



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-3000

21 JAN 2021

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTOR OF DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR OF DEFENSE LOGISTICS AGENCY
DIRECTOR OF MISSILE DEFENSE AGENCY

SUBJECT: 2020 Secretary of Defense Performance Based Logistics Award Selections

I am pleased to announce the 2020 Secretary of Defense (SecDef) Performance Based Logistics (PBL) Award Winners. The SecDef PBL Award recognizes government/industry teams who have demonstrated innovative sustainment solutions. The winning teams provided Warfighters with exceptional support through sustainment transformation using creative approaches that yielded improved lethality.

System Level Award:

VC-25A Life Cycle Integration Team, U.S. Air Force
Tinker Air Force Base, OK

Subsystem Level Award:

V-22/H-53 FLIR Performance Based Logistics Team, U.S. Navy
Naval Supply Weapon Systems Support, Philadelphia, PA

Collins Wheel and Brake Performance Based Logistics Program, U.S. Air Force
448th Supply Chain Management Wing, Tinker Air Force Base, OK

Please extend my sincere congratulations on behalf of the SecDef to this year's winners. Attached is a detailed summary of their outstanding accomplishments.

The 2020 PBL Award winners will be recognized at the 2021 Office of the Secretary of Defense Product Support Manager Workshop, followed by formal presentation of the award at their commands. For further information, contact Mrs. Carrie Limo, Office of the Assistant Secretary of Defense for Sustainment, at (703) 693-5716 or carrie.k.limo.civ@mail.mil.

Stacy A. Cummings
Principal Deputy Assistant Secretary of Defense (Acquisition)
Performing the Duties of the Under Secretary of Defense for
Acquisition and Sustainment

Attachment:

As stated

cc:

USD(A&S) Direct Reports

**ACCOMPLISHMENT SUMMARIES OF THE
2020 SECRETARY OF DEFENSE PERFORMANCE BASED
LOGISTICS (PBL) AWARD WINNERS**

System Level Award:

VC-25A Life Cycle Integration Team

The VC-25A Lifecycle Integration Team (LCIT) provides support for two (2) VC-25A 747-200 aircraft supporting the Office of the President of the United States (POTUS), also known as Air Force One. This program directly supports the President of the United States, including day-to-day operational maintenance at Joint Base Andrews, Maryland. They have responsibility to maintain Air Force One Aircraft Availability (AA) to support POTUS missions and worldwide travel. In response to the White House Management Office requirement to provide both aircraft for the 2020 election year, the team was required to develop a plan to maintain AA while conducting required maintenance and modernization efforts as well as meeting FAA requirements. Through extensive efforts and superior management of the CLS contract, the LCIT minimized the amount of downtime in Heavy Maintenance and delivered Aircraft 28000 64 days ahead of the contracted schedule.

Subsystem Level Award:

V-22/H-53 FLIR Performance Based Logistics Team

NAVSUP WSS awarded the current firm-fixed price (FFP) 5-year \$59.7 million contract to Raytheon in August 2018. In 2019, material availability improved from 24 percent for H-53 and 55 percent for V-22 to an overall 98 percent, eliminating over 100 pre-PBL backorders. The Business Case Analysis (BCA) affordability analysis identified \$299K in savings. The result is substantially improved material availability and reliability for lower cost than would have been paid under traditional support. The V-22/H-53 FLIR team has set the benchmark for Performance Based Logistics at the sub-system level. Along with contractual availability and reliability guarantees, the fixed price contract incentivizes Raytheon to improve reliability and reduce removals from the aircraft. Use of Raytheon and FRCSE respective best practices in the repair process is streamlining the repair process and resulting in reduced logistics cycle time. The team's innovative approach to PBL created a collaborative partnership between the Navy and Raytheon, which is dramatically reshaping H-53 and V-22 FLIR supply chains. The PBL clearly aligns with the DoD PBL tenets. The H-53 and V-22 FLIR operating communities can now count on a level of logistics support for critical FLIR components that was impossible to achieve prior to the PBL. With the V-22/H-53 FLIR in place, the warfighter can now enter the battlefield with full confidence that the FLIR system will be mission ready. The collective teaming efforts between Raytheon, NAVSUP WSS and FRCSE to bring these FLIRs under performance-based support directly contributes to this success.

Subsystem Level Award:

Collins Wheel and Brake Performance Based Logistics (PBL) Program

The F-16 and C-130 Wheel and Brake PBL Team developed an innovative process to move from a transactional to performance based outcome achieving immediate cost savings utilizing commercial best practices while maintaining 100 percent warfighter support. Some of the major achievements from this include:

- Implementing carbon reutilization the F-16 program team achieved a savings of \$2.39 million in year one (16.7 percent over the status quo) and an overall total program savings of \$87.8 million. Total cost avoidance for both the F-16 and C130 is projected to be \$117 million for the life of the contract.
- Decreased Administrative Lead Time and Procurement Lead Times by 30 percent from 255 days to 180 days for the C-130
- Ensured the first Financial Improvement and Audit Readiness (FIAR) compliant USAF PBL, which maximizes the potential for successful financial statement audits
- Drove change in USAF regulations allowing access to USAF logistical systems to achieve superior forecasting in the supply chain
- Achieved cost savings utilizing a PBL allowing Collins to level load production and capture costs savings

The level of success for this program has been achieved by 1) implementing existing commercial technologies previously not used by the USAF 2) aligning long-term product support planning and sustainment activities 3) providing incentives to Collins to provide reliable parts and decreasing operational costs. Ultimately, the Wheel and Brake PBL provides significant savings through innovation to the USAF, DoD, and Warfighter.