



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

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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: 2014 Secretary of Defense Performance Based Logistics Awards Selection

I am pleased to announce the 2014 Secretary of Defense Performance Based Logistics (PBL) Award Winners:

- System Level Award:
F-22 – U.S. Air Force (USAF)
F-22 System Program Office, Wright Patterson Air Force Base (AFB), Ohio
Summary of Accomplishment: Implemented a PBL solution between USAF Air Combat Command, USAF Air Logistics Complexes, Lockheed Martin, Pratt and Whitney, and Boeing for the F-22 fleet, which resulted in an F-22 record-high 71-percent mission capable rate. Additionally, there were significant improvements in the Aircraft Abort Rate, which averaged 5.1 percent for the year against a fleet exceptional goal of 6.5 percent. Their efforts reduced the cost per flight hour, saving \$20 million in operating and support (O&S) costs in 2013.
- Sub-system Level Award:
Sniper Advanced Targeting Pod PBL – USAF
Precision Attack System Program Office, Robins AFB, Georgia
Summary of Accomplishment: Implemented a PBL solution between USAF Precision Attack System Program Office and Lockheed Martin Missiles and Fire Control personnel which delivered exceptional support of 358 Sniper Pods used by USAF and Air National Guard on multiple platforms at operational and training locations around the world. The PBL arrangement improved readiness by 14 percent while simultaneously reducing O&S costs by \$77.3 million.
- Component Level Award:
H-53E PBL – U.S. Navy
Naval Supply Weapon Systems Support, Philadelphia, Pennsylvania
Summary of Accomplishment: Implemented a PBL solution between Naval Supply Systems Command Weapon Systems Support, Naval Air Systems Command, and Sikorsky for 10 high-value, flight-critical components, resulting in improved processes and products that increased supply availability by 49 percent while reducing O&S costs by \$20.2 million.

Performance Based Logistics is a key Department of Defense strategy used to deliver an integrated, affordable support solution designed to optimize system readiness and reduce O&S costs. The Secretary of Defense PBL Awards recognize Government/industry teams that have demonstrated outstanding achievements in providing our Warfighters with exceptional operational capability through PBL agreements and are examples of “Better Buying Power” in action. Please extend my sincere congratulations on behalf of the Secretary of Defense to this year’s winners. Attached is a detailed summary of their outstanding PBL award accomplishments.

The 2014 PBL Award winners will be recognized at the Product Support Manager Workshop in January 2015. The Principal Deputy Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)) will present the award at their command.

For further information, my point of contact is Ms. Lisa Smith, Office of the ASD(L&MR), at 703-614-8339 or lisa.p.smith14.civ@mail.mil.



Frank Kendall

Attachment:
As stated

cc:
USD(AT&L) Direct Reports

2014 SECRETARY OF DEFENSE PERFORMANCE BASED LOGISTICS (PBL) AWARDS
WINNER ACCOMPLISHMENT SUMMARY

System Level *Beck* Award – USAF F-22 Program Office System PBL

The F-22 employed Performance Based Logistics strategies and arrangements that proved instrumental in delivering war-winning capability to the F-22 Raptor fleet at significant value to the taxpayers. The PBL team included the F-22 System Program Office, contractors Lockheed Martin Aeronautics, Boeing, Pratt and Whitney, USAF Air Logistics Complexes, and Air Combat Command. Lockheed Martin facilitated PBL execution as the weapon system Product Support Integrator. The team successfully awarded the first F-22 Fixed Priced Incentive Firm multi-year Performance Based Logistics sustainment contract worth more than \$2 Billion for FY 2014 through FY 2017. The Lockheed Martin and Boeing partnership team provided overall savings to the government of \$20 million for basic operations and maintenance activities in 2013 while reducing flying hour cost. In addition to the cost savings, the team improved the F-22 Fleet Mission Capable Rate with a new high in 2013, averaging 71.1%. Additionally, the Operational Availability was enhanced by significant improvements in the Aircraft Abort Rate, which averaged 5.1% for the year, against a fleet exceptional goal of 6.5%. The result was improved worldwide support for the completion of 10 successful deployments and continual support of four ongoing deployments. The team continues to deliver impressive results in reducing cost of ownership and sustainment through innovative public-private partnering (PPP), while meeting all 50/50 and core requirements. Depot Partnering has increased the PPP workloads over the last five years, increasing partnership contribution to 50/50 by nearly 800%. Commander, Air Combat Command has lauded the fact that F-22 Supply performance was the best in the command for fighter programs. Advancements in supply, material, and sustaining engineering played a major role in the program achieving the highest Aircraft Availability and Mission Capable Rates in the history of the program, delivering the capability to aid the Warfighter in the continual domination of air superiority.

Sub-System Level Award – USAF Sniper Advanced Targeting Pod PBL

The Sniper Performance Based Logistics solution provided critical sustainment support to the United States Air Force (USAF) and Air National Guard (ANG) for their fleet of 358 Sniper Advanced Targeting Pods operating on the A-10, F-15E, F-16 Block 30-50, B-1, and B-52 aircraft at combat, operational, and training locations around the world. The teamwork between the United States Government and Lockheed Martin on this Sniper PBL arrangement has demonstrated a comprehensive solution to providing the user with the support needed that consistently meets or exceeds the required readiness rates. Major achievements during this award period included realizing a \$77.3 million cost avoidance by maintaining the Sniper fleet Operational Availability (AO) 14% better than the requirement; maintaining an O-Level spares on-hand availability rate of 98.6%; improving availability of depot repair parts from 84% to 94% in 2013; outperforming the Mean Time Between Maintenance Event (MTBME) requirement by 10% and the Mean Time Between Failure (MTBF) requirement by 52%; reducing support costs by 10% from previous PBL contracts; a public-private partnership that supports USAF

compliance with Title 10 Core and 50-50 requirements and employs highly skilled technicians in Warner Robins, Georgia; and reducing the Sniper logistics footprint by decreasing the average quantities of cannibalized pods by 364% from 2012 to 2013. This PBL effort has reduced costs, delivered superior operational availability, and provided exceptional value and support to USAF and ANG customers around the world.

Component Level Award – USN H-53E Performance Based Logistics

The H-53E Performance Based Logistics Team comprised of NAVSUP WSS, NAVAIR, and Sikorsky Aircraft leverages a 10-year (5-year base with one 5-year option) arrangement covering ten high-value, flight-critical components. With improved processes and products the team increased supply availability by 49% while simultaneously reducing operating and support (O&S) costs by \$20.2 million. Sikorsky is responsible for managing the overhaul, repair and material support of these components utilized on the present fleet of 179 H-53E aircraft. The H-53 PBL Team achieved remarkable success in meeting Fleet demand by filling over 3,100 requisitions in support of more than 270,000 flight hours. This was accomplished on an aircraft that has been out of production for over two decades with an aging supply chain that competes for capacity against the latest production aircraft requirements. The program has averaged a 96.1% on-time fill rate. These results were obtained through robust enterprise quality processes that mandated a continuous pursuit of performance excellence. The PBL partnership structure maximized use of and maintained existing Navy infrastructure and expertise. The H-53E PBL arrangement provided significant cost-wise performance to the Fleet and addressed the desired outcomes of DoD Acquisition Reform and Better Buying Power guidance.