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

Subject: NDAA Excludes Your Most Game-Changing Provision for Program and Project Management

Dear Chairman Smith:

I am disappointed that the NDAA, which was passed by the Senate yesterday, excludes the provision in your markup that would be a game-changing acquisition reform. Please present the same provision in a new bill.

The Conference Report included the follow recession, with no rationale or justification:  
*“Program management improvement officers and program management policy council (sec. 884)*

The House bill contained a provision (sec. 1745) that would amend title 31, United States Code, to direct adherence to certain standards for program and project management (P/PM)... The Senate recedes with an amendment that would *strike the changes to the standards.*”

The current USC provision requires OMB to *“Adopt governmentwide standards, policies, and guidelines for P/PM for executive agencies that are “consistent with **widely accepted** standards.”* H.R. 6395 would amend that section , by striking “consistent with widely accepted standards” and inserting *“**in accordance with** standards accredited by the **American National Standards Institute** (ANSI).”*

DFARS requires contractors to use a standard for Earned Value Management Systems (EVMS), EIA-748. EVM is a component of P/PM. However, EIA-748 is *neither ANSI-accredited* nor *“widely accepted.”* Worse yet, DCMA reviews for compliance with thirty-two EIA-748 guidelines provide false assurance that a contractor’s EVMS provides accurate and reliable data. Loopholes and omissions in EIA-748 enable a contractor to be assessed as compliant with the EVMS guidelines even if it submits Integrated Program Management Reports that understate true cost overruns and behind schedule conditions. Please read the arguments and evidence in the white paper that I provided previously, *“DOD Acquisition Reform: EVMS-lite to Program/Project Management, Rev. 20.”*

The white paper includes the following corroborations.

- Sen. Susan Collins stated that the GAO observed that contractor EVM reporting leads to inaccurate data and faulty application of the EVM metric. “In other words, garbage in, garbage out.”
- Per a DOD report to Congress, the “utility of EVM has declined to a level where it does not serve its intended purpose.” Contractors “keep EVM metrics favorable and problems hidden” and “If good technical performance measures are not used, programs could report 100 percent of EV even though behind schedule in validating requirements, completing the preliminary design, meeting the weight targets, or delivering software.”

In my previous letter, I speculated that NDIA/CODSIA would lobby against your provision to preserve the status quo. EIA-748 guidelines and discussion enable contractors to earn undeserved, subjectively determined award fees on programs that have understated true cost overruns in their EVM reports. Contractors could also defer the initiation of Nunn-McCurdy reviews by understating the magnitude of cost overruns. Although not a license to steal, DCMA compliance certifications enable a contractor to kick the can of knowledge down the road.

### **Recommended Bill**

It is requested that you present a new bill to reintroduce the provision that was rejected. As stated in the white paper, passage of the bill will be a first step to reduce costs by reducing the regulatory burden. The number of EVMS guidelines requiring DCMA review would decrease from 32 to 20. The twelve, unnecessary guidelines are included in EIA-748 but not in the standards that are accredited by ANSI, those of the Project Management Institute. Also, the recommended tailoring of four, retained guidelines would provide an early warning of deviations from plans and allow DOD to buy a product that works, not a statement of work.

The white paper and this letter may be downloaded from [www.pb-ev.com](http://www.pb-ev.com) at the “Acquisition Reform” tab. Please contact me for additional information or support.

Yours truly,



Paul J. Solomon

CC:

Sen. Joni Ernst, SASC

Sen. Kamala Harris, HSGAC

Mr. Andrew Hunter, Biden-Harris Transition Team