



**Deputy Assistant Secretary of the Army  
for Integrated Logistics Support (ILS)**



# **PERFORMANCE-BASED LOGISTICS (PBL)**

**Briefing To:  
2004 DOD  
Maintenance Symposium  
PBL Breakout Session  
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# PERFORMANCE-BASED LOGISTICS (PBL)



## OSD PBL Policy

- ***PBL mandated by:***
  - > 2001 Quadrennial Defense Review (QDR) – required services to implement PBL
  - > FY 03-07 Defense Planning Guidance (DPG) - identify implementation schedule for applying PBL to all new weapons systems and ACAT I/II fielded systems by March 1, 2002.
  - > 13 Feb 02 USD(AT&L) memo – services provide PBL implementation schedule to OSD by 1 May 02
  - > DOD 5000.1, May 03 – PMs shall develop/implement PBL strategies
  - > 4 Feb 04 DEPSECDEF memo - each Service provide plan to aggressively implement PBL, including transfer of appropriate funding, on current and planned weapons systems platforms for FY 06-09
  - > Feb 04, Management Initiative Decision (MID) 917 – in FY 06, align OMA funding along single lines of accounting for pilot programs
  - > FY06-11 Strategic Planning Guidance (SPG) – services perform BCAs on fielded ACAT I/II systems not currently planned for PBL. BCAs to be provided to USD(AT&L) by 30 Sep 06





# PERFORMANCE-BASED LOGISTICS (PBL)

## ARMY PBL EVENTS, GUIDANCE, AND INITIATIVES



- 1 Apr 02 - Implementation Letter to Acquisition and Logistics Community; solicited PEO/PM input on candidates for PBL
- 8 Jul 02 – Army implementation plan to OSD; AAE directs PEOs/PMs to implement PBL on their programs
- 8 Aug 02 - Conducted Government/Industry workshop to validate the Guidebook
- 4 Oct 02/28 Jan 03 – Conducted workshop with TRADOC/CASCOM and PBL user's forum with TRADOC CBTDEV/TSMs
- 2004 – Army PBL Implementation Guidebook published
- 2002/2003 – briefed PBL at TACOM/CECOM/AMCOM forums; participating in AMC PBL IPT
- 2004 – established Army PBL IPT





# PERFORMANCE-BASED LOGISTICS (PBL)

## Army PBL GOALS/OBJECTIVES



- To Provide Warfighters Increased Operational Readiness
- To Enhance the Logistics Response Times
- To Enhance Deployment
- To Reduce the Logistics Footprint
- To Reduce Logistics Cost

<p><i>To Get From This...</i></p> <p><b>Unreliable</b></p> 	<p><b>Big Footprint</b></p> 	<p><b>High Cost</b></p> 
<p><i>To This...</i></p> <p><b>Reliable</b></p> 	<p><b>Reduced Footprint</b></p> 	<p><b>Affordable</b></p> 

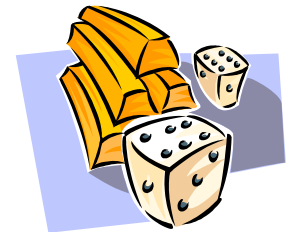


# PERFORMANCE-BASED LOGISTICS (PBL)



## STRATEGY/APPROACH

- All ACAT I and II systems (new/legacy) and/or sub-systems where PBL is proven to be ***economically and operationally feasible***
- ACAT III may apply PBL at the discretion of the PEO/PM, with HQDA approval
- PBL must be tailored to individual system/component needs
- Decision to be based on a Business Case Analysis (BCA)
- BCA to be validated by DASA(EC), (formerly CEAC)
- Performance-Based Agreements (PBAs) will be approved at HQDA Level<sub>5</sub>





# PERFORMANCE-BASED LOGISTICS (PBL)



## Army PBL BOUNDARIES/CONSTRAINTS

Follow Contractor On Battlefield Policy



Maintain Total Asset Visibility

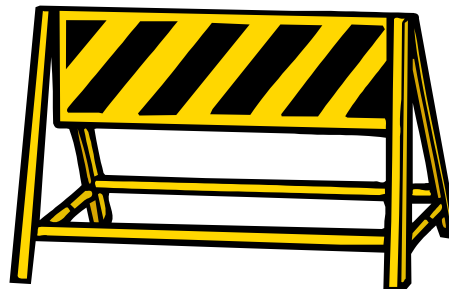
Compatible with Army Maintenance Strategy

