



DEPARTMENT OF DEFENSE
Defense Contract Management Agency

INSTRUCTION

Industry Management Councils (IMC)

Portfolio Management and Integration Directorate
OPR: DCMA-PI

DCMA-INST 403
July 22, 2014

SUMMARY OF CHANGES: *Inserted criteria for establishing Corporate Management Councils (CMC) with defense industry. Associated DCMA INST-407, “Customer Engagement” (CE) on documenting CMC engagement using Customer Engagement Report (CER) eTool application. The process flowchart was moved from Appendices to the Resource Web Page of this Instruction. Several administrative changes were made to clarify policy fundamentals and update Instruction references.*

1. PURPOSE. This Instruction:

a. ***Revises DCMA Instruction (DCMA-INST) 403, “Industry Management Councils” (IMC)*** (Reference (a)).

b. Establishes the policy and assigns associated membership, functions, and administrative support responsibilities for developing and maintaining effective and efficient management councils.

c. Is established in accordance with ***the authority in*** DoD Directive (DoDD) 5105.64, ***“Defense Contract Management Agency (DCMA)”*** (Reference (b)).

2. APPLICABILITY. This Instruction applies to all DCMA activities.

3. MANAGERS’ INTERNAL CONTROL PROGRAM. This instruction contains managers’ internal control provisions that are subject to evaluation and testing as required in DCMA Instruction (DCMA-INST) 710, “Managers’ Internal Control Program” (Reference (c)). The process flowchart is located on the ***policy Resource Web Page.***

4. RELEASABILITY – UNLIMITED. This Instruction is approved for public release.

5. PERFORMANCE LABOR ACCOUNTING SYSTEM (PLAS) CODE(S).

a. Process: 004, Customer Outreach

b. Programs: Acquisition Category (ACAT)/Other Customers (when applicable).

c. Other National; Training and Travel; Local Programs (when applicable).

6. RESOURCE PAGE. <https://home.dcma.mil/policy/403r>

7. EFFECTIVE DATE. By order of the Director, DCMA, this Instruction is effective July 22, 2014, and all applicable activities shall be fully compliant within 60 days of this date.

A handwritten signature in black ink, appearing to read 'J. E. Sweeney', with a stylized flourish extending to the right.

Joseph E. Sweeney
Executive Director
Portfolio Management and Integration

TABLE OF CONTENTS

REFERENCES	4
CHAPTER 1 – POLICY	
1.1. Purpose	5
1.2. Organization Framework.....	5
1.3. Management Council Membership	6
1.4. Frequency of Management Council Meetings	6
CHAPTER 2 – ROLES AND RESPONSIBILITIES	
2.1. Management Council Charters.....	9
2.2. DCMA Chief Operations Officer (COO).....	9
2.3. DCMA Executive Directors	10
2.4. DCMA Operations Sector Division Directors.....	10
2.5. Resident CMO Commanders/Directors	11
CHAPTER 3 – PROCEDURES	
3.1. Establishment of Management Councils	12
3.2. Coordination of the Initial CMC Meeting.....	12
3.3. Coordination of CMC Meetings.....	12
FIGURE	
<i>Figure 1. Criteria for Corporate Management Council Engagement Data.....</i>	<i>7</i>
Figure 2. Management Councils Matrix	8
GLOSSARY	
Acronyms	14

REFERENCES

- (a) DCMA-INST 403, "Industry Management Councils (IMC)," August 14, 2012
(as amended)***
- (b) DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
- (c) DCMA-INST 710, "Managers' Internal Control Program," April 21, 2014
- (d) Federal Acquisition Regulation, Part 42.302, "Contract Administration Office Functions"
- (e) DCMA-INST 407, "Customer Engagement," July 26, 2013***

CHAPTER 1

POLICY

1.1. PURPOSE.

1.1.1. A fundamental element of DCMA's ~~mission~~ responsibilities is to regularly interface with industry ~~in the conduct of to provide~~ contract administration services on behalf of DoD procurement activities. ~~DCMA E~~engagements with Defense Industry range from tactical daily interaction in the administration of individual contracts to strategic involvement in a variety of industry initiatives and business processes (e.g., National Defense Industry Association).

