

From: paul solomon <paul.solomon@pb-ev.com>

Sent: Saturday, March 30, 2024 11:25 AM

To: elizabeth warren

Cc: 'kathleen.h.hicks.

Subject: Your Questions about Program Management Information at SASC Hearing plus "Sentinel Missile; F-35 Deja Vu?"

Dear Sen. Warren,

Thank you for asking the right questions about basic program management information that we need to prevent cost overruns on the Sentinel program. At the SASC hearing on February 29 you asked:

- “Do you think that it is important to have basic program management guard rails in place to help us prevent cost overruns?”
- “Should we base our decisions on the best information that we have at the time?”

Of course, the answer is "yes." However, the program management information that we get on major acquisitions, especially software-intensive weapon systems, is insufficient to provide early warning of imminent cost overruns. The FAR and DFARS clauses covering Earned Value Management Systems (EVMS) enable contractors to submit misleading status reports of cost, schedule, and technical performance.

Please read, again, my letter to you, Subj: Lowering Defense Costs and Initiating Acquisition Reforms, May 18, 2021. That letter cited a question you asked at another hearing: “Do you believe that we can find a way to lower the top-line budget number and then spend that money more effectively without sacrificing our security?”

Regarding the Sentinel program, it is on track to being another F-35. So, are we getting the best program management information? No. We don't because of inherent gaps and loopholes in the EVMS guidelines required by FAR/DFARS. I submitted recommendations regarding the Sentinel program in my letters to then USD Kausner and to Dep. Sec. Defense Hicks, as follows:

- Kausner: Subj: Digital Engineering, GBSD Program, and Award Fees, October 11, 2021.
- Hicks: Subj: Third Request to Revise DCMA EVMS Compliance Procedures and Metrics regarding Technical Performance; Implications for NDAA Sec. 1646, Ground-Based Strategic Deterrent Program

Regarding your questions, I have an answer for that. I also submitted specific acquisition reform recommendations to DoD.

Please get more background, starting with the email to NDIA Pres. Norquist, below. My detailed assessments and recommendations are in white papers that you can download from www.pb-ev.com at the "White Papers" tab. My letters are at the "Acquisition Reform" tab.

DoD has two opportunities to fix integrated program management when it submits the following plans:

- NDIS Implementation Plan

- Plan for meeting the NDAA provision to remove the DFARS EVMS clause for software contracts.

I had worked directly with Sen. McCain on acquisition reforms and provided recommendations to oversee the F-35. I would be glad to assist you too. I will provide my assessments of the adequacy of DoD's plans after they are published.

Paul Solomon

From: paul solomon

Sent: Saturday, March 16, 2024

To: dnorquist@NDIA.org

Subject: Don't Need No Stinking DFARS Clause for Earned Value (but choose PMI standard if you insist)

Dear Mr. Norquist,

This email augments that of 3/14/24. It provides further insight regarding the PPBE Final Report statement, "EVM systems have long been criticized as easily manipulated and inadequate to the task."

For example, two key tasks of project management are to identify significant variances and perform variance analysis. However, one of the deficiencies in EIA-748, the "Quality Gap," focuses management attention on variances in the quantity of work accomplished but not on technical performance or maturity. Contractors may choose to ignore technical performance when reporting earned value and still be compliant with EIA-748. The Quality Gap is then made wider by the guideline on analysis. The analysis guideline focuses on "work accomplished" and is silent on technical performance or maturity.

The NDIA maintains and DoD sustains the myth that, per EIA-748, the system provides a sound basis for problem identification, corrective actions, and management replanning. The DoD EVMS Interpretation Guide (EVMSIG), which is used for compliance reviews, includes **false claims** that

1. The use of data that is traceable through the EVMS **ensures** that the variances calculated each month are a valid reflection of program status.
2. The communication of programmatic EV performance status **enables** program management to manage and control the execution of the program and assess whether deviations from the **technical**, schedule, and budget baselines require management action.

How can DoD use those comforting but misleading verbs, "ensures and enables," if technical performance is not assessed? Despite its deficiencies, the EVMSIG correctly states that "Without this visibility into and the understanding of plan deviations (including deviations from the technical baseline), the success of the contract is jeopardized."

The revised white paper provides additional information about ANSI/PMI 19-006-2019, *The Standard for EVM (PMI EVM Standard)*. *PMI EVM Standard*, when used in concert with the *PMBOK® Guide*, provides program and project management best practices and includes necessary elements that are missing from the EIA-748 guidelines. The missing PMI elements are:

- product scope (or technical baseline)
- risk management
- configuration management
- requirements traceability
- requirements documentation: unambiguous (measurable and testable), traceable, complete, consistent. Include functional requirements, quality requirements, and acceptance criteria.

PMI EVM Standard and *PMBOK® Guide* contain widely-accepted best practices for integrated program and project management. Regarding variance analysis, *PMBOK® Guide* cites technical performance variances; "the differences (or variance) between planned and actual performance...can include duration estimates, cost estimates, resources utilization, resources rates, **technical performance**, and other metrics."

As I advised Vice Chair Wittman, we don't need no stinking regulation to comply with any EVM Standard and we should revise DFARS to dump the EIA-748 clause. Just provide contract terms and incentives to **Buy a Product that Works, not a SOW.**

Paul Solomon

Sent: Monday, March 11, 2024 Subject: NDIA Support of DoD PPBE Implementation Plan; Recommendation for Joint NDIA SE and IPM Div. Comments

Dear Mr. Norquist,

The DoD PPBE Implementation Plan states that DoD will "engage with industry to obtain operationalize understanding of best practices within the private sector and promote awareness among DoD stakeholders to enhance decision-making capability." In the email below, I recommended that the NDIA IPM Division partner with the NDIA SE Division to engage with the private sector. They should seek to understand the differences between private sector best practices and national defense industry practices and standards. Then they will become better informed to:

1. Fix or abandon EIA-748.
2. Support DoD's PBBE Implementation Plan.
3. Respond to the PBBE Commission's statement that EVM has been criticized as easily manipulated and inadequate to the task.

Additional information on integrating SE with EVM and IPM is provided in:

1. Email below, including cited white papers and the letter to the Hon. Dep. Sec. Defense Kathleen Hicks.
2. My articles in Defense Acquisition Magazine
 - a. "Integrating SE with EVM," May 2004
 - b. "EVM Acquisition Reform," Nov. 2010
3. Emails to Peter Levine and Andrew Hunter, Subj: Acquisition Reform Provision in NDAA, dated Nov. 5, 2020.

I presented tutorials at many NDIA SE and INCOSE conferences. They provided detailed guidance and practical examples for integrating SE with IPM. The last NDIA tutorial was: Integrate SE with EVM and Program Management, Contractually and Practically, in 2019. A more recent iteration was the tutorial at the Naval Postgraduate School in 2020. I am always asked, "Why don't they do this?"

Please help.
Paul Solomon