Use of STAMIS\* Systems

Transparent To the Field User

- ➔ Statutory constraints
- ➔ Regulatory constraints

Use of Distribution Hubs **RELOOK**



**NEW** Interface with SALE\*\*

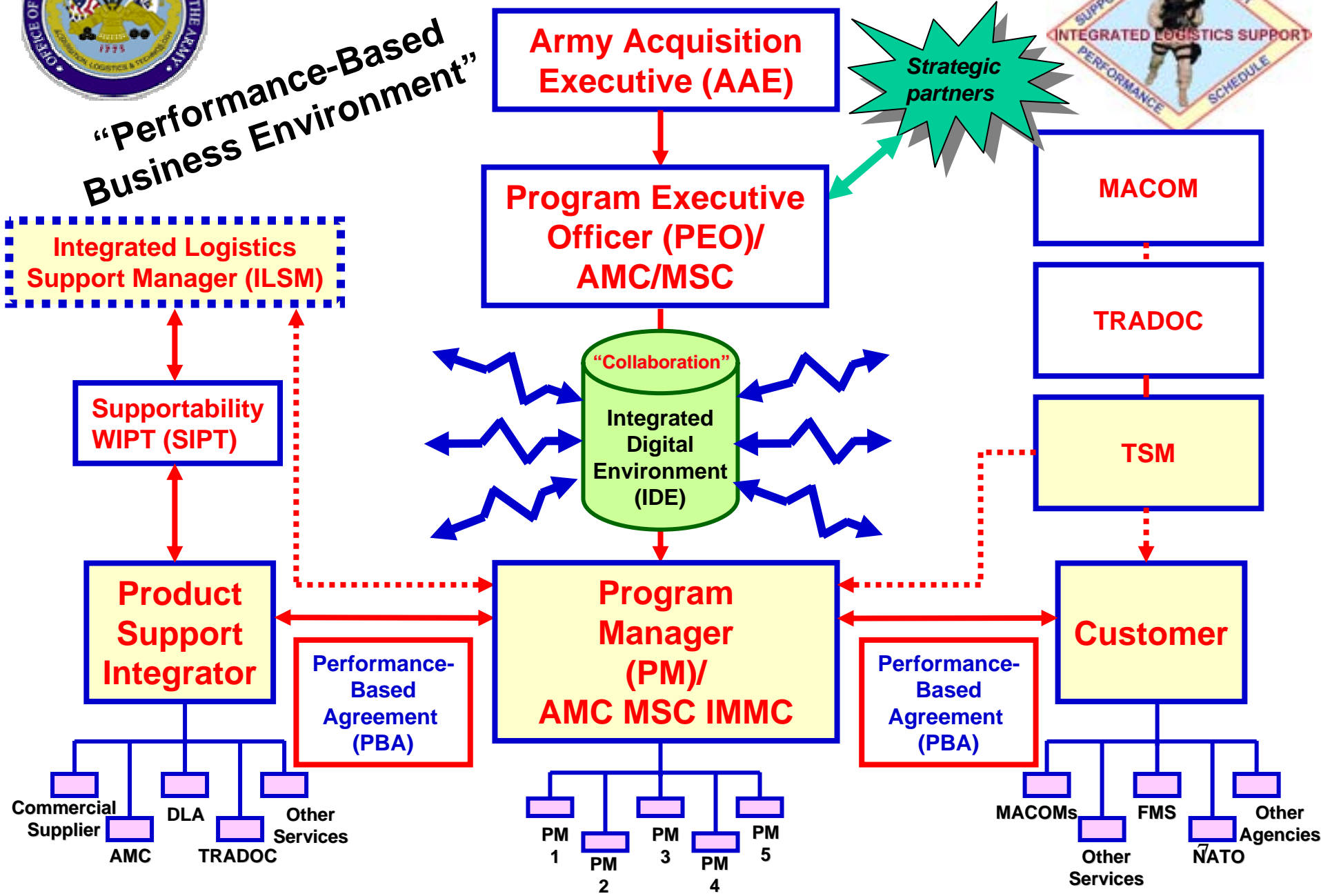
\*STAMIS – Std Army Mgt Info Sys

\*\*SALE – Single Army Logistics Enterprise



# ARMY PBL MODEL

**“Performance-Based Business Environment”**





# PERFORMANCE-BASED LOGISTICS (PBL)



## Army PBL IPT: Purpose

### • PURPOSE:

- ❖ Collectively develop / establish Army PBL policy, implementing practices, reporting requirements
- ❖ Ensure PBL initiatives comply with OSD and Army mandated boundaries
  - Comply with AR 715-9, Contractors Accompanying the Force
  - Maintain total asset visibility (TAV)
  - Use Defense Transportation System/DOD hubs (where practical)
  - Use current STAMIS supply / maintenance systems
  - Transparent to field users / warfighters
  - Compatible with Army two-level maintenance strategy
  - Interface with Single Army Logistics Enterprise (SALE)