1.1.2. ~~DCMA uses~~ Industry Management Councils (IMC) ~~are used by the Agency~~ to formally partner with individual DoD contractors to share ideas; identify systemic acquisition issues and possible solutions; strengthen customer interaction and satisfaction; and collaborate in the implementation of changes to the acquisition process impacting both the Agency and the Corporation. The ultimate goal of IMCs is to accelerate improvements in defense acquisition processes benefitting both industry and DoD.

1.1.3. This Instruction establishes DCMA IMC policy in support of the Agency's mission responsibilities (FAR 42.302, "Contract Administration Office Functions" (Reference (d)) and DoDD 5105.64 (Reference (b))). It addresses the Agency's approach to establish and efficiently operate DCMA management councils.

1.2. ORGANIZATION FRAMEWORK. The structure of management councils varies contingent on the level of Agency engagement with industry, from strategic to tactical:

1.2.1. At the strategic level, DCMA utilizes a Corporate Management Council (CMC) construct for its largest DoD ~~C~~contractors to address acquisition-related issues to the benefit of both Government and the selected contractor. It covers all Services/~~C~~customer ~~bases~~concerns and addresses issues that are ~~C~~orporate-wide, not program specific. *The criteria for establishing the top six CMCs with defense industry are shown in Figure 1. The defense contractor must meet five or more criteria and contract totals must be equal to or greater than the amounts shown in the table.*

1.2.2. CMCs are organized in a three-tier construct: Corporate, Business Sector, and Contract Management Office (CMO) Resident Command (See Figure-2, Management Council Matrix). CMC Executives (both DCMA and company) may decide to establish Business Sector Councils to address commodity specific issues. Tactically, CMO Management Councils are required to be established to address site specific issues and ensure alignment with strategic issues.

1.2.3. In those cases where a DCMA Resident CMO command is not aligned to a CMC, the CMO Management Council follows the CMC precepts and will address common DCMA Focus Areas, acquisition-related issues to the benefit of the government and contractor, as well as site specific issues.

1.3. MANAGEMENT COUNCIL MEMBERSHIP.

1.3.1. When CMCs are established, the DCMA Chief Operations Officer (COO), and typically the Contractor's Executive Vice President (VP) for Contracts, for a given corporation, shall co-chair. In addition, the CMC (*senior level meeting*) will be composed of Contractor Senior Functional VP, DCMA Executive Directors, *Defense Contract Audit Agency (DCAA)*, and Senior Acquisition Executives (*SAE*) or their representatives (*e.g., SES or Flag Officer*) to *communicate ideas, implement change, and accelerate improvements in the acquisition process, benefitting both industry and DoD.*

1.3.1.1. CMC Customer Representation. Each ~~Senior Acquisition Executive (SAE)~~ or Senior Executive Service (SES) representative is invited to be a member of the CMC. Besides the SAE or their representative (*e.g., SES or Flag Officer*), the SAE/representative may identify one additional participant for each CMC meeting from the military service buying community (e.g., Navy SYSCOM, Air Force/Army Buying Commands, and Program Executive Officers (PEO), as appropriate).

1.3.1.2. General CMC Meeting Participation. In addition to the CMC members and invited CMC customer representatives, attendance of the CMC will *normally* be limited to briefers in support of agenda topics.

1.3.1.3. In cases where Business Sector Management Councils (BSMC) are established within the CMC framework, membership will be determined by the CMC designated leaders for the BSMC. Typical members of the BSMC are identified in Figure 2.

1.3.2. CMO Management Council Membership will be determined by the Resident CMO Commander/Director and the industry partner. Typical members of the BSMC are identified in Figure 2.

