Joint Strike Fighter – Lightning II
Monthly Assessment Report

Prepared for the Joint Strike Fighter Program Office
Prepared by DCMA Lockheed Martin Fort Worth

19 September 2008

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JSF Executive Summary

Flight Test – AA-1 has accomplished 48 flights and ~57.2 flight hours as of 15 Sep 08. BF-1 has flown 12 flights, accumulating ~12.5 flight hours as of 18 Sep 08.

LM Aero comment: Ground Test – BG-1 has completed 23 of 96 planned test conditions as of 5 Sep 08. Test conditions to date have provided flight clearance support for initial flight, opening of STOVL doors in-flight, Force & Moment Hover Pit testing, and in-flight refueling. Preparations for the remaining conditions are on schedule.

Production Status (As of 14 Sep 08)	
Forward Fuselage	9 – Assembly 7 – Mate/Final
Center Fuselage	12 – Assembly/On-Dock 7 – Mate/Final
Aft Fuselage	5 – Assembly/On-Dock 8 – Mate/Final
Wing	10 – Assembly 6 – Mate/Final
Fuselage Structure Mate (EMAS)	5 – (AF-1, AF-2, AF-3, AG-1 & AJ-1)
Final Assembly/Sub-Systems/Systems Test/Labs	4 – (BF-2, BF-3, BF-4 & BG-1)
Field Ops/ITF	2 – (AA-1 & BF-1)

Overall, the cost and schedule performance trends are positive since the incorporation of the program's second replan, effective July 08 CPR with incorporation of an OTB / OTS and replan to Master Schedule 6.1. continues to meet their major delivery commitments to LM Aero. Their schedule performance will most likely remain under pressure, but to meet their near term Center Fuselage delivery commitments.

Mate thru Final Assembly (LM Aero-Fort Worth) for BF-3, BF-4, and AF-1 performance improved over last month and their continued success is critical to meeting roll-out schedules. Of significance this reporting period is the move of BF-2 to the fuel barn / flight line with 8% less traveled work (when compared to BF-1).

Future deliveries of the AFT Fuselages are projected to be up to 3 months late to MS6.1 contract dates and VT/HT deliveries appear to be 1 and 2 months late to MS6.1. Product scheduled for completion in Station 5 is not meeting internal schedules or the schedule requirements of MS6.1. Critical part shortage and labor intensive operations have exceeded expectations and are causal factors. The existing bottle neck is the lack of final machining capacity. has off-loaded work and is seeking other sources to mitigate shortfalls. has an SDD recovery plan that; increases visibility of shortage issues for potential earlier resolution, implements an additional manufacturing shift, and hires an additional 30 employees. With a 2 shift operation and working a 5 day schedule the expectation is to achieve schedule recovery : will validate and monitor performance against the recovery plan.

STOVL Flight Clearance (Powered Lift) – There are 263 STOVL Propulsion System Powered Lift Verification Reports required to be submitted to JPO for approval; 27 of which have been approved by JPO, ~ 53% behind the burn down plan. JPO and or these Verification Reports, which should facilitate keeping to the schedule. Recent developments indicate a two week slippage to FTE-6 schedule for a 31 Dec 08 delivery. Interdependency of the qualification test engine FX635 will be the pacing factor.

The DCMA EV System Rating at the program level remains Red. The status is encouraging, based on the satisfactory progress made by Lockheed in the implementation of the EV Corrective Action Plan (CAP) – a CAP developed in response to the release of the DCMA Earned Value Center Compliance Review Final Report. In addition to previous submittals of Baseline Change Control, Work Authorization, and preliminary Scheduling processes, the processes of Subcontract Management and EAC Development has been released. While the basic processes were good, there were two risk items in that documentation that still needs to be addressed.

That is not adequately addressed in the new processes. Second, in the area of Subcontract Management, Lockheed needs to relook at their relationship with some of their subcontractors in light of a new policy statement from the DCMA EV Center. This policy letter requires that subcontractors with the EV DFARS clause flowed down in their contracts be able to generate EV data with their own tools and EV System processes

Report Scope

The Joint Strike Fighter – Lighting II Monthly Assessment Report (MAR) is intended to meet customer outcomes identified in the Memorandum of Agreement (MOA) with the JSF Program Office (JSFPO). The objective is for the contractor to deliver products on schedule. The customer outcomes as described in the overarching MOA between DCMA and the JSF Program Office are as follows:

A. Effective Design Processes
B. Effective Manufacturing Processes
C. Effective Quality Processes
D. Effective Acceptance Processes
E. Effective Improvement Processes
F. Supply Chain Management

JSF Outcomes and Performance Commitments

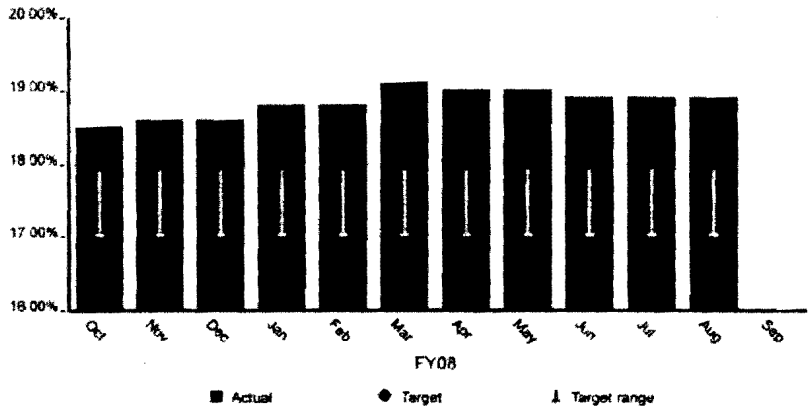
Outcomes, Performance Commitments (PC's), and the associated ratings are shown below. Interdisciplinary teaming between Business and Technical Product Assurance (PA) personnel is used to ensure customer outcomes are ascertained, risks to outcomes are identified and assessed.

