Better Buying Power 3.0

Achieving Dominant Capabilities through Technical Excellence and Innovation
Better Buying Power Overview

• USD(AT&L) launched BBP in 2010 to restore affordability and productivity to Defense spending
• BBP 1.0 Directs us to utilize Best Practices
• BBP 2.0 Moves us to Critical Thinking and a culture of cost consciousness
• BBP 3.0 Emphasizes Better Products through innovation and technical superiority
Principles Suggested by 24 Acquisition Experts

- Principle 1: Continuous improvement will be more effective than radical change.

- Principle 2: Data should drive policy.

- Principle 3: Critical thinking is necessary for success; fixed rules are too constraining.

- Principle 4: Controlling life-cycle cost is one of our jobs; staying on budget isn’t enough.

- Principle 5: People matter most; we can never be too professional or too competent.

- Principle 6: Incentives work—we get what we reward.

- Principle 7: Competition and the threat of competition are the most effective incentives.

- Principle 8: Defense acquisition is a team sport.

- Principle 9: Our technological superiority is at risk and we must respond.

- Principle 10: We should have the courage to challenge bad policy.
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- Better Buying Power reflects the Department of Defense’s commitment to continuous improvement – making productivity and cost consciousness part of our culture.

- BBP 3.0 expands the focus to technical excellence and innovation. It builds on the previous BBP releases and includes all focus areas from BBP 2.0. The new release encompasses 34 initiatives organized into eight focus areas:
  - Achieve Affordable Programs
  - Achieve Dominant Capabilities While Controlling Lifecycle Costs
  - Incentivize Productivity in Industry and Government
  - Incentivize Innovation in Industry and Government
  - Eliminate Unproductive Processes and Bureaucracy
  - Promote Effective Competition
  - Improve Tradecraft in Acquisition of Services
  - Improve the Professionalism of the Total Acquisition Workforce
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**Achieve Affordable Programs**
- Continue to set and enforce affordability caps

**Achieve Dominant Capabilities While Controlling Lifecycle Costs**
- Strengthen and expand “should cost” based cost management
- Anticipate and plan for responsive and emerging threats by building stronger partnerships of acquisition, requirements, and intelligence communities
- Institutionalize stronger DoD level Long Range R&D Program Plans
- Strengthen cybersecurity throughout the product lifecycle

**Incentivize Productivity in Industry and Government**
- Align profitability more tightly with Department goals
- Employ appropriate contract types, but increase the use of incentive type contracts
- Expand the superior supplier incentive program
- Ensure effective use of Performance-Based Logistics
- Remove barriers to commercial technology utilization
- Improve the return on investment in DoD laboratories
- Increase the productivity of corporate IRAD

**Incentivize Innovation in Industry and Government**
- Increase the use of prototyping and experimentation
- Emphasize technology insertion and refresh in program planning
- Use Modular Open Systems Architecture to stimulate innovation
- Increase the return on and access to small business research and development
- Provide draft technical requirements to industry early and involve industry in funded concept definition
- Provide clear and objective “best value” definitions to industry

**Eliminate Unproductive Processes and Bureaucracy**
- Emphasize acquisition chain of command responsibility, authority, and accountability
- Reduce cycle times while ensuring sound investments
- Streamline documentation requirements and staff reviews
- Remove unproductive requirements imposed on industry

**Promote Effective Competition**
- Create and maintain competitive environments
- Improve DoD outreach for technology and products from global markets
- Increase small business participation, including through more effective use of market research

**Improve Tradecraft in Acquisition of Services**
- Strengthen contract management outside the normal acquisition chain – installations, etc.
- Improve requirements definition for services
- Improve the effectiveness and productivity of contracted engineering and technical services

**Improve the Professionalism of the Total Acquisition Workforce**
- Establish higher standards for key leadership positions
- Establish stronger professional qualification requirements for all acquisition specialties
- Strengthen organic engineering capabilities
- Ensure development program leadership is technically qualified to manage R&D activities
- Improve our leaders’ ability to understand and mitigate technical risk
- Increase DoD support for STEM education

Ideas retained from BBP 2.0 and/or BBP 1.0
New in BBP 3.0

Continue Strengthening Our Culture of:
Cost Consciousness, Professionalism, and Technical Excellence
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Achieving Dominant Capabilities through Technical Excellence and Innovation

1. Achieve Affordable Programs
   • Continue to set and enforce affordability caps

2. Achieve Dominant Capabilities While Controlling Lifecycle Costs
   2.1 Strengthen and expand “should cost” based cost management

   2.2 Anticipate and plan for responsive and emerging threats by building stronger partnerships acquisition, requirements, and intelligence communities. (We must be aware and responsive to changes in the threat. The acquisition, intelligence, and requirements communities must work together to ensure threat information is identified and provided throughout the product lifecycle.)

