



“New Guidance from DoD on Improving Acquisition”

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Presentation by

**Dr. Stan Rosen, Professor of Acquisition Management
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If there was one message to extract from Dr. Stan Rosen’s presentation at the January meeting of the Aerospace & Defense Forum, it was that changes are on the way. The status quo is no longer acceptable. The landscape of how the Department of Defense and their suppliers will work together in the future will be different . . . and hopefully better.

Dr. Rosen’s distinguished career in aerospace and defense has spanned 40 years. As a Professor of Acquisition Management at the DoD’s Defense Acquisition University for the last six, Dr. Rosen has been intimately involved with the roll out and implementation of the DoD’s program known as Better Buying Power (BBP). This program has been designed to improve the department’s ability to better manage successful acquisition programs.

The DoD is determined to build stronger relationships between the Department and industry. They recognize that in today’s ever changing world, with new threats arising from enemies who fight unconventionally, it will require stronger ties between acquisition partners to combat our new adversaries.

Version 3.0 of the BBP program is the most comprehensive and progressive version to date. Its target date for formalization and implementation is the end of February 2015. Dr. Rosen’s presentation gave us a “sneak peek” on what suppliers are likely to see when the new version is fully operational.

Innovation. Incentives. Productivity. Performance. Best value. Streamline. Competition. Linkage. These are all concepts that may be foreign to some current DoD suppliers, but represent the principles that form the foundation of BBP v3.0.

Let’s take a deeper dive into some of these areas.

Incentives/ Performance – Imagine a contract between supplier and DoD that rewards the supplier for meeting performance metrics spelled out in the contract. On-time delivery. Produced within budget. Reliability. The more reliable an asset is over the course of its useful life, the less money DoD needs to spend on maintenance (as maintenance costs are known to be budget busting black holes).

Innovation – The stated objective of BBP 3.0 is “achieving dominant capabilities through technical excellence and innovation.” The key word here is “innovation.” The DoD wants industry to work outside-the-box, to offer concepts that truly are game changing. To that end, BBP 3.0 will assist industry, for example, by . . .

- encouraging prototyping and experimentation,
- making available open systems architecture, and
- providing technical requirements early on in the concept review process.

Best Value – A key element to BBP 3.0 is the DoD’s intended shift towards providing “best value” contracting. Lowest bidders will no longer have favored status when it comes to the granting of contracts. Paying more to ensure greater productivity and performance will be a viable option. The DoD will take a more holistic view of the overall value that a supplier can provide.

Competition – The DoD believes that opening the decision-making process will, among other results, lead to a more competitive environment. Upon implementation of BBP 3.0, the competitive landscape will change. As Dr. Rosen asserted, “competition is the best way to get the biggest bang for the buck.” Sole sourcing may become less common. And the DoD may expand its horizons to include foreign suppliers, recognizing that today’s global market can capably produce high quality, technologically sophisticated equipment.

The DoD’s Better Buying Power initiative is an ambitious program aimed at achieving greater efficiencies through affordability, cost control, elimination of unproductive processes and bureaucracy, and promotion of competition, ultimately leading to improved acquisition services and practices. If you would like to learn more about this program, go to bbp.dau.mil.



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