

Acquisition Hour:

Defense Contract Management Agency Overview

December 3 | Noon – 1:00 pm

Presented by:

Mark Dennis, Wisconsin Procurement Institute





An APEX Accelerator

Assisting Wisconsin businesses compete in the government marketplace.

WPI is Wisconsin's APEX ACCELERATOR

The APEX Accelerators program, under management of the Department of Defense (DOD) Office of Small Business Programs (OSBP), plays a critical role in the Department's efforts to identify and engage with a wide range of businesses entering and participating in the defense supply-chain. The program provides the education and training that all businesses need to participate to become capable of participating in DOD and other government contracts.

WPI provides services and training to all of Wisconsin's 72 counties

- Individual counseling at our offices, client's facility or virtually
- Small group training – webinars and workshops including Acquisition Hours, Cyber Fridays, Evening FAR sessions, Federal Market Insights and Local Government Sales Opportunities
- Conferences the Governors Marketplace, The Contracting Academy (TCA), WEDCs Small Business Academy, Wisconsin Federal Contractor Forum [DC and in-state], Government Opportunities Business Conference GOBC) with WI military bases, End of Year Federal Contractor Update, Annual DOD Contract Management Update, and more.....

www.wispro.org

WPI OFFICE LOCATIONS

- **MILWAUKEE**

- *Technology Innovation Center*

- **MADISON**

- *FEED Kitchens*
- *Dane County Latino Chamber of Commerce*
- *Wisconsin Manufacturing Extension Partnership (WMEP)*
- *Madison Area Technical College (MATC)*