1.4. FREQUENCY OF MANAGEMENT COUNCIL MEETINGS.

1.4.1. As a goal, the CMC will meet at least two times each year on dates mutually agreed upon.

1.4.2. BSMC will meet as required.

1.4.3. CMO Management Councils will meet as required, but no less than semi-annually.

**Figure 1. Criteria for Corporate Management Council (CMC) Engagement Data
(Must meet 5 or more)**

Contractor	Cage Count	Business Segments	ACAT 1	Contracts	Total Contract Amount \$	Obligated Amount	ULO Amount
	≥ 75	≥ 5	≥ 6	$\geq 6K$	$\geq \$50B$	$\geq \$50B$	$\geq \$5B$

Figure 2. Management Council Matrix

	CORPORATE MANAGEMENT COUNCILS (CMC)	BUSINESS SECTOR MANAGEMENT COUNCILS (BSMC)**	CMO MANAGEMENT COUNCILS
Level of Engagement	Strategic	Operational	Tactical
<i>Chairs</i>	- Senior Corp. Leadership - Chief Operations Officer	- Business Level VP - Sector Division Leads *	- On-site Company Leaders - CMO Commander/Director
Membership	- Senior Functional VPs - DCMA Exec Directors - DCMA Sector Div. Directors - <i>DCAA</i> - SAE (or SAE Rep) ***	- Business Functional Leadership - Operations Functional Leads - PEOs	- Local Leadership - CMO Leadership - Program Managers
Issues	- Strategic Initiatives - Corporate Processes	- CMC Objectives Alignment - Product Lines - Business Processes	- CMC Objectives Alignment - Programs - Sites
Frequency	Two/Three per year <i>Twice annually, at a minimum</i>	As Required	Semi-Annually at a minimum

NOTE: * CMO Commander/Director should lead the BSMC only if the company’s business sector is co-located with CMO Resident Command (e.g., DCMA Lockheed Fort Worth)

NOTE: ** Joint Management Councils (JMCs) are customer engagements between service acquisition buying commands and a specific company. JMCs are primarily programmatic in nature, designed to address issues of a specific buying activity. JMCs are customer driven engagements supported by DCMA Operational Sector Divisions on a case-by-case basis. JMCs are **NOT** part of the CMC construct.

In some cases, there may be instances where DCMA and a buying command jointly lead a forum with a specific CMC corporation. In those instances, the engagement may be categorized at the BSMC level at the discretion of the DCMA COO or designee.

NOTE: *** At the discretion of the SAE, one additional participant from a Service Buying Command may be invited to attend a CMC meeting.

CHAPTER 2

ROLES AND RESPONSIBILITIES

2.1. MANAGEMENT COUNCIL CHARTERS.

2.1.1. All management councils ~~shall~~ **must** have a charter to clearly state roles and responsibilities that is signed by both parties.

2.1.2. Each ~~C~~charter ~~shall~~ **will**:

2.1.2.1. Identify goals/objectives, membership, meeting schedules, member responsibilities, and record keeping. (A standard template for ~~C~~charter is provided to assist the establishment of a Management Council Charter and can be found on the Resource Web Page under the Tools and Additional Guidance Section).

2.1.2.2. Set forth procedures for documenting decisions and assignment **status and closure** of action items.

2.2. DCMA CHIEF OPERATIONS OFFICER (COO). The COO:

2.2.1. ~~Shall~~ **Recommends** to the DCMA Director when an individual corporation merits CMC establishment **in line with the criteria on Figure 1**.

2.2.2. Serves as the Agency Chairperson for each CMC. **The COO may with the power of re-delegation delegate chairperson responsibilities** to the Deputy COO.

2.2.3. Has signatory authority for CMC charters.

2.2.4. Advises the DCMA Director on matters of policy relating to the efficient organization and management of CMCs.

2.2.5. Is responsible for overall management of CMC and shall:

2.2.5.1. Designate an Operations Sector Division Director as the CMC Action Officer (AO) to facilitate and act as the point of contact for each CMC.

2.2.5.2. Operate CMCs and work with Agency Executive Directors to identify issues to be worked at CMC.

2.2.5.3. Ensure CMCs are consistent in operation and focus as DCMA engages selected corporations (common administration and DCMA focus areas).

2.2.5.4. Invite International, Special Programs, and other DCMA Executive Directors, and Sector Division Directors to the CMC meeting on a situational and/or as needed basis.

