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June 29, 2021

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

Subject: Per GAO, DOD Lacks Knowledge of Technical Maturity and Whether Design Meets Requirements

Dear Chairman Smith:

The GAO recently reported that DOD weapon programs do not consistently plan to attain knowledge that could limit cost growth and deliver weapon systems faster (GAO-21-222, *Weapon Systems Annual Assessment*). Per the report, the majority of (MDAP) programs did not fully implement *knowledge-based practices* at key points during the acquisition process.

Practices that were not fully implemented include:

1. Gather knowledge that confirms **technologies are mature** and designs are stable.
2. Demonstrate with system-level integrated prototype that **design meets requirements**

GAO's latest findings are consistent with DOD's earned value management (EVM) problems. As reported in my previous letters to you and/or Rep. Norcross:

1. EVM lacks mandatory performance metrics to measure progress towards **meeting the product requirements**. (Letter to Rep. Norcross dated April 22, 2021)
2. The EVM process (as prescribed by EVM Standard EIA-748) fails to ensure that the EVM process measures the quality and technical maturity of technical work products instead of just the quantity of work performed. (Letter to you dated June 11)

DOD's failure to base earned value on technical maturity and on progress of the design towards meeting the product requirements were first reported in the DOD Report to Congress in 2009.

Excerpt: "program manager should ensure that the EVM process measures the quality and **technical maturity** of technical work **products** instead of just the quantity of work performed."

Time for Executive and Legislative Action

We don't need more oversight reports to reiterate the failures of DOD program managers and contractors to implement Knowledge-Based Acquisition Practices. As stated in my letter to you dated June 4:

The DFARS requirement for contractors to comply with EVM Standard EIA-748 makes the use of technical performance measures (TPM) optional, not mandatory. Because contractors are not required to relate cost, schedule, and technical accomplishments, they don't. The NDIA has consistently rejected recommendations to close the loopholes in the EIA-748 guideline regarding TPMs and the technical baseline or product scope. DOD has not fixed the regulations and policies,

despite the Adaptive Acquisition Framework. Contractors continue to get their costs reimbursed and to earn award fees just for showing up to work and using DOD-mandated procedures, regardless of poor technical outcomes and failure to deliver products that will work. The costs of administering EVM, both contractor costs and oversight costs, are wasted because the EVM reports mask situational awareness of program execution, as discussed in the PARCA letter.

Please take appropriate actions, as previously requested.

Yours truly,

A handwritten signature in blue ink that reads "Paul J. Solomon". The signature is written in a cursive style and is positioned above the printed name.

Paul J. Solomon

CC:

Hon. Sen. Joni Ernst, SASC

Hon. Sen. Bernie Sanders

Hon. Sen. Elizabeth Warren, SASC

Hon. Kathleen Hicks, Dep. Sec. of Defense

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

Counsellor to the President Jeff Zients

Anthony Capaccio, Bloomberg News

Michael LaForgia, NYT