Abstract

The Joint Light Tactical Vehicle (JLTV) is the Army and the Marine Corps' 21st Century solution to restoring mobility, payload-carrying capacity, and rotary-wing transportability to light tactical vehicles while saving lives in a highly protected vehicle package. The JLTV program is leading the way in implementing the Better Buying Power 3.0 philosophy and has been repeatedly lauded as a "model program" for cost, schedule, and performance execution and management. Through implementation and management of a three vendor competitive EMD phase under a Firm Fixed Price contract, JLTV has paved the way for future large acquisition programs to manage and minimize cost while delivering maximum performance to the warfighter. The innovative Acquisition Strategy also incentivizes maximum small business participation in the acquisition and will likely achieve a higher level of involvement than any previous ACAT 1D program. The tradable requirements strategy coupled with cost based contract deliverables allowed the JPO to validate that meeting performance objectives was possible within the very aggressive $250K AUMC ceiling established by the JPO. Creative financial management methods, including monthly funding of test sites, kept the program on schedule despite sequestration decrements. Risk based program management methodologies facilitate successful efforts to keep the competition intense throughout the EMD phase as well as work with ATEC on finalizing performance evaluations in a fair and reasonable way. Through directly incentivizing delivery of a TDP in the LRIP contract, JLTV is positioned to continue to execute competitive acquisition in all future production contracts and deliver best value to the government throughout the entire production cycle of the vehicle.

Award Narrative

Background: The JLTV is the Army and the US Marine Corps' 21st Century solution to restoring mobility, payload-carrying capacity, and rotary-wing transportability to light tactical vehicles while saving lives in a highly protected vehicle package and providing dominating capabilities to our warfighters. The JLTV is leading the way with respect to Better Buying Power 3.0 and developing demonstrated program management and processes to implement them.

Criteria: Achieve Affordable Programs: Joint Program Office (JPO) JLTV focused its competitive Engineering and Manufacturing Development (EMD) phase on demonstrating system affordability to the Joint Force via managing the program to a $250K Average Unit Manufacturing Cost (FY11 dollars), well below the joint cost position of $291K. The innovative Acquisition Strategy tiered requirements into five levels and allowed competing vendors to trade performance capability for cost with lower tiered (3-5) requirements. The EMD phase proved that all Key Performance Parameters, Key System Attributes, and greater than 90% of the remaining requirements were achievable within the cost limits. Carefully designed source selection criteria ensured that the outcome of the solicitation would be a best value scenario with the selected vendor offering controlling risk on KPPs and KSAs and providing the maximum capability below the cost threshold as opposed to treating the solicitation as a lowest price technically acceptable which can focus on cost minimization. JLTV carried this strategy for the contract and source selection criteria into the Low Rate Initial Production (LRIP) solicitation. Through an approved Justification and Approval for Limited Competition to the three EMD vendors that demonstrated performance for the LRIP contract award, the program office mitigated risk and set conditions to select a "best of the best" choice for the final JLTV vendor in terms of highest performance at or below cost limits.

Criteria: Achieve Dominant Capabilities While Controlling Lifecycle Costs: The JLTV program office conducted the competitive EMD program phase with lifecycle cost management integral to the program strategy. By contractually incentivizing vendors to achieve the highest possible degree of parts commonality across the JLTV fleet and mandating high fuel efficiency standards of 10 Payload-Ton Miles Per Gallon across the realistic and demanding Operational Mode Summary/Mission Profile (OMSMP) and 1.5 gallons per hour fuel consumption at idle while producing 10kW of power, the JPO ensured that JLTV would reduce the logistics burden on Army and Marine Corps units compared to the HMMWVs being replaced. Additionally, JLTV established surplus power generation requirements and used a kit based approach to integrating all mission and crew protection hardware to allow flexibility and growth margin for integrating future technologies onto the platform. JLTV will likely be a major part of the Army and Marine Corps Light Tactical Vehicle fleet for the next four decades or more and employed in the full range of operational environments. Given the fast paced change of the threat and operational environments experienced in the past decade of operations, adaptable vehicle platform designs are critical to remaining relevant and effective throughout their projected lifecycles.

Criteria: Incentivize Productivity in Industry and Government: Sequestration reduced the JPO funding just after the start of EMD. In order to fill the critical Light Tactical Vehicle capability gap that already existed in the Army and Marine Corps vehicle fleet, an aggressive two+ year EMD phase, including production of 66 JLTVs and extensive, full range testing, was planned. In order to execute JLTV EMD on schedule despite funding reductions, creative budget and test management efforts were required. Through careful analysis of the test plan and extensive work between the JPO and Army Testing and Evaluation Command (ATEC), a plan to maintain schedule and reduce costs was developed. Integral to this effort was establishing a "cash flow" methodology with test centers. Under this agreement, the JPO funded the test sites on a monthly basis and both ATEC and the PdM Test closely tracked and managed test progress and completion. The effect of these efforts was a test cost avoidance of $14 million that allowed ATEC to complete all planned tests on schedule and within available budget. Through this execution, JLTV remains on schedule for the planned FY15 LRIP

contract award which is critical in getting the vehicle into the hands of warfighters on the timeline the Army and Marine Corps required.