- **CAMP DOUGLAS**

- *Juneau County Economic Development Corporation (JCEDC)*

- **EAU CLAIRE**

- *Western Dairyland*

- **FOND DU LAC**

- *Envision Greater Fond du Lac*

- **GREEN BAY**

- *NWTC Startup Hub*

- **LACROSSE**

- *Veterans in Professions*

- **MANITOWOC**

- *Progress Lakeshore*

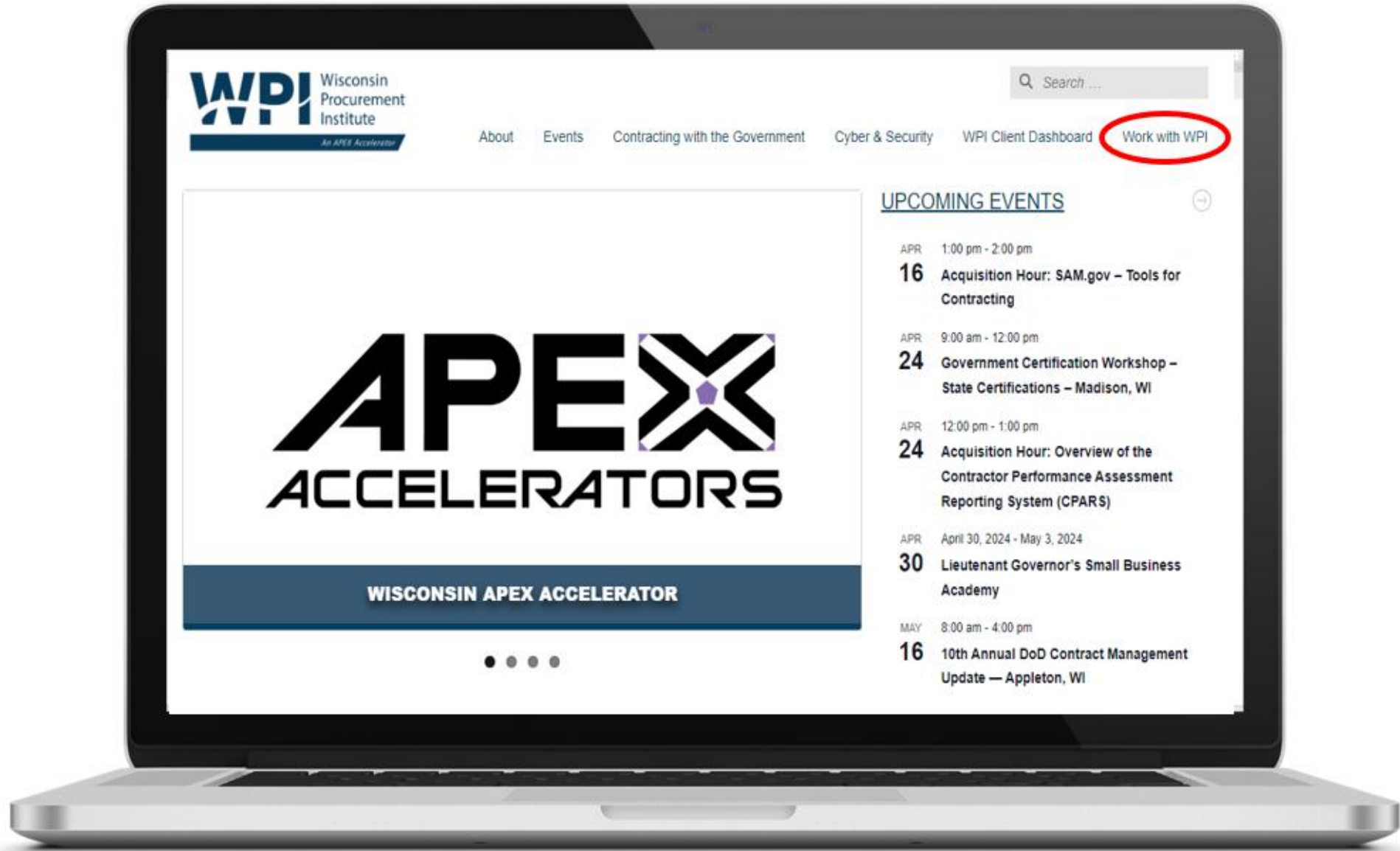
- **OSHKOSH**

- *Greater Oshkosh Economic Development Corporation*

- **SUPERIOR**

- *Small Business Dev Center; UW Superior*





WISCONSIN APEX ACCELERATOR

UPCOMING EVENTS

- APR 1:00 pm - 2:00 pm
16 Acquisition Hour: SAM.gov – Tools for Contracting
- APR 9:00 am - 12:00 pm
24 Government Certification Workshop – State Certifications – Madison, WI
- APR 12:00 pm - 1:00 pm
24 Acquisition Hour: Overview of the Contractor Performance Assessment Reporting System (CPARS)
- APR April 30, 2024 - May 3, 2024
30 Lieutenant Governor's Small Business Academy
- MAY 8:00 am - 4:00 pm
16 10th Annual DoD Contract Management Update — Appleton, WI



Some of the clients don't have websites. I will browse and, if they do, I will update the list.

Wisconsin Procurement Institute (WPI) Presentation

Presented By:

DCMA Great Lakes-Milwaukee

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Controlled by: DCMA
Controlled by:
CUI Category: CUI
Distribution/Dissemination Control: FEDCON
POC: Bryan Erickson, bryan.l.Erickson.civ@mail.mil, (414) 299-5634



- **Mission**

- We are the independent eyes and ears of DoW and its partners, enhancing warfighter lethality by ensuring timely delivery of quality products, and providing relevant acquisition insight supporting affordability and readiness.

- **Vision**

- A team of trusted professionals delivering value to our warfighters throughout the acquisition lifecycle.

