



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

JUN 16 2005

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: The Secretary of Defense Performance Based Logistics Awards Program

Performance-Based Logistics (PBL) is the Department of Defense strategy to improve weapon system readiness by purchasing weapon system sustainment as an integrated package, based on output measures, such as weapon system availability, rather than input measures, such as parts and technical services. The Quadrennial Defense Review (QDR) and the Defense Planning Guidance directed the application of PBL to new and legacy weapon systems.

Utilizing the best mix of public/private capabilities is a fundamental enabler of successful PBL strategies. A long-term relationship based upon a foundation of trust and mutual accountability for achieving the outcome performance goals in managing reliability, supportability and total ownership cost over the life cycle of a weapon system is critical for implementation of a successful PBL program.

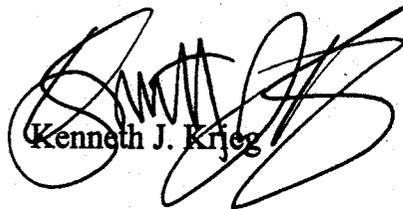
To enhance PBL awareness and encourage PBL excellence, DoD is instituting an awards program to recognize government/industry teams responsible for outstanding achievements in PBL development, implementation and execution. The Secretary of Defense PBL Awards program shall be implemented to annually recognize outstanding PBL performance in three categories: the System Level, the Sub-system Level and the Component Level. The PBL Awards will recognize successful PBL programs that demonstrate exceptional operational readiness.

The DoD will display the PBL Award in a prominent location so that it is afforded suitable public viewing access. This award will be maintained in perpetuity and updated annually. The public and private winners in each category will receive a plaque acknowledging their achievement. The awards will be presented annually in the Fall timeframe commencing in calendar year 2005. Application for the awards and criteria are contained in the enclosure.

Overall management of the PBL Awards program will be carried out by the Deputy Under Secretary of Defense (Logistics and Materiel Readiness) in affiliation with the Defense Acquisition University and Aerospace Industries Association. PBL Award Instructions and format are attached.



The principal point of contact for administration of the PBL awards program is Mr. Lou Kratz, Assistant Deputy Under Secretary of Defense (Logistics Plans and Programs), 703-614-6327, Louis.Kratz@osd.mil.



Kenneth J. Krieg

Attachment:
As stated

DISTRIBUTION:

Secretary of the Army, Attn: Acquisition Executive
Secretary of the Navy, Attn: Acquisition Executive
Secretary of the Air Force, Attn: Acquisition Executive
Chairman of the Joint Chiefs of Staff, Attn: DLB Vice Chairman
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Under Secretary of Defense (Comptroller)
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Attn: DASD (C3I Acquisition)
Assistant Secretary of Defense (Strategy and Requirements)
Director, Operational Testing and Evaluation
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Group
Director, Defense Research and Engineering
Assistant to the Secretary of Defense (Nuclear and Chemical and Biological Defense)
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Director, Test, Systems Engineering, and Evaluation
Director, Washington Headquarters Services
Executive Director, Defense Science Board
President, Defense Acquisition University
USCINCSOCOM, ATTN: Acquisition Executive

The Department of Defense Award for Excellence in Performance Based Logistics

Purpose

The Department of Defense PBL Award is established to recognize government / industry teams responsible for demonstrated excellence in Performance Based Logistics development, implementation and execution. The Department of Defense PBL Award 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.

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 System of Systems Level
- Sub-system Level: Minor weapon systems and major subassemblies
- Component Level: all other products and services

Nominations must specify an appropriate competition category.

The Department 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 and ends June 30. One winner in each category shall be selected.

