

Paul Solomon
3307 Meadow Oak Drive
Westlake Village, CA 91361
Paul.solomon@pb-ev.com

December 19, 2019

The Honorable Adam Smith
Chairman, HASC
2216 Rayburn House Office Building
Washington, D.C. 20515

Subject: Request for Defense Acquisition Reform and GAO Investigation

Dear Chairman Smith:

I agree with you that “every dollar spent on defense is done so in an effective and efficient manner.” I have been proposing acquisition reforms for over twenty years with that objective in mind.

Please consider the oversight actions and legislation proposed below. This is a follow-up to referenced letters to then-Chairman Thornberry, and to OMB Deputy Director for Management Margaret Weichert. It is also a request for you to complete unfinished business which I started with Ike Skelton in 2010 and with John McCain. See Sen. McCain’s letter of appreciation.

I recommend two actions for HASC. They can lead to reduced acquisition costs and early warning of potential cost and schedule overruns.

Key Takeaways from Thornberry and Weichert Letters

Key takeaways and assertions from the letters follow:

- Program managers use the earned value management system (EVMS) for development contracts.
- FAR/DFARS requires contractors to use EVMS in compliance with a voluntary consensus standard (VCS), currently EIA-748.
- Fatal flaws in EIA-748: fails to require that contractors integrate technical performance with cost and schedule performance. Silent on risk management.
- Acquisition reforms failed. DOD program managers continue to:
 - Waste a lot of money paying for EVM
 - Get unreliable and misleading cost and schedule performance information from contractors.
- The Program Management Improvement and Accountability Act (PMIAA) calls for adoption of government-wide standards, policies, and guidelines for program and project management for executive agencies that meet PMIAA criteria.
- PMIAA is not applicable to DOD to the extent that “provisions...are substantially similar to or duplicative of...policy, guidance, or instruction of DOD related to program management.”
- I contend that PMIAA should be applicable to DOD; remove the waiver.
- Although PMIAA does not cited specific standards, the Project Management Institute (PMI) *Project Management Body of Knowledge (PMBOK® Guide)* and other PMI VCS’s meet PMIAA criteria.

- GAO report, GAO-20-44 *Improving Program Management*, dated December 2019, corroborates my assertion that PMI documents are consistent with widely accepted standards for program and project management (P/PM) planning and delivery.
 - PMI documents are widely accepted standards for P/PM
 - Utilized worldwide
 - Generally recognized as leading practices for P/PM
 - Approved by the American National Standards Institute (ANSI).
- A new PMI standard, *Standard for Earned Value Management* (ANSI/PMI 19-006-2019), when used in concert with *PMBOK® Guide*, should be used by DOD instead of EIA-748. These documents meet PMIAA criteria and OMB criteria for a VCS.
 - EIA-748 was approved by the Society of Automotive Engineers (SAE)
 - It is not ANSI-approved.
 - Think about the SAE grade of your motor oil. Capital acquisitions that cost over \$100 M should be governed by a higher standard. Taxpayers deserve a higher standard.
- There is an urgent need to transform EVM into a cost-effective acquisition management tool that provides reliable information and early warning of performance problems on a consistent basis.

Recommendations

It is recommended that you:

1. Request GAO to verify my assertions that:
 - a. The provisions of PMIAA are *not* substantially similar to or duplicative of...policy, guidance, or instruction of DOD related to program management.
 - b. EIA-748 is no longer a VCS per PMIAA and OMB criteria. It is Ineffective, impractical, and obsolete.
2. After GAO verifies my assertions, initiate legislation to make PMIAA applicable to DOD, with no waiver.

This letter and the referenced letters may be downloaded from www.pb-ev.com at the “Acquisition Reform” tab. Please contact me for additional information or support.

Yours truly,



Paul J. Solomon

References:

Letter to Chairman Thornberry, Subj: *Updated NDAA Defense Acquisition Reform - Earned Value*, dated Jan. 28, 2018

Letter to M. Weichert, Subj: *Improve Training for Program and Project Management and New Voluntary Consensus Standard for Earned Value Management*, dated Dec. 4, 2019

Letter to M. Weichert, Subj: *Recommendations to Improve Program Management and Earned Value Management*, dated Dec. 16, 2019

Letter of Appreciation from Sen. McCain, dated March 5, 2015