

DEFENSE
CONTRACT
MANAGEMENT
AGENCY

INSIGHT

2019

A woman in a red flight suit and goggles, smiling, is the central figure. She is surrounded by other personnel in a military setting, with some individuals in the foreground wearing helmets and carrying equipment. The background is a bright, hazy sky.

OUR
CONTRIBUTION
TO LETHALITY



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ON THE COVER

Navy Aviation Ordnanceman 2nd Class Elizabeth Ray directs sailors to hoist a Guided Bomb Unit 32 Joint Direct Attack Munition into position for loading onto an F/A-18F Super Hornet, assigned to Strike Fighter Squadron 41, on the flight deck of the aircraft carrier *USS John C. Stennis* in the Arabian Gulf Jan. 8. Perfectly aligning its operations with the Department of Defense's National Defense Strategy is one of DCMA's primary 2019 focuses. In fiscal year 2018, the agency delivered more than 583 million items, that's nearly 1.6 million items a day. (Navy photo by Mass Communication Specialist 3rd Class Grant G. Grady)

Back cover: A Marine with the 24th Marine Expeditionary Unit carries cold weather equipment as he begins to march across the Icelandic terrain Oct. 19, 2018. The 24th MEU was in Iceland preparing for NATO Exercise Trident Juncture 2018. DCMA's global warfighter support mission includes supporting the nation's allies and partners through Foreign Military Sales (see page 26). This work represents 11 percent of the agency's approximately \$5.1 trillion contract support workload. (Marine Corps photo by Lance Cpl. Alexia Lythos)

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As part of his role as DCMA director, Navy Vice Adm. David Lewis (center, camouflage uniform) visits the agency's globally-located commands. He visited DCMA Boeing St. Louis in May 2018 to meet with agency team members and their industry counterparts. He is pictured here in front of an EA-18G, which was later delivered by a DCMA aircrew to America's warfighters. (Photo courtesy of Boeing)

OUR CONTRIBUTION TO LETHALITY

By Navy Vice Adm. David Lewis, DCMA director

Welcome to the Defense Contract Management Agency's INSIGHT magazine.

For decades, DCMA and our predecessors have safeguarded the defense acquisition process, making sure our servicemembers get the equipment they need, that our customers' interests are protected, that taxpayer dollars are used wisely, and that our defense industrial base remains healthy. Those responsibilities will never change, but how we approach them needs to evolve to

match exponential progression in technology, from emerging cyber threats to the newest manufacturing processes.

In 2018, three things happened that will significantly shape DCMA's work. In January, the Department of Defense published the National Defense Strategy. In February, a DoD reorganization was completed establishing the Office of the Undersecretary of Defense for Acquisition and Sustainment. And in August, the federal government authorized the largest defense budget in history.

At more than \$700 billion, the budget provides our military services and buying commands the ability to purchase new equipment and systems while modernize others, resulting in additional or continuing contracts with industry. As the primary administrator for most of these contracts, the influx in work we expect is welcomed, but has required us to reexamine our processes and use of resources. We're relooking at everything, to make sure we're doing the right work, in the right way, using the right tools.

THE RIGHT WORK

One significant outcome of this examination was our implementation of a High Value/High Risk approach to workload acceptance, a critical step in making sure we're focusing on the products which are most vital to our warfighters. We do this by defining the right work as that which meets the requirements of our governing Federal Acquisition Regulation clause plus several additional statutory requirements — nothing more, nothing less.

This has spurred great dialogue with our customers, because High Value/High Risk affects them, too. We're all operating with the same goals, in this case the National Defense Strategy's first Line of Effort: Build a More Lethal Force. How we do that, particularly how we balance speed, efficiency and resources in the acquisition process, will pay dividends for DCMA and its customers for years to come.

It's also led us to deploy our workforce in new ways. The agency has about 12,000 people, 85 percent of whom are federally acquisition certified. Over the course of last year and this year, we'll transition about 10 percent of our acquisition billets from lower value and lower risk work into work with greater value for our warfighters, or with greater risk for them if not done right. As of the beginning of 2019, we are about 40 percent there, and will finish this transformation later this year.

High Value/High risk will also inform the way we conduct what we call reimbursable work, where DCMA's costs are billed to the customer, rather than funded by the agency's budget. This includes non-DoD federal agencies, such as NASA, and many of our partner nations through our robust support to Foreign Military Sales and Direct Commercial Sales. The latter two of these are part of our contribution to the National Defense Strategy's second Line of Effort: Strengthen Alliances and Attract New Partners (see page 26 for more on FMS).

Earlier this year we published our Strategic Plan. It is an evolution of past plans, brought current by incorporating guidance from DoD and the Office of the Undersecretary of Defense for Acquisition and Sustainment, as well as the

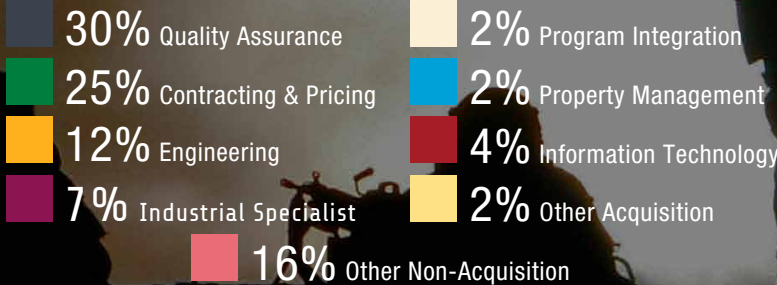
THE RIGHT WAY

By the numbers

12,193 employees

47 percent of the workforce are veterans

5 percent are military service members



47 main offices overseeing 1,000 locations around the world

ROI: 3.46 to 1

In fiscal 2018, DCMA saved, recovered or cost avoided \$4.83 billion against a \$1.4 billion budget. That's a 3.46 to 1 return on taxpayer investment.



RECOVERED

\$1.68 billion — Litigation, contract terminations and property claims



SAVED

\$353 million — Earned value streamlining efforts, final incurred cost rate settlements



COST AVOIDED

\$2.81 billion — Commercial pricing, worker's compensation claims and EEO settlements

managing 348,866 active contracts at 19,355 contractor facilities with a total contract amount of \$5.2 trillion

providing direct support to DoD and other government agencies.

Big deal deliveries



AMERICA'S NAVY



U.S. AIR FORCE



U.S. ARMY

97 programs, 53 are ACAT I*
113,144 contracts totaling \$2.5 trillion
\$669B obligated • \$94B unliquidated

73 programs, 35 are ACAT I*
42,554 contracts totaling \$936 billion
\$657B obligated • \$86B unliquidated

78 programs, 42 are ACAT I*
31,956 contracts totaling \$1 trillion
\$583B obligated • \$59B unliquidated

*ACAT I, or acquisition category I, denotes a program that has either been designated by the undersecretary of defense for acquisition and sustainment as a major defense acquisition program, or is estimated to require an eventual expenditure for research, development, test and evaluation reaching a certain dollar value.

“Doing the right work, in the right way, using the right tools.”

changing landscape of technology and cybersecurity.

The foundation of our Strategic Plan remains delivery, with our goals designed to ensure we are directly supporting the National Defense Strategy, while remaining accountable to taxpayers and taking care of our workforce.

In 2017, we stood up a new way of managing our policies and procedures, with an eye toward building a collection of right ways, agency wide, to do business. The Business Capability Framework is a cultural shift for the agency, but the long-term benefits of having standardized best practices can't be underestimated.

There are 89 primary or streamlined contract management offices and a dozen or so centers and specialty commands at DCMA, each with a different focus or geographic responsibility. Our Business Capabilities Framework will ensure that each is performing enterprise-wide functions in the same way. At the same time, if a "better" way presents itself, we need to be agile enough to see that, evaluate it and promulgate it throughout the agency quickly. We have an obligation to provide our workforce, customers

and industry counterparts one right way — the best way — to do each function, for efficiency, predictability and effectiveness.

THE RIGHT TOOLS

Ours is a human-driven agency. We provide thousands of subject matter experts and support personnel who keep the acquisition process on track during the contract lifecycle. This workforce relies on tools to do the job, from secure workspaces to connectivity.

In the past two years we've looked closely at the tools we're using, with an understanding that working smarter, not harder, is the way to meet mission requirements, efficiently use our resources and keep our workforce engaged.

We've made great strides in, and have a clear path to meet our 2019 goal of, migrating our information technology infrastructure to the Defense Information Systems Agency. This will include email, data centers and other services which DISA just does better — and more cost effectively — than we can. This will provide a 30 percent or more cost savings, but more importantly it will let us focus our IT resources on refining or replacing the mission-

critical applications that are specific to DCMA, or that drive our relationships with customers and our industry counterparts.

We've done some great rebuilding in the past year, in a more literal sense, with our facilities as well. You can read more about that in this magazine, but the short version is we're getting our people into more efficient and secure environments and maximizing our use of space.

Technology has become a force in our decision making, and gives us so much flexibility for everything from where our people sit, to how we train them, to the tools they use to do their jobs. I'm excited about the possibilities here, and proud that DCMA is among those in the non-military, DoD support world — the Fourth Estate — who are taking an early lead in many of these areas.

