

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

May 24, 2021

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

Subject: Failure to Meet PARCA Goal, “More Accurate Situational Awareness of Program Execution”

Dear Chairman Smith:

This is a request for you to authorize GAO assessments that will provide evidence for acquisition reforms.

In May 2014, PARCA, (now Acquisition Data and Analytics within the Acquisition Enablers organization), submitted its Report to Congress on Performance Assessments and Root Cause Analyses (PARCA Report). The report included four key initiatives. The initiative to relate technical performance to earned value performance follows:

The PARCA EVM Division will identify, document, and publish specific methods for **relating technical performance to earned value performance**. *The goal is to provide more accurate joint, program office, and contractor situational awareness of the program execution.* PARCA believes that earned value metrics and technical metrics such as Technical Performance Metrics (TPM) should be consistent with program progress. Earned Value focuses on the completion of a set of tasks to mature the design. It should be consistent with the set of **metrics that indicate the actual design maturity**.

Goal not Achieved

Although PARCA has published methods for relating technical performance to earned value performance, contractors are not contractually required to adopt those methods. So, as asserted in my previous letters they don't.

Consequently, stakeholders, from program managers to congressional oversight committees, remain situationally unaware of the actual design maturity, the true cost overrun, and the real Estimate at Completion of Major Capability Acquisitions and other programs for which compliance with the Earned Value Management (EVM) System standard, EIA-748, is required.

Published Methods

The *DOD EVMS Interpretation Guide*, published by PARCA, includes methods for relating technical performance to earned value performance that are not in EIA-748 and therefore are ignored by contractors, as follows.

Technical Performance, Progress, and Baseline Elements of EVMSIG that are Not in EIA-748

Guideline 7: Identify Products and Milestones for Progress Assessment

Management Value:

Identifying objective criteria, linked to *technical progress indicators*, ensures performance assessments reflect the true *technical performance* of the program.

Objectively measured performance data that accurately reflects *technical accomplishment* of the work provides program management visibility into program progress and credible early indications of program problems and the need to take corrective action.

Attributes:

- Objective completion criteria aligned with the accomplishment of the program's *technical requirements and goals* are determined in advance, documented, and used to plan and measure the progress of program milestones and events.

Intent of Guideline:

Objective technical performance goals and measures are incorporated throughout the schedule hierarchy based on the completion criteria developed for each increment of work, *in order to limit subjective measurement of work accomplished.*

Identifying and selecting appropriate objective *completion criteria, that will align with how technical performance* will be accomplished, for all discrete work and each of the program's key events, decision points, and milestones is essential for *ensuring accurate schedule status and providing program management actionable information.*

Guideline 32 Document changes to the performance measurement baseline**Management Value:**

Using a disciplined, systematic change control process to document Performance Management Baseline changes assures that all program stakeholders are using the same cost, schedule, and *technical baselines to measure contract performance.*

Ineffective DCMA EVMS Compliance Reviews

DCMA EVMS compliance reviews do not and cannot determine if contractors relate technical performance to earned value performance. As documented in my letter to DCMA Director Bassett, May 16, 2021:

Both the DCMA EVMS compliance procedures and the DCMA EVMS Compliance Metrics (DECM) are *silent on technical performance*. Consequently, there is no assurance that the DCMA EVMS Center can accomplish its mission of "assessing contractor effectiveness which provides stakeholders with expectations of future performance and potential impacts on individual contractors and/or programs."

Also, EVMSIG includes sufficient *guidance* for relating technical performance to earned value performance. However, that guidance is ineffective and irrelevant because it is external to EIA-748. Consequently, when DCMA concludes that a contractor is compliant with EIA-748, DCMA provides false assurance that the contractor provides accurate situational awareness of the program execution and that the contractor's metrics indicate the actual design maturity.

Request for GAO Assessments

Please authorize GAO to assess the extent to which contractors voluntarily comply with the technical performance, progress, and baseline elements of EVMSIG that are not in EIA-748 guidelines 7 and 32. I predict that the assessment will provide evidence that the 2014 PARCA goal has not been achieved. I recommended previously that the F-35 and CVN-78 programs be in the audit scope, especially the F-35 Block 4 modernization efforts.

Also, please authorize GAO to verify my related assertions in my letter to you, subject: Request for Defense Acquisition Reform and GAO Investigation dated 12/19/19. The assertions follow:

- a. The provisions of the PMIAA are not substantially similar to or duplicative of...policy, guidance, or instruction of DOD related to program management.
- b. EIA-748 is no longer a Voluntary Consensus Standard per PMIAA and OMB criteria. It is ineffective, impractical, and obsolete.

DOD Acquisition Reform: *EVMS-lite* to Program/Project Management, Rev. 23, 5/23/21

Additional evidence and justification for the GAO reviews are provided in the latest revision of the *EVMS-lite* white paper. The significant changes in that revision follow:

Note: This revision is a major overhaul. It cites the *Report to Congress on Performance Assessments and Root Cause Analyses (PARCA Report)*, March 2014. PARCA believes that earned value metrics and technical metrics should be consistent with program progress and indicate the *actual design maturity*.

The “Product Scope, Technical Performance Measures (TPM) and Risk Management Not Integrated” section has been renamed “Absence of Integrated Program Management.”

DCMA’s EVMS compliance procedures and metrics ignore technical performance, as discussed in the added Appendix C.

Both this letter and *EVMS-lite* may be downloaded from www.pb-ev.com at the Acquisition Reform tab.

Yours truly,



Paul J. Solomon

CC:

Hon. Sen. Joni Ernst, SASC

Hon. Sen. Alex Padilla

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