

CHANGE REQUEST COVER SHEET

Change Request Number: 10-91

Date Received: 8/10/2010

Title: Integrated Capability Maturity Model (iCMM) Reference Deletion

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Policy OR Guidance: Guidance

Section/Text Location Affected: T3.2.2A Part 8 and Appendix 3

Summary of Change: Removal of references to Integrated Capability Maturity Model (iCMM) from AMS Guidance

Reason for Change: Consistency with earlier changes to acquisition policy that also removed the references since the FAA no longer uses iCMM

Development, Review, and/or Concurrence: Acquisition Policy Division, Legal, Contracting Organizations at FAA HQ, Centers, and Regions (ARC)

Target Audience: FAA Contracting Workforce and Program Offices

Potential Links within FAST for the Change: None

Briefing Planned: No

ASAG Responsibilities: None

Potential Links within FAST for the Change: None

Links for New/Modified Forms (or) Documents (LINK 1) [null](#)

Links for New/Modified Forms (or) Documents (LINK 2) [null](#)

Links for New/Modified Forms (or) Documents (LINK 3) [null](#)

SECTIONS REMOVED:

Procurement Guidance:

Section 3 : Instructions for Supplier Process Capability Evaluation and Process Improvement Appraisal [\[Old Content\]](#)

Procurement Guidance:

Section 3.1 : Definitions [\[Old Content\]](#)

Procurement Guidance:

Section 3.2 : Evaluating Process Risks based on Information Provided [\[Old Content\]](#)

Procurement Guidance:

Section 3.3 : Statement of Work - Sample Language for Process Appraisal(s) [\[Old Content\]](#)

Procurement Guidance:

Section 3.4 : Screening Information Request - Sample Language to Permit Appraisal Use [\[Old Content\]](#)

Procurement Guidance:

Section 3.5 : References: [\[Old Content\]](#)

SECTIONS EDITED:

Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 8 : Supplier Process Capability Evaluation and Appraisal [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

SECTIONS REMOVED:

Procurement Guidance:

Section 3 : Instructions for Supplier Process Capability Evaluation and Process Improvement Appraisal .

Procurement Guidance:

Section 3.1 : Definitions .

- Acquirer: An organization, stakeholder or individual that acquires, procures or obtains a system, product or service from a supplier. An acquirer could be called a buyer, customer, owner, user or purchaser. *(FAA-iCMM v2)*
- **Supplier:** An organization or an individual that enters into an agreement with the acquirer or customer for providing a product or service under the terms of the agreement. The supplier may be called, for example, the producer, developer, contractor, seller, vendor, distributor, importer, assembler or service organization. The supplier can be either external or internal to the organization. *(FAA-iCMM v2)*
- **Process capability:** The range of expected results that can be achieved by following a process; the ability of a process to achieve a required goal. *(FAA-iCMM v2)*
- **Process improvement:** Actions taken to change processes so that they meet business needs and achieve business goals more effectively. Process improvement includes both the actions designed to improve the performance and maturity of processes, and the results of such actions. *(FAA-iCMM v2)*

Process appraisal: Comparison of processes being practiced to a reference model or standard; a disciplined evaluation of an organization's processes against a reference model *(FAA-iCMM v2)*

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Procurement Guidance:

Section 3.2 : Evaluating Process Risks based on Information Provided .

A process capability analysis team evaluates the information provided versus the performance objectives and evaluation criteria identified for the project. The team compares claimed process capabilities to practices in the FAA-iCMM, and identifies risks of the supplier being able to fully execute a contract or agreement if awarded to them. This analysis identifies areas of strength and potential areas of weakness in the process capabilities of perspective suppliers and also provides recommendations regarding a post-award appraisal for the selected suppliers. The results of this analysis are incorporated in a report to the Source Selection Official. The awarded contract may include award fee or other payment conditions that provide incentives for the supplier to correct any process weaknesses that are discovered during the selection process or post award appraisal.

Procurement Guidance:

Section 3.3 : Statement of Work - Sample Language for Process Appraisal(s) .

Note: where text appears in italics within parentheses, replace the text as appropriate for the specific source selection/ contract / agreement.

Post-Award Appraisal:

The supplier's process capability will be evaluated for processes considered critical to the success of the acquisition in reference to selected process areas and capability levels of the latest version of the FAA-iCMM.

