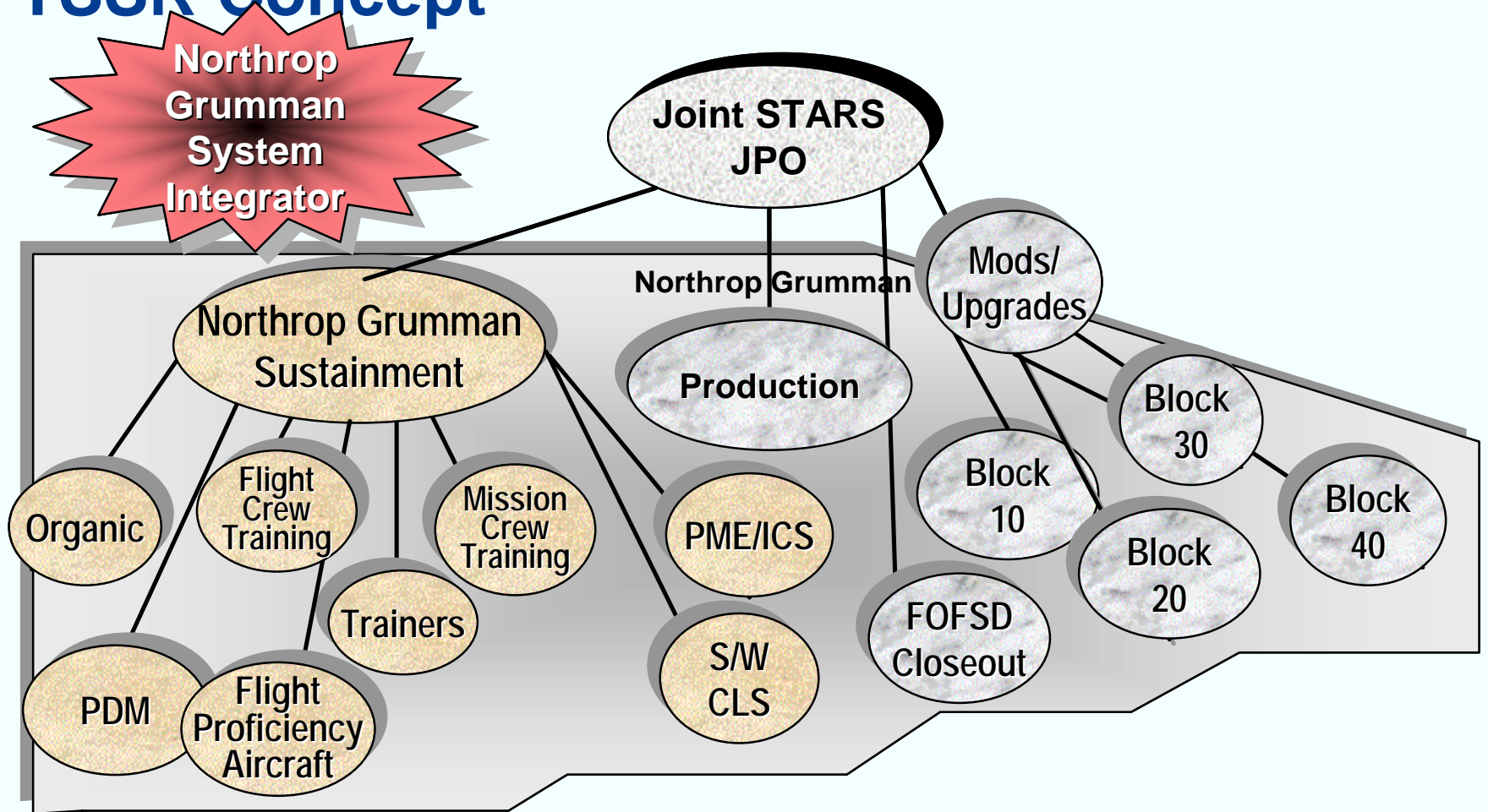




TSSR Concept



Contractor Integrates Sustainment w/Production & Mods

JSTARS Workload Breakdown Structure

- GC GOVERNMENT CORE
- G GOVERNMENT
- P PRIME CONTRACTOR
- S PRIME WITH COMPETITION AT 2ND TIER
- / PRIME CONTRACTOR VIA SLA

