



DCMA STRATEGIC PLAN

DCMA
DEFENSE CONTRACT MANAGEMENT AGENCY
BUILDING 1659
300 Adams Ave.

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Director's Message



Wendy M. Masiello

Lt Gen, USAF
Director, DCMA

On behalf of the entire Defense Contract Management Agency senior leadership team, I'm pleased to present our new FY15+ DCMA Strategic Plan.

With great thought and significant input from the field, over the past ten months we've defined a clear mission, a shared vision, and four overarching goals essential to our success. The last piece of the process is this – a comprehensive plan for how we're going to make it all happen.

We've worked to make this plan concise, attainable and measurable. As with our mission and vision statements, every word contained here has meaning. I'd like to highlight two: mission and agile.

Mission is first – it's the reason our organization exists and the purpose of everything we do.

We are the independent eyes and ears of DoD and its partners, delivering actionable acquisition insight from the factory floor to the front line ... around the world.

All four of our strategic goals go directly to the heart of this mission. We help our partners spend their finite dollars wisely, ultimately ensuring the front line warfighter gets the equipment and services they need when they need them. We are building and maintaining an experienced workforce of subject matter experts. And we're developing business and fiscal practices that will make sure we are an effective,

respected member of the defense community well into the future.

We use "agile" five times in the Strategic Plan – it's as important a concept now as it's ever been. Change is relentless as we support the Department of Defense's mission "to provide the military forces needed to deter war and to protect the security of our country." Threats, equipment, budgets, policy, regulation, technology, training – we have to be ready to flex and meet the challenges of change to all of these.

Getting to this point, launching our plan in FY 15, has been a collaborative process. Implementing it will require working even closer together as a team. The real work begins now – and it will be a continuous process.

This plan will be perpetual. A plan we will track and update regularly. I hope you will join us as together we make DCMA's contribution to defense more timely, more informative, more consistent and more transparent. We'll accomplish this while also enhancing the talents of an already remarkable DCMA team.

Thank you all for your continued, incredible contributions to our country. We are doing important, critical work, and I'm so proud to be a part of this team.

One team, one voice – delivering global acquisition insight that matters.





Mission

We are the independent eyes and ears of DoD and its partners, delivering actionable acquisition insight from the factory floor to the front line ... around the world.

These are important words, but what do they really mean?

We are the independent eyes and ears of DoD and its partners is the obligation to perform our oversight with an autonomous perspective, ensuring both contractors and the government are meeting their obligations under the terms of the contract.

Delivering actionable acquisition insight means using our independent voice to provide timely and relevant oversight analyses to our customers, not only compliance-based reports on current contracts, but real information that arms the decision makers as they prepare for the next contract.

From the factory floor to the front line expresses our unique role in the acquisition continuum. Whether it's a quality assurance specialist examining production data, a pricing specialist negotiating overhead rates, a software engineer looking at a new design, or a contracting officer ensuring payments are processed – everyone contributes to the mission! We have an essential role from the moment the contract is signed to the delivery of equipment to warfighters on the front line.

... around the world is literally where the mission takes us. Our people are in plants and sites in the continental United States and the Americas, in the Pacific region and Europe, as well as the Middle East. We go where our customers need us to go.



Vision

One team, one voice
delivering global acquisition insight that matters.

What is this vision all about?

One team, one voice means we will integrate our efforts, analyze our data, and provide one unified message our customers can use to the benefit of today's contracts and those in the future. This is how we become a powerful organization, by being consistent and trusting and believing in each other, just as we ask our stakeholders to trust and believe in us.

Delivering global acquisition insight expresses our commitment to provide cohesive internal and external information and analyses across the boundaries of programs, platforms, customers, contractors and countries.

That matters ensures the insight we provide to our partners, customers and stakeholders is valid, meaningful and decision-worthy. If not, then why bother?



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.