   2.3 Institutionalize stronger DoD level Long Range R&D Program Plans
      (Study and prioritize various technologies to provide enduring advantage to US forces.)

2.4 Strengthen cybersecurity throughout the product lifecycle. (All our efforts to improve technological superiority will be in vain if we do not provide effective cybersecurity throughout the product lifecycle.)
Affordability and Should Cost

- **Affordability** consists of setting cost targets consistent with resource constraints – program scope may be altered.

- **Should-cost** targets are based on efficiencies – not scope changes – and generally refer to the way work is performed (e.g. common parts buys, process changes, accelerated orders).

- **Should Cost Management** involves continuous scrutiny of all cost elements, such as challenging assumptions, dissecting overhead and indirect costs, and appropriate cost incentives.

*BBP Should Cost is not the pre-contract Should Cost described in FAR 15.407-4 & DFARS 215-407-4*
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3. Incentivize Productivity in Industry and Government
   3.1 Align profitability more tightly with Department goals

3.2 Employ appropriate contract types, but increase the use of incentive type contracts (CPIF and FPIF contracts are highly correlated with better cost and schedule performance.)

3.3 Expand the superior supplier incentive program (We will not implement a DoD-level SSIP, but rather will implement Service-specific SSIPs.)

3.4 Ensure effective use of Performance-Based Logistics

3.5 Remove barriers to commercial technology utilization (Understand the barriers that exist and find ways to reduce or remove them)

3.6 Improve the return on investment in DoD laboratories (We must increase the ROI of these facilities)

3.7 Increase the productivity of corporate IRAD (>4B annually; This initiative will improve communication between DoD and industry and restore a higher degree of government oversight of this investment.)
Employ Appropriate Contract Types

Risk Considerations

Cost Reimbursement

Greater Risk to the Contractor

Greater Risk to the Government

Factors to Consider in Selecting Contract Type

- Price Competition
- Complexity of the requirement
- Urgency of the requirement
- Period of Performance (e.g. Prod Qty)
- Technology Maturity

- Adequacy of the contractor’s accounting system
- Concurrent contracts
- Extent and future of subcontracting opportunities
- Acquisition history

Vague technical requirements; labor and material costs uncertain

Technical requirements, labor, material, and production capability stable; fair & reasonable prices determinable

CPAF*  CPFF  CPIF  FPI (F)  FPAF  FFP (not all inclusive)

* - Use of CPAF requires extreme justification, to include lack of any objective criteria for incentive
Ensure Effective use of Performance-Based Logistics (PBL)

Where Do We Stand?
- < 5% of DoD systems, sub-systems and components covered by a PBL
- High Sustainment Costs – Financial incentives not aligned to life cycle affordability
- Dismal Reliability for Transactional Sustainment – Availability Impacted

What’s in BBP 3.0?
- PBL Requirement is a continuation of BBP 2.0 to “Increase Effective use of Performance-Based Logistics (PBL)”
  - Why? PBL delivers readiness at reduced cost by incentivizing productivity in industry and government
  - How? PBLs deliver performance versus parts

DASD(MR) Proof Point Study (Nov 2011)
- Properly structured and executed, PBLs reduce cost per unit-of-performance while driving up system, sub-system and component readiness
- Average annual savings for programs with generally sound adherence to PBL tenets is 5-20% over the life of the PBL arrangement compared to transactional support
- Annual DoD Logistics Spending is ~ $157.6B* and growing!
  - $74.8 B in maintenance
  - $73 B in supply
  - $21.7 B in transportation

* FY13 expenditure

These are the primary areas PBL can improve
Remove barriers to commercial technology utilization

https://acc.dau.mil/csci
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4. **Incentivize Innovation in Industry and Government**

4.1 Increase the use of prototyping and experimentation

4.2 Emphasize technology insertion and refresh in program planning (design our acquisition programs plans to support technology refresh cycles on a more frequent time scale)

4.3 Use **Modular** Open Systems Architecture to stimulate innovation

4.4 Increase the return on and access to small business research and development (ensure DoD makes it as easy as possible for small businesses to work with DoD)

4.5 Provide draft technical requirements to industry early and involve industry in funded concept definition (DoD needs to communicate with industry as much as possible up until the final RFP is released.)

