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**RESEARCH, DEVELOPMENT AND ACQUISITION**  
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MEMORANDUM FOR THE DISTRIBUTION

Subj: PERFORMANCE BASED LOGISTICS (PBL) GUIDANCE DOCUMENT

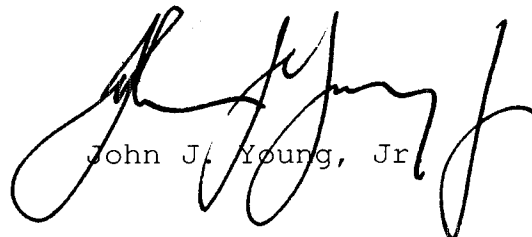
Ref: (a) ASN(RD&A) memo of 26 Apr 2002  
(b) ASN(RD&A)/USMC(I&L)/DCNO(FR&L) memo of 08 Mar 2002

Encl: (1) Department of the Navy Performance Based Logistics  
Guidance Document

The reference (a) Department of the Navy (DoN) Performance Based Logistics (PBL) Implementation Plan was issued in response to FY-03 Defense Policy Guidance, which required each Military Department to establish a PBL implementation schedule for all new weapon systems and for all ACAT I and II fielded systems. To facilitate the implementation of Performance Based Logistics, the DoN PBL working group established by reference (b), has completed the attached DoN PBL Guidance Document, enclosure (1). The document articulates PBL strategy, identifies the characteristics of PBL and clearly defines roles and responsibilities. I strongly urge our Navy and Marine Corps acquisition and logistics team to read and use this guide.

PBL has become the default consideration for logistics support planning within DoD and is a principle component of Total Life Cycle Systems Management (TLCSM). Although PBL is the preferred method of providing weapon system logistics product support, it is imperative that program managers use sound business judgment (i.e. business case analysis) when selecting between alternative logistic support strategies. I also strongly encourage Program Managers to establish PBL agreements which permit competition or benchmarking of performers as well as encourage continuous process improvement.

I appreciate all the progress the department has made aggressively pursuing PBL implementation, which will provide increased war fighting capability and reduced weapon system total life cycle cost. This guidance document will continue to be updated and revised as TLCSM and PBL policy and procedures evolve. ASN(RD&A) point of contact is Captain Michael Ahern at (703) 697-2018.

  
John J. Young, Jr

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**Department of the Navy (DoN)  
Performance Based Logistics (PBL)  
Guidance Document**



**Prepared By  
Assistant Secretary Of The Navy  
Research, Development and Acquisition**

Enclosure (1)

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Performance Based Logistics (PBL) Initial Program  
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Guidelines to Developing Naval Performance Based Logistics (PBL)  
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## Department of the Navy Performance Based Logistics (PBL) Guidance Document

- 1.0 **Purpose:** The Performance Based Logistics (PBL) strategy was established to delineate warfighter focused performance based goals for weapon systems, sub-systems and components. Additionally, it ensures that life cycle support responsibilities are assigned for the overall life cycle management of system reliability, supportability and Total Ownership Cost (TOC). To that end the focus of every PBL strategy is to translate warfighter specified levels of operational performance into a sustainment program that optimizes system readiness requirements and total ownership costs. This document provides Navy and Marine Corps policy guidance for implementing a PBL strategy.
- 2.0 **Scope:** This guidance applies to logistics support throughout the entire system life cycle. By Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)) direction, PBL is the preferred approach for product support strategy.
- 3.0 **Definition:** A PBL strategy is an agreement, usually long term, in which the provider (organic, commercial, and/or public/private partnership) is incentivized and empowered to meet overarching customer oriented performance requirements (reliability, availability, etc.) in order to improve product support effectiveness while reducing TOC.
- 4.0 **Background:** On September 30, 2001, the Quadrennial Defense Review (QDR) advocated implementation of PBL and modern business systems with appropriate metrics to compress the supply chain, eliminate non-value-added steps, and improve readiness for major weapons systems and commodities.

The FY03-07 Defense Planning Guidance (DPG), Section VI, Infrastructure and Logistics, paragraph 6, required the Services to submit plans that will identify the implementation schedule for applying PBL to all new weapon systems and ACAT I and II fielded systems.

A memorandum from the USD (AT&L), dated February 13, 2002, tasked the Services to submit PBL implementation plans per its attached content guidance and format.

The current PBL approach is actually an outgrowth of the efforts taken to comply with Section 912c of the National Defense Authorization Act for Fiscal Year 1998. Section 912c called for the reengineering of product support to restructure sustainment for the 21<sup>st</sup> Century in the areas of best commercial practices, competitive sourcing, technology refresh and prime vendor support.

