



**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



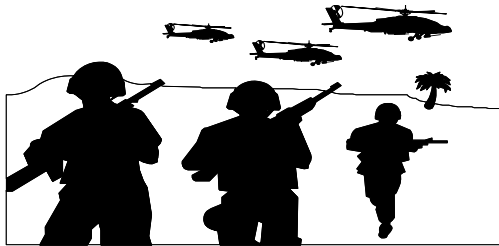
- 1 Apr 02 - Implementation Letter to Acquisition and Logistics Community; solicited PEO/PM input on candidates for PBL
- 8 Jul 02 – Army implementation plan to OSD; AAE directs PEOs/PMs to implement PBL on their programs
- 8 Aug 02 - Conducted Government/Industry workshop to validate the Guidebook
- 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>Unreliable</p> 	<p>Big Footprint</p> 	<p>High Cost</p> 
<p><i>To This...</i></p> <p>Reliable</p> 	<p>Reduced Footprint</p> 	<p>Affordable</p> 

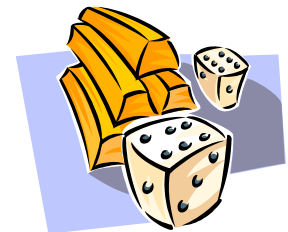


PERFORMANCE-BASED LOGISTICS (PBL)



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 Level₅





PERFORMANCE-BASED LOGISTICS (PBL)



Army PBL BOUNDARIES/CONSTRAINTS

Follow Contractor On Battlefield Policy



Maintain Total Asset Visibility

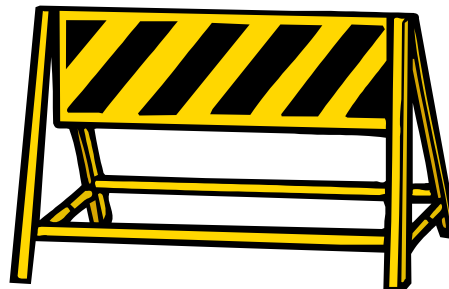
Compatible with Army Maintenance Strategy

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”



Integrated Logistics Support Manager (ILSM)

Army Acquisition Executive (AAE)



**Program Executive Officer (PEO)/
AMC/MSC**

MACOM

TRADOC

Supportability WIPT (SIPT)

**“Collaboration”
Integrated Digital Environment (IDE)**

TSM

Product Support Integrator

**Program Manager (PM)/
AMC MSC IMMC**

Customer

Performance-Based Agreement (PBA)

Performance-Based Agreement (PBA)