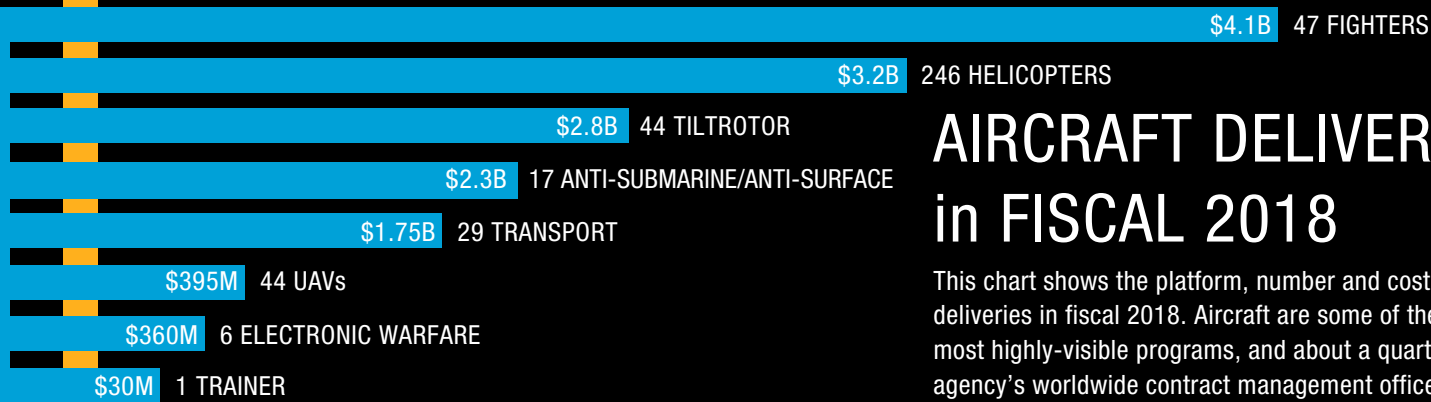
THE RIGHT OUTCOMES

Fundamentally, we deliver products, from replacement parts to full systems and vehicles.

Some of these are instantly recognizable. In fiscal 2018 we delivered 457 aircraft worth more than \$1 million each, and hundreds more unmanned aerial vehicles with

UNIT COST > \$1M
PLATFORM DELIVERIES
in FISCAL 2018

These numbers represent the total number of platforms with a unit cost of more than \$1 million delivered by DCMA's global force during fiscal 2018.



AIRCRAFT DELIVERIES
in FISCAL 2018

This chart shows the platform, number and cost of aircraft deliveries in fiscal 2018. Aircraft are some of the agency's most highly-visible programs, and about a quarter of the agency's worldwide contract management offices reside in aviation-related facilities.

smaller price tags. One of the newest platforms in our fleet is the KC-46A Pegasus tanker, the first of which our team delivered just months ago.

Last year we delivered nearly 2,000 ground combat vehicles, including \$400 million worth of the new Joint Light Tactical Vehicle. And we delivered 54 missile systems and 559 missiles valued at more than \$1 million each, plus thousands of smaller munitions.

Others are less visible, but essential to our warfighters' success, survivability or sustainment. Target-

ing pods, sonobouys, replacement engines, generators, radios and rifles are examples of these items. In FY18, we delivered more than 583 million items, that's nearly 1.6 million items a day. This is our true contribution to lethality.

We did all this efficiently. Working within our \$1.4 billion budget, last year DCMA saved, recovered or avoided spending \$4.85 billion. That's a return of \$3.46 on every \$1 invested in us.

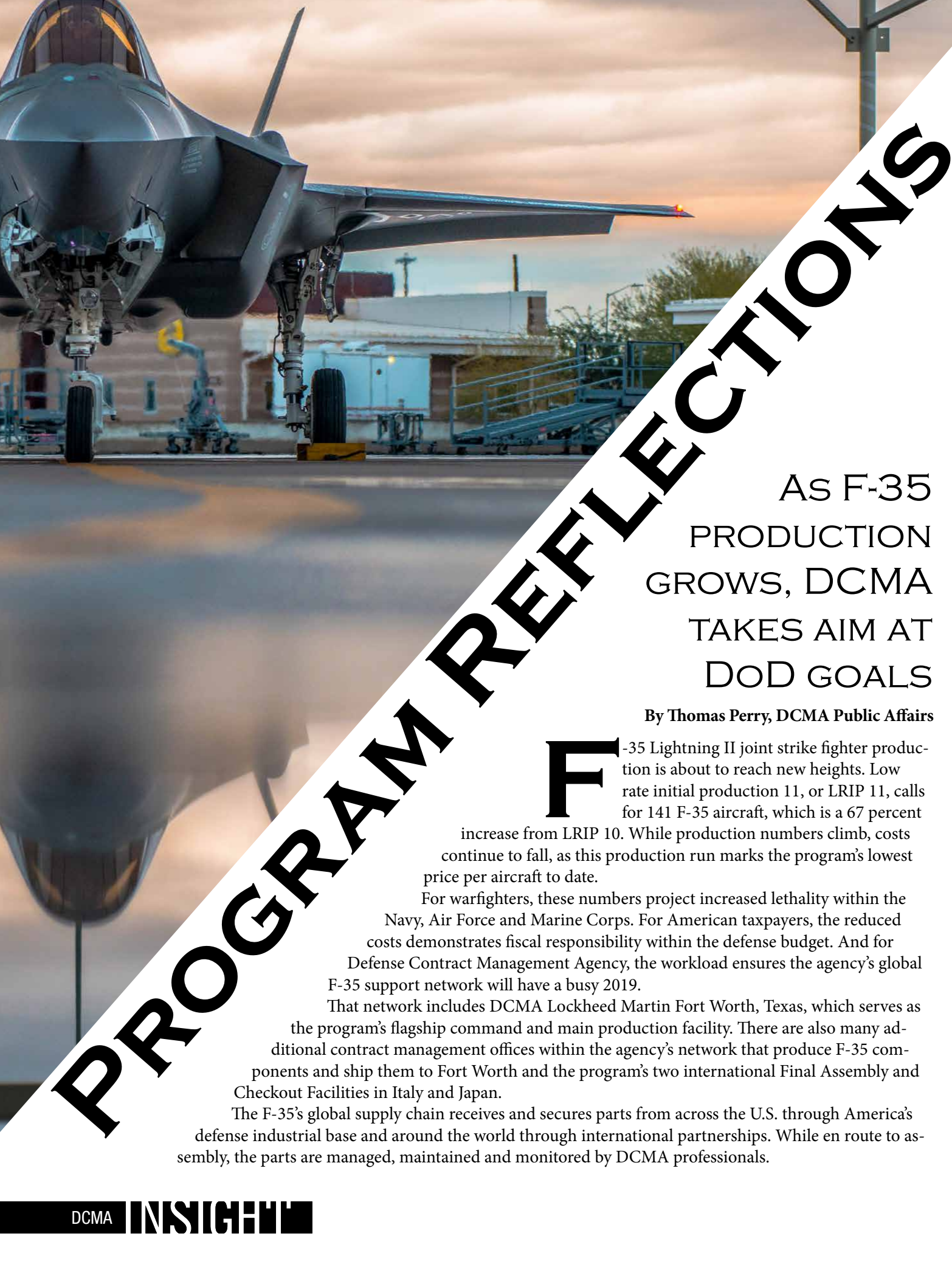
Our goal is to perform the right

work, in the right way, using the right tools. Fortunately, we have the right people on board to do this. Every DCMA employee is essential to our national defense, and together they form a dedicated workforce that delivers every day.

DoD's mission is "to provide the military forces needed to deter war and to protect the security of our country." DCMA is proud to enable this through providing the equipment, insight and affordability our warfighters need to get the job done.



DCMA quality assurance specialists with DCMA Bell Helicopter Fort Worth stand on the factory floor where the UH-1Y Venom utility helicopters were built in Amarillo, Texas. They work with the H-1 upgrade program, as well as other major projects such as Safety of Flight oversight and Detection to Prevention improvements. (DCMA photo by Thomas Perry)



As F-35 PRODUCTION GROWS, DCMA TAKES AIM AT DoD GOALS

By Thomas Perry, DCMA Public Affairs

F-35 Lightning II joint strike fighter production is about to reach new heights. Low rate initial production 11, or LRIP 11, calls for 141 F-35 aircraft, which is a 67 percent

increase from LRIP 10. While production numbers climb, costs continue to fall, as this production run marks the program's lowest price per aircraft to date.

For warfighters, these numbers project increased lethality within the Navy, Air Force and Marine Corps. For American taxpayers, the reduced costs demonstrates fiscal responsibility within the defense budget. And for Defense Contract Management Agency, the workload ensures the agency's global F-35 support network will have a busy 2019.

That network includes DCMA Lockheed Martin Fort Worth, Texas, which serves as the program's flagship command and main production facility. There are also many additional contract management offices within the agency's network that produce F-35 components and ship them to Fort Worth and the program's two international Final Assembly and Checkout Facilities in Italy and Japan.

The F-35's global supply chain receives and secures parts from across the U.S. through America's defense industrial base and around the world through international partnerships. While en route to assembly, the parts are managed, maintained and monitored by DCMA professionals.

More aircraft translates to increased oversight, added volume within the supply chain and elevated complexity as nine of the 141 aircraft will be built in Italy or Japan. It is a significant challenge that is enhanced by the attention of working on what many consider the most high-profile U.S. defense program, as well as the F-35's National Defense Strategy role.

"As the 'quarterback for the joint force,' the F-35 provides new transformational capabilities that will fundamentally change the way our nation's military operates around the globe," wrote Navy Vice Adm. Mat Winter, the F-35 Joint Program Office program executive officer, in a December 2018 Defense News article. "More than a fighter jet, the F-35's ability to collect, analyze and share data is a powerful force multiplier that enhances all airborne, sea and ground-based assets in the battlespace, while ensuring our warfighters can execute their mission and return home safe. With stealth technology, advanced sensors, weapons capacity and range, the F-35 is the most lethal, survivable, connected and interoperable fighter aircraft ever built."

