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The Honorable Ken Calvert
Defense Subcommittee Chairman
2205 Rayburn Building
Washington, D.C. 20515

Subj: Another Navy Program Management Failure and Flawed Earned Value Metrics

Dear Hon. Chairman Calvert:

GAO report, GAO-24-107732 Columbia Class Submarine, provides more evidence that, in your words, "The Navy's system of keeping metrics and reporting facts is murky and flawed at best-misleading at worst." This letter augments the letter dated September 19.

GAO Report

GAO stated that Electric Boat and the Columbia class program monitor submarine design and construction progress toward completion using earned value management (EVM). However, GAO found that Electric Boat's cost and schedule estimates and analysis are inadequate and constrain the program's ability to mitigate future problems.

There was" insufficient analysis of cost and schedule variance in program reporting. While reporting identified significant cost and schedule variances, it did not sufficiently identify root cause, assess potential impacts, or develop planned corrective actions. For example, in cases where the reporting documented schedule variances, it lacked important information, such as the **status of specific activities, milestones, and other critical events.**"

Although that information and analysis were *not* provided by the EVM reports, SUPSHIP Groton officials and the program "address issues and root causes through routine discussions with shipbuilder representatives, including during monthly briefings. "

GAO did not report on the accuracy of reported cost and schedule performance. However, GAO reported that "SUPSHIP Groton has identified similar types of EVM reporting issues, including variances, as those we identified above since at least 2021. The number and size of these variances can affect the accuracy of the shipbuilder's EAC because they **over-or underestimate performance.**"

My Assessment

In my opinion, the time and effort spent on administering EVM and performing EVM compliance reviews were wasted. Those routine discussions and monthly meetings should be used to **augment** and **clarify** information in the EVM reports. Also, the lack of information on the status of specific activities and milestones is an indicator that the

reported EV may be based on the previously discredited “management assessment” of percent complete.

Conclusion

In the previous letter, I alleged that your assessment of the Navy’s flawed metrics and lack of transparency is systemic in DoD and that one root cause is the DFARS EVM System clause. That letter concluded with the need for “a freaking product that works at the end of the day” and the need to revoke the DFARS EVMS clause and then replace EVM with “Something of Value.”

Yours truly,



Paul J. Solomon

CC:

USD (Comptroller)/CFO Michael McCord

Hon. Bill LaPlante (USD)

Hon. Andrew Hunter, AF Asst. Sec. for AT&L

Hon. Adam Smith, HASC

Hon. Carlos Del Toro, Secretary of the Navy

Nickolas Guertin (ASN RD&A)

Honorable David L. Norquist, NDIA

Hon. Robert J. Wittman, HASC

Hon. Heidi Shyu, (USD(R&E))

Hon. Donald Norcross, HASC

Hon. Rep. Julia Brownley

Anthony Capaccio, Bloomberg News

Shelby Oakley, GAO

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