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June 4, 2021

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

Subject: DOD's Failure to Perform

Dear Chairman Smith:

This letter includes a timeline to illustrate how DOD has failed to meet its commitments to Congress to improve program management policy regarding earned value management (EVM). Its failures to perform date back to WSARA requirements in 2009.

This letter augments my letter to you dated May 24, subj: Failure to Meet PARCA Goal, "More Accurate Situational Awareness of Program Execution."

2009:

WSARA required the Secretary of Defense to submit a report to HASC and SASC with recommendations for improving EVM including a plan for implementing any improvements.

Per the resultant report "the program manager *should* (not "must") ensure that the EVM process measures the quality and technical maturity of technical work products instead of just the quantity of work performed."

Regarding an improvement plan, DOD committed in the report to an ongoing initiative to "update the *DOD EVM Implementation Guide* (EVMIG).

Based on my communications with HASC regarding the NDAA for FY 2011, then Chairman Ike Skelton expected that DOD would initiate acquisition reforms to ensure that contractors measure the quality and technical maturity of technical work products and link earned value to technical performance.

2019:

In 2019, the EVMIG was updated. It provided "guidance" that used the term "must" not "should."

1.1.2 EVM and Management Needs

Insight into the contractor's performance (specifically program management and control) is a fundamental requirement for managing any major acquisition program. Contractor cost and schedule performance data **must**:

- Properly relate cost, schedule, and technical accomplishments

Failure to Perform

Yes, EVMIG included the right verb, “must” but it is ineffectual. The DFARS requirement for contractors to comply with EVM Standard EIA-748 makes the use of technical performance measures (TPM) *optional*, not mandatory. Because contractors are not required to relate cost, schedule, and technical accomplishments, they don’t.

The NDIA has consistently rejected recommendations to close the loopholes in the EIA-748 guideline regarding TPMs and the technical baseline or product scope. DOD has not fixed the regulations and policies, despite the Adaptive Acquisition Framework. Contractors continue to get their costs reimbursed and to earn award fees just for showing up to *work* and using DOD-mandated procedures, regardless of poor technical outcomes and failure to deliver **products that will work**. The costs of administering EVM, both contractor costs and oversight costs, are wasted because the EVM reports mask situational awareness of program execution, as discussed in the PARCA letter.

Please take appropriate actions, as previously requested.

Yours truly,

A handwritten signature in blue ink that reads "Paul J. Solomon". The signature is written in a cursive style and is positioned above the typed name.

Paul J. Solomon

CC:

Hon. Sen. Joni Ernst, SASC

Hon. Sen. Bernie Sanders

Hon. Sen. Elizabeth Warren, SASC

Mr. Andrew Hunter, Biden-Harris Transition Team

Hon. Kathleen Hicks, Dep. Sec. of Defense

Hon. Stacy A. Cummings, Acting Under Sec. Def. for Acquisition and Sustainment

Counsellor to the President Jeff Zients

Anthony Capaccio, Bloomberg News

Michael LaForgia, NYT