- ❖ Develop final policy / implementation tools to facilitate Army PBL execution
  - HOW ... Focused Sub-IPTs
  - Critical Sub-IPT Efforts -- BCAs, PBAs, Contracting Language, PSIs, Automation & Reporting, and Metrics

**Intent: Establish uniform guidelines, common procedures, avoid sub-optimization**

**ASAALT &  
HQ AMC  
Co-chair**



# PERFORMANCE-BASED LOGISTICS (PBL)

## Army PBL IPT: Structure/Membership

*Process Owner* ← HQ AMC G-3      DASA(ILS) → *Process Owner*

*Co-Chair*

HQ AMC G-3 Future Opns Marvin Isom	ASA(ALT) DASA-ILS Policy Larry Hill
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*Co-Chair*

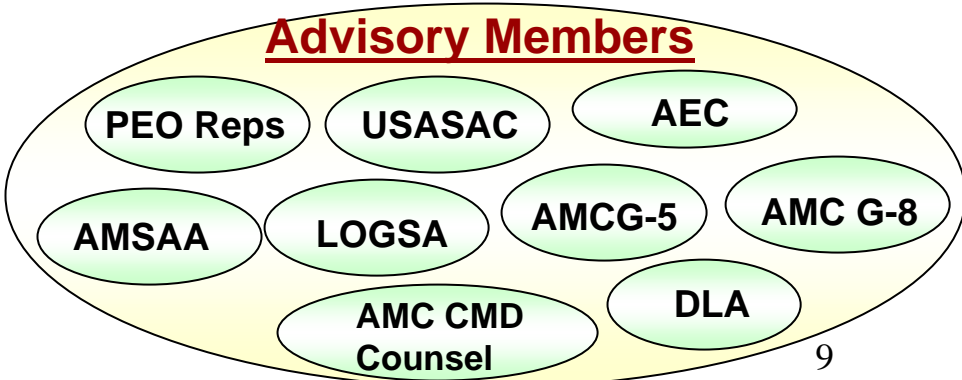
### Voting Members

FORSCOM	TRADOC	HQDA G-4	DASA(CE)	AMCOM	AMCOM
AFSC/JMC	CECOM	RDECOM	TACOM	AMC CC	PEO Reps

### Concept of Operations

- Army PBL IPT - - Self Directed with guidance from Process Owners
- IPT has authority to call on or add Subject Matter Experts, as needed
- **GO Review Forum** will provide overarching guidance/resolve issues (AMC G-3; DASA(ILS); FORSCOM; TRADOC)

