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Ms. Margaret Weichert
Deputy Director for Management
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Subj: Additional Justification to Replace EVMS Standard in OMB *Capital Programming Guide*

Dear Ms. Weichert:

My previous letter provided a recommendation to change OMB policy regarding Earned Value Management (EVM). Yesterday, GAO issued a report which provides additional, compelling information to justify that action.

The *Capital Programming Guide Supplement to OMB Circular No. A-11 (Capital Programming Guide)* states “All major acquisitions with development effort will include the requirement for the contractor to use an EVMS that meets the guidelines in EIA Standard-748 (EIA-748).” The previous letter included a justification to abandon EIA-748 in favor of the new *PMI Standard for Earned Value Management, (ANSI/PMI 19-006-2019)* in concert with the *PMI Guide to the Project Management Body of Knowledge (PMBOK® Guide)*.

I asserted that EIA-748 no longer meets the criteria for a voluntary consensus standard (VCS) that are defined by *OMB Circular, Federal Participation in the Development and Use of VCSs and in Conformity Assessment Activities (Circular)* or the statutory requirements of the PMIAA. EIA-748 is no longer effective or practical.

The GAO report, *GAO-20-44 Improving Program Management*, corroborates the previous assertion that the PMI documents are consistent with widely accepted standards for program and project management (P/PM) planning and delivery.

It is telling that GAO was silent on EIA-748. I asserted that EIA-748 no longer meets the following Circular criteria:

1. ***Inconsistent with applicable law or otherwise impractical.***
2. ***“Impractical”*** includes circumstances in which such use would ***fail to serve*** the agency’s regulatory, procurement, or ***program needs***; be infeasible; be ***inadequate, ineffectual, inefficient, or inconsistent*** with the agency mission or the goals of using VCSs.
3. An agency should consider the problems addressed by the standard and ***changes in the state of knowledge and technology since the standard was prepared or last revised***;
4. Impractical includes circumstances in which such use would be ***less useful, than the use of another standard.***
5. The ***prevalence*** of the ***use*** of the standard in the national and international marketplaces.

GAO corroborates assertion 5 by stating that PMI documents are widely accepted standards for P/PM and utilized worldwide. Finally, GAO states that PMI standards are generally recognized as leading practices for P/PM and are approved by the American National Standards Institute (ANSI).

In contrast, EIA-748 was approved by SAE International (SAE) and is not ANSI-approved. SAE is the Society of Automotive Engineers. Per SAE, an SAE standard is a technical report, documentation of broadly accepted engineering practices or specifications for a material, product, process, procedure or test method.

Think about the SAE grade of your motor oil. Capital acquisitions that cost over \$100 M should be governed by a higher standard. Taxpayers deserve a higher standard.

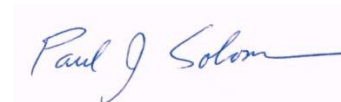
The approval of ANSI/PMI 19-006-2019 by ANSI and the citation of PMI standards by GAO provide evidence that the PMI documents meet the PMIAA criterion of being **widely accepted** and the OMB criterion, **prevalence of the use** of the standard in the national and international marketplaces. EIA-748 no longer meets those criteria or the other four criteria above.

Conclusion

To reiterate the previous conclusion, EIA-748 is a mid-20th Century relic which is ineffective and impractical. It is recommended that the *Capital Programming Guide* and federal regulations be updated to cite the PMI documents. Finally, the PMI documents should also be used as a source to develop P/PM training.

This letter and previous letters to you (Dec.4) and Asst. Secretary of Defense Kevin Fahey (Dec. 9) may be downloaded from www.pb-ev.com at the "Acquisition Reform" tab. The recommendation to use *PMBOK® Guide* in lieu of EIA-748 was first proposed in the article, "A Contract Requirement Rule for Program Managers," in *Defense AT&L Magazine*, November 2015. The article is available at the "Articles and Tutorial" tab.

Please contact me for additional information or support.



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cc:

Sen. Joni Ernst, SASC
Sen. Kamala Harris, Homeland Security and Governmental Affairs Committee
Mr. Kevin Fahey, Asst. Secretary of Defense for Acquisition, DOD
Yvonne D. Jones, GAO