DCMA Overview

Presented by: Mr. Craig Morgan, DCMA
We are the leading experts in contract administration, Independent cost analysis, quality assurance, cost, schedule and supply chain predictability.

We will enable our partners to achieve contract and program objectives.

INTEGRITY - “Committed to the highest standards of ethical and moral behavior at all times”

SERVICE - “Working for the benefit of our nation and putting professional responsibilities before self-interest”

EXCELLENCE - “Committed to exceptional performance in everything we do”

We will conduct comprehensive contract administration in order to provide independent analysis of contractor’s performance, program status & risk.

We will ensure on time delivery of high quality, affordable products to the warfighter.
• **Mission:** DCMA performs Contract Administration Services for DoD and authorized federal agencies, foreign governments, international organizations, and others.

• **Specific guidance on roles & responsibilities for Contract Administration and Maintenance**
  – Federal Acquisition Regulation 42.302(a)
  – Defense Federal Acquisition Regulation Supplement 242.302(a)

  – **78 functions (normally assigned to DCMA) if DCMA administers the contract**

  – **4 functions must be performed by DCMA if we administer the contract**
    • Negotiation of forward pricing rate agreements
    • Establishment of final indirect cost rates and billing rates
    • Determination of contractor’s compliance with Cost Accounting Standards; including disclosure statement adequacy & compliance
    • Determination of Adequacy of contractor's accounting system
## DCMA Western Region
**Headquarters – Carson, CA**

**Contract Management Offices**
- Boeing Huntington Beach, CA
- Denver, CO
- Lockheed Martin Denver, CO
- Lockheed Martin Sunnyvale, CA
- Los Angeles, CA
- Palmdale, CA
- Phoenix, AZ
- Raytheon, Tucson, AZ
- Santa Ana, CA
- Stockton, CA
- NPO (NASA Product Operations), San Antonio, TX

## DCMA Central Region
**Headquarters – Chicago, IL**

**Contract Management Offices**
- Bell Helicopter, Fort Worth, TX
- Boeing, St. Louis, MO
- Chicago, IL
- Dallas, TX
- Dayton, OH
- Detroit, MI
- Huntsville, AL
- Lockheed Martin, Fort Worth, TX
- Twin Cities, MN
- AIMO (Aircraft Integrated Maintenance Office) Operations, St. Augustine, FL

## DCMA Eastern Region
**Headquarters – Boston, MA**

**Contract Management Offices**
- Atlanta, GA
- Baltimore, MD
- Boeing, Philadelphia, PA
- Boston, MA
- Garden City, NY
- Hampton, VA
- Hartford, CT
- Lockheed Martin, Marietta, GA
- Lockheed Martin, Moorestown, NJ
- Lockheed Martin, Orlando, FL
- Manassas, VA
- Orlando, FL
- Philadelphia, PA
- Raytheon, Tewksbury, MA
- Sikorsky Aircraft, Stratford, CT
- Springfield, NJ
- APO (Aircraft Propulsion Operations), Hartford, CT
- NSEO (Naval Special Emphasis Operations), Philadelphia, PA
• Full service on-site support
  - Can be either co-located with major contractor or geographically oriented
• On-site eyes and ears of the customers
• Accept products for military services

• Provide business systems insight and ensure compliance
• Analyze contractor performance capability
• Assess contractor progress and authorize payments
**DCMA at a Glance**

**Scope of Work**

<table>
<thead>
<tr>
<th>Scope of Work</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contract Amount</td>
<td>$5.1 trillion</td>
</tr>
<tr>
<td>Obligated Amount</td>
<td>$2.0 trillion</td>
</tr>
<tr>
<td>Serviced Contractor Locations</td>
<td>19,495</td>
</tr>
<tr>
<td>Active Contracts</td>
<td>343,261</td>
</tr>
<tr>
<td>• Contract Unliquidated Obligations</td>
<td>$232.4 billion</td>
</tr>
<tr>
<td>• ACAT I (IAC, IC, ID) &amp; II Programs</td>
<td>163</td>
</tr>
<tr>
<td>Aircraft Accepted (FY17)</td>
<td>1,354</td>
</tr>
<tr>
<td>Aircraft Acceptance Flying Hours (FY17)</td>
<td>16,810</td>
</tr>
<tr>
<td>Oversight of Government Property</td>
<td>$154.6 billion</td>
</tr>
<tr>
<td>Progress Payments</td>
<td>$19.7 billion</td>
</tr>
<tr>
<td>Performance-based Payments</td>
<td>$12.3 billion</td>
</tr>
</tbody>
</table>

**Span of Control**

<table>
<thead>
<tr>
<th>Span of Control</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilians On-Board</td>
<td>11,258</td>
</tr>
<tr>
<td>Military (Active Duty – 390, Reserve – 147)</td>
<td>537</td>
</tr>
<tr>
<td>Budget Authority</td>
<td>$1.46 billion</td>
</tr>
<tr>
<td>Reimbursable Target</td>
<td>$238.9 million</td>
</tr>
</tbody>
</table>

Authorize $630 million in contractor payments per business day

**Ensuring the Warfighter gets what was ordered on time and at the right cost**

1st Qtr FY18 Data
DCMA Measurable Return on Investment (ROI)

- Saved: $749 million
  - EVMS streamlining efforts, final incurred cost rate settlements
- Recovered: $2.008 billion
  - Litigation, contract terminations, property claims
- Cost Avoided: $3.279 billion
  - Commercial Pricing, Worker's Comp claims, EEO settlements
- Projected savings over the next 3-5 years: $2.65 billion
  - Pricing proposals and final incurred cost recovery efforts