4.6 Provide clear and objective “best value” definitions to industry (provide industry with info on the monetary value of performance that exceeds the minimally acceptable or threshold levels)
Use of Best Value Source Selection

Provide Clear and Objective “Best Value” Definitions to Industry

- In LPTA source selection, no credit for exceeding minimum performance

- In tradeoff source selection, importance of evaluation factors varies but offerors don’t know how much more Gov’t will pay for exceeding minimum

- Value-Based Adjusted Pricing (VAP) Technique addresses this by identifying the “value” Gov’t places on above-minimum performance levels

- The Government determines affordability and worthiness of pursuing above-threshold requirements when developing the evaluation factors

- RFP identifies the price increase Government may be willing to pay for levels of performance between minimum and maximum criteria (e.g., probability of hit, specific operational ranges)
  - It’s a structured technique for objectivizing how requirements will be treated in tradeoff process and communicating that to offerors
  - No extra credit given for exceeding maximum performance level stated in RFP
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5. Eliminate Unproductive Processes and Bureaucracy

5.1 Emphasize acquisition chain of command responsibility, authority, and accountability

5.2 Reduce cycle times while ensuring sound investments
(New DoDI 5000.02 allows a high degree of tailoring to accept risk and reduce “time to market.” In addition, some of the successful rapid acquisition initiatives used to support ops in Iraq & Afghanistan will be integrated into our standard practices.)

5.3 Streamline documentation requirements and staff reviews (excessive management time is spent supporting staff reviews instead of focusing on program execution)

5.4 Remove unproductive requirements imposed on industry (We will establish a single threshold for both Earned Value Mgt compliance reviews and ongoing system surveillance at $100M)
6. Promote Effective Competition

6.2 Improve DoD outreach for technology and products from global markets

6.3 Increase small business participation, including through more effective use of market research
6.2: Improve DoD outreach for technology and products from global markets

Where Do We Stand?

• Great deal of today’s technical innovation are not located in the U.S.
• Allies, friends, and trading partners can assist us in pursuing innovation and technological superiority
• Increased investments in cooperative research, co-development, and co-production may provide better products for our warfighters at reduced cost
• DoD is extensively engaged in international cooperative program activities ranging from cooperative science and technology projects to the cooperative development of the F-35 Joint Strike Fighter.
• The current process through which the DoD manages acquisition programs does not draw out the full potential for international solutions
Promote Effective Competition

Summary 6.2 Improve DoD Outreach for Technology and Products from Global Markets

Initiative Objectives

• Establish a centralized process that provides awareness of global technology
• Improve workforce knowledge to enable greater awareness of foreign solutions and DoD processes
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Promote Effective Competition

Task 6.3 Increase small business participation, including through more effective use of market research

Initiative Objectives: In order to find and use more small businesses we must broaden the effective use of market research (MR)

Specific Actions:
A. Improve the Suite of MR tools
B. Assess the feasibility of regionalized MR
C. Assess the feasibility of a superior supplier program just for small business
D. Conduct more small business outreach events
E. Issue guidance on subcontracting surveillance
F. Improve tracking of small business subcontracting
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7. Improve Tradecraft in Acquisition of Services

7.1 Strengthen contract management outside the normal acquisition chain – installations, etc.

7.2 Improve requirements definition for services

7.3 Improve the effectiveness and productivity of contracted engineering and technical services (enterprise approaches for acquiring these engineering and technical services should be used to increase effectiveness, improve technical information management, and promote innovation and maintaining technical superiority)
Improve Tradecraft in Acquisition of Services

- DoD spent more than $156 billion in FY14, or said another way...

- More than 55% of DoD’s total contract obligations constituted buying contracted services; more than buying major weapons systems

- The problem is buying contract services does not have the structured governance and management oversight of the weapon systems acquisition process.
Adding Rigor in Service Acquisition

➢ To provide appropriate oversight for such a large component of its budget obligations, the DoD is implementing and executing a department-wide oversight structure for the management of contracted services requirements.
DAU Training and Tools

• Service Acquisition Mall (SAM) is a one-stop-shop to find the necessary elements (tools, examples, and samples) to create performance-based solutions for service acquisition requirements.

