



Better Buying Power 2.0

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Acquisition, Technology & Logistics

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Better Buying Power (BBP)

- **BBP implements initiatives intended to increase the productivity of all providers of DoD products and services**
 - **BBP 1.0 announced in June 2010**
 - **Guidance issued in September 2010. It includes 23 initiatives organized into five 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**
 - **Implementation overseen by Business Senior Integration Group (BSIG), chaired by USD(AT&L)**
 - **Some initiatives have been fully implemented, others are in progress, some have been modified, and others have been either dropped or delayed**
 - **Additional opportunities identified**
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Better Buying Power 2.0

- **BBP 2.0 reflects the Department of Defense's commitment to continuous improvement in acquisition performance**
 - **BBP 2.0 encompasses 36 initiatives organized into seven 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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Better Buying Power 2.0

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 LPTA 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 OSD level reviews
- Re-emphasize AE, PEO and PM responsibility and accountability
- Eliminate requirements imposed on industry where costs outweigh benefits
- Reduce cycle times while ensuring sound investment decisions

Promote Effective Competition

- Emphasize competition strategies and creating and maintaining 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
- Adopt uniform services market segmentation
- Improve requirements definition/prevent requirements creep
- Increase use of market research
- Increase small business participation
- 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 stronger 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
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Next Steps

- **Provide stakeholders an opportunity to provide comments and feedback**
 - **Acquisition Workforce**
 - **Industry**
 - **DoD Components**
 - **Congress**
 - **Draft implementation guidance**
 - **Roll out final set of initiatives and implementation guidance – January 2013**
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BBP 2.0



BACKUP



Better Buying Power 1.0 Status

Target Affordability and Control Cost Growth

- Mandate affordability as a requirement – implemented, continue in 2.0
- Implement “should cost” based management – implemented, continue in 2.0
- Eliminate redundancy within warfighter portfolios – continue in 2.0
- Achieve Stable and economical production rates – continue in 2.0
- Manage program timelines – continue, rephrased in 2.0

Incentivize Productivity & Innovation in Industry

- Reward contractors for successful supply chain and indirect expense management – continue in 2.0
- Increase Use of FPIF contract type – modified in 2.0
- Capitalize on progress payment structures – implemented
- Institute a superior supplier incentive program – continue in 2.0
- Reinvigorate industry’s independent research and development – continue in 2.0

Reduce Non-Productive Processes and Bureaucracy

- Reduce frequency of OSD level reviews –implemented, continue in 2.0
- Work with Congress to eliminate low value added statutory requirements – implemented, continue in 2.0
- Reduce the volume and cost of Congressional Reports – implemented, continue in 2.0
- Reduce non-value added requirements imposed on industry – continue in 2.0
- Align DCMA and DCAA processes to ensure work is complementary – implemented

Promote Real Competition

- Emphasize competitive strategy at each program milestone – continue, rephrase for emphasis in 2.0
- Remove obstacles to competition
 - Allow reasonable time to bid – continue in 2.0
 - Require non-certified cost and pricing data on single offers – implemented
 - Enforce open system architectures and set rules for acquisition of technical data rights – continue, rephrase for emphasis in 2.0
- Increase small business role and opportunities – continue in 2.0

Improve Tradecraft in Acquisition of Services

- Assign senior managers for acquisition of services – implemented, continue in 2.0
 - Adopt uniform services market segmentation (taxonomy) – implemented, continue in 2.0
 - Address causes of poor tradecraft
 - Define requirements and prevent creep – continue in 2.0
 - Conduct market research – continue in 2.0
 - Increase small business participation – continue in 2.0
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