Acquisition Enterprise

GOAL 1: Inform and contribute to cost control and affordability decisions



Joseph E. Sweeney

Executive Director,
DCMA Portfolio Management
and Integration Directorate

Champion: Goal 1

As part of the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics' Business Senior Integration group, our Agency director will directly participate in overseeing implementation of the recently released Better Buying Power 3.0 initiatives and actions.

Chaired by Under Secretary Frank Kendall, the group brings together the service acquisition executives and senior Office of the Secretary of Defense staff. BBP 3.0, the latest evolution of DoD's business reform initiatives, is designed to improve the nation's defense in the most economical and efficient ways possible. DCMA is a recognized leader of, and contributor to, many of DoD's business reform initiatives.

Our new Strategic Plan aligns very nicely to the BBP 3.0 initiatives and actions. Strategic Goal 1, and its three major objectives, align to the BBP 3.0 initiatives of achieving affordable programs, achieving dominant capabilities while controlling lifecycle costs, and eliminating unproductive processes and bureaucracy.

As an Agency we are only as good as the information products we provide to our acquisition enterprise customers. Therefore, Goal 1 is focused

on improving our acquisition insight products and activities which gets directly to the heart of our Agency mission.

We have a tremendous competitive advantage because of our access and proximity to the contractors' facilities, and our knowledge of the defense industrial base. We must convert this advantage into results. We're immersed daily in the contractor environment, surrounded by their data, and witness to their processes. Our workforce absorbs an incredible amount of information every day, and it's essential we translate that into acquisition insight our acquisition enterprise customers can use to make informed buying decisions.

Whether it is DCMA program assessment reports on major programs, overhead should-cost reviews, industrial base analysis, forward pricing rate agreements, input into request for proposal development, or reducing the cost of compliance to industry, the acquisition enterprise counts on DCMA to deliver "acquisition insight that matters."



OBJECTIVE 1.1

Leverage information from contract administration activities to inform and contribute to DoD and partners' cost reduction initiative and acquisition decisions.

INITIATIVE 1.1.1

Establish baseline to reduce rework/RFIs on submitted PARs and DAES Assessment Synopses prior to release to OSD via DAMIR to improve MPS product quality by 20% utilizing the PAR scoring rubric/database tool to provide closed-loop feedback and training to the CMOs.

INITIATIVE 1.1.2

Increase availability of contractor business system information in CBAR, specifically, commercial pricing issues, tools, and commercial item determinations.

INITIATIVE 1.1.3

Establish capability to accurately inform AT&Ls BBP 2.0 Superior Supplier Initiative based on contract requirements, including risk and resource analysis. (i.e., Update SRS to reflect actual facility performance to contractual requirements)

INITIATIVE 1.1.4

Increase annual overhead should cost reviews by 5% each year as prioritized by SAEs and CAEs.

INITIATIVE 1.1.5

Using our access to contractors and their plans and processes, partner with OSD to help shape Joint Mission Assurance Program, Protection of Unclassified Controlled Technical Information, and IR&D Analyses in support of BBP 3.0 and enable informed decisions regarding investment of scarce resources.

OBJECTIVE 1.2

Improve DCMA contribution to reducing acquisition timelines.

INITIATIVE 1.2.1

Increase FPRA coverage by 8 at corporate locations and one of their largest segments for a total of 16 FPRAs (8 corporate; 8 segments).

INITIATIVE 1.2.2

Proactively engage with Services/Program Offices to identify opportunities to embrace an integrated approach to request for proposal development.

INITIATIVE 1.2.3

Proactively engage PCOs during RFP development on major proposals (over \$250 million) to strategize pricing requirements in partnership with program offices and DCAA. Increase RFP developments that include documented DCMA/DCAA participation by 10% each year. Leverage lessons learned from major proposals into non-major proposals to facilitate reduction of average proposal analysis timelines.





OBJECTIVE 1.3

Modernize contractor oversight methods and practices to maximize effectiveness while reducing industry cost of compliance.