- **Values**

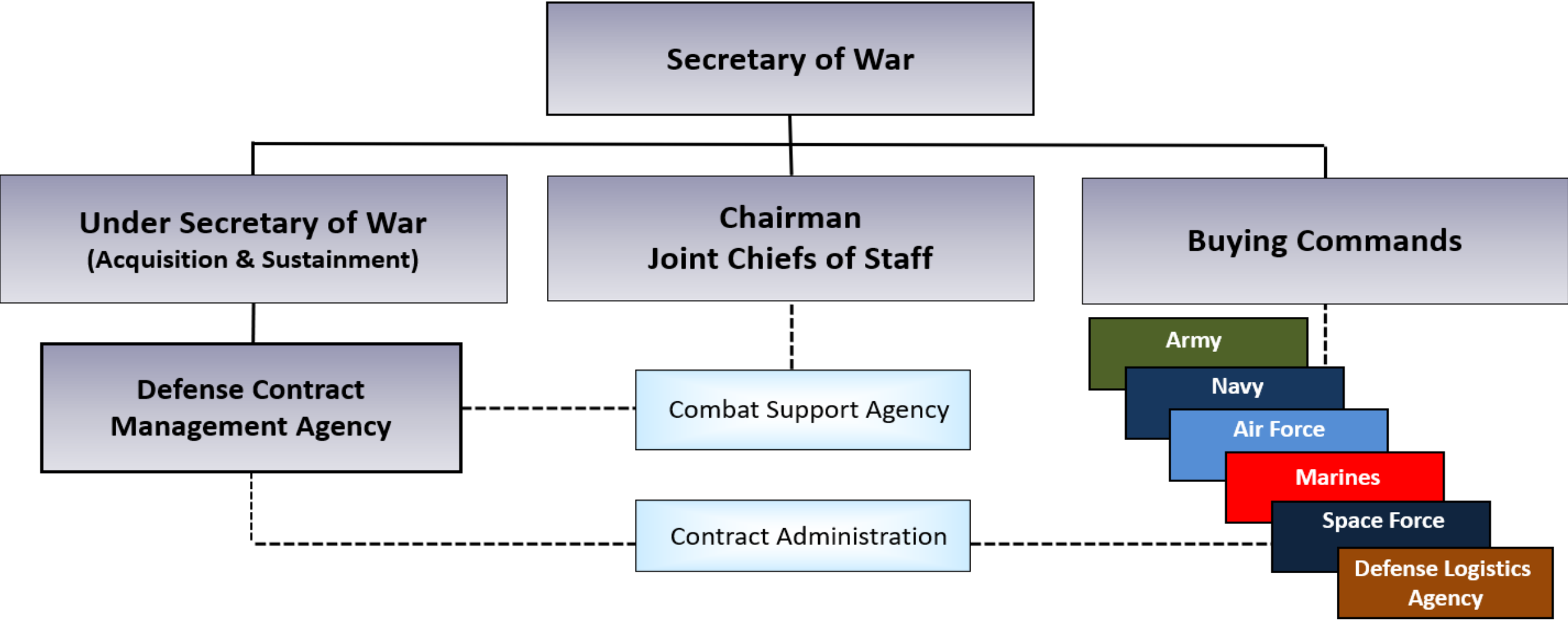
- Integrity, Service and Excellence

- DCMA performs Contract Administration Services for DoW and authorized federal agencies, foreign governments, international organizations, and others.
- **Specific guidance on roles & responsibilities for Contract Administration functions**
- 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**
 - Incorporates broad range of disciplines: Contract Administration, Engineering, Quality Assurance, Financial Management and Payments, Higher level Financial Analysis, Project Management, Industrial and Property Management, Safety, Aviation, and Accounting
 - **4 functions must be performed by DCMA**
 - 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: Partnering with the Defense Industrial Base (DIB)

- A typical interface with DCMA may include the following:
 - **Contract Administration**
 - Post-Award Engagement: Post-Award Orientation Conferences (PAOCs) with DCMA experts (Quality, Industrial, Engineering, etc.) to establish clear and mutual understanding of contract requirements.
 - Contract Management: Continuation of the PAOC to ensure adherence to all contract terms and conditions throughout the contract lifecycle, including compliance with FARS and DFARS.
 - Contract Closeout: Manage contract closeout to ensure smooth and timely conclusion.
 - Financial Stewardship: Diligent oversight of funds, ensuring appropriate utilization and timely payment, to include cancelling funds and excess funds.
 - **Quality Assurance**
 - Technical & Quality Standards: Verifying products consistently meet government quality and technical requirements.
 - Surveillance: Work with industry to develop and implement effective surveillance plans.
 - System Assessments: Evaluation of contractor quality systems.
 - Product Inspection: Ensuring products meet requirements in accordance with the contract.
 - **Industrial Support**
 - On-Time Delivery: Monitoring production and proactively addressing potential schedule risks to maintain critical timelines.
 - Capability Assessments: Partnering to assess contractor capabilities to ensure warfighter gets what they need, when they need it.
 - Process Excellence: Partnering to review and improve processes to ensure efficiency
 - DPAS Compliance: Supporting compliance with Defense Priorities and Allocations System (DPAS) regulations



Organizational Leadership Chart





GEOGRAPHIC AND SYSTEMS SUPPORT

(GEOs)

SOUTHERN CALIFORNIA

SOUTHEAST

MOUNTAIN PACIFIC

NORTHEAST

MID-ATLANTIC

OHIO RIVER VALLEY

SOUTH

GREAT LAKES

GREAT PLAINS

SYSTEMS

(In-Plants)

