



## THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

ACQUISITION,  
TECHNOLOGY,  
AND LOGISTICS

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

SUBJECT: 2015 Secretary of Defense Performance Based Logistics Awards Selection

I am pleased to announce the 2015 Secretary of Defense Performance Based Logistics (PBL) Award Winners:

- System Level Award:

Javelin Joint Venture PBL Team—U.S. Army  
Close Combat Weapon Systems (CCWS) Program Office  
Redstone Arsenal, AL 35898

Summary of Accomplishment: The Javelin Joint Venture PBL Team implemented a PBL solution between the Army CCWS Project Office and Javelin Joint Venture, a partnership of Raytheon Systems Corporation and Lockheed Martin Corporation, that provided the Javelin Warfighter the highest level of mission success and tactical Operational Readiness. They reached a level greater than 99 percent for eight consecutive years, far surpassing contractual requirements of 90 percent. With the restructuring of the Javelin Lifecycle Contractor Support, the current PBL Contract per-year contract cost was reduced from \$62 million per year to \$32 million per year, a dramatic 48 percent annual cost reduction brought to fruition through utilization of historical hardware performance and actual demands on the supply system.

- Sub-system Level Award:

AN/ARC-210 Radio Set PBL Team—U.S. Navy  
U.S. Naval Supply Weapon Systems Support (NAVSUP WSS)  
Philadelphia, PA 19111

Summary of Accomplishment: The AN/ARC-210 Radio Set PBL Team implemented a 10-year PBL solution between NAVSUP and Rockwell that improved battlefield interoperability and mission set availability from 64 percent to 99.4 percent. This improvement in asset availability and a total elimination of backorders enhanced mission set readiness by a total of 35.4 percent. Material availability improved from 70 percent pre-PBL to a sustained 99 percent or better since the contract award, while identifying \$15.3 million in cost avoidance over the life of the contract.

Component Level Award:

EA-6B Hydraulics PBL Team—U.S. Navy  
U.S. Naval Supply Weapon Systems Support  
Philadelphia, PA 19111

Summary of Accomplishment: The EA-6B Hydraulics PBL Team implemented another 5-year PBL solution between the Naval Aviation Enterprise and industry by maximizing the strengths of Naval Air Systems Command, NAVSUP WSS, the Fleet Readiness Centers, subcontractors, original equipment manufacturers, and vendors that deliver supply support to the EA-68 Prowler Electronic Warfare aircraft. The current contract performs through January 2018 and encourages AAI Corporation Textron System (AAI) to continually improve repair and supply chain capability. AAI has performed at 100 percent availability for the past 83 consecutive months, and overall performance since the beginning of the program has been at 99.2 percent, while identifying \$71,000 in cost avoidance.

PBL is a key Department of Defense strategy used to deliver an integrated, affordable, support solution to optimize system readiness and reduce Operating and Support costs. The Secretary of Defense PBL Awards recognize government/industry teams that have demonstrated outstanding achievements in providing our Warfighters with exceptional operational capability. These teams successfully utilize 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 accomplishments.

The 2015 PBL Award winners will be recognized at the Spring 2016 Product Support Manager Workshop and will be presented the awards at their commands.

For further information, my point of contact is Ms. Tina Todd, OASD(L&MR), at 571-260-0632 or [tina.m.todd.civ@mail.mil](mailto:tina.m.todd.civ@mail.mil).



Frank Kendall

Attachment:

As stated

cc:

