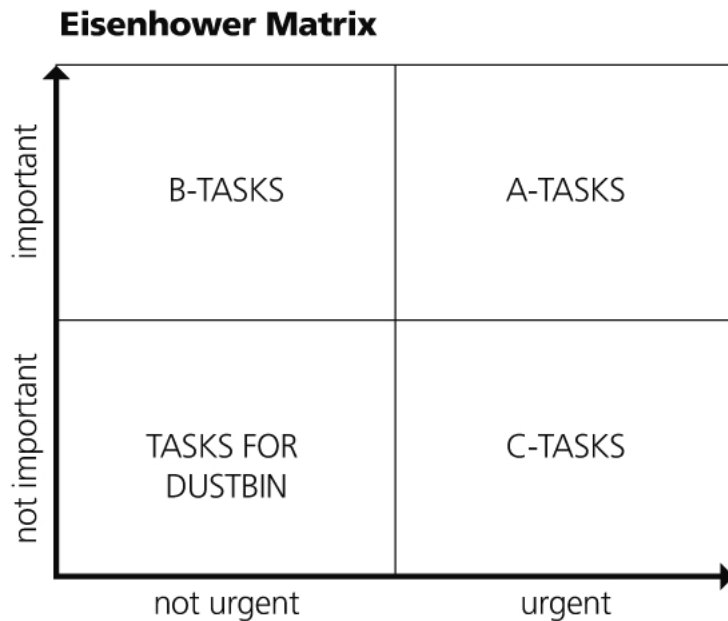


The Eisenhower Matrix

Written by Nick Sanders

Friday, 18 January 2013 00:00



Reflecting on our recent articles about DCAA's problems in working down its audit backlog and DOD's problems in working down its backlog of physically completed but unclosed contracts, we got to thinking about how workload is generally prioritized. As you know (because we [told you](#)) , we had some specific recommendations for DCAA and DCMA to consider as they contemplate how to whittle down their respective backlogs. But those recommendations were specific, and we were thinking about workload prioritization in general

We received an email from "Easy Ed" in response to those articles. "Easy Ed" claimed to be a retired DCAA Regional Audit Manager (RAM). (Remember, we cannot often verify peoples' identities. However, in this instance, we believe there were sufficient details to provide confirmation that "Easy Ed" is who he claimed to be.) "Easy Ed" wrote—

I still have the utmost respect for many DCAA personnel who try their very best each day. However, it appears that the GAO, DCMA and DCAA have not addressed the implications of the Statute of Limitations and the return on investment aspects of drawing down the backlog.

"Easy Ed" recommended one additional tactic to DCAA management, in order to help them reduce their backlog of some 25,000 "incurred cost" audits (aka "10100 assignments," for those who speak DCAA)—at least a few of which are dated as far back as 1996. He advocated the following—

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It would seem appropriate that the DoD consider writing off any incurred cost proposal/submission subject to a time bar available by the SOL. and just close out the contracts. Concurrently, the DCAA would have to also evaluate how many submissions which could not possibly be audited within the window of the ticking SOL due to the length of time to complete their engagements. Working on those assignments appear to be a waste of time if any contractor anticipates exercising the SOL time bar.

Our response: *Absolutely.*

The problem with that idea, as common-sense as it well may be, is that we don't believe DOD is convinced that the Contract Disputes Act's Statute of Limitations is as firmly established by the Courts as "Easy Ed" (and many others, including Apogee Consulting, Inc.) would like it to be. We've explored the CDA's SOL in depth on this site. For example, here's [one article](#) entitled, "DCAA Audits and the Contract Disputes Act Statute of Limitations." In that article, we quoted Professor Richard Loeb, who wrote, "It is very likely that for many of the contracts, the statute of limitations for recouping overpayments will run out before DCAA gets around to completing the audits, resulting in a significant loss of savings to the taxpayer." Which is absolutely true and correct, assuming the Courts establish that completion of a DCAA audit is not a prerequisite for establishing the date of the accrual of a CDA claim. If the Courts conclude that the CDA SOL is tolled pending outcome of the DCAA audit, then DCAA can simply take its time and finish up anytime within the next millennium.

In point of fact, the CDA Courts seem to be split on the issue. Over at the Court of Federal Claims, several Judges have firmly established that the CDA SOL clock runs without regard to Federal administrative proceedings. For example, in July 2012, Judge Lettow wrote (in the matter of *Sikorsky v. U.S.*)—

... while the government may have its own internal review procedures that it must follow prior to submitting a claim, nothing in the CDA mandates such procedures, nor can such procedures delay accrual of a claim. ... *[A]n agency's self-imposed, internal regulations are invisible for claim accrual purposes because they are not part of the contract.*

[Emphasis added.]

While that seems clear and on-point with respect to aging DCAA audits, over at the ASBCA the issue is far murkier, as we told you in our CDA SOL article (link above).

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In March 2012, the ASBCA tackled a dispute between Lockheed Martin and the United States (ASBCA No. 57525), ruling on a motion by LockMart to dismiss the Final Decision of its Divisional Administrative Contracting Officer (DACO) that demanded \$29.9 million related to alleged noncompliances with Cost Accounting Standards 418 and 420. The dispute started in 2002, when DCAA issued a letter to the contractor, with a copy sent to the DACO, in which the auditors asserted that costs associated with certain Independent Research and Development (IR&D) projects were unallowable and should have been charged directly to a particular contract.

