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The Honorable Heidi Shyu
Office of the Under Secretary of Defense, Research and Engineering (USD(R&E))
The Pentagon, Washington, DC 20301

Subject: Error and Omission in DoD Risk, Issue, and Opportunity Management Guide

Dear USD Shyu:

Please correct an error and omission in the *DoD Risk, Issue, and Opportunity Management Guide for Defense Acquisition Programs*, January 2017 (Risk Guide). The subjects are EIA-748 and technical debt.

EIA-748

There is an erroneous, misleading paragraph regarding EIA-748, as follows:

Appendix B.3 Earned Value Management

The DoD and the federal government at large have adopted the guidelines in ANSI/EIA-748, an industry EVM standard, for use on government programs and contracts. The DoD EVM policy requires contractor management systems to be compliant with ANSI/EIA-748 to **ensure the validity** of the information whenever EVM is required.

However, contractor compliance with the EIA-748 guidelines does not ensure that the information is valid. In 2018, the Section 809 Panel reported that “another substantial shortcoming of EVM is that it does not measure product quality. A program could perform ahead of schedule and under cost according to EVM metrics but deliver a capability that is unusable by the customer.” In 2009, DoD reported to Congress that “If good TPMs 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.” The DoD Report also stated “the 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.”

Recommendation: Remove the misleading paragraph in Appendix B.3.

Technical Debt

Risk Guide is silent on “technical debt.” Currently, Section 2.5.1 is:

Suggested Activities in the EMD Phase to Reduce Risk Additional risk management activities to reduce risk exposure in this phase include the following:

- Work with the operational test and evaluation community for early participation, requirements trace, and assessment.

Recommendation: Revise the bullet to include technical debt, as follows:

- Work with the operational test and evaluation community for early participation, requirements trace, assessment, **including assessment of technical debt.**



Paul Solomon

CC:

The Hon. William La Plante USD(A&S)
The Hon. Andrew Hunter, AF Asst. Sec. for AT&L