

# *Implementing Total Life Cycle Systems Management*

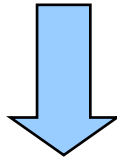


**26 October 2005**



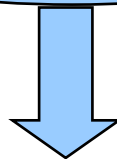
# *Requires a New **STRUCTURE** and **STRATEGY** for **SUPPORT***

## **STRUCTURE**



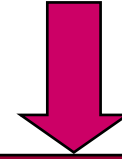
**Designate a Single Point of Accountability for the Weapon System from Cradle to Grave**

**Total Life Cycle Systems Management**



## **TLCSM**

## **STRATEGY**



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

**Performance Based Logistics**



## **PBL**



# *TLCSM*

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**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*

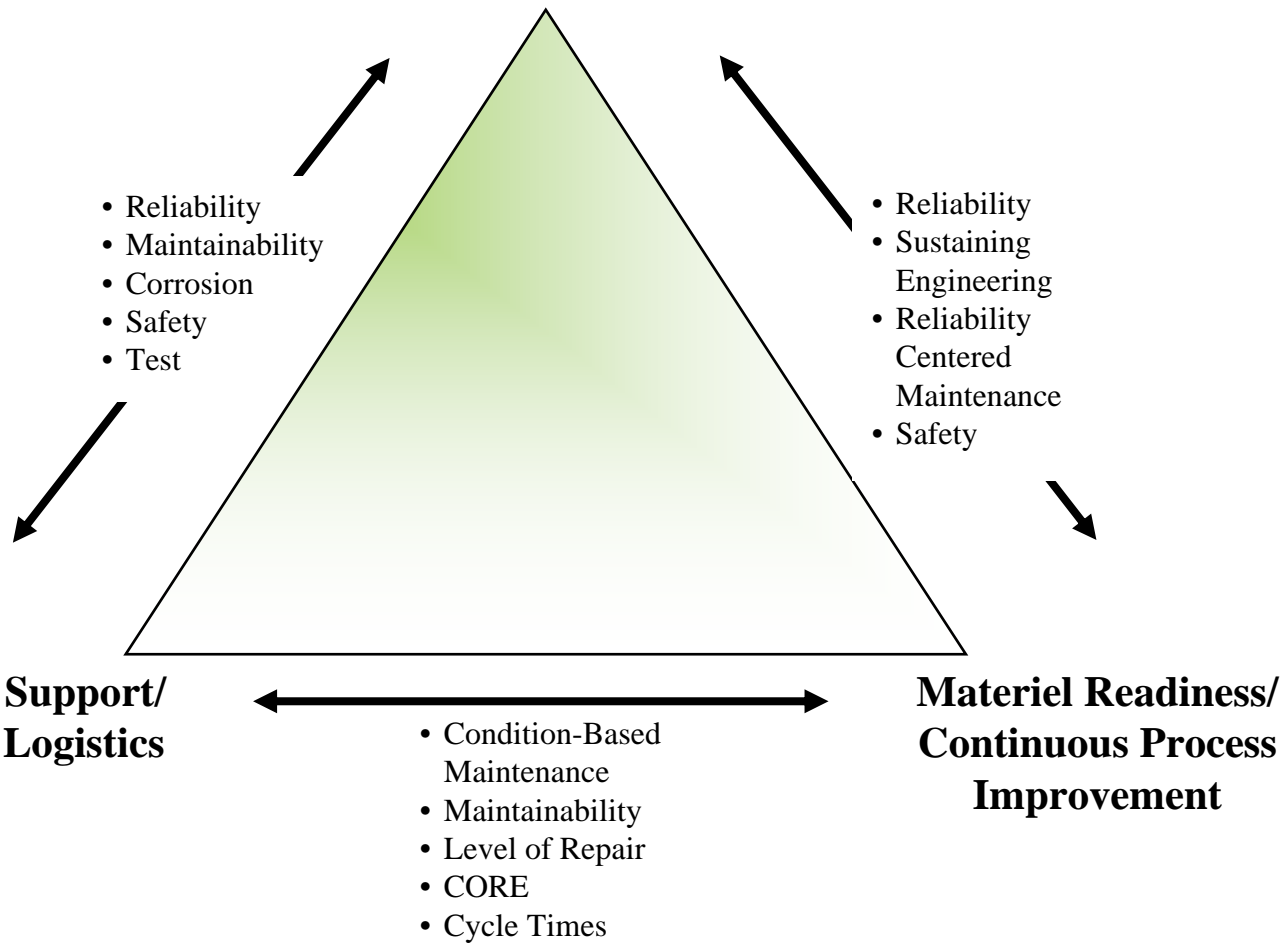
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A STRATEGY for weapon system product support that employs the **purchase of support as an integrated, affordable performance package** designed to optimize system readiness. It meets performance goals for a weapon system through a support structure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



