
Capt Carlton Hensley, Cost & Analysis Branch, MARCORSYSCOM

Maj Scott Willette, USMC (Ret)
Purpose

• Informational brief on our implementation of the SECNAVINST 5223.2 and its implications on MCSC organization and processes

• Describe the review of the NAVAIR and SPAWAR cost practices and the resulting TRB and CRB processes being piloted by the Cost & Analysis Branch

• Provide lessons learned and solicit thoughts on improvement
Agenda

• Background
• Where We Were
• What We Did
• CARD Review Process (Technical Review Boards)
• PLCCE Review Process (Cost Review Boards)
• Lessons Learned
Background

• Command Policy Letter 4-07, Program Life Cycle Cost Estimates - Required all cost analysis for significant (ACAT III and above, those with an external MDA, or otherwise designated by COMMARCORSYSCOM) programs within MCSC or PEO LS to be conducted under the auspices of the MCSC cost organization (EBAB).

• SECNAVINST 5223.2 signed in December of 2008 significantly expanded the roles and responsibilities of the DoN SYSCOM cost organizations and PMs

• The MARCORSYSCOM Cost and Analysis Branch has grown to meet the demand and has developed processes for implementing the SECNAVINST 5223.2
Where We Were

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Previous Requirement</th>
<th>New Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM develops CARD prior to LCCE</td>
<td>ACAT I for MS Decisions</td>
<td>All Programs (AAP-MDAP/MAIS), all MS and annually</td>
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<tr>
<td>PM obtains a review of technical and programmatic requirements</td>
<td>ACAT I for MS Decisions</td>
<td>All Programs (AAP-MDAP/MAIS), all MS and annually</td>
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<tr>
<td>contained in the CARD from designated SYSCOM authorities before</td>
<td></td>
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<tr>
<td>submittal of CARD to the appropriate cost organization</td>
<td></td>
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<tr>
<td>C&amp;A Branch reviews and accepts CARD prior to final approval</td>
<td>None</td>
<td>All Programs (AAP-MDAP/MAIS)</td>
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<td>C&amp;A Branch develops PLCCE</td>
<td>ACAT III and above</td>
<td>All Programs (AAP-MDAP/MAIS)</td>
</tr>
<tr>
<td>Contract approval for all CCDR and SRDR plans before award</td>
<td>None</td>
<td>All Programs requiring CCDR/SRDR</td>
</tr>
<tr>
<td>Provide EVM analytic support to programs</td>
<td>PM's Financial Managers</td>
<td>C&amp;A Branch, All Programs requiring EVM analysis</td>
</tr>
<tr>
<td>C&amp;A Branch serves as approving authority for all cost analysis support</td>
<td>ACAT III and above</td>
<td>All Programs (AAP-MDAP/MAIS)</td>
</tr>
<tr>
<td>Support Source Selection Cost Analysis</td>
<td>None</td>
<td>C&amp;A Branch</td>
</tr>
<tr>
<td>Support PMs w/ POM-building, budget formulation/defense/execution</td>
<td>POM Team/DFM</td>
<td>C&amp;A Branch</td>
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</tbody>
</table>

PM obtains a review of technical and programmatic requirements contained in the CARD from designated SYSCOM authorities before submittal of CARD to the appropriate cost organization(s).
Where We Were in March 2009

Branch Head

Mr. Don Burlingham
Ops Research Analyst, YF-3

Cost and Analysis Capability

Mr. Paul Detar, Ops Research Analyst, YD-3
Mr. Philip Caramanica, Ops Research Analyst, YD-3
Mr. David Maylum, Ops Research Analyst, YD-3
1 X (Vacant) T/O#0229, Ops Research Analyst, YD-3
1 X (Vacant) T/O#0242, Ops Research Analyst, YD-3

Maj Michael Mastria, Defense Systems Analyst
Maj Michael Middleton, Defense Systems Analyst
Maj Stephen H. Mount, Operations Analyst
Maj. Archie Tinjum, Defense System Analyst
Maj Jeffrey Wideman, Defense Systems Analyst
Capt Jason Lovell, Defense Systems Analyst
Capt. Carlton Hensley, Defense Systems Analyst

LtCol Bob Liebe, USMC Reserve

Ms. Elizabeth Green, Contractor

Not all analysts are dedicated to cost analysis

7 Marine Analysts (with ~30% annual turnover)

2 Civilian Analysts
Where We Were in March 2011

Donald Burlington
Branch Head

Elizabeth
Green
Operations
Manager

Studies/Analyses
Team Lead
Mark Earnesty

Studies
Capt Jason Lindauer
Studies
Capt Andy Burrow
Studies Launa Zafiram

PG10 / PG12
Team Lead
Susan Willet

PG11 / PG13
Team Lead
Maj Scott Willette

PG15 / PG16
Team Lead
David Maylum

MRAP
Team Lead
Maj Lee Tinjum

PM TRASYS
Team Lead
Greg Seavers

PG15 / PG16
Team Lead
Steve Pawlow

Studies
Capt Jason Lindauer

Maj Troy Kiper
Capt Joe Seykora
Noel Bishop
Jennifer Kernich

PG10 / PG12
Team Lead
Maj Karl Stoetzer

Dan Lovelace
(Mobilized)