The supplier shall provide the following information to assist the Government's preparation for the appraisal:

- a. Identify the project, organizational unit, and location that will perform the (*Name of Program*) effort. If that project has not yet been established for the initial post-award appraisal, the offeror will identify current projects that have attributes similar to those of the project(s) that would perform the contract effort; i.e., those with attributes that best match the Technical Requirements Document and Statement of Objectives in the RFO (or related document) and the approach for the (*Name of Program*) project. (A project is considered current only if it is ongoing or was completed within the last year.) If such representative projects are not available at the proposing site(s), the supplier may submit projects from another site that employs the processes that will be used on the proposed effort. The Government reserves the right to request the same information from subcontractors on the supplier's team and/or to perform an appraisal on the subcontractors. For each project so identified, provide the following:
 - Questionnaires (Information attachments) – The supplier shall complete FAA-iCMM Appraisal Method (FAM) questionnaires (for organizations/projects/individuals as determined by the scope of the appraisal) in areas determined by the Government to be critical to the success of the acquisition
 - Detailed organization chart identifying all project staff
- b. High-level organization chart showing the reporting structure of both the proposed

- project and the projects offered for evaluation within the organization.
- c. Process improvement plan. The supplier shall submit a copy of the proposing site's current process improvement plan. It is not desired that a plan be prepared for the purpose of this appraisal.
 - d. The appraisal Final Briefing or Report, indicating strengths, weaknesses, and ratings (if performed) for any appraisals involving the proposed similar or representative projects conducted during the past 5 years.

The supplier shall provide the following to support the appraisal:

- A closed room capable of accommodating at least eight people, with desks/tables and chairs, several electrical outlets and a telephone with external calling capabilities.
- Convenient access to photocopier and facsimile machines
- View graph projector, an easel or flip chart and markers
- A telephone with external calling capabilities.
- A copy of the organization's related policies, standards, procedures, guidelines, templates, organization level organization charts and any other process related documents (as relevant to the scope of the appraisal) available in the room.
- A copy of the appropriate documentation from the projects being examined.
- A presentation, not to exceed one hour, on the organization's standard process and techniques related to developing/providing products and services (as related to the scope of the appraisal). One master copy plus one copy of the briefing slides (and accompanying text) for each of the appraisal team members will be provided prior to the briefings.
- A stand-alone printer (if possible) with paper.
- Other miscellaneous office supplies requested by the team as the need arises.

The supplier shall also provide a point of contact, address, and phone number to facilitate the Government's coordination of an appraisal site visit. The Offeror will be notified of the projects to be examined not less than five (5) working days prior to the Site Visit. The Site Visit dates are not subject to discussion. After the Government's appraisal notification to the Offeror, the Appraisal Team Lead will coordinate all details for the site visit with the Offeror's point of contact. The site visit will be no more than five (5) days in duration.

The Government will prepare an appraisal report on its findings and provide a copy of that report to the supplier. Sixty days following the issuance of that report, the supplier shall present and discuss process improvement activities that address appraisal findings.

Follow-up Appraisals:

During the life of the contract/agreement, the supplier shall accommodate the Government's periodic performance of an FAA-iCMM appraisal to monitor the status and verify improvements in the supplier's processes, as applicable to the acquisition. Each appraisal will be conducted during a site visit, which will be no more than five days in duration.

The supplier shall provide a point of contact and phone number for coordination of all follow-up appraisal activities with the Government. The items identified above under Post-award appraisal will also be supplied for any follow-up appraisals.

Procurement Guidance:

Section 3.4 : Screening Information Request - Sample Language to Permit

Appraisal Use .

To permit the use of appraisals, appropriate language is included in the Screening Information Request. Examples of appropriate language that can be tailored as needed to fit the source selection are provided below. When process capability is a stand-alone, separate factor, under the Technical/Management Area, or used as an adjustment to risk at either the area or factor level, the following wording may be included in the SIR.

Pre-award:

Information required from offerors:

- What process improvement framework is being used
- Results of recent process appraisals, certifications, or quality awards indicating:
 - Specific part of the organization appraised
 - Specific processes covered in the appraisal
 - Copy of appraisal final brief or report indicating appraised strengths and weaknesses (or improvement opportunities)
 - Discussion of how objectivity of results was assured
- Description of process changes implemented since last process appraisal was performed.
- Plans and commitments to process improvement, including a process improvement plan
- How process capabilities match those deemed critical by the FAA
- Any actions taken to address deficiencies in areas deemed critical by the FAA

The Government will analyze the information provided by the offeror in the SIR vs the performance objectives and evaluation criteria identified for the project. The team will compare claimed process capabilities to practices in the FAA-iCMM and identify risks of the supplier being able to fully execute a contract or agreement if awarded to them. This analysis will identify areas of strength and potential areas of weakness in the process capabilities of perspective suppliers. The results of this analysis will be incorporated in a report to the Source Evaluation Board. This report may affect the Source Evaluation Board assessment of the risk associated with a weakness, and will also provide recommendations regarding post-award appraisal for the selected supplier.

