

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 J. Solomon

CC:

Hon. Robert J. Wittman, HASC Hon. Heidi Shyu, (USD(R&E))
Hon. Donald Norcross, HASC 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. Elizabeth Warren, SASC
Hon. Susan Collins, Senate Defense Appropriations Subcommittee
Anthony Capaccio, Bloomberg News
Shelby Oakley, GAO
Jon Ludwigson, GAO