USD(AT&L) Direct Reports

2015 SECRETARY OF DEFENSE PERFORMANCE BASED LOGISTICS AWARDS  
WINNER ACCOMPLISHMENT SUMMARIES

**System Level *Beck* Award—U.S. Army Javelin Joint Venture PBL Team**

The Javelin Lifecycle Contractor Support (LCCS) Performance Based Logistics (PBL) team is a collaborative effort between U.S. Army Close Combat Weapons Systems (CCWS) Project Office, Javelin Joint Venture (JJV), comprised of a partnership between Raytheon Systems Corporation and Lockheed Martin Corporation, in public-private partnership with the Letterkenny Army Depot, Fort Benning Training Support Center, and JJV transportation partner, DHL Global Forwarding. Together, this team supports the Javelin Weapon System: the world's first fire-and-forget, man-portable, shoulder-launched, medium-range, anti-tank Weapon System and all its associated Training Devices. The effectiveness of the Javelin Warfighters, with a 98 percent first-time gunner hit rate, is evidence of mission success. The Javelin LCCS PBL team continually strives to improve Warfighter Mission Success by increasing material availability and reliability while decreasing ownership costs. The Javelin LCCS PBL team has provided Javelin Warfighters with tactical Operational Readiness—greater than 99 percent for the eighth consecutive year—far surpassing contractual requirements and customer expectations through the successful development, implementation, and execution of their U.S. Army PBL contract.

**Sub-System Level Award—USN AN/ARC-210 Radio Set PBL Team**

The AN/ARC-210 PBL team set the benchmark for PBL at the sub-system level. The results of the team's efforts culminated in the award of a 10-year contract valued at \$53.2 million. The PBL team supports multiple airborne, shipboard, and ground-based radios, totaling hundreds of thousands of operational hours. Rockwell consistently achieved U.S. Naval Supply Weapon Systems Support (NAVSUP WSS) outcomes, executing responsibilities under the contract that encompassed logistics and inventory management, requirements determination, depot repair and spares production, sustainment engineering, and reliability growth program excellence. NAVSUP WSS affordability analysis identified \$15.3 million in cost avoidance at time of PBL renewal in 2006. Material availability improved from 70 percent pre-PBL to a sustained 99 percent or better since contract award. The Firm-Fixed Price (FFP) PBL vehicle incentivizes Rockwell to make investments and support decisions that pay off over the long term through improved parts support, investments in reliability, optimized depot processes, and decreased depot returns. Rockwell manages all facets of the supply chain to ensure availability of spares to the Warfighter. Rockwell offers its best practices and in-depth knowledge of the AN/ARC-210 system to sustainment support and integrates that knowledge within existing infrastructure in coordination with Navy members of the PBL team. The AN/ARC-210 systems currently stand at their highest level of combat readiness and customer satisfaction since being introduced to the Fleet. Since 2001, the AN/ARC-210 PBL has provided a foundation for the numerous other PBL contracts, and lessons learned continue to expand to new PBL programs. The mutual trust and clear and documented communication Program Management Reviews are model examples of a high-performing and committed team that provides superlative cost-wise performance to the Fleet.

## **Component Level Award—USN EA-6B Hydraulics PBL Team**

The EA-6B Hydraulics PBL team has effectively and affordably provided support to the Warfighter since 2005. The most recent PBL was awarded to AAI Corporation Textron System (AAI) by NAVSUP WSS on January 29, 2013. This 5-year FFP \$6.9 million competitive contract renewal delivers supply support for 112 line items of repairable and consumable hydraulics components for the EA-68 Prowler Electronic Warfare aircraft. The current contract performs through January 2018 and contains language that encourages AAI to continually improve repair and supply chain capability. This contract follows on to the original, successful 8-year (4-year base with one 4-year option) \$30.91 million FFP PBL, also competitively awarded to AAI in January 2005. AAI has met 100 percent availability for the past 83 consecutive months, and overall performance since the beginning of the program is 99.2 percent. AAI scope of responsibility includes demand forecasting, provisioning of repair parts, and management of Navy asset inventory, including requisition processing, storage, packaging, quality assurance, asset reporting, and other logistics elements. AAI is also responsible for configuration management, obsolescence management, and maintenance of technical data in accordance with Navy-approved procedures. The PBL fosters cooperation and teaming across the Naval Aviation Enterprise and industry by maximizing the strengths of Naval Air Systems Command, NAVSUP WSS, the Fleet Readiness Centers, subcontractors, original equipment manufacturers, and vendors. The PBL team consistently delivers affordable readiness for electronic warfare and jamming capability and is directly aligned with DoD Better Buying Power guidance.