- Contracting
- Budgets
- Requirements
- Engineering
- Authority/Accountability

TSSR
AUTHORITY & OVERSIGHT
G

PRIME INTEGRATOR
P

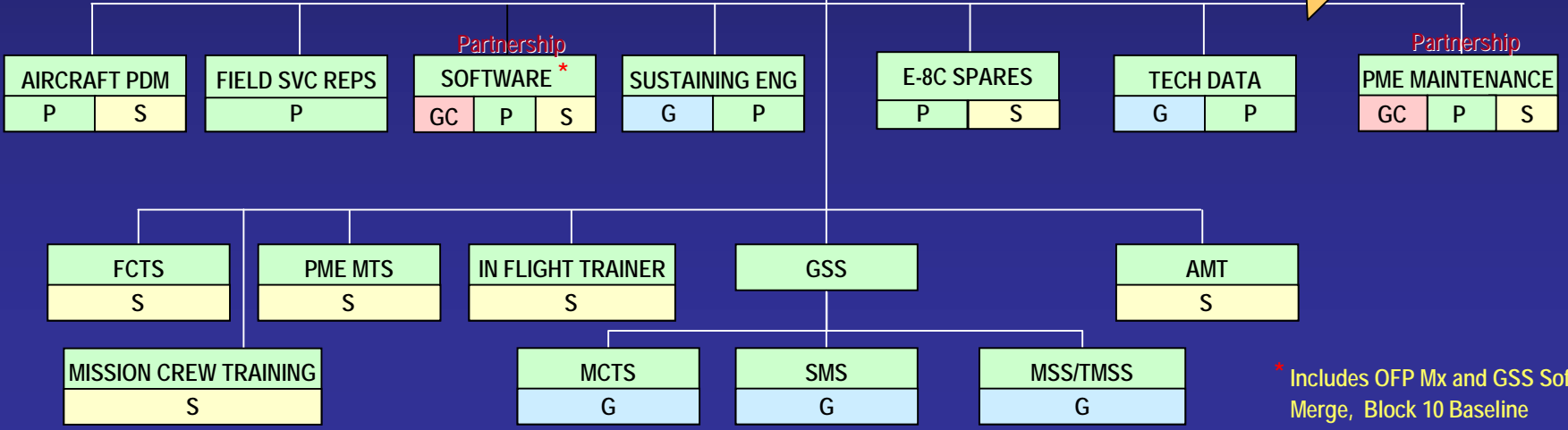
Public/Private Partnering

Combine Best Public/Private Capabilities

- GSS - Ground Support System
- MCTS - Mission Crew Training System
- AMT - Aircraft Maintenance Trainer
- MSS - Mission Support Subsystem
- TMSS - Transportable Mission Support Subsystem
- FCTS - Flight Crew Training System
- SMS - Software Maintenance Subsystem

Partnership
COMMON SPARES
G

Partnership
ENGINES
GC



* Includes OFP Mx and GSS Software Merge, Block 10 Baseline

Prime Contractor Integrates Government/Industry Resources → TSSR

Navy APU Total Logistics Support

Key Contract Characteristics:

- 10 year, firm fixed-price, Power-by-the-Hour
- Performance-based, commercial logistics contract with exit language and gain-sharing
- Honeywell Auxiliary Power Units (APUs) across C-2, F/A-18, S-3, P-3, KC-130 platforms
- Partnership with NADEP Cherry Point

Performance Commitments:

- Honeywell responsible for 90% On-Time Delivery
 - In US stock replenishment = 5 days
 - In US Priority (MICAP) = 2 days
 - Outside US (all requisitions) = 4 days(to any of 30 worldwide operating locations)
- Navy responsible for 90% retrograde return performance
- Guaranteed reliability improvements
- Payment adjustments if metrics not met

Total Logistic Support (TLS)



