

***David Packard  
Excellence in Acquisition  
and  
Should Cost and Innovation  
Awards Ceremony***

*February 19, 2016*



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



On behalf of our Secretary of Defense, the Honorable Ash Carter, welcome to the 2015 David Packard Excellence in Acquisition and the Should Cost and Innovation Awards Ceremony. The Packard Award is the premier acquisition program award within the Department and recognizes organizations and teams that have as their focus acquisition excellence and greater efficiency and productivity. This year's winners have demonstrated superior program management and accomplishment in the successful execution of one or more of the Better Buying Power (BBP) efficiencies and associated initiatives. In addition, the teams recognized for the Should Cost and Innovation award specifically targeted opportunities for real program cost savings—savings that can be used for reinvestment where most needed in the acquisition of products and services to provide more capability to the Warfighter.

We are truly honored to have Secretary 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 the principles of BBP, which he launched in 2010 while the Under Secretary of Defense for Acquisition, Technology, and Logistics. This includes his strong support for the BBP 3.0 initiatives, which we released last year, to continue our progress in acquisition excellence and to help ensure the United States' technological superiority well into the future.

The significant achievements of our three Packard Award winners, the Space Based Infrared System Geostationary Earth Orbit 5/6 team, the Ground/Air Task Oriented Radar Team, and the Joint Program Office Joint Light Tactical Vehicles Team, as well as our two Should Cost and Innovation Award winners, the Air Force Materiel Command's Armament Directorate and the E 2/C-2 Airborne Tactical Data System Program Office, are proof of the tremendous strides we continue to make in changing how we do business to obtain greater efficiency and productivity. 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 these prestigious awards. The people we recognize here today are the cream of the crop, but we are also fortunate to have many more outstanding professionals dedicated to our mission and contributing to our national security.

Frank Kendall

A handwritten signature in black ink, appearing to read "Frank Kendall", written in a cursive style.



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**National Anthem**

*Welcome*

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

*Remarks*

**The Honorable Ash Carter**  
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 3.0 efficiency areas and associated initiatives are as follows:

## **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 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

## **2015 David Packard Award Winner**



***The Space Based Infrared System Geostationary Earth Orbit 5/6 team*** at the Space and Missile Systems Center is presented the David Packard Excellence in Acquisition Award for implementing numerous Better Buying Power and Should Cost initiatives to award the 2.4 billion dollars two-satellite block buy, saving over one billion dollars from initial cost estimates. Less than a year later the team awarded a technology refresh engineering change to completely modernize the satellite's avionics, power, and propulsion systems and introduce game-changing modular designs and flexible payload interfaces. Awarding the change at no additional cost to the U.S. Air Force, the team further obtained multiple launch vehicle capabilities to support new competition within the launch enterprise, merged standards to promote greater commonality with commercial technologies, leveraged over 200 million dollars of the contractor's Independent Research and Development, and obtained essential data rights to introduce effective future competition in the Space Based Infrared System program. Additionally, as part of the restructured business deal, the team reduced the Government's cost liability by 90 million dollars through a five percent reduction of the contract ceiling. The team's tremendous efforts set the stage to meet the program's Bending the Cost Curve objective of 30 percent savings on the next satellite buy.

## 2015 David Packard Award Winner



*The Ground/Air Task Oriented Radar Team* is presented the David Packard Excellence in Acquisition Award for displaying outstanding acumen and adherence to the best practices of Better Buying Power while managing a technically complex program within demanding cost, schedule and performance requirements. Their efforts culminated in the development of one of the first ground mobile, air cooled, AESA radars in the United States inventory, employing the very latest in T/R module technology that provides improved overall performance at a lower cost. The investment in Gallium Nitride High Power Amplifiers has contributed substantially to the affordability of the G/ATOR Program by introducing an approximate 2 million dollar per unit cost avoidance, a positive affordability attribute in a demanding budgetary environment. Their relentless determination has improved system performance and reliability, while simultaneously driving cost out of the program, generating total savings in excess of 334 million dollars.

## 2015 David Packard Award Winner



*The Joint Program Office, Joint Light Tactical Vehicles* is presented the David Packard Excellence in Acquisition Award for its implementation and management of a three vendor competitive Engineering and Manufacturing Development phase under a Firm Fixed Price contract, which paved the way for future large acquisition programs to manage cost while delivering maximum performance to the Warfighter. Their innovative Acquisition Strategy incentivizes maximum small business participation in the acquisition and will likely achieve a higher level of involvement than any previous ACAT 1D program. The tradeable requirements strategy coupled with cost based contract deliverables allowed the Joint Program Office to validate that meeting performance objectives was possible within the very aggressive 250 thousand dollar Average Unit Manufacturing Cost ceiling established by the JPO. Creative financial management methods, including monthly funding of test sites, kept the program on schedule despite sequestration decrements. Through directly incentivizing delivery of a Technical Data Package in the Low Rate Initial Production contract, JLTV is positioned to execute competitive acquisition in all future contracts and deliver best value to the government throughout the entire production cycle of the vehicle.

