



**DEPARTMENT OF THE AIR FORCE**  
**HEADQUARTERS UNITED STATES AIR FORCE**  
**WASHINGTON, DC**

03 OCT 2014

MEMORANDUM FOR AFLCMC/CC  
AFSC/CC  
AFNWC/CC  
AFTC/CC  
ALL AFPEO  
AFRL/CC  
DIRECTOR, AFRCO

**SUBJECT: Best Practices Identified During Bending the Cost Curve (BTCC) Project**

Secretary of the Air Force Deborah Lee James and Air Force Chief of Staff Gen Mark Welsh are committed to making every Air Force dollar count and to maximizing the buying power of our increasingly scarce resources. Accordingly, they have stressed the need for “strategic agility” in executing vital Air Force functions, particularly within our acquisition processes.

Last Spring, our leaders directed the Air Force Acquisition community to intensify communications and collaborations with defense industry leaders to address the rising cost and prolonged development times of weapon systems. In so doing, we are seeking to “bend the cost curve” to ensure weapons and other systems required to support our Air Force today and for decades to come are affordable and available for our Airmen when they are needed.

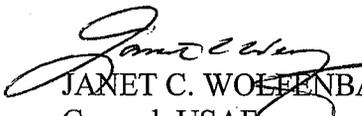
While rapid commercial innovations present an opportunity for the Air Force and broader defense community, new adversaries are also obtaining and exploiting these innovations like never before. In its current form, our Air Force acquisition process is too rigid and slow to effectively exploit these emerging global technologies – and costs continue to rise.

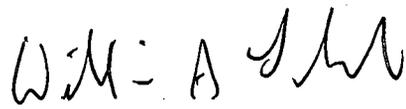
We must combat these challenges with strategic agility and be committed to making our acquisition workforce the most agile and effective in government. We have to start by “pushing the envelope” in our processes. We launched the BTCC activities by implementing a continuous engagement process with industry and internal stakeholders. BTCC amplifies the Better Buying Power principles by encouraging innovation through active engagements to identify, evaluate, and implement transformational reforms to reduce lifecycle costs and development times for current and future weapon systems. BTCC will also better define cost and cycle time trends so that any subsequent actions can incorporate meaningful metrics for success.

The first BTCC project was relatively simple. A small group of Aerospace Industries Association, National Defense Industrial Association, and Air Force acquisition professionals evaluated recent contracting experiences where there was only one viable contractor. Their goal was to understand how Air Force and Industry processes and procedures affected the timeline from solicitation to contract award. This group met a dozen times over several months and the Air Force highlighted approximately two dozen best practices that can potentially reduce the overall time from solicitation to contract award.

While all programs are unique and require specific strategies and tailoring of acquisition processes and procedures, we ask you to apply sound judgment as you make every effort to maximize the use of the attached best practices, particularly for programs for which there is only one viable contractor. Applying the relevant best practices as you work through your specific acquisition challenges is part of increasing our agility as a workforce.

We are on the right path and we are pleased that this first endeavor has demonstrated the Air Force and Defense Industry can work collaboratively on common issues. You will hear more about our next BTCC projects as we determine how to experiment with and hopefully improve upon subjects such as the Cost/Capability Analyses and better acquisition of Information Technology systems.

  
JANET C. WOLFENBARGER  
General, USAF  
Commander, Air Force Materiel Command

  
William A. LaPlante  
Assistant Secretary of the Air Force  
(Acquisition)

Attachment:  
BTCC Best Practices

cc:  
SAF/FM  
SAF/US(M)  
HAF/A4  
HAF/A8  
HAF/TE  
SAF/SB  
SAF/AQ 3-LTRS  
SAF/IEL  
AFMC 2-LTRS



**U.S. AIR FORCE**

# ***Bending the Cost Curve Best Practices***

## **Engage in Pre-RFP release smart practices**

- Hold Pre-RFP requirements discussions
- Issue a Draft RFP (draft requirements documents, model contract, etc.) and solicit comments and discussion

## **Perform early engagement and planning with DCAA and DCMA**

- Work with DCAA as early as possible to help DCAA gain understanding of the expected audit requirements as early as possible
- Request the prime contractor to deliver a list of known major suppliers as soon as possible

## **Be disciplined and communicate clearly about requirements**

- Keep requirements firm after final RFP release
- Contract for the total requirement when possible

## **Be thoughtful about contract type and structure**

- Do not plan to use undefinitized contract actions (UCAs)
- Write contracts in only one contract type when reasonable (reference FAR 16.104)
- Focus the contract period of performance to five years or less of effort

## **Maximize use of cycle time reduction techniques**

- Consider releasing editable documents to the Prime Contractor
- When proprietary information between a prime and sub-contractor is a concern, consider requesting the prime contractor to direct major subcontractors to deliver un-redacted proposals to the program office simultaneously with the submission of their proposals to the prime
- Consider requesting the prime contractor to deliver proposal information simultaneously to the program office and cognizant DCMA and DCAA offices

## **Maximize your use of proven proposal analysis tools and time saving techniques**

- Discuss “should cost” estimates and assumptions as early as possible to establish expectations with the prime and allow primes to manage the expectations with subcontractors
- Create a proposal evaluation plan with all involved parties and commit to resources and schedules
- Use DoD Proposal Adequacy Checklists (DFARS 252.215-7009)

## **Employ disciplined and productive negotiating techniques**

- Communicate specific rationale and reasoning behind movements in negotiation
- Maintain a daily log of negotiation conversations and decisions
- Senior leaders must enable the negotiation teams’ progress

## **Employ smart and effective data management and data access techniques**

- Consider requesting the prime contractor grant program office personnel access to contractor data systems
- Consider making and maintaining forward pricing rate agreements a priority

## **Leverage available and applicable cost and pricing Data and guidelines**

- Leverage historical actual cost information
- Use AFFARS Mandatory Procedure 5315.4 Contracting Pricing
- Consider authorizing release of DCAA audit reports to the prime contractor (PCO authorization IAW FAR 15.404-2(c)(1)(i) and proper control of subcontractor proprietary information required)