“The Road Ahead”

10 May 2016
“Program Executive Officer Land Systems (PEO LS) will meet the Warfighter’s needs by devoting full-time attention to Marine Corps Weapon Systems acquisition, while partnering with Marine Corps Systems Command, in order to develop, deliver, and provide life-cycle planning for assigned programs.”
Organizational View

Program Executive Officer
Land Systems Marine Corps

Mr. William E. Taylor
Deputy PEO LS
Col Andrew Bianca, USMC
Chief of Staff, Don Kelley

ASN (RD&A)

ACQUISITION

PCMI

CONTRACTS
CONGRESS
LIAISON & PAO
COST
ESTIMATING
ENGINEERING
FINANCE
JOINT
CENTER
LOGISTICS
SAFETY
SCIENCE &
TECHNOLOGY

ASN RD&A PROGRAM
TRANSITION to PEO LS

AAV: 1 AUG 2011
MOTOR T: 2 DEC 2011
C4I: 30 JAN 2012
MRAP: 29 JUL 2013

MACCS

GBAD

G/ATOR

CAC2S

CTN

MACCS

TBMCS

CMC

ASSEMBLY

PEO LAND SYSTEMS
CORE STAFF & PROGRAMS

MARCORSYSCOM
COMPETENCY ALIGNED
SUPPORT STAFF

PEO LS WORKFORCE
MILITARY: 62
CIVILIAN: 332

TAS

Towed
Artillery Systems

COUGAR

BUFFALO

MATV

LW155

M&HTV
Medium & Heavy
Tactical Vehicles

MRAP
Mine Resistant
Ambush Protected FOV

ACV 1.1

AAV SU

AAV

AAA
Advanced
Amphibious Assault

AC2SN
Air Command
Control & Sensor Netting

GBAD-G/ATOR
Ground Air Task
Oriented Radar
Ground Based
Air Defense

LTV
Light Tactical
Vehicles

HLTV

P19-R

MTVR

FRC

TRAILERS

LHMMWV

MACCS

G/ATOR

GBAD

HMMWV

ITV

TRAILERS

MACCS

G/ATOR

GBAD

HMMWV

ITV

PEO Land Systems

“IT'S ALL ABOUT THE WARFIGHTER”
# Portfolio

## Material Solution Analysis

- **AoA**

## Technology Maturation & Risk Reduction

- **Preliminary Design Review**

## Engineering & Manufacturing Development

- **Critical Design Review**

## Production & Deployment

- **LRIP Decision Review**
- **IOT&E**
- **IOC**

## Operations & Support

- **FOC**
- **MTVR**

### Sustainment

- **CAC2S Phase 1**
- **HMMWV**

### A

- **ACV 1.1**
- **JLTV** , (Army Lead Service)

### B

- **AV AAV SU**
- **CAC2S Phase 2**

### C

- **P-19R Fire truck**

### FRP

- **MTVR Trailer**
- **GBAD (Legacy)**
- **AAV (Legacy)**
## Program Portfolio by ACAT Level & $

### PB-17 $M (including OCO)

<table>
<thead>
<tr>
<th>Program</th>
<th>ACAT</th>
<th>FYDP (FY17-21) $M</th>
</tr>
</thead>
<tbody>
<tr>
<td>JLTV</td>
<td>ID$^1$</td>
<td>$2,032</td>
</tr>
<tr>
<td>ACV 1.1</td>
<td>IC</td>
<td>$1,699</td>
</tr>
<tr>
<td>G/ATOR</td>
<td>IC</td>
<td>$1,351</td>
</tr>
<tr>
<td>AAV SU</td>
<td>III</td>
<td>$569</td>
</tr>
<tr>
<td>CAC2S</td>
<td>IAC</td>
<td>$345</td>
</tr>
<tr>
<td>P-19R</td>
<td>IVM</td>
<td>$139</td>
</tr>
<tr>
<td>LW155</td>
<td>II$^{2,3}$</td>
<td>$82</td>
</tr>
<tr>
<td>MRAP- 2,510 qty</td>
<td>III$^3$</td>
<td>$77</td>
</tr>
<tr>
<td>MTVR- 8,750 qty</td>
<td>IC$^3$</td>
<td>$47</td>
</tr>
<tr>
<td>ITV- 411 qty</td>
<td>III$^3$</td>
<td>$19</td>
</tr>
<tr>
<td>LVSR- 2,000 qty</td>
<td>III$^3$</td>
<td>$11</td>
</tr>
<tr>
<td>FRC- 346 qty</td>
<td>IVM$^{3,4}$</td>
<td>-</td>
</tr>
<tr>
<td>HMMWV- 18,500 qty</td>
<td>IC$^{3,4}$</td>
<td>-</td>
</tr>
<tr>
<td>MTVR TRAILERS- 1,695 qty</td>
<td>IVM$^{3,4}$</td>
<td>-</td>
</tr>
<tr>
<td><strong>ACAT Total</strong></td>
<td></td>
<td><strong>$6,370</strong></td>
</tr>
<tr>
<td><strong>Non-ACAT Total</strong></td>
<td></td>
<td><strong>$495</strong></td>
</tr>
<tr>
<td><strong>PEO Total</strong></td>
<td></td>
<td><strong>$6,865</strong></td>
</tr>
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</table>

### Number of Programs by ACAT

<table>
<thead>
<tr>
<th>Program</th>
<th>Active</th>
<th>Non-Reporting</th>
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</thead>
<tbody>
<tr>
<td>ACAT I</td>
<td>3.5</td>
<td>2</td>
</tr>
<tr>
<td>ACAT II</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>ACAT III</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>ACAT IV</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

**Non-ACAT 7 Programs/line items**

Only 2.5% of the overall PEO budget is spent on TWV Fleet sustainment.