SPACE ENTERPRISE

RADARS AND SENSORS

MISSILES

LAND SYSTEMS

VERTICAL LIFT

FIXED WING

APO

NPO

NSEO

AIMO



DCMA Headquarters Fort Lee, VA



- 36 CONUS Contract Management Offices
 - 43 total including International & Special Programs
- 10,000+ serviced contractor locations

DCMA International Command

- Americas
- Europe
- Pacific

DCMA Special Programs

- SP East
- SP South
- SP West
- Palmdale/USX

DCMA Cost and Pricing

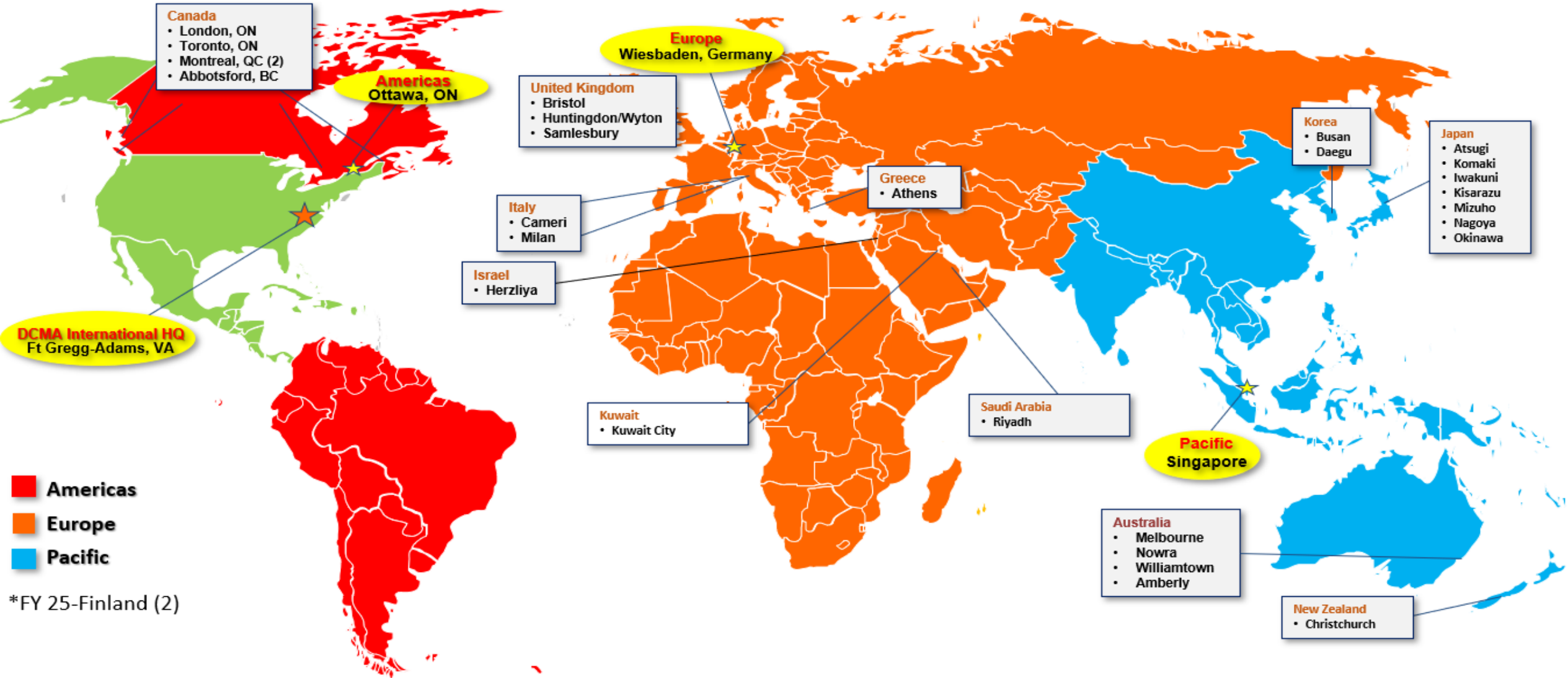
- Pricing Div
- DT&A
- CIG
- EVMS
- CACO/DACO Div
- Specialty Pricing

DCMA GSS Command

- Southern California
- Southeast
- Mountain Pacific
- Northeast
- Mid-Atlantic
- Ohio River Valley
- South
- Great Lakes
- Great Plains

