

Implementing Total Life Cycle Systems Management

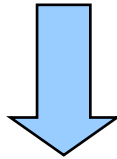


26 October 2005

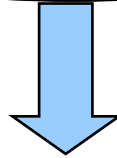
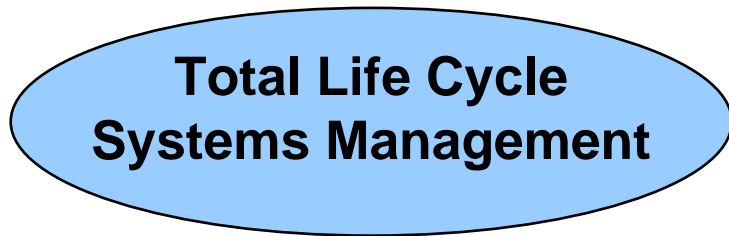


*Requires a New **STRUCTURE** and **STRATEGY** for **SUPPORT***

STRUCTURE

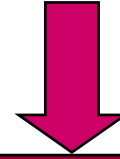


Designate a Single Point of Accountability for the Weapon System from Cradle to Grave

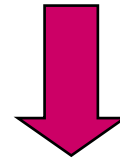


TLCSM

STRATEGY



Buy Weapon System Support As an Integrated Package, vice Segmented Functions



PBL



TLCSM

The implementation, management, and oversight, by the designated Program Manager, of all activities Associated with the Acquisition, Development, Production, Fielding, Sustainment, and Disposal of a DoD Weapon system across its life cycle



