



The AFIT of Today is the Air Force of Tomorrow.

Better Buying Power 3.0

15 June 2016



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*Air University: The Intellectual and Leadership Center of the Air Force
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Introduction

- *History (BBP 1.0 and 2.0)*
- *BBP 3.0*
- *Should Cost, Should.....*
- *Incentives*
- *Prototyping*
- *Acquisition of Services*
- *Technical Competence*
- *References*



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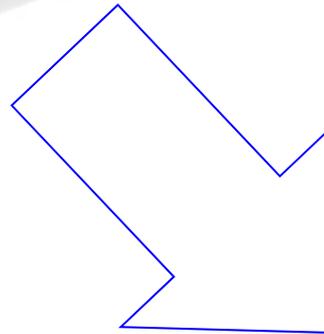
BBP 1.0 and BBP 2.0

BBP 1.0

Announced in June 2010, Guidance issued in September 2010.

23 initiatives organized into 5 focus areas:

- **Target Affordability and Control Cost Growth**
- **Incentivize Productivity and Innovation in Industry**
- **Reduce Non-Productive Processes and Bureaucracy**
- **Promote Real Competition**
- **Improve Tradecraft in Acquisition of Services**



BBP 2.0

Announced in November 2012.

36 initiatives organized into 7 focus areas:

- **Achieve Affordable Programs**
- **Control Costs throughout the Product Lifecycle**
- **Incentivize Productivity & 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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- Next Step in DoD efforts to increase productivity, efficiency and effectiveness of AT&L efforts
- Stronger emphasis on innovation, technical excellence and quality of our products
- 8 Focus areas, Refine/Continue BBP 1.0/2.0 initiatives

Achieve Affordable Programs

Eliminate Unproductive Processes and Bureaucracy

Achieve Dominant Capabilities While Controlling Lifecycle Costs

Promote Effective Competition

Incentive productivity in Industry and Government

Improve Tradecraft in Acquisition of Services

Incentivize Innovation in Industry and Government

Improve the Professionalism of the Total Acquisition Workforce



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Achieving Dominant Capabilities through Technical Excellence and Innovation



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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
- Build stronger partnerships between the acquisition, requirements, and intelligence communities
- Anticipate and plan for responsive and emerging threats
- Institutionalize stronger DoD level Long Range R&D Planning

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 across DoD
- Increase effective use of Performance-Based Logistics
- Remove barriers to commercial technology utilization
- Improve the return on investment in DoD laboratories
- Increase the productivity of IRAD and CR&D

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 Small Business Innovation Research (SBIR)
- Provide draft technical requirements to industry early and involve industry in funded concept definition to support requirements definition
- Provide clear “best value” definitions so industry can propose and DoD can choose wisely

Eliminate Unproductive Processes and Bureaucracy

- Emphasize Acquisition Executive, Program Executive Officer and Program Manager responsibility, authority, and accountability
- Reduce cycle times while ensuring sound investments
- Streamline documentation requirements and staff reviews

Promote Effective Competition

- Create and maintain competitive environments
- Improve technology search and outreach in global markets

Improve Tradecraft in Acquisition of Services

- Increase small business participation, including more effective use of market research
- Strengthen contract management outside the normal acquisition chain
- Improve requirements definition
- 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 the DOD leadership for development programs is technically qualified to manage R&D activities
- Improve our leaders’ ability to understand and mitigate technical risk
- Increase DoD support for Science, Technology, Engineering and Mathematics (STEM) education

**Continue Strengthening Our Culture of:
Cost Consciousness, Professionalism, and Technical Excellence**

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Should Cost Examples



30+ years of Acquisition

Lead Engineer on a medical systems

- Used guard unit to conduct IOT&E for an underground Medical Facility (i.e A weapon system)
- Designed/built a portable nurse's station for evacuation missions using organic shop
- Pulled writing of TO's from the prime to the subcontractor and went direct

PM & Test Manager for Embedded GPS / INS

- Combined Testing
- Combined buys with Army, Navy, Air Force, SOF,
- Utilized DMCA to conduct Qual testing