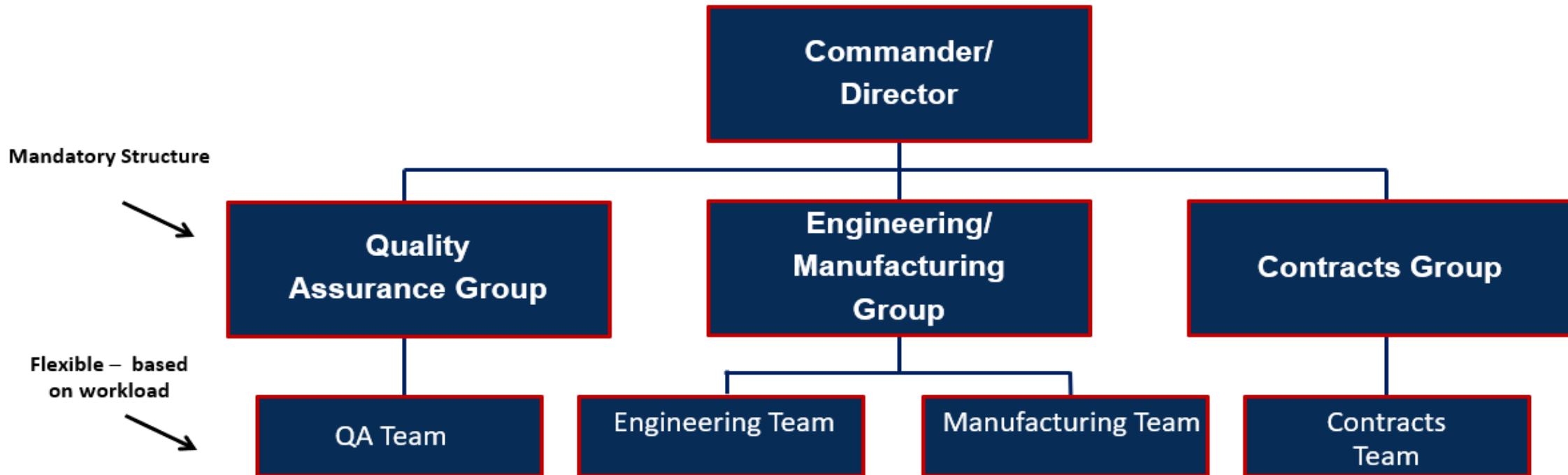
DCMA Systems Command

- Space Enterprises
- Radars and Sensors
- Missiles
- Land Systems
- Vertical Lift
- Fixed Wing
- APO
- NPO
- NSEO
- AIMO



*FY 25-Finland (2)

Typical Contract Management Office (CMO)



- 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

Q3FY24 Scope of Work and Span of Control



Scope of Work

Total Contract Amount	\$3.6 trillion
Obligated Amount	\$2.5 trillion
Serviced Contractor Locations	11,095
Active Contracts	233,036
Contract Unliquidated Obligations	\$408.1 billion
ACAT I (IAC, IC, ID) & II Programs	151
Aircraft Accepted into Service Inventory	Q1 238 / YTD 238
Aircraft Acceptance Flying Hours	Q1 2,208 / YTD 2,208
Oversight of Government Property	\$124.6 billion
** Progress Payments	\$12.7 billion
** Performance-based Payments	\$6.4 billion

Span of Control

Civilians On-Board	9,848
Military On-Board	524
* Total Budget Authority - CR	\$1.02 billion
Reimbursable Target	\$32 million

DCMA authorizes
\$1.06 billion
in contractor payments
each business day
 (FY2025 Avg)

* Total Q1 Budget Authority is a derived total from Direct \$733,181,043, BPC \$4,687,766, 8242 \$259,090,992 and Reimbursable Authority of \$32,278,000.

** Progress and Performance Based Payments data based on quarterly reporting

Q1FY25 data, published Feb. 25, 2025



In fiscal year 2024, DCMA saved, recovered or cost avoided \$9.24 billion against an annual \$1.586 billion budget. The agency has produced a positive return for the past nine years, averaging a return of \$3.20 for every \$1 invested.

