



LOGISTICS AND  
MATERIEL READINESS

## ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3500

MAY 2 2013

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY

SUBJECT: 9<sup>th</sup> Annual Secretary of Defense Performance-Based Logistics Awards

Award nominations for the 9<sup>th</sup> Annual Performance-Based Logistics (PBL) Awards Program are due not later than July 1, 2013. Submission instructions and criteria are attached.

PBL is a key Department of Defense strategy for delivering integrated, affordable, performance-based product support solutions designed to optimize system readiness for the Warfighter. The tenets of PBL support Better Buying Power 2.0 by incentivizing productivity and innovation in industry and Government. PBL balances Warfighter readiness and affordability by incentivizing industry to deliver cost-effective solutions to the Department.

The Department instituted the PBL Awards in 2005 to enhance PBL awareness and encourage PBL excellence. Prior winners have achieved superior performance for the Warfighter while controlling cost growth, addressing long-term affordability, and promoting industry competition and innovation.

Through the PBL Awards, the Department recognizes Government/industry teams responsible for outstanding achievements in PBL development, implementation, and execution. The awards honor outstanding PBL performance in three categories: System Level, Subsystem Level, and Component Level. The public and private sector winners in each category will receive trophies that will be presented in conjunction with the Aerospace Industries Association's Fall Product Support Conference.

My points of contact in the Office of the Deputy Assistant Secretary of Defense (Materiel Readiness) are Mr. Denny Hafer at [Dennis.Hafer@osd.mil](mailto:Dennis.Hafer@osd.mil) or 571-256-0632 and Mr. John Boyce at [John.Boyce.ctr@osd.mil](mailto:John.Boyce.ctr@osd.mil) or 571-256-7070.



Alan F. Estevez

Attachment:  
As stated

cc:  
USD(AT&L) Direct Reports

**The Secretary of Defense Performance-Based Logistics Awards Program  
for  
Excellence in Performance-Based Logistics  
in  
Life Cycle Product Support**

1. Purpose.

The Secretary of Defense Performance-Based Logistics (PBL) Awards Program was established to recognize Government/industry teams responsible for demonstrated excellence in PBL development, implementation, and execution in life-cycle product support strategies. The Secretary of Defense PBL Awards Program is intended to:

- Enhance PBL awareness throughout the Department of Defense (DoD);
- Improve mission success through increased materiel availability and reliability with reduced ownership costs by encouraging teamwork and common objectives through public/private partnerships;
- 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; and
- Through partnering, capitalize on the organic providers' roles, responsibilities, and capabilities.

2. Eligibility.

Nominations are for teams that have exhibited outstanding performance in PBL development, implementation, and execution in life-cycle product support strategies.

All DoD Activities whose mission is to provide life-cycle product support to Armed Forces missions:

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

Nominations must specify an appropriate competition category.

Categories of Competition are:

- System Level: Weapon Systems Platforms and/or System of Systems Programs.
- Subsystem Level: Weapon subsystems and/or major subassemblies.
- Component Level: All other products, components and services.

The Secretary of Defense PBL Awards shall be given annually to recognize outstanding performance, based on the criteria outlined below, during the 12-month period that begins July 1, 2012, and ends June 30, 2013. One winner in each category shall be selected.

### 3. Process.

Responsibilities: The Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)) shall:

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

The Deputy Assistant Secretary of Defense for Materiel Readiness (DASD(MR)) will provide overall management of the program and convene the awards selection board composed of Office of the Secretary of Defense (OSD), Service, Defense Acquisition University (DAU), and industry representatives. The Aerospace Industries Association (AIA) will assist in administering the awards process during its Fall Product Support Conference. The primary point of contact for administration of the award process will be the DASD(MR).

DASD(MR) will annually prepare the Secretary of Defense PBL Awards Program notification for ASD(L&MR) issuance.

