



2013
DAVID PACKARD
EXCELLENCE IN ACQUISITION
AWARD CEREMONY

NOVEMBER 25, 2013



**Message from the Under Secretary of Defense
for Acquisition, Technology and Logistics**



On behalf of our Deputy Secretary of Defense, the Honorable Ashton Carter, welcome to the 2013 David Packard Excellence in Acquisition Award Ceremony. The Packard Award is the premier acquisition program award within the Department. This award recognizes organizations and teams that have succeeded at improving the efficiency and productivity of the Department. This year's winners have demonstrated superior program management in successfully executing many of the Better Buying Power acquisition efficiency initiatives.

We are truly honored to have the Honorable Ashton Carter host today's ceremony. His presence is an indication of how extremely important continuous process improvement is to the Department and how personally committed he is to institutionalizing cost consciousness and continuous productivity improvement within our culture.

The significant achievements of our four Packard award winners--the HC/MC-130J Program team, the Air and Missile Defense Radar team, the Joint Light Tactical Vehicle team, and the Defense Information Technology Contracting Organization/Air Force National Capital Region-Information Technology team--are examples of what we can accomplish. We can change how we do business to obtain greater efficiency and productivity in defense spending. Each of these teams took this mandate to heart, with the taxpayers and our Warfighters the true beneficiaries of their outstanding efforts.

Congratulations to the winners, as well as all the nominees, for this prestigious award. The people we are recognizing here today are standout performers, but there are many more outstanding acquisition professionals dedicated to our mission and contributing to our national security, and we salute you all.



Frank Kendall



Packard Award Ceremony

November 25, 2013

National Anthem

Welcome

The Honorable Frank Kendall
Under Secretary of Defense
for Acquisition, Technology and Logistics

Remarks

The Honorable Ashton B. Carter
Deputy Secretary of Defense

Presentations

Light refreshments will be served immediately following the ceremony



USD(AT&L)
**David Packard
Excellence in
Acquisition**

The David Packard Excellence in Acquisition Award was established to recognize organizations, groups, and teams who have demonstrated exemplary innovation using best acquisition practices that achieve acquisition excellence in the Department of Defense. It is the Department's highest acquisition team award and was first awarded in 1997 in honor of David Packard, a former Deputy Secretary of Defense during the Nixon Administration. Mr. Packard was also the co-founder and chairman of the Hewlett-Packard Company and chairman of the President's Blue Ribbon Commission on Defense Management chartered by Ronald Reagan in 1985. He founded the Defense Systems Management College in 1971 and was a strong advocate of excellence in the defense acquisition practices.

David Packard Excellence in Acquisition Award

The David Packard Excellence in Acquisition Award recognizes teams that have demonstrated superior program management and accomplishment in the successful execution of one or more of the Better Buying Power efficiencies and associated initiatives. The principles of acquisition excellence and exemplary innovation using the best acquisition practices remain fundamental to the Packard Award.

The specific Better Buying Power efficiency areas and associated initiatives are as follows:

Achieve Affordable Programs

- Mandate affordability as a requirement
- Institute a system of investment planning to derive affordability caps
- Enforce affordability caps

Control Costs Throughout the Product Lifecycle

- Implement "should cost" based management
- Eliminate redundancy within warfighter portfolios
- Institute a system to measure the cost performance of programs and institutions and to assess the effectiveness of acquisition policies
- Build stronger partnerships with the requirements community to control costs
- Increase the incorporation of defense exportability features in initial designs

Incentivize Productivity & Innovation in Industry and Government

- Align profitability more tightly with Department goals
- Employ appropriate contract types
- Increase use of Fixed Price Incentive contracts in Low Rate Initial Production
- Better define value in “best value” competitions
- When Lowest Price Technically Acceptable is used, define Technically Acceptable to ensure needed quality
- Institute a superior supplier incentive program
- Increase effective use of Performance-Based Logistics
- Reduce backlog of DCAA Audits without compromising effectiveness
- Expand programs to leverage industry’s IR&D

Eliminate Unproductive Processes and Bureaucracy

- Reduce frequency of higher headquarters level reviews
- Re-emphasize AE, PEO and PM responsibility, authority, and accountability
- Reduce cycle times while ensuring sound investment decisions

Promote Effective Competition

- Emphasize competition strategies and create and maintain competitive environments
- Enforce open system architectures and effectively manage technical data rights
- Increase small business roles and opportunities