INITIATIVE 1.3.1

Transition oversight activities from detection to prevention to reduce failures and rework, delivery delinquencies and in-plant presence based upon risk mitigation analysis of objective process and performance data.

INITIATIVE 1.3.2

Identify and evaluate cost drivers associated with complying with DCMA oversight to reduce overall costs. Based on results, facilitate select DCMA process changes/actions (multi-functional).

INITIATIVE 1.3.2.1

Revise our current policy and CONOPS to streamline how we conduct the EVMS mission (compliance, surveillance and analysis) and target cost savings of 10%.

INITIATIVE 1.3.2.2

Revise our current Contractor Purchasing System Review procedures and guidebook to improve efficiency and effectiveness. Efficiency measures should ensure the capacity to review eligible contractors at least every 5 years and issue insightful, timely reports. Effectiveness measures should strengthen review of competition and pricing elements while preserving the integrity of the review process.

INITIATIVE 1.3.2.3

Develop and manage a centralized tracking and scheduling system for all internal and external audits, inspections and assessments within DCMA, to include the contractors under the contracts DCMA administers. The purpose is to avoid duplication of effort, minimize operational disruption and capitalize on synergies.



Policies and Processes

GOAL 2: Develop agile business practices which optimize mission execution and support to the acquisition enterprise



Marie A. Greening

Chief Operations Officer,
DCMA

Champion: Goal 2

It's been said that making change in a large organization is a bit like turning an aircraft carrier – it doesn't happen very fast. DCMA is a large geographically-dispersed organization with offices and people the world over. Our mission includes performing contract administration activities for a very diverse portfolio of goods and services procured by dozens of customers.

While it's hard to imagine an Agency like ours as agile, we must learn to become so. Our warfighters depend on it! We must be able to meet their needs.

To that end, it is essential for us to develop a strategy for policy and instruction that emphasizes consistency, effectiveness and efficiency.

Regardless of size or dispersion, we are one team. To fully realize the agency's vision, we have to speak with one voice, and to do this we need concise, meaningful central guidance that everyone can draw from, and do so quickly.

We're also charged with providing "insight that matters." For this reason our policy, instructions and training have to be living guidance. They must be continuously improved upon to meet customer requirements and the changing landscapes of technology and DoD missions.

We also need to be able to change direction when called to do so, but just like that aircraft carrier, when the rudder turns all the sailors onboard go in the same direction.

Developing agile business practices that provide us the ability to execute consistently, yet allow us to change when needed, is the intent of Strategic Goal 2.



OBJECTIVE 2.1

Develop a policy and instruction strategy that ensures consistent execution across the Agency by FY16.

INITIATIVE 2.1.1

Develop and codify a governance process for policy and process development and release.

INITIATIVE 2.1.2

Develop an Agency framework that separates policy (why/what) from process (how) and integrates automation in an agile business environment.

Components Include:

- Assessing all DCMA service provider responsibilities (mission execution) and internal (financial, human capital, etc.) policies and instructions for consolidation, elimination or confirmation as a stand-alone requirement.
- Providing a plan and schedule for policy, instruction, and process rewrite.
- Executing the plan.

INITIATIVE 2.1.3

Establish a framework for building, sharing, and managing lean service provider responsibilities and internal processes.

INITIATIVE 2.1.4

Develop and execute a single Agency Enterprise IT Architecture to facilitate process agility and reduce current IT solutions by 50% over the next 5-7 years.

INITIATIVE 2.1.5

Establish, develop, and deploy implementation rubric for new policies, processes, and associated capabilities – Change Management.

Components Include:

- Provide communication plan, training, and performance measures prior to field implementation of new policies and processes and associated IT capabilities.

OBJECTIVE 2.2

Continually improve policy, instructions, processes, tools, and/or training based on customer feedback, lessons learned, inspection and audit recommendations and internal reviews.

