

# ***542d Combat Sustainment Wing***



## ***Performance Based Logistics***

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8 Nov 06



# *Performance Based Logistics Overview*



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## **➤ Discussion Topics**

- **Definition**
- **Product Support Integrator**
- **PBL 12-Step Process**
- **DOD PBL Maturity Model**
- **Benefits**
- **PBL Success Stories**
- **Expectations – Govt. & Contractor**
- **AF Challenges-Issues**
- **Summary**



# Performance Based Logistics Definition



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“PBL is the purchase of support as an integrated, affordable, performance **package**

designed to optimize system readiness and meet performance goals for a **weapon system**

through **long-term** support arrangements with clear lines of authority and responsibility.”

**The Essence of PBL is Buying Performance Outcomes, Not Individual Parts & Repair Actions**



# Performance Based Logistics Product Support Integrator (PSI)



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“The PSI is an entity performing as a formally bound agent (e. g. contract, MOA, MOU) charged with **integrating all sources of support, public and private**, defined within the scope of the Performance Based Logistics agreements to achieve the documented outcomes.

The product support manager...effectively delegates responsibility for delivering warfighter outcomes to the PSI.

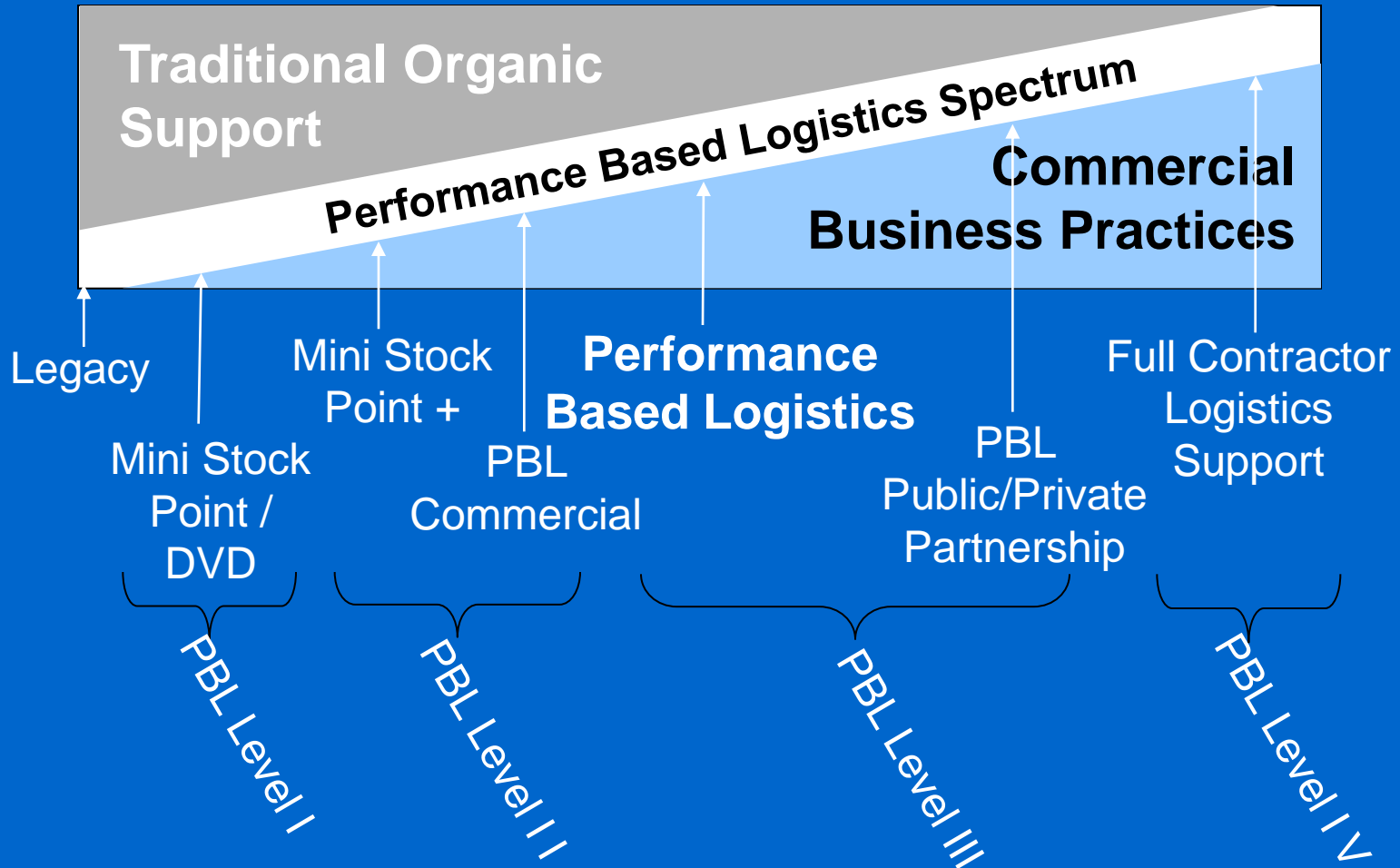
In this relationship, and consistent with ‘buying performance’, **the PSI has considerable flexibility and latitude in how necessary support is provided, so long as the outcomes are accomplished.**”