# Should Cost and Innovation Award

*The Should Cost and Innovation Award, sponsored by the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)), recognizes organizations, groups, or teams that have displayed outstanding commitment, innovation, and results to should cost management. The concept of should cost management is fundamental to proactive cost control throughout the acquisition life cycle. This initiative requires the active management of cost, starting with the deep understanding of cost structures, followed by identifying specific goals for cost reduction (should cost goals), and the efforts to achieve those cost reductions. As a core, enduring Better Buying Power initiative, most programs and contracted activities in DoD now have should cost targets and are managing to them.*



*The Armament Directorate* (Air Force Materiel Command) is presented the Should Cost and Innovation Award for pursuing numerous innovative initiatives to reduce weapon systems costs for the warfighter in response to the Better Buying Power mandate to restore affordability and productivity in Defense spending. The Air Force Program Executive Officer for Weapons established recurring Should Cost reviews to look for innovative ways to save funds, lower costs, and buy greater weapon quantities while maintaining and improving warfighter weapons capabilities. By instilling a Should Cost culture, the Armament Directorate aggressively established and advanced 45 distinct Should Cost initiatives during this period, resulting in 694 million dollars of realized and projected savings over the Future Years Defense Plan. These savings mitigated significant sequester-related budget cuts, returned funds to the Air Force for higher priorities, and reinvested into existing weapons programs for additional capability at lower prices. Through the realized savings, and in spite of reduced budgets, 70 additional Advanced Medium Range Air-to-Air Missiles, eight additional Joint Air-to-Surface Standoff Missiles, over 15,000 fuzes, and nine QF-16s were still acquired, all valued at over 149 million dollars.

## 2015 Should Cost and Innovation Award Winner



*The E-2/C-2 Airborne Tactical Data System Program Office* is presented the Should Cost and Innovation Award for implementing and expanding its should cost based management to control costs throughout the lifecycle of the E-2D Advanced Hawkeye, E-2C Hawkeye, and the C-2A Greyhound. They implemented successful should cost management processes and tools, and leveraged these should cost strategies across Naval Air Systems Command to potentially improve affordability of multiple platforms. The team developed a should cost management tool, which is a unique and cost efficient software application, to record, manage and track should cost initiatives. Last year, they documented more than 500 million dollars in should cost savings with this tool, thereby improving the buying power for the warfighter and taxpayer. By incorporating and designating the principles of better buying power and should cost management to its acquisition processes, they continued to demonstrate their commitment to the United States and the American taxpayer.

## Previous David Packard Award Winners 2014–2010

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**2014**

**The Advanced Extremely High Frequency (AEHF) Program Team**  
(U.S. Air Force)

**The Intercontinental Ballistic Missile Systems Directorate**  
(U.S. Air Force)

**The VIRGINIA Class Submarine Program**  
(U.S. Navy)

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**2013**

**The HC/MC-130J Program Team**  
(U.S. Air Force)

**The Air and Missile Defense Radar (AMDR) Team**  
(U.S. Navy)

**The Joint Light Tactical Vehicle (JLTV) Team**  
(U.S. Army/U.S. Navy)

**The Defense Information Technology Contracting Organization and Air Force's National Capital Region-Information Technology Team**  
U.S. Air Force/DISA

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**2012**

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

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

**The Acquisition Rapid Response Medical Team for Tactical Combat Casualty Care and Casualty Evacuation (Better Buying Power Efficiency Award)**  
(USSOCOM)

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**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)

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**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)

## Previous David Packard Award Winners 2009–2006

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**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)

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**2008**

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

**VIRGINIA Class Submarine Program**  
(U.S. Navy)

**Standoff Precision Guided Munition Quick Reaction Capability Team**  
(USSOCOM)

**Electronic Countermeasures Team**  
(USSOCOM)

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**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)

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**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)

## Previous David Packard Award Winners 2005–2001

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**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)

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**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)

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**2003**

**Special Operations Craft Riverine (SOCR)**  
(USSOCOM)

**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)

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**2002**

**Multi-role Anti-armor Anti-personnel Weapon System**  
(USSOCOM)

**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)

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**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)

## Previous David Packard Award Winners 2000–1997

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**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)

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**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)

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**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)

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**1997**

**The Joint Strike Fighter Program's PM IPT**

(Office of the Secretary of Defense)