### Advisory Members





# PERFORMANCE-BASED LOGISTICS (PBL)



## Army PBL IPT Sub-IPTs

**Sub-IPT: BCA**  
**Chair: DASA(ILS)**

**Sub-IPT: PSI**  
**Chair: CECOM**

**Sub-IPT: PBA**  
**Chair: PEO Rep (TBD)**

**Sub-IPT: Contracting**  
**Chair: AMC Cmd Contracting**

**Sub-IPT: Automation & Reporting**  
**Chair: AMCOM**

**Sub-IPT: Metrics**  
**Chair: AMSAA**

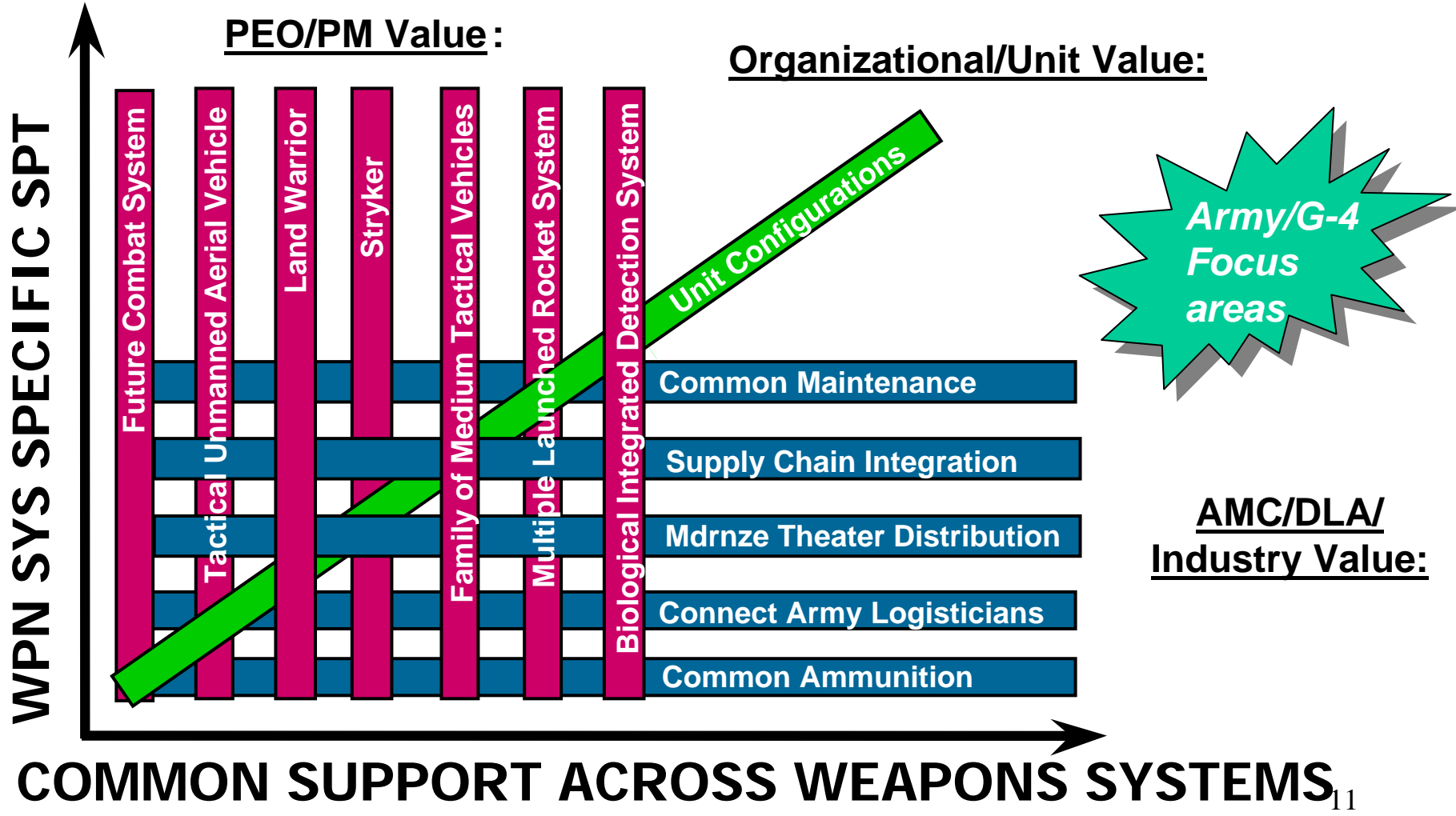
**Potential exists for other Sub-IPTs in the future**