All of these factors enhance the importance for one of DCMA's great ongoing efforts — aligning its warfighter support with the Department of Defense's Strategic Framework and its three lines of effort: Build a More Lethal Force; Strengthen Alliances and Attract New Partners; and Reform the Department. (A detailed breakdown of these efforts can be found on page 13).

Ellen Lord, the undersecretary of defense for acquisitions and sustainment, champions these efforts.

Acquisitions and sustainment is "focused on how we buy things more simply, more quickly and how we get capability downrange," Lord said, at the 2018 JEDI Cloud Industry Day in Arlington, Virginia.

For Air Force Col. Owen Stephens, the DCMA Lockheed Martin Fort Worth commander, Lord's goals are his focus.

"LMFW has always been aligned with Ms. Lord's Acquisition and Sustainment priorities in that we have always concerned ourselves with doing our part to ensure a quality product is delivered on time to the warfighter and have attempted to influence the contractor to do that in a more efficient, less costly manner than is currently

the case," Stephens said.

One recent enhancement to his command priorities is a change to how his team communicates with leadership. Once only an in-house communication tool, his team now shares a data-rich metric presentation focused on the F-35 production line.

Stephens said it provides "better, real-time insight" that the quarterly Performance and Accountability Report was unable to deliver. The presentation also serves as a living document receiving strategic updates based on feedback from Lord and DCMA Director Navy Vice Adm. David Lewis.

"We do this so that we can provide DoD leaders the information they need to make informed decisions for the F-35 program," Stephens said. "We have also been tasked to provide additional insight to answer specific needs, like the need to understand the contractor's performance on the incentives that were put in place in the latest production contract. We have the unique ability to provide data that has been validated through personal observation so that leadership at all levels can make informed decisions. We will continue to evolve and mature our ability to provide actionable, data-rich information to leaders at all levels so they have the right information to make sound decisions."

In its own pursuit of sound decision making, LMFW seeks efficiency and effectiveness.

"Our steadfast surveillance over the contractor is our direct contribution to ensuring the aircraft are built to spec so that they will perform in the field as designed," said George Slagle, the DCMA LMFW deputy commander. "Our Supply Chain Management Team's continuous oversight of the contractor's sub-tier suppliers, supports the sustainment efforts required to maintain the production line as well as the fleet. These efforts enhance readiness."

To accelerate business reform, Fort Worth has enhanced its relationship with the program office's procurement contracting officers.

"We have been working with the PCOs in preparing contracts and performing surveillance on those contracts," said Slagle. "We provide hands-on cost analyses as well as advice on billion dollar contract types to ensure the best



For 2019, the F-35 joint strike fighter program forecast calls for more aircraft for the warfighter, lower costs for the taxpayer and more challenges for the DCMA team. (Air Force photo by Cynthia Griggs)

type contract is used for the work that needs to be done.”

Outside of the PCOs, Fort Worth’s relationship building extends throughout the joint program office and even overseas.

“We are strengthening our relationships with our customer as well as with our on-site contractor to ensure lines of communication are strong and clear,” said Slagle. “We support our overseas FACO’s in Cameri, Italy, and Nagoya, Japan, which strengthens our alliances with those partner countries. It can be seen by others as a great example of how well our alliances work with our partner countries.”

The strength of the F-35 program’s alliances should receive an additional boost in 2019. According to an F-35 Joint Program Office and Lockheed Martin September 2018 press release, LRIP 11 agreement funds 91 aircraft for the U.S. services, 28 for international partners and 22 for Foreign Military Sales customers.

As the strike fighter’s workload and global footprint grows, DCMA’s workforce has increased to meet mission requirements.

“We had previously identified manning requirements based on production increases and utilized the agency manpower processes to resource those needs,” said Stephens. “Very recently, we were authorized to hire to 100 percent of requirements and that will improve our position significantly.”

The Fort Worth leader explained the agency’s manpower projections were predictive, and “all predictions tend to be inaccurate to some degree so we didn’t get everything right, and we continue to adjust our resources as necessary.”

One challenge has been concentrated on the contractor’s production plan to maintain three fully-operational shifts.

“They will be constrained if DCMA doesn’t have quality assurance support across all three shifts because there are hold inspections across the production line,” said Stephens. “Our most recent resource efforts have been about understanding that issue and adjusting our resources accordingly, which will likely mean hiring additional quality assurance personnel, and possibly form an entirely new quality assurance team.”

Maintaining product quality is important for any business, but these standards reach a new pinnacle when that product is an aircraft. The pilots, who trust in that quality every time they take off, have also faced resource constraints due to rising production numbers.

“Our pilots both accept and deliver the aircraft, and we are currently borrowing pilots from operational squadrons to handle the worldwide delivery requirement,” said Stephens. “Our 2019 goal is to be fully manned for rated positions, but we do have a number of contingency plans in place in case a service finds it difficult to fill their rated billets.”

All of these factors may capture the interest of private and public defense acquisition professionals, but for the American taxpayer, program cost is often their main focus regarding major programs. It is also a primary focus for the JPO and DCMA.

“Driving down cost is critical to the success of this program,” said Winter. “We are delivering on our commitment to get the best price for taxpayers and warfighters. This agreement for the next lot of F-35s represents a fair deal for the U.S. government, our international partnership and industry. We remain focused on aggressively reducing F-35 cost and delivering best value.”

“THEY BELIEVE IN WHAT THEY ARE DOING FOR OUR NATION, AND THEY DO IT WELL.”

— COL. OWEN STEPHENS, DCMA LOCKHEED MARTIN FORT WORTH COMMANDER

LRIP 11 met its cost-reduction goals. Slagle believes the DCMA team played a role in that cost savings through its Integrated Cost Analysis Team, which consist of price analysts and engineers. He said the team works closely with the F-35 JPO through all phases of the pre-acquisition process, from request-for-proposal development to negotiation support.

“Most savings are achieved through ICAT proposal review recommendations that are incorporated into the Joint Program Office’s pre-negotiation objectives, which are used as a starting point to develop initial government offers in negotiations. The ICAT’s Cost and Pricing Report includes analyses on proposed material, labor, other direct and direct estimating factors, and indirect and overhead costs.”

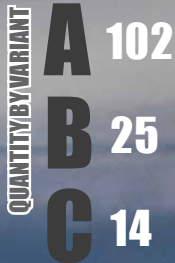
Cost savings also result from negotiation support, which benefits all involved by often keeping required timelines on track. As delivery requirements increase, the rising tides of production will raise the importance of more than just

timelines. Every aspect of DCMA’s global strike fighter support will need to rise to meet customer and Defense Department goals and expectations.

“The F-35 program is the largest program in DoD history and is one of the most complex programs that ever existed,” said Stephens. “It takes a large amount of incredibly talented people and cooperation with many stakeholders to make the pieces come together in the right way. Our team is made up of professionals from many disciplines ranging from engineers to aircrew. The thing that has impressed me most has been the ability of all functions to do their job well, recognize when information is relevant, and figure out how to present that information to all levels of the DoD enterprise in a way that is meaningful to the maximum number of stakeholders. They believe in what they are doing for our nation, and they do it well. I couldn’t be prouder of them, and what they do every day.”

F-35 LRIP 11

TOTAL AIRCRAFT



F-35A	F-35B	F-35C
\$89.2M	\$115.5M	\$107.7M
PRICE REDUCTION 5.4% FROM LOT 10	PRICE REDUCTION 5.7% FROM LOT 10	PRICE REDUCTION 11.1% FROM LOT 10



QUANTITIES



UNITED STATES



INTERNATIONAL PARTNERS



FOREIGN MILITARY SALES



F-35

For the 11th consecutive year, the cost of an F-35A was lowered. The F-35A unit price including aircraft, engine and fee, is \$89.2 million. This represents a 5.4 percent reduction from the \$94.3 million for LRIP 10.

In LRIP 11, the F-35B unit cost was lowered to \$115.5 million. This represents a 5.7 percent reduction from the \$122.4 million it cost for the short-takeoff and landing variant in LRIP 10.

The F-35C unit cost was lowered to \$107.7 million. This represents an 11.1 percent reduction from the \$121.2 million it cost for the carrier variant in LRIP 10.



BEST & BRIGHTEST

Agency incentivises opportunities to attract and retain premium team members

By Tonya Johnson, DCMA Public Affairs

Defense Contract Management Agency employees are the resources that allow the agency to accomplish its global warfighter support mission.

DCMA leaders make it a goal to recruit and retain the prospective talent pool's best and brightest. The Human Capital Directorate is tasked with helping carry out that goal, which includes maintaining and staffing its recruiting division.

"DCMA offers diverse, challenging work, opportunities to advance and a variety of schedules to maintain work-life balance," said Leslie Wilson, Human Capital's strategic partner in the

Eastern Region. "There are Centralized Development Program an employee can apply for, as well as college tuition assistance, to further advance their career. There are opportunities to work overseas. Other opportunities exist if an employee is seeking to relocate to other organizations either by applying for a competitive job opportunity announcement or through the voluntary reassignment website."

By offering a variety of initiatives, the agency can recruit and retain a diverse group of employees to include various ages, education levels, veterans, people with targeted disabilities and individuals with prior private-

sector experience.