Criteria: Promote Effective Competition: JPO JLTV executed an acquisition strategy including three EMD vendors engaged in an intense competition for an eventual LRIP/Full-Rate Production (FRP) down-select decision. This strategy positions the government to have maximum leverage in procuring the most capable JLTV possible at the lowest price for the first eight years of production. Additionally, the acquisition strategy includes major incentives in the form of downward price adjustment for a high quality Technical Data Package (TDP). By incentivizing delivery of a TDP at the first production contract award, the government is positioned for full and open competition in future production contract awards, preventing major cost growth of the system by dependence on a sole source vendor for future contracts. Historically, procurement of TDPs after initial production contract award has been extremely costly due to lack of incentive from the Contractor which results in the government paying excessively high prices on later system procurement. It also opens the door to vendor "buy-in" to the initial contract by offering an unrealistically low initial price and planning for future procurements to regain lost profit. This scenario puts both contractors and the government in a poor financial position. During EMD, the JPO was able to validate the cost realism of the vendors by use of cost Contract Data Requirement Lists (CDRLs). Though the Firm Fixed Price contract format normally precludes cost realism assessment, the JPO is utilizing the delivered Bill of Materials to support Program Cost Estimates and compare vendor-claimed JLTV cost. The JLTV strategy is designed to maintain a stable system procurement cost throughout the production phase of the acquisition life cycle, even if a new vendor is awarded a subsequent contract. Also, it eliminates any incentive for the LRIP offers to be unrealistically priced as there is no guarantee of production beyond the initial eight year contract. Proper pricing at all phases of production leads to better overall quality and fewer production and acquisition problems. By contractually mandating Cost and Software Data Reporting (CSDR), the JPO is will be able to verify price realism of the vendor. Despite being a large, ACAT 1D acquisition program, JLTV also focused on achieving maximum possible small business participation. By incorporating small business as the one of the four factors in the source selection evaluation criteria, vendors are incentivized to involve small business to the greatest extent possible.

Criteria: Improve the Professionalism of the Total Acquisitions Workforce: JPO JLTV has executed a rigorous, risk based program management system. By assessing the status of JLTV development and testing using risk management, leaders at all levels have been able to gain much greater fidelity into both the status of performance and the root cause of any issues. During the very aggressive EMD testing schedule, early identification of root causes of performance issues allowed the affected vendor to develop and implement a fix much more rapidly than would otherwise have been possible, supporting improved test performance and better overall data for system evaluation. The JPO carried this methodology into all areas of program management as well. This proved exceptionally valuable during sequestration because the program manager was able to make difficult fiscal management decisions necessary to keep the program on track and minimize/eliminate potential consequences. Risk based program management proved highly valuable in reaching resolution on test performance rating issues. By presenting the JPO position on ATEC performance ratings in the context of risk, the program manager was often able to reach agreement on overall performance ratings by presenting the data in risk analysis format along with current and future planned mitigation initiatives. The analytical engineering analysis facilitated focusing discussions on actual versus perceived performance against requirements and resulted in a strong and supportable evaluation outcome. Vendors were then able to take the appropriate action to improve their design, many times while testing was still on-going, despite operating under a Firm Fixed Price contract structure. This "best practice" will be carried forward into the LRIP phase of JLTV and has been briefed to other programs across the enterprise as well.

2015 David Packard Excellence in Acquisition Award
Nomination Submission Form

Team

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Current number of employees:
208 people

Joint Program Office, Joint Light Tactical Vehicles (JPO JLTV) Mission:
Lead the JLTV program through Development, Low Rate Initial Production, and Fielding to ensure the Joint Warfighter is provided a Light Tactical Vehicle capable of operating across the full spectrum of military operations for the next 30 years and beyond.

Brief description of JPO JLTV organizational structure:
The JLTV Program is structured as a Joint Program Office (JPO), led by the Army Project Manager, Joint Light Tactical Vehicles (PM JLTV), and supported by the USMC Program Manager for Light Tactical Vehicles (PM LTV) who is dual hatted as the Deputy PM JLTV. The Army contingent of the JPO is located at the Selfridge Air National Guard Base (SANGB) in Harrison Township, Michigan. The US Marine Corps contingent of the JPO is located at the USMC Base in Quantico, Virginia. The Army and US Marine Corps provide roughly equal shares of the human and financial resources for the JLTV JPO with the program office being staffed by military personnel, DoD civilians, and contractors at both SANGB, Michigan and Quantico, Virginia.

Chain of command to whom JPO JLTV reports:
Army Acquisition Executive, Program Executive Office, Combat Support & Combat Service Support (PEO CS&CSS) (USA), Program Executive Office, Land Systems (USMC).