



# ARMY ACQUISITION REFORM



Issue 84

28 July 1998

## ***BEST Workshop ... Implementing Acquisition Reform***

The Deputy Assistant Secretary of the Army (Procurement) is sponsoring a three day ***BEST (Business Efficiency Support Template)*** Workshop in the Washington DC Area, ***4-6 August 1998***, at the BRTRC facility in Fairfax, VA. The BEST focuses on the ***business component of project management from a multi-discipline team prospective***. The course emphasizes identification of streamlining and acquisition reform opportunities during the Procurement Planning phases for non-major systems that will result in "faster-better-cheaper" acquisitions. A broader course description and listing of topics covered in the workshop are located at Web-site: <http://acqnet.sarda.army.mil/acqinfo/schedulc.htm>. Continuing Education Units (CEU) credit will be awarded to participants. Local directions to the BRTRC Facility can be obtained by visiting the Web site: <http://institute.brtrc.com/instweb/directns/directns.htm>. To take advantage of this great opportunity and participate in the three-day Workshop, contact: Ms. Dawn Sheppard, Seminar Director, Phone (703) 205-1593, Fax (703) 204-9447, E-mail [dsheppar@brtrc.com](mailto:dsheppar@brtrc.com)

### ***Smart Buying Nets***



### ***Seven Extra ACEs***

When the Army gives you a set budget and says to build as many vehicles as possible, you have to find creative ways to minimize the unit cost. Thus, the M9 Armored Combat Earthmover (ACE) Program Office formed an *Integrated Product Team (IPT)* and applied the *Alpha process, performance based contracting*, and principles of Cost As An Independent Variable (CAIV) to the production contract. The end result? ***Savings of 16%***, which translated into ***seven (7) additional M9 ACEs*** for the troops in the field. A key contributor to the savings was the use of remanufactured engines versus new engines. The ACE engine, a Cummins V903, was no longer a production item and its unit price had jumped in recent years from \$36,000 to \$44,000. The M2/M3 Bradley had upgraded to 600 horsepower engines, creating a surplus of 500 hp engines which were stored at the depot with no foreseeable use. The Bradley program office agreed to "donate" their old engine. Cummins Engine Company is an industry leader in remanufacturing with over 33 years of experience in salvage technology. All Cummins Recon components and engine assemblies are remanufactured to exact specifications, subjected to functional testing to ensure performance equal to new and are given the same warranty as new products. Only genuine Cummins parts are used in the process and all performance parts are replaced 100% new. Using a *horizontal and alpha contracting approach*, coupled with *commercial pricing*, TACOM was able to *team* with Cummins Corporate and Cummins ReCon to award the remanufacture and conversion of 51 diesel engines in *one month* and realize a ***total savings of \$962,000, representing a 43% savings over buying new engines and a \$19,000 savings per vehicle.***