2.3. DCMA EXECUTIVE DIRECTORS.

2.3.1. Portfolio Management & Integration (PM&I), Quality Assurance, Engineering and Analysis, and Contracting Functional Executive Directors are members of each CMC. CMC members will provide support in line with timelines for each CMC engagement (reference CMC Step-by-Step Planning Checklist located on the Resource Web Page).

2.3.1.1. Executive Director, Portfolio Management & Integration will designate a Service/*Joint* Portfolio Division Director (*SPD/JPD*) for each CMC to serve as the PM&I-~~SAE AO~~ *SPD lead* to ~~facilitate engagement~~ *provide support (e.g., on-time deliveries, Program Assessment Report (PAR))* with SAEs and ~~Service Buying Commands subordinate buying commands~~.

2.3.1.2. ~~The COO CMC AO will coordinate with the SAEs. Additional coordination may be required by a PM&I- SAE AO will coordinate with the CMC AO designated SPD/JPD Director~~ on Strategic Customers' concerns/issues for the upcoming CMC meeting *as needed*.

2.4. DCMA OPERATIONS SECTOR DIVISION DIRECTORS. The Operations Sector Division Director designated as the CMC AO shall:

~~2.4.1. If designated by CMC, establish charter for a BSMC that is in line with the guidance provided in paragraph 2.1.~~

2.4.1. Consider Special Programs staff as CMC participants when the contractor possesses a significant Special Programs workload.

~~2.4.3. Coordinate and lead BSMC meetings when identified.~~

2.4.2. Manage the CMC process and provide support to the COO for specific CMCs, and provide support in line with timelines for each CMC engagement (reference CMC Step-by-Step Planning Checklist located on the Resource Web Page).

2.4.3. Ensure consistency across CMCs and vertically integrate CMC activities/initiatives by each Business Sector and CMO Management Council.

2.4.4. Ensure PM&I-~~SAE AO~~ *is SPD/JPD Directors are* included in communications with SAEs and ensure Customer Liaison Representatives are included in communications with Service Buying Commands.

2.4.5. Document CMC meeting minutes and action items. (Standard templates for the Minutes and Action Items are provided and can be found on the Resource Web Page under the Tools and Additional Guidance Section to help prepare minutes of each meeting and manage action items.)

2.4.6. Maintain official CMC records in the *DCMA Operations Directorate eCommunity Project Links in DCMA 360*.

2.4.7. Coordinate and lead BSMC meetings when identified.

2.4.8. Use the CER eTool to capture results of each planned engagement. If unplanned engagements occur, the decision to “record” the event in the CER eTool is at the discretion of the responsible leader.

2.5. RESIDENT CMO COMMANDERS/DIRECTORS. Resident CMO Commanders/Directors shall:

2.5.1. Establish a CMO Management Council Charter ~~that is in line~~ *in accordance* with the guidance provided in paragraph 2.1.

2.5.2. Hold CMO Management Councils on a regular basis as determined necessary, but no less than two times per year to work site specific issues as well as supporting the goals/objectives of the CMC, and BSMC (if applicable) or DCMA focus areas if the Agency has not established a CMC at the strategic level.

2.5.3. Interface with program management offices and tactical level representatives in buying commands to understand customer requirements and issues. Customer engagement opportunities may include attendance at program management reviews, tactical level meetings, or management councils.

2.5.4. Post action items, minutes, briefings and all related documents from the CMO Management Council meetings to *DCMA Operations Directorate eCommunity Project Links in DCMA 360* for historical and sharing purposes.

2.5.5. In those cases where resident CMOs are aligned to a specific Business Sector, the resident CMO Commander/Director may represent the Agency, rather than an Operations Sector Division Director, at the discretion of the COO (see Figure 2 note).

CHAPTER 3 PROCEDURES

3.1. ESTABLISHMENT OF MANAGEMENT COUNCILS.

3.1.1. COO shall identify and recommend individual corporations to the DCMA Director for CMC establishment *in accordance with the criteria noted on Figure 1* and assign an Operations Sector Division Director as the CMC AO to coordinate and facilitate the CMC.