DCMA Measurable Return on Investment (ROI)

- Saved: **\$457M**
 - Contract terminations
- Recovered: **\$978.6M**
 - Contract Litigation, cost accounting standards, fraud cost recoveries, incurred cost settlements, and property claims
- Cost Avoided: **\$7.8B**
 - Proposal Pricing/TSN (recommended savings), Commercial Pricing, property and plant clearance

\$9.24B actually saved, recovered and cost avoided against a \$1.586B budget

Return on Investment
5.83:1

DCMA ROI

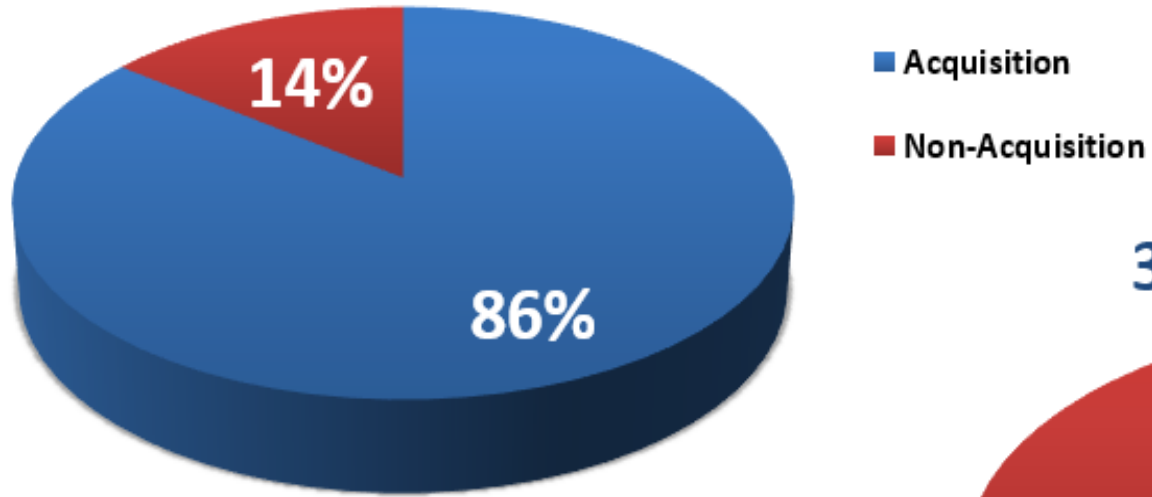
- FY24, 5.83:1
- FY23, 3.15:1
- FY22, 4.16:1
- FY21, 1.8:1
- FY20, 2.1:1
- FY19, 2:1
- FY18, 3.46:1
- FY17, 4.3:1

DCMA Contribution to Lethality

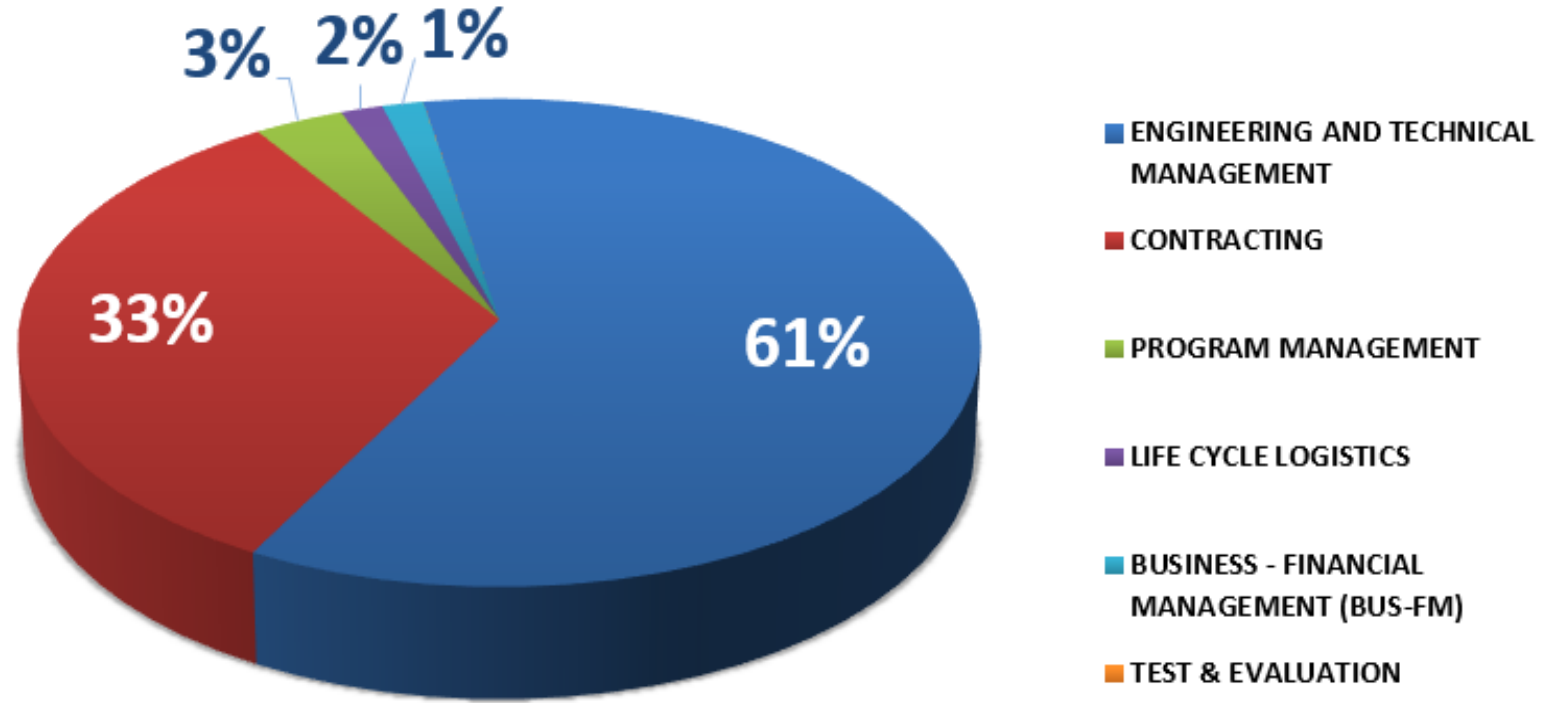
In FY24, DCMA delivered 312.2M items worth \$81.4B to our Warfighters