Special Features:

- “Storefront” concept for material management
- Government furnished material draw down
- Restore configuration stability for material management
- Real time, accurate information availability
- Supply chain / retrograde management
- Interfaces with US Navy systems

Public-Private Partnerships

*Auxiliary Power Unit (APU)
Partners for Total Logistics Support*

- Supports 4 different APUs used on C-2, F/A-18, S-3 and P-3 aircraft.
- Public / Private Partnership
 - Honeywell... Program Management
 - NADEP Cherry Point... Touch Labor
- 10-Yr Performance Based, Firm Fixed Price (5 year base & 5 one-year options)
- 25% - 200+% Reliability Improvement Guarantees
- FY-02 Results:
 - Average Delivery Time 6.5 Days Compared to 35 Days
 - 98% of Requisitions Filled Within Contractual Rqmts
 - Supply Material Availability at Depots Increased to 95%
 - Zero Repairs Awaiting Parts

**Title 10
Compliant!**

NAVICP



Honeywell

NADEP Cherry Point

Honeywell



PLUS:

**CAT[®]
Logistics**

**On-Line Shipping
& Inv Mgmt**

***Surged to meet all operational requirements for
Operation Enduring Freedom!***

Performance Based Logistics Scope

PBL Includes:

- **Distribution**
- **Inventory**
- **Component Repair and Overhaul**
- **Component Reliability Management**
- **Availability Guaranteed**
- **Program Management**
- **Training/Information Management Options**
- **Predictable Price and Performance**



Best Commercial Practices in Tailored DOD Customer Solutions



Performance Examples

Commercial Customers

- **CRJ Dispatch 100 Program:**
 - Mission readiness 99+%
 - Reliability improved 16%
 - Total supply chain time reduced 36%
 - Repair turn around time reduced 30%

- **Commercial Contracts:**



Commercial Platforms	Customers	Owned Spares	Target Dispatch	Actual Dispatch
CRJ	5 Operators	Collins	95-98%	99%
SAAB	3 Operators	Collins	95-98%	99%
Fractionals	3 Operators	Collins	95%	99%
B737	1 Major	Collins	94%	99%
B747	3 Majors	Collins	98%	99%
B757	1 Major	Customer	98%	99%
B767	3 Majors	Collins	95-99%	99%
B777	4 Majors	Collins	98.5%	99%
Other	Various Small	Customer/ Collins	95%	99%





Performance Examples

Military/Government Customers

- **USCG PBL Program:**

- Mission readiness improved to 99+%
- Reliability improved by 30%
- Total supply chain cycle time reduced by 85%
- Administrative costs reduced by \$320,000/year



- **USN ARC-210 PBL Program:**

- Mission readiness improved to 97%+
- Total cost savings expressed by US Navy in first year is \$5.4 million
- More than 30 Platforms and 1800 Aircraft



