



**Federal Aviation
Administration**

Acquisition Executive Board Best Practices & Lessons to be Learned

Presented to: V&V Summit

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Acquisition Executive Board Charter

- **Corporate, cross-organizational body, chaired by the FAA Federal Acquisition Executive (FAE)**
- **Executive-level body to assist and support the Joint Resources Council (JRC)**
 - Establishing, changing, communicating and *implementing* acquisition policy, practices, procedures and tools
- **Ensures “institutionalized” acquisition management policy at all levels**

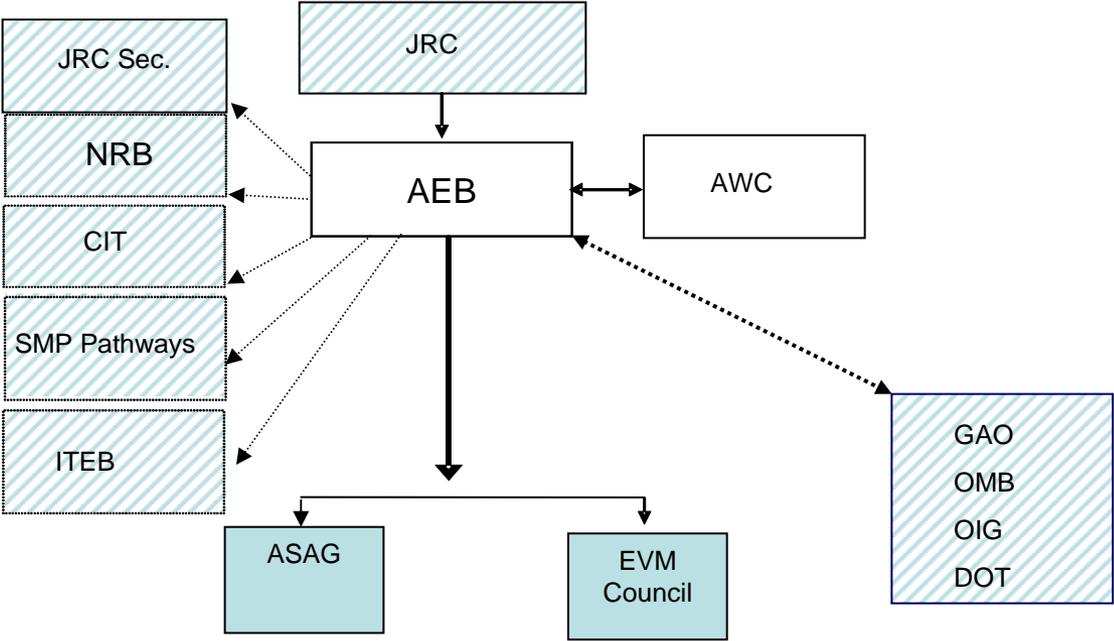
AEB Responsibilities

- 3.1** The AEB oversees the complete institutionalization of Acquisition Best Practices.
- 3.2** The AEB will review, approve, and implement relevant aspects of external assessment reports of FAA acquisition policy, such as the Independent Review of FAA Acquisition Management System assessment report from PriceWaterhouseCoopers (PwC).
- 3.3** The AEB evaluates and approves all proposals to change or implement new acquisition management practices, policies, and procedures. For approved proposals the AEB Charters and resources cross-functional work groups to conduct feasibility and cost/benefit analyses for proposed practices, policy, and procedure changes.
- 3.4** The AEB serves as a corporate and central focal point for all internal and external communications for acquisition policy management and implementation.
- 3.5** The AEB provides direction and oversight to several subordinate boards that affect policy, process, practices, procedures, tools, and training including the Acquisition System Advisory Group (ASAG), and the Earned Value Management (EVM) Council. Additionally, the AEB directs, controls, and approves all compliance processes associated with execution of any aspect of AMS.