**The Special Operations Forces Intelligence Vehicle PM IPT**

(USSOCOM)

**The Construction Flight Working Group**

(U.S. Air Force)

**The Multifunctional Information Distribution System Program  
Office's Communications-Computer Systems Integrated Product Team**

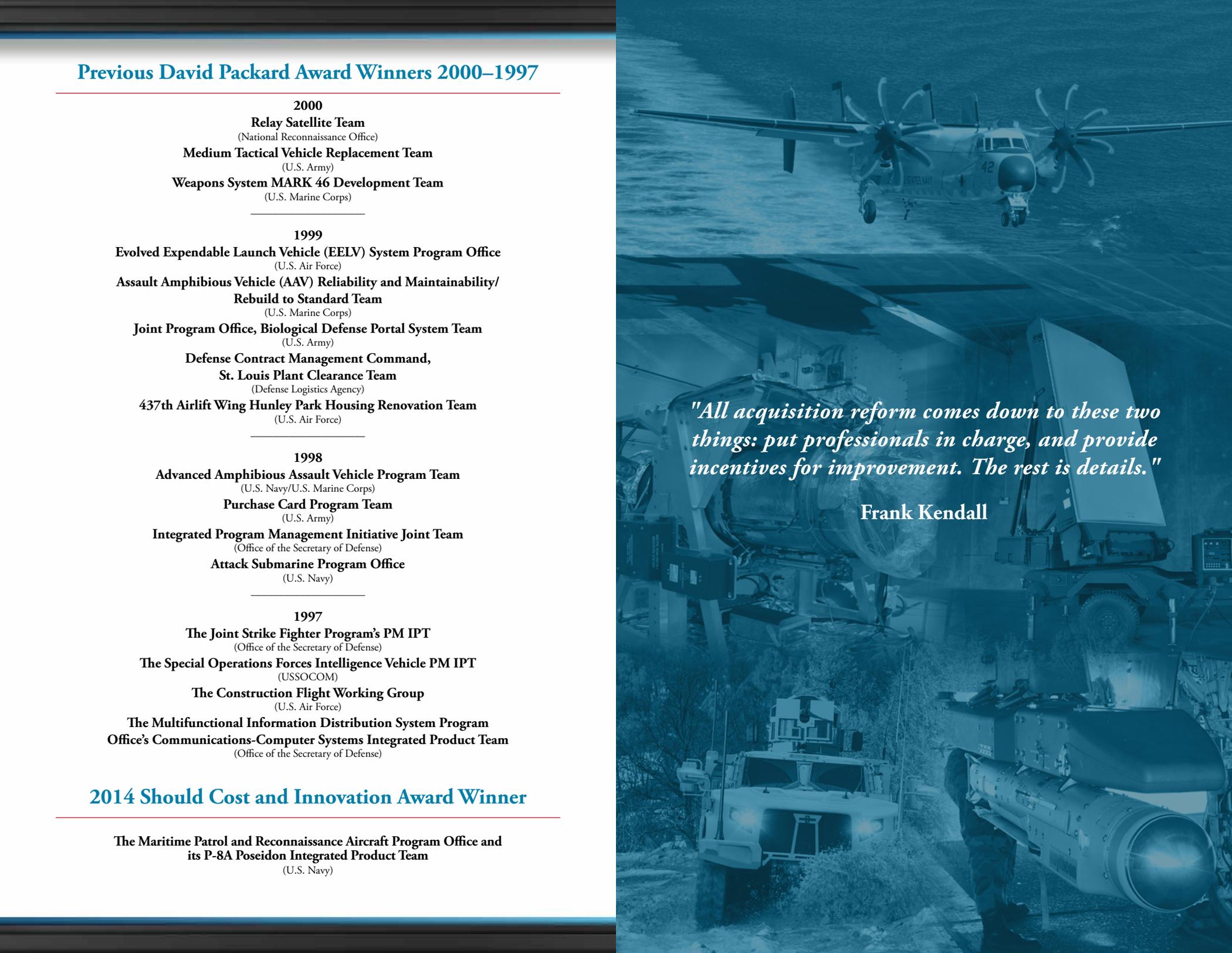
(Office of the Secretary of Defense)

## 2014 Should Cost and Innovation Award Winner

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**The Maritime Patrol and Reconnaissance Aircraft Program Office and  
its P-8A Poseidon Integrated Product Team**

(U.S. Navy)



*"All acquisition reform comes down to these two things: put professionals in charge, and provide incentives for improvement. The rest is details."*

**Frank Kendall**



***SUPPORTING THE WARFIGHTER,  
PROTECTING THE TAXPAYER***