# Performance Based Logistics Spectrum

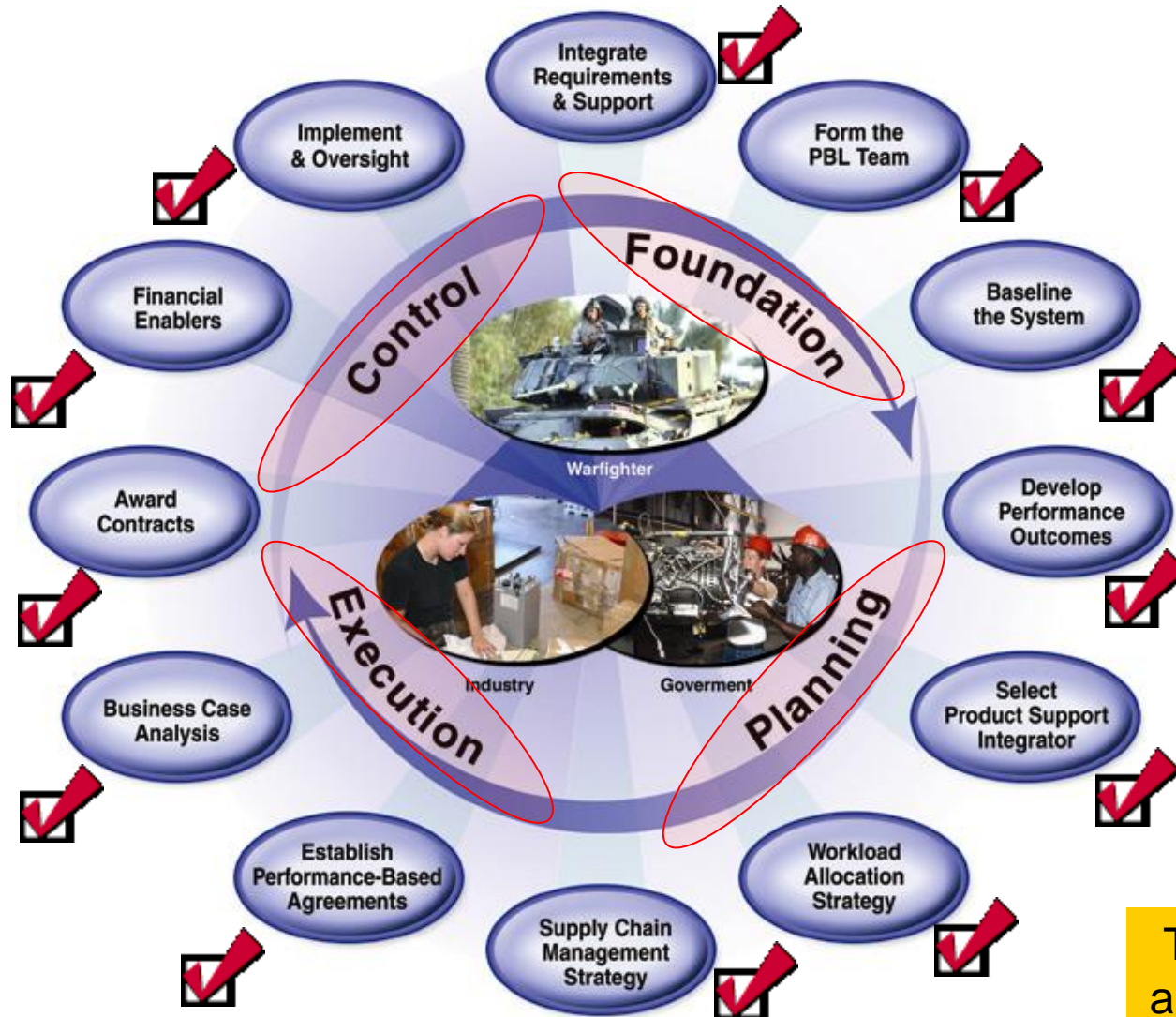


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*Tailored, best-value support options – not “one size fits all”*

# DAU PBL Implementation Framework



**12-Steps**

**4 Phases**

1. Foundation
2. Planning
3. Execution
4. Control

Tailor the sequence and priority of events



# *Performance Based Logistics Benefits*



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- **Improve Operational Availability**
- **Increase Mission Reliability**
- **Reduce Cost Per Unit Usage**
- **Decrease Logistic Footprint**
- **Lower Logistics Response Time**



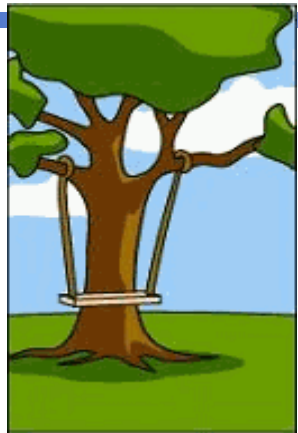
# PBL is Hard Without a Structured Approach



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How the Warfighter described it