Much jockeying ensued. DCAA issued a “draft/preliminary” audit report on the matter in September 2005; DCAA issued a final audit report in February 2007; the DACO issued a Final Decision in September 2008, finding that LockMart was in noncompliance and demanding that LockMart calculate damages. LockMart issued its “cost impact” analysis and submitted it in March 2009. In December 2010, the DACO issued another Final Decision and demand for monies owed the Government (at an amount roughly twice was LockMart’s calculations indicated that damages had been).

Judge Delman, writing for the Board, ruled against Lockheed Martin’s motion, stating—

The record also does not show that the government knew or should have known at this time that the contract price itself was increased as a result of the alleged misallocation of these costs. ... Appellant has not persuaded us on this record that the government knew, or should have known of any injury to the government at or around the time of the 31 December 2002 DCAA letter arising out of the Sniper contract. ... It is true that DCAA's letters to appellant of 31 December 2002 and 30 March 2004 recommended adjustment of certain accounts of appellant ... but there were no statements in either letter regarding overbillings to, or overpayments made by the government on government contracts As far as this record shows, it was the DCAA draft/preliminary report of September 2005, copied to the DACO, that indicated that appellant's CAS noncompliance resulted in overbillings to the government The CO's 8 December 2010 final decision asserting the government's monetary claim was issued within six years of this report.

We didn’t have many nice things to say about that decision, which was not appealed. (We are reliably informed the decision was not appealed because Lockheed Martin received a *very favorable* settlement offer from the Government attorneys, who were *delighted* at the ruling and the precedent it established.) Accordingly, if you have a CDA SOL issue you want to litigate, we expect your attorneys are directing you to the Court of Federal Claims, and

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not to the ASBCA, because they don't want to have to deal with this particular decision.

And more to the point of "Easy Ed's" recommendation to DOD and DCAA, we suspect that they are not going to walk away from hundreds—perhaps thousands—of aged audits, so long as the legal principle regarding when the CDA SOL clock starts to run remains murky. We think it's going to take a ruling at the Federal Circuit to get the Government folks to take another, harder, look at DCAA's audit backlog—and then swallow hard before sweeping the ancient uncompleted assignments off the table.

But perhaps we digress. We were talking about workload prioritization and we wound up talking about why DCAA and DCMA might not feel burning pressure to prioritize the workload, as they would if they knew the CDA SOL was a hard, locked-in-stone, deadline.

"Easy Ed" had his recommendation. Our Technologist, Mark Sewall, had another one. He thought DOD leadership needed a new approach to management. He recommended that they consider using the Eisenhower Matrix.

President Dwight D. Eisenhower is said to have asserted that, "What is important is seldom urgent, and what is urgent is seldom important." In that spirit, he is credited with creating the Eisenhower Matrix—a 2 x 2 (four quadrant) box that helps prioritize tasks and manage time.

Essentially, Eisenhower created his four quadrants along the axes of *Urgency* and *Importance*. (See the illustration.)

Urgency refers to the near-term (immediate future) task deadline. These are time-sensitive items and need to be worked *right now*. *Importance* refers to the value added by the task, recognizing that some tasks are more relevant than others to attainment of long-term goals.

The brilliant part of his approach is the recognition that *important tasks should never be urgent*. If the task at hand is important, you should have been working it all along, and should never have let it become urgent.

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Looking at the Matrix, Quadrant A lists tasks that are both urgent and important. This indicates where the crisis is. Having a number of tasks that are both urgent and important is an indication of poor planning, or of poor management.

Quadrant D (for “dustbin”) lists tasks that are neither urgent nor important. These are time-wasters and should never be worked, so long as there are any other tasks listed in the matrix.

Quadrant C lists tasks that are urgent but not important. These are reactive tasks that don’t move you toward attainment of your long-term goals, but need to be worked *right now* anyway. These tasks are what you *have to do*, not what you *should be* doing. If you are in management, these are tasks that would be good candidates for delegation to staff.

Quadrant B lists tasks that are important but not urgent. This is where the value lies, where tasks that move you toward attainment of your long-term goals are to be found. This is where your future can be found.

This is a simple, yet effective, approach to time management. Your goal should be to keep Quadrant A empty and to minimize tasks in Quadrant C. Your goal should be to spend as much time as you can in Quadrant B.

Applying these principles to DCAA audits, we suggest that the backlog of unperformed “incurred cost” audits belongs in Quadrant A. We suggest that the backlog of the other unperformed audits should be there as well (though perhaps the urgency is not the same). The urgent but not important stuff includes working for non-DOD agencies.

What do we think belongs in DCAA’s Quadrant B?

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How about employee development? How about training and quality control? How about developing innovative ideas for working paper documentation and ensuring audit timeliness? How about hiring and employee retention, and performance reviews?

What might go into DCAA's Quadrant B? Send us an email with your thoughts. We'll aggregate responses and publish the results (protecting identities, of course).

Until then, we hope somebody in DOD Leadership is contemplating how to get all the work done with the resources available.