A diverse workforce allows the agency to bring a variety of people together with different perspectives to solve problems and meet customers' needs, while continuing to enhance the organization's business procedures to meet the Department of Defense's acquisition needs.

Clay Brashear, DCMA's Diversity, Inclusion and Recruitment director, said a diversified workforce benefits the agency in many ways.

"Workforce diversity can enhance the competitive advantage and team productivity in an organization as well as in a small-team environment," said

Brashear. "The global economy and its associated workforce demand organizations be able to effectively work with different cultures, languages, generations and other differences.

"Giving employees the opportunity to work with people who bring different skills and ideas to the table helps individuals realize everyone is important for different reasons," he added. "Feeling valued increases the morale and welfare of each worker and promotes a positive workplace. Also, a diverse leadership team allows managers and supervisors to bring in new skills and methods for attaining unity within the organization."

Many of the agency's employees are veterans. According to Human Capital's Field Support Center, veterans make up 48 percent of the workforce. He said the average age of an agency employee is 48, and the average length of service is 14 years. Approximately 40 percent of the overall workforce have a bachelor's degree, 24 percent have a master's degree, and one percent have a doctorate.

DCMA has a strategic initiative to attract, recruit, develop and retain a high-performing and diverse workforce representative of the public it serves. This includes hiring people with disabilities and targeted disabilities. Targeted disabilities include developmental, deaf or serious difficulty hearing, blind or serious difficulty seeing, traumatic brain injury, epilepsy or other seizure disorders, as well as intellectual disability, just to name a few.

The Department of Defense established a goal for its civilian workforce of 12 percent for individuals with disabilities and two percent for individuals with targeted disabilities. The agency currently exceeds those goals. It is comprised of 15.2 percent IWD and 2.38 percent IWTd.

Prospective employees are also hired via targeted positions.

"Targeted positions are filled through the Keystone and Pathways programs. The Workforce Recruitment Program



Jarrell Costen, a DCMA Hartford price/cost analyst, has been with the agency since 2010. "The role fit my skill set. I enjoy trying to understand and secure new business, and the added value of supporting the warfighter was icing on the cake," he said, when asked why he joined the agency. (DCMA photo by Elizabeth Szoke)

and the use of veteran and expedited hiring authorities are other great recruitment sources as well," said LaToya Bedgood, Human Capital's strategic partner in the Western Region.

Millennials are another group the agency targets to fill positions. Brashear said the recruitment team attends affinity conferences and career fairs throughout the year. In addition, recruiters partner with local contract management offices at career fairs on college campuses where they utilize the Keystone program to hire recent college graduates.

"Generally, millennial employees and potential recruits have a desire for a sense of purpose. Millennials thrive in an environment when their work has an impact. With a federal career, their impact is on a national level. The work they perform can be seen by the products that are delivered to the warfighter each and every day," Brashear said.

To encourage people to join the team and retain them, Human Capital employees work hard to understand the changing needs of their colleagues.

"DCMA offers a variety of incentives to retain employees. These include the use of relocation incentives, retention allowances, repayment of student loans, superior qualification appointments such as advanced in-hire rates, and credit for prior service," said Bedgood.

These benefits extend to individual needs, which often embrace private sector norms.

"Telework helps with retaining the workforce and a variety of flexible work schedules are also permitted for retention," said Bedgood. "In addition to being compensated based on locality, supervisor differential pay, hazardous pay, environmental pay, Sunday pay and nighttime differential, are also ways employees are compensated for retention purposes."

Telework is an incentive that many employees take advantage of, and some work multiple days a week from their home, depending on their job function and supervisory approval.

"Telework is becoming an essential recruiting tool for attracting talented millennials and retaining the knowledge of seasoned employees," said Melissa Burgess, a human resource specialist in the agency's Employee and Labor Relations Division. "Obviously, telework is not for every employee because many jobs are not conducive to telework. However, those employees who are in jobs which can allow for telework should be afforded every opportunity to participate."

There are more than 12,000 DCMA employees, and more than 6,900 have telework agreements. Out of that number, over 1,000 telework three or more days a week and more than 1,500

telework one or two days a week. In addition, more than 3,800 perform their duties in a situational telework status, such as inclement weather.

“Telework is important because it helps promote employees’ work-life balance and benefits employees with disabilities or serious medical conditions,” said Beverly Smith, a human resource specialist in the Employee and Labor Relations Division. “The key to implementing an effective telework program is to develop a practice with strict standards to ensure accountability, high performance and productivity of employees who work remotely.”

When Brashear and his staff are recruiting individuals, he said he has noticed that more candidates use their mobile device to learn about the agency and apply for jobs.

“The biggest trend impacting the recruitment of talented candidates is the increasing implementing of mobile-friendly applications,” said Brashear. “Sixty percent of all job seekers review company websites from their mobile devices. Thirty-nine percent of all job seekers apply for positions using their mobile devices. Ninety-two percent of job seekers search for positions via their mobile devices. Fifty-eight percent believe mobile device searches will become the most common option within the next two years.”

Brashear said the individuals DCMA recruits and retains are the same candidates the defense industry looks to hire.

“Industry typically hires an individual in under 60 days while federal organizations like DCMA take 105 days,” said Brashear. “This means that recruiters have to manage expectations with the candidate and ensure good communication throughout the process.”

These challenges loom particularly large when facing a small recruiting pool.

“DCMA’s mission, scope and culture are critical pieces of the employee value proposition and thus how DCMA

There are more than 11,000 DCMA employees, and more than 6,900 have telework agreements.



Navy Vice Adm. David Lewis, DCMA director, met with Virginia State University academic leaders and students during a 2018 campus tour. Lewis joined his recruiting team on the visit designed to find top candidates for the agency’s 25 nation-wide internship opportunities. (DCMA photo by Thomas Perry)

stays competitive within the current market,” he added. “Bottom line is that in the current economy the supply of highly-skilled professionals is far outstripped by the availability of opportunities. With employment rates being the lowest the country has experienced in many years, competition for talent is challenging. Having a diverse workforce enhances recruitment and fosters increased retention within the organization.”

Brashear said the employee value proposition is comprised of what employees gain by working for an organization, including salary, work-life balance, telework and benefits, and what the organization gains by having

employees there, including a highly-skilled workforce.

Brashear said DCMA leadership emphasizes to current and future employees that the agency is committed to supporting its customers — service members who depend on agency personnel for contract oversight, and to review products including aircraft, equipment and systems to accomplish mission readiness at any given time.

“DCMA offers career satisfaction by allowing employees to do important and rewarding work, while receiving competitive salaries, excellent benefits and upward mobility opportunities,” said Brashear.

DoD Lines of Effort

The National Defense Strategy outlines three distinct lines of effort to generate decisive and sustained military advantages. DCMA is very much a part of those efforts by helping build a more lethal force, strengthen alliances and partnerships, harness technological innovation, and develop and implement reforms to improve performance and affordability.

Build a More Lethal Force

The surest way to prevent war is to be prepared to win one. Doing so requires a competitive approach to force development and a consistent, multi-year investment to restore warfighting readiness and field a lethal force.

The size of our force matters. The Nation must field sufficient, capable forces to defeat enemies and achieve sustainable outcomes that protect the American people and our vital interests. Our aim is a Joint Force that possesses decisive advantages for any likely conflict, while remaining proficient across the entire spectrum of conflict.

We will evolve innovative operational concepts. Modernization is not defined solely by hardware; it requires change in the ways we organize and employ forces. We must anticipate the implications of new technologies on the battlefield, rigorously define the military problems anticipated in future conflict, and foster a culture of experimentation and calculated risk-taking. We must anticipate how competitors and adversaries will employ new operational concepts.

Strengthen Alliances and Attract New Partners

Mutually beneficial alliances and partnerships are crucial to our strategy, providing a durable, asymmetric strategic advantage that no competitor or rival can match. This approach has served the United States well, in peace and war, for the past 75 years.

Our allies and partners came to our aid after the terrorist attacks on 9/11, and have contributed to every major U.S.-led military engagement since. Every day, our allies and partners join us in defending freedom, deterring war, and maintaining the rules which underwrite a free and open international order.

By working together with allies and partners we amass the greatest possible strength for the long-term advancement of our interests, maintaining favorable balances of power that deter aggression and support the stability that generates economic growth.

When we pool resources and share responsibility for our common defense, our security burden becomes lighter.

Reform the Department for Greater Performance and Affordability

The current bureaucratic approach, centered on exacting thoroughness and minimizing risk above all else, is proving to be increasingly unresponsive. We must transition to a culture of performance where results and accountability matter.

We will put in place a management system where leadership can harness opportunities and ensure effective stewardship of taxpayer resources.

We have a responsibility to gain full value from every taxpayer dollar spent on defense, thereby earning the trust of Congress and the American people.

****Editor’s Note: This information is contained within the Defense Department’s Summary of the 2018 National Defense Strategy. For a more thorough review of the strategy to include priorities and objectives, the full document is available on Defense.gov.***

Every Battle Begins with a Decision

”
There was no big surprise for me when I took off the uniform and put on a suit because the focus has always been on supporting the warfighter.

— Walter Eady,
PM&BI executive director



Like so many major programs, these M1 assault breacher vehicles at the Camp Aachen training area, Grafenwoehr, Germany, faced many decision points in their development life cycle. DCMA aims to ensure those making the decisions are as informed as possible. (Army National Guard photo by Spc. Jacob Hester-Heard)

As a retired Air Force colonel with 28 years on active duty, Walter Eady knows that decisions made months, or even years, prior to a battle can play a huge role in deciding victory or defeat. Now atop DCMA's Portfolio Management and Business Integration Directorate, Eady leads a diverse team of acquisition professionals who provide defense contracting decision makers with critical information.