DCMA Outcome	Performance Commitment	Rating Criteria	Rating
Improve Build-to-Package (BTP) Quality	18% of BTPs approved (no error) on first review	<17% = Red Up to but not including 18% = Yellow 18% or > = Green	
Successful Component Build	<10% variance of planned builds vs. actual schedule	> -15% = Red -10% to -15% = Yellow < -10% = Green	Y
Non-Conformance Reduction	10% reduction in MRB discrepancies per year	>10% Above Goal = Red Within 10% of Goal = Yellow < Goal = Green	
Safety of Flight (SoF)	First pass rate >75% for acceptance of SoF items	<69% = Red 70-75% = Yellow >76% = Green	
Effective Management of Formal Risks	Risk mitigation activities and waterfalls do not exceed 60 days off track	<90% = Red 90% to 99% = Yellow 100% = Green	
Successful System Checkout Procedures (SCOPs)	Scheduled completion is greater than 90%	<80% = Red ≤ 89% to ≥ 80% = Yellow ≥ 90% = Green	
Improved Software Productivity	Block 0.5 Software Productivity Cost Performance Variance (SPCPV) for WBS 1420 Airborne Software is improved at least 30% from Block 0.1 SPCPV	Block 0.5 SPCPV improved <10% of Block 0.1= Red Block 0.5 SPCPV improved at least 10% but <30% of Block 0.1 SPCPV = Yellow Block 0.5 SPCPV improved at least 30% from Block 0.1 SPCPV = Green	
Predictive analysis of SDD cost, schedule and performance variance	Resource requirements are aligned in support of funding and budget allocations(s). IEAC data and projections predict actual performance within 10% of actuals	>10% Variance = Red 5% to 10% Variance = Yellow <5% Variance = Green	Y
Delegated field assessments of supplier design, manufacturing, quality and improvement effectiveness	Each delegated supplier has quality ratings >96%	<87% = Red 87% to 95% = Yellow ≥ 96% = Green	
Successful completion of assist audits	Process contractor / PCO requests for domestic / international assist audits within 2 business days 85% of the time	<75% = Red 75% to 84% = Yellow >84% = Green	
Successful contract closeouts	Accomplish 94% contract closeout action within FAR mandated timeframes	<85% = Red 85% to 93% = Yellow >93% = Green	
Ensure "At Risk" funds, likely to require replacement do not cancel	90% of canceling funds de-obligated / billed	<80% = Red 80% to 89% = Yellow >89% = Green	

Improve Build-to-Package (BTP) Quality

PC – NSF198AJ04: Description: 18% of BTP's approved (with no error) on first review. Goal is to influence contractor to improve BTP quality by improving the percentage of BTP check forms found to be error free at BTP check prior to BTP release. This is not a direct measure of first pass yield, but includes forms correct for all passes. If the actual forms correct percentage is below the minimum target range of 17%, the rating is Red, if it is at the minimum target range up to but not including 18%, then it is rated Yellow, if it is at the target (goal) of 18% or greater, it is rated Green.

YS-AJH DCMA LMFW F-35 NSF198AJ04 Maintain 1st Pass Yield

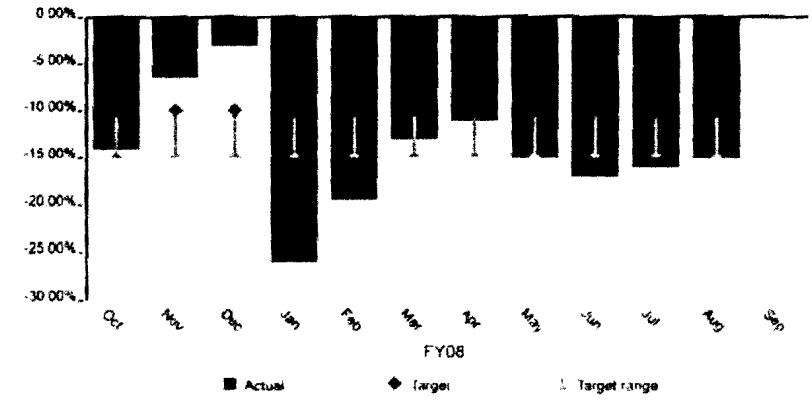


Performance commitment is rated Green this period with a BTP 1st pass yield rate of 18.9%. DCMA continues to examine data in LM Aero's BTPCAP (Build-To-Package Corrective Action Process) database to determine if any unfavorable trends requiring corrective actions exist. DCMA also attends EDE (Engineering Data Evaluation) and BTPCAP meetings as members of the corrective action team, as well as monitor BTP S-curve data to determine the current release progress and to track the percentage of BTPs behind schedule.

Successful Component Build

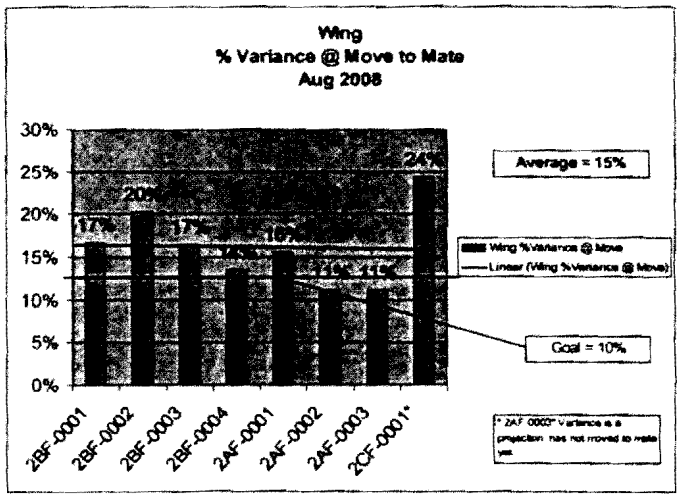
PC – NSF198AJ05: Description: Metric tracks the monthly variance of earned budget hours and actual hours. Data is calculated by finding the difference between planned versus actuals and then dividing by actuals for a percentage variance. Starting in May 2008, the goal is to reduce the average Wing touch labor variance "at move to mate" to within 10% by SDD completion, 2014. Red >-15% variance; Yellow is between -10% and -15% variance; Green <-10% variance. As each wing completes we will re-evaluate our goal by taking into account actual build performance.