Capt Jason Latta

Del Williams

Jose Rodriguez-Sanjurjo

T/O #0246
YD-1515-3

G/ATOR
Team Lead
Tom Dang

Maya Jackson

YD-1515-3

EFV
Team Lead
James Myers

JLTV
Cassandra Rice

CAC2S
Benita Dean

LVSR/MTVR
Mark McLusky

LCCE
John Bryant

EVM
Bill Neale

T/O #7618
YD-1515-3

Filled Position
Vacant Position
Potential Hire Identified
Military TOECR Results

Dated 3 Mar 2011
What We Did

- Reviewed CARD Requirements
- Researched DoN Best Practices
- For the CARD: Adopted modified NAVAIR model (Technical Review Board)
- For the PLCCE: Adopted modified SPAWAR model (Cost Review Board)
- Developed the TRB and CRB Review Process
- Created Templates and Notional Timelines and Began Instituting

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How Do We Develop CARDS and PLCCEs?

• Since the C&A Branch falls under the PM Competency, we have been directed to serve as the Command’s sponsor for developing CARD and PLCCE policy

• The C&A Branch recognizes the CARD as a PM responsibility, but early and continuous input into CARD development from the cost community ensures the CARD is sufficient to serve as a basis for a PLCCE
  – The number of CARD/PLCCEs being developed requires us to continue to use contractors to support the PM
  – PLCCE development is always the C&A Branch’s responsibility even when outsourced
  – Preferred method is to have CARD development as a separate PM effort; however, combining the CARD/PLCCE onto a single task order with multiple CORs is an alternative way of ensuring continuity of effort
  – Even when a C&A Branch analyst is the primary COR on a combined contract, the CARD remains the PM’s responsibility

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CARD Process

1. CARD Need Identified
2. Project Office develops CARD in coordination with Cost & Analysis Branch
3. Initial CARD Review
4. CARD Revised
5. Independent Technical Review (ITR)
6. Technical Review Board
TRB: The CARD Review and Approval Process

<table>
<thead>
<tr>
<th>ACAT</th>
<th>I/IA/IC/ID</th>
<th>II</th>
<th>III/IV</th>
<th>IV/AAP</th>
<th>PEO Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDA</td>
<td>USD (AT&amp;L) / ASN (RDA)</td>
<td>ASN (RDA)</td>
<td>COMMARCOR-SYSCOM</td>
<td>PGD</td>
<td>As Dir</td>
</tr>
<tr>
<td>Technical Review</td>
<td>Competency Directors</td>
<td>Competency Directors</td>
<td>Competency Leads</td>
<td>Competency Leads</td>
<td>Competency Leads</td>
</tr>
<tr>
<td>Cost Review</td>
<td>AC PROG</td>
<td>AC PROG</td>
<td>Cost and Analysis Branch Head</td>
<td>Cost Team Lead</td>
<td>PEO Cost Team Lead</td>
</tr>
<tr>
<td>Final Approval</td>
<td>COMMARCOR-SYSCOM</td>
<td>COMMARCOR-SYSCOM</td>
<td>PGD</td>
<td>PM</td>
<td>PEO</td>
</tr>
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</table>
PLCCE Process

CARD TRB

Cost & Analysis Branch begins work on PLCCE

Initial Cost Review Board (CRB)

Interim CRB

Line By Line Review

Final CRB
CRB: The PLCCE Review and Approval Process

<table>
<thead>
<tr>
<th>MDA</th>
<th>USD(AT&amp;L)/ASN(RDA) Via COMMARCORSYSCOM</th>
<th>USD(AT&amp;L)/ASN(RDA) Via PEO LS</th>
<th>COMMARCORSYSCOM</th>
<th>PGD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval Authority</td>
<td>AC PROG</td>
<td>AC PROG</td>
<td>Cost and Analysis Branch Head</td>
<td>Cost Team Lead</td>
</tr>
<tr>
<td>Acceptance</td>
<td>COMMARCORSYSCOM</td>
<td>PEO LS</td>
<td>PGD or PM</td>
<td>PM</td>
</tr>
</tbody>
</table>
Lessons Learned

• Cost Analysts have to be involved with the development of the CARD, at least for the first one for the program.

• Timelines don’t always allow us to develop the CARD and PLCCE consecutively. A concurrent process works best when the PLCCE is worked as the CARD matures.

• The ITR should be conducted by, at a minimum, a competency aligned logistician and engineer.

• Early definition of the appropriate levels of review and approval of the CARD and PLCCE have helped to avoid bottlenecks.
Questions or Comments?