

**Paul Solomon
3307 Meadow Oak Drive
Westlake Village, CA 91361**

June 4, 2018

The Honorable Joni Ernst
111 Russell Senate Office Building
Washington, DC 20510

The Honorable Claire McCaskill
503 Hart Senate Office Building
Washington, D.C. 20510

Subject: DoD Acquisition Reform; From Earned Value Management System (EVMS) to a Project Management Standard

Dear Sen. Ernst and McCaskill:

This letter is a follow-up to previous acquisition reform recommendations that were sent to you individually. I am addressing both of you because of your common experiences and objectives:

- Present or past members of both SASC and HSAGA
- Legislation regarding program and project management or earned value management (EVM)
- Increase oversight and transparency; cracking down on contractor abuses

More specifically, this letter addresses the need for DoD's to take action to fix or address your specific issues, as follows:

Sen. Ernst press releases

- Nov. 19, 2015: "By **adopting widely accepted management standards** that are often **used in the private sector**, ...ensure that taxpayer dollars are safeguarded by increasing accountability throughout the federal government."
- May 12, 2016:
 - "program management **standards across the DoD** to correct widespread deficiencies, lax oversight, and unnecessary cost overruns.
 - NDAAs Measure: **Improves DoD program and project management practices by requiring the development of government wide standards, policies, and guidelines for program management.**
- June 9, 2016: **PMIAA**, bipartisan piece of legislation that solves problems with program and project management that have plagued the federal government for decades, **especially in the Department of Defense.**

Sen. McCaskill Conference Report co-author

- S. 920 Conference Report: "Information Technology (IT) Investment Oversight Enhancement and Waste Prevention Act of 2009" addressed the validity of ***EVM*** reports and included an assessment by Sen. Collins of "***Garbage in, garbage out.***"

PMIAA Waiver to DoD

My letter to Sen. Ernst, dated May 13, 2018, included the following opinions and points:

- It was a mistake to exclude DoD from applicability of the PMIAA (provided certain conditions are met)
- My recommendations to the NDAA Section 809 Panel: <https://www.pb-ev.com/sec.-809-panel-evm-recommendation.html>
- Consider bipartisan legislation with Sen. McCaskill as she has been an advocate of fixing EVM along with Sen. Collins.

My Recommendations to Section 809 Panel and OUSD Lord

I submitted acquisition reform recommendations to the Section 809 Panel on February 6. Last week, the Panel informed me that it will not formally consider the recommendations because its plate is already full and its time and funding will soon end.

My recommendations include a multi-step path to migrate from the use of the EVMS standard, ANSI/EIA-748, to “EVMS-lite” to project/program management per the Project Management Institute *PMBOK® Guide*. I am certain that the migration to EVMS-lite will both reduce program costs and finally enable program managers to achieve the vision of EVMS’s founding fathers: *Integrate cost, schedule, technical performance, and risk management*.

I also argued that it was a mistake for PMIAA to include a potential waiver to DoD “to the extent that the provisions...are substantially similar to or duplicative of...policy, guidance, or instruction of the Department related to program management.” The provisions are not similar.

Because of the Section 809 Panel’s decision, I sent an email with a revised recommendation directly to OUSD Lord on May 31. The email cited your objectives along with those of Sen. McCain.

The email included a white paper, “DoD Acquisition Reform: EVMS-lite to Project/Program Management.” The paper includes findings and recommendations that I made while a consultant to PARCA/NAVAIR in 2012 and is enhanced to address the PMIAA provisions.

White Paper Assertions

The white paper included the following assertions:

1. Failed Vision: EVMS failed to achieve the vision of its founding fathers of EVM:
 - The quality of a management system is determined not by the absence of defects, but by the presence of *management value*.
 - *Integrate cost, schedule, technical performance, and risk management*.
2. Not Widely Accepted: EVMS is not widely accepted or used by the private sector

White Paper Recommendations

The white paper included the recommendation that DoD implement the following three step plan.

Step 1: Review its policy, guidance, and instructions and confirm that PMIAA is applicable to DoD because its provisions, regarding a widely accepted standard for program and project management, are *not*

substantially similar to or duplicative of...policy, guidance, or instruction of the Department related to program management.”

Step 2: Establish a 5-year strategic plan for program and project management that is consistent with OMB objectives and leads to use of PMBOK® Guide.

Step 3: In the meantime, develop and implement an “EVMS-lite” that is based on ANSI/EIA-748 but is tailored to accomplish the following objectives:

1. Link EVM with systems engineering planning and execution, technical performance measurement (TPM) and risk management.
2. Reduce DCMA compliance review costs.
3. Reduce contractor compliance costs.
4. Provide cost and management control benefits sooner than the five-year strategic plan to implement PMIAA.

White Paper Conclusion

The conclusion of the white paper follows:

DoD should develop a plan to discontinue use of ANSI/EIA-748 because it is *impractical*. It fails to serve DoD’s program needs, is inadequate and is ineffectual for the reasons discussed above. It also is less useful than the PMBOK® Guide and should be replaced.

The recommendations above are needed to fulfill the visions of EVM’s founders, to implement the acquisition reforms and legislative intentions of Senators McCain, Collins, McCaskill, and Ernst, and Chairman (HASC) Ike Skelton, and to meet the challenges of the DoD Report in response to WSARA.

Note: All articles and references, except the white paper, are available at www.pb-ev.com.

Request to You

It is requested that you consider taking some of the following actions:

1. Discuss my recommendations with OUSD Lord and myself.
2. Request GAO to review DoD policy, guidance, and instructions and to determine if PMIAA is applicable to DoD.
3. Determine if a markup to NDAA for FY 2019 is needed to transform PMIAA into a law that requires all federal agencies to “adopt widely accepted management standards that are often used in the private sector, ...ensure that taxpayer dollars are safeguarded by increasing accountability throughout the federal government.”

Yours truly,



Paul J. Solomon
818-212-8462
Paul.solomon@pb-ev.com

Copy: Sen. John McCain