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June 9, 2024

Lt. Gen. Gregory L. Masiello
Director, DCMA
3901 A Ave.
Fort Lee, VA 23801

Subject: DCMA EVMS Compliance Procedures and Metrics Ignore Technical Performance Measurement, Third Request

Dear Lt. Gen. Masiello:

This letter is the third request to your office and the first request to you to expand the scope of DCMA Earned Value Management System (EVMS) Compliance Metrics (DECM) and DCMA EVMS compliance reviews. The added scope includes assessing the use of Technical Performance Measures (TPM) and the integration of systems engineering (SE) with EVM. Additional information is provided to implement DCMA-MAN 2303-01, *Surveillance*, more effectively.

The recommendations herein augment my keynote speech at the DCMA Program Support Conference in 2004. A letter of appreciation from MG Darryl Scott is attached. He said, "Your presentation on Performance-Based EV was crucial to the success of the conference." The presentation was based on my article in (then) Defense AT&L Magazine, "Integrating SE with EVM," May 2004. Highlights follow:

EVM quantitatively linked with:

- TPM
- Progress against requirements but EVMS Standard states that EV is a measurement of the quantity, not quality, of work accomplished.
- EVM can be more effective as a program management tool if it is integrated with technical performance and if the EVM processes are augmented with a rigorous SE process.

This message was incorporated into the 2009 DOD report to Congress, *DOD EVM: Performance, Oversight & Governance Report* and the 2018 *Section 809 Panel Report*. However, DCMA has failed to address these issues in its metrics and business practices.

My letter to Lt. Gen Bassett, dated May 16, 2021, cited integrated TPM and EVM. The DCMA EVMS compliance business practices and DECMs are still silent on technical performance. A letter, dated May 30, 2023, cited DCMA-MAN 2303-01. The manual does include evaluating time-phased actual progress compared to the contractual or approved schedule requirements. For example, "...Evaluating TPM progress against a time-phased planned profile." However, more instruction is needed.

It has been 20 years since the conference and 15 years since the report to Congress. Lt. Gen Scott said, “The feedback we received was very positive.” So, why are DCMA EVMS compliance metrics and practices silent on evaluating the use of TPMs?

My letter to USD LaPlante, Subject: Recommendations for Pending Program Management Guides and DCMA EVMS Compliance Metrics, dated June 5, 2022, stated:

“Both the DCMA EVMS compliance procedures and the DECMs 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 DECMs are also silent on progress against requirements, development maturity, and Minimum Viable Products. The gaps should be closed.

My assessment in a letter to former HASC Chair McKeon, 9/13/11, Subj: Defense Acquisition Reform, is still valid.

“Even if a DCMA compliance review determines that a contractor is compliant with the guidelines, the loopholes (in EIA-748 guidelines) enable a contractor to overstate progress and understate final costs. Consequently, a DCMA compliance review can provide false assurance to the Program Manager. This is like relying on Standard & Poor’s “no risk” ratings of mortgage-backed securities before the financial collapse.”

Finally, please take corrective actions to implement DCMA-MAN 2303-01, *Surveillance*, more effectively. The recommendations are in the white paper, *Integrating the Embedded Software Path, Model-Based SE, MOSA, and Digital Engineering with Program Management*, June 9, 2024. They are relevant to all software-intensive weapon systems, even those with no EVMS requirement.

This letter and other documents may be downloaded from www.pb-ev.com at the Acquisition Reform and White Paper tabs.

Yours truly,



Paul J. Solomon

CC:



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