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Trump Transition Committee

Subj: DoD De-Regulation - Under Budget and Ahead of Schedule, 8 years later

Dear President-elect Trump:

You can cut defense acquisition regulations, costs, and personnel by implementing recommendations in the attached letter, Subj: DoD Acquisition Reform - Under Budget and Ahead of Schedule, dated November 13, 2016. It supports your commitment, then, to accomplish “savings...through common sense reforms that eliminate government waste and budget gimmicks.”

I am resubmitting my request that you eliminate the Defense Federal Acquisition Regulations (DFARS) requirement that contractors comply with the guidelines in the Earned Value Management System (EVMS) Standard EIA-748, when reporting cost and schedule performance on major acquisitions. Ambiguities and omissions in those guidelines allow contractors to report progress that is based on flawed, misleading metrics. Compliance and oversight costs can be eliminated. Finally, a contractor may be EVMS-compliant yet fail to report situational awareness of cost, schedule, and technical performance and provide early warning of program problems and risk.

Reports

My allegations have been corroborated by the following reports in addition to several GAO reports:

1. *Section 809 Report of the Advisory Panel on Streamlining and Codifying Acquisition Regulations*, Vol. 1, January 2018 Excerpts:

“another substantial shortcoming of EVM is that it *does not measure product quality*. A program could perform ahead of schedule and under cost according to EVM metrics but deliver a capability that is unusable by the customer...Traditional measurement using EVM provides *less value* to a program than an Agile process in which the end user continuously *verifies that the product meets the requirement*.”

2. *Commission on Planning, Programming, Budgeting, and Execution (PPBE) Reform Final Report*, March 6, 2024”

Excerpts:

EVM systems...purport to assess expenditures against established delivery benchmarks. However, ***EVM systems have long been criticized as easily manipulated and inadequate to the task.***

3. *SASC Senate Report 118-188, NDAA for FY 2025* [to accompany S. 4638], 2024:

Excerpts:

- EVM has limited value to “smaller projects.”

- ...the burden it (EVM) places on small businesses and non-traditional defense contractors that must make significant internal investments to create a compliant EVM system.“

Letters

Recommendations to eliminate the DFARS regulation were sent to Sen. Eric Schmitt, Rep. Ken Calvert, Rep. Adam Smith, and Rep. Robert Wittman in the following letters:

1. Schmitt, Subj: “Something of Value” not "Earned Value," August 18, 2024

Excerpt: ...DFARS be revised to exempt all contracts of the DoD from EVMS requirements based on the EVMS standard, EIA-748....DoD provide incentives for contractors to replace compliance with the EIA-748 guidelines with something of value from the GAO.

2. Calvert, Subj: Subj: Another Navy Program Management Failure and Flawed Earned Value Metrics, October 1, 2024

Excerpt: GAO report, GAO-24-107732 Columbia Class Submarine, provides more evidence that, in your words, “The Navy’s system of keeping metrics and reporting facts is murky and flawed at best-misleading at worst.”

Your assessment of the Navy’s flawed metrics and lack of transparency is systemic in DoD and that one root cause is the DFARS EVMS clause.

3. Smith, Subject: Outcome-based Metrics, Barrier to Entry, and NDIS Implementation Plan, Oct. 29, 2024

Excerpt:

You and three HASC colleagues published an opinion that the acquisition process is “hamstrung by a focus on the process and rigid requirements rather than fielding a capability and achieving results.” You also cited meaningless metrics rather than...desired outcomes

Please provide legislative support to Dr. LaPlante that will enable him to tear down that barrier to entry to the defense industrial base and to replace botched, manipulated, meaningless EVM metrics with outcome-based metrics.

4. Wittman, Subj: “Something of Value” not "Earned Value," December 16, 2023

Excerpt:

DFARS be revised to exempt all contracts of the DoD from EVMS requirements based on the EVMS standard, EIA-748....DoD provide incentives for contractors to replace compliance with the EIA-748 guidelines with something of value from the GAO.

The letters may be downloaded from www.pb-ev.com at the Acquisition Reform tab. Implementation plans to replace EVM with “something of value” are in the “White Papers” tab.

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