3.1.2. Each CMC will determine if BSMC will be established.

3.1.3. CMO Commander/Director shall establish a CMO Management Council for all residency commands, primary and streamlined, regardless whether the COO has established a CMC with the company.

3.2. COORDINATION OF THE INITIAL CMC MEETING. The AO shall:

3.2.1. Arrange initial meeting with the company's representatives, typically the Executive VP for Contracts with a letter from Director/COO to appropriate Company official.

3.2.2. Attend the meeting with COO and the company's executives to discuss the establishment of a CMC and agree on the following:

- Objectives – focus areas of both DCMA and the company
- Draft charter
- Attendees [Note: SAE representatives do not *normally* attend first CMC]
- Agenda for first meeting
- Date and location of first meeting

3.2.3. Coordinate the first CMC meeting with the guidance provided in paragraph 3.2. The subprocess flowchart is located *on the policy Resource Web Page*.

3.3. COORDINATION OF CMC MEETINGS.

3.3.1. For the preparation of each CMC, the AO shall (reference CMC Step-by-Step Planning Checklist located on the Resource Web Page).

3.3.1.1. Collaborate with company's representatives to arrange appropriate administrative matters for the CMC.

3.3.1.2. If applicable, collaborate with DCMA Executive Directors and the company's representatives on briefings and action items from last meeting.

3.3.1.3. Ensure a meeting notice is sent to inform meeting participants with the date and location of the meeting, specific data requirements, and any other action requirements.

3.3.1.4. Coordinate with ~~PM&I SAE AO~~ *designated SPD/JPD Director* on new strategic customer concerns/issues to be included on the agenda.

3.3.1.5. Brief COO on final preparation and finalize agenda, briefings, and all documents required prior to the CMC meeting.

3.3.1.6. Pursue strategic alternatives to Government travel in support of CMCs whenever practicable to ensure efficient Government travel spending. These alternatives include local or technological alternatives such as teleconferencing and video conferencing, as well as, efficient scheduling methods to minimize lodging and per diem expenses.

3.3.2. During the CMC meeting, the AO, in collaboration with company officials, shall:

3.3.2.1. Facilitate the meeting.

3.3.2.2. ~~If this is the first engagement meeting, ensure charter is revised and signed.~~
Ensure charter is reviewed and signed, if this is the first engagement meeting.

3.3.2.3. Ensure action items and meeting minutes are taken.

3.3.2.4. Coordinate and agree on the date, location, and participants for the next IMC meeting.

3.3.2.5. Brief all vertical integration activities with CMO and BSMC councils and provide an executive summary of initiatives and results from those efforts.

3.3.3. For posting CMC engagement meetings, the AO, in collaboration with company officials, will:

3.3.3.1. Document the CMC engagement using the CER eTool application to capture ideas, concerns, and feedback engaging with our customer (i.e., the SAEs) for sharing customer intelligence with the Enterprise in accordance with DCMA-INST 407, "Customer Engagement" (Reference (e)).

3.3.3.2. Finalize action items and minutes.

3.3.3.3. Coordinate final comments with COO.

3.3.3.4. Post action items, minutes, briefings and all related documents for the meeting to *DCMA Operations Directorate eCommunity Project Links in DCMA 360* for historical and sharing purposes.

3.3.3.5. Consult with COO for the listing of SAE representatives to be invited for the next CMC meeting.

GLOSSARY

ACRONYMS

AO	action officer
ACAT	<i>acquisition category</i>
BSMC	Business Sector Management Council
CER	<i>Customer Engagement Report</i>
CMC	Corporate Management Council
CMO	contract management office
COO	chief operations officer
DCAA	<i>Defense Contract Audit Agency</i>
DCMA-INST	DCMA Instruction
DoDD	DoD Directive
IMC	Industry Management Council
JMC	Joint Management Council
PEO	program executive officer
PLAS	Performance Labor Accounting System
PM&I	portfolio management and integration
SAE	senior acquisition executive
SES	senior executive service
SPD/JPD	<i>Service/Joint Portfolio Division</i>
ULO	<i>unliquidated obligation</i>
VP	vice president