THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MAY 2 2 2007

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Third Annual SECDEF Performance-Based Logistics (PBL) Awards

Subject awards have enhanced PBL awareness and encouraged PBL excellence since 2005. Request your award nominations for this year by August 15.

PBL is the DoD strategy to improve weapon system readiness by purchasing weapon system sustainment as an integrated package. This is based on output measures, such as weapon system availability, rather than input measures, such as parts and technical services.

Through the PBL Awards, DoD recognizes government/industry teams responsible for outstanding achievements in PBL development, implementation and execution. The SECDEF PBL Awards Program honors outstanding PBL performance in three categories: the System Level, the Sub-system Level, and the Component Level. The public and private winners in each category will receive a plaque acknowledging their achievement, to be presented in the fall timeframe. The permanent PBL award is publicly displayed at the Defense Acquisition University.

Overall management of the PBL Awards Program is performed by the Deputy Under Secretary of Defense (Logistics and Materiel Readiness), in affiliation with the Defense Acquisition University and the Aerospace Industries Association. Submission instructions and criteria are attached.

The point of contact is Mr. Chuck Silva, Office of the Assistant Deputy Under Secretary of Defense (Materiel Readiness and Maintenance Policy) at 703-604-1075 or chuck.silva@osd.mil

Kenneth J. Krieg

Attachments:
As stated

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Executive Director, Defense Science Board
President, Defense Acquisition University

The Secretary of Defense Performance-Based Logistics Awards Program
for
Excellence in Performance-Based Logistics

1. Purpose.

The Secretary of Defense Performance-Based Logistics Awards Program was established to recognize government/industry teams responsible for demonstrated excellence in Performance-Based Logistics development, implementation and execution. The Secretary of Defense Performance-Based Logistics Awards Program is intended to:

- Enhance PBL awareness throughout the Department of Defense
- Improve mission success and reduce total ownership costs by encouraging teamwork and a common objective through government and industry partnering.
- Recognize exceptional performance for both Government and Industry excellence in developing, implementing, and executing exceptional PBL strategies.
- Foster development of competitive programs within DoD components by providing a higher level of competition commensurate recognition.
- Encourage innovative management and effective use of resources.

2. Eligibility.

Nominations are for Government/Industry teams that have exhibited outstanding performance in PBL development, implementation, and execution.

All DoD Activities whose mission is to provide Performance-Based Logistics services in support of Armed Forces missions:

- Are eligible to compete at the Government/Industry team level,
- May submit nominations for outstanding Government/Industry teams showing outstanding performance at the System, Sub-system and Component levels.

Categories of Competition are:

- System Level: Major Weapon Systems and/or System of Systems programs (MDAPS)

- Sub-system Level: Minor weapon systems and/or major subassemblies (ACAT IIs)
- Component Level: all other products and services (ACAT IIIs and below)

Nominations must specify an appropriate competition category.

The Secretary of Defense Performance-Based Logistics Awards shall be given annually to recognize outstanding performance, based on the criteria outlined below, during the 12 month period that begins July 1 and ends June 30. One winner in each category shall be selected.

3. Process.

Responsibilities: The Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) shall:

- Provide overall guidance for the Secretary of Defense Performance-Based Logistics Awards Program.
- Be the approval authority for the final selection of the Secretary of Defense Performance-Based Logistics Awards winners.

The Deputy Under Secretary of Defense for Logistics and Materiel Readiness (DUSD (L&MR)) will provide overall management of the program and convene the awards selection board. The Defense Acquisition University (DAU) and the Aerospace Industries Association (AIA) will assist in administering the awards process. The primary point of contact for administration of the award process will be the Assistant Deputy Under Secretary of Defense for Materiel Readiness and Maintenance Policy (ADUSD (MR&MP)).

The ADUSD (MR&MP) will annually prepare the notification for USD (AT&L) issuance on or about May 15, 2007 that nominations are due no later than August 15, 2007.

4. Nominations.

The Military Departments, U. S. Coast Guard and Defense Logistics Agency may nominate, in each category, up to five teams/organizations. Other Components may nominate two teams. Nomination packages must be received through the appropriate Component Acquisition Executive or USD (AT&L) principal to the ADUSD (MR&MP), 3500 Defense Pentagon, Room 5A712A, Washington, D.C. 20301-3500 not later than August 15 of each year.