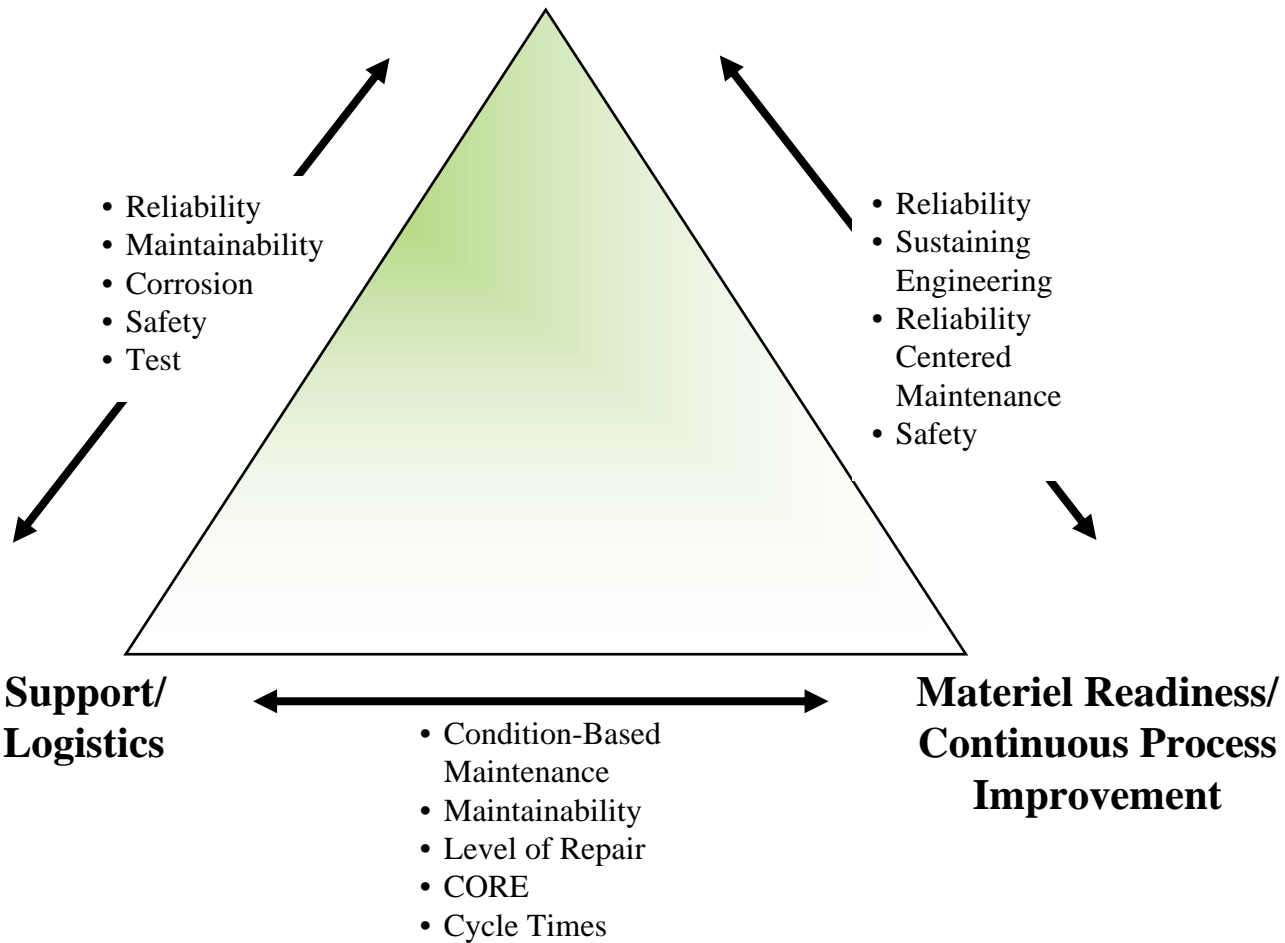
Performance-Based Logistics

A STRATEGY for weapon system product support that employs the **purchase of support as an integrated, affordable performance package** designed to optimize system readiness. It meets performance goals for a weapon system through a support structure based on long-term **performance agreements** with clear lines of authority and responsibility



The Life Cycle Triangle

Life Cycle Systems Engineering



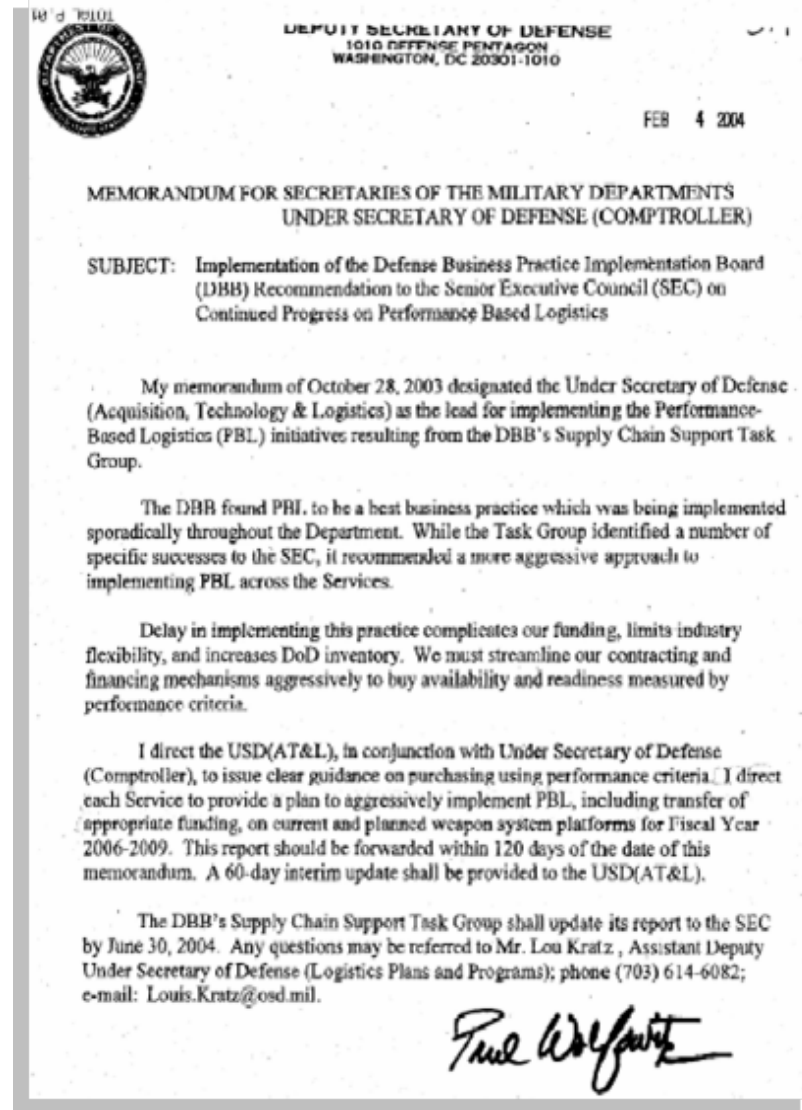
Managing Performance Across the Life Cycle