By Thomas Perry, DCMA Public Affairs

INSIGHT: What role does the PM&BI Directorate fill within the agency's warfighter supporter mission?

Walter Eady: PM&BI's role is to provide integrated actionable business integration perspectives on defense acquisition programs, corporate business segments, industrial base sectors and Earned Value Management business systems to enable better informed acquisition decisions — which lead to more affordable and lethal warfare systems.

What is the greatest challenge your team faces within that mission, and how do they overcome it?

We face many challenges, but probably the most significant is timely access to information. As a broker of information,

PM&BI collects data from disparate organizations and information systems and must analyze it to produce actionable acquisition information for the benefit of the acquisition community, such as program management offices, program executive offices, the undersecretary of defense for acquisition and sustainment, the Office of the Secretary of Defense and our industry counterparts.

Turnaround time is often short and tasking the agency's contract management offices is the least desirable way to gather needed information.

One of the ways PM&BI has been addressing this challenge is through an information management strategy that leverages innovative improvements through our SharePoint-based tools supported by integrating capability issuances and



As the leader of DCMA's business integration professionals, Walter Eady and his team provide invaluable information to key defense decision makers. (DCMA photo by Thomas Perry)

targeted training for the field.

As the leader of OUSD A&S, Ellen Lord set priorities for the organization's future. What steps is your team taking to better align with these priorities?

Like OUSD A&S, all of the things that we do align with the three fundamental tenets of the National Defense Strategy. One, build a more lethal force; two, strengthen alliances and attract new partners; and three, reform the department for greater performance and affordability. We are using the agency's enterprise data to help A&S measure achievement to those strategic goals.

What has been PM&BI's role in the agency's shift toward a High Value/High Risk mindset?

As you know, one of the lines of effort in the National Defense Strategy focuses on reforming the department's business practices for greater performance and affordability. We see the agency initiative to focus on High Value/High Risk programs and contracts as directly supporting this line of effort.

What is PM&BI's role in the agency's initiative to identify resources that can be realigned to the High Value/High Risk program?

First, as the agency's subject matter expert on workload acceptance, PM&BI plays a pivotal role in defining what work DCMA accepts and when it declines administration during the contract receipt and review process. We are currently updating internal policy documents to ensure consistency

and standardization across the agency. Furthermore, our team has taken on the lead role in reshaping the agency's mission statement reflected in our chartering DoD directive.

My directorate led a working group to craft the initial draft revision and coordinate the draft within the agency. In the coming year, we will share our draft with the DoD chief management officer and staff to begin the coordination across the department. It will more clearly communicate the core mission of DCMA to our customers.

Second, as integral members of the Workload Transition Working Group, we worked with a wide-array of agency departments to refine low value and low risk, or LV/LR, and services-type contract definitions, then teamed with the Defense Logistics Agency to clarify 12 LV/LR exceptions. We also co-facilitate a weekly forum where key agency stakeholders can share lessons learned, best practices and open issues or concerns.

Finally, we executed an external communications plan designed to communicate how DCMA's transition supports the NDS and creates better value by maximizing resources on those HV/HR programs that provide vital supplies to the warfighter. We teamed with the regional commanders to share the shift to HV/HR with the services and defense agencies in advance of this summer's pilot program, and continue outreach with these stakeholders today. Through this coordinated training, outreach and education effort, PM&BI influenced DoD buying activity behaviors and drove process changes.

The United States will face many evolving global challenges over the next 20 years ...

How does the agency and its customers benefit from these changes?

Resources freed up from LV/LR and non-core service-type contract work are reallocated to perform new HV/HR work. The agency already reassigned more than 350 billets and filled about half of them. It's estimated that we will need to move approximately 1,000 DCMA billets to meet the service and defense agency current demand for production rate increases and known new program awards during the next 18 months.

What feedback has your team received from the armed services regarding the initiative?

As you might imagine, responses across the services and defense agencies varied greatly. While these customers generally recognize that DCMA is reallocating resources toward their most important programs and contracts, they are also concerned that their own resource constraints may be further impacted by the initiative. Common themes voiced include:

— Insufficient band width: When DCMA declines administration on LV/LR or services contract work, the buying activity must retain administration. Customers voiced concerns that they do not have the band width to perform this additional work.

— Competency: Simply put, buying activity personnel's familiarity with post-award contract administration is typically limited, and their knowledge, skills and abilities must be grown over time.

— System limitations: There is a concern that contract writing, payment, enterprise resource planning and other systems do not support retention of the contract administration function.

While DCMA cannot mitigate the bandwidth and competency concerns, we conducted multiple training sessions with senior acquisition customers to build their confidence in the implementation of the HV/HR initiative. The agency established additional pilots and delayed the return of complex non-mission services work to mitigate implementation schedule and system concerns.

As we work through these concerns, my team continues to act as a listening post, consolidates customer comments and concerns, and shares them with the Workload Transition Working Group, then provides agency-level

responses to these customers.

How has your Air Force service impacted your decision-making process at the agency?

Throughout my military career, I received training regarding the military decision making process. This training focused on using the best available information, resources and time constraints to make decisions. Utilizing this process, I was able to make the best decision which would impact mission, personnel, equipment and resources while also considering second and third order effects. I use this same process to make decisions at DCMA to ensure the best decisions are being made within my directorate and in support of the agency's global warfighter support mission.

What is an example of something Col. Eady did not know that Executive Director Eady was surprised to discover?

Actually, there was no big surprise for me when I took off the uniform and put on a suit because the focus has always been on supporting the warfighter. My time as a contract management office commander prepared me for the transition from uniform service to civilian service and reinforced my dedication to our mission. Throughout my career I've seen unrivalled commitment from dedicated military and civilian professionals coming together to make huge sacrifices for this great nation.

If you could suggest one thing to America's warfighters regarding defense acquisition, what would it be?

America's warfighters need to take an active role and work with their program management offices and program executive offices to get the capability they need. They must be ready to negotiate the trade space of capability versus cost and schedule to get the capability they really need, when they really need it, and at a cost America's taxpayers can afford.

What will defense acquisition look like in 20 years?

The United States will face many evolving global challenges over the next 20 years, particularly with emerging near-peer adversaries in the Far East and cyber threats. Unlike the asymmetric warfare of the Global War on Terrorism, these emerging near-peer adversaries will require development and fielding of a new generation of warfare systems across the spectrum of warfare domains. DCMA and PM&BI will be key participants in this modernization of America's warfighting capability.

particularly with emerging near-peer adversaries in the Far East and cyber threats.

In pursuit of support, agency cashes in on ...

By Tonya Johnson, DCMA Public Affairs

Saving taxpayers' money is an important aspect as Defense Contract Management Agency employees provide contract oversight and management.

Agency employees look for opportunities to conserve resources internally by consolidating or removing products and services that can be done efficiently and effectively through other ways.

For example, the Facilities and Logistics Office looks for ways the agency headquarters and contract management offices can save money.

One way the agency can save money and enhance security measures is for the offices to relocate, typically to military bases.

"At this point, DCMA has just begun seeing savings on some of the first sites moved to Department of Defense sites, especially military bases," said Michael Rosenblatt, direc-

tor of Facilities and Logistics. "Those savings are \$777,995 on moves from commercial leases and federal buildings thus far. Some of the offices that have moved are Salt Lake City, Hampton and some smaller office sites.

"DCMA is also saving funding on facilities by closing micro-office sites with a savings of \$156,525 to date. These sites are identified by the regions who know the mission of each site under their command. These savings do not include the funding saved by security and IT at these sites, which would drive up the savings even more."

Rosenblatt said the initiative of moving offices also involves taking an overall look at all DCMA locations to make sure the agency is getting the most bang for its buck when it comes to being in a reasonably priced, yet secure location.

"One major initiative that we are embarking on is an agency-wide plan to assess space alternatives for our most cost inefficient locations," he said. "DCMA's 19 most expensive

leases represent over 50 percent of what DCMA spends on all of its 100 plus leased sites.

"As requirements are assessed for any consolidation on a DoD installation, the agency will take a hard look at the amount of space required for an organization in light of workforce tools such as telework, desk sharing and remote work, which may result in an office or site requiring less square footage per authorized billet than it previously had. DCMA Facilities will work through the Facility Management Capability Board, which every region and agency component has representation on, to share plans, assess impact, gather feedback and adjust course as necessary."

Another area the agency is saving money is by working with the Government Printing Office to save on printers and copiers.

"The GPO device contract is important to DCMA because it provides an umbrella contract for leasing printing and copying devices which specialize in managed print service, also known as MPS, which is a program offered by a pool of pre-qualified contractors," said Rosenblatt. "It manages all aspects of an agency's



In 2016, DCMA's Facilities and Logistics Branch initiated an HVAC renovation project at the agency's Fort Lee, Va., headquarters to correct design flaws in the ventilation system. In mid-2017, changes were made. The system now provides better air quality and temperature control. Utility bills have dropped an average of \$4,500 a month, and energy consumption has dropped by about 30 percent. (DCMA photo by Elizabeth Szoke)

printing devices that have shown to provide cost savings to the government in printing and copying services."

Rosenblatt said the GPO device contract allows the agency to save money and "creates a more secure print environment."