YS-AJH DCMA LMFW F-35 NSF198AJ05 Reduce Schedule Variation

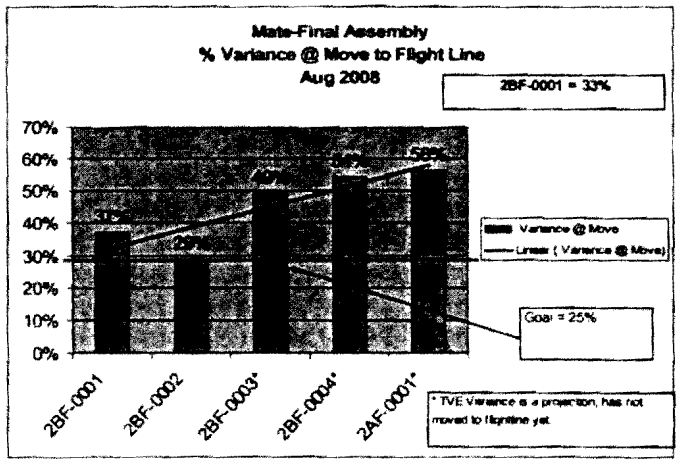


Performance Commitment is rated Yellow this period with a current overall Wing average touch labor variance to schedule of -15%.

The chart below is a breakout of the Wings which build up the -15% variation average. Data indicates the Wing is steadily reducing its variance at move to Mate. This is noteworthy since history has shown that Mate and Final Assembly performance has been considerably affected by the condition (maturity) of the Wing at delivery.



According to our estimates (data as of 17 Aug 08), BF-2 had 706 Standard hours, 22,595 estimated actual hours of open work at the time it moved to the fuel barn / flight line. This equates to an estimated 29% variance to schedule, and an 8% improvement over BF-1. The chart (sub-metric) below is a breakout of the aircraft that have either gone through or are in Mate and Final Assembly along with their associated % variance to schedule. What we are seeing is that LM Aero often starts behind schedule, and over time, works down the variance before it has to move the product. Our BF-3, BF-4, and AF-1 projections all appear to be following that same trend. This indicates that LM Aero has the ability to drive down variances, but only with singular focus (one plane at a time). *Per Lockheed Martin*

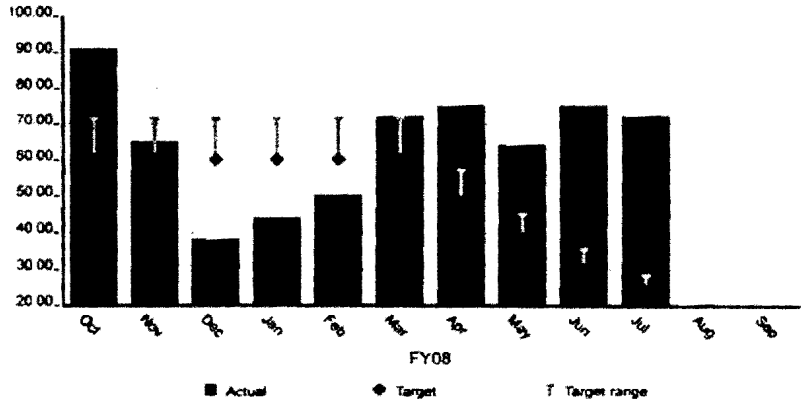


Production Operation's cost and schedule performance trends have remained positive since the incorporation of the program's second replan last month. (Center Fuselage) continues to meet their major delivery commitments to LM Aero. Their schedule performance will most likely remain under pressure, but DCMA .o meet their near term Center Fuselage delivery

commitments. According to product delivery forecasts, future deliveries of the AFT Fuselages will be up to 3 months late to MS6.1 contract dates and VT/HT deliveries may be between 1 and 2 months late to MS6.1 contract dates. ave developed an SDD production recovery plan that brings these deliveries closer to MS6.1 contracted dates. DCMA will validate and monitor performance against the recovery plan. Mate thru Final Assembly (LM Aero Fort Worth) for BF-3, BF-4, and AF-1 performances did improve over last month and their continued success is critical to meeting roll-out schedules. One accomplishment in this reporting period is the move of BF-2 to the fuel barn / flight line with 8% less traveled work (when compared to BF-1).

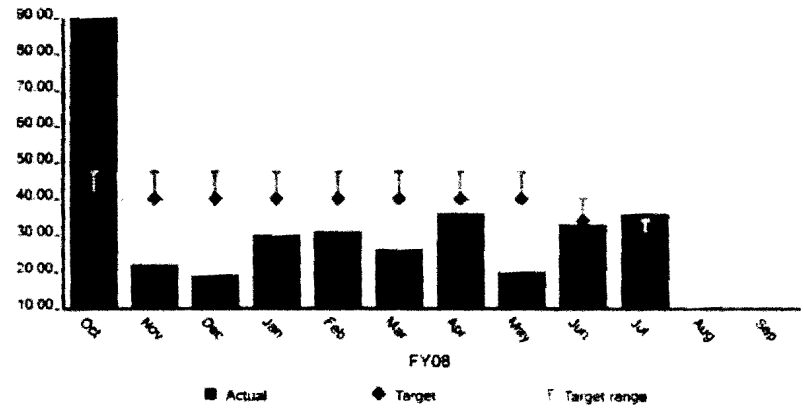
NSF198AJ05 Sub-Metric: Description: Reduce monthly average of negative float manufacturing days (Mdays) of key variant First Flight dates over baseline aircraft's (AA-1) delayed (~80Mdays) First Flight date. BF-4 (STOVL - Mission Systems Article) targets a 50% reduction in negative float over baseline, incorporating a 20% reduction each month in negative float Mdays, AF-1 (CTOL – Optimized vs. AA-1) targets a 50% reduction in negative float over baseline, incorporating a 15% reduction each month in negative float Mdays, 12 months out from Master Schedule First Flight date. **(Note: Mdays are displayed as positive values, but represent behind schedule status).**

YS-AJH DCMA LMFW F-35 BF-4 First Flight Date



BF-4 sub-metric was not averaged in August due to Microsoft SP3 issues within the IMS. PP&S has rolled back to SP2 as of the week of 8 Sep 08 – metric should be available in next MAR.

