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The Honorable Steven J. Morani
Performing the Duties of the OUSD(A&S)
1010 Defense Pentagon
Washington, DC 20301-1010

Subj: Implementation Plan for Directing Modern Software Acquisition to Maximize Lethality

Dear Hon. Performing OUSD(A&S) Morani:

Please include a plan to terminate the DFARS Earned Value Management System (EVMS) clause as an element of your "Implementation Plan for Directing Modern Software Acquisition to Maximize Lethality." The implementation plan was specified in USD Hegseth's memo, dated March 6.

The memo included the following directions:

1. Use of Commercial Solutions Openings (CSO) and Other Transactions (OT) as the default solicitation and award approaches for acquiring capabilities under the Software Acquisition Pathway (SWP).
2. SWP as the preferred pathway for all software development components of business and weapon system programs
3. Use of CSO and OT as the default solicitation and award approaches for acquiring capabilities under the SWP.
4. You, in coordination with the Director of the Defense Innovation Unit, will develop and submit an implementation plan within 30 calendar days.

Sec. Def. Hegseth said "It is a top priority for DoD to reform its acquisition processes in order to acquire, deliver, and iterate on our weapon and business systems - including software- at speed and scale for our Warfighter." The requirement for EVMS compliance and the compliance reviews are counter-productive to acquiring weapon systems at the speed needed by the Warfighter. Also, the use of EVM, as prescribed by DFARS, is not a best commercial practice.

Implementing my recommendation will also support objectives discussed in the Transcript of the Memo Background Briefing. One objective is:

Accelerating capability while we reduce the barrier for entry for nontraditional and commercial companies to get access to those programs of record so that effectively we get to that best of breed software development and integration and deployment structure.

At the briefing, Tony Capaccio asked: "To what extent will this new policy help that program (F-35 TR3 software and hardware upgrade) going forward to smooth out the way to TR3 full implementation? I have proposed solutions to the software issue since 2010 in letters to Ike Skelton, Andrew Hunter, John McCain, Robert Wittman, Roger Wicker, Bill LaPlante, Heidi Shyu, and others.

Per the transcript, the response to Tony's question was:

The software pathway can...shift...culture and move to a more product- and warfighter-centric delivery model based on commercial best practices...weapons programs and weapons systems did move from traditional acquisition pathways where they had challenges, they had delays, and they moved into the software pathway...focus on engaging with their warfighter users to shape the requirements and features that they were delivering...achieve their milestones and delivering capability to the warfighter....best practices that mirror how commercial software companies deliver products can actually help any program in the department.

My first letter to Skelton was dated March 28, 2010. Fifteen years without success is too much for me, just like delays in delivering an operational F-35. Too much money was wasted on other programs that would have been cancelled or restructured if the program managers and Congress had reliable, outcome-based metrics instead of manipulated, botched EVM metrics. Exorbitant, unearned fees were paid to contractors.

Adam Smith said at Brookings: “The failure we wind up tolerating is failure on a massive freaking scale. Think F-35” and “Second, is process over results.” Senators Collins and Murphy said, “EVM metric. In other words, garbage in, garbage out.” Heidi Shyu said, “EVMS is not adequate to assess the performance of a program. I have always considered it as a waste of time.”

The rationale to terminate the EVMS clause and the detailed plans to replace it with Common Sense Project Management are in my letters and white papers. Hegseth’s memo makes it urgent. Please take the EVM bullshit by the horns and flush it down the toilet. Buy a Product that Works, not a SOW (statement of work). Just Do It in your implementation plan.

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...”

Yours truly,

Paul Solomon

CC:

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|------------------------------|----------------------------------|
| Hon. Pete Hegseth, USD | Hon. Tammy Duckworth, SASC |
| Hon. Glen Grothman, HOAC | Hon. Adam Smith, HASC |
| Hon. Ken Calvert, HAC | Hon. Mike Rogers, HASC |
| Hon. Robert J. Wittman, HASC | Hon. Donald Norcross, HASC |
| Hon. Ro Khana, HASC | Hon. Jim Jordan, HCOA |
| Hon. Roger Wicker, SASC | Hon. Joni Ernst, SASC |
| Hon. Elizabeth Warren, SASC | DOGE |
| Jon Sindreu, WSJ | Anthony Capaccio, Bloomberg News |

