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The Honorable Robert J. Wittman  
Vice Chairman, HASC  
2055 Rayburn House Office Building  
Washington, DC, 20515-4601

Subj: More Lessons Learned: "Earned Value? We don't need no stinking Earned Value."

Dear Vice Chairman Wittman:

My previous letter concerned lessons learned from the F-35 program regarding TR-3 and Block 4 software. This letter expands the scope of my recommendations for acquisition reform to include all major acquisitions that have a DFARS requirement to use earned value management systems (EVMS).

Today, the Senate passed the NDAA for FY 2024. It includes a section that is pertains to your comment that "the things that we design the hardware around are only enabled if you have the software. We kind of have gotten things backwards." That section is:

**SEC. 827. MODIFICATIONS TO EVMS REQUIREMENTS.**

- (a) IN GENERAL.-Not later than 180 days after the date of the enactment of this Act, the Department of Defense (DoD) Supplement to the Federal Acquisition Regulation (DFARS) shall be revised to exempt all software contracts and subcontracts of the DoD from EVMS requirements;

I recommend that DFARS be revised to exempt *all* contracts of the DoD from EVMS requirements. As stated in the attached letter to USD(A&S) La Plante, Subj: Software Acquisition Policy and Congressional Oversight Issues, dated August 1, 2023:

the Sec. 809 Panel reported that EVM does not measure product quality and concluded, "EVM has been required on most large software programs but has not prevented cost, schedule, or performance issues."

In 2009, DoD reported to the committee that "a program could perform ahead of schedule and under cost according to EVM metrics but deliver a capability that is unusable by the customer" and stated the program manager should ensure that the EVM process measures the quality and technical maturity of technical work products instead of just the quantity of work performed."

So, to paraphrase "Blazing Saddles" and "The Treasure of Sierra Madre":  
"We don't need no stinking Earned Value."

A detailed recommendation to amend the Program Management Improvement and Accountability Act (PMIAA) is provided in the attached letter to Ms. Margaret Weichert, OMB and ASD Kevin Fahey, Subj:

“Successful Implementation of PMIAA by all Agencies,” including DoD, dated July 26, 2018. Excerpts from that letter:

The PMIAA should be applicable to all agencies, including DoD. The cited white paper, “DoD Acquisition Reform: EVMS-lite to Program/Project Management,” includes specific recommendations and an implementation plan which are structured to lower the cost of capital acquisitions, reduce government oversight, and meet the requirements of PMIAA. The recommended acquisition reforms will enable more effective program and project management (P/PM).

The initial steps of the plan will provide immediate benefits by eliminating an ineffective regulatory requirement to use an Earned Value Management System (EVMS) Voluntary Consensus Standard (VCS) which is no longer practical, effective, or even reaffirmed. The EVMS guidelines in that standard have not substantially changed in 20 years and are still based on the Cost/Schedule Control System Criteria of 50 years ago. They fail to incorporate modern P/PM and systems engineering best practices and processes.

Please consider these issues and recommendations when you and DoD apply lessons learned going forward.



Paul J. Solomon

CC:

Hon. Donald Norcross, HASC

Hon. Adam Smith, HASC

Hon. William La Plante USD(A&S)

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

Hon. Andrew Hunter, AF Asst. Sec. for AT&L

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