PBL Is DoD's Preferred Acquisition and Logistics Support Solution

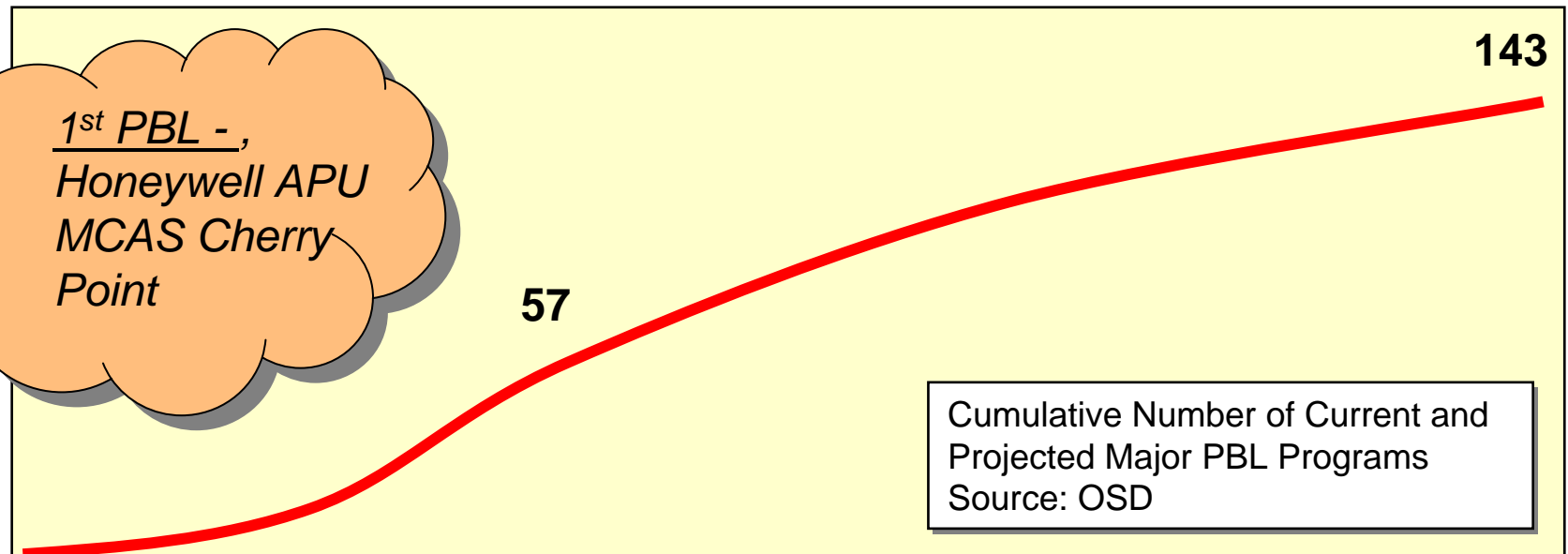
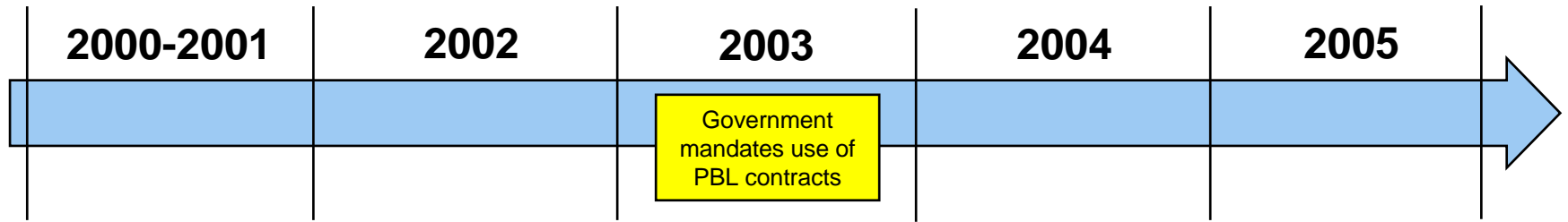
DEPSECDEF Direction

- Directed each Service to aggressively implement PBL
- Directed DoD to streamline contracting and financing mechanisms aggressively to buy availability and readiness measured by performance criteria





PBL Implementation



***DoD Is Aggressively Implementing
Performance Based Logistics***



Performance-Based Logistics

- Life Cycle Management
- Gov't/Industry partnership
- Embedded health monitoring



Navy Program	Pre-PBL	Post-PBL
F-14 LANTERN	56.9 Days	5 Days
ARC-210	22.8 Days	5 Days
H-60 Avionics	52.7 Days	8 Days
F/A-18 Stores Mgmt System (SMS)	42.6 Days	2 Days CONUS 7 Days OCONUS
Tires	28.9 Days	2 Days CONUS 4 Days OCONUS
APU	35 Days	5 Days

Decreased Response Time 70%-80%

- Focused on warfighter needs
- Buying outcomes (not inventory)
- Aligning incentives to outcomes

C-17 Globemaster Sustainment Partnership

- Performance-based contract/partnership between AF & Boeing -- requires the contractor to provide sustainment support at continuously raised benchmarked levels
- Includes parts, item management and depot-level repair of airframe and sub-components
- \$4.9B FY04 through FY08
- Follow-on PBL relationships
 - Wheels and brakes workload
 - Triumph Air Repair for APU touch labor
 - Parker-Hannifin and ALCS in planning phase





PBL Partnership

PBL Partnership (GE & JAX)

- **Parts Cost: \$300,000**
- **Labor & Admin Costs: \$34,000**
- **Total Cost: \$334,000**
- **Average Life: 2,000 hours**
- **Target Cost per hour: \$167**

Previous Organic Repair

- **Used Parts: \$120,000**
- **Labor & Admin Costs: \$34,000**
- **Total Cost: \$154,000**
- **Average Life: 375 hours**
- **Cost per hour: \$411**



PBL Process

- **Lean**
- **Six Sigma**