How the requirement was understood



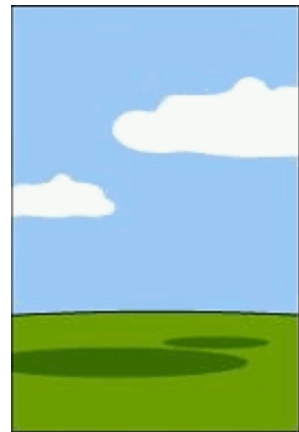
How the engineer designed it



How the programmer wrote it



How Operations described it



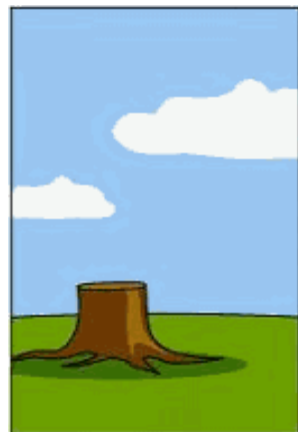
How the project was documented



What Contractors installed



How the Government was billed



How the helpdesk supported it



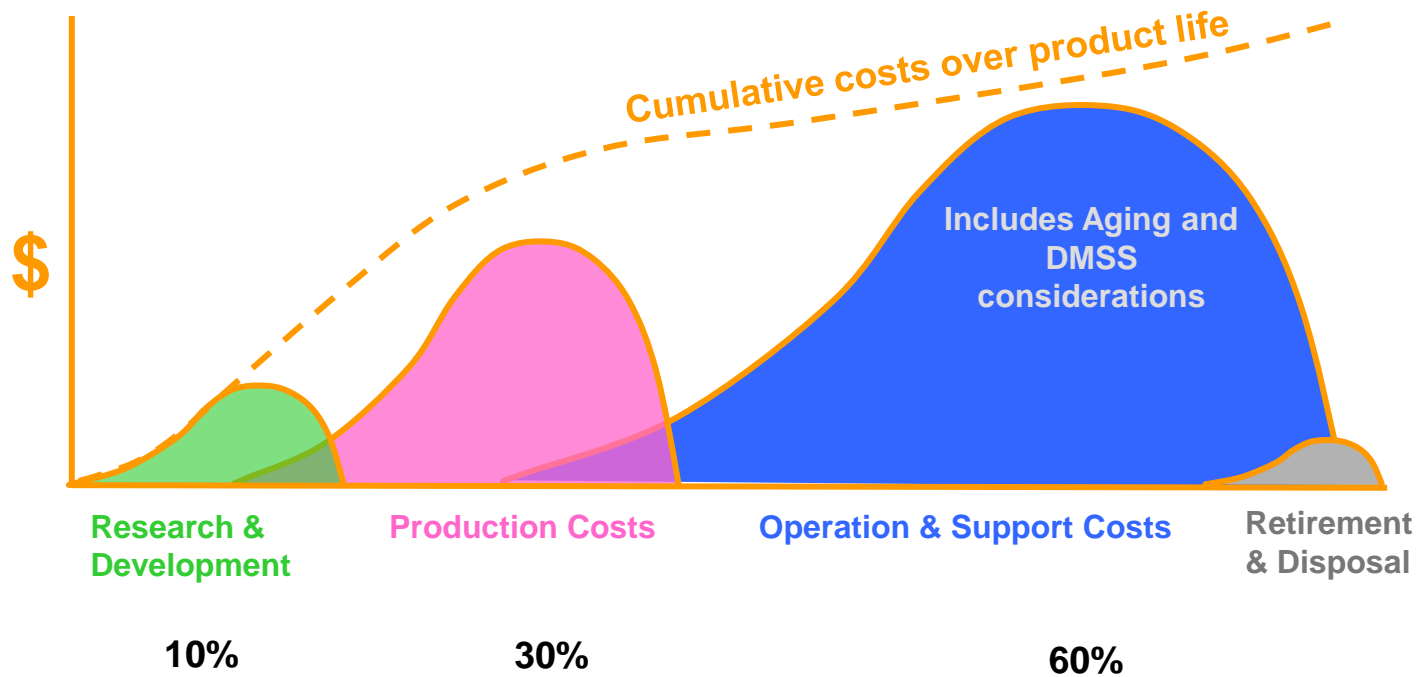
What the Warfighter really needed



# PBL Cuts Across the Life Cycle



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Source: Boeing



# PBL WORKS! Even the GAO Must Admit...

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➤ GAO PBL Report 05-966 Sep 2005



➤ Examined 15 PBL programs

- USAF (C-17, F-117, JSTARS, C-130J), ALR-67 (V3),
- Navy APUs, F/A-18 E/F, F-404 engine, T-45 engines, V-22 Engines, KC-130J
- Army HIMARS, Javelin, TOW ITAS, Shadow TUAV

“Of the 15 programs, 10 reported that performance levels exceeded contract requirements, and 5 reported that performance levels were meeting contract requirements.”



