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

Subject: Third Request to Revise DCMA EVMS Compliance Procedures and Metrics regarding Technical Performance; Implications for NDAA Sec. 1646, Ground-Based Strategic Deterrent Program

Dear Dep. Sec. Hicks:

This letter is a third recommendation for DCMA to revise its EVMS Compliance Procedures and Metrics to assess a contractor's use of technical performance measures (TPM) that are integrated with Earned Value Management (EVM) and the schedule.

NDAA Requirement

The NDAA for FY 2022 includes Sec. 1646, Ground-Based Strategic Deterrent Program (GBSD) Accountability Matrices. The provision requires the Secretary of the Air Force to submit to congressional defense committees and the Comptroller General matrices related to the GBSD's EMD goals. Elements of the matrix include identification, in six-month increments, which shall be divided according to technical maturity, design maturity, and software maturity (including key events and metrics).

Letter to Lt. Gen. Bassett, Director, DCMA

On May 16, 2021, I submitted a letter to Lt. Gen Bassett, with a copy to you. The subject was "DCMA EVMS Compliance Procedures and Metrics Ignore Technical Performance Measurement." Excerpts include:

Both the DCMA EVMS compliance procedures and the DCMA EVMS Compliance Metrics (DECM) are silent on technical performance. Consequently, there is no assurance that the DCMA EVMS Center can accomplish its mission of "assessing contractor effectiveness which provides stakeholders with expectations of future performance and potential impacts on individual contractors and/or programs."

The need for TPMs, integrated with EVM, is stated in OMB and DOD guides, as follows.

The OMB Capital Programming Guide (OMB) provides guidance for contractors to "achieve integrated cost, schedule, and technical performance management using EVM during systems acquisitions."

The DOD EVMS Implementation Guide (EVMSIG) states:

“Objective technical performance goals and measures are incorporated throughout the schedule hierarchy based on the completion criteria.”

“Technical progress indicators, ensures performance assessments reflect the true technical performance of the program.”

In March 2018, I submitted the following DCMA EVMS Compliance Metrics (DECM) change request, which was rejected:

Do Control Accounts (CA) use TPMs when appropriate? System Engineers determine which TPMs should be used, by WBS. Then EVM monitors determine which CAs should use TPMs.

Per the EVMS standard, EIA-748, the use of TPMs is optional, not mandatory. Thus, the Section 809 Advisory Panel reported that “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.”

Consequences of Inaction by DCMA

It is apparent from the NDAA provisions that Congress has an information need for schedule progress on EMD programs that is based on technical performance and maturity. Also, per the EVMSIG, government and industry program managers, share that need to “utilize EVM to assess cost, schedule, and technical progress on programs to support joint situational awareness and informed decision-making.”

However, DCMA does not collect sufficient DECMs for effective analysis and compliance reviews or to meet Congress’s oversight needs for the GBSD program.

It is again recommended that DCMA revise its EVMS compliance procedures and DECMs to ensure that the information needs of its program managers, Congress, OMB, and DCMA itself are met.

Yours truly,



Paul J. Solomon

CC:

USD(A&S) Gregory Kausner

Lt. Gen. David G. Bassett, Director, DCMA

Sec. of the Air Force Frank Kendall

Andrew Hunter, Center for Strategic and International Studies