# PERFORMANCE-BASED LOGISTICS (PBL)

*The Real Challenge ...*

*Integrating all the Solutions*





# PERFORMANCE-BASED LOGISTICS (PBL)

## Army Programs Currently Reporting PBL Activities



- MDA
- PEO ASMD

- **THAAD** (ID)
- **MEADS** (PRE-MDAP)
- **JLENS** (PRE-MDAP)
- **PATRIOT** (IC)
- **SENTINEL** (III)
- **OH-58D KIWIA** (III)
- **TUAV SYSTEMS** (II)
- **CH47** (IC)
- **AH64D UNIQUE & FCR/RFI COMP** (IC)
- **APACHE MTADS/PNVS** (IC)
- **UH-60M WIDE CHORD BLADE** (ID)
- **TAIS** (III)
- **FIXED WING FLEET** (III)
- **TSV\*** (II)
- **CE/MHE** (III)
- **IMPR RBN BRIDGE** (III)
- **RAP EMPL BRIDGE** (III)
- **DRY SPT BRIDGE** (III)
- **HMMWV** (III)

- PEO AVN

- PEO CS/CSS

- PEO CS/CSS

- **FMTV** (IC)
- **HEMTT** (III)
- **HET** (III)
- **PLS** (III)
- **TACT FIRE FIGHT TRK** (III)
- **M872A4 Trailer** (III)
- **CES** (III)
- **PAWS** (III)
- **FSS** (III)
- **AWS** (III)
- **CED** (III)
- **MSD** (III)
- **OPATS** (III)
- **CTK** (III)
- **M7 FRS** (III)
- **SECM** (III)
- **AMMPS** (III)

**79 PBL programs**

**29 Actual**  
**50 Potential**

**PRE-MDAP- 3**  
**ACAT I - 36**  
**ACAT II- 9**  
**ACAT III- 31**

\* Likely to transition to Navy





# PERFORMANCE-BASED LOGISTICS (PBL)

## THE WAY AHEAD



- Continue our implementation strategy
- Establish Army PBL IPT - done
- Analyze PEO/PM quarterly reports
- Publish/incorporate lessons learned
- Update Army PBL Implementation Guide
- Incorporate PBL in Acq/Log Policies
- Publish PBL boundaries/constraints (SPG)
- Develop PBA/BCA policy memos
- Finalize/publish Army BCA Guide
- Develop guide on PBL contracting strategies
- Increase use of Public/Private partnerships
- Develop PBL training
  - > “Roadshows” for PEO/PM/AMC
  - > Assist DAU in PBL workshops
  - > send personnel to DAU PBL courses
  - > continue PBL briefings at Army forums



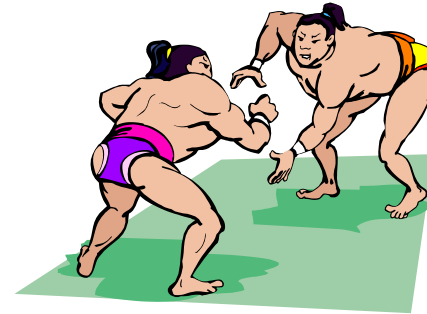


# PERFORMANCE-BASED LOGISTICS (PBL)

## SUMMARY



- ***PBL is NOT:***  
One size fits all  
the only viable support strategy  
AMC vs. PEO/PM  
CLS vs. Organic



- ***PBL is:***  
optimizing support to the warfighter  
economically and operationally feasible  
working together to support the soldier  
partnerships





