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August 10, 2024

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

Subj: Remedy for Toxic Mix of Earned Value Management, Agile Methods, and Award Fees

Dear USD LaPlante:

The attached letter to then-Chair Adam Smith, describes a toxic triad of Earned Value Management System (EVMS) EIA-748, Agile methods, and subjective award fees. The decision to place DFARS Case 2024-D017 (EVMS) on hold (after two deferments) obscures situational awareness of software-intensive weapon systems.

Excerpts from letter, Subject: *NDAAs for FY 2021 and Unfinished Oversight and Legislation*, dated December 20, 2020, follow:

The recent utilization of Agile Methods has provided contractors with increased opportunities and incentives to submit unreliable information, “make the number,” and receive undeserved award fees.

The status quo is a toxic triad of EIA-748, Agile methods, and subjective award fees. In concert, they enable, not deter, fraud, waste, and abuse. My recommendations are intended to improve transparency and accountability of Major Capability Acquisitions and to reduce the cost of EMD programs that use EVM.

“Makin’ the Best of a Bad Situation”

The revised white paper, *Integrating the Embedded Software Path, Model-Based Systems Engineering, MOSA, and Digital Engineering with Program Management*, August 10, 2024, includes outcome-based artifacts, milestones, and metrics that should be used for embedded software in weapon systems until and after the DFARS requirement is revoked.

I recommend that you fix acquisition policy to make the Integrated Master Plan and Systems Engineering Management Plan mandatory, not optional. They should be used to force contractors to report outcome-based earned value instead of manipulated, botched metrics. Paraphrasing the 2010 article by Wayne Abba and Neal Albert (former NDIA executives), “We don’t need an Act of Congress to achieve it.”



Paul J. Solomon

CC:

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)

Hon. David L. Norquist, NDIA

Hon. Robert J. Wittman, HASC

Hon. Heidi Shyu, (USD(R&E))

Hon. Donald Norcross, HASC

Hon. Elizabeth Warren, SASC

Anthony Capaccio, Bloomberg News

Shelby Oakley, GAO

Jon Ludwigson, GAO