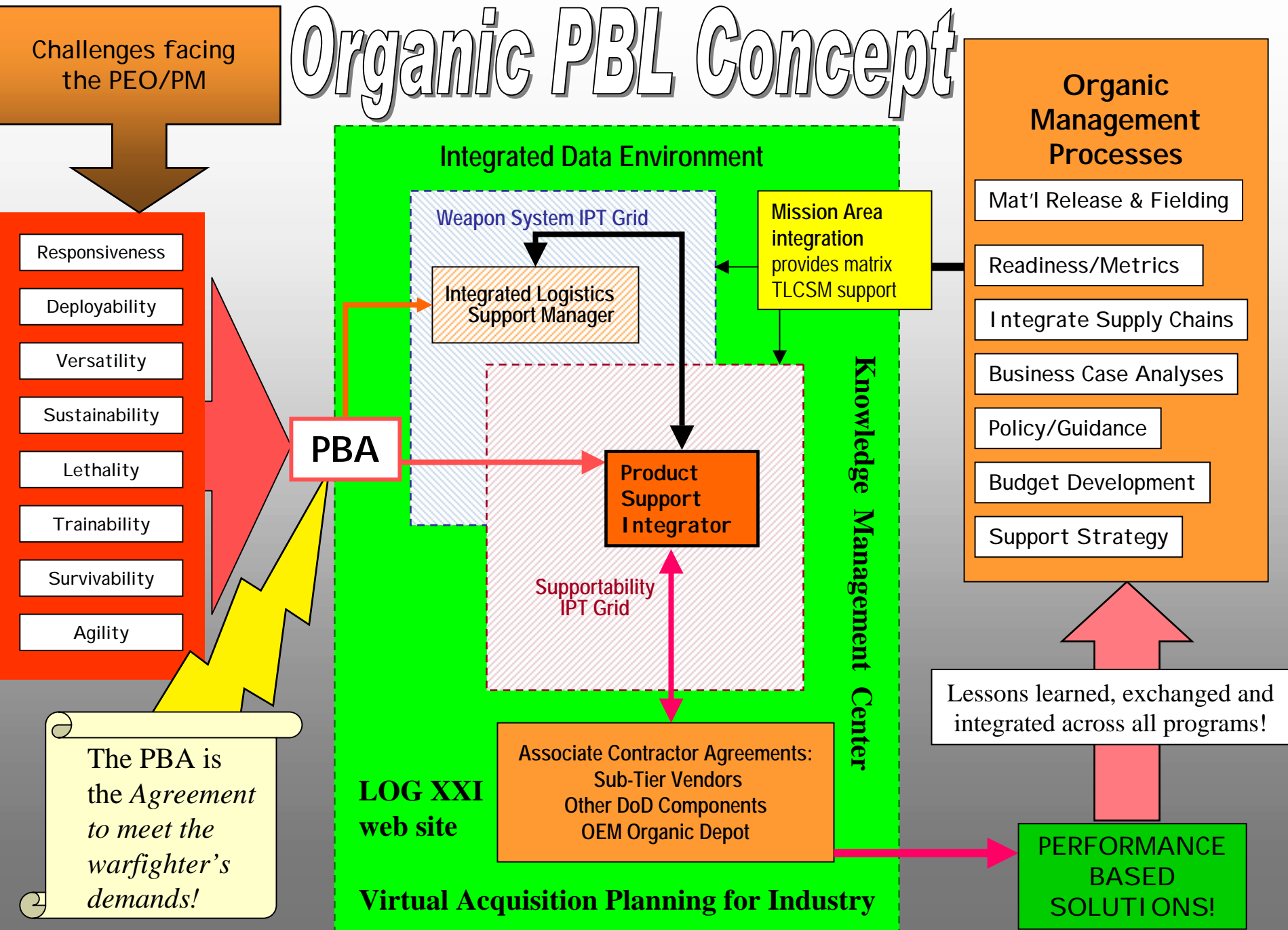
- **UK Royal Air Force E-3D AWACS:**

- Prime integrator for new airborne HF
- Deployed extensively around the globe
- 10 Year PBL – repairs, logistics, performance guarantee



Applying Best Commercial Practices

Organic PBL Concept



Common Ground Station Organic Product Support Integration



- PM CGS is life cycle manager
- Government led PBL strategy
- Tobyhanna is product support integrator
 - First organic PSI within DoD
- Deployed 51 CGS to support OIF
- Streamlined maintenance flow
- Achieved 99% Ao during OIF
- Forward-located repair activity at Baghdad International Airport
- Achieved real-time fleet management/asset visibility



Objectives – Commander's Guidance

- Improve operational availability of fleets
- Ensure on-time delivery
- Provide total asset visibility
- Provide enhanced value for money → Goal: 15%
- Complete the transition in 2 years (31 Dec 05)
- Incorporate operationally focused performance standards and measures
- Energize the workforce



Migration to End State

FIELDLED

CURRENT

FUTURE



F-18 C/D



F-18 E/F



JSF



DDG



LPD-17



DDX



BRADLEY



Stryker



FCS

- Transaction-based
- Fractured Supply Chains
- Random Failures
- Batch Process orders
- Limited Accountability

- Performance-Based
- Integrated Chains
- Fleet Management
- Integrated Systems
- PM Accountability

