DCM Boeing Seattle
Pricing and Negotiation Conference
UCA Pricing

John Waclawski
7 June 2000
Status: DCM Boeing Seattle often meets 14% and 86% goals.

History:

- Consistently averaged 60% + overage UCAs;
- Less than 10% were definitized within 180 days; and
- Cycle time exceeded 260 days.
**Background:**

- DCM Boeing Seattle had consistently 60% + overage UCAs;
- Workload had rapidly changing peaks and valleys;
- Contractor was late in providing proposals;
- Subcontractor data was late;
- Multiple changes in the Statement of work (items to be procured); and
- Funding issues delayed definitization.
What did we do?

- Formed a PAT to improve the process;
- DCM, Contractor and Buying Offices on team;
- Each identified their process and areas for improvement;
- Jointly identified process drivers; and
- Revised procedures & processes.
**Process drivers:**

- Arrival of very large batches of PIOs on the same day;
- Late prime & subcontractor proposals;
- Multiple changes in the statement of work;
- Insufficient funding;
- Support equipment being purchased as end items;
Process drivers (continued):

- Diminishing manufacturing sources (DMS) - no one makes it;
- Non-procurable or produceable items;
- Too many line items on a single PIO;
- Poor coordination of workload fact-finding & negotiation;
- Interdivisional work effort coordination.
What changed?

- Standards for proposals were agreed upon;
- Process flows were mapped & agreed to;
- Buying Offices spread PIO issuance out to even workload;
- Negotiated rates & factors applicable to PIOs;
- Biweekly status meetings;
- Implemented a problem resolution process;
What changed? (continued)

- Set time frames for fact-finding & negotiation;
- Coordinated procureability & produceability issues;
- Coordinated statement of work - hold until it is correct;
- Batched similar UCAs for fact-finding & negotiation;
- Funding issues identified as they surfaced;
- Coordinated subcontractor issues with cognizant DCMs;
- Electronic access to contractor data.
Summary:

- Map and understand each player’s process;
- Negotiate rates & factors;
- Work with the Buying Offices;
- Set time frames for fact-finding & negotiation; and
- Implement a problem resolution process.