"A benefit the program brings which the agency is looking at rolling out is 'follow me' print. Follow me print would allow users to choose which copier they want to use for a print job, as long as the device is part of the leased MPS fleet. They just walk up to the device, insert their common access card, enter their pin number, select the job to print and their job prints out," said Rosenblatt. "What is nice about this is it can be anywhere in the continental United

States, as long as the device is on the DCMA network and part of the leased MPS fleet."

With the GPO device contract, all consumables, except paper, as well as maintenance are included in the lease. If a printer or copier needs toner or any type of maintenance, the employee should call the DCMA Service Center and enter a service request. The contractor will then resolve the issue.

Rosenblatt said DCMA Facilities and IT have been working together to "get various software into production that will further enhance the printing and copying capabilities available to DCMA users."

"Without some of this software, the contractor cannot connect to the printers and copiers from their work stations, and can't fully engage and utilize the additional benefits to DCMA,"

he said. While Facilities stood up and has run the program for the last several years, Facilities and IT are currently examining transitioning the program to IT for better alignment with the rest of the DCMA output space.

Another way the agency is seeking to save money and optimize efficiency is through its government fleet of vehicles. The agency is providing tools to components that will help them analyze their vehicle usage and further reduce the amount of leased government vehicles on hand.

Overall, Rosenblatt said his team is working hard to save the agency money so that employees can better support America's warfighters.

"Every dollar that we can save as a support and overhead function of DCMA is another dollar that can be put into the core mission of delivering critical equipment to the warfighter," said Rosenblatt.

BIG

\$ SAVINGS

My DCMA

The My DCMA initiative affords Defense Contract Management Agency's experienced and diverse acquisition professionals an opportunity to share their stories of warfighter support. Team members discuss their roles within the agency's mission, why they enjoy their jobs, how their efforts impact America's warfighters and much more.

These women and men take great pride in their federal and military service as they strive to deliver unwavering support to the agency's global network of customers. To discover more of these testimonials, check out *DCMA.mil*.



Angelica Belcher, supervisory contract price/cost analyst
DCMA Manassas, Virginia

"Through each area of our expertise, we provide information that helps obtain products and services to warfighters at optimal cost, delivery and quality. We are a dedicated workforce committed to serving warfighters."



Henry Stewart, quality assurance team supervisor
DCMA Garden City, New York

"DCMA is important to America's warfighters because we understand that when a unit of the armed forces is set for deployment, there's a level of capability to which each command officer is expecting his or her unit to function."



Kara Bennett, administrative contracting officer
DCMA Syracuse, New York

"I work with an amazing team of DCMA functional specialists and DCAA personnel. Serving together as 'one team, one voice,' we present a united front to our contractors allowing us to achieve a fair and reasonable price when negotiating contracts."



Trinh Do, industrial engineer
DCMA Lockheed Martin Sunnyvale, California

"Everyone that I have worked with has been truly professional, supporting me in every way and helping me to learn and grow. There are certain things that cannot be learned through education."



Navy Lt. Andrew Small, contract administrator
DCMA Lockheed Martin Moorestown, New Jersey

"Coming from a ship, I have seen firsthand how contracting has a key role in meeting mission requirements and how all parties that are involved have such an impact and role in helping the warfighter meet mission capabilities."



Elise Hoppe, human resources specialist
DCMA Military Personnel Office, Fort Lee, Virginia

"I enjoy working with professionals who provide insight and experiences which I can learn from. I like working for a team that appreciates and fosters growth and a fast-paced technical environment full of potential."



Sylov Cabose, quality assurance specialist
DCMA Garden City, New York

"The products being produced are often complex and hold a significant weight to the warfighter. Being around such high-level, complex items allows me to stay on top of the latest advancements in technology."



Laray Deveaux, senior aircraft operations specialist
DCMA Aircraft Operations, Fort Lee, Virginia

"I have been a part of the DCMA team for five years. I have had the privilege of serving in two capacities — one as the senior aircraft operations specialist and also as a military reservist."



With his 11-year UH-1Y Venom journey complete, Marine Corps Lt. Col. Eric Strong, the DCMA Bell Helicopter Fort Worth chief of flight operations, has shifted his mission support efforts to the last phase of AH-1Z Viper (pictured) deliveries. (DCMA photo by Elizabeth Szoke)

First and Last Rotations

By Thomas Perry, DCMA Public Affairs

As a child, a journey's outset to epilogue can last the length of a sandbox. As finality's worth ages, expeditions of effort often last years and carry significant weight.

When a UH-1Y Venom comes off the production line, it weighs more than 11,800 pounds. During the helicopter's production phase, Marine Corps Lt. Col. Eric Strong has delivered that weight many times. Most significantly, he played a leading role in the program's his-

toric bookend deliveries.

With anxiety looming due to unfamiliarity, Strong, a Defense Contract Management Agency Bell Helicopter, or DCMA Bell, government flight representative, delivered the first Venom to Marine Light Attack Helicopter Training Squadron 303, Camp Pendleton, California, in 2007.

Eleven years later, steeped in platform expertise, Strong, now serving as DCMA Bell's chief of flight operations, delivered the

final Venom to Marine Light Attack Helicopter Squadron 469, Camp Pendleton, California, in 2018.

"This was an incredible opportunity for me that never happens," said Strong, who was a captain at the time of the first delivery. "I feel very privileged to have been a part of this program that has undoubtedly made a huge impact on Marine Aviation."

That impact began in the mid-90s when the Marine Corps launched a plan to upgrade its aging, 1970's-era UH-1N Twin Huey (utility) and AH-1 Super Cobra (attack) helicopters.

The UH-1Y Venom and the AH-1Z Viper were selected to serve as the latest helicopters within Bell Helicopter's H-1 family. After scrapping initial plans to remanufacture Venoms using Twin Huey airframes, the "new build" production phase began in 2005.

"Early on, the H-1 Upgrades Program shifted focus to fielding the UH-1Y ahead of the AH-1Z," said Marine Corps Col. Vic Argobright, the DCMA Bell commanding officer. "This was largely due to the need to replace the aging

UH-1N aircraft at a faster pace. Shortly after delivering the first aircraft, the UH-1Y began operating off of ships on (Marine Expeditionary Unit) deployments and in Afghanistan. Because of the need to support operations all the while training aircrew and maintainers, having a steady stream of quality aircraft was critical in supporting a successful transition."

With warfighter lives on the line, the shift from factory floor to operational unit only takes place after a final list of critical steps are taken.

"As production aircraft complete initial flight tests with Bell, those aircraft are presented to DCMA quality assurance personnel and aircrews for additional acceptance test and inspection," said Strong. "My role is to conduct both maintenance actions review and in-depth inspection of each aircraft to ensure contract adherence. Once inspections are complete, the DCMA pilots will conduct final flight tests in accordance with (Naval Air Systems Command) requirements. When flight tests are complete, we sign log books and test vellum completion documents

to prepare aircraft for DD-250."

The Department of Defense Form 250 is the Material Inspection and Receiving Report that is required for most contracts for supplies and services.

"The aircraft is prepped for delivery and we begin flight ferry planning for delivery to the receiving unit," Strong continued. "Delivery flights to the West Coast are normally completed same day and deliveries to the East Coast normally take two days."

In the defense contracting game, an aircraft's final-delivery often serves as a program's measuring stick. Was it delivered on time? Was it delivered at cost? Did it meet quality and lethality standards? Much like a family photo crowded with wide smiles and perfect haircuts, these end-product answers don't tell the whole story. DCMA's fleet of acquisition professionals navigate many key points throughout the contracting process to ensure picture-perfect deliveries.

"It would be important to note that DCMA Bell is comprised of many centers of excellence in the Fort Worth area, and a satellite of-



A Marine provides aerial security from a UH-1Y Venom with Marine Medium Tiltrotor Squadron 163. (Marine Corps photo by Cpl. Adam Dublinske)



Marine Corps Lt. Col. Eric Strong, then a DCMA Bell Helicopter government flight representative, delivered the first UH-1Y Venom to Camp Pendleton, California, in 2007. He also delivered the last production-run Venom in 2018. (Marine Corps photo by Lance Cpl. Alexia Lythos)



“There are very few times in a career that you can see the impact you have made, and I feel extremely lucky to have been a part of the beginning and the end of the UH-1Y Upgrade Program,” said Lt. Col. Eric Strong, DCMA Bell’s chief of flight operations.

fic in Amarillo,” said Bryan Lester, a DCMA Bell quality assurance supervisor. “They are comprised of the (contract management office) management, to include the program integrator, the contracts and supply groups, the Drive System Center building the gearboxes, the Rotors and Composites Center building all composites and blades, and the Amarillo Assembly Center for aircraft assembly. The exceptional efforts of all DCMA personnel working in these areas, as one team, provides the ability to meet our agency’s mission and ensure quality product is delivered to the warfighter.”

With all of these rotating parts, communication is vital to program success, according to Shea Lea

Vandivere, DCMA Bell H-1 program integrator.

“There is an extensive amount of coordination that goes on behind the scenes between the contractor, NAVAIR and within the multiple centers of DCMA Bell that takes place across a multifunctional support team within each organization,” said Vandivere. “The greatest success is the teamwork that goes into getting these aircraft out to the warfighter to support their mission, which is challenging considering all of the coordination and communication that must occur to ensure that from contract execution to final delivery of these aircraft.

“Without this collective effort of our entire team of contracting, engineering, finance, flight opera-

tions, manufacturing, quality assurance, program management, supply chain, and other support functions, this program would not be successful in getting this mission capable aircraft out to the warfighter on time and on budget,” she said.

Now that the Venom production run is complete, Argobright’s team will turn their full attention to sustainment — to maintain and prolong the program’s battlefield capabilities and effectiveness.

