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Trump Transition Committee

Subj: 2025 Presidential Transition Project: PMI Project Management, not NDIA Earned Value (Part 3)

Dear President-elect Trump:

This letter provides additional information from the GAO about the merits of Project Management Institute (PMI) standards for project/program management. It also cites former President Trump's President's Management Agenda (PMA) for management of major acquisitions with a recommendation that it be reconstituted and reinstated next year.

GAO Report GAO-20-44, Improving Program Management

The GAO report, GAO-20-44, Improving Program Management, included information regarding the former President's PMA that is relevant now and the merits of PMI standards. Excerpts regarding PMI standards follow:

OMB's Program Management Improvement Accountability Act of 2016 (PMIAA) strategic plan directed agencies to apply standards to internal management processes for planning, implementing, and reviewing the performance of programs and activities. OMB staff told us they decided to develop this set of standards rather than adopt an existing set of consensus-based standards, such as the widely accepted standards for program and project management from the Project Management Institute (PMI)... The PMI standards are utilized worldwide and provide guidance on how to manage various aspects of projects, programs, and portfolios and are approved by the American National Standards Institute (ANSI).

The report also cites former Pres. Trump's PMA to improve the management of major acquisitions. Excerpts from the former PMA follow:

CAP GOAL 11 IMPROVE MANAGEMENT OF MAJOR ACQUISITIONS

THE CHALLENGE

Yet major acquisitions often fail to achieve their goals because many Federal managers lack the program management and acquisition skills required to successfully manage and integrate large and complex acquisitions... These shortcomings are compounded by complex acquisition rules that reward compliance over creativity and results.

THE STRATEGIES

Agencies will pursue three strategies:

- Strengthen program management capabilities in the acquisition workforce;
- Use modern and innovative acquisition flexibilities; and
- Track investments using portfolio, program, and project management principles.

The Trump transition team should update and reinstate Trump PMA CAP Goal 11 with application to DOD. That will require statutory changes and changes to OMB policy, FAR, DFARS, and DAU training, as discussed in the letter dated November 7. In my opinion, the new PMA should include a strategy to replace the NDIA EVMS standard EIA-748 with PMI standards and the PMBOK Guide, as discussed in previous letters, white papers, and articles in DAU publications.

Pull Down the Curtain on Program Management Failures and Flawed Metrics

The preceding heading was the subject of my letter to Rep. Ken Calvert, dated September 19, 2024. Excerpts:


At today's subcommittee hearing on the Navy's shipbuilding programs, you stated, "The Navy's system of keeping metrics and reporting facts is murky and flawed at best-misleading at worst." You led a "frank conversation about the Navy's PM failures, flawed use of metrics, and lack of transparency."

...your assessment of the Navy's flawed metrics and lack of transparency is systemic in DoD. One root cause is the DFARS EVMS clause. As stated in my letter to SON Del Toro, dated April 11, 2024.

The current defense industrial ecosystem has insufficient and defective program management controls. These defects enable contractors to submit false or misleading status reports and estimates at completion (EAC)...the defective system, called EVMS, is one root cause of the recently disclosed systemic delays to our marquee shipbuilding programs. I expressed that concern in the letter to Vice Chair Wittman, Subj: Systemic Shipbuilding Delays, Congressional Defense Modernization Caucus, and Earned Value, dated April 8.

Behind the curtain is the EVMS Standard, EIA-748, which is required by DFARS. EIA-748 is maintained and defended by the NDIA Integrated Program Management Committee. As I wrote to Secretary Del Toro and Vice Chair Wittman, the guidelines in EIA-748 perpetuate the following:

EVM: "...easily Manipulated and Inadequate to the Task" (a)



EIA-748 Enables Easy Manipulation:

4 legs of the stool to fool:

1. Measure work (SOW), not technical performance (Product)
2. % Complete Earned Value Technique with "90% Rule"
3. Rework not planned (Budget from MR)
4. Deferred Functionality not Accounted For

(a) Commission on PLANNING, PROGRAMMING, BUDGETING AND EXECUTION
Report finding: "EVM systems have long been criticized as..."

"Use Outcome-based Metrics that Work to Build a Product that Works" (not a SOW)

The PBBE Final Report cited criticism that EVMS can be easily manipulated and inadequate to the task.

My letters to Rep. Calvert and Secretary of the Navy Del Toro, and similar letters regarding the F-35 and Sentinel programs, provide compelling, corroborating evidence that compliance with EIA-748 guidelines fails, chronically and systemically, to provide joint situational awareness of program status or to be a tool to assess the cost, schedule, and technical performance for proactive course correction.

Opportunities for Performance Improvement

The transition team has an opportunity to kick off the improved management of major acquisitions by handing off the recommendations in the previous letter to Pres.-elect Trump.

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