



## 2016 USD(AT&L) Should Cost and Innovation Award

*Please read the following information carefully before completing and submitting this application.*

**Background:** The Should Cost and Innovation Award, sponsored by the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)), recognizes organizations, groups, or teams that have displayed outstanding commitment, innovation, and results to should cost management. The concept of should cost management is fundamental to proactive cost control throughout the acquisition life cycle. This initiative requires the active management of cost, starting with the deep understanding of cost structures, followed by the identification of specific goals for cost reduction (should cost goals) and efforts to achieve those cost reductions. As a core, enduring Better Buying Power initiative, most programs and contracted activities in DoD now have should cost targets and are managing to them.

The following excerpt from the August 6, 2013, USD(AT&L) memorandum further details should cost management: "All acquisition managers should routinely analyze all cost elements and consider reasonable measures to reduce them, with prudent, cost-benefit based considerations of associated risks. Immediate short-term savings should not come at the expense of long-term degradation of effectiveness or suitability; investments that result in long-term returns in production or sustainment efficiency should be considered and are appropriate uses of should cost related savings. Managers should also apprise their leadership of opportunities for life cycle cost savings that are outside their span of control."

**Eligibility:** All Component and Department of Defense AT&L organizations, except the Defense Acquisition University and the Office of Human Capital Initiatives, are eligible to compete for the 2016 USD(AT&L) Should Cost and Innovation Award. Questions concerning eligibility should be directed to the award coordinator at 703-693-8342 or [packard.award@dau.mil](mailto:packard.award@dau.mil). The award will be granted for contributions made or completed within the 12-month period from July 1, 2015, through June 30, 2016. Given that many developments result from an organization's efforts and contributions cumulatively over a period of time, initiatives that began before the 12-month window may be reported, but the culmination of the work must be within the window noted above.

**Evaluation Criteria:** The primary judging criteria will be exemplary use of should cost management to achieve cost savings at any point in a program or service acquisition's life cycle.

Nomination packages should describe the challenge the team faced/overcame in managing their should cost program, the context in which they operated in (e.g., an unstable funding environment), the specific innovative opportunities they undertook to recognize savings, and the results they achieved, with a focus on the impact to the Warfighter and the taxpayer. The description should include baseline costs and savings for each initiative undertaken and the details of how of each initiative was implemented to achieve the cited savings. Savings will be evaluated as a percentage of baseline cost. The narrative should describe if and how the lessons

of the subject program or service acquisition can be generalized for application elsewhere in the acquisition enterprise.

Note: While the David Packard Excellence in Acquisition Award can also include application of should cost management, it is more broadly focused on organizations, groups, or teams that have demonstrated exemplary innovation and best practices in acquisition through application and emphasis on the Better Buying Power (BBP) efficiency initiatives and the demonstrated program management processes of implementing them.

**Selection Process:** The Should Cost and Innovation Award will be considered using the same Board and process as for the David Packard Excellence in Acquisition award; however, the Board will assess the Should Cost award nominations separately. The Board will assess and rank nominated organizations based on Should Cost results and overall contributions. More than one Should Cost and Innovation Award may be selected, depending on merit.

**Detailed Instructions:**

1. Each Military Department/Component may nominate one team each. Contractors are not permitted to be listed as members of the team. Nomination packages **must** be submitted through the appropriate Acquisition Executive and accompanied by an endorsement letter to the USD(AT&L). **All awards must be completed using the award application form herein and submitted, via e-mail in MS Word, to the award coordinator at [packard.award@dau.mil](mailto:packard.award@dau.mil).** Applications must include:
  - a) The administrative information on the following page
  - b) A narrative describing the team's accomplishment(s) **not to exceed two pages**
  - c) A citation award abstract summarizing your narrative **not to exceed 300 words**
  - d) A high resolution organizational logo (at least 2 inches by 2 inches at 300 dots per inch) in either JPG or TIFF format, attached with your e-mail submission
2. **Applications must be submitted by August 1, 2016.** Late submissions cannot be considered due to schedule constraints.
3. The award coordinator will acknowledge all applications received. If the point of contact has not received a confirmation e-mail within two business days after submission, please contact the award coordinator at 703-693-8342. An award application(s) will not be considered complete until you have received a confirmation e-mail.
4. The USD(AT&L) will oversee the awards process and will appoint a chair for the Packard/Should Cost Award Board, which will be composed of up to 10 Senior Executive Service panel members within OUSD(AT&L). The Board Chair will be responsible for selecting the other panel members to review and evaluate the nominations. Once the Board has completed the review process, the Board Chair will present the recommendations to the USD(AT&L), who is the final approval authority.
5. Presentation of the 2016 Should Cost Award to the winning team will take place in conjunction with Packard Award in the late 2016/early 2017 timeframe.
6. All travel costs associated with an awards presentation will be borne by the nominating organization. The winning organization will be notified several weeks in advance in order to

facilitate travel reservations. Because of limited space at the awards ceremony, the winning team is limited to five representatives.

7. OUSD(AT&L) will ensure the winning organization is announced in various communication media.
8. Questions regarding the 2016 Should Cost Award or the application process should be addressed to the award coordinator at 703-693-8342 or [packard.award@dau.mil](mailto:packard.award@dau.mil). Additional information can be found on the awards website at [www.dau.mil/acqawards](http://www.dau.mil/acqawards).

## **Administrative Information**

### **Award coordinator POC:**

Name:

Telephone:

Email:

### **Organization, Group, or Team**

Name:

Mailing Address:

Address (continued):

City:

State:

Zip:

### **Primary Organization Point of Contact (POC)**

Name:

Title:

Telephone:

E-mail:

### **Alternate Organization POC**

Name:

Title:

Telephone:

E-mail:

### **Current Number of Employees:**

### **Your organization, group, or team's mission statement:**

### **Brief description of your organizational structure:**

### **Chain of command to whom your organization, group, or team reports:**

### **Names and position titles of individual(s) contributing to organization, group, or team:**

**Award Narrative**

(Two (2) pages maximum, 12-point Times New Roman, based on criteria described herein)

**Award Citation Abstract**

(Maximum 300-word summary that will be placed in the award program for the winning team)