Realizing Efficiencies Through PBLs

Mr. Scott Reynolds
Deputy Assistant Secretary of the Air Force for Logistics
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Perspective on Government/Industry Partnerships and PBL Opportunities

Today’s Partnerships
• Partnership constructs tend to remain frozen (do not change to leverage both industry and government capabilities over the life cycle)

Future Partnerships
• Blended partnerships that leverage both industry and government capabilities over the life cycle

Evolving Relationships Throughout the Life Cycle

AOA

OSD/JCS COCOM

Strategic Guidance Joint Concepts Capabilities - Base Assessment ICD MDD Materiel Solution Analysis Technology Development CDD CPD Production & Deployment O&S

Incremental Development
Contractor Logistics Support (CLS) in Context with Air Force Operations & Support Funding

- WSS contains subset of O&S costs, including Contractor Logistics Support (CLS), Depot Purchased Equipment Maintenance (DPEM), Sustaining Engineering Support (SE), and Tech Orders (TO)
  - WSS does NOT include all elements of O&S, in particular investment items and consumables for predominantly organically-managed aircraft
- CLS is any contractor logistics support
  - Uniquely scoped for each program (includes DLRs, Consumables, Depot Maintenance, etc.)
  - Includes Public Private Partnerships (PPP) with government depot work share/direct sales agreements

**Percentage of Air Force Contractor Logistics Support Dollars**

- PBL
- Non-PBL

**Total O&S for FY2011 ($)**

- MILPERS 28%
- WSS 25%
- FHP - DLRs / Consumables 20%
- CLS 15%
- DPEM 9%
- SE 1%
- TO 0%

**Other O&S**

- MILPERS 15%
- WSS 25%
- FHP - Fuel 12%
- FHP - DLRs / Consumables 12%

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## PBL Results/Experience

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Performance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-2</td>
<td>System</td>
<td>depot flow days reduced 20%</td>
<td>425 to 350 days</td>
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<tr>
<td>C-17</td>
<td>System</td>
<td>72.7% AA 87% Issue Eff (Rep) 88% MICAP USAF</td>
<td>72.4% Standard 85% Standard 80% Standard</td>
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<tr>
<td>F-22</td>
<td>System</td>
<td>9.8% TNMCS 6.4% Abort Rate</td>
<td>16% ACC Standard 11% ACC Standard</td>
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<tr>
<td>JSTARS</td>
<td>System</td>
<td>99.7% Launch Rate 96% ME Rate 1.4% NMCS-C</td>
<td>4.9% ACC Standard</td>
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<tr>
<td>RFLTS</td>
<td>Sub-System</td>
<td>96% LRT</td>
<td>customer wait time reduced from 67.8 to &lt; 2.4 days</td>
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</tbody>
</table>
Challenges

- Organizational Experience
  - Limited personnel with hands-on experience establishing and managing PBL support strategies

- Contract Length
  - Contracting Officers and programs managers are often reluctant to make justification for longer term contract

- Funding Flexibility
  - Limited ability to make long term commitments
  - AF reluctant to create “must-pay” bills
PBL Keys to Success

Performance Management

Align Interests

PBL Contract Structure Elements

Establish the Business Relationship
(Having a committed relationship that “gets” PBL)

Source: The Tenets of PBL
Air Force Materiel Command
To-Be State

HQ Air Force Materiel Command

Life Cycle Mgmt Ctr (LCMC)

Sustainment Ctr (SC)

AF Test Ctr (AFTC)

AF Research Lab (AFRL)

AF Nuc Wpns Ctr (AFNWC)*

Acquisition
Includes:
Program Executive Offices
Aerospace Sustainment Directorate programs
AFSAC Directorate
66 Air Base Group
88 Air Base Wing

Sustainment
Includes:
WR, Ogden, Tinker
Air Logistics Complex
448 Supply Chain Operations Wing
635 Supply Chain Operations Wing
72 Air Base Wing
75 Air Base Wing
78 Air Base Wing

Testing
Includes:
Arnold Engineering Development Complex
46 Test Wing (w/ 96 Air Base Wing)
412 Test Wing (w/ 95 Air Base Wing)

Technology
Remains at Wright-Patterson AFB

Nuclear
Remains at Kirtland AFB

* AFNWC is a hybrid of acquisition and sustainment activities

Minimal Change
AFMC Reorganization

- Reorganizing from 12 Centers to 5 Centers
  - Reduce staff / overhead
- Establishes Centers for each AFMC assigned mission area; one chain of command for each mission
  - Acquisition, Sustainment, Testing, Technology, Nuclear
- Produces significant effectiveness & efficiencies
  - Improve warfighter support – focused voice to customers
  - Drives standard processes across mission areas
  - Improves life cycle acquisition execution and product support management
  - PBL enabler maintains PM responsibility throughout lifecycle
  - Fosters maintenance & supply chain
  - Simplifies and reduces overhead structure