YS-AJH DCMA LMFW F-35 AF-1 First Flight Date



AF-1 sub-metric was not averaged in August due to ssues within the IMS. PP&S has rolled back to SP2 as of the week of 8 Sep 08 – metric should be available in next MAR.

Processes Assessed

A DCMA/LM Aero Joint Process Review was conducted in the Tube & Weld Fabrication area at LMFW from 7-14 August 2008.

. LM Aero responses and team validation/verification of corrective actions are expected to begin the last week of September.

A DCMA/LM Aero Joint Process Review focusing on JSF Wing Special Tooling Storage and Control was conducted at LMFW from 11-18 September 2008. A total of 18 Findings were documented during the review and each will require LM-Aero corrective action. In addition to the Findings, there were 4 Favorable Observations and 6 Unfavorable Observations where no additional LM-Aero actions are required. LM Aero responses and team validation/verification of corrective actions are pending.

A joint process review of MRP Exception Transactions was completed on 17 Sep 08. A total of 1 finding, 0 favorable, 1 unfavorable were documented and briefed. A draft finding concerning timely system updates pertaining to Exception Transactions and disposition of rework orders was in process at the time of the exit conference. A follow up review to confirm the effectiveness of any resulting corrective action plan is expected to be conducted the first quarter of CY09.

DCMA LM Fort Worth LRIP surveillance strategy is currently in development. This strategy will include a comprehensive list of joint process reviews along with a timeline. This review list will be coordinated with Lockheed Martin.

Non-Conformance Reduction

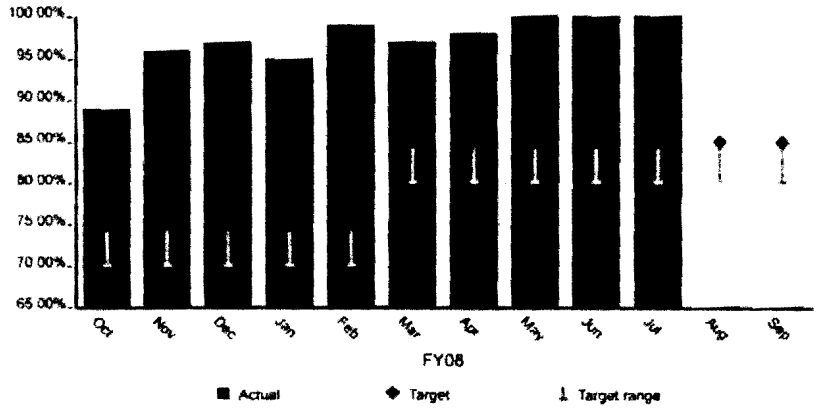
PC – NSF198AJ06: Description: 10% reduction in MRB discrepancies per year. Metric shows the average number of MR defects per 1000 actual manufacturing hours. The goal is to reduce MR defects per 1000 actual manufacturing hours by 10% per year. Red indicates more than 10% above the goal of 21, Yellow indicates within 10% of the goal, and Green indicates anything below the goal of 21.

The performance commitment is rated Green for this period.

Safety of Flight (SOF)

PC – NSF198AJ01: Description: Measures contractor performance in passing Safety of Flight inspections on the first attempt. It is a measure of quality where the target is 85%. Normally, SOF metrics measure the number of SOF escapes to the customer. The F-35 program is not yet delivering to the customer; therefore, we are measuring the contractor's learning curve in presenting to DCMA defect free products in SOF designated areas. The ratio shows the number of SOF inspections passed on first attempt to the number of SOF inspections conducted. Green = 85%>, Yellow = 80% - 84%, Red = <79%.

YS-AJH DCMA LMFW F-35 NSF198AJ01 Main SOF Insp 1st time pass



The performance commitment is rated Green for this period.

Successful System Checkout Procedures (SCOPs)

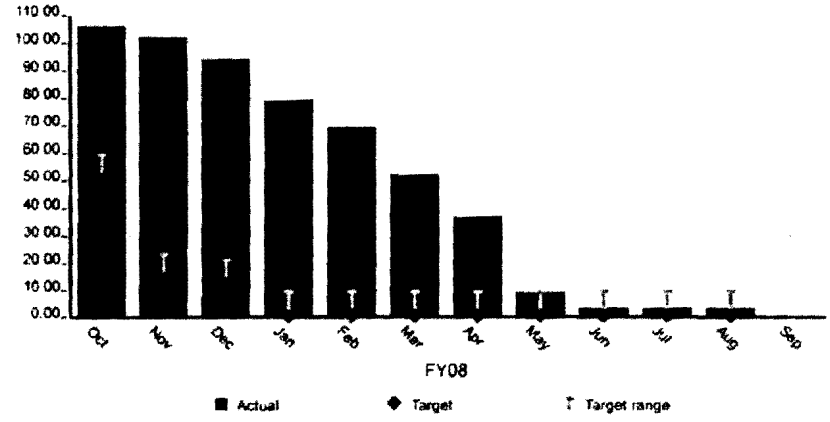
PC – NSF198AJ16: Description: Scheduled completion is greater than 90%. SCOPs are test procedures written by Mate and Delivery System Test from released Engineering data to direct testing during aircraft assembly to verify the design/manufacturing processes. In addition, these procedures are also utilized by Field Operations to verify system integration and flight readiness prior to flight. The calculation for this metric is the number of SCOPs completed on time + the number of SCOPs scheduled for completion during the month. Target Goals are: Green - ≥ 90%; Yellow - ≤89% to ≥80%; Red - <80%.

All scheduled completions dates are now aligned with Master Schedule (MS) 6.1. DCMA has recently provided this data to LMFW for their input and feedback to assist us in validating the SCOP document and the SWBS in which each particular test is currently planned. LMFW has responded that they are unable to provide this information due to limited resources. Since this request is not a direct contract requirement they will be unable to support us in this matter.

Since BF-1 first flight has taken place, no further SCOP testing is planned for the test article. The current plan is to archive this Performance Comment (PC) and realign to NSF198A05 Reduce Schedule Variation (SDD/LRIP) and NSF18A17 Maintain LRIP Delivery (LRIP) PCs as a sub metric. The existing metrics have been attached below for reference purposes.