PM for mods to MC-130H, U, E, P

- Combined testing (K-DT, G-DT, OT) on same flights
- Grouped Mods
- Used field teams to complete mods vice rotating to depot / contractor facility repair facility
- Negotiated / tracked spares

Instructor

- Conduct classes on-site, combine classes on single TDY
- Conduct short workshops in conjunction with courses
- Break courses into chunks
- Combine course presentation with professional development activities

Defense Business Systems

- Electronic TOs , Use DAPS, formalized agreements
- Shared resources for IA, Config, test, FM

DEAMS

- Licenses buys (timing, number and cost)
- H/W buys
- negotiated rates
- shifted workload
- license costs

Know your program, Make a plan, and Implement it



Acquisition of Services



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- \$160B – \$200B / yr in Services Acquisition
- New DoD Instruction 5000.74, January 5, 2016
 - Establishes policy, assigns responsibilities, and provides procedures for defining, assessing, reviewing, and validating requirements for the acquisition of services.
 - Establishes a simplified and flexible management framework for translating services requirements into stable, efficient, and effective acquisitions.
 - Authorizes services Decision Authorities consistent with statutory and regulatory requirements for the acquisitions of services, to tailor the procedures in this instruction to best achieve cost, schedule, and performance objectives.
 - Incorporates and cancels Enclosure 9 of DoD Instruction (DoDI) 5000.02.
- Air Force Instruction 63-138, Acquisition of Services, being updated
- Services Acquisition Website

<http://www.acq.osd.mil/dpap/sa/index.html>



Acquisition of Services



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Figure 1. Seven Steps to the Service Acquisition Process and Key Deliverables



DoDI 5000.74, January 5, 2016

Table 1. Acquisition of Services Categories

Category	Threshold ¹	Decision Authority
Services Category I	Any acquisition of services with an estimated total value of \$1 billion or more than \$300 million in any one year	USD(AT&L) or designee, or Military Department Service Acquisition Executive (SAE) or designee
Special Interest ²	As designated by the USD(AT&L)	USD(AT&L) or designee
Services Category II	Acquisitions of services with an estimated total value of \$250 million or more, but less than \$1 billion	USD(AT&L) or designee, or Military Department SAE or designee
Services Category III	Acquisitions of services with an estimated total value of \$100 million or more, but less than \$250 million	Senior Services Manager (SSM) or designee
Services Category IV	Acquisitions of services with an estimated total value of \$10 million or more, but less than \$100 million	SSM or designee
Service Category V	Acquisitions of services with an estimated total value of the SAT or more, but less than \$10 million	SSM or designee

¹Dollar threshold determined based on the Independent Government Cost Estimate (IGCE) in current-year dollars.

²The Special Interest designation is typically based on one or more of the following factors: technological complexity; congressional or administration interest; a large commitment of resources; or whether the program is critical to the achievement of a capability or set of capabilities, part of a system of systems, or a joint program.

New Terms:

- CLL -- Component Level Lead
- FDE -- Functional Domain Expert
- FSM -- Functional Service Manager
- S-CAT - Service Acquisition Category
- SRRB -- Services Requirements Review Board
- SSM -- Senior Services Manager

Summary

- *Sixth year of BBP*
- *Continuing to improve/add*
- *Acquisition of Services*
- *References*
- *Summary*



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References



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- AT&L Better Buying Power website
<http://bbp.dau.mil/>
- Better Buying Power (industry site)
<http://www.acqnotes.com/acqnote/tools/better-buying-power-2>
- Emerging Capability and Prototyping
http://www.acq.osd.mil/ecp/OUR_STRATEGY/DoD_Guidance.html
- Eliminating Requirements Imposed on Industry Where Costs Exceed Benefits (160 Pages), September 29, 2015
<http://www.acq.osd.mil/fo/docs/Eliminating-Requirements-Imposed-on-Industry-Study-Report-2015.pdf>
- Defense Innovation Marketplace
<http://www.defenseinnovationmarketplace.mil/>
- Service Acquisition Mall, <http://sam.dau.mil>