



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

MAY - 2 2011

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE FOR NETWORKS AND
INFORMATION INTEGRATION
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY

SUBJECT: Seventh Annual Secretary of Defense Performance-Based Logistics Awards

Award nominations for the seventh annual Performance-Based Logistics (PBL) Awards Program are due July 1. Submission instructions and criteria are attached.

PBL is a key DoD strategy to improve weapon system readiness by obtaining life cycle product support of weapon systems, subsystems, and components as an integrated package, based on output measures. The Department instituted the PBL Awards in 2005 to enhance PBL awareness and encourage PBL excellence. The basic tenets of PBL support my September 14, 2010, memorandum, "Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending," by controlling cost growth, addressing long-term affordability, and promoting industry competition and innovation.

Through the PBL Awards, the Department recognizes government/industry teams responsible for outstanding achievements in PBL development, implementation and execution. The awards honor outstanding PBL performance in three categories: the System Level, the Subsystem Level, and the Component Level. The public and private sector winners in each category will receive trophies that will be presented in conjunction with the Aerospace Industries Association's Fall Product Support Conference.

My point of contact is Mr. Mark Gajda, Office of the Deputy Assistant Secretary of Defense (Materiel Readiness), at 703-614-6082 or Mark.Gajda@osd.mil.

Ashton B. Carter

Attachment:
As stated

cc:
USD(AT&L) Direct Reports

**The Secretary of Defense Performance-Based Logistics Awards Program
for
Excellence in Performance-Based Logistics
in
Life Cycle Product Support**

1. Purpose.

The Secretary of Defense Performance-Based Logistics (PBL) Awards Program was established to recognize government/industry teams responsible for demonstrated excellence in Performance-Based Logistics development, implementation, and execution in life cycle product support strategies. The Secretary of Defense PBL Awards Program is intended to:

- Enhance PBL awareness throughout the Department of Defense.
- Improve mission success through increased materiel availability and reliability, with reduced ownership costs, by encouraging teamwork and common objectives through public/private partnerships.
- Recognize exceptional performance for both government and industry excellence in developing, implementing, and executing exceptional PBL strategies.
- Foster development of competitive programs within DoD components by providing a higher level of competition-commensurate recognition.
- Encourage innovative management and effective use of resources.
- Through partnering, capitalize on the organic providers' roles, responsibilities, and capabilities.

2. Eligibility.

Nominations are for government/industry teams that have exhibited outstanding performance in PBL development, implementation, and execution in life cycle product support strategies.

All DoD Activities whose mission is to provide life cycle product support to Armed Forces missions:

- Are eligible to compete at the government/industry team level.
- May submit nominations for outstanding government/industry teams showing outstanding performance at the System, Subsystem, and Component levels.

Nominations must specify an appropriate competition category.

Categories of Competition are:

- System Level: Weapon Systems Platforms and/or System of Systems Programs.
- Subsystem Level: Weapon subsystems and/or major subassemblies.
- Component Level: All other products, components and services.

The Secretary of Defense PBL Awards shall be given annually to recognize outstanding performance, based on the criteria outlined below, during the 12-month period that begins July 1 and ends June 30. One winner in each category shall be selected.

3. Process.

Responsibilities: The Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) shall:

- Provide overall guidance for the Secretary of Defense PBL Awards Program.
- Be the approval authority for the final selection of the Secretary of Defense Performance-Based Logistics Awards winners.

The Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)) will provide overall management of the program and convene the awards selection board. The Defense Acquisition University (DAU) and the Aerospace Industries Association (AIA) will assist in administering the awards process. The primary point of contact for administration of the award process will be the Deputy Assistant Secretary of Defense for Materiel Readiness (DASD(MR)).

The DASD(MR) will annually prepare the Secretary of Defense PBL Awards Program notification for USD(AT&L) issuance.

4. Nominations.

The Military Departments and the Defense Logistics Agency (DLA) may nominate, in each category, up to five teams/organizations. Other Components/Agencies may nominate two teams. Nomination packages must be received through the appropriate Component Acquisition Executive or USD(AT&L) principal to the DASD(MR), 3500 Defense Pentagon, Room 1E518, Washington, DC 20301-3500, not later than the date specified in the annual announcement.

Criteria for Nomination/Selection:

The PBL Award is granted in recognition of successful development, implementation and execution of PBL which achieves the optimal balance of Warfighter operational readiness and affordability. The tenets of increased long-term affordability, controlling cost growth, and innovation with industry, as outlined in the USD(AT&L) memo "*Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending*," will be a critical focus area during the evaluation process.

