National Aeronautics and Space Administration
Office of the Administrator
Washington, DC 20546-0001

September 22, 2015

TO: Agency Program Management Council (APMC) Membership

FROM: Associate Administrator

SUBJECT: Key Decision Point (KDP) Meeting and Decision Memorandum (DM) Guidance

Background

In March 2015, a monthly Program Performance Integration Meeting (PPIM) was established as a forum for key players to discuss integrated improvements in program/project performance assessment. Chaired by Deputy Associate Administrator Lesa Roe, the PPIM includes representation from all Mission Directorates, OCE, OSMA, OCFO/SID, Office of Evaluation, and Council staff. Most recently, the efforts of this group resulted in improved and streamlined Baseline Performance Review (BPR) reporting, initiated at the August 2015 BPR. The PPIM working group continues to address topics related to better stewardship of our programs and projects. To that end, their work on the Key Decision Point (KDP) meeting and associated Decision Memorandum (DM) warrants establishment of policy guidance for the Agency as follows:

1. KDP Presentation and Supporting Materials

Currently, KDP meetings governed by the Agency Program Management Council (APMC) includes presentations and discussion from the program/project under review and the associated independent assessment. Following this interchange, a KDP DM is displayed, with limited insight into the commitments under recommendation. To better inform the APMC membership, this guidance instructs Mission Directorates to prepare a succinct set of materials to present to the APMC in advance of deliberating and signing the KDP DM. This core set of information is intended to provide a basis for the mission commitments. The Mission Directorates should provide this information as part of the KDP presentation package:

a. Description of Program/Project *content and scope* aligned to DM. Description should reflect the mission content (functional capability) at that point in the life cycle for which the commitment in the DM is being made. Such content description should be consistent with other official documents, such as the Program Commitment Agreement (PCA), Congressional Justification (CJ), etc.
b. Starting at KDP-B, *contributions* from other partnering organizations, such as Mission Directorates, international partners, other government agencies, and commercial or academic partners.

c. Mission *schedule* providing reference for schedule commitment in DM, including the schedule margin at the time of the commitment. Mission schedule information should refer to the Integrated Master Schedule.
d. *Logic path* between the project's Life-Cycle Cost (LCC) and the cost and schedule commitment in the DM, including:
    i. A logic path for the Mission Directorate's recommended cost commitment included in the DM. The presentation should discuss why the Mission Directorate is recommending their cost and schedule value(s), including basis of estimate and analysis performed at KDP; consideration of project's reported cost and schedule (and explanation of differences); and consideration of the independent assessment of cost and schedule. In simple terms: Explain what's in DM versus what project is showing versus what the independent assessor said about cost and schedule.
    ii. Discuss the Management Agreement (MA) as based on the most recent President's Budget Request (PBR).
e. A list of the *key assumptions* that appear in the DM.
f. *Explanation of deltas* from previous KDP DMs, for example change in mission scope/content or cost and schedule or any assumptions documented in DMs.
g. Validation that *prior action items* from earlier APMC meetings or KDPs are addressed for closure.

This additional information in support of the KDP DM augments the current KDP briefing content which contains appropriate information to demonstrate the program/project has met requirements and/or achieved a necessary level of maturity (as specified in 7120.5, 7123, etc.) and is ready to proceed to the next phase of the mission life cycle. Supporting materials for the KDP decision process are documented in the NASA Space Flight Program and Project Management Handbook, NASA/SP-2014-3705: Section 3.2.3 for programs and Section 4.2.3 for projects. This documentation will be updated, as appropriate, with this guidance in addition to communicating through the NASA Engineering Network's (NEN) program management community of practice. Note that the guidance recommended here also applies to "tailored" KDPs, often referred to as e-KDP.

2. KDP Decision Memorandum

Following a thorough review of the KDP DM content, only a single change to the template is recommended:

a. Require the inclusion of the Project Manager's signature. Currently that signature is considered as optional. Rationale for including: The DM contains

the MA that defines the parameters over which the Project Manager has control, authority, and accountability. The MA is viewed as a contract between the Agency and the Project Manager.

The KDP DM template is maintained through the OCFO and reflected in the Cost and Schedule Community of Practice Web site and reference documentation. This documentation will be updated, as appropriate, with this guidance in addition to appropriate communication channels. The DM process is documented in Section 5.5.6, NASA Space Flight Program and Project Management Handbook, NASA/SP-2014-3705.

3. KDP Roles and Responsibilities

The information below provides further explanation of roles and responsibilities of all players, particularly with respect to developing and processing the DM. Such details are documented in the Program Management Handbook, as appropriate. Note that the Mission Directorates maintain the discretion on who is responsible for developing the KDP presentation and corresponding DM, as well as who briefs the materials at the APMC.

OCFO/Strategic Investments Division (SID):

- Manages DM process and supporting templates; assists the Mission Directorate Program Executive (PE) in navigating process; archives final DM and supporting data sheets.

Mission Directorate PE or equivalent:

- **Prior to KDP Meeting**:
    a. Prepares draft DM in coordination with SID; shares draft with program, project, independent assessors, and SID; updates in preparation for KDP meeting.
    b. Provides copy of updated draft DM to APMC Executive Secretary four days prior to KDP meeting.
    c. APMC Executive Secretary distributes KDP DM to Associate Administrator and signatories only (by e-mail) 48 hours prior to APMC meeting.
        a. Intended for awareness only; not soliciting comments.
        b. PE answers signatories' questions and/or discusses DM, as needed.
    d. For KDP presentation package, PE submits to Executive Secretary three days prior to the APMC meeting for posting to NX for all APMC membership to preview.
- **During KDP Meeting**:
    e. PE documents decisions in DM.
    f. PE nominally obtains signatures at end of KDP meeting or directly following.
- **Following KDP Meeting**:
    g. In the event there is a need to complete updates to the DM following the KDP meeting, and the updates vary from decisions made during the meeting, the DM may be brought back and presented to APMC (per their request) for approval and obtain final signatures.

h. PE/Executive Secretary provide PDF of signed KDP DM to Associate Administrator and Mission Directorate.
i. PE/Executive Secretary provide final/original signed DM with supporting data sheets to SID for archiving.

APMC Executive Secretary:

- Manages the APMC presentation process; confirms the contents are included (by the PE) prior to the KDP meeting; informs future council staff on KDP expectations for the APMC.

Summary

The policy guidance provided in this memorandum is intended to enhance the APMC decision-making processes for KDP-based decisions. Mission Directorates should consider similar measures for their Directorate PMC.

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