- The data for this metric represents the number of SCOPs completed vs. the number of SCOPs scheduled for completion during the month. The target goal is for a ≥ 90% completion rate as scheduled. Data is represented as a burn down metric.

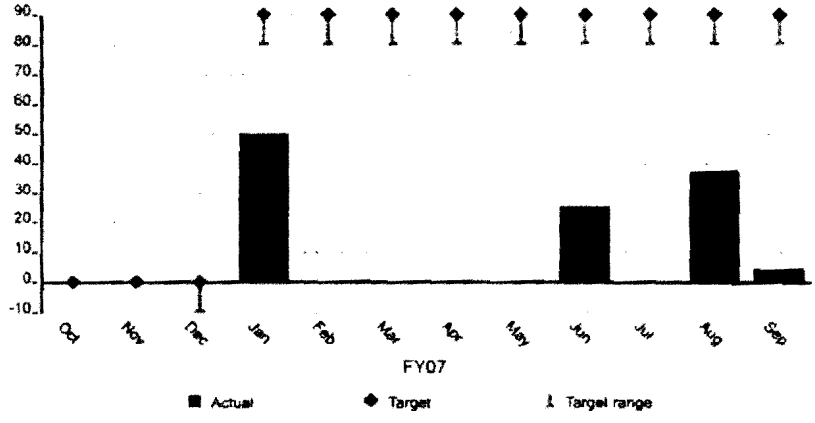
YS-AJH DCMA LMFW F-35 NSF198AJ16 SCOP Completions

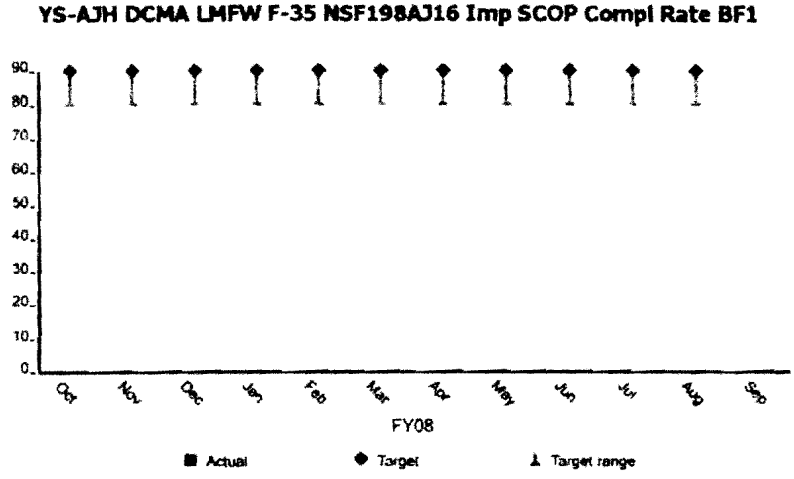


BF-1 SCOP Completion Rate

- For current on-time completion rate see attached documents. The current goal is to accomplish ≥ 90% on-time completion.

YS-AJH DCMA LMFW F-35 NSF198AJ16 Imp SCOP Compl Rate BF1





BF-1 SCOP On-time Completion Rate

The following table depicts the SCOP completions per test article (A/C). The table includes the total SCOPs planned per A/C, the number of SCOPs completed as of this reporting period (8 Sept 08), the percentage of SCOPs completed relating to the total planned for the A/C, and the percentage of testing completed prior to factory rollout to the flight line. This table is provided to better align the data to the new PCs as well as major milestone (Rollout) for LMFW.

SCOP Completions per Test Article / Aircraft (A/C)

Test Article	Total SCOPs Planned	SCOPs Completed	%Complete (Total A/C)	% Complete Prior to Rollout
BF-1	122	119	96.7%	27.0% (18 Dec 07)
BF-2	121	62	51.2%	47.8% (16 Aug 08)
BF-3	123	18	14.6%	-
BF-4	116	14	12.1%	-
AF-1	90	12	13.3%	-

has responsibility for SCOP development of their systems included in the Empennage (AFT, Horizontal Tail and Vertical Tail assemblies) for the various F-35 variants. DCMA is tracking the progress for SCOP preparation, sign-off and release. Current formal document release rate for STOVL is 100%, CTOL is 100% and CV is 85% for Aug 08. There has been no change from the previous month.

Testing of Empennage assemblies is still behind schedule. Eight (8) aircraft components scheduled for SCOP testing completion in Jul/Aug 08 timeframe were not completed. Based on product delivery forecast, AFT Fuselage deliveries will be up to 3 months late and VT/HT deliveries may be between 1 -2 month late to MS 6.1 contract dates.

Processes Assessed

Process reviews will be aligned in support of the migration of this PC to sub-metrics for NSF198A05 Reduce Schedule Variation (SDD/LRIP) and NSF18A17 Maintain LRIP Delivery (LRIP) PCs.

The performance commitment is rated Green – no update received.

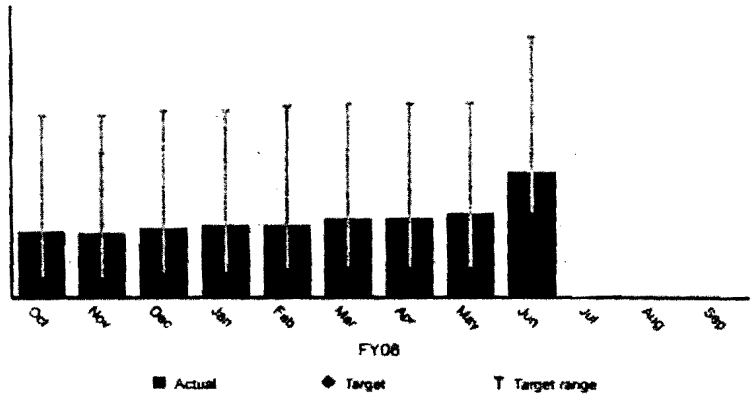
Processes Assessed

DCMA has completed the SPE Process Review and has received the contractor's response. DCMA-LMFW will start to analyze the responses starting 15 Sept 08 in order to provide a final report and follow-up.