DCMA Civilian Workforce



DCMA Acquisition Employees



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
- Contractor Performance Assessment Report input
- Payment authorizations/withholds
- 70+ Functions of CAS
- Production status
- Delivery status
- Fraud investigations
- Small business compliance
- Subcontract insight

Contract Closeout

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



<https://www.dvidshub.net/video/691167/paper-product-we-dcma>



<https://www.dvidshub.net/video/480264/dcma-does>



Post-Award Orientation

Presented By:

Bryan Erickson/Mark Zeihen

DCMA Great Lakes

15MAY2025

- As described in Federal Acquisition Regulations (FAR) Subpart 42.5, a Post-Award Orientation (PAO) aids both Government and contractor personnel to:
 1. Achieve a clear and mutual understanding of all contract requirements, and
 2. Identify and resolve potential problems
- In its simplest terms, a PAO is a “meeting of the minds” between the various stakeholders, which are the DoD contractors performing a contract and DCMA personnel responsible for administration of that contract

- The PAO:
 - Provides multiple advantages in optimizing the contract management process
 - Is beneficial in discussing any foreseen risks that can impact schedule delivery in the areas of production capacity and resource utilization
 - Allows the opportunity for government stakeholders to gain awareness of the contractors' third-party vendors and subcontractors, their role and capacity level during the product development phases

- The PAO can occur in one of two formats:
 1. A conference (often called a Post-Award Orientation Conference (PAOC))
 - a) Full – sometimes referred to as a “formal” PAOC. This is normally a face to face meeting (e.g., face-to-face conference, teleconference, or videoconference) with representatives from the contractor, DCMA, and the program office/buying command. Full PAOs are normally chaired by a Contracting Officer and typically utilized when:
 - There are numerous issues to cover;
 - The issues are relatively complex; or
 - There appears to be a need for two-way discussion
 - b) Limited - sometimes referred to as an “informal” PAO. This meeting is conducted by one or more functions but does not meet the definition of being a Full/Formal PAO. If the ACO does not participate, then they will designate a chairperson for the meeting e.g. a limited PAO conducted and chaired by the Quality Assurance Function, commonly referred to as a “QA Only Postaward”
 2. A letter or other form of written communication
- The Full PAOC is DCMA’s preferred format of PAO

- The Post-Award Orientation is encouraged to assist:
 - Small business concerns;
 - Small disadvantaged business concerns;
 - Veteran-Owned small business concerns;
 - Service-disabled veteran-owned small business concerns;
 - HUBZone small business concerns; and
 - Women-owned small business concerns (including economically disadvantaged women-owned small business concerns and women-owned small business concerns eligible under the Women-Owned Small Business Program)
- While cognizant Government or contractor personnel may request the contracting officer to arrange for orientation, it is up to the contracting officer (KO/ACO) to decide whether a post-award orientation in any form is necessary
- Maximum benefits will be realized when orientation is conducted promptly after award

