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April 16, 2010

The Honorable Ike Skelton, Chairman
House Armed Services Committee
2120 Rayburn House Office Building
Washington, DC 20515

Subject: Proposed Mark-up to H.R. 5013 regarding Contractor Earned Value Management

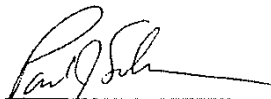
Dear Chairman Skelton:

I am pleased that H.R. 5013 (IMPROVE Acquisition Act of 2010), Sec. 101, includes measures of “contractor performance” in addition to measures of “cost, quality, and delivery.” However, the Act does not address the deficiency in current DoD guidance (Dept. of Defense Instruction 5000.02) and acquisition regulations (DFARS EVMS clause 252.234-7002(e)) regarding earned value management. Currently, contractors are required to report only cost and schedule performance in their Contract Performance Reports (CPR). They are not required to report quality performance in relation to an integrated plan.

Proposed specific remedies to these deficiencies were provided in my letter dated April 11, 2010. To provide legislative direction to the DoD that addresses these issues at a higher level, it is recommended that Sec. 106, Review of Defense Acquisition Guidance, be marked-up as follows:

Mark-up Sec. 106 (a) to add, “the extent to which earned value management provides valid and sufficient measures of contractor quality performance.”

As discussed previously, despite WSARA, neither the Contractors nor DoD have taken sufficient action to ensure that CPRs include measures of quality or technical performance.



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