

Paul Solomon
3307 Meadow Oak Drive
Westlake Village, CA 91361
Paul.solomon@pb-ev.com

June 1, 2021

Counselor to the President Jeff Zients
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Subject: Acquisition Reforms to Reduce Defense Costs

Dear Counselor Zients:

2009

When you were in OMB, I sent the attached letter, dated 12/13/09, regarding acquisition reforms for procuring capital assets, especially new weapon systems. These reforms are still needed to reach the following objectives:

1. Acquire needed weapons within Pres. Biden's budgetary goals.
2. Increase transparency and accountability regarding acquisition of capital assets.
 - a. Require contractors to submit valid reports of cost, schedule, and technical performance.
 - b. Identify unfavorable variances requiring corrective actions sooner.
 - c. Identify programs that should be cancelled, including Nunn-McCurdy breaches, years earlier. Achieve HASC Chairman Smith's objective:
 - i. "We have wasted a spectacular amount of money on weapons systems that either haven't worked at all or who have not lived up to their promise. The failure we wind up tolerating is failure on a massive freaking scale. Think F-35."
 - ii. "I want to stop throwing money down that particular rathole."
3. Remove a barrier to entry to potential commercial bidders on defense contracts.
4. Improve Program/Project Management training of civilian and military personnel.

2009 Till Now

Since 2009, I have worked directly with Chairmen Ike Skelton and John McCain on legislative and oversight issues. However, the resulting legislation did not result in meaningful reform. Neither OMB nor DOD took effective actions.

Recent Communications

Recently, I sent letters to OMB Director Fairweather, Dep. Sec. Def. Hicks, Chairman Smith, and Senators Sanders and Warren. Excerpts from the May 18 letter to Sen. Warren follow:

I watched the nomination hearing for Deputy Secretary of Defense Hicks. You asked the right question: "Do you believe that we can find way to lower the top-line budget number and then spend that money more effectively without sacrificing our security?"

My plan will not only address your question to Ms. Hicks but will also cover the following issues:

- Unjustified Award Fees
- Contractors “manage data” in order to “make the number”
- Contractors “keep Earned Value Management (EVM) metrics favorable and problems hidden.”
- Replace NDIA-owned EVM standard EIA-748 with ANSI-accredited Project Management Institute Program/Project Management (P/PM) standard and PMBOK® Guide
- Fraud, waste, and abuse
- Status quo is barrier to entry to potential contractors not in the military/industrial complex

Implementation of my recommendations will lead to lower defense costs by:

- Providing earlier detection of cost overruns and identification of feasible corrective actions.
- Providing earlier detection and reporting of Nunn-McCurdy breaches and higher Estimates at Completion (EAC). Enable earlier termination of “rathole” (per Chairman Smith) programs to curtail needless spending
- Program managers manage development and testing of the *product* instead of “managing the numbers,” wasting time on analyzing Management Reserve (MR) burndown, preparing false variance analysis reports, and false rationale for low EACs. .
- Developing realistic performance measurement baselines, execution plans, and valid cost/schedule performance reports; again providing earlier detection and reporting of real variances and faster corrective actions
 - Plan for rework
 - Reduce use of management reserve as a slush fund to mask cost overruns

What You Can Do

Please contact appropriate OMB and DOD policy makers to encourage their prompt consideration of my allegations and recommendations.

My letters (including this one) and the white paper, “DOD Acquisition Reform: EVMS-lite to Program/Project Management, Rev. 23,” may be downloaded from www.pb-ev.com, at the Acquisition Reform tab.

Yours truly,



CC:

Hon. Sen. Joni Ernst, SASC

Hon. Sen. Bernie Sanders

Hon. Sen. Elizabeth Warren, SASC

Chairman Adam Smith

Mr. Andrew Hunter, Biden-Harris Transition Team

Hon. Kathleen Hicks, Dep. Sec. of Defense

OMB Acting Dir. Robert Fairweather