• Acquisition Requirements Roadmap Tool (ARRT) Suite is a collection of tools that help organizations build strategic elements of their acquisition documents.
  – ARRT walks users through structured processes and prompts that help users to ask and answer the right questions related to their acquisitions.
  – The ARRT Requirements Definition is a tool used to write performance-based requirements following the Requirements Roadmap process. Using the tool, users create Performance Work Statements (PWS), Quality Assurance Surveillance Plans (QASP), and Performance Requirement Summaries (PRS).
SAM and ARRT

Acquisition Requirements Roadmap Tool (ARRT) Suite

http://sam.dau.mil/
DAU Training and Tools

- ACQ 265 - is designed for individuals who need to improve their skills in developing and defining service requirements…and may also serve as an opportunity for experienced acquisition personnel to improve their understanding of the Service Acquisition Process.

- CON 280 - The primary focus is on the acquisition of services under FAR Part 15 procedures, with an emphasis on performance-based acquisitions (PBA) for services, contract types, contract incentives, source selection, and contract administration.

- WSM 012 Service Acquisition Workshop (SAW) - 1 or 3-day workshops a facilitated workshop built around a specific acquisition and its multi-functional integrated process team (MFIPT).
Way Ahead

- BBP 3.0 continues the work begun under its predecessors by focusing effort on development of all services acquisition stakeholders, not just those under DAWIA.

- DoD is developing and disseminating training products and practical tools via a Services Acquisition Functional Integrated Product Team (FIPT) to support service acquisitions from requirements development to performance assessment.

- DoD is developing and disseminating training products and practical tools via a Services Acquisition Functional Integrated Product Team (FIPT) to support service acquisitions from requirements development to performance assessment and additional training is being developed:
  - The ARRT Evaluation Factors Tool (ARRT Suite)
  - Performance Management Tool (ARRT Suite)
  - IGE Tool (ARRT Suite)
  - CLM for 5000.AC
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8. Improve the Professionalism of the Total Acquisition Workforce
   8.1 Establish higher standards for key leadership positions (continuing effort)
   
   8.2 Establish stronger professional qualification requirements for all acquisition specialties

   8.3 Strengthen organic engineering capabilities (Can’t make decisions about technology if we don’t fully understand what is possible and how to achieve it)

   8.4 Ensure development program leadership is technically qualified to manage R&D activities (The Department must ensure that technically qualified leaders are available and assigned to managing our development programs.)

   8.5 Improve our leaders’ ability to understand and mitigate technical risk

   8.6 Increase DoD support for STEM education (This initiative focuses on developing the next generation of STEM professionals.)
Summary

- BBP 3.0 – More continuity than change, but there is a new emphasis on our products and their ability to provide military technological superiority

- Requires innovative and thoughtful planning and execution
  - Encourages the acquirer to creatively adapt to the specific circumstances of their program

- The theme that ties the content of BBP 3.0 together is an overriding concern that our technological superiority is at risk

- Our ability to utilize sources of innovation and technology effectively rests on the professionalism of our workforce
Back Up Slides
Defense Acquisition Portal (DAP) – DAU’s Online portal to Everything Acquisition, Better Buying Power, and DoD's online collaborative communities

BBP – Resources, Templates, Examples, References
Air Force Saves Money With Should-Cost

2/19/2015 - http://www.federalnewsradio.com

According to Dr. William LaPlante, Assistant Secretary of the Air Force for Acquisition, the Air Force has saved over $2 billion in program costs over the past few years by using "should-cost" management and expects to save even more in the future. The idea of "should-cost" management was described in DoD’s Better Buying Power program about five years ago. Read more>>
Examples from BBP 2.0
Implement “Should Cost” Based Management

Examples

- Use of traditional operations research methods to identify and prioritize cost reduction opportunities (AIM-9X Program)
  - Fishbone diagram to conduct root cause analysis and identify cost drivers
  - Combined Pareto and Business Case Analysis to identify and prioritize best cost reduction opportunities
  - Discrete Plan of Action and Milestones developed for each actionable cost reduction initiative
  - Establish measurable targets, consolidate into SC baseline, and monitor progress

- AIM-9X Active Optical Target Detector manufacturing improvements reduced unit production cost

