

Abstract

Since 2012, the Department of Defense (DOD) and Government Accountability Office (GAO) have observed lower cost growth in the acquisition of the largest weapon systems. Although the acquisition environment is complex, much of the success is being attributed to the management program, Better Buying Power (BBP). BBP was first introduced in 2010 by the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[AT&L]) and it provides best practices for the acquisition community with the goal of achieving affordability. Since 2010, two more iterations of BBP have been initiated, highlighting lessons learned and additional areas of focus. Along with the published guidance is continuous oversight from the highest levels of acquisition authority.

Our project analyzed multiple programs and examined their compliance with BBP and other acquisition best practices. Using available cost data and program documentation, we analyzed how the implementation of BBP has affected affordability measures of the programs. While the cost data is encouraging, we could only conclude that there is a correlation between implementing BBP and the reduction in cost growth observed.

Methods

- Literature review of applicable GAO reports.
- Literature review of annual reports published by the DOD on the performance of the Defense Acquisition System.
- Case study analysis of five Army Major Defense Acquisition Programs.
- Recorded a qualitative level of compliance of each case study program with regard to GAO best practices.
- Recorded a qualitative level of compliance of each case study program with regard to Better Buying Power Initiatives.
- Recorded and graphed Average Program Unit Cost and Expenditures over time for each case study program.

Results

Average Program Unit Cost data shows that cost growth is at a lower rate than prior to implementation of BBP. However, due to a myriad of environmental factors that affect affordability of individual program and the DOD portfolio as a whole, we could only conclude that there is a correlation between implementing BBP and the reduction in cost growth observed.