- Use the Technology Development phase for true risk reduction

Improve Tradecraft in Acquisition of Services

- Assign senior managers for acquisition of services
- Measure productivity using the uniformed services market segmentation
- Improve requirements definition/prevent requirements creep
- Increase small business participation, including through more effective use of market research
- Strengthen contract management outside the normal acquisition chain – installations, etc.
- Expand use of requirements review boards and tripwires

Improve the Professionalism of the Total Acquisition Workforce

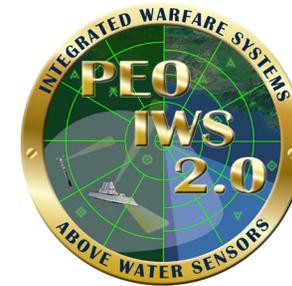
- Establish higher standards for key leadership positions
- Establish increased professional qualification requirements for all acquisition specialties
- Increase the recognition of excellence in acquisition management
- Continue to increase the cost consciousness of the acquisition workforce – change the culture

2013 David Packard Award Winner



The HC/MC-130J Program Team is presented the David Packard Excellence in Acquisition Award for its innovative Recapitalization program to procure 131 aircraft for Air Combat Command and Air Force Special Operations Command. The team paved a path to affordability by agreeing on threshold requirements common to both special operations forces and personnel recovery missions, allowing a shared HC/MC 130 production configuration. The program also chose to integrate mature technologies with a proven airframe and production line. This approach kept the development funding requirement 9 percent below its \$148 million objective and unit cost 5 percent below its \$105 million objective. The HC/MC-130J also lowered operating costs relative to legacy aircraft by 16 percent, or nearly \$2 million per aircraft per year, thus yielding a Total Ownership Cost \$2 billion below its \$14 billion objective. In addition, by exploiting commonality with other C-130J variants to further control lifecycle cost, the team produced \$28 million in quantity discounts and minimized HC/MC-unique depot costs to under \$25 million. Further, through the application of stringent Should Cost contract management, including negotiating prices to well below budgets and minimizing the use of change orders, the team saved an additional \$283 million. These cost-saving initiatives, coupled with a highly successful integrated developmental and operational testing program that reduced the duration of Initial Operational Test and Evaluation by 1 month, produced outstanding value for the 29 aircraft delivered to date. In a 2-month pre-operational deployment with United States Southern Command, the MC-130J maintained a 98.4 percent mission capable rate, resulting in the Air Force Special Operations Command Commander calling the MC-130J the best plane the command has ever flown, indicating the HC/MC-130J team's success in supporting warfighter needs.

2013 David Packard Award Winner



The Air and Missile Defense Radar (AMDR) team is presented the David Packard Excellence in Acquisition Award for its exemplary execution of cost saving and risk reduction initiatives in the pre-Engineering, Manufacturing and Development (EMD) phase of this mission-critical Major Defense Acquisition Program. Through the application of Should Cost management activities, the team secured \$271 million savings from FY 2012 – FY 2018 as well as reduced Program Acquisition Unit Cost from \$714 million at Milestone A to \$284 million at Milestone B without significant capabilities impact. Furthermore, in using multiple Fixed Price Incentive Firm Target contracts for competitive Technology Development phase prototyping, the team incentivized its contractors' continual improvement of their key Line Replaceable Units' (LRU) designs, which were so successful that the AMDR team was able to justify LRU basis of estimate refinements that decreased the program's Average Procurement Unit Cost by more than \$100 million from Milestone A. This reduction, combined with the challenging of other assumptions in the cost estimate, reduced AMDR's Operation and Support cost per system per year by more than 50 percent. In addition, AMDR's EMD Acquisition Strategy, which called for Low Rate Initial Production (LRIP) to be executed as a series of options to the EMD contract, encouraged competing Contractors to offer the Navy the best possible pricing on the EMD phase and LRIP. It likewise provided a highly structured, controllable incentives program that will mitigate EMD risks and ensure AMDR meets the DDG 51 Flight III program's In Yard Need Date. Lastly, the incorporation of a second source strategy in the Request for Proposal will allow key assemblies of the radar to be procured from multiple suppliers, ensuring competition in the production phase. Through its efforts, the AMDR team is ensuring that the integrated air and missile defense requirements for multiple ship classes will be fulfilled, providing multi-mission capabilities that support long range detection, tracking and discrimination of ballistic missiles, as well as Area and Self Defense against air and surface threats.