- Commercial Supplier
- AMC
- DLA
- TRADOC
- Other Services

- PM 1
- PM 2
- PM 3
- PM 4
- PM 5

- MACOMs
- Other Services
- FMS
- NATO
- Other Agencies



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

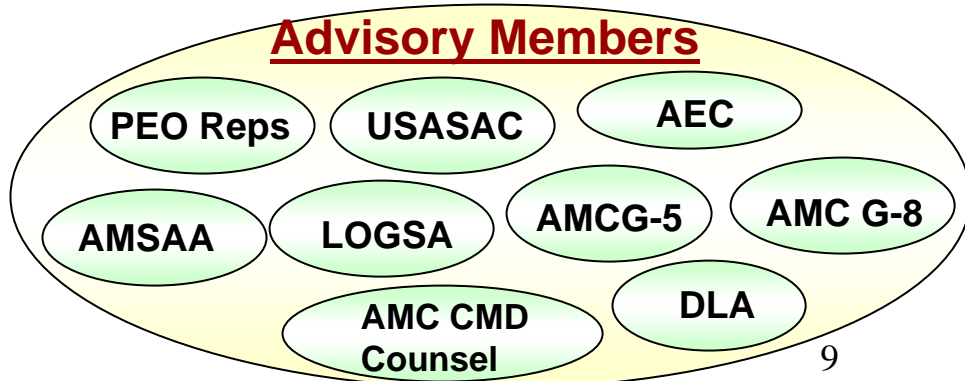
Voting Members

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

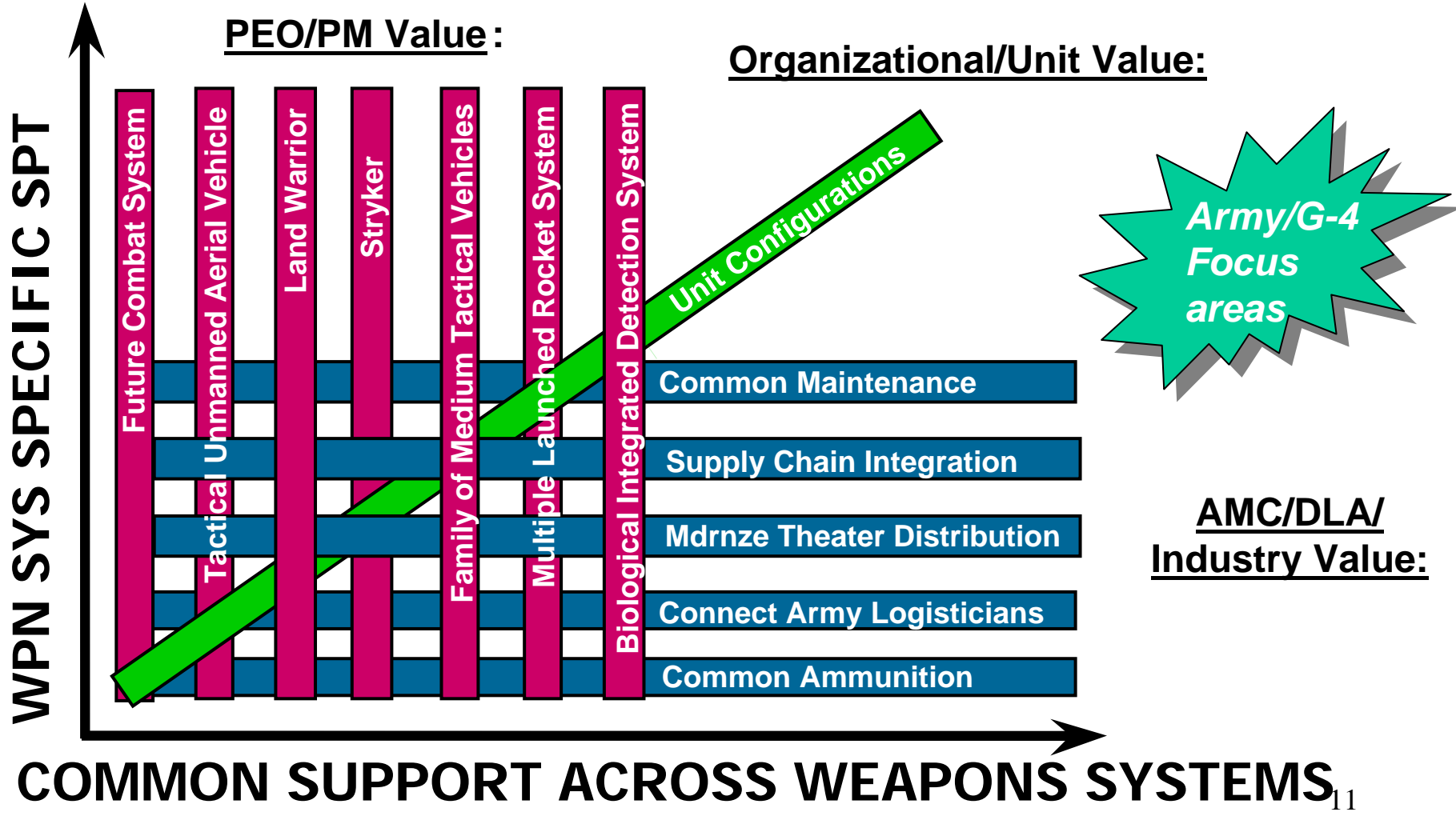
Potential exists for other Sub-IPTs in the future



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 KIOWA (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)

