Understanding of the PMB Content and Associated Risks

IBR Objectives

To verify and validate

- Contract Performance Measurement Baseline (PMB) covers the entire technical scope of work
- Work is realistically and accurately scheduled and consistent with contract schedule requirements
- Proper amount and mix of resources been assigned to accomplish all contractual requirements



Why is IBR Important?

- **Well run IBR lays a solid foundation for Program Execution**
  - Invaluable opportunity to compare Program Manager(s) expectations and to address differences before problems arise
  - Thoroughly understand the program plan and its risks
    - Allowing Program Managers to target resources to meet program challenges
  - Increase confidence in the program cost, schedule, performance, and management control processes data
  - Avoid OTB/OTS

Well Run IBR Based on an Excellent IMP/IMS reduces Program Execution Risks and Help Establish a High Performance Integrated Program Management Team

When and How Often?

- **IBR is conducted to verify and validate the PMB integrity**
  - After contract award
  - After major contract modification
  - After OTB that resets or changes the Performance Baseline
  - After Rolling Wave planning

SAMPLES OF

SMC PMAG

IBR FINDINGS

PMAG IBR Findings

- Presentations rather than verifications and validations
- Failure to jointly set the rules, assumptions, and expectations
- Lack of objective analysis of contractor's integrated baselines
- Inadequate IBR training in Control Acct Manager Notebook
- Limited visibility into the Program Schedule Baseline due to excessive %LOE
- Inadequate schedule planning and execution management
- Inadequate IMS analysis and control
- Lack of attention to Management Control Policies & Processes
- Improper application of EV techniques and EVM control
- Compressed IBR schedule led to inadequate preparation by the Gov't team

SMC PMAG APPROACH TO IBR

PMAG Approach

- **Set expectations for the contractor at start of IBR process**
- **Establish clear entry and exit criteria**
- **Joint development of IBR calendar**
- **Joint IBR training**
- **Detailed review of contractors' documents at Control Account level**
- **Risk-based approach for documenting and resolution tracking of IBR findings**
  - Types of Integrated Program Risk
    - Technical, Cost, Schedule, Management Control Processes, Resources, and Management Reserve
- **Three phases verification & validation approach**
  - Phase 1: Technical Baseline
  - Phase 2: Schedule Baseline
  - Phase 3: Performance Measurement Baseline integrity at Control Account level
- **Enhance both government and contractors CAMs to understand and resolve identified integrated program risks**

IBR Expectations

- **IBR execution must be consistent with the Program Manager(s) expectation and program dynamics**
- **Government team needs to set expectations on quality, completeness, and timely delivery of contractor's IBR documentation**
  - Avoid box check mentality – rejecting deliverables with unacceptable quality is essential in maintaining IBR integrity
- **IBR focus is on integrated program risks identification, documentation, resolution, and tracking**
  - Government Action Officers to present risks to contractor counterparts
  - Contractor to address and resolve risks within the three phases IBR process
- **Risk Based IBR is NOT about just Action Items resolution, instead it is about integrated program risks resolution / plan to protect the PMB Integrity**

A PMB that is Complete and Documented at the Appropriate Level of Detail is a Key Element to Achieve Program Objectives

PMAG IBR Assistance

- **Application Oriented Training to Government and Contractor teams**
  - IBR Planning
  - CAM Notebook Evaluation and Mock-up
  - CAM Interview Mock-up
- **PMAG Assistance to Government Team**
  - RFP and CDRL Formulation
- **Integrated Program Risks at Control Account level**
  - Technical, Cost, Schedule, Management Control Processes, and Resources
- **Overarching Integrated Program Risks at Program Level**

IBR Baseline Maintenance

- **Once IBR is complete, the emphasis is on the Management processes that maintain and control the baseline**
- **When working properly, Management Control Processes are the source of on-going Joint PM Mutual Understanding that reduces the need for future IBRs**
  - Mgmt processes will reflect the impacts of customer or performing activities decisions, schedule and budget changes, and their risk impacts
  - Objective is to maintain a PMB that represents the actual plan for accomplishing the remaining work and addresses both identified and evolving risk issues
  - Disciplined periodic program control working group sessions to manage PMB issues (cost, schedule, technical, and Mgmt control processes)
- **IBR baseline plan should always incorporate Project/Program dynamics and their risks**

IBR Results Need to Be Understood and Documented in the Mgmt Processes for Baseline Maintenance and Risk Mgmt

Summary

Robust Risk Based IBR provides

- **Verification and validation of key WBS Elements and Control Accounts**
- **Extensive verification of technical baseline, schedule baseline, and Performance Measurement Baseline integrity through identification of IBR risks in:**
  - Technical
  - Cost
  - Schedule
  - Resources
  - Management Control Processes
- **Executable integrated program baselines**

Requires an Absolute Joint IBR Team Synchronization Through the Disciplined Execution

Questions?

Acronyms

- CAM: Control Account Manager
- CWBS: Contract Work Breakdown Structure
- EV: Earned Value
- EVM: Earned Value Management
- IBR: Integrated Baseline Review
- IMP: Integrated Master Plan
- IMS: Integrated Master Schedule
- LOE: Level of Effort
- PMS: Performance Measurement Baseline
- SOW: Scope of Work
- WBS: Work Breakdown Structure