ACQUISITION,
TECHNOLOGY
AND LOGISTICS

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

MAR 26 2014

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: 10th Annual Secretary of Defense Performance-Based Logistics Awards

Performance-Based Logistics (PBL) is a key Department of Defense strategy for delivering integrated, affordable, performance-based product support arrangements designed to deliver Warfighter requirements and reduce cost. The tenets of PBL support Better Buying Power 2.0 by incentivizing productivity and innovation in Government and industry.

The Department instituted the PBL Awards in 2005 to enhance PBL awareness and encourage PBL excellence. Prior winners 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 winners in each category will be recognized at the annual Office of the Secretary of Defense Product Support Manager Workshop.

Submission instructions and criteria for the 10th Annual PBL Awards Program nominations are attached and are due not later than July 30, 2014. My point of contact is Ms. Lisa Smith, OASD(L&MR), at 703-614-8339 or lisa.p.smith14.civ@mail.mil.

Frank Kendall

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. 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 arrangements
- 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
- Capitalize on the organic providers' roles, responsibilities, and capabilities through partnering

2. Eligibility.

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

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.
- 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
- Component Level: All other subassemblies, components, products, and services

The Secretary of Defense PBL Awards will be given annually to recognize outstanding performance, based on the criteria outlined below, during the 12-month period that begins June 1, 2013, and ends May 31, 2014. One winner in each category will be selected.

3. Process.

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

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

ASD(L&MR) will convene a selection board to evaluate nominations and recommend the award finalists for approval. The selection board will include representatives from OUSD(AT&L), Defense Acquisition University (DAU), and Service and Joint Staff Headquarters. Nominations will be evaluated using a 100-point scale. Awards will be presented to programs based on the effectiveness of their PBL arrangements and accomplishments that warrant recognition as a Department leader in product support.

4. Nominations.

Each Service or Agency may submit two nominations per category. The nomination packages must be submitted with an endorsement from the appropriate Component Acquisition Executive. All awards must be completed using the award application format herein and submitted as both MS Word and PDF documents in 12-point Times New Roman font to the Office of the ASD(L&MR) via the Staff Action Control and Coordination Portal (SACCP) or by e-mail to the OASD(L&MR) Point of Contact, Ms. Lisa Smith ,at lisa.p.smith14.civ@mail.mil. Nomination packages must be received no later than July 30, 2014.

Criteria for Nomination/Selection:

The PBL Award is granted in recognition of successful development, implementation, and execution of performance-based product support strategies. PBL is a key DoD tool for delivering integrated, affordable, performance-based product support arrangements designed to deliver Warfighter requirements and reduce cost. The tenets of PBL support Better Buying Power 2.0 by incentivizing productivity and innovation in industry and Government.

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 Best Practice/Efficiency (50 percent weighted scoring)

- Operations and Support Cost Reduction
- Alignment of Arrangement Type/Period of Performance/Incentives with the Requirements
- Public-Private Partnering
- Systems Engineering Approach
- Footprint Reduction
- Obsolescence Management

Submission directions:
Be specific with accomplishment results by criteria; provide **quantifiable** PBL achievements, such as performance and cost improvements. Packages with substantiating statistics in addition to the narrative will be graded higher than those without. Provide contract type, incentives, and cost savings data. The PBL accomplishments should be highlighted and focused on the specified 12 months of performance. Command endorsement(s) will serve as verification of submitted achievements.

5. Contents of Nomination Packages.

The prescribed format for the submission of the award nomination packages is comprised of four sections:

- Section 1: Contains a cover page with information on the nominating organization formatted as depicted in the attached example, Section 1.
- Section 2: Includes 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: Includes 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, DVDs, and other film media will not be accepted. Unit and personnel data will be cleared for public release to military and civilian news services. No classified information may be submitted.

6. Notification of Winners.

ASD(L&MR) will notify the Secretaries of the Military Departments and the Director, Defense Logistics Agency (DLA) and Missile Defense Agency (MDA) of the winning nominees selected for the Secretary of Defense PBL Awards Program. Notification will be

forwarded via a memorandum to the Secretaries of the Military Departments and Agency Director(s) as applicable, and their respective award program representatives.

7. Presentation Ceremony and Description of Awards.

   The winners in each category will be recognized at the annual Office of the Secretary of Defense Product Support Manager Workshop. The Secretary of Defense PBL Award is a unique perpetual trophy, engraved with all three category winners along with all previous winners and displayed in the Pentagon so that it is accorded suitable public viewing access. Category winning teams will receive a trophy depicting the PBL Award.

8. Reporting.

   OASD(L&MR) will provide information on all recipients of the Secretary of Defense PBL Awards to DAU for posting on the PBL Community of Practice, the Defense AT&L Magazine, NDIA and AIA for inclusion in their Newsletters, and other pertinent publications.

SAMPLE

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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)
(attached additional sheets as required)

_____

SAMPLE

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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 Times New Roman font. Up to three additional pages of supporting graphics will be acceptable.

SAMPLE

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Section 3

Nomination Endorsements

Approved 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

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Section 4

Achievements

Include a double-spaced unclassified proposed paragraph in 12-point Times New Roman font highlighting specific achievements that will be suitable for use in the awards presentation ceremony. Videotapes, DVDs, and other film media will not be accepted. Unit and personnel data will be cleared for public release to military and civilian news services. No classified information may be submitted.