“The transition from production to sustainment is not a distinctive event,” Argobright said. “In fact, DCMA Bell has been working the sustainment effort for a number of years. We continue to partner with Bell, NAVAIR, (Naval Supply Systems Command), and the (Defense

Logistics Agency) to ensure the USMC gets the support they need. The H-1 program is currently in a critical phase of the sustainment effort with their first Performance Based Logistics contract planned to award next year, all the while working the stand-up of organic capability at Fleet Readiness Center East. DCMA Bell is supporting all sustainment efforts from conducting proposal evaluations to ensuring quality parts are getting to where they need to be on time.”

Much of the sustainment effort will have little to do with Strong. His DCMA Bell responsibilities have shifted to support the last phase of AH-1Z Viper deliveries, but his first-and-last delivery role will keep his Venom experience special.

“There are very few times in a career that you can see the impact you have made, and I feel extremely lucky to have been a part of the beginning and the end of the UH-1Y Upgrade Program,” said Strong.

With his 11-year Venom journey complete, another ending approaches its horizon. Strong is scheduled to retire in 2020. His UH-1Y memories will soon find their own chapter within the adventure of a long military career.

He recalled one of his favorite memories from the early days of the UH-1Y program. Strong said after 1,200 hours in a UH-1N, he was well aware of its weight and power limitations. During his third Venom delivery, he and the aircraft’s pilot, now retired Marine Corps Col. Nick

Hall, realized how capable and powerful the UH-1Y was.

“We had just departed Pinal airfield in Arizona after a fuel stop,” said Strong. “Two Apache aircraft had lifted from spots on the north side of the airfield. As we began to parallel their flight path, they increased speed to around 140 knots indicated. We matched the speed with ease, and as I glanced at Col. Hall he just smiled. I began to pull pitch to increase speed again. You could clearly see the Apache pilots trying to increase speed by the forward movement of the rotors. As we passed the Apaches and began to pull away from them, Col. Hall said, ‘I bet those guys didn’t expect to see that.’”



FMS

ALLIANCE FORTIFICATION DRIVES GLOBAL WORKLOAD

By Elizabeth Szoke, DCMA Public Affairs

Defense Contract Management Agency employees based around the world oversee foreign military sales, equating to approximately 11 percent of the organization's contract workload. DCMA totals over 348,000 active contracts resulting in approximately \$5.2 trillion in all contract support, to include FMS work. This percentage of FMS support has grown due to the increase in foreign arms sales as reported by the Defense Security Cooperation Agency in 2018.

According to the Department of State, arms sales and defense trades are key to strengthening allies and partners worldwide, while taking into account economic, political, military, and human rights conditions to any country. With these objectives, DCMA provides FMS contract support in government-to-government agreements

A small team of employees from DCMA International supports the production of the F-35 joint strike fighter in Samlesbury, England. This team also provides itinerant contract administration services to other major suppliers with specialized requirements such as foreign military sales and NASA. (DCMA photo by Elizabeth Szoke)



with partner nations or international organizations.

"Because of the many customer nations we deal with, communication could be a great challenge that we face due to language barriers," said Air Force Lt. Col. Chris Jenkins, commander of Aircraft Integrated Maintenance Operations in DCMA Greenville, South Carolina. "Each foreign partner has unique cultural differences that must be understood and respected in order to maintain healthy working relationships."

His sentiments go in line with the agency's support towards the DoD's second line of effort to strengthen alliances and attract new partners. The Greenville contract management office has balanced both domestic and FMS cases on C-130 and P-3 aircraft for maintenance, modification, repair and overhaul contracts since DCMA's inception in 2000.

"The production of these aircraft requires multiple quality checks to accomplish a significant amount of unplanned maintenance," said Jenkins. "This is an important role which requires direct engagement from our contract, industrial and quality assurance specialists to maximize efficient utilization of limited resources."

In addition to these aircraft, DCMA Greenville expects to house the production of all foreign F-16s after Lockheed Martin announced their plans to increase production of the F-35s by 40 percent, which requires more space at their old location in Fort Worth, Texas.

"We are looking forward to working with our customers and have the utmost confidence that this will be a successful move," Jenkins said.

DCMA Greenville isn't the only location in the continental U.S. that provides contract administrative and quality assurance oversight on FMS deliveries. The agency also provides FMS support around the world, which is handled by the DCMA International region. DCMA International has a contract management office in the Middle East, whose sole mission is focused on FMS.

"We work with partner nations such as Saudi Arabia, Qatar, Bahrain and others to determine the appropriate DCMA foreign military sales contract administration effort both from stateside DCMA work and work done in the Middle East," said Air Force Col. Louis Orndorff, commander of DCMA Middle East. "Being here, we are able to provide relevant acquisition insight to our foreign partners, which influences their decisions and plays a positive role in the geopolitics of the Middle East."

The 2018 National Defense Strategy states that the U.S. will foster a stable and secure Middle East that denies safe havens for terrorist (see page 13). Orndorff says the ability to verify, first-hand, that FMS customers are receiving the best equipment, supplies, support and services is an objective the team proudly supports.

**"EACH FOREIGN PARTNER
HAS UNIQUE CULTURAL
DIFFERENCES THAT MUST
BE UNDERSTOOD AND
RESPECTED."**

- AIR FORCE LT. COL. CHRIS JENKINS

"DCMA insight takes a proactive approach by working to protect the integrity of the contracting process, which ensures our customers receive a product with the same contract oversight of any U.S. weapon system," Orndorff said. "With FMS, we are providing that same assistance for an ally or partner nation in support of their strategic interest, which aligns with the U.S. national security objectives."

The FMS insight provided by the contract management offices around the world aligns with the DoD's goal to transition to a culture of performance where results and accountability matter. According to the NDS, the government has a responsibility to gain full value from every taxpayer dollar spent on defense.

As a part of this line of effort, DCMA leadership has directed an agency-wide, in-depth process improvement study to increase visibility of the agency's actual FMS work. Being able to identify every administrative action that is worked on an FMS case versus a U.S. sales contract allows them to track FMS workload accurately and assign appropriate expenses.

"In order to drive budget discipline and affordability to support this line of effort, we first need to track what funding is appropriate for the work DCMA does for FMS cases," said Mitch Kuptz, director of DCMA's International and Federal Business Division. "We align our payment processes to meet the Arms Export Control Act, which requires foreign purchasers to pay for the services provided by the U.S. government."

DCMA recently added a separate pay code for employees to track any FMS work they perform. This pay code allows the funding to be properly tracked for processing purposes. The payments towards all administrative contract support on foreign sales are deducted from the FMS Contract Administration trust fund account and not from the U.S. government.

"It's changes like this that support the financial line of efforts in our defense strategy," said Kuptz.



Ryan Connell, a DCMA supervisory contract price/cost analyst, said the agency's Cost and Pricing Regional Command worked on the Delta IV Heavy rocket program. "Space is an industry which has transformed what 'commercial' means. Rockets used to be a military/government unique thing. With the advancements of commercial companies launching satellites, it has revolutionized the way the Defense Department buys these items and services," he said. (Photo courtesy of United Launch Alliance)

Unwrapping the complex world of Cost & Pricing

By Thomas Perry, DCMA Public Affairs

Launching in early 2018, the Cost and Pricing Regional Command is one of Defense Contract Management Agency's most recently established executive directorates. While the "new" label can sometimes carry a level of skepticism within longstanding establishments, the Cost and Pricing team has quickly earned an important role within the Department of Defense's business reformation.

Ellen Lord, the undersecretary of defense for acquisition and sustainment, granted the Regional Command's Commercial Item Group authority to make commercial item determinations in October 2018.

"This is a huge deal," said Jorge Bennett, the Cost and Pricing Regional Command director. "Up to now, our Commercial Item Group has been limited to making recommendations to the acquisition community, and then waiting for any number of procurement contracting officers to make the final determination. Having the ability to make those determinations means we can now better support the Defense Department's procurement administrative lead-time reduction initiatives. There will no longer be a gap between us making a recommendation and the final decision on whether or not a product or service is commercial. An added benefit is that the decision will help us better track products and services that have been deemed commercial and provide a one-stop source for that information to the rest of the enterprise."

According to the 2018 Department of Defense Guidebook for

Acquiring Commercial Items, "Commercial item procurement is more important than ever. Although the law has directed a preference for commercial item procurement since the early 1990s, the time and cost to develop and field new capabilities, the technological advances made by near peer competitors and the rapid pace of innovation by private industry have demonstrated the need to access the best technology — now ... DoD needs to increase access to an expanded supplier base — bringing new and emerging technologies to bear in support of our national defense objectives."

Those objectives seek to drive budget discipline and affordability, to lead innovation and leverage technology effectively, and to streamline acquisition and support to accelerate modernization. Vernon Neumann, DCMA's recently retired Commercial Item Group director, believes his former team will play a critical role in reaching these goals and supporting a new era of defense acquisition.

"The CIG provides acquisition insight for the integration of commercial products and services within DoD to streamline procurement and ensure warfighters receive cutting-edge technology at fair and reasonable prices," said Neumann. "The DoD regulations make the acquisition of commercial products simpler and with less government oversight. The idea is that there should be less regulation when buying items that are not necessarily military unique. In many instances the lines between commercial and non-commercial items can be blurry. Our job is to provide a crisp and clear picture of what is and is not a commercial item or service."

Prior to having this determination authority, when agency team members released a commercial item recommendation the buying activity had to still spend time and effort to reach a final decision. This additional work, along with the visibility and impact of determinations, frequently presented challenges for CIG.