The following criteria shall be used to evaluate the nominated teams during the selection process:

Improvements in Warfighter-Based Capabilities and Outcomes (50 percent weighted scoring)

- Mission Success
- Materiel Availability
- Materiel Reliability

Sustainment Strategy Effectiveness/Efficiency (50 percent weighted scoring)

- Ownership Cost Reduction
- Public-Private Partnering
- Systems Engineering Approach
- Footprint Reduction
- Obsolescence Management
- Innovative Contracting Support Approach

Quantifiable PBL Metrics, such as outcome measures and cost management, are specifically required.

5. Contents of Nomination Packages.

The prescribed format for the submission of the award nomination packages shall be comprised of four sections:

- Section 1: Shall contain a cover page with information on the nominating organization formatted as depicted in the attached example, Section 1.
- Section 2: Shall include a summary of criteria accomplishments for those areas noted in Criteria for Nomination/Selection. The summary shall consist of up to five typewritten pages and no more than three pages of graphics if desired; see attachment example, Section 2.
- Section 3: Endorsements from all of the nominated organizations' higher headquarters should be formatted as in the attached example, Section 3.
- Section 4: Shall include a double-spaced, unclassified proposed paragraph highlighting specific achievements that will be suitable for use in the awards presentation ceremony. See attached example, Section 4.

Microsoft Word is the preferred application. Videotapes, DVDs, and other film media shall not be accepted. Unit and personnel data shall be cleared for public release to military and civilian news services. No classified information may be submitted.

6. Selection Procedures.

The ASD(L&MR) will convene a selection board, under the management of DASD(MR) and the administration of the DAU, to evaluate nominations and recommend the award finalists to USD(AT&L) for approval. Selection boards will include at least five panel members from OSD, DAU, and AIA Staff. The USD(AT&L) is the final selection authority.

7. Notification of Winners.

The ASD(L&MR) shall notify the Secretaries of the Military Departments and the Director, Defense Logistics Agency (DLA) of the winning nominees selected for the Secretary of Defense PBL Awards Program. Notification shall be forwarded via a memorandum to the Secretaries of the Military Departments, the Director, DLA, and their respective award program representatives.

8. Presentation Ceremony and Description of Awards.

The Awards shall be presented to the winners in a ceremony that will be held in the fall of each year. The Secretary of Defense PBL Award is a unique perpetual trophy, engraved with all three category winners along with all previous winners, and shall be displayed so that it is accorded suitable public viewing access. Category winning teams will receive a trophy depicting the PBL Award.

9. Reporting.

The DASD(MR) will provide information on all recipients of the Secretary of Defense PBL Awards to DAU and to AIA. The DAU President and the AIA President & CEO are responsible for ensuring the innovations and accomplishments of the awardees are recognized, as appropriate, in the Acquisition Review Quarterly, the Defense AT&L Magazine, Aerospace Industries Association Newsletter, and other pertinent publications.

SAMPLE

The Secretary of Defense Performance-Based Logistics Awards Program
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Section 1

Nomination

Nominating Organization:
(name and location)

Date:

POC: (name and contact information)

Award Category:

Award Year:

Nominee: (government/industry team or organic organization, and location)

POC: (name and contact information)

Team/Organization Members: (name and title)
(attached additional sheets as required)

SAMPLE

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Section 2

Summary of Criteria Accomplishments

Nominations must specify the criteria that are applicable and provide supporting information. Quantifiable PBL metrics, such as outcome measures and reduced ownership cost, are specifically required. Packages shall not exceed five pages of text, double spaced and 12 point font (Microsoft Word preferred). Up to three additional pages of supporting graphics will be acceptable.

SAMPLE

The Secretary of Defense Performance-Based Logistics Awards Program
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Section 3

Nomination Endorsements

Approved Endorsements

Signature Block of Approving Headquarters Date:

Signature Block of Next Higher Approving Headquarters Date:

Signature Block of Next Higher Approving Headquarters Date:

Signature Block of Next Higher Approving Headquarters Date:

SAMPLE

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Section 4

Achievements

Include a double-spaced (Microsoft Word preferred), unclassified proposed paragraph highlighting specific achievements that will be suitable for use in the awards presentation ceremony. Videotapes, DVDs, and other film media shall not be accepted. Unit and personnel data shall be cleared for public release to military and civilian news services. No classified information may be submitted.