- DDG 51 shifted from sole source to performance specification-based competition for Main Reduction Gear (MRG)

- Guided Multiple Launch Rocket System (GMLRS) bundled FY12 and FY13 procurements

- Stryker used a bundle buy concept to achieve economies of scale by combining order for 294 Double V-Hulls (FY11) with 100 NBCRVs (FY12)

- F-22 conducted Should Cost Reviews on vendor proposal to inform negotiations prior to major contract awards.
Best Value Example
Combat Rescue Helicopter

- Six objective requirements from previous CRH program were important enough to warrant pursuit during source selection.
- Affordability analysis proved that two of the six requirements would be too costly for any proposed platform; four objective requirements remained during the competitive process.
- The “Goal Factor” methodology was then applied to the RFP to let potential bidders know the specific value of the Goal Factor capabilities and that exceeding a goal or proposing unrequested capabilities would not be rewarded.

By clearly communicating Government objectives, offerors proposed higher capability solutions only on those objectives of value to the Government!
Best Value Example
KC-46 Tanker

- To focus potential offerors on the need for price competitiveness, the ‘core’ of the acquisition was based on pass-fail criteria applied to 372 mandatory mission capability requirements.
- Each offeror’s total proposed price was then adjusted by three factors in order to create an apples-to-apples comparison that included price, along with wartime effectiveness, and cost of ownership factors.
- Additional non-mandatory factors would only be used in the source selection only if the total evaluated prices were within one percent of each other.
- Emphasis on low price, adherence to mandatory requirements, and limited consideration of non-mandatory aspects of offerors’ proposals:
  - Evaluation strategy based on objective evaluation of criteria.
  - Evaluation criteria “crystal clear” -- each offeror knew what it took to win.

Objective criteria, reflecting factors of importance to the Government, and clearly communicated to industry, allowed the source selection team to select the offeror with the lowest evaluated price with meaningful value to the Government.
PBL Success Stories

Figure 1. Examples of PBL Cost Benefits

<table>
<thead>
<tr>
<th>Program</th>
<th>System Description</th>
<th>PBL Owner</th>
<th>Total Cost Benefit ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-17</td>
<td>transport aircraft</td>
<td>Air Force</td>
<td>$477</td>
</tr>
<tr>
<td>F/A-18</td>
<td>fighter/attack aircraft</td>
<td>Navy</td>
<td>$688</td>
</tr>
<tr>
<td>AH-64</td>
<td>attack helicopter</td>
<td>Army</td>
<td>$100</td>
</tr>
<tr>
<td>TOW-ITAS</td>
<td>integrated mobile missile and targeting system</td>
<td>Army</td>
<td>$350</td>
</tr>
<tr>
<td>Sentinel AN/MPQ-64</td>
<td>mobile air defense radar</td>
<td>Army</td>
<td>$302</td>
</tr>
<tr>
<td>CH-47 (UK)</td>
<td>cargo helicopter</td>
<td>UK Ministry of Defence</td>
<td>$250</td>
</tr>
</tbody>
</table>

• All DoD Components seeing improvements
• Improvements are contract incentivized and continue over life of program

Figure 2. Examples of PBL Performance Benefits

<table>
<thead>
<tr>
<th>Program</th>
<th>System Description</th>
<th>PBL Owner</th>
<th>Availability Improvement</th>
<th>Cycle Time Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>F/A-18</td>
<td>fighter/attack aircraft</td>
<td>Navy</td>
<td>23%</td>
<td>-74%</td>
</tr>
<tr>
<td>Tires</td>
<td>aircraft tires</td>
<td>Navy</td>
<td>17%</td>
<td>-92%</td>
</tr>
<tr>
<td>F-22</td>
<td>fighter</td>
<td>Air Force</td>
<td>15%</td>
<td>-20%</td>
</tr>
<tr>
<td>UH-60 Avionics</td>
<td>utility helicopter</td>
<td>Army</td>
<td>14%</td>
<td>-85%</td>
</tr>
<tr>
<td>F404 Engine</td>
<td>jet engine for the F/A-18 aircraft</td>
<td>Navy</td>
<td>46%</td>
<td>-25%</td>
</tr>
</tbody>
</table>