- Per FAR Subpart 42.502, when deciding whether postaward orientation is necessary and, if so, what form it shall take, the contracting officer shall consider, as a minimum, the-
 1. Nature and extent of the preaward survey and any other prior discussions with the contractor;
 2. Type, value, and complexity of the contract;
 3. Complexity and acquisition history of the produce or service;
 4. Requirements for spare parts and related equipment;
 5. Urgency of the delivery schedule and relationship of the product or service to critical programs;
 6. Length of the planned production cycle;
 7. Extent of subcontracting;
 8. Contractor's performance history and experience with the product or service;

9. Contractor's status, if any, as a small business, small disadvantaged, women-owned, veteran-owned, HUBZone, or service-disabled veteran-owned small business concern;
 10. Contractor's performance history with small, small disadvantaged, women-owned, veteran-owned, HUBZone, and service-disabled veteran-owned small business subcontracting programs;
 11. Safety precautions required for hazardous materials or operations; and
 12. Complex financing arrangements, such as progress payments, advance payments, or guaranteed loans
- In addition to the minimum requirements per the FAR, DCMA Contracting also covers Defense Industrial Base Cybersecurity Assessment Center (DIBCAC) and Cybersecurity Maturity Model Certification (CMMC) requirements for contractor awareness

- The PAO provides several advantages to both the Government and contractor personnel, including achieving mutual understanding of key contract requirements referenced in FAR Subpart 42.502
 - DCMA Contracting also addresses DIBCAC and CMMC requirements with contractors for contractor general awareness
- The PAO is not a substitute for contractors fully understanding the work requirements at the time offers are submitted, nor is it to be used to alter the final agreement arrived at in any negotiations leading to contract award.
 - Contractors should be reviewing every single contract they receive, even if they have not been contacted by DCMA for a PAO.
- PAOs can occur in two formats: PAOC or letter/other form of written communication
 - PAOC is DCMA's preferred method of PAO
- Government or contractor personnel may request the contracting officer to arrange for orientation, however it is ultimately up to the contracting officer to decide whether a post-award orientation in any form is necessary

- Bryan Erickson, Contracts Supervisor
 - bryan.l.erickson.civ@mail.mil
- Mark Zeihen, Contract Administrator
 - mark.a.Zeihen.civ@mail.mil

Questions?

- ACO: Administrative Contracting Officer
- CMMC: Cybersecurity Maturity Model Certification
- DCMA: Defense Contract Management Agency
- DIBCAC: Defense Industrial Base Cybersecurity Assessment Center
- DoD: Department of Defense
- FAR: Federal Acquisition Regulations
- KO: Contracting Office
- PAO: Post-Award Orientation
- PAOC: Post-Award Orientation Conference



Acquisition Hour

The Acquisition Hour webinar series covers a range of topics from market entry, sales growth, small business certifications, compliance, and more. Attendees receive 1 CPE credit for attending.

- **December 3** – DCMA Overview
- **December 17** – Understanding the US SBA and DOD Mentor Protégé Programs (MPP)

...More information and registrations at wispro.org/events



Cyber Thursday

Cyber Friday is a series of one-hour webinars focusing on critical topics for DOD contractors and subcontractors in cyber security, data security, and CMMC. Attendees receive 1 CPE credit for attending.

- **December 18** – CMMC – From Top to Bottom – A Program Review
- **January 22** – CMMC: Correctly Scoping Your Environment
- **February 26** – CMMC: Control Set Series: 3.1 Access Control
- **March 26** – CMMC: Control Set Series: 3.2 Awareness and Training
- **April 30** – CMMC: Control Set Series: 3.3 Audit and Accountability
- **May 28** – CMMC: Control Set Series: 3.4 Configuration Management

...More information and registrations at wispro.org/events

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**This webinar is eligible for
1 CPE credit**

**To receive a certificate of completion, contact
apexaccelerator@wispro.org**



PRESENTED BY

Wisconsin Procurement Institute (WPI)

www.wispro.org

Mark Dennis

Wisconsin Procurement Institute

MarkD@wispro.org | 414-270-3600

10437 Innovation Drive Suite 320

Milwaukee WI 53226