



# ARMY ACQUISITION REFORM



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## ACQUISITION REFORM COST REDUCTION SUMMARY

Dr. Kaminski, Under Secretary of Defense (Acquisition and Technology) is expanding the DoD data base of cost reduction information. Many, including the Congress, continue to ask for examples of Acquisition Reform initiatives and quantification of efficiency gains. This database is a means of providing an answer for those programs and procedural successes documented using consistent methodology across the services that is both credible and verifiable.

Mr. Decker, Assistant Secretary of the Army (RDA) recently reported data submitted by Army Program Executive Officers (PEOs) on Army Category I (ACAT I) programs. The net for ACAT I programs is **\$5.1B for savings and \$1.1B for avoidances.** Cost savings are defined as reductions from an approved baseline that result in a program funds being recouped or used elsewhere in the program. Cost avoidances are defined as reductions resulting in avoidance of costs that were not budgeted.

### TOP 5 ACAT I ACQUISITION REFORM SAVINGS

<b>JAVELIN</b>	<b>\$1.4B Savings/\$127M Avoidance</b>
<b>Longbow Apache</b>	<b>\$1.0B Savings</b>
<b>Longbow Hellfire</b>	<b>\$870M Savings</b>
<b>ABRAMS</b>	<b>\$508M Savings/\$236M Avoidance</b>
<b>SMART-T</b>	<b>\$410M Savings/\$130M Avoidance</b>

Major Commands (MACOMs) and PEOs are submitting cost reduction data on non-ACAT I programs. Data from these additional submissions will be reported shortly.

Questions? Contact Mrs. Sumpter (703) 697-2542, [sumpter@sarda.army.mil](mailto:sumpter@sarda.army.mil)