Post-award:

If so decided by the Source Selection Official, the Government will appraise the Offeror's process capability by applying the FAA-iCMM Appraisal Method (FAM) using the FAA-iCMM as the reference model, and by reviewing the offeror's process improvement plan.

The Government will determine the Offeror's strengths, weaknesses, and improvement activities in process areas of the iCMM v2 that are considered critical to the success of the acquisition.

The government may also conduct appraisals at the subcontract level if one or more subcontractors will accomplish a significant amount of the effort to provide the required products and services.

The post-award appraisal will be completed 30-60 days after award.

Procurement Guidance:

Section 3.5 : References: .

The Federal Aviation Administration Integrated Capability Maturity Model (FAA-iCMM), Version 2.0, Federal Aviation Administration, September 2001. (available at www.faa.gov/aio)

The Federal Aviation Administration Integrated Capability Maturity Model (FAA-iCMM) Appraisal Method (FAM), Version 1.0, Federal Aviation Administration, April 1999. (available at www.faa.gov/aio)

Federal Aviation Administration Software Capability Evaluation Guidelines, FAA, FAA Acquisition Management System, 1997.

SCAMPI V1.1 Use in Supplier Selection and Contract Monitoring, Technical Note CMU/SEI-2002-TN-008, Software Engineering Institute, April 2002.

DoD 5000.2-R, June 2001

SECTIONS EDITED:

Section 8 : Supplier Process Capability Evaluation and Appraisal

Old Content: Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 8 : Supplier Process Capability Evaluation and Appraisal

a. *General.* This guidance is designed to assist the Source Selection Official (SSO) in considering process capability of potential suppliers during proposal evaluations, mitigating process-related risk of the supplier during contract/agreement performance, and for fostering process improvement of the supplier throughout the lifecycle.

b. *Scope/Applicability.* Supplier Process Capability Evaluation and Appraisal are intended for use in new acquisitions and agreements, but may also be incorporated into existing contracts or agreements.

c. *Expected Benefits.*

(1) *Acquirer.* The FAA can expect reduced risk in supplier selection and in meeting program objectives by motivating suppliers to improve their processes without forcing compliance to specific practices. Other benefits would include enhanced quality, predictability, performance and cost effectiveness of products and services acquired.

(2) *Supplier.* Suppliers can expect reduced risk in meeting contract requirements by identifying and addressing process deficiencies that might negatively impact project success. Other benefits would include improved performance by identifying and addressing process deficiencies in critical process areas and potential for earning additional award fee where such incentives are part of the contract.

d. *Pre-award.* In the early phase of planning a source selection, the SSO determines whether process capability will be considered as a risk factor for source selection. The following criteria should be considered when making this decision:

- (1) The performance of specific processes is considered critical to accomplishment of the mission.
- (2) The product or service being acquired is considered crucial to the FAA.
- (3) A major component of the product or service to be provided is considered to be unprecedented.
- (4) The total estimated value of a contract for research, engineering, and development (R,E&D) is equal to or greater than \$70 million, or a contract for acquisition is equal to or greater than \$300 million.
- (5) There is lack of information on offeror's past performance or process capability data, or the past performance or process capability of the offeror is weak.
- (6) The product or service is especially complex.

If process capability will be used as an evaluation factor, or as an adjustment to risk at either the area or factor level, the SIR must include request for information on current status and commitment to process improvement, including evidence indicating process capability. The SIR must also identify particular aspects of the suppliers' performance capabilities that are considered critical to success of the contract, such as architecture and design, safety, security, human factors, integration, risk management, or quality assurance.

Process capability appraisals can be used after award to validate and confirm the offeror's proposals and/or to identify risks associated with process deficiencies to be addressed during contract performance. If a decision is made to perform a post-award appraisal, the SIR must indicate that a post-award appraisal will be performed on the selected supplier's processes that are identified as critical or potentially risky.

e. *Post Award.* Post award appraisals may be conducted on existing contracts with well-established project(s), or on new contracts using target projects selected from the supplier's sponsoring organization in accordance with the FAA-iCMM Appraisal Method (FAM) section 3.5.

(1) *FAA-iCMM Appraisal Method (FAM).* The acquirer determines the scope of the appraisal such as the number of process areas, capability levels, and projects. The acquirer also ensures that adequate time and resources are available for conducting a post-award appraisal using the FAA-iCMM as the reference model. An appraisal team lead is identified, who will participate in planning the appraisal, and in appraisal team selection. The scope and magnitude of the appraisal will be determined based on the analysis by the process capability analysis team of

information provided by the offeror, and the decision of the SSO. A proposed schedule for post-award appraisal will be provided in the SIR.