Predictive Analysis of SDD Cost, Schedule and Performance Variance

PC – NSF198AJ08: Description: Resource requirements are aligned in support of funding and budget allocations. IEAC data and projections match actual performance within + / - 20% of contractors budget at completion. DCMA Independent EAC is measured against the prime contractor's BAC. The source of EV data comes from the monthly JSF SDD Cost Performance Report which lags by 1 month. Metric is updated in Metrics Manager as soon as data is received from contractor (approximately 45-60 days after end-of-month). This is represented as the contractor's BAC as the numerator divided by DCMA's IEAC as the denominator with a 20 percent tolerance band. DCMA uses trend analysis, the prime contractor's cost, pressures and risks, in addition to the sub-contractor costs, risks, including contract change notices as a factor for consideration. Green = 1.0 to 0.95 variance (5%), Yellow = 0.95 to 0.90 variance (5% to 10%), Red = 0.90 or greater variance (>10%).

YS-AJH DCMA LMFW F-35 NSF198AJ08 Maint SDD Cost Schedule



The performance commitment is rated Yellow – no update received.

Lockheed Martin is now reporting to an Over Target Baseline of $24,096,909K reported in the Cost Performance Report (CPR). The July 2008 SDD cost summary and program status is as follows:

	BAC	LM EAC CPR	DCMA IEAC
Performance Measurement Baseline (PMB)			
Management Reserve (MR)			
Total:			

Budget Baseline and EAC Summaries

Contract Data	KT 1	KT 2	KT 3	KT 4
Contract #	N00019-02-C-3002	N00019-06-C-0291	N00019-07-C-0097	N00019-08-C-0028
Name	JSF SDD	LRIP 1	LRIP 2	LRIP 3
Contract Type	Cost Plus Award Fee	Cost Plus Award Fee	Cost Plus Award Fee	Cost Plus Award Fee
Obligated Amount	$20,424,200,214.18	$197,248,033.28	$1,142,363,786.00	$176,800,000.00
ULO	$453,602,909.07	$119,944,986.91	$1,076,983,730.44	$176,800,000.00
Performance Start/End	Oct 2001/Apr 2012	May 2007/Feb2010	Apr 2010/Feb 2011	Mar 2011/Dec 2011

Primary Trip Wires		Secondary Trip Wires						
System Indicator	Baseline Indicator	Cum BEI	SPI	Cum CPLI	CPI	CPI/TCPI 10%	Contract Mods 10%	Baseline Revs 5%
								N/A

Primary Trip Wires –

(a) System Indicator: Please see EV section of report.

(b) Baseline Indicators: A baseline assessment shows the contractors BAC and EAC to be optimistic. To complete the contract within the CBB, the contractor needs to be about 10.9 percent more efficient. The BAC has increased by 39% since the start up in Oct of 2001. The cost growth is likely to increase due to inherent engineering risks in the first versions of STOVL and CV aircraft.

Secondary Trip Wires –

- Baseline Execution Index (BEI): Cumulative tasks from October 2001 thru August 2008: Cum BEI = 129,712 Completed Tasks/131,460 Planned Tasks = 0.99
- Monthly (August 2008) BEI = 1223 Completed tasks/1781 Planned Tasks = 0.69
- SPI= BCWP/BCWS=
- CPLI= (1529 + (3))/1529 = 1.0 (Time Now = 31 Aug 08)
- CPI= BCWP/ACWP= =0.974
- CPI/TCPI= 0.974/1.018=.956
- Contracts Mods – (BAC now)/original BAC 10/01= =1.398

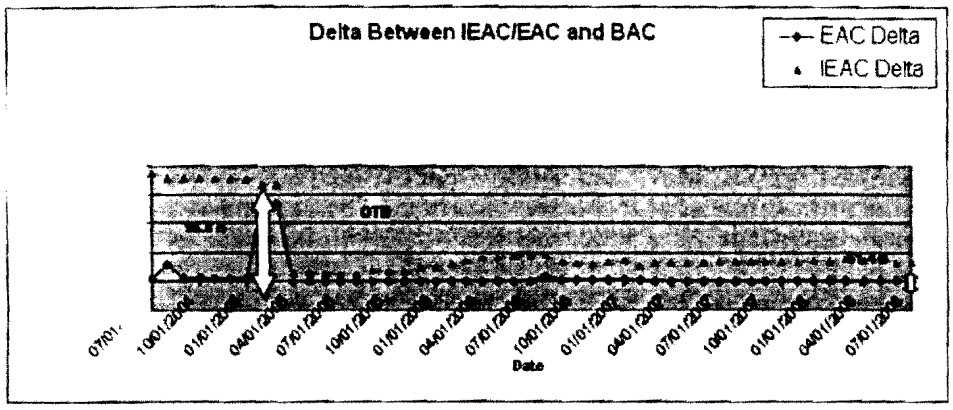
The DCMA Risk Rating for EVMS at the total program level is rated Yellow - using the agreed to parameter of VAC (-5.71%). Compare this to the LM Aero's EAC and one can see a difference of over 5%. Similarly, the $TCPI_{EAC}$ is different when using the DCMA IEAC versus the contractor's EAC:

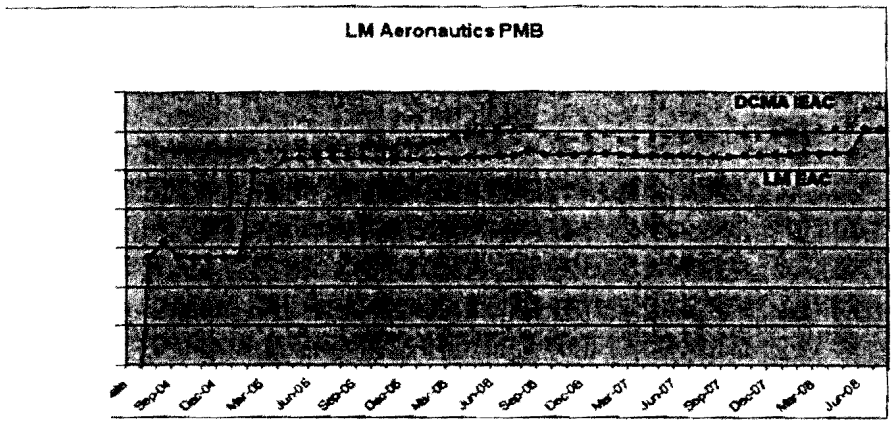
$TCPI_{DCMA\ IEAC}$ = 0.908
$TCPI_{LM\ EAC}$ = 1.018

The DCMA IEAC is based upon the figures provided in the July 08 CPR report. LM incurred about

The DCMA IEAC considers the additional one year of performance in the new OTS. Another factor was the cost growth of Cost-Plus Suppliers – for example, the Mission and Vehicle System Supplier EAC has grown by m June 07 to July 08.