- Capability-Based
- Industrial Integration
- Autonomic Logistics
- End-to-End Solutions
- Single-Line Accounting

**Response
Time:**

16 days

2000

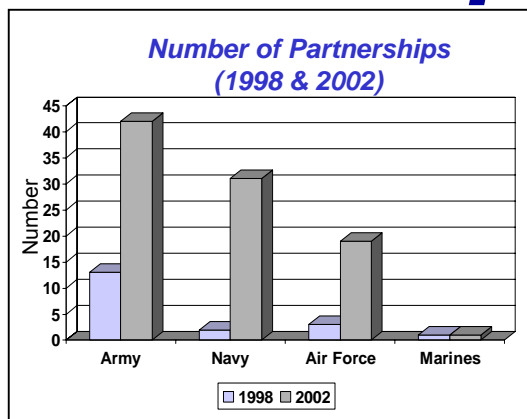
5-8 days

2010

1-5 days

Weapon System Sustainment Roadmap

- PM accountable for life cycle
- JROC established sustainment requirements
- Enabling Depot Partnerships
- Revised Maintenance Policy
- Industry Supply Chains
- Reengineered Training



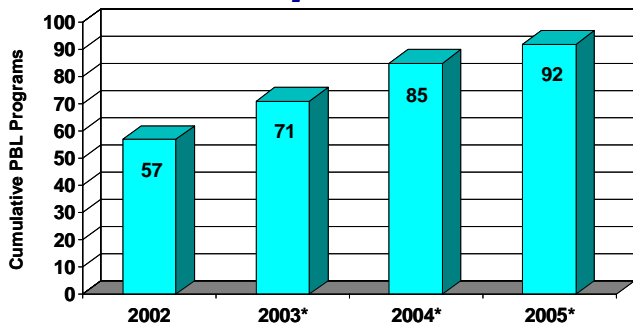
- Joint Strike Fighter
- Future Combat System
- DDX

- **Warfighter-driven readiness**
- **Ultra-reliability**
- **Clear PM accountability**
- **Minimal Footprint**

- Today**
- Suppressed Readiness
 - Marginal reliability
 - Fractionated Accountability
 - \$67B/year
 - Huge footprint