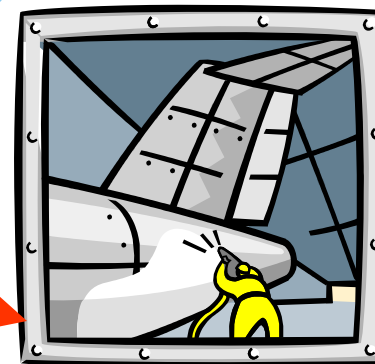
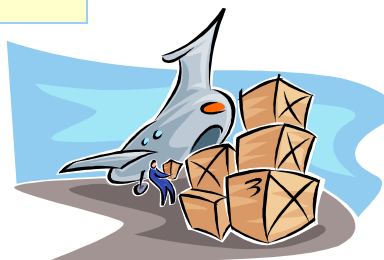
# PBL Offers Multiple Opportunities for Partnering



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**Contractor/Depot  
personnel sharing  
workloads**

**Organic Depot  
as Subcontractor  
to Industry PSI**



**Contractor utilizing  
Depot facilities**



# How PBL Optimizes the Logistics Chain



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- ***Focuses on an END PRODUCT vs. an inventory commodity (Customer vice Process optimization)***
- ***Leverages Commercial sector advantages in forecasting, procuring, and managing inventories***
- ***Incentivizes suppliers to do the right 'things'***
  - ***Deliver Availability***
  - ***Manage Obsolescence***
  - ***Improve Reliability***



***Leverages Commercial Competencies!***



# PBL Logistics Response Time



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## Navy Program Pre-PBL Post-PBL