2013 David Packard Award Winner



The Joint Light Tactical Vehicle (JLTV) team is presented the David Packard Excellence in Acquisition Award for its cost-saving efforts during the Technology Development phase of the JLTV program to address force protection, mobility, payload, rotary-wing transportability, and reliability capability gaps in the Army and Marine Corps light tactical vehicle fleets within affordability constraints. By incorporating early investment planning in the Technology Development phase to derive an affordability cap based on what the Services could afford, the Average Unit Manufacturing Cost and Average Procurement Unit Cost targets were fully established and embraced by both program offices and combat development partners, and were codified in the Milestone B Acquisition Decision Memorandum. Exercising a rigorous and innovative requirements management and analysis planning process to scrutinize every proposed requirement change and better understand the associated trade-offs, the JLTV team reduced the Average Unit Manufacturing Cost from over \$600,000 to under \$250,000, thereby creating a potential savings to the Services of over \$19 billion in planned procurement funding without sacrificing required capabilities. In addition, by implementing a very detailed and thorough Should Cost-based management approach, the team was able to conclude the remaining Technology Development phase activities \$3.7 million under budget, without degradation in effective competition. Finally, the team was able to revise the cost plus contracting strategy to firm-fixed price by embracing a commercial off-the-shelf (COTS)-based strategy, which reduced vendor risk by providing stable and prioritized requirements up-front and authorizing trades among requirements to maximize capability and functionality within the cost targets. The adoption of the COTS-based strategy allowed the team to streamline the acquisition strategy and reduce the Engineering Manufacturing and Development (EMD) phase schedule from 48 to 33 months, lowering development costs by over \$400 million in the process. Through these initiatives, the team received full funding certification and was able to award three competitive prototyping contracts for the EMD phase, which is on-track to deliver a highly mobile light tactical vehicle that incorporates increased survivability, payload, transportability, and reliability to our Warfighters.

2013 David Packard Award Winner



The Defense Information Technology Contracting Organization and Air Force's National Capital Region-Information Technology Team, is presented the David Packard Excellence in Acquisition Award for its exemplary, cost-saving program to quickly respond to real-world needs for scalable Information Technology Services and Help Desk Support. The team structured the AF NCR-IT program with agility to rapidly adapt to changes in support levels resulting from sequestration, mission migration and mission ramp-up. Through multiple levels of scalable support, the Air Force pays only for the level of service required at the user level. A unique tiered pricing approach for seat management further offers volume discounts at four distinct quantity levels. The tiered pricing approach combines a variable fixed unit per seat price, with the ability to rapidly respond to fluctuations in the number of seats, both increases and decreases. This pricing structure, combined with an innovative economic price adjustment feature, resulted in savings of over 468 million dollars over estimates derived from the predecessor contract. The contract was competitively awarded with a significant portion of the overall requirement set aside for small business. A unique mix of short and long-term incentives motivates the contractor to provide quality service day-to-day, as well as to seek ways to control and reduce costs and improve efficiency. Excellent performance results in up to a 5 percent monthly cash incentive, and annual contractor proposals on feasible ways to reduce costs contribute to potential contract extensions through award terms and contract options. The AF NCR-IT contract will provide Air Force members in the National Capital Region, from civilians and young airmen up to the highest-ranking general officers and political appointees, with affordable, quality IT service for years to come.

Previous David Packard Award Winners 2012–2008

2012

The Project Manager Combat Ammunition Systems Team
(U.S. Army)

The DDG 51 Shipbuilding Program Office
(U.S. Navy)

2011

5.56mm M855A1 Enhanced Performance Round Integrated Produce Team
(U.S. Army)

PM Stryker Double V Hull
(U.S. Army)

Personal Signature Management Jointly Integrated Acquisition Task Force Team
(USSOCOM)

V-22 Cost per Flight Hour Reduction Team
(U.S. Navy)

2010

The Combined Enterprise Regional Information Exchange System-International Security Assistance Force (CX-I) Team
(U.S. Army)

The F-35 Radar Electronic Protection (EP) Team
(U.S. Navy)

The Aegis Readiness Assessment Vehicle Team
(Missile Defense Agency)

2009

Mine Resistant Ambush Protected All Terrain Vehicle Source Selection Evaluation Board
(U.S. Army)

Project Manager – Mobile Electric Power
(U.S. Army)

PMS 408 Joint Counter Radio-Controlled Improvised Explosive Device Warfare
(U.S. Navy)

708th Armament Systems Group
(U.S. Air Force)

2008

Joint Mine Resistant Ambush Protected Vehicle Program
(U.S. Air Force)

