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March 7, 2024

The Honorable Kathleen Hicks  
Deputy Secretary of Defense  
1010 Defense Pentagon  
Washington, DC 20301-1010

Subj: NDIS Implementation Plan and Final Report of the Commission on PPBE Reform

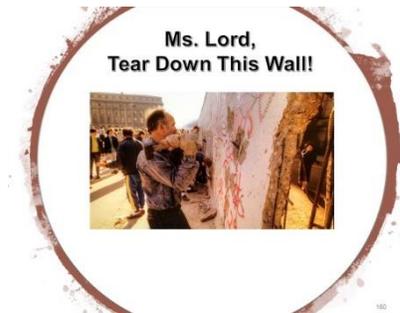
Dear Deputy Secretary Hicks:

This letter augments the attached letter of Jan. 22, subj: NDIS Implementation Plan and NDAA Sec. 827, Modification to EVMS Requirements. The need for change is amplified by the *Final Report of the Commission on Planning, Programming, Budgeting, and Execution (PPBE) Reform*, published yesterday. Per the report, EVM systems purport to assess expenditures against established delivery benchmarks but have long been criticized as easily manipulated and inadequate to the task. The Report also called for metrics that provide information on the value received.

I am pleased that your predecessor, the Hon. Ellen Lord, was vice chair of the Commission. The previous letter referenced Ms. Lord. The excerpt follows.

### **Reduce barriers to entry**

The following slides were also presented at the 2019 conference. They are needed now more than ever.



Please join Ms. Lord in tearing down that wall.

Two, revised white papers are attached. They now cite the PBBE Final Report.

- *Earned Value Management: "When you come to a fork in the road..."*, 3/7/2024
- DOD Acquisition Reform: *EVMS-lite* and Integrated Program Management, rev. 7, 3/7/2024

Yours truly,

Paul Solomon

CC:  
 Hon. Donald Norcross, HASC  
 Hon. Adam Smith, HASC  
 Hon. Robert Wittman, HASC  
 Hon. William LaPlante USD(A&S)  
 Hon. Heidi Shyu, (USD(R&E))  
 Hon. Andrew Hunter, AF Asst. Sec. for AT&L  
 Hon. Peter Levine, IDA and Defense Management Institute  
 Anthony Capaccio, Bloomberg News

<b>Appendix A EIA-748 Guidelines Counter to NDIS Criteria and Objectives</b>	
<b>NDIS Section and Excerpt</b>	<b>Why EIA-748 Should be Booted</b>
<p>Foreword            Shift from policies rooted in the 20th century that supported a narrow defense industrial base...and also includes innovative new technology developers...with no previous relationship to the DoD</p>	<p><b>EIA-748 Obsolete and a Barrier to Entry</b></p> <p>Ref: Fork(a)            EVMS Standard replaced the DOD document, "Cost/Schedule Control Systems Criteria," which had been used since 1967 for capital acquisitions.</p> <p>EIA-748 does not address the state of knowledge and technology since it was prepared or last revised. It is still silent on the product or technical baseline, risk management, and on tracing the requirements baseline to the schedule and work packages. The Quality Gap has not been closed.</p> <p>It is not used prevalently in the national and international marketplaces by commercial enterprises.</p> <p>This paper provides a lower cost, effective alternative to EIA-748. There will be no regulatory requirement for EVMS and no compliance reviews. Tear down that regulatory wall that is a barrier to entry to Silicon Valley-type companies.</p>
<p>2.3.2.1            Broaden Platform Standards and Interoperability</p>	<p><b>EIA-748 Not a best Commercial Practice</b></p> <p>Ref: DODI. 5000.01: Develop a Culture of Innovation.</p>