# The Life Cycle Triangle

## Life Cycle Systems Engineering



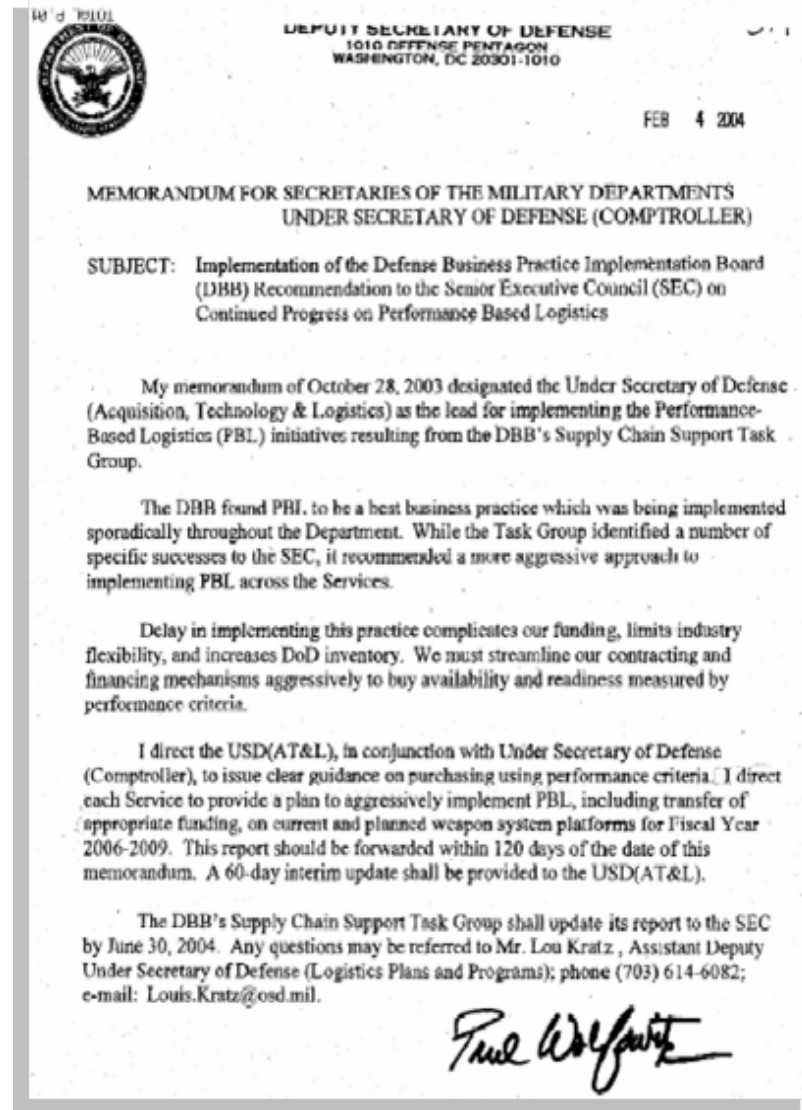
*Managing Performance Across the Life Cycle*