INITIATIVE 2.2.1

Develop a process to consolidate field MICP data, internal review efforts, and external audits (GAO, DoDIG) to the strategic level for analysis, assessment and recommendations to leadership for improvement and reduce repeat findings 10% per year.

OBJECTIVE 2.3

Optimize support to the acquisition and DCMA enterprise through agile business organization and processes.

INITIATIVE 2.3.1

Realign DCMA Headquarters and Operation Directorate talent to promote multifunctional and integrated execution of the DCMA mission by Oct 2015.

INITIATIVE 2.3.2

Utilize business process re-engineering on high target processes in order to reduce non-value added activity (i.e. rework, wait time) by 10%.



Human Capital

GOAL 3: Create and maintain an agile learning organization and culture that strives to exceed customer expectations.



Deborah P. Haven

RDML, U.S. Navy
Commander, DCMA
International Directorate

Champion: Goal 3

Through this Strategic Plan we're shaping how we recruit, train and mentor our workforce. We are building a team of 13,000 functional subject matter experts, and from that pool we're developing the leadership that will guide us through the next few decades. It's exciting but exacting work.

As an agency we have to make the continuous learning of our workforce not only a priority, but part of our culture. Skills training and education is a requirement for most functional specialists, and it's also good business, as we grow and maintain a smart, capable, dedicated team.

Our objectives and initiatives here are almost linear, taking us from recruitment to career-broadening experiences. These are mission-first — getting the job done for our customers is paramount — but were created with the understanding that the foundation of our success is smart, experienced, well-trained people.

Our employees are our great contribution to national defense, we have to make them exceptional. The great news is we're getting better at this every day. We're broadening our hiring pool, incorporating new technology to augment traditional learning, and harnessing the internal knowledge base to build our future. We're bringing in good people and making them great, helping them find career paths that maximize their skills and provide long-term benefits for the Agency, the Department of Defense and our nation.



OBJECTIVE 3.1

Define, shape and prepare DCMA workforce to meet demands of current and emerging congressionally mandated, presidential directives, EEO opportunities and OSD directed oversight requirements, future technologies and defense industrial base issues.

INITIATIVE 3.1.1

Shape workforce recruiting efforts to meet demands of future requirements while enhancing the size, diversity and quality of the applicant pool.

INITIATIVE 3.1.2

Adjust technical skills training and education to prepare the current workforce to meet requirements for their specific career field.

OBJECTIVE 3.2

Create and sustain an environment where people can thrive and achieve their full potential.

INITIATIVE 3.2.1

Establish, document and publish career paths for each functional community.

INITIATIVE 3.2.2

Establish and sustain a culture of mentoring at DCMA in order to leverage talent within the organization.

INITIATIVE 3.2.3

Create a professional skills development program. (i.e., soft skills, oral and written communication and action officer training)



INITIATIVE 3.2.4

Develop and implement the Agency's Leadership Development Program.

INITIATIVE 3.2.5

Establish and encourage rotational assignments within DCMA and career broadening experiences external to DCMA.



Stewardship

GOAL 4: Expect of ourselves, what we expect of our contractors: good fiscal stewardship



James M. Russell

Deputy Director, DCMA

Champion: Goal 4

In our 15 years as an independent agency we've worked hard to establish ourselves as a valuable partner to our customers and a prudent steward of taxpayer resources. Often these values come through our contributions to affordability and informed acquisition decisions made by our customers – we help them ensure that the resources spent on their contracts achieve their intended goals. It's incumbent on us, then, to turn the microscope around and also look at how we do our business. We can't advise customers on good fiscal stewardship, nor expect it of our contractors, if we don't walk the talk ourselves.

As a key service provider to our customers, we are their eyes and ears on the factory floor helping to ensure that they get what they contracted for. We are their trusted agents accepting critical material for them and authorizing over \$455 million every day in contract payments for them. This is a huge part of our customers' financial resources and a major player in their ability to be audit ready themselves. If our policies, procedures, practices and management controls are not tight and consistently applied, our customers, and the department as a whole, will fall short of achieving a clean audit opinion.

