Paul Solomon 3307 Meadow Oak Drive Westlake Village, CA 91361 Paul.solomon@pb-ev.com

May 29, 2024

The Honorable William LaPlante USD(A&S) 1010 Defense Pentagon Washington, DC 20301-1010

Subj: Navy Frigate's Failure Obscured by Metrics Based on Quantity, not Quality. RIP, EVM.

Dear USD LaPlante:

This letter augments the May 5 request to eliminate the DFARS EVMS clause. It cites today's GAO report and the need for outcome-based metrics based on the "quality, not on the quantity of work performed."

GAO-24-106546 NAVY FRIGATE Unstable Design Has Stalled Construction and Compromised Delivery Schedules includes:

"While the Navy tracks design progress, its process to calculate design stability hinges largely on the *quantity—rather than the quality*—of completed design documents. The *focus on quantity obscures functional design progress and how much design work remains."*

GAO recommended: "The Secretary of the Navy should ensure that the frigate program's functional design review practices and metrics be restructured to measure progress that reflects the *quality* rather than the *quantity* of design deliverables received from the shipbuilder."

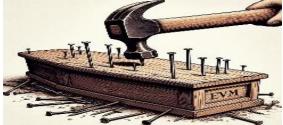
Relevance to Earned Value Management (EVM)

The attached letter to Ike Skelton in 2010, Subj: Panel on Defense Acquisition Reform Recommendation Regarding Earned Value, cited the fatal flaw of the EVM Standard, EIA-748, as follows:

In fact, EIA-748 states that earned value is a "measurement of only the quantity of work" and that "quality and technical content of work performed are controlled by other means."

DoD's *Report to Congress, DoD EVM: Performance, Oversight, and Governance,* stated that contractors "keep EVM metrics favorable and problems hidden." The deficiency in DFARS and EIA-748 enables contractors to report metrics that are more favorable than actual conditions and to defer reporting of real problems.

The Section 809 Panel reached a similar conclusion. GAO furnished the final nail to be driven into EIA-748's coffin. Please hammer it in.



Paul 9 Solom

Paul J. Solomon

CC:

Hon. Robert J. Wittman, HASCHon. Heidi Shyu, (USD(R&E))Hon. Donald Norcross, HASCHon. Andrew Hunter, AF Asst. Sec. for AT&LHon. Adam Smith, HASCHon. Carlos Del Toro, Secretary of the NavyNickolas Guertin (ASN RD&A)Honorable David L. Norquist, NDIAHon. Elizabeth Warren, SASCHon. Susan Collins, Senate Defense Appropriations SubcommitteeAnthony Capaccio, Bloomberg NewsShelby Oakley, GAOJon Ludwigson, GAOHonorable David L. Norquist, NDIA