

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

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Mr. James P. Woolsey, President  
Defense Acquisition University  
9820 Belvoir Road  
Fort Belvoir, VA 22060

Subj: NDAA for FY22 Acquisition Workforce Educational Partnerships Revised

Dear President Woolsey:

Note: This letter is a revision of the letter dated Sept. 1. It now references the latest HASC version of the NDAA for FY21, H. R. 4350. It also includes new content regarding recommended training and an attached white paper, *The DoD Adaptive Acquisition Framework and Project Management Standards*, dated Sept. 13, 2021,

This letter includes recommendations for implementing a provision in the H. R. 4359, NDAA for FY21, Sec. 801, Acquisition Workforce Educational Partnerships. It also includes a new white paper which contains recommended DAU training of the DAS policy, "Employ Performance Based-Acquisition Strategies."

H. R. 4350 requires the Under Secretary of Defense for Acquisition and Sustainment to establish a program within DAU to partner with extramural institutions to offer training to all members of the acquisition workforce addressing operational challenges that affect procurement decision-making, including training on partnering with contractors and other suppliers to attract new companies with emerging technologies and to ensure supply chain resiliency.

Recommendations are provided below that:

1. Address an operational challenge to attracting new companies with emerging technologies. The recommendations apply to Major Capability Acquisitions, including software-intensive components of those acquisitions.
2. Identify the best-qualified extramural institution with which to partner.

### **Operational Challenge**

In a statement to the SASC for her nomination hearing, dated Feb. 2, 2021, former Deputy Secretary of Defense Kathleen Hicks stated:

There are significant challenges to non-traditional defense players getting into the marketplace. We need to lower those if we are going to compete successfully.

My letter to Dep. Sec. of Def. Hicks, subj: DoD Acquisition Reform Needs and Recommendations dated Feb. 9, is attached. It includes a recommended solution:

The solution is to implement the Program Management Improvement and Accountability Act (PMIAA) at DoD including replacing EIA-748 with a standard that is in accordance with ANSI-accepted P/PM standards, as prescribed in the white paper, the tutorial, and in an email to Ellen Lord.

The cited tutorial includes an assertion that EIA-748 is a barrier to competition from commercial suppliers. It was presented at the Naval Postgraduate School on March 11, 2020 and was entitled, “Integrate Systems Engineering with Earned Value Management and Program Management, Contractually and Practically.” It includes the following slides:



The cited white paper is *DOD Acquisition Reform: EVMS-lite to Program/Project Management*. The current version is Rev. 26, dated 8/24/21. It contains the following excerpts:

#### **EIA-748 Not Widely Accepted as a Commercial Practice**

A worldwide survey of EVM users by the PMI, in 2010, disclosed that the private sector has largely ignored EIA-748. When the use of EVM is voluntary and not a contractual mandate, only 17 percent of the respondents used EVM based on EIA-748.

Seventy percent of respondents to the *Grant Thornton 2016 Government Contractors Survey* stated they would not use EVMS if not required to do so. Twenty-eight percent reported having contracts that require use of EVMS. Of those using EVMS, only 37 percent believe it to be a cost-effective management tool and only 25 percent would adopt EVMS voluntarily.

#### **EIA-748 Is No Longer a Voluntary Consensus Standard (VCS) per OMB Circular Criteria**

The EVMS Standard was originally developed to be a VCS, as defined by OMB Circular, *Federal Participation in the Development and Use of VCSs and in Conformity Assessment Activities* (Circular). If EIA-748 is to be considered for P/PM or even to continue to be used by federal agencies in their regulatory activities, it must be a VCS per the criteria of Circular. There are three reasons why EIA-748 is disqualified from being a VCS, as follows:

1. The standard must be “**effective** and otherwise suitable for meeting agency regulatory, procurement, or program needs.”
2. Circular stipulates that “all federal agencies must use VCSs in lieu of government-unique standards in their procurement and regulatory activities, **except** where inconsistent with law or **otherwise impractical.**”

Per Circular, in evaluating whether to use a standard...an agency should consider the following:

(1) Whether the standard is **effective** and otherwise suitable for meeting agency regulatory, procurement, or program needs, including as applicable:

- (h) the **prevalence of the use of the standard** in the national and international marketplaces;
- (i) the problems addressed by the standard and **changes in the state of knowledge** and technology **since the standard** was prepared or **last revised**;

EIA-748 is no longer a VCS because it is “**otherwise impractical.**” It fails to serve DoD’s procurement and program needs. It is not prevalently used in the national and international marketplaces. It is a *de facto* government standard. Most importantly, EIA-748 does not address the state of knowledge and technology since it was last revised. It is still silent on the product or technical baseline, risk management, and on tracing the requirements baseline to the schedule and work packages. The Quality Gap has not been closed.

DFARS 252.234-7002(h), EVMS, contains the requirement to comply with EIA-748, the EVMS standard. Considering the private sector’s aversion to EIA-748, as discussed above, it is understandable why that regulation is a barrier to entry to non-traditional defense players.

### **AAF Policy**

The recommendations above are also enablers of AAF policy in DoDD 5000.01, DAS policy, as follows.

k. Employ Performance Based-Acquisition Strategies.

To *maximize competition, innovation, and interoperability*, acquisition managers will consider and employ performance-based strategies for acquiring and sustaining products and services. “Performance-based strategy” means a strategy that supports an acquisition approach structured around the *results to be achieved as opposed to the manner by which the work is to be performed*. This approach will be applied to all new procurements and upgrades, as well as re-procurements of systems, subsystems, and spares that are procured beyond the initial production contract award.

The training will instruct acquisition personnel on what to communicate to potential bidders regarding Performance Based-Acquisition Strategies.

### **Extramural Institution Partner**

the Project Management Institute (PMI) is a nonprofit credentialing organization as defined in the legislation. The white paper provides arguments and evidence (pages 9-11) to support the replace EIA-748 with standards that are maintained by PMI. PMI's ownership of the pertinent standards and the universal acceptance of PMI credentials make it the most qualified candidate to be DAU's extramural institution partner.

### **Recommended Training Content: White Paper**

The attached white paper, *The DoD Adaptive Acquisition Framework and Project Management Standards*, dated Sept. 13, 2021, should be included in DAU training of the DAS policy, "Employ Performance Based-Acquisition Strategies." This white paper provides guidance to employ that strategy when selecting standards for P/PM.

### **My Credentials and an Offer**

I have previously supported Katrina McFarland, both when she was DAU President and as ASD(A). I would be pleased to send you some of our correspondence to document what we accomplished and unfinished business.

I was a consultant to PARCA and worked with NAVAIR HQ on P/PM and systems engineering issues. I submitted a white paper in 2012 to complete the contract and would be pleased to support you, *pro bono*, to help with the unfinished business.

PDF files of this letter and the white paper may be downloaded from my website, [www.pb-ev.com](http://www.pb-ev.com), at the Acquisition Reform and PMIAA Project Management tabs.



Paul J. Solomon  
[paul.solomon@pb-ev.com](mailto:paul.solomon@pb-ev.com)  
818-212-8462

cc:

Chairman Adam Smith, HASC