# PERFORMANCE-BASED LOGISTICS (PBL)

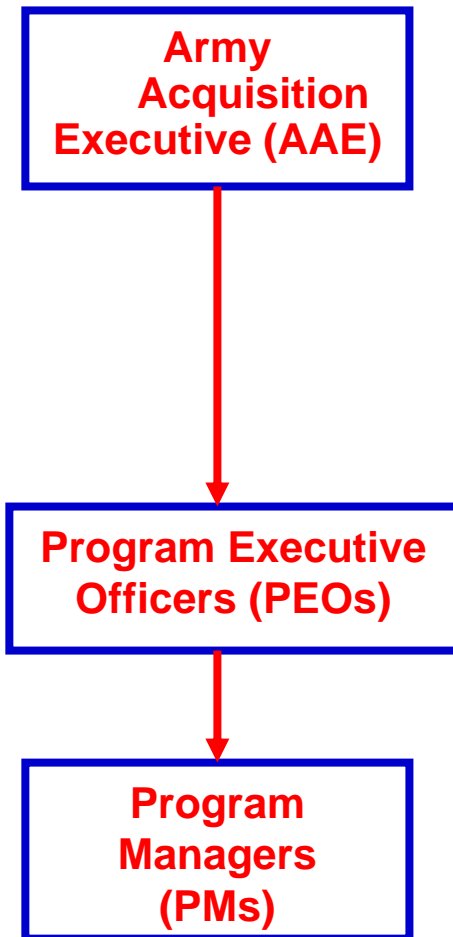


**Backup Charts**



# Life Cycle Management Centers Acquisition/Sustainment

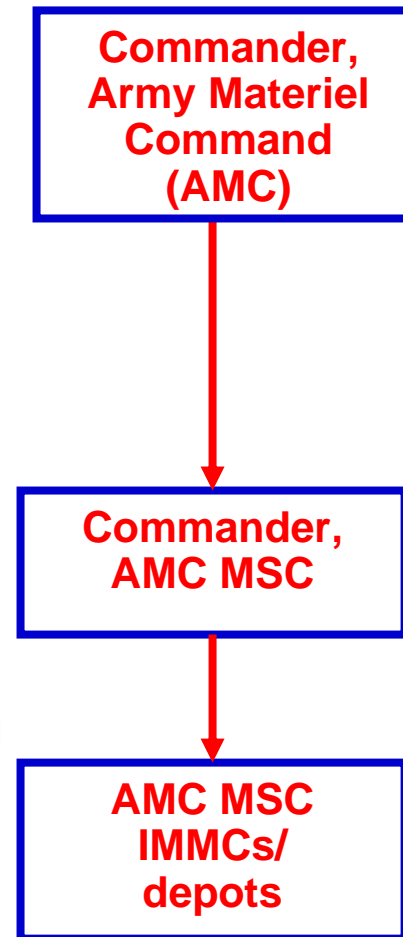
## Acquisition



## *The Great Divide*

DODD 5000.1 – PM shall be the *single point of accountability* for accomplishing prog objectives for TLCSM, including *sustainment*