We also need to make sure our own financial house is on order. In DCMA, we are entrusted with over \$1.6

billion in budget authority every year to accomplish our mission. Just like the rest of the department, as a reporting entity, we need to be certain that we have strong financial management controls in place and that we are making sound, supportable business decisions about how we spend our resources – and that they are properly focused on meeting our mission objectives.

We have three major objectives here. First is to get audit ready and stay that way – both for us and for our customers. DoD is clear in our Financial Improvement and Audit Readiness responsibility. It's good business practice we're on course to comply with, and we'll continue to sustain our internal controls and readiness into the future.

Second, we'll implement a long-term strategy to make the most out of our budget, mindful of current and potential DoD budget constraints.

Finally, we're going to reduce facility costs by 30%. This will come from a combination of optimizing our footprint, partnering with the military services where on-base locations make sense, leveraging recent advances in IT and communications technology at every site, establishing appropriate and consistent facility standards, and becoming more energy efficient.



OBJECTIVE 4.1

Achieve and sustain audit readiness for ourselves and our customers.

INITIATIVE 4.1.1

Achieve a state of audit readiness and obtain an unqualified audit opinion by FY 2017.

INITIATIVE 4.1.2

Achieve a state of audit readiness and obtain an unqualified opinion on the reporting entity by FY 2017.

INITIATIVE 4.1.3

Establish sustainment plans to support annual examinations and continued audit readiness.

INITIATIVE 4.1.3A

Establish a plan to support annual service provider examinations and sustain audit readiness.

INITIATIVE 4.1.3B

Establish a culture of internal controls and continual audit readiness.

OBJECTIVE 4.2

Implement an agile resourcing and prioritization strategy that ensures our use of taxpayer funds maximizes long-term positive performance outcomes within overall DoD fiscal constraints.

INITIATIVE 4.2.1

Implement a strategic prioritization model, with the goal of developing a transparent, risk-based, programmatic approach to managing requirements and their associated capability solutions.

INITIATIVE 4.2.2

Develop an objective, consistent, repeatable, and well-documented process for determining current and future workload and manpower requirements.

OBJECTIVE 4.3

Source workforce shaping initiatives and IT architecture solutions by reducing agency facility costs by 30% by 2020.

INITIATIVE 4.3.1

Develop and implement facility and equipment standards, to include smart-space guidelines for itinerate workforce, and facility instruction/governance that will optimize physical locations while taking advantage of DoD space when prudent.

INITIATIVE 4.3.2

Develop and deploy an Energy and Environmental Program and Strategic Communications Plan that will improve sustainability and the potential for future cost avoidance by adopting green (facility, energy, and environmental) practices.



Acronyms and Abbreviations



AT&L – Acquisition, Technology & Logistics
CAE – Component Acquisition Executives
CBAR – Contractor Business Analysis Repository
CONOPS – concept of operations
DAES – Defense Acquisition Executive Summary
DAMIR – Defense Acquisition Management Information Retrieval
DCAA – Defense Contract Audit Agency
DCMA – Defense Contract Management Agency
DoD – Department of Defense
DoDIG – Department of Defense Inspector General
EEO – Equal Employment Opportunity
EVMS – Earned Value Management
FPRA – forward pricing rate agreement
FY – fiscal year
GAO – Government Accountability Office
IR&D – independent research and development
IT – Information Technology
MICP – Managers Internal Control Program
MPS – major program support
OSD – Office of the Secretary of Defense
PAR – program assessment report
PCO – procuring contracting officer
RFI – request for information
SAE – Service Acquisition Executives
SRS – Supplier Rating System





3901 A Avenue Bldg 10500
Fort Lee, VA 23801
www.dcma.mil