AEB Responsibilities (Cont'd)

- 3.6** The AEB defines the criteria for acquisition levels which determine and guide all subsequent reporting and management activities associated with a given program. The AEB is also the initial approval authority for the designation of acquisition categories for individual programs, subject to JRC final approval. The final approval authority may be delegated by the JRC to the AEB.
- 3.7** The AEB works with the Acquisition Workforce Council, and other FAA boards as appropriate, to ensure alignment between the acquisition management practices, policy, and procedures and the knowledge, skills and abilities required to manage programs.
- 3.8** The AEB approves all product formats to be used in all AMS-related program reviews: including but not limited to: Capital Investment Team, Service Level Reviews, and JRC Secretariat.
- 3.9** To interpret acquisition policy and/or commitments to change FAA acquisition policy on behalf of the FAA, the AEB interfaces on behalf of programs with external stakeholders including the Office of Inspector General (OIG), the Office of Management and Budget (OMB), and the General Accountability Office (GAO).

Organizational Relationships



• Organizations that use products whose format and granularity is governed by the AEB



• Organizations that develop policy and practice that is governed by the board

Current Focus

- 3.1** **Oversee the complete institutionalization of best practices**
 - Improve practice toolkits

- 3.3** **Evaluates and approves all proposals to change or implement new acquisition management policies, practices, and procedures**
 - Sponsor M&A Team
 - **Sponsor V&V Team?**

- 3.5** **Provides direction and oversight to several subordinate boards**
 - ASAG
 - EVM

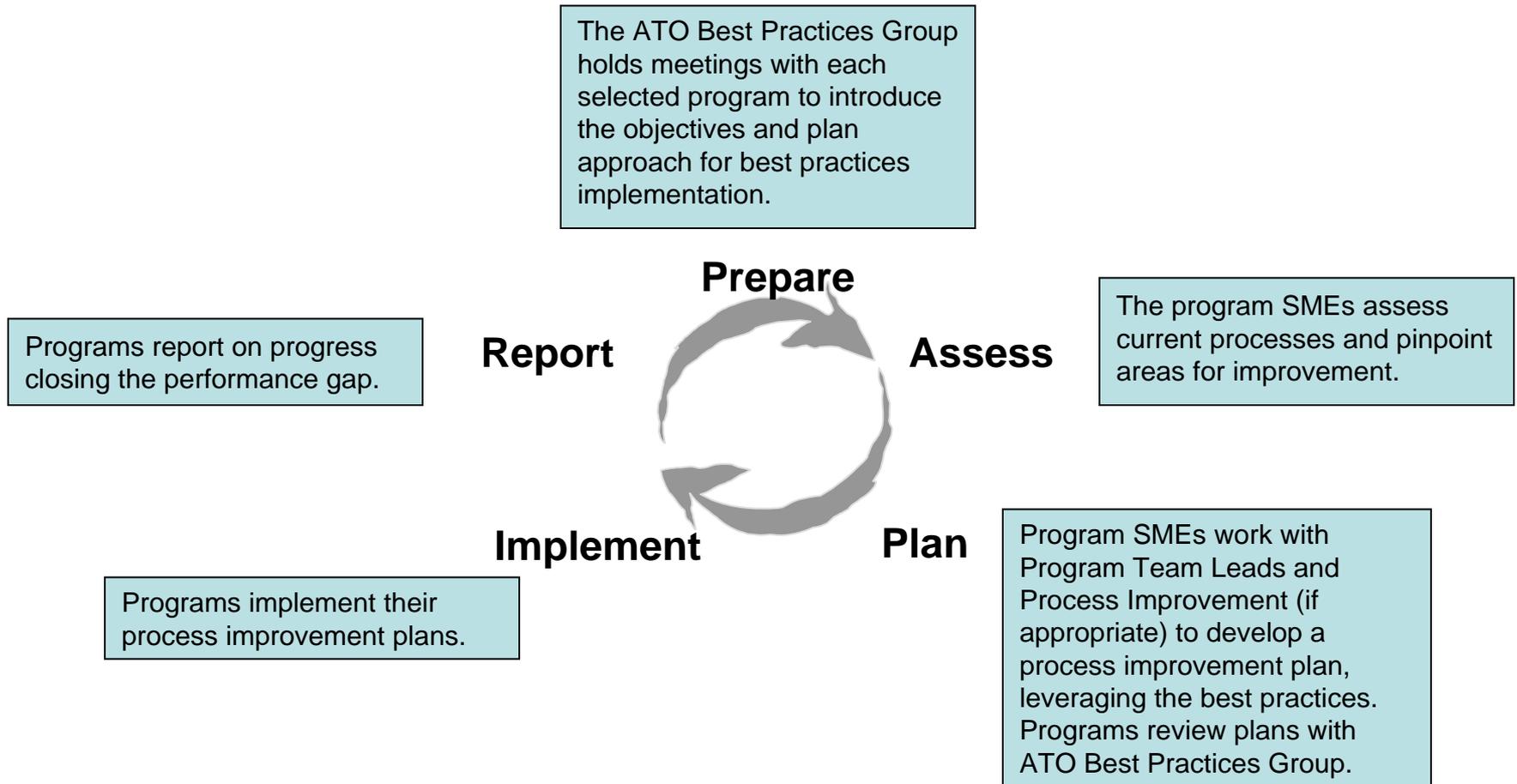
- 3.6** **Define the criteria for acquisition levels**
 - Work with Acquisition Workforce Council

