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Mr. Shay D. Assad
Director, Defense Procurement & Acquisition Policy
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Ref:

1. CODSIA Letter, DoD Report to Congress on Implementation of Earned Value Management: Request for Industry Input
2. My letter, dated Sept. 23, 2009

Subj: Additional Recommendations regarding IBRs

Dear Mr. Assad:

My previous letter discussed deficiencies in the quality of EVM implementation and reporting, assessed CODSIA's response to the referenced letter, and provided recommendations for integrating technical performance with EVM. This letter provides additional recommendations regarding Integrated Baseline Reviews (IBR).

CODSIA IBR recommendations

CODSIA recommended the following:

- More focus be placed on funding of pre-award IBRs, to ensure that a contractors understand the program requirements and risks, and adequately estimate the cost and schedule required to execute them.



- The conduct of a post-award IBR to verify the established baseline is also an excellent method for determining program executability.
- Only then will a well-implemented EVMS enable the program manager to develop an achievable PMB; keep the effort on-track to meet the program's cost, schedule, and technical objectives; and provide management with timely, reliable, and actionable information if the objectives are not being met.

More post-award IBRs

I concur with CODSIA regarding the value of a single, post-award IBR. However, I also recommend that IBRs be conducted as part of the following major technical reviews:

- System Functional Review (SFR)
- Preliminary Design Review (PDR)
- Critical Design Review (CDR)

As CODSIA reported, EVMS cannot control cost growth unless requirements are clearly understood by the customer and contractor and requirements creep is controlled.

As discussed in my previous letter, the requirements are captured and communicated in the technical baselines. The technical baseline evolves and is better defined as a result of systems engineering activities, lessons learned, risks identified during requirements development, and trade studies. The technical baselines and the technical reviews that result in their approval follow.

Review	Baseline
SFR	Functional Baseline
PDR	Allocated Baseline
CDR	Product Baseline

Effective EVM implementation should objectively measure progress towards the plan to develop these baselines and to implement the Product Baseline.

IBR Success Criteria in DoD Guides

The Defense Acquisition Guide (DAG) already provides success criteria for the technical reviews which include typical IBR activities regarding program execution and risk, as follows.



Review	DAG Success Criteria
SFR	(4) Are the risks known and manageable for development? (5) Is the program schedule executable (technical/cost risks)? (6) Is the program properly staffed? (7) Is the program with the approved functional baseline executable within the existing budget?
PDR	(6) Are the risks known and manageable for development testing and operational testing? (7) Is the program schedule executable (technical/cost risks)? (8) Is the program properly staffed? (9) Is the program executable with the existing budget and with the approved system allocated baseline?
CDR	(5) Are adequate processes and metrics in place for the program to succeed? (6) Are the risks known and manageable for developmental testing and operational testing? (7) Is the program schedule executable (technical/cost risks)? (8) Is the program properly staffed? (9) Is the program executable with the existing budget and the approved product baseline? (10) Is the detailed design producible within the production budget?

A table that describes the technical baselines and a summary of technical success criteria per DAG and the *Defense Acquisition Program Support Methodology (DAPS)* is available at my website at <http://pb-ev.com/techbaseline.aspx> .

Recommendations

My previous letter stated that there is a deficiency in DFARS and the EVMS Standard. Neither require the contractor to integrate the EV PMB to the technical baseline or to link EV to technical performance. I recommended remedies that were presented at the DCMA EVM Center Conference.

Those remedies did not include conducting IBRs as part of the SFR, PDR, and CDR. I now recommend that these post-award IBRs be conducted concurrently with the approval of the maturing technical baselines.

Only then, as CODSIA states, “will a well-implemented EVMS enable the program manager to develop an achievable PMB; keep the effort on-track to meet the program’s cost, schedule, and technical objectives; and provide



management with timely, reliable, and actionable information if the objectives are not being met.”

Yours truly,
PS

Paul J. Solomon

Copy:
Dave Kester, DCMA