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1 Joint Program: Army-Led
2 Joint Program: USMC Led
3 Over 90% expended; non-reporting
4 Limited funding available through vehicle Mod-lines --- shared across various motor transport programs
<table>
<thead>
<tr>
<th>TWV Fleet Sustainment</th>
<th>Average Retail Readiness FY16 Q1&amp;Q2</th>
<th>OPFOR Total Part Costs FY16 Q1&amp;Q2</th>
<th>Major Components that Cause Deadlines</th>
</tr>
</thead>
</table>
| MRAP                  | 71%                               | $.480M                            | 1. Pneumatic Tires  
2. Battery- 12 Volt  
3. Windshield Wiper Motor & Blades |
| MTVR                  | 88%                               | $5.117M                           | 1. Battery- 12 Volt  
2. Ball Joint  
3. Encased Seal |
| ITV                   | 70%                               | $.416M                            | 1. Ball Joint  
2. Battery- 12 Volt  
3. Vehicle Boot Components |
| LVSR                  | 85%                               | $.937M                            | 1. Battery- 12 Volt  
2. Ball Joint Part Kit  
3. Seal, Nonmetallic Special Shaped |
| FRC                   | 99%                               | $.022M                            | 1. Fuels System Valve |
| HMMWV                 | 86%                               | $5.857M                           | 1. Battery- 12 Volt  
2. Ball Joint Part Kit  
3. Headlight Lamp Assembly |
| MTVR Trailers         | 98%                               | $.069M                            | 1. Tapered Bearing, Roller  
2. Encased Seal  
3. Wiring Harness |
| **Total**             | **85%**                           | **$12.898M**                      |
➢ To provide portfolio management of the TWV Fleet

- Enable a cooperative environment for portfolio level problem identification, discussion, and resolution.
- Enable the PEO to foster more effective communication with external stakeholders.
Goals and Objectives

- Provide visibility and analysis on common problems across the TWV portfolio.
- Establish management data, metrics and information system requirements to support streamline TWV portfolio management.
- Recommend modernization initiatives/efforts for the TWV fleet to the Combat Developer, to include timeline for initiating analyses and budget actions.
  - Safety (Stability Control) and Force Protection (Armor, Transparent Armor, AFES).
  - Integrated C4I (VICTORY Compliance).
  - Fuel Efficiency, APU's and OBVP.
  - Logistics/Supportability (Prognostics, Diagnostics, CBM+).
- Support USMC Enterprise Goals such as Lighten the MAGTF and Energy Reduction.
Areas of future investments:

- Ballistic Glass Solutions.
- Fuel Efficiency Initiatives.
- Armor Repair/Cracking.
- Lightweight Material Solutions.

Upcoming Contract Activities:

- MRAP: RFP for Egress Kits Installation – 3rd QTR FY16.
- LTV: RFP for UTV CLS – 4th QTR FY16.
Advanced Technology Investment Plan (ATIP)

- ATIP – Our 7th Provides an update to the Top Technical Issues of PEO LS Programs.
- The Top Technical Issues vetted through the Program Managers.
- Designed to
  - foster collaboration
  - align S&T investments
  - and support effective, affordable technology insertion within PEO LS Programs.

Available Electronically at the Defense Innovation Marketplace (DIM):
www.defenseinnovationmarketplace.mil/resources/USMC/2015ATIP_4172015_FINAL.pdf
Expanding the “Best Value” Continuum
“Monetizing” Best Value

- New DoD Source Selection Procedures (SSP) issued 1 Apr 2016 by Director, Defense Procurement and Acquisition Policy (DPAP)
  - Rescinds SSP issued 4 March 2011
- Expands the Discussion of Best Value Tradeoffs
- Expresses Methodologies for Placing Monetized Value for Performance / Capability “Above Threshold”
  - One Size does not have to fit all Source Selections

Answers the Question:
What is the Government willing to pay for higher quality performance between Threshold (minimum) and Objective (maximum)?
“Monetizing” Best Value
Two Different Approaches / Two Different Successes

JLTV

- Value Adjusted Total Evaluated Price (VATEP)
- Monetized Downward adjustments ("Credits") for Discrete Performance / Capability Above Threshold Identified and Quantified in the RFP

ACV

- Average Manufacturing Unit Cost (AMUC) Premium Limit
- Identified a Specific Percentage in the RFP Above the Lowest Priced Technically Acceptable (LPTA) AMUC for Performance / Capability Above Threshold

Both Programs Successfully Withstood Protests
Questions?