Acquisition Category	Acquisition Designation Criteria	PM Level	Governance Investment Decision Authority	Reviewed By
1	1. Program has F&E costs greater than \$800M, or 2. Program has a single year of F&E funding greater than \$200M, or 3. Capital Program has O&M tail costs greater than \$500M, or 4. The aggregate rating of the following factors is high : <ul style="list-style-type: none"> a. Politically Sensitivity b. Risk c. Complexity d. Likelihood of changes to the safety of the NAS 	TBD	JRC	JRC Secretariat LOB Review Board ATO-P ATO-F AIO ¹
2	1. Program has F&E costs greater than \$300M but less than \$800M, or 2. Program has a single year of F&E funding greater than \$100M but less than \$200M, or 3. Capital Program has O&M tail costs greater than \$250M but less than \$500M, or 4. The aggregate rating of the following factors is medium to high : <ul style="list-style-type: none"> a. Political Sensitivity b. Risk c. Complexity d. Likelihood of changes to the safety of NAS 	TBD	JRC	JRC Secretariat LOB Review Board ATO-P ATO-F AIO ²
3	1. Program has F&E costs greater than \$100M but less than \$300M, or 2. Program has a single year of F&E funding greater than \$50M and less than \$100M, or 3. Capital Program has O&M tail costs greater than \$100M but less than \$250M, or 4. The aggregate rating of the following factors is medium : <ul style="list-style-type: none"> a. Political Sensitivity b. Risk c. Complexity d. Likelihood of changes to the safety of the NAS 	TBD	ATO Program: ATO EC, FAE	ATO-P ATO-F
			Non-ATO Program: Assoc. Admin., CFO, FAE	AIO ATO-F
			Non-NAS IT Program: ITEB	CFO

Acq Category	Acquisition Designation Criteria	PM Level	Governance Investment Decision Authority	Reviewed By
4	1. Program has F&E costs greater than \$20M but less than \$100M, or 2. Program has a single year of F&E funding greater than \$20M but less than \$50M, or 3. Capital Program has O&M tail costs greater than \$20M but less than \$100M, or 4. The aggregate rating of the following factors is medium to low : a. Political Sensitivity b. Risk c. Complexity d. Likelihood of changes to the safety of the NAS	TBD	ATO Program: ATO EC, FAE	ATO-P ATO-F
			Non-ATO Program: Assoc. Admin. CFO, FAE	AIO ATO-F
			Non-NAS IT Program: ITEB	CFO
5	1. Program has F&E costs greater than \$TBD M but less than \$20M, or 2. Capital Program has O&M tail costs less than \$20M, or 3. The aggregate rating of the following factors is low : a. Political Sensitivity b. Risk c. Complexity d. Likelihood of changes to the safety of the NAS	TBD	ATO Program: LOB VP, SVP-F, FAE	ATO-P ATO-F
			Non-ATO Program: Assoc. Admin. CFO, FAE	AIO ATO-F
			Non-NAS IT Program: ITEB	CFO

² Reviews only non-ATO programs

FAA General Process For Implementing Best Practices



ATO-W Approach to Best Practices

- **Best Practices are NOT new;**
 - Used in Industry and DOD for many years
- **Best Practices focus should be:**
 - Do the Right things
 - Do them at the Right time
 - Do them in the Right way
 - Tailor to the program