Criteria for Nomination/Selection:

The PBL Award is granted in recognition of the successful development, implementation and execution of Performance-Based Logistics which achieves the highest level of warfighter operational readiness. The following criteria shall be used to evaluate the nominated teams during the selection process:

Warfighter-Based Capabilities and Outcomes (60% weighted scoring)

- Mission Success
- Materiel Availability
- Ownership Cost Management

Sustainment of Warfighter Capabilities (40% weighted scoring)

- Public-Private Partnering
- Systems Engineering Approach
- Footprint Reduction
- Obsolescence Management
- Reliability, Maintainability and Supportability Improvements

Quantifiable PBL metrics, such as savings and outcome measures, are specifically required.

5. Contents of Nomination Packages.

The prescribed format for the submission of the award nomination packages shall comprise of four sections:

- Section 1: Shall contain a cover page with information on the nominating organization formatted as depicted in the attached example, Section 1.
- Section 2: Shall include a summary of criteria accomplishments for those areas noted in Criteria for Nomination/Selection. The summary shall consist of up to five typewritten pages and no more than three pages of graphics if desired; see attached example, Section 2.
- Section 3: Endorsements from all of the nominated organizations' higher headquarters should be formatted as in the attached example, Section 3.

- Section 4: Shall include a double-spaced, unclassified proposed paragraph highlighting specific achievements that will be suitable for use in the awards presentation ceremony. See attached example, Section 4.

Videotapes, DVD's, and other film media shall not be accepted. Unit and personnel data shall be cleared for public release to military and civilian news services. No classified information may be submitted.

6. Selection Procedures.

The DUSD (L&MR) will convene a selection board, under the management of ADUSD (MR&MP) and the administration of the DAU, to evaluate nominations and recommend the award finalists to USD (AT&L) for approval. Selection boards will include at least five panel members from OSD/DAU/AIA Staff. The USD (AT&L) is the final selection authority.

7. Notification of Winners.

The DUSD (L&MR) shall notify the Secretaries of the Military Departments, the Commandant of the U. S. Coast Guard, and the Director, Defense Logistics Agency (DLA), of the winning nominees selected for the Secretary of Defense Performance-Based Logistics Awards Program. Notification shall be forwarded via a memorandum to the Secretaries of the Military Departments, the U. S. Coast Guard Commandant, Director, DLA and their respective awards program representatives.

8. Presentation Ceremony and description of awards.

The Awards shall be presented to the winners in a ceremony that will be held in the Fall of each year. The Secretary of Defense Performance-Based Logistics Award is a unique perpetual trophy, engraved with all three category winners along with all previous winners and shall be displayed so that it is accorded suitable public viewing access. Category winning teams will receive a plaque depicting the PBL Award.

9. Reporting.

The ADUSD (MR&MP) will provide information on all recipients of the Secretary of Defense Performance-Based Logistics Awards to DAU and to AIA. The DAU President and the AIA President & CEO are responsible for ensuring the innovations and accomplishments of the awardees are recognized, as appropriate, in the

Acquisition Review Quarterly, the Defense AT&L Magazine, Aerospace Industries Association Newsletter, and other pertinent publications.

SAMPLE

The Secretary of Defense Performance-Based Logistics Awards Program
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Section 1
Nomination

Nominating Organization:
[name and location]

Date:

_____ _____

POC: [name and contact information]

_____

Award Category:

Award Year:

_____ _____

Nominee: [government/industry team or organic organization, and location]

_____

POC: [name and contact information]

_____

Team/Organization Members: [name and title]

(Attach additional sheets as required)

SAMPLE

The Secretary of Defense Performance-Based Logistics Awards Program
for
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Section 2
Summary of Criteria Accomplishments

Nominations must specify the criteria that are applicable and provide supporting information. Quantifiable PBL metrics, such as savings and outcome measures, are specifically required. Packages shall not exceed five type-written pages of text, double spaced and 12 point font. Up to three additional pages of supporting graphics will be accepted.

SAMPLE

The Secretary of Defense Performance-Based Logistics Awards Program
for
Excellence in Performance-Based Logistics
Section 3
Nomination Endorsements

Approval Endorsements

Signature Block of Approving Headquarters Date:

Signature Block of Next Higher Approving Headquarters Date:

Signature Block of Next Higher Approving Headquarters Date:

Signature Block of Next Higher Approving Headquarters Date:

SAMPLE

The Secretary of Defense Performance-Based Logistics Awards Program
for
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Section 4
Achievements

Include a double-spaced, unclassified proposed paragraph highlighting specific achievements that will be suitable for use in the awards presentation ceremony. Videotapes, DVD's, and other film media shall not be accepted. Unit and personnel data shall be cleared for public release to military and civilian news services. No classified information may be submitted.