(2) *Formal Appraisal.* The Government may require formal appraisal of process capability versus the FAA-iCMM, using the FAA-iCMM Appraisal Method (FAM). This appraisal would be completed 30-60 days after award. The scope of the appraisal would be those areas identified as critical to acquisition success, as determined during the selection process, and will result in identification of strengths and weaknesses, with any critical deficiencies identified.

f. *Contract/Agreement Requirements.* Considerations in developing contract/agreement requirements include use of trade-off analysis to establish the level of surveillance of strong or weak areas. For example, if a supplier is strong in an area, it is inefficient to check on that area in the same way that would be applied in an area found to be weak. Additional Award fees may also be used as an incentive. Contract/Agreement performance requirements include completion of initiatives to remove critical deficiencies identified. Completion may be a factor in award fees. Depending on the decision of the SSO, contract requirements may include:

- (1) Risk mitigation plans to remove deficiencies noted during pre-award.
- (2) Performing scoped post-award and follow-up appraisal(s).
- (3) Risk mitigation plans to remove deficiencies noted in post-award appraisal.
- (4) Government “surveillance” for specific areas (weaknesses) to be addressed.
- (5) An adequate reporting or insight mechanism to facilitate monitoring the risk mitigation plan.
- (6) Consideration for creating additional process strengths.
- (7) Improvement in performing process improvement activities.

Risk mitigation planning describes in detail the schedule and actions that will be taken to remove deficiencies noted during the evaluation and selection process and those uncovered in the appraisal process, if a post award appraisal is performed.

g. *Additional Resources.* Appendix II contains additional instructions, sample language for the SOW and SIR and other references for supplier process capability evaluation and process improvement appraisals.

New Content: Procurement Guidance:

T3.2.2 - Source Selection

Source Selection

Section 8 : Supplier Process Capability Evaluation and Appraisal

a. *General.* This guidance is designed to assist the Source Selection Official (SSO) in considering process capability of potential suppliers during proposal evaluations, mitigating process-related risk of the supplier during contract/agreement performance, and for fostering process improvement of the supplier throughout the lifecycle.

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If process capability will be used as an evaluation factor, or as an adjustment to risk at either the area or factor level, the SIR must include request for information on current status and commitment to process improvement, including evidence indicating process capability. The SIR

must also identify particular aspects of the suppliers' performance capabilities that are considered critical to success of the contract, such as architecture and design, safety, security, human factors, integration, risk management, or quality assurance.

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e. *Post-award.* Post-award appraisals may be conducted on existing contracts with well-established project(s), or on new contracts using target projects selected from the supplier's sponsoring organization.

f. *Contract/Agreement Requirements.* Considerations in developing contract/agreement requirements include use of trade-off analysis to establish the level of surveillance of strong or weak areas. For example, if a supplier is strong in an area, it is inefficient to check on that area in the same way that would be applied in an area found to be weak. Additional Award fees may also be used as an incentive. Contract/Agreement performance requirements include completion of initiatives to remove critical deficiencies identified. Completion may be a factor in award fees. Depending on the decision of the SSO, contract requirements may include:

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Red Line Content: Procurement Guidance:

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Process capability appraisals can be used after award to validate and confirm the offeror's proposals and/or to identify risks associated with process deficiencies to be addressed during contract performance. If a decision is made to perform a post-award appraisal, the SIR must indicate that a post-award appraisal will be performed on the selected supplier's processes that are identified as critical or potentially risky.

e. *Post-Award-award*. Post-award appraisals may be conducted on existing contracts with well-established project(s), or on new contracts using target projects selected from the supplier's sponsoring organization ~~in accordance with the FAA iCMM Appraisal Method (FAM) section 3.5. (1) FAA iCMM Appraisal Method (FAM). The acquirer determines the scope of the appraisal such as the number of process areas, capability levels, and projects. The acquirer also ensures that adequate time and resources are available for conducting a post-award appraisal using the FAA iCMM as the reference model. An appraisal team lead is identified, who will participate in planning the appraisal, and in appraisal team selection. The scope and magnitude of the appraisal will be determined based on the analysis by the process capability analysis team of information provided by the offeror, and the decision of the SSO. A proposed schedule for post-award appraisal will be provided in the SIR. (2) Formal Appraisal. The Government may require formal appraisal of process capability versus the FAA iCMM, using the FAA iCMM Appraisal Method (FAM). This appraisal would be completed 30-60 days after award. The scope of the appraisal would be those areas identified as critical to acquisition success, as determined during the selection process, and will result in identification of strengths and weaknesses, with any critical deficiencies identified.~~

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