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The Honorable Mick Mulvaney, Director
Office of Management and Budget
725 17th St., NW
Washington, DC 20503

Subject: Project Management of High Risk DoD Acquisitions

Dear Mr. Mulvaney:

The Program Management Improvement and Accountability Act of 2015 (PMIAA) calls for adoption of government-wide standards, policies, and guidelines for program and project management for executive agencies. Mr. Gene Dodaro, in discussing the GAO's 2017 high risk list, stated that the statute, if implemented effectively, will help foster progress on high-risk issues *government-wide*.

However, PMIAA is not applicable 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." In my opinion, DoD does *not* have similar or duplicative policy, guidance, or instruction. Consequently, DoD's high risk acquisitions are off the hook. They will continue to incur cost overruns and schedule slips. Please consider proposing remedial legislation to require that PMIAA be applicable to DoD.

The primary Program Management (PM) standard used by DoD is the Earned Value Management System Standard (EVMS), ANSI 748. The most widely accepted standard for *project* management, planning, and delivery is the "PMI Project Management Body of Knowledge" (PMBOK Guide). In comparing the two standards, it is obvious that EVMS has fatal deficiencies. The characteristics of EVMS that fail to meet the needs of a PM are:

1. EVMS addresses only the *work* scope but is silent on *product*.
2. The use of technical performance measures (TPM) is optional, not mandatory.
3. Earned value is a direct measurement of the *quantity* of work accomplished. The *quality* and technical content of work performed is controlled by other processes. I call this the "*Quality Gap*."

In April 2016, DCMA made a presentation to the National Defense Industrial Association (NDIA) PM Systems Committee. It reported a common, EVM finding of a lack of objective measures to assess performance, including "Measurement does not indicate *technical accomplishment*."

A PM needs a project management tool that integrates cost, schedule, *and* technical performance. However, the primary DoD PM instruction, "DoD Instruction 5000.02, Operation of the Defense Acquisition System," does not fix the EVMS standard's failures and close the *Quality Gap*. Its discussion of TPMs and metrics, in terms of progress against established plans, fails to discuss any linkage with EVM.

In my opinion, EVMS is ineffective, costly to implement, and, even worse, enables a contractor to provide invalid and misleading information in its monthly Contract Performance Report. I have experience on major programs including B-2, Global Hawk, and F-35.

Please read, my article in the Nov. 2015 issue of *Defense AT&L Magazine*, "A Contract Requirement Rule for PMs." I proposed that the EVMS standard be replaced by *PMBOK Guide*. This acquisition reform would enable any PM to identify and pinpoint emerging problems on a timely basis and act as early as possible to resolve problems. The article is available at <http://www.pb-ev.com/articles-and-tutorial.html> . Another article published in 2004, "Integrating Systems Engineering with EVM," is still relevant. It states that "EVM data will be reliable and accurate only if the right base measures of technical performance are selected and if progress is objectively assessed. If you are measuring the wrong things or not measuring the right way, then EVM may be more costly to administer and may provide less management value."

I have been an advocate of acquisition reform for 20 years. My most recent recommendations are in letters to (then) President-elect Trump, and to Senators McCain and McCaskill. They are at <http://www.pb-ev.com/acquisition-reform.html> .

The GAO has never validated that EVMS provides timely, accurate information and an early warning of impending cost overruns and schedule slips. Please consider using GAO to confirm my allegations and to develop remedies.

My credentials are at <http://www.pb-ev.com/about.html> . I am retired, would be pleased to assist you, *pro bono*, and am willing to support Ms. Weichert after her confirmation.

In conclusion, I believe that appropriate legislative actions are necessary to include DoD in an amended PMIAA.

Yours truly,



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