

**NASA HIGH RISK CORRECTIVE ACTION PLAN
EXECUTIVE SUMMARY and DEFINITION OF SUCCESS**

August 28, 2008

INTRODUCTION

NASA's Deputy Administrator finalized the Agency's first GAO High-Risk Corrective Action Plan on October 31, 2007, and the full Plan was subsequently updated through January 31, 2008. This document summarizes the key elements of the plan and presents NASA's Definition of Success.

DEFINITION OF SUCCESS

- **NASA will maintain a cost performance level for its portfolio of major development projects that is within 110% of the budget-weighted aggregate cost baseline.**
 - **NASA will meet the baseline schedule goals for its portfolio of major development projects, with aggregate schedule slippage falling within 110% of baseline.**
 - **NASA will sustain mission success by staying on-course to meet Level 1 requirements for its portfolio of major development projects.**
- This Definition of Success is consistent with NASA's recently-developed agreements with OMB and Congress as to reporting of cost and schedule performance metrics to meet the requirements of Section 103(b) of the NASA Authorization Act of 2005 (P.L. 109-155).
 - NASA's major development projects are those with a life cycle cost exceeding \$250 Million.
 - The applicable cost and schedule baseline is the baseline that is established at Key Decision Point C in NASA's project life cycle, associated with the Preliminary Design Review.
 - The projects' baselines will reflect NASA's new program/project management requirements including budgeting to a 70 percent confidence level. NASA typically conducts high risk missions using new technologies or systems in one-of-a-kind or first-of-a-kind applications. NASA's missions are unique in this way and we are attempting to address this uncertainty by developing probabilistic estimates and budgeting at a 70 percent confidence level.
 - Despite the best planning efforts, externally-driven changes could negatively impact project funding profiles over time, resulting in project schedule delays and cost growth. Such externally-driven changes may include world events, shifting Presidential and/or Congressional budget priorities, or performance of NASA's international partners. In some cases, externally-driven changes necessitate baseline changes. In such instances, the original baselines will be adjusted and project success will be measured against the revised baselines.

- The appropriate end-of-lifecycle point for each project will be determined during that project's Key Decision Point C review.
- NASA aims to achieve success by FY 2013. This date reflects the time required for new policies and processes to take effect as new projects are initiated and completed. NASA's High-Risk Corrective Action Plan activities involve implementation of a set of improved program/project management policies and processes. The current set of major development projects will have been underway prior to such implementation. These current projects will gradually be completed (NASA's typical timeline for development being four years) and will be replaced with newer projects which will fully implement the improved management construct.
- The quantitative goals in the Definition of Success are applicable only to the portfolio of new major development projects – that is, those projects that are managed and baselined in accordance with the Agency's new program/project requirements. However, to maintain continued focus on improving existing projects' performance, NASA will track and report the measures for existing projects as well.

APPROACH

NASA's Corrective Action Plan targets five focus areas:

- Program/Project Management;
- Cost Reporting Process;
- Cost Estimating and Analysis;
- Standard Business Processes; and
- Management of Financial Management Systems.

A cross-functional high-risk team within NASA developed seven initiatives to address the five focus areas:

- Program/Project Requirements and Implementation Practices;
- Agency Strategic Acquisition Approach;
- Contractor Cost Performance Monitoring;
- Project Management Training and Development;
- Improve Life-Cycle Cost/Schedule Management Processes;
- IEMP Process Improvement; and
- Procurement Processes and Policies.

Due to the interrelationships between components of contract management, each initiative's activities were designed to improve one or more of the focus areas. As a whole, the efforts will lead to a lower level of risk associated with NASA contract management.

CONTRIBUTING GOALS, MEASURES, AND MILESTONES

Completion of numerous improvement activities will be critical to achieving the goal set forth in the NASA Definition of Success. NASA has identified subsidiary outcome

goals, output goals, measures of success, and milestones, as appropriate to the individual initiatives.

CONCLUSION

NASA senior management is committed to successfully carrying out this Plan and is placing a high priority on achieving the stated milestones, metrics, goals, and objectives. NASA will continue to work closely with GAO and OMB counterparts during implementation of the Plan to review progress and status.