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April 29, 2021

Lt. Gen. David G. Bassett
Director, DCMA
3901 A Ave.
Fort Lee, VA 23801

Subject: Recommendation to Revise Mission, Methods, and Name of DCMA EVMS Center

Dear Lt. Gen. Bassett:

The DCMA website states “DCMA is, first and foremost, a *product* delivery organization. Our nation’s warfighters expect our defense industry to produce and deliver the equipment they need to fight, survive and win.”

However, the mission and methods of the DCMA Earned Value Management Systems (EVMS) Center are insufficient to assess a contractor’s effectiveness in reporting progress towards developing the *product scope or technical baseline*.

It is recommended that you initiate reforms to meet the following objectives:

1. Rename the EVMS Center
2. Redefine its mission and methods to focus on
 - a. Integrated Program/Project Management (P/PM) and
 - b. Integration of EVM with Systems Engineering (SE).
 - c. Eliminating reviews of contractor compliance with EIA-748, EVMS Standard Guidelines.
 - d. Reviewing contractor’s compliance with the EVM elements in policies and guidelines for P/PM that are in accordance with standards accredited by the American National Standards Institute (ANSI), namely Project Management Institute (PMI) standards.
 - e. Reviewing contractor’s use of the Systems Engineering Management Plan (SEMP) and policies and guidelines for P/PM that are in accordance PMI standards.

I have been advocating acquisition reforms to meet those objectives for over twenty years. The DCMA reforms would be consistent with broader reforms by DOD and OMB, as discussed below.

Letter to HASC Chairman Smith

Excerpts from a letter to HASC Chairman Smith, dated April 14, 2021, follow:

Your website statement of National Security issues included the following:

While we must ensure that our warfighters have the equipment and training they need to carry out their missions, we must do a better job of carefully examining our policies, requirements, and acquisition programs to improve efficiencies and eliminate waste, fraud and abuse in DOD.

My last letter to you, dated March 22, included recommendations to improve acquisition of the F-35. This letter includes recommended legislation to fix ineffective, defective policies and regulations for all

development programs for which EVM is required by DFARS. The defects enable, not eliminate, waste, fraud, and abuse. The remedy is an update to recommendations first proposed to Sen. McCain in 2011.

Please read the attached letter to Sen. McCain, Subj: Proposed Amendment to NDAA for 2012 (S. 1867) for EVM Acquisition Reform, dated Dec. 20, 2011. I recommended that he submit an amendment to the NDAA to improve the validity and accuracy of reporting for cost-type contracts that require the use of the EVM Standard, EIA-748. EIA-748 includes loopholes and ambiguities that enable contractors to submit flawed, Integrated Program Management Reports that overstate cost and schedule performance and understate the final costs (called Estimate at Completion). The current policies and regulations fail to deter waste, fraud, and abuse.

Then, I recommended legislation that would lead to revising DFARS. The objectives of the revisions were to *augment* compliance with EIA-748 by requiring the integration of the product scope (or technical baseline) and technical performance measures with EVM. Now, I recommend that these objectives be achieved by *eliminating* compliance with EIA-748. Please consider my recommendations to you in December 2019 and 2020 in the following letters:

Subj: Request for Defense Acquisition Reform and GAO Investigation, 12/19/19

Subj: NDAA Excludes Your Most Game-Changing Provision for P/PM, 12/12/20

Shortcomings of Current DCMA Business Practice

EVMS Business Practice 0, EVMS, DAI Code: *D5460 – Execute Surveillance*, is an example of current DCMA shortcomings. It defines EVMS as an: integrated management system that integrates the **work scope**, schedule, and cost parameters of a program in a manner that provides objective performance measurement data. Like EIA-748, it is **silent** on the **product scope**. Furthermore, the linkage of earned value with technical performance measures is optional, not mandatory, in EIA-748. So, a contractor may EVMS-compliant but fail to report objective progress towards completing the development of the product or even defining and validating the product requirements.

Past Support to DCMA, DOD, HASC, SASC

I have worked with DCMA for many years doing joint EVM surveillance on the F-35, B-2. Global Hawk and other programs. I was the keynote speaker at the June 2004 DCMA Program Support Conference. A letter of appreciation from MG Darryl Scott is attached. That speech was based on my article in Defense AT&L Magazine:



Value of Earned Value



"EVM data will be reliable and accurate only if:

- The right base measures of technical performance are selected
- and
- Progress is objectively assessed" (a)

(a) "Integrating Systems Engineering With Earned Value Management"
in *Defense AT&L Magazine*, May 2004

4

I have a letter of appreciation from Sen. McCain, received the David Packard Excellence in Acquisition Award, recommended NDAA provisions to Sen. McCain and HASC Chairman Ike Skelton which became law, and contributed to DOD and GAO instructions and guides, including the DAG.

I would be glad to support you, *pro bono*, in revising pertinent DCMA policies and procedures. The cited letters and article may be downloaded from www.pb-ev.com at the "Acquisition Reform" and "Articles and Tutorial" tabs.

Yours truly,

Paul J. Solomon

CC:

Hon. Sen. Joni Ernst, SASC

Mr. Andrew Hunter, Biden-Harris Transition Team

Hon. Kathleen Hicks, Dep. Sec. of Defense

Hon. Stacy A. Cummings, Acting Under Sec. Def. for Acquisition and Sustainment




Mr. Paul Solomon
Northrop Grumman Integrated Systems
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Dear Mr. Solomon:

Please accept my sincere appreciation for speaking at the June 2004 DCMA Program Support Conference. Your presentation on Performance-Based Earned Value was crucial to the success of the conference. In addition to the superb information you provided, the attendees were particularly appreciative of the opportunity for questions and answers. My gratitude echoes the comments of those who attended. The feedback we received was very positive regarding your presentation.

Your participation helped make this conference a valuable learning experience for DCMA personnel. Again, thank you for your contribution to the 2004 DCMA Program Support Conference.


DARRYL A. SCOTT
Major General, USAF
Director, Defense Contract
Management Agency