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May 4, 2026

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

Subj: Expand Scope of Executive Order *Promoting...Performance in Federal Contracting*

Dear Hon. OMB Director Vought:

President Trump's Executive Order, *Promoting Efficiency, Accountability, and Performance in Federal Contracting*, April 30, 2026 (EO), falls short of the following objectives:

1. Utilize contracts that tie profit to performance-based metrics.
2. Use...performance-based incentives for contract deliverables.

Unfortunately, the EO is not applicable to contracts that involve research and development or pre-production development for major system acquisition. These development contracts often experience massive cost inflation and delays to deliver operational capability.

It is recommended that the EO be augmented with direction to:

1. Terminate the use of cost plus award fee (CPAF) contracts and require cost plus incentive fee (CPIF) contracts for these development programs.
2. Tie profit to performance-based metrics.

My letter to Rep. Adam Smith, Subj: *"We reward...process, not results" and Earned Value Management*, dated March 13, 2021, included justification in the following excerpt:

The larger problem is that we also reward contractors for process, not for results, on CPAF contracts...the *DoD Guidance on Using Incentive and Other Contract Types* states that the award fee should motivate "excellence in the areas of cost, schedule, and technical performance." However, DoD uses subjective award fee criteria that have nothing to do with excellent cost, schedule, or technical performance or with making real progress towards completing "a freaking product at the end of the day."

Recommendations in my letter to USW(R&E) Emil Michael, Subj: *Implementing EO Promoting Efficiency, Accountability, and Performance in Federal Contracting*, dated May 2, 2026, are applicable to all development contracts. Please advise Pres. Trump to revise the EO accordingly.

Yours truly,



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cc:

Hon. Dep. Sec. Feinberg

Hon. Adam Smith, HASC

Hon. Mike Rogers, HASC

Hon. Roger Wicker, SASC

Hon. SoN Hung Cao

Hon. Gen. Saltzman, U.S. Space Force

Hon. Dan Driscoll, Sec. of the Army

Anthony Capaccio, Bloomberg News

Hon. USW(A&S) Michael Duffey

Shelby Oakley, GAO

Hon. David Norquist NDIA

Hon. Troy Meink, Sec. of the AF

Hon. USW(R&E) Emil Michael

Hon. Pete Hegseth, Sec. of War

Hon. DoW CIO Kirsten Davies