The graph below illustrates the DCMA's past projections of IEAC against LM's BAC and LRE.

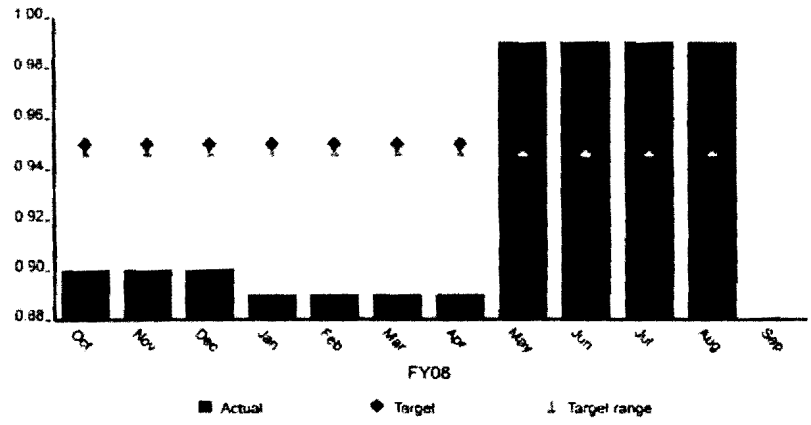




NSF198AJ08 Sub-Metrics: Description: The Baseline Execution Index (BEI) metric is an Integrated Master Schedule (IMS) based metric that calculates the efficiency with which actual work has been accomplished when measured against the baseline. The BEI provides insight into the realism of program cost, resource, and schedule estimates. For BEI, an index of <.95 is used as a warning indication of schedule execution underperformance. Goal is to achieve BEI values ≥.95. Cumulative BEI equals actual tasks/activities completed divided by the baseline total tasks/activities.

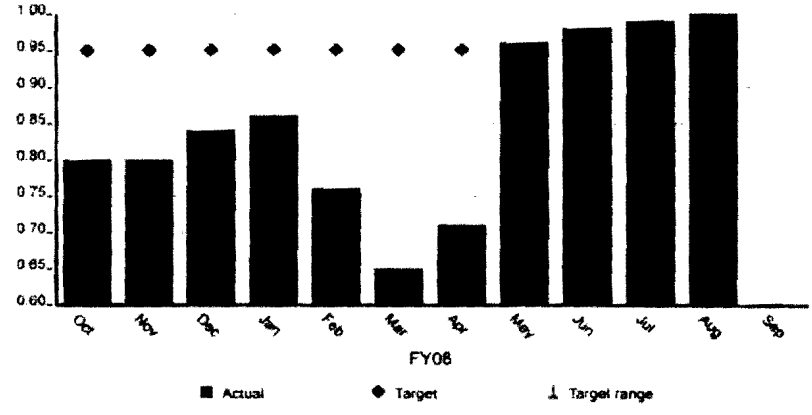
The Critical Path Length Index (CPLI) indicates whether or not the program schedule can be completed on time. This is an Integrated Master Schedule (IMS) based metric that utilizes the critical path methodology definition being: the longest, continuous sequence of tasks through the network schedule with the least amount of float, from contract start to contract completion. After contract start, the critical path is always measured from "time now" until contract completion. For CPLI, an index of <.95 is used as a warning indication that the program will not complete on time. Goal is to maintain CPLI values ≥.95. Critical Path Length Index (CPLI) equals the Critical Path Length (CPL) plus or minus the Total Float (TF) divided by the Critical Path Length (CPL). The target efficiency ratio for both metrics is 1.00. An index greater than 1.00 is favorable, and an index less than 1.00 is unfavorable. ≥.95 = Green .90 to <.95 = Yellow <.90 = Red

YS-AJH DCMA LMFW F-35 IMS BEI



BEI sub-metric is rated Green for this period. As of month-end May 2008, MS-6.1 baseline replan dates have been incorporated into the IMS.

YS-AJH DCMA LMFW F-35 IMS CPLI

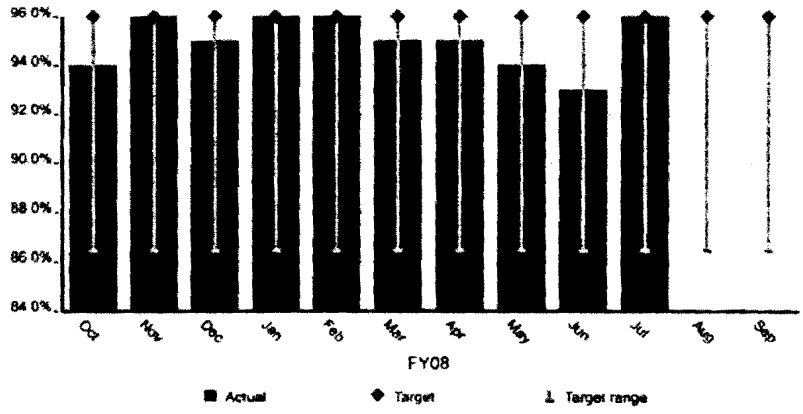


CPLI sub-metric is rated Green for this period. As of month-end May 2008, MS-6.1 baseline replan dates have been incorporated into the IMS.

Delegated Field Assessments

PC – NSF198AJ10: Description: Each delegated supplier has quality ratings >96 percent. The top suppliers are summed (areas of consideration are: cost, issues, technical, criticality) and divided by quantity for an average QA rating per month. Goal is to achieve an average of >96%. GREEN is 96 to 100; YELLOW is 87 to 95; below 87 is RED. Data is distributed to supporting CMOs monthly for review/influence on contractor quality performance.