Virginia Class Submarine Program
(U.S. Air Force)

Standoff Precision Guided Munition Quick Reaction Capability Team
(USSOCOM)

Electronic Countermeasures Team
(USSOCOM)

Previous David Packard Award Winners 2007–2004

2007

The Mobile Electric Power Integrated Product Team of Marine Corps Systems Command
(U.S. Marine Corps)

The Ohio Class SSGN Conversion, Delivery, Modernization, and Test Team
(U.S. Navy)

The Defense Energy Support Center's (DESC) Operation Iraqi Freedom (OIF) Bulk Helium Support Team
(Defense Logistics Agency)

The Government Fuel Card Program Team
(Defense Logistics Agency)

2006

The Office of Project Manager, Close Combat Systems (PM CCS)
(U.S. Army)

Project Manager, Infrared Countermeasures (PM IRCM)
(U.S. Army)

The EA-6B Improved Capability (ICAP) III and EA-18G Program Teams
(U.S. Navy)

Defense Energy Support Center Hydrazine Acquisition Team
(Defense Logistics Agency)

2005

44mm Grenades Team
(U.S. Army)

The Joint Standoff Weapons (JSOW) IPT
(U.S. Navy)

Deployable Joint Command and Control Program Team
(U.S. Navy)

2004

B-2 Total System Support Partnership Team
(U.S. Air Force)

The 374th Contracting Squadron Government Purchase Card Team
(U.S. Air Force)

Department of Defense EMALL Team
(Defense Logistics Agency)

Previous David Packard Award Winners 2003–2000

2003

Special Operations Craft Riverine (SOCR)
(U.S. Special Operations Command)

Joint Direct Attack Munition (JDAM) Joint Project Office
(U.S. Navy/U.S. Air Force)

Joint Services of Family Decontamination Systems
(U.S. Navy)

Passive Attack Weapon Program Quick Reaction Capability Team
(U.S. Air Force)

2002

Multi-role Anti-armor Anti-personnel Weapon System
(U.S. Special Operations Command)

Theater High Altitude Area Defense Logistics Team
(Missile Defense Agency)

Geosynchronous Lightweight Technology Experiment Program Office
(National Reconnaissance Office)

Pentagon Renovation
(Washington Headquarters Services)

Joint Biological Point Detection System
(U.S. Army)

2001

Small Computer Program
(U.S. Army)

Strategic Sourcing Program Team
(Defense Logistics Agency)

CAD/PAD Program Team
(U.S. Navy)

Joint Surveillance Target Attack Radar (JSTARS) Future Support Team
(U.S. Air Force/DCMA/NGC)

2000

Relay Satellite Team
(National Reconnaissance Office)

Medium Tactical Vehicle Replacement Team
(U.S. Army)

Weapons System MARK 46 Development Team
(U.S. Marine Corps)

Previous David Packard Award Winners 1999–1997

1999

Evolved Expendable Launch Vehicle (EELV) System Program Office
(U.S. Air Force)

**Assault Amphibious Vehicle (AAV) Reliability and Maintainability/
Rebuild to Standard Team**
(U.S. Marine Corps)

Joint Program Office, Biological Defense Portal System Team
(U.S. Army)

**Defense Contract Management Command,
St. Louis Plant Clearance Team**
(Defense Logistics Agency)

437th Airlift Wing Hunley Park Housing Renovation Team
(U.S. Air Force)

1998

Advanced Amphibious Assault Vehicle Program Team
(U.S. Navy/U.S. Marine Corps)

Purchase Card Program Team
(U.S. Army)

Integrated Program Management Initiative Joint Team
(Office of the Secretary of Defense)

Attack Submarine Program Office
(U.S. Navy)

1997

The Joint Strike Fighter Program's PM IPT
(Office of the Secretary of Defense)

The Special Operations Forces Intelligence Vehicle PM IPT
(U.S. Special Operations Command)

The Construction Flight Working Group
(U.S. Air Force)

**The Multifunctional Information Distribution System Program
Office's Communications-Computer Systems Integrated Product Team**
(Office of the Secretary of Defense)



"As the Department of Defense continues to strive to increase the efficiency with which we support our troops, I continue to be amazed by the tremendous professionalism, ingenuity, and capability of our acquisition workforce who help make this happen."

Frank Kendall
Under Secretary of Defense
for Acquisition, Technology and Logistics



**SUPPORTING THE WARFIGHTER,
PROTECTING THE TAXPAYER**