Trang Tran, a contract price/cost analyst in DCMA Hartford, recently worked with the Cost and Pricing Regional Command's Overhead Should Cost Review Team at Lockheed Martin Rotary Mission Systems. She joined the DCMA team in 2015 as a journeyman from Defense Contract Audit Agency. Tran said she enjoys delivering key insights in negotiations "to get the warfighter what they need when they need it." (DCMA photo by Elizabeth Szoke)

"Often we did not know the final outcome of our recommendations," said Neumann. "Each command operates in their own manner, with their own ideas and perspectives. Our goal is to centralize the commercial decisions so that the same products and services are being treated in the same manner across all of DoD."

Understanding the varied prerogative of customers, Neumann explained that DCMA's new role will not hamper procuring contracting officers who wish to perform the work themselves.

"They are still able to make commercial determinations if they want to," said Neumann. "This authority simply adds the DCMA CIG as an additional resource to make determinations. Now when a contracting officer requests commercial support from the CIG, they will receive a commercial determination for their contract file, which allows them to focus their precious time on other parts of the acquisition, allowing for accelerated speed to get capability into the warfighters' hands."

While Lord's directive may be the most exciting cost and pricing decision for DCMA's burgeoning directorate, it is just one aspect of the Regional Command's defense-wide impact during its first year of operations. With the idea of pursuing the full complement of the National Defense Strategy lines of effort (see page 13), agency Director Navy Vice Adm. David Lewis named Bennett as the command's leader in early 2018.

"Jorge's extensive and in-depth awareness and understanding of the complexities of the DoD and federal acquisition system, in combination with his outstanding operational leadership and technical experience, clearly position him to be an exceptional leader



DCMA's Commercial Item Group worked on the Cargo On/Off Load System, or COOLS, for the CH-47 helicopter, and found commercial comparisons in the trucking and transportation industries, which saved time and money. (Army photo by Capt. W. Scott Walters)



Ellen Lord, the undersecretary of defense for acquisition and sustainment, granted DCMA's Commercial Item Group contracting officers' authority to make commercial item determinations in October 2018. The agency's Cost and Pricing Regional Command leadership believes one positive impact of this decision will be a significant growth to its commercial item database, which will allow more contracting officers to leverage prior decisions, speeding up their acquisition time line. (Air Force photo by Master Sgt. Barry Loo)

in our Cost and Pricing Regional Command, delivering outstanding and consistent execution of the cost and pricing capability across the entire enterprise," said Lewis.

Bennett hit the ground running and designed a plan to align his group's performance with Lord's A&S priorities.

"From restructuring our organization to revising our processes, products and services to align with the needs of the acquisition enterprise, all our efforts are focused on increasing our agility in supporting the Defense Department's affordability initiatives," said Bennett. "We are becoming faster and more focused on delivering critical cost and pricing data that supports acquisition decisions. We are taking steps to ensure that we can continue to provide relevant insight that impacts current efforts, but most importantly, we're focusing on developing tools to better harness the data we already have to improve the training and performance of our pricing community and provide acquisition insight that is more predictive in nature."

Within the cost and pricing world, foresight is often key, and under Bennett's leadership his teams are developing models to measure their rate forecasting accuracy to ensure they are better prepared to negotiate pricing actions. This effort also supports DCMA's ability to provide its customers with data that can "significantly" impact the prices of warfighter products and services.

"We are also increasing the number of contractor financial capability reviews to help the enterprise save money by avoiding high-risk contractors," he said. "We're refocusing our efforts to perform more overhead should-cost reviews to help drive out inefficiency and waste from our

contractors' cost structure. In summary, every effort we take is now focused on supporting affordability initiatives by becoming more agile — faster, flexible, responsive — and eliminating waste and inefficiency for us and the contractors we oversee."

At the command's one-year mark, that oversight continues to expand and develop at a rapid pace, and Bennett is quick to point out that his command's accomplishments are reliant on the incredible dedication and excellence of his cadre of professionals.

"What has impressed me the most is their passion for protecting the taxpayers' money and ensuring that the government pays only a fair and reasonable price for the value received from the goods and services we purchase," he said. "In every location I visit, project I oversee, or team member I address, the theme is the same: maximizing the benefit of every cost dollar under contract. Every activity relates to this common theme from ensuring fair and reasonable prices with our forward pricing rate agreements and forward pricing rate recommendations, identifying and eliminating unallowable costs from incurred cost proposals, to ensuring efficient business systems and processes."

Bennett believes his focus is to harness his staff's energy — package it with DCMA's Business Capability Framework — and maximize agency resources to tackle the most critical goals and objectives of DoD's acquisition leadership.

"At the end of the day, it is about 'enhancing lethality through affordability' and changing at the speed of relevance," he said. "The concept should not be a surprise to any of us. We've heard the words from all levels of leadership. Our job, in fact, our responsibility, is to internalize them and give them meaning by transforming the products, services and processes under our responsibility and aligning them with the intent of our leaders."

Bennett said he gained a true understanding of this concept during a 2018 meeting with the then deputy secretary of defense, Patrick Shanahan.

"The DoD's budget is about \$600-700 billion," said Bennett, paraphrasing Shanahan's comments. "Even a one-percent increase in efficiency would yield a \$6-7 billion increase in buying power ... that's a lot of goods and services we can buy for our warfighters. When viewed from that angle, you realize that no change is too small to make a difference."

The DoD's budget is about \$600-700 billion; even a one-percent increase in efficiency would yield a \$6-7 billion increase in buying power.



A Star is Born

DCMA helps augment high- tech satellite constellation

By Luis Delgadillo, DCMA Public Affairs

With the successful launch of the fourth Advanced Extreme High Frequency satellite Oct. 17, 2018, the Defense Contract Management Agency helped the Air Force reach a new milestone in the Department of Defense's Joint Service Satellite Communications System.

As news of the satellite's launch and its subsequent successful operation spread, the DCMA Lockheed Martin Sunnyvale team could finally celebrate the completion of their AEHF-4 role. Leading up to the launch, DCMA personnel were confident their collaboration with aerospace partners would pay off but the satellite's successful operation meant that everyone could breathe easier.

"Our team works closely with Lockheed Martin to overcome challenges and deliver advanced capabilities to the warfighter," said Rita Bruce, the AEHF program integrator, who leads DCMA LM Sunnyvale's

United Launch Alliance's Atlas V AEHF-4 rocket launches Oct. 17, 2018, from Cape Canaveral Air Force Station, Fla. This was the fourth communications satellite in the Advanced Extremely High Frequency series for the Air Force. DCMA provided quality assurance, engineering and analysis, and contract administration for the Air Force's purchase of the AEHF-4 satellite. (Air Force photo by Airman 1st Class Dalton Williams)



Engineers at Astrotech Space Operations in Titusville, Fla. encapsulate the fourth Advanced Extremely High Frequency-4 satellite in an Atlas V 531 rocket's payload fairing Sept. 27, 2018. The encapsulation process was a major milestone for the Defense Contract Management Agency Lockheed Martin Sunnyvale team, which recently completed its role in delivering the Air Force's AEHF-4 satellite. (Air Force photo by Derwin Oviedo)

multi-functional team.

DCMA's main roles during Lockheed Martin Space's manufacture of the satellite included quality assurance, engineering and analysis, and contract administration. In short, acquisition insight.

"Collaboration and teamwork with our joint government and industry partners is key to success, and AEHF-4 showcases our ability to deliver," said Bruce.

Close coordination with other partners was also key when the satellite was transported from the Lockheed Martin's Sunnyvale, California, manufacturing location to Cape Canaveral Air Force Station in Florida July 26, 2018.

Once officials completed testing, DCMA marked the next milestone, the encapsulation of the AEHF-4, Sept. 26, 2018.

"The AEHF-4 encapsulation was a significant milestone toward

increasing our nation's strategic capabilities and echoes continued success of everyone who supports the AEHF program," said Air Force Col. Shawn McCamish, DCMA LM Sunnyvale commander. "I'm proud of our DCMA team for assuring the quality and on-time delivery of this national asset."

Taking only a few days, the encapsulation may not seem as risky as getting the launch vehicle's payload into orbit but the process still requires precision. Especially when one considers that the \$1.4 billion satellite is taking a ride on United Launch Alliance's most power configuration Atlas V, the 551.

This Atlas launch vehicle is a part of DCMA Lockheed Martin Denver's portfolio. Among other features, it includes the main engine and three solid rocket boosters of the Atlas V 400 configuration plus two additional solid rocket boosters. In other words, the right amount of power needed to

safely carry a critical warfighter asset.

The AEHF system is the nation's protected strategic and tactical satellite communications program. Lockheed Martin is contracted to deliver six AEHF satellites and corresponding mission control capabilities. Prior to the launch, there were three operational satellites in orbit. The fifth and sixth satellites are on schedule to reach orbit in 2019 and 2020.

"Many improvements are being made in satellites 5 and 6 but DCMA support of the AEHF program will slow down as each satellite is launched," said Air Force Capt. Jordan Wall, the DCMA LM Sunnyvale AEHF deputy program integrator. But despite the shift in workload, Wall said the next evolution of satellite technology is always coming down the road.

As that happens, DCMA's role in delivering acquisition insight will continue to grow.

**We serve as the
independent eyes and
ears of DoD and its
partners, enhancing
warfighter lethality by
ensuring timely
delivery of quality
products, and
providing relevant
acquisition insight
supporting
affordability
and readiness.**



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