Criteria for Nomination/Selection

The PBL Award is granted in recognition of the successful development, implementation and execution of Performance Based Logistics to attain exceptional operational effectiveness. The following factors shall be used to evaluate the nominated teams during the selection process:

- Unit Operational Readiness/Availability

- Weapon System Availability
- Mission Success
- Life Cycle Cost Management
- Government/Industry Teaming and Contracting Mechanisms
- Public-Private Partnering
- Systems Engineering Approach
- Footprint Reduction
- Obsolescence Management
- Reliability, Maintainability and Supportability Improvements

Nominations must specify the criteria that are applicable and provide supporting information. Quantifiable PBL metrics, such as savings and outcome measures, are especially desired. Packages shall not exceed 5 type-written pages of text, double spaced and 12 point font. Up to three additional pages of supporting graphics will be accepted.

Process

Responsibilities: The Under Secretary of Defense for Acquisition, Technology and Logistics shall:

- Provide overall guidance for the Department of Defense PBL Awards Program.
- Be the approval authority for the final selection of the Department of Defense PBL Awards winners.

The Deputy Under Secretary of Defense for Logistics and Material Readiness (DUSD (L&MR)) will provide overall management of the program and convene the awards selection board. The Defense Acquisition University (DAU) and 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 Logistics Plans and Programs (ADUSD (LP&P)).

The ADUSD (LP&P) will annually prepare the notification for USD (AT&L) issuance on or about May 15 that nominations are due no later than September 1.

Nominations: The Military Departments and Defense Logistics Agency may nominate, in each category, up to five teams/organizations, and other Components may nominate two teams. Nomination packages must be received through the appropriate Component Acquisition Executive or USD (AT&L) principal to the Assistant Deputy Under Secretary of Defense for Logistics Plans and Programs (ADUSD (LP&P)), 3500 Defense Pentagon, Room 2C263, Washington D.C. 20301-3500 not later than September 1 of each year.

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

- Section 1: Shall provide basic information provided in the format below.
- Section 2: Shall include a Summary of Accomplishments for those areas noted in Criteria for Nomination/Selection.

- Section 3: Endorsements from all of the nominated organizations' higher headquarters should be as in the format below.
- Section 4: Shall 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.

Selection Procedures: The DUSD (L&MR) will convene a selection board, under the administration of ADUSD (LP&P) and the management of the Defense Acquisition University (DAU), to evaluate nominations and recommend the award finalists to the Under Secretary of Defense (USD (AT&L)) for approval. Selection boards will include at least five panel members from OSD/DAU/AIA Staff. All evaluations shall be based on a review of the statistical and narrative information provided in the nomination packages. The USD (AT&L) is the final selection authority.

Notification of Winners: The DUSD (L&MR) shall notify the Secretaries of the Military Departments and the Director, Defense Logistics Agency (DLA), of the winning nominees selected for the Department of Defense Performance Based Logistics Awards. Notification shall be forwarded via a memorandum to the Secretaries of the Military Departments, the DLA Director, and their respective awards program representatives.

Presentation Ceremony: The Awards shall be presented to the winners in a ceremony that will be held in the Fall of each year.

Description of Awards: The Department of Defense PBL Award is a unique trophy, engraved with its name and annotated with the current holders in all three categories 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. All winning team member organizations will receive a Certificate of Achievement.

Reporting

The ADUSD (LP&P) will provide information on all recipients of the Department of Defense PBL Award to the Defense Acquisition University (DAU) and to the Aerospace Industries Association. 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 Department of Defense Awards Program for
Excellence in Performance Based Logistics
Nomination - Section 1**

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]

SAMPLE

**The Department of Defense Awards Program for
Excellence in Performance Based Logistics
Summary of Accomplishments - Section 2**

Nominations must specify the criteria that are applicable and provide supporting information. Quantifiable PBL metrics, such as savings and outcome measures, are especially desired. Packages shall not exceed 5 type-written pages of text, double spaced and 12 point font. Up to three additional pages of supporting graphics will be accepted.

SAMPLE

**The Department of Defense Awards Program for
Excellence in Performance Based Logistics
Nomination - Section 3**

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 Department of Defense Awards Program for
Excellence in Performance Based Logistics
Achievements - Section 4**

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.