56.9 Days 5 Days



22.8 Days 5 Days



52.7 Days 8 Days



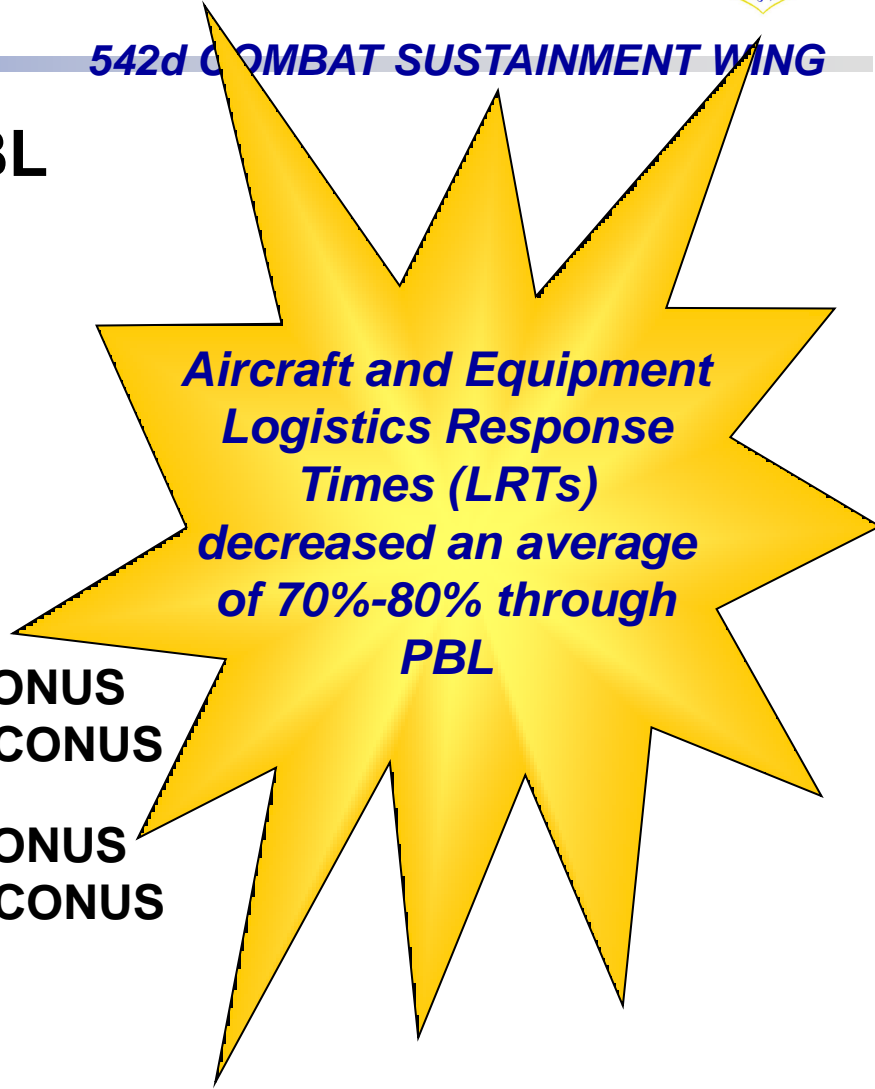
42.6 Days 2 Days CONUS  
7 Days OCONUS



28.9 Days 2 Days CONUS  
4 Days OCONUS



35 Days 6.5 Days



**Achieving Commercial Standards through PBL**



# *Performance Based Logistics Government Expectations*



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- **Material availability under PBL must be equal to or greater than current availability at a cost equal to or preferably less than current costs**
- **This must be achieved within the 50/50 and Core mandates**
- **Highly desirable to have a public/private partnership with organic depot**



# *Performance Based Logistics Contractor Expectations*



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- **A long-term contract (minimum of 5 Years)**
- **Contract term commensurate with payback period for investments (e.g., change in product usage pattern) (may not be one right answer for all platforms)**



# *Performance Based Logistics Issues*



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- **Fenced Funding**
- **Incremental Funding**
- **Contractor Access to D035**
- **D200 Issues**
- **D035 Issues**
- **SORAP for Component**
- **50/50 and Core compliance**
- **Standard BCA for PBLs**



# *Performance Based Logistics Summary*



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- **Air Force should leverage the lessons learned by the Navy on PBL (20% of its sustainment portfolio)**
- **Until the majority of AF Policy issues are resolved and guidance provided, any effort to implement the 12-step PBL will be difficult at best**
- **AFMC Policy is the cornerstone for executing and writing PBL contracts**
- **The Air Force will face many constraints and need industry support**



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Discussion/Questions