



LOGISTICS AND  
MATERIEL READINESS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3500

MAR 9 2011

MEMORANDUM FOR DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Performance-Based Logistics (PBL) Pilot for Defense Logistics Agency (DLA)

In response to your memorandum of February 16, 2011, I endorse DLA's investigation of enterprise PBLs in order to deliver better value to the warfighter and taxpayer consistent with Secretary Gates' comments to pursue efficiencies in the way we do business. Specifically, DLA's requested PBL Pilot for Auxiliary Power Units (APUs) and other Honeywell components, as well as the T-700 initiative put forward by the Logistics Efficiency Team, show much promise.

This office supports DLA's engagement with each of the Services in order to collect the data necessary for a Business Case Analysis (BCA), as well as acquisition planning and fact finding. If the results of the BCA and acquisition planning validate improvements to logistical support while, at the same time, yielding reductions in Operating and Support (O&S) costs for APUs and other end-items or components, L&MR will assist DLA and the Services in determining the best way to consolidate requirements and execute across DoD.

The inherent logic of the business case premise as put forward by DLA has merit. If the inferences of an Enterprise PBL approach are validated, this would represent a business model that reduces cost while increasing performance. I look forward to reviewing the results of the BCA. Please plan on briefing the results to the JLB within the next 6-months.



Alan F. Estevez  
Principal Deputy

cc:

Assistant Secretary of the Army (Acquisition, Logistics and Technology)  
Assistant Secretary of the Navy (Research, Development and Acquisition)  
Assistant Secretary of the Air Force (Acquisition)  
Assistant Secretary of the Air Force (Installations, Environment and Logistics)  
Commander, US Army Materiel Command  
Commander, Air Force Materiel Command  
Commander, Naval Supply Systems Command  
Commandant, Marine Corps Logistics Command  
Deputy Chief of Staff of the Army, G4  
Deputy Chief of Naval Operations (Fleet Readiness and Logistics), N4  
Deputy Chief of Staff for Logistics, Installations, and Mission Support, U.S. Air Force, A4/7  
Deputy Commandant, Installations and Logistics, U.S. Marine Corps  
Director, Joint Chief of Staff for Logistics, J4