Better Buying Power 3.0

Achieving Dominant Capabilities through Technical Excellence and Innovation

Why Better Buying Power 3.0?

Better Buying Power (BBP) 3.0 reflects the Department of Defense's (DoD) commitment to continuous improvements in the defense acquisition system. Under the overarching theme, *Achieving Dominant Capabilities through Technical Excellence and Innovation*, we are strengthening our efforts in innovation and technical excellence while also continuing the Department's efforts to improve efficiency and productivity that began under BBP 1.0 and 2.0.

What's New in BBP 3.0?

BBP 3.0 focuses attention on the overriding concern that our nation's technological superiority is at risk. Our technological superiority is dependent on the effectiveness of our research and development efforts that span science and technology, component development, early prototyping, full-scale development, and technology insertion into fielded products. DoD's research and development efforts are conducted by government laboratories, non-profit research institutions, and defense companies. Innovation originates from all of these sources, but increasingly, it also comes from the commercial sector and from overseas. Our ability to identify and utilize sources of innovation and technology effectively rests on the professionalism of our workforce. BBP 3.0 initiatives are designed to improve the Department's performance in all of these dimensions.

New Emphasis Areas

- Long-range research and development
- Cybersecurity
- Commercial technology
- Prototyping and experimentation
- Modular Open System Architecture (MOSA)
- Global technology
- Organic engineering capabilities
- Science, Technology, Engineering and Mathematics (STEM) education

DEPARTMENT OF DEFENSE

Better Buying Power

Acquisition, Technology and Logistics

Better Buying Power *at Work*

The Advanced Extremely High Frequency (AEHF) satellite is a state-of-the-art communications system used by the US Air Force for secure, digital communications. As a recent defense acquisition program, the AEHF procurement made full use of the **Better Buying Power** guidance and was better able to meet the needs of the Warfighter and the taxpayer.

1.6

$1.6 Billion in savings due to its Block Buy space acquisition strategy.

49%

49% reduction in testing time through the use of multi-service operational test and evaluation integrated testing approach.

300

$300 million in savings through the development of a consolidated sustainment approach.

The VIRGINIA Class Submarine Block IV Construction implemented the most complex, and innovative shipbuilding contract in US Navy history using a fixed-price incentive (firm target) multi-year contract. In maintaining the principles of **Better Buying Power** initiative, the program reduced proposed shipbuilder pricing by more than $1 billion. This successful contract negotiation will result in the delivery of 10 new submarines by 2018, the fastest production rate in the last 40 years.

1

$1 billion in reduced proposed shipbuilder pricing.

10

10 new submarines produced at fastest rate in 40 years.

60

60% reduction in average unit manufacturing costs ($600K - $250K).

400

$400 million reduction in development costs due to a COTS-strategy.

19

$19 billion in potential savings in planned procurement funding without sacrificing capability.

The Joint Light Tactical Vehicle (JLTV) is the Army and the Marine Corps' cutting edge, lifesaving, light tactical vehicle. Through its implementation of the **Better Buying Power** practices, the JLTV program reduced the estimated average unit manufacturing cost by 60% and provided the Services with a potential savings of $19 billion. Additionally the implementation of a COTS-based acquisition strategy lowered the engineering, manufacturing and development costs by over $400 million.

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