<p>Utilizing widely accepted industrial standards will facilitate and simplify integration and production efforts.</p> <p>Note: Applies to the adoption of open architecture principles in the design and development of platforms, not to Integrated Program Management or Systems Engineering standards</p>	<p>Creativity and critical thinking will guide acquisition business practice. Acquisition professionals will seek, develop, and implement initiatives to streamline and improve the DAS. Managers at every level will consider and adopt innovative practices, including best commercial practices and electronic business solutions, that reduce cycle time and cost, and encourage teamwork.</p> <p><b>EIA-748 Not Prevalently Used in the National and International Marketplaces;</b>  (i) the problems addressed by the standard and changes in the state of knowledge and technology since the standard was prepared or last revised;  Ref: Fork  The most recent survey is the Grant Thornton 2016 Government Contractors Survey. 70% of respondents stated they would not use EVMS if not required to do so. 28% reported having contracts that require use of EVMS. Of those using EVMS, only 37% believe it to be a cost-effective management tool and only 25% would adopt EVMS voluntarily.</p>
<p>2.3.2.2 Strengthen Requirements Process</p> <ul style="list-style-type: none"> <li>• DODI 5000.02 emphasizes the importance of well-defined and properly articulated requirements</li> <li>• Setting of clear milestones <b>throughout the development</b> process.</li> <li>• Adopting agile and advanced virtual development methodologies</li> <li>• <b>Maintaining the project focus and objectives</b> (on well-defined and properly articulated requirements)</li> </ul>	<p>Source: <i>EVMS-lite</i>  <b>Focus on Product, not Work</b></p> <ul style="list-style-type: none"> <li>• The lack of focus on product in the procurement process was discussed in Volume 2 of the Section 809 Report. Per Volume 2, “The current system focuses on process, not product.</li> </ul> <p>EIA-748 includes only the “work scope” and is silent on product requirements</p>
<p>2.3.2.6 Continue to Support Acquisition Reform Advance Acquisition Strategies Success working with non-traditional suppliers and new entrants into the Defense Industrial Base.</p> <ul style="list-style-type: none"> <li>• Reform acquisition policies that unnecessarily burden or restrain the nation from rapidly attaining a proper, robust defense production posture</li> <li>• Section 809 Panel:</li> </ul>	<p>Source: <i>Fork</i>  This paper provides a lower cost, effective alternative to EIA-748. There will be no regulatory requirement for EVMS and no compliance reviews. Tear down that regulatory wall that is a barrier to entry to Silicon Valley-type companies.</p>

<ul style="list-style-type: none"> <li>• Streamlining and simplifying regulations</li> <li>• Reducing acquisition process costs</li> <li>• Advancing professional development for acquisition personnel</li> </ul>	
<p>2.2.2.1 Prepare Workforce for Future Technological Innovation</p> <p>Invest in Upskilling and Reskilling Programs: Providing employees with training opportunities to ...enhance their careers helps to rebalance critical skill levels</p>	<p>Source: <i>EVMS-lite</i> DCMA will retrain or augment its compliance review staff to add the systems engineering skills necessary to review compliance with the topics in the guidelines to be developed that incorporate the standards and principles of Table 1.</p> <p>Source: <i>Fork</i></p> <ul style="list-style-type: none"> <li>• Retrain EVM specialists and team them with SE experts to focus on the developing product and risks to program success, not on EVM compliance reviews.</li> <li>• In 2019, OPM, in consultation with the OMB and the Program Management Policy Council, issued a memo which defined “IPM competencies to select, assess, and train program and project management talent for the 21st century.” The memo included Four technical competencies which are not covered in the EIA-748 guidelines: <ul style="list-style-type: none"> <li>• Quality Management - Knowledge of the principles, methods, and tools of quality assurance, quality control, and reliability used to ensure that a project, system, or product fulfills requirements and standards.</li> <li>• Requirements Management - Knowledge of the principles and methods to identify, solicit, analyze, specify, design, and manage requirements.</li> <li>• Risk Management - Knowledge of the principles, methods, and tools used for risk assessment and mitigation, including assessment of failures and their consequences.</li> <li>• Scope Management - Knowledge of the strategies, techniques, and processes used to plan, monitor, and control project scope; includes collecting requirements, defining scope, creating a work breakdown structure, validating scope, and controlling scope to ensure project deliverables meet requirements.</li> </ul> </li> </ul>

<p><b>Glossary</b> <b>FAR</b></p> <p>Compliance with FAR is essential for ensuring <b>transparency</b>, competition, and fairness in the procurement process</p>	<p>Source: <i>EVMS-lite</i></p> <p>Compliance with EIA-748 does not ensure transparency</p> <p>The Section 809 Panel reported that “another substantial shortcoming of <i>EVM</i> is that it <i>does not measure product quality</i>. A program could perform ahead of schedule and under cost according to EVM metrics but deliver a capability that is unusable by the customer.</p>
<p>(a) white paper, <i>EVMS-lite</i>, “DOD Acquisition Reform: <i>EVMS-lite</i> and IPM, rev. 6, Jan. 9. 2024</p> <p>(b) white paper, <i>Fork</i>, “When you come to a fork in the road...”, January 11, 2024</p>	