Army Programs Currently Reporting PBL Activities



- *PEO C3T* WIN-T (ID)
JTRS, Cluster 1 (ID)
JTRS, Cluster 5 (IC)
FBCB2 (ID)
EPLRS (II)
A2C2S (III)
- *PEO CBD* JBPDS (II)
- *PEO EIS* TIS (IAM)
DLS (IAC)
LIS (PRE-MDAP)
- *PEO GCS* ABRAMS FOV x6 (e.g., M1, AIM, SEP, AGT 500, Hull, TAP) (1C)
BRADLEY WWW (IC)
LW 155 HOWITZER (II)
SBCT (ID)
- *PEO IEWS* AER COMN SENS (ID)
ATIRCM/CMWS (IC)
AN/TSQ-179 DCGS-A (III)
AN/TPQ 47 PHOENIX SENSOR SYSTEM (II)
FIREFINDER (III)
- *PEO SOLDIER* XM29 RIFLE, IAB WPN (II)
LAND WARRIOR (IC)
- *PEO STRI* VIRTUAL TRNG LCCS (III)
WARSIM (II)
CCTT (IAM)
LTSS (III)
- *PEO TM* APKWS (II)
ATACMS (IC)
LB HF (IC)
JAVELIN (IC)
LOSAT (II)
GMLRS (IC)
HIMARS (IC)
M270 MLRS (IC)
M270A1 MLRS (IC)
TOW/ITAS (III)
JNT CMN MSL (ID)
Laser Hellfire (IC)
UA/FCS (ID)
- *PM UA*

Added (since last report)



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



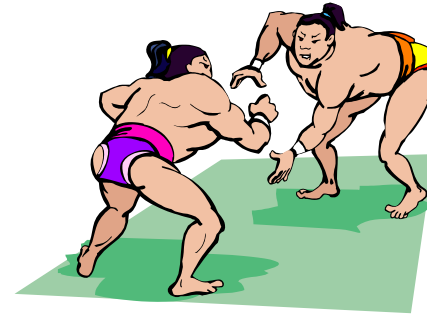


PERFORMANCE-BASED LOGISTICS (PBL)

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)

