

The Secretary of Defense Performance-Based Logistics Awards Program

For
Excellence in Performance-Based Logistics
Life Cycle Product Support

Section 4

Achievements

Joint STARS is a complex suite of technology riding on a very antiquated airframe, the Boeing 707. Yet, despite these challenges this platform has consistently met all requirements. The Joint STARS TSSR team has brought together a tapestry of interwoven checks, balances and incentives to drive desired outcomes.

Initially awarded with a six-year base period, the Joint STARS contract was configured to allow up to two additional years of contract extension, based solely on performance, during each year. Eighty percent (80%) of the award fee recommendation is driven by specific and defined performance outcomes, and it is clear the platform is performing. There is also a defined protocol for making award term decisions. Once Award Terms are considered, the Joint STARS TSSR Contract contains powerful incentives to both perform and to make life cycle decisions across a long horizon. At the end of 2010, Northrop Grumman had already earned contract extensions through 2018.

Following Business Clearance Approval on the morning of 8 April 2011, the TSSR Team, including the Navy Price Fighters, spent thirteen days of tough negotiations with a large cadre of Northrop Grumman personnel at the local contractor facility. While the Government fact-finding efforts had already reduced the contractor's proposal nearly 5%, the Government's initial counter-offer trimmed another 15%, sending a strong message the TSSR team was serious about achieving cost reductions. The Contractor and Government teams worked tirelessly for nearly two weeks, averaging 12-14 hours per day, trading offers with significant detailed explanations via an electronic workbook process, before finally reaching an agreement on 21 April. In the

end, the Government team achieved more than 12% (\$74.5M) savings off the original proposal. From its inception, the Joint STARS TSSR program has been recognized as a pathfinder in the Air Force. First awarded September 15, 2000, the Under Secretary of Defense for Acquisition, Technology and Logistics selected the Joint Surveillance Target Attack Radar System (JSTARS) Future Support Team to receive the David Packard Excellence in Acquisition Award. At the time, the Defense Contract Management Agency said, "This innovation sets a benchmark for partnering with industry and leverages that relationship to increase weapons system availability while reducing operating costs."