PBL Implementations

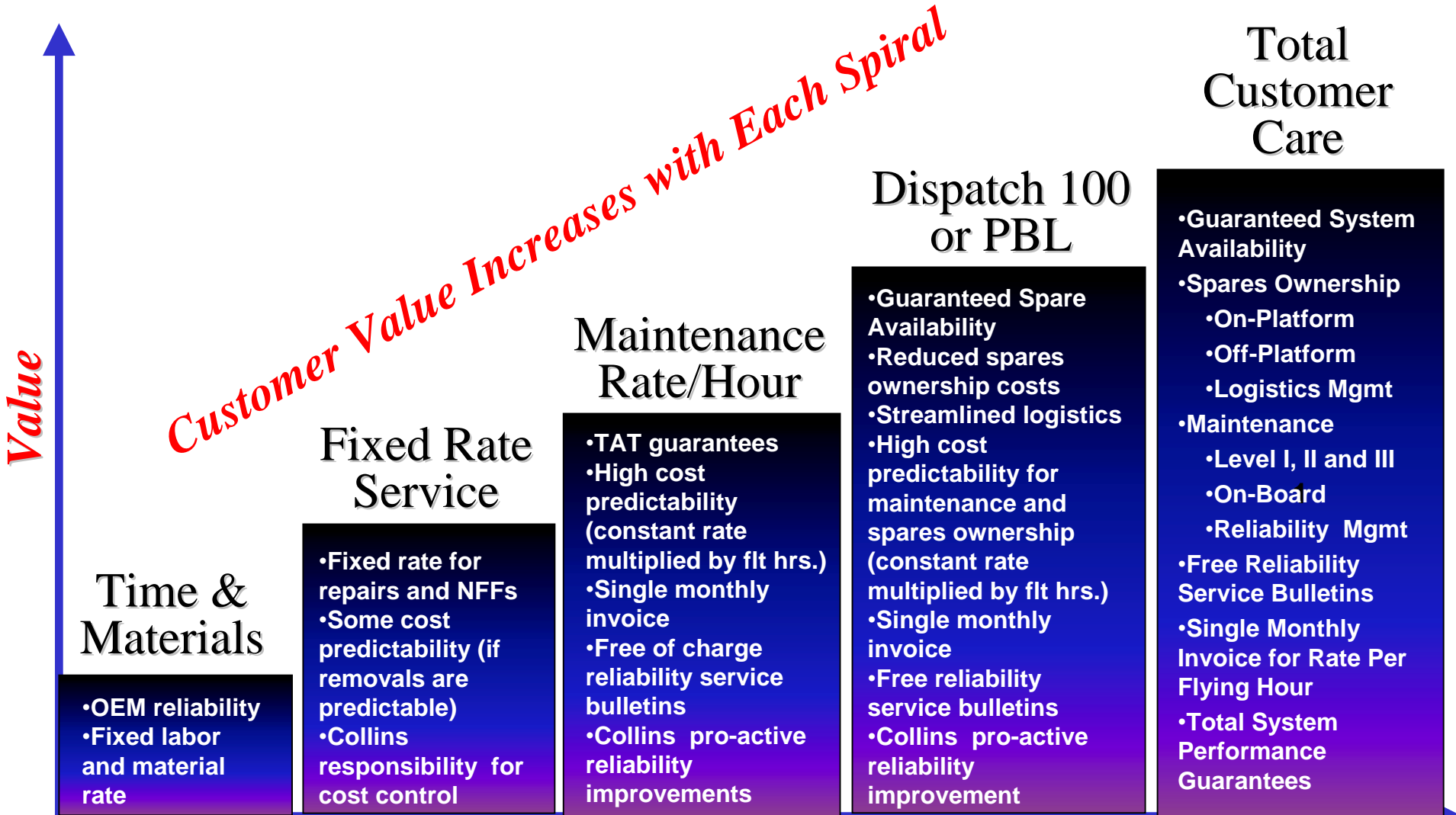


* Projected PBLs Based on Approved Service Plans

- Financial Reform (PR05)
- Single-line Accounting
- Life Cycle Cost Management
- Operational requirements synchronized with PBBS