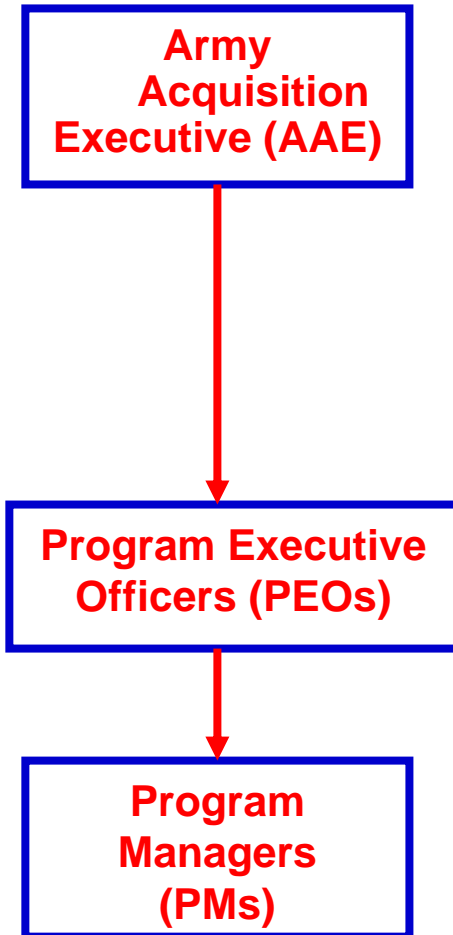


Backup Charts



Life Cycle Management Centers Acquisition/Sustainment

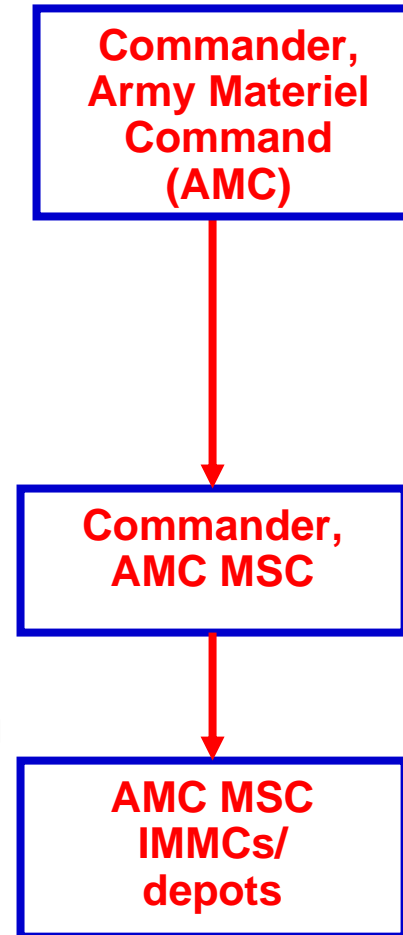
Acquisition



The Great Divide

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

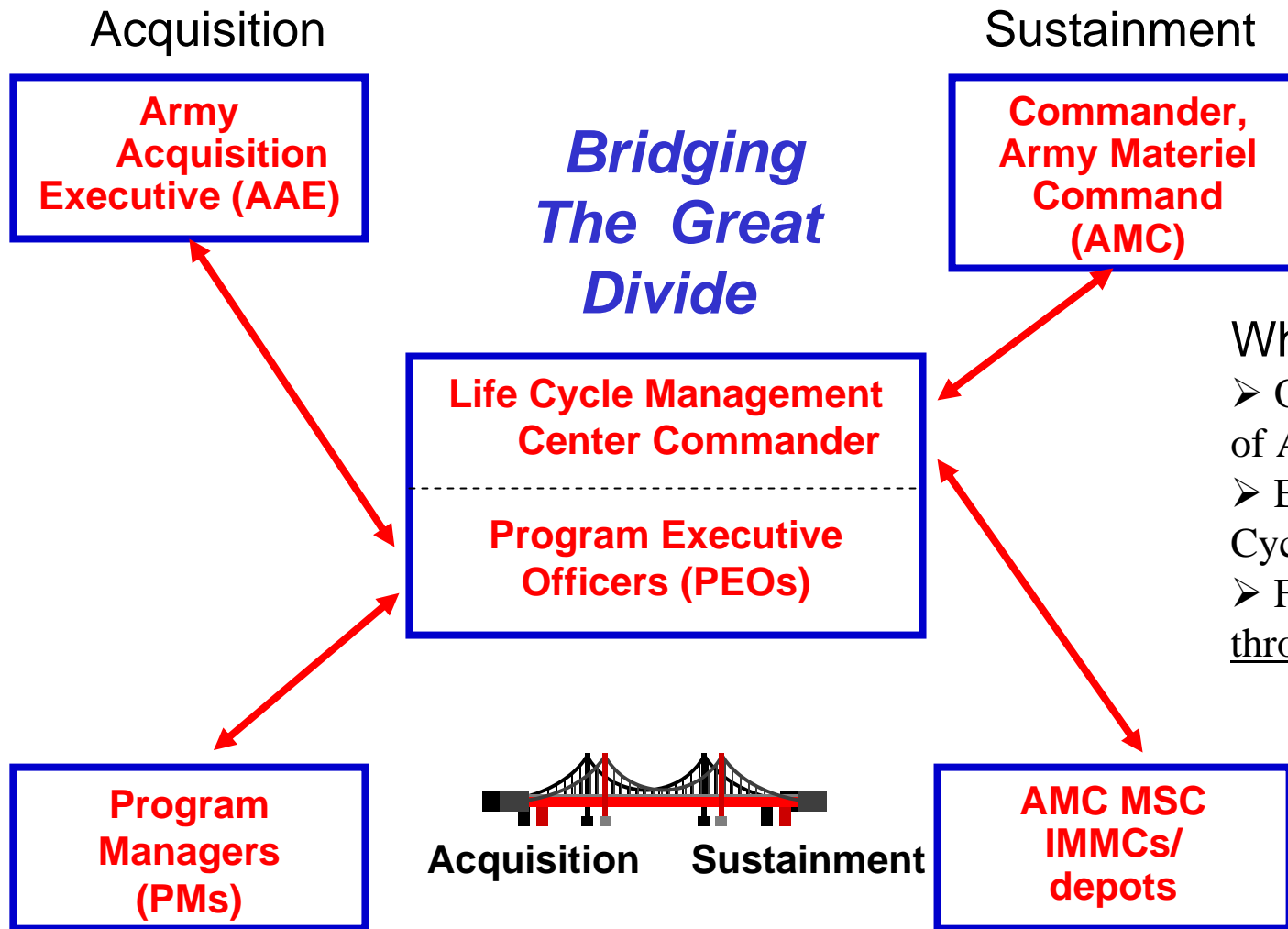
Sustainment



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



Life Cycle Management Centers Acquisition/Sustainment



*Bridging
The Great
Divide*

Why?

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



Life Cycle Management Centers Alignments

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

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

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

Joint Ammunition LCMC	
(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