# *PBL Is DoD's Preferred Acquisition and Logistics Support Solution*

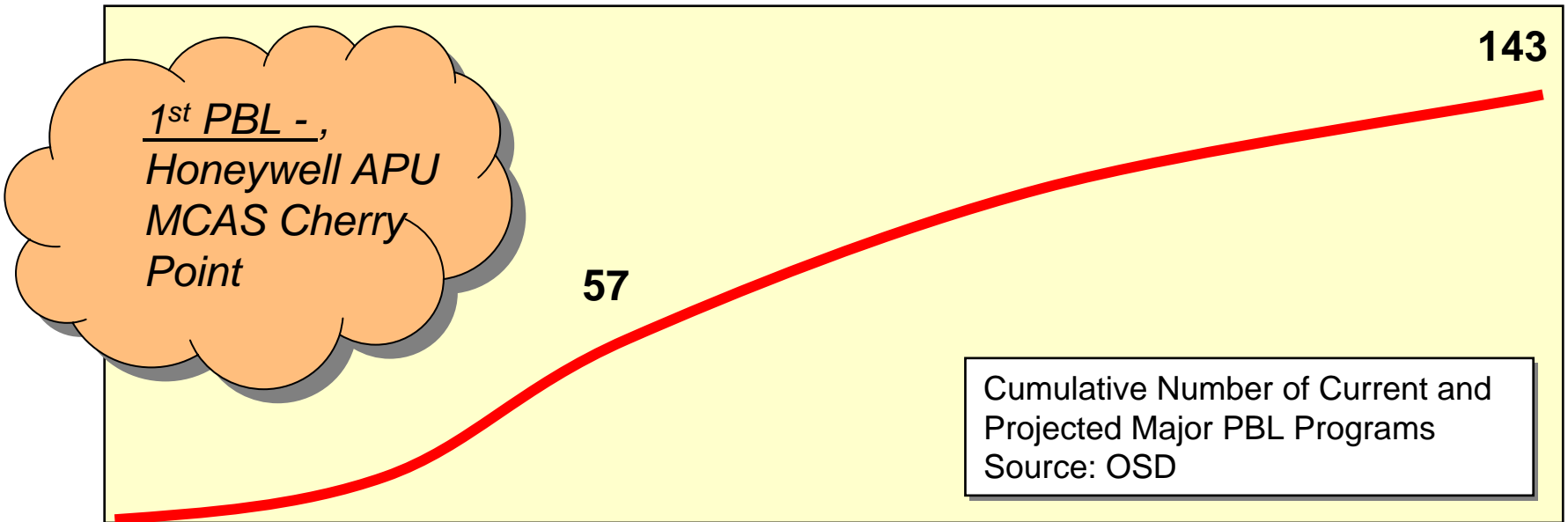
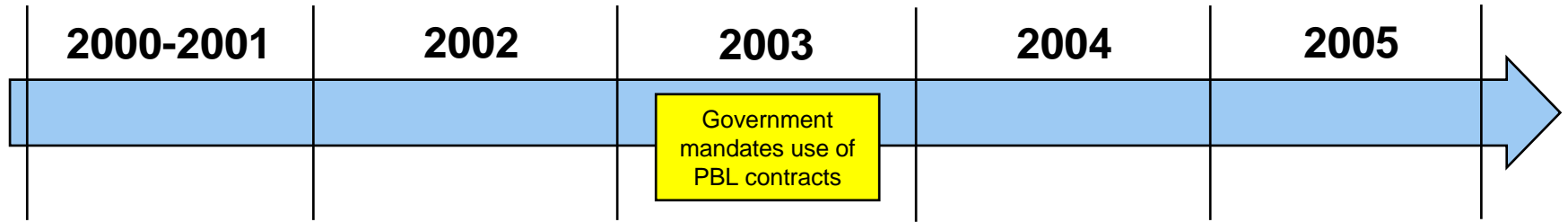
## DEPSECDEF Direction

- 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**