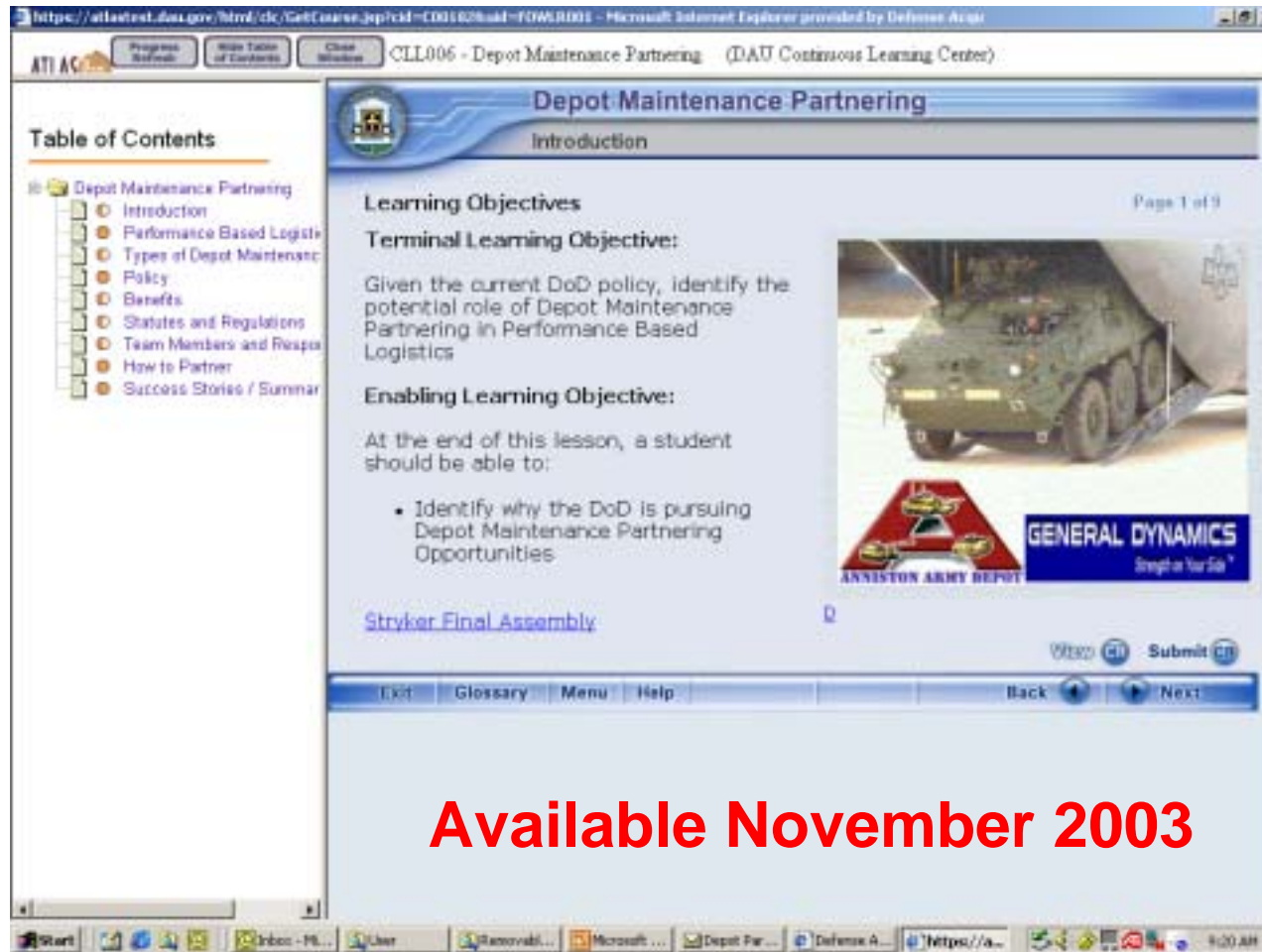


Evolutionary Customer Service Programs



Customer Risk Declines with Performance Guarantees

DAU PBL & Partnering Training



The screenshot shows a web browser window with the URL <https://atlatest.dau.gov/html/cic/GetCourse.jsp?cid=CD162&aid=F0WLRD01>. The page title is "Depot Maintenance Partnering (DAU Continuous Learning Center)". The course is identified as "CLL006 - Depot Maintenance Partnering". The page content includes a "Table of Contents" on the left, a "Learning Objectives" section, and a "Terminal Learning Objective" section. The "Terminal Learning Objective" states: "Given the current DoD policy, identify the potential role of Depot Maintenance Partnering in Performance Based Logistics". The "Enabling Learning Objective" states: "At the end of this lesson, a student should be able to: Identify why the DoD is pursuing Depot Maintenance Partnering Opportunities". An image of a Stryker vehicle is shown, along with the "ANNISTON ARMY DEPOT" logo and the "GENERAL DYNAMICS" logo. The page number is "Page 1 of 9". The browser's taskbar shows the Start button, several open applications, and the system clock at 9:00 AM.

Available November 2003

LOG 235 (PBL) Available December 2003
LOG 102 (Sustainment) Available February 2004
All LOG portfolio courses emphasize PBL and Partnering

Logistics Management Community of Practice (LOG CoP)

Where YOU can

Find Great Tools & Templates

- Access Latest PBL Resources
- Supportability Best Practices
- Contracting Lessons Learned

Get Ahead In YOUR Career

- Logistics Training & Education
- Latest OSD Policy and Direction
- Logistics Conferences/Events
- Link to Top DoD Web sites

Connect With Professionals

- Share Experiences & Ideas
- Start and Join Discussions
- Locate DoD & Industry Experts



<http://pmcop.dau.mil>

or

<http://log.dau.mil>