ATO-W Approach to Best Practices

- **Best practice guidelines should serve as guide versus hard requirements**
- **Best practices should be modified to fit program phase, scope and requirements**
- **Programs should determine appropriate level of implementation**

ATO-W Approach to Best Practices

- **Best practices bring value to programs**
- **Do the Right things**
 - Proven program processes and methodologies
 - Avoids program “trial and error” learning
 - Drives program standardization

ATO-W Approach to Best Practices

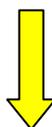
- **Do them at the Right time**

- Individual process implementation must be linked to program's AMS lifecycle
- Implement when it delivers value for the program
- Implement when it makes practical sense for the program

- **Do them the Right way**

- Implementation must be balanced against value added and available resources

Investment Analysis
Readiness Decision



Final Investment
Decision



In-Service
Decision



Applicable Process Areas by the Program's Current AMS Lifecycle Phase		Phase of AMS Lifecycle						
		Mission Analysis			Investment Analysis		Solution Implementation	In-Service Management
		Corporate Mission Analysis	Service Analysis	Concept and Requirements Definition	Initial	Final		
P r o c e s s A r e a	Contractor Management	No Steps	No Steps	No Steps	•Steps 1, 3, 4	•Steps 1 – 17	•Steps 1 – 9, 17 – 26	•Steps 1 – 9 •Steps 20 - 26
	Measurement and Analysis	No Steps	No Steps	No Steps	•Steps 1, 3, 4	•Steps 1 – 7, 9	•Steps 1 – 19 (measures evolve with phase)	•Steps 1 – 19 (measures evolve with phase)
	Program Management	No Steps	•Steps 1 – 6, 9	•Steps 1 – 6, 8 – 10, 12	•Steps 1, 7 - 10, 12 – 15, 17, 19, 21 – 23, 28, 31 – 35, 43, 45, 49, 51	•Steps 1 – 15, 17, 19 – 23, 25, 27 – 36, 37 – 41, 43, 45, 46, 48, 49, 51 – 55, 57, 62, 65 – 67	•Steps 1 – 12, 16, 18, 24, 26, 28, 42 - 68	•Steps 1 – 12, 28, 43 - 70
	Quality Assurance for Program Management	No Steps	No Steps	No Steps	•Steps 1, 3, 4, 12.1 – 12.3	•Steps 1 – 8, 11, 12.4 – 12.7, 15, 16	•Steps 1 – 11 •Steps 12.4 – 12.7 •Steps 13 - 18	•Steps 1 – 11, 12.16 – 12.21, 13 - 18
	Requirements	No Steps	•Steps 1 – 2, 11 – 13	•Steps 1 – 6, 9, 11 – 17	•Steps 1, 6, 9, 10 – 20, 22	•Steps 1 – 6, 9, 10, 21, 23, 24, 26 - 28	•Steps 1 – 10, 25, 29 – 34	•Steps 1 – 10, 35 – 39
	Risk Management	No Steps	No Steps	•Steps 1, 2, 6, 9, 11 – 14 (risks evolve with phase)	•Steps 1 – 6, 8 - 15 (risks evolve with phase)	•Steps 1 – 15 (risks evolve with phase)	•Steps 1 – 15 (risks evolve with phase)	•Steps 1 – 15 (risks evolve with phase)
	Verification and Validation							



Example: Best Practice PM Template

Key	
A---	Awareness and initial program scope assessment by PM for applicability to specific program
P---	Planning effort required by PM at this phase in readiness to execute in near future
D---	Documented artifact required to be produced, disseminated, stored and maintained

Program Management		Mission Analysis			Investment Analysis		Solution Implementation	In-Service Management
Establishing The Program Management Capability (steps 1-4)		Coporate Mission Analysis	Service Analysis	CRD (JRC 1)	Initial Decision (JRC 2a)	Final Decision (JRC 2b)		
1.	Document/tailor the program management policy for your program. (Policy Statement in Program Management Plan or PDD)		A	P	P	D	D	D
2.	Document the process and detailed procedures for initiating, planning, executing, monitoring and controlling, and closing the program. Include usage standards for program management tools. (Program Management Plan)		A	A	P	D	D	D

Summary

As derived from the Program Plan

- **Best practice steps should be implemented when it makes sense**
- **Best practice steps must deliver value to be implemented**
- **Benefits must be weighed against required resources**