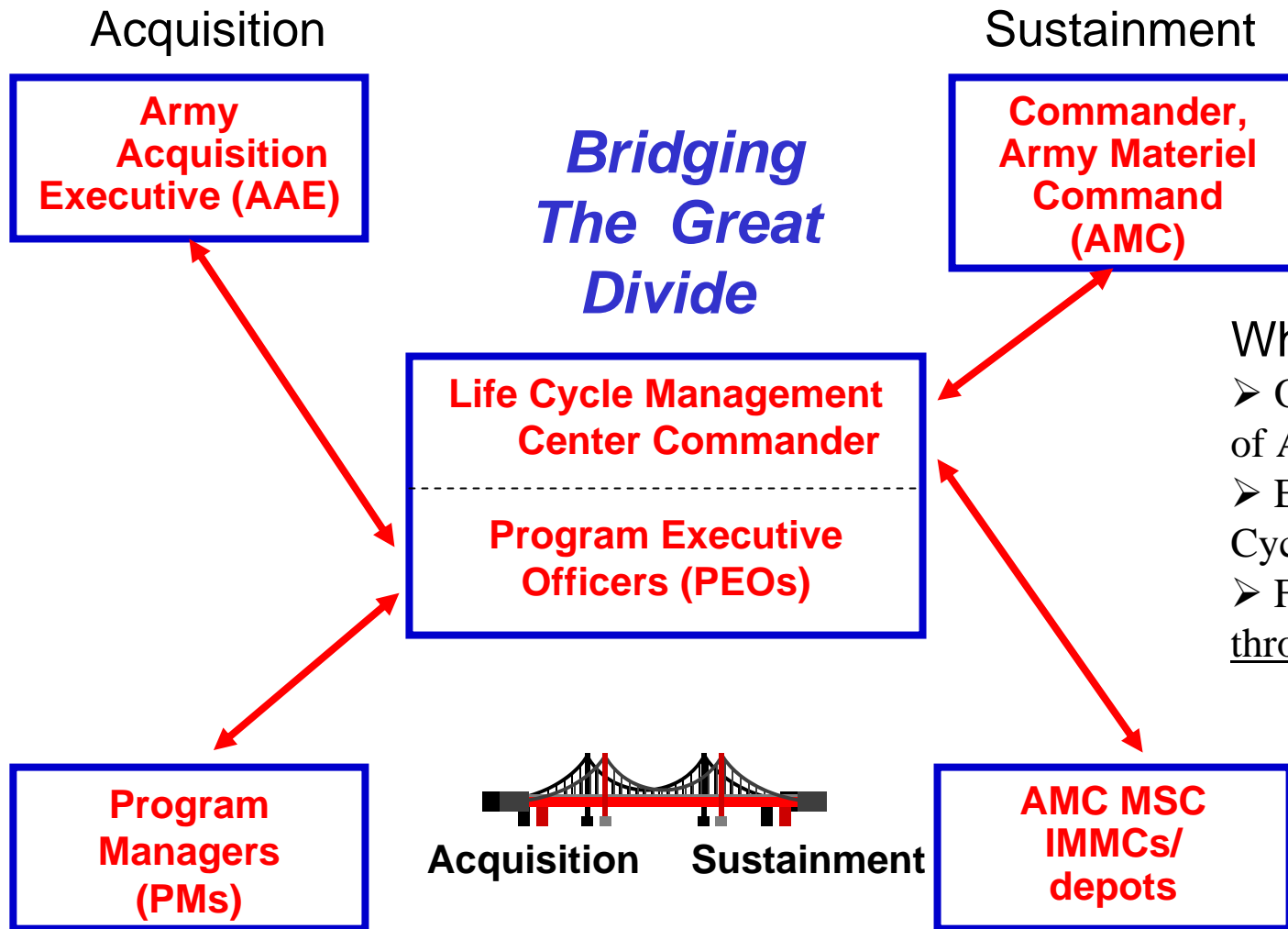
## Sustainment



Impediments –  
➤ PMs not trained nor resourced for sustainment  
➤ color/flow of money



# Life Cycle Management Centers Acquisition/Sustainment



Why?

- Overcome culture of Acq vs. Log
- Enable true Life Cycle management
- Focus on cost throughout the life cycle



# Life Cycle Management Centers Alignments

<b>Aviation/Missile</b>	
LCMC (Formerly AMCOM)	★★
PEO Tac MsIs	★★
PEO Aviation	★★★

<b>Soldier/Ground</b>	
Systems LCMC (Formerly TACOM)	★★★
PEO Soldier	★★
PEO GCS	★★
PEO CS & CSS	★★

<b>Communications/Electronics</b>	
LCMC (Formerly CECOM)	★★★
PEO IEW&S	SES
PEO C <sup>3</sup> T	★★

<b>Joint Ammunition LCMC</b>	
(Formerly JMC in AFSC)	★★
PEO Ammo	★★

## DISCUSSION\*

★★ Current Rank

PEO STRI -- No obvious LCMC

PEO JCBD -- Probably should remain separate

PEO ASMD – Separate for now

PEO EIS -- Separate

\*To be reviewed annually



# Life Cycle Management Centers Memorandum of Agreement

## PEO/PM responsibilities:

Authority to accomplish prog objectives for development, production, & ***sustainment***

Single point of accountability for accomplishing prog obj for TLCSM

PEOs report directly to AAE

## CG, AMC responsibilities:

Technology development/  
Insertion into systems

Support to PEOs/PMs during development, acq, & Fldg;  
Integrated sustainment planning/execution

Spt svcs – tech, RD&E, ***acq/ sust log***, contracting, ind base