1. Ready for tasking, operational readiness, mission capable, etc.
2. Logistics response time or repair turnaround time

Source: Defense AT&L, Jan – Feb 2009

• More than 10 years of documented evidence now exists for PBL contracts
• Improvements are significant, not just a few percentage points
Example of Data Rights Success: ONR SEWIP

- Multi-Function Electronic Warfare (MFEW) prototyped by Office of Naval Research (ONR)

- ONR asserted Government Purpose Rights (GPR) on most hardware and software

- Surface Electronic Warfare Improvement Program (SEWIP)
  - Productionized MFEW
  - Provided MFEW GPR data as GFI with the RFP

- SEWIP RFP required priced option for data and data rights and included evaluation criteria on that option in the RFP

- Result: All offerors addressed data rights

- Some IRAD development offered as GPR by contractor

Government obtained a better price and performance by getting GPR rights very early in development and competitively priced data rights options in the production contract - before sole-source environment
Example of Open Systems Architecture Success: Anti-Submarine Warfare’s (ASW) Advanced Processing Build/Acoustic-Rapid COTS Insertion /Tactical Control System Programs

- **Performance**
  - Continuous competition yields best-of-breed applications (Better Quality Solutions/Capabilities)
  - Able to focus on war-fighter priorities

- **Schedule**
  - System integration of OA compliant software happens quickly
  - Rapid update deliveries driven by user operational cycles (tailored for war-fighter)

- **Cost avoidance mechanisms** ~$500M for ASW programs
  - Software – develop once, use often, upgrade as required
  - Hardware – use high volume COTS products at optimum price points
  - Training systems use same tactical applications and COTS hardware
  - Design for Maintenance Free Operating Periods (MFOP)
    - Install adequate processing power to support “failover” w/o maintenance
    - Schedule replacement with improved COTS vice maintaining old hardware
    - Reduced maintenance training required
  - Consolidate Development and Operational Testing for reused applications

- **Risk reduction**
  - Field new applications only when mature
  - Don’t force the last ounce of performance
    - Deploy less (but still better than existing) performance or wait until next update
Success Story - AIM-9X Block II

- Applied traditional operations research methods to identify and prioritize cost reduction opportunities
  - Fishbone diagram
  - Pareto Analysis
  - Plan of Action and Milestones
  - Establish measurable targets
  - Monitor progress
- Accelerated production deliveries
- Leveraged FMS for EOQ buys
- Active Optical Target Detector manufacturing improvements

Realized savings: $21M for Lot 11
Projected savings: $82M (FY11-15); $595M over program of record
Success Story – F-22

- Conducted Should Cost analysis to inform negotiations prior to major contract award
  - Early validation tests enabled less oversight of sub-contractor development
  - Proposal SW development hours challenged based on contractor’s advanced capability, process, and language experience
  - Number of contract vehicles reduced (i.e. CLINS, DO’s, etc.)
  - Implemented defined promotion criteria for tests passed, requirements met, and number of known defects before code is promoted across phases and locations

*Savings applied to Life Support System and Auto-Ground Collision Avoidance System unfunded requirements

Projected savings: $32M for Increment 3.2A (negotiated CPIF contract price compared to Will Cost)*
Success Story - GMLRS
Guided Multiple Launch Rocket System

- Bundled FY12 and FY13 procurements
  - Leveraged total quantities instead of independent annual quantities
  - Extending cost / pricing data through 31 Dec allowed PMO to execute FY13 procurement through contract mod to FY12 contract
    - Mod repriced FY12 FRP 7 Unitary rocket cost from $99.4K to $92.6K per rocket—a ~$23M savings in FY12
    - Mod avoided significant cost increase due to lower quantities in a FY13 stand alone contract—cost avoidance of ~$29.3M

- Alternative Warhead Should Cost approaches
  - Implemented test efficiencies
  - Shortened development schedule by 16 months (~32%)
  - Used rockets from inventory to build test articles
  - Aggressive contract negotiations

Realized savings: ~$52.3M for bundled procurements; ~$33.6M for Alternative Warhead Should Cost savings
Success Story - Stryker

- **Bundle buy concept**
  - Achieved economies of scale by combining order for 294 Double V-Hulls (FY11) with 100 NBCRVs (FY12)
  - Required senior leader authority to purchase on tight timeline

- **Test cost efficiencies**
  - Utilize existing test data
  - Combine test events

**Realized savings:** ~$18M bundle-buy; ~$7.7M test efficiencies (FY12)