DCMA Contribution to Lethality

- In Fiscal Year 2017, DCMA delivered 741.2 million items worth $173.3 billion to the warfighter

We find $6 billion for every $1.4 billion the DoD invests in us
### OCT–DEC 2017

**72% On-Time Delivery**

**Platform Deliveries (Unit Cost > $1M)**

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Total Items</th>
<th>Magnitude of Item Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 Fighters ($2.3B)</td>
<td>150.2M items delivered</td>
<td>$25.5B in total product deliveries</td>
</tr>
<tr>
<td>19 Tiltrotor ($1.3B)</td>
<td>25.4M items delivered</td>
<td>$2.7B in total product deliveries</td>
</tr>
<tr>
<td>5 Electronic Warfare ($300.5M)</td>
<td>490.7K items delivered</td>
<td>$15.1B in total product deliveries</td>
</tr>
<tr>
<td>12 Transport ($729.9M)</td>
<td>DLA Contract Items</td>
<td></td>
</tr>
<tr>
<td>2 Airborne Early Warning ($289.1M)</td>
<td>8 Aircraft Engines ($163.1M)</td>
<td></td>
</tr>
<tr>
<td>4 Anti-Submarine Warfare ($554.2M)</td>
<td>15 Missiles ($25.4M)</td>
<td></td>
</tr>
<tr>
<td>101 Helicopters ($1.2B)</td>
<td>32 Combat Vehicles ($68.5M)</td>
<td></td>
</tr>
<tr>
<td>19 UAV’s ($129.3M)</td>
<td>5 Targeting Pod Enhancements ($8.1M)</td>
<td></td>
</tr>
<tr>
<td>25 Aircraft Engines ($229.7M)</td>
<td>6 Countermeasure Systems ($9.7M)</td>
<td></td>
</tr>
<tr>
<td>31 Missile Systems ($376.4M)</td>
<td>1 Sensor Netting System ($1.5M)</td>
<td></td>
</tr>
<tr>
<td>273 Missiles ($812.1M)</td>
<td>Total Items</td>
<td></td>
</tr>
<tr>
<td>67 Combat Vehicles ($216.1M)</td>
<td>DLA Contract Items</td>
<td></td>
</tr>
<tr>
<td>2 Radar Systems ($51.4M)</td>
<td>Program Items</td>
<td></td>
</tr>
<tr>
<td>15 Sonar Systems ($49.4M)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Magnitude of Item Deliveries**

**Total Items**

| 150.2M items delivered |
| 25.5B in total product deliveries |

**DLA Contract Items**

| 25.4M items delivered |
| $2.7B in total product deliveries |

**Program Items**

| 490.7K items delivered |
| $15.1B in total product deliveries |

**Direct Warfighter Support**

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### JAN 2018

**72% On-Time Delivery**

**Platform Deliveries (Unit Cost > $1M)**

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<tr>
<th>Aircraft</th>
<th>Total Items</th>
<th>Magnitude of Item Deliveries</th>
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<tr>
<td>2 Fighters ($95.2M)</td>
<td>36.3M items delivered</td>
<td>$4.3B in total product deliveries</td>
</tr>
<tr>
<td>4 Tiltrotor ($259.1M)</td>
<td>DLA Contract Items</td>
<td></td>
</tr>
<tr>
<td>1 Electronic Warfare ($60.1M)</td>
<td>8 Aircraft Engines ($163.1M)</td>
<td></td>
</tr>
<tr>
<td>4 Anti-Submarine Warfare ($554.4M)</td>
<td>15 Missiles ($25.4M)</td>
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<tr>
<td>1 Sensor Netting System ($1.5M)</td>
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<td></td>
</tr>
</tbody>
</table>

**Magnitude of Item Deliveries**

**Total Items**

| 36.3M items delivered |
| $4.3B in total product deliveries |

**DLA Contract Items**

| 7M items delivered |
| $600M in total product deliveries |

**Program Items**

| 49.6K items delivered |
| $1.9B in total product deliveries |
One team, one voice delivering global acquisition insight that matters.

DCMA Acquisition Workforce

DCMA Civilian Workforce
- Acquisition: 85%
- Non-Acquisition: 15%

DCMA Acquisition Employees
- Quality Assurance: 35%
- Contracting - Cost/Pricing: 30%
- Engineers: 13%
- Industrial Specialist: 7%
- Program Integration: 7%
- Property Management: 3%
- Information Technology: 3%
- Various Other: 2%
Where DCMA Contributes by Phase

**Pre-Award/ Steady State**
- Forward Pricing Rate Agreements
- Production capacity
- Commercial Items
- Business system insight
- Financial Stability

**Request for Proposal and Source Selection**
- Proposal analyses
- Contract/clause construction
- Market research/assessment
- Anticipated technology shifts
- Cost & Pricing
- Corporate motivations for incentive structures
- Reality of production promises
- Lessons learned

**Contract Performance**
- Program Assessment Reports
- Small business compliance
- Payment authorizations/withholds
- Production status compliance
- Contractor Performance
- Delivery status
- Contractor Fraud
- Subcontract insight

**Contract Closeout**
- Negotiate final rates
- Reconcile deliverables
- Property disposition
- Contract Closeout
- Funds Release
- Canceling Funds