### 4. Nominations.

The Services/Components/Agencies may nominate, in each category, up to two teams/organizations. Nomination packages must be received through the appropriate Component Acquisition Executive or USD(AT&L) principal to the DASD(MR), 3500 Defense Pentagon, Room 3C168, Washington, DC 20301-3500, not later than July 1, 2013.

Criteria for Nomination/Selection:

The PBL Award is granted in recognition of successful development, implementation, and execution of performance-based product support solutions that achieve the optimal balance of Warfighter operational readiness and affordability. The tenets of increased long-term affordability, controlled cost growth, and innovation with industry, as outlined in the USD(AT&L) memorandum "Better Buying Power 2.0: Continuing the Pursuit for Greater Efficiency and Productivity in Defense Spending," will be a critical focus area during the evaluation process.

The following criteria shall be used to evaluate the nominated teams during the selection process:

Improvements in Warfighter-Based Capabilities and Outcomes (50 percent weighted scoring)

- Mission Success
- Materiel Availability
- Materiel Reliability

**Sustainment Strategy Effectiveness/Efficiency (50 percent weighted scoring)**

- Operating & Support Cost Reduction
- Public-Private Partnering
- Systems Engineering Approach
- Footprint Reduction
- Obsolescence Management
- Innovative Contracting Support Approach

Submission directions – Be specific with accomplishment results by criteria; provide quantifiable PBL Metrics, such as outcome measures and cost management; and provide identification of assumptions and call out of cost savings source data. In addition, the PBL accomplishments should be highlighted and focused on the past 12 months of performance.

**5. Contents of Nomination Packages.**

The prescribed format for the submission of the award nomination packages shall be comprised 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 attachment 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.

Microsoft Word is the preferred application. Videotapes, DVDs, 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.**

DASD(MR) will convene a selection board to evaluate nominations and recommend the award finalists to ASD(L&MR) for approval. The selection board will include panel members from OSD, DAU, Cost Assessment and Program Evaluation, and AIA Staff. ASD(L&MR) is the final selection authority.

7. Notification of Winners.

The ASD(L&MR) shall notify the Secretaries of the Military Departments and the Director, Defense Logistics Agency (DLA) of the winning nominees selected for the Secretary of Defense PBL Awards Program. Notification shall be forwarded via a memorandum to the Secretaries of the Military Departments, the Director, DLA, and their respective award 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 conjunction with the AIA Fall Product Support Conference. The Secretary of Defense PBL 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 trophy depicting the PBL Award.

9. Reporting.

DASD(MR) will provide information on all recipients of the Secretary of Defense PBL Awards to AIA. The AIA President and CEO are responsible for ensuring the innovations and accomplishments of the awardees are recognized, as appropriate, in Acquisition Review Quarterly, Defense AT&L Magazine, AIA Newsletter, and other pertinent publications.

**SAMPLE**

The Secretary of Defense Performance-Based Logistics Awards Program  
for  
Excellence in Performance-Based Logistics  
in  
Life Cycle Product Support

Section 1

Nomination

Nominating Organization:  
(name and location)

Date:

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POC: (name and contact information)

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Award Category:

Award Year:

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Nominee: (government/industry team or organic organization, and location)

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POC: (name and contact information)

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Team/Organization Members: (name and title)  
(attached additional sheets as required)

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**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 outcome measures and reduced ownership cost, are specifically required. Packages shall not exceed five pages of text, double spaced and 12 point font (Microsoft Word preferred). Up to three additional pages of supporting graphics will be acceptable.

**SAMPLE**

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

**Approved Endorsements**

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Signature Block of Approving Headquarters

Date:

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Signature Block of Next Higher Approving Headquarters

Date:

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Signature Block of Next Higher Approving Headquarters

Date:

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Signature Block of Next Higher Approving Headquarters

Date:

**SAMPLE**

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

Achievements

Include a double-spaced (Microsoft Word preferred), unclassified proposed paragraph highlighting specific achievements that will be suitable for use in the awards presentation ceremony. Videotapes, DVDs, 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.