YS-AJH DCMA LMFW F-35 NSF198AJ10 Imp Supplier Qual Rate



The key suppliers are now being tracked to a new (Lockheed-Martin) quality rating beginning with July 08 data. This new rating considers many factors when rating a supplier. For example, Corrective Action Requests issued by LMFW is a factor. Parts rejected are counted, along with a weighting added for age, criticality and location. Additionally, a complexity factor is considered and supplier responsible quality assurance reports (defects) are factored in.

When using the new rating, several key suppliers have improved their quality rating for the month. The metric this month is Green with a 96% quality rating.

is still considered Red, however their rating has improved since last month as they continue to work the issue. DCMA , is monitoring those corrective actions.

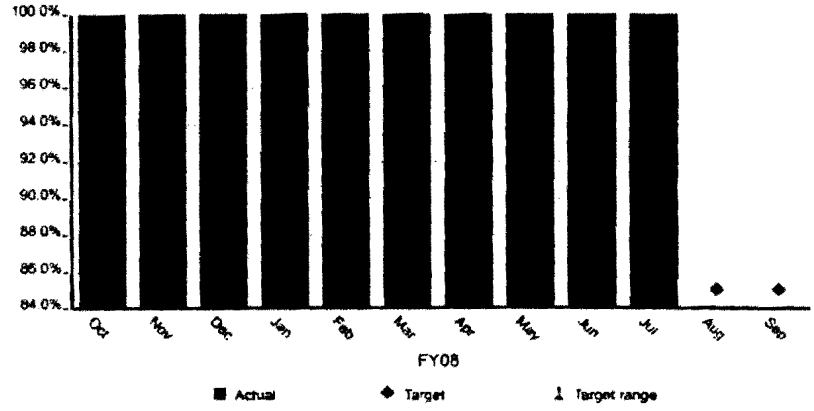
The overall average of the fourteen suppliers tracked is shown in the chart below. The score for the individual fourteen suppliers are shown in the embedded file.

July Data

Successful Completion of Assist Audits

PC – NSF198AJ13: Description: Contractor/PCO requests for domestic/international Assist Audits within 2 business days 85% of the time. Percentage is calculated by dividing the number of Assist Audits processed within 2 business days by the total number of Assist Audits requested. Green = > 84%, Yellow = 75-84%, Red = < 75%.

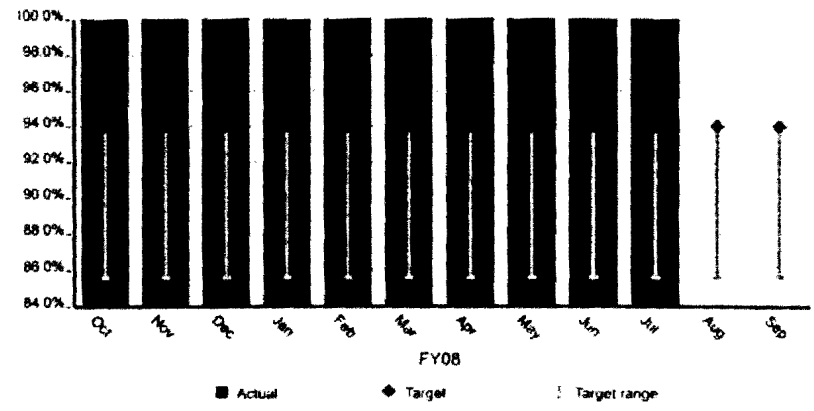
YS-AJH DCMA LMFW F-35 NSF198AJ13 Maint Asst Audit Req Timing



Successful Contract Closeouts

PC – CDDAGYOC02: Description: Maintain 94% contract closeout actions within the Federal Acquisition Regulation (FAR) mandated timeframes. Percentage is calculated by dividing the number of on time contracts closed by the total number of contracts closed. This data will be shown monthly and tracked at the CTMA level by category – fixed price, cost and others. Green = > 93% Yellow = 85-93% Red = < 85%.

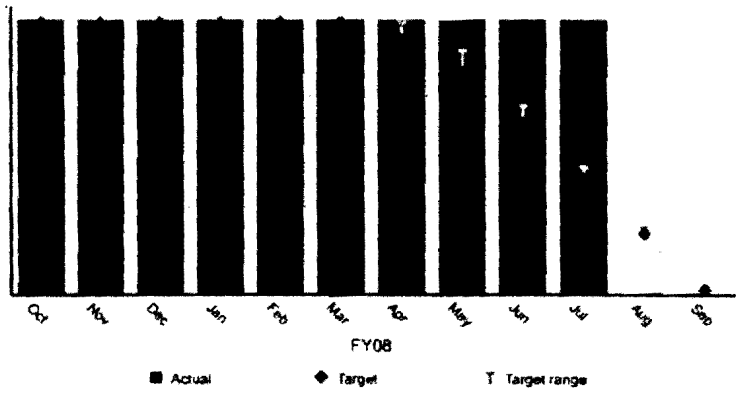
YS-AJH DCMA LMFW F-35 CDDAGYOC02 Main FAR Req for K Closeout



At Risk Funds

PC – CDDAGYOC01: 90% canceling funds will be billed and/or de-obligated before the end of the fiscal year. Attainment of the goal is calculated by dividing the total dollar amount of canceling funds billed and/or de-obligated by the total amount of canceling funds identified. Green=>89%, Yellow=80-89%, Red=<80% of the funds identified to cancel at year end. Burn down plan begins in May 08 allowing contractor time for research/action.

YS-AJH DCMA LMFW F-35 CDDAGYOC01 Reduce Cancelling Funds



Earned Value

The complete EV report is attached:

Appendix A – EV Assessment Criteria

Rating Criteria is based on the DCMA VAC% and when possible should include MR in the DCMA IEAC

[redacted] - VAC%>-5%

Yellow - -10%<VAC%<-5%

[redacted] - VAC%<-10%

N/R - Not Rated or Not Reported