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December 2, 2020

Mr. Kevin Fahey
Asst. Secretary of Defense for Acquisition

Subj: Enhance AAF by Publishing a “Government-unique standard” for Earned Value Management Systems

Dear Mr. Fahey:

This letter augments my previous letter, Subj: New PMI Standard for Earned Value Management: Comparison with EIA-748 and Recommendations to Reduce Costs of DCMA EVMS Compliance Reviews, dated Dec. 9, 2019.

It includes a recommendation that you can initiate now to:

1. Reduce the costs of Major Capability Acquisitions
2. Provide a practical and contractual vehicle to meet the objectives of the Adaptive Acquisition Framework (AAF).
3. Implement a “Government-unique standard” for Program/Project Management (P/PM) that is “in accordance with standards accredited by ANSI,” as specified in the pending NDAA for FY 2021.

Recommendation

The following recommendation is derived from the attached white paper, “DOD Acquisition Reform: EVMS-lite to P/PM, Rev. 19.”

Recommendation: DOD revise, streamline, and transform the “DOD Earned Value Management System Implementation Guide” (EVMSIG) and impose it on contractors as a “Government-unique standard” in lieu of EIA-748.

Compared with the current 32, regulatory Guidelines in EIA-748, the new standard will have 12 fewer guidelines (lower costs) and 4 tailored guidelines. The tailored guidelines will not cause costs to increase. Although revised, the tailored guidelines impose no additional requirements. They just explicitly cite the “technical baseline” and “risk mitigation actions” which are already in EVMSIG.

Additional Support, not in white paper

New, contractual requirements to use the tailored and streamlined guidelines will decrease, not increase, costs. Contractors have been expected to link EVM with risk mitigation actions and TPMs actions per the DOD EVMSIG. Excerpts from Guidelines 1, 6, 7, and 32 follow.

EVMSIG

“Risk responses” are included in Guidelines 1 and 6 in the proposed DOD-unique standard for EVMS.

The “technical baseline” and/or Technical Performance Measures (TPM) are included in Guidelines 1, 7 and 32.

Guideline 1: Define the Authorized Work Elements

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

Guideline 6: Scheduling Work

Intent of Guideline:

Scheduling status process shall include the following:

- Incorporation and progress of **risk** management activities and **mitigation actions**.

Guideline 7: Identify Products and Milestones for Progress Assessment

Management Value: A key feature of the vertically and horizontally integrated network schedule is that it establishes and maintains the relationship between **technical achievement** and progress statusing through time. ...Identifying objective criteria, linked to **technical progress indicators**, ensures performance assessments reflect the true **technical performance** of the program.

Intent of Guideline: Using objective **technical acceptance criteria** and **performance indicators** that are consistent with the work scope contained in the Work Breakdown Structure (WBS) will facilitate meaningful assessments of program accomplishment. 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. **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.**

Guideline 32: Document PMB Changes

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

AAF/Kevin Fahey Tailoring Guidance

This recommendation supports AAF guidance, as provided at the “Tailoring Guidance” tab of the AAF website, in the following excerpts:

1. In addition, PMs will:
 - “Tailor in” the regulatory information requirements that will be used to describe the management of the program
 - Statutory requirements will not be waived unless a statute permits.
(Note: this may require passage of the NDAA provision on P/PM).
2. Link to your DAU article, “DoD's Transformational Adaptive Acquisition Framework,” 11/5/19
“the most transformational change to acquisition policy in decades that will embrace the delegation of decision-making, **tailor program oversight to minimize unnecessary bureaucratic processes**, and actively manage risk based on the unique characteristics of the capability being acquired.”.

National Defense Strategy

The current National Defense Strategy includes "Deliver Performance at the Speed of Relevance." Implementation of this recommendation will augment that strategy by enabling DOD to “Buy Products that Work, not Statements of Work.”

Please contact me for additional information or support.



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cc:

Mr. Andrew Hunter, Biden-Harris Transition Team
Sen. Kamala Harris, Homeland Security and Governmental Affairs Committee
Chairman Adam Smith, HASC