- 5.0 **Goal and Approach:** The goal of PBL is to improve warfighter logistics support using performance measures to enhance flexibility and effectiveness, while maintaining or reducing cost. This is best met with a Total Life Cycle System



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Management (TLCSM) approach. System, sub-system, and component PBL strategies best meet this objective by focusing requirement, acquisition, and logistic decisions on improving total life cycle system support and cost.

- 6.0 **Strategy:** The Department of Navy's (DoN) preferred product support strategy is to use PBL. PBL will be implemented when it improves warfighter support and makes good business sense. Regardless if analysis does or does not support implementing PBL, the decision rationale will be documented and retained in the program office. To meet the PBL goal requires a concerted effort among the disciplines of Fleet support performance requirement generation, systems acquisition, sustainment and the recurring assessment of metrics and cost.

Programs are encouraged to develop and implement the PBL strategy through the use of Integrated Product Support Teams (IPTs) that focus on system performance outcomes versus individual support elements. The IPT(s) should include representatives of all stakeholders in the PBL process consisting of government and/or private sector functional experts. When joint operations are likely, the PM should invite the effected Military Services to participate in the product support strategy development and (IPTs).

The Defense Logistic Agency (DLA) may be invited to participate in early PBL planning. DLA may be viewed as a competitive source for consumable parts support and cataloging, distribution, disposal and demilitarization services. Additionally, early involvement of the Small and Disadvantaged Business Utilization representative at the System Commands is essential to ensure small business participation to the maximum extent practicable.

PBL is not a "one size fits all" approach to product support. Like any logistics strategy PBL must be tailored to fit the individual system/component in its operational environment for the duration of its projected service life. A PBL strategy should be implemented in conjunction with the overall system engineering approach to supportability. To that end, PBL strategic planning and execution must translate Fleet performance requirements into system design influence and other means to ensure improved readiness and sustainment. The primary PBL mechanism for capturing fleet performance requirements is the Performance Based Agreement (PBA) between the warfighter and the program manager.

If the PBL strategy includes a public-private partnership for depot maintenance workload, the guidelines in Deputy Under Secretary of Defense (Logistics) (DUSD L) memo of 30 Jan 2002 should be reviewed. This memorandum can be found on the Office of the Secretary of Defense (OSD) web site at:

<http://www.acq.osd.mil/log/about/practice/html/crystal.html>



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There are also statutory requirements related to depot maintenance in Title 10, United States Code (10 USC), Sections 2460, 2461, 2464, 2466, 2469, 2470, and 2474. Further, if the PBL strategy includes a proposed prime vendor contract for depot-level maintenance or repair of a weapon system or equipment requiring a core capability, then there is a statutory requirement that the DoN notify Congress before the award of the contract. Consult with your Office of General Counsel attorney on these requirements.

- 7.0 **PBL Characteristics:** As with any other logistics support strategy, PBL supportability analysis must encompass a total life cycle systems management approach. The PBL strategy should be documented in the appropriate program's supportability plan. The distinguishing characteristics of a PBL based approach include, but are not limited to the following:
- a. The stating of warfighter focused product support requirements in performance based language with metrics, e.g., Operational Availability, Mission Capable Rate, Customer Wait Time, Cost-Per-Operating-Cycle, and Life-Cycle Cost, etc., without specifying the processes and/or procedures to obtain that result.
  - b. A performance measurement methodology that includes the following elements:
    - Identification of realistic, quantifiable, and measurable metrics;
    - Use of warfighter supportability-related performance requirements to influence the design;
    - Identification of all stakeholders roles and responsibilities; including those required for the collecting, processing, analyzing, and reporting of the performance data;
    - Identification of the source and data to be collected;
    - Description of the data elements and formula(s) for calculating the critical metrics;
    - Statement of the frequency and format for reporting results;
    - Formal performance review frequency; and
    - Formal dispute resolution process.
  - c. The Program Manager will assign a "Product Support Integrator (PSI)," from either DoD or the private sector. Activities coordinated by the PSI can include, as appropriate, functions provided by organic organizations, private sector, or partnerships between organic and private sector.
  - d. Use of Business Case Analysis (BCA) to support individual PBL decisions.
  - e. Establishment of mutually beneficial incentives that facilitate long-term business relationships.





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- f. PBL execution and evolution over time is transparent to the operators and maintainers.
- g. Continual technology refreshment, principally to boost reliability and/or reduce operating and support cost.
- h. The Performance Based Agreement (PBA) between the Warfighter and the Program Manager sets performance based metrics in support of a Weapon System.

7.0.1 **Performance Based Agreements (PBAs)**: The PBA is typically a short document in the form of a Memorandum of Agreement (MOA) or Memorandum of Understanding (MOU). This System Level PBA agreement is the centerpiece for the overall PBL support strategy and contains measures of success to meet the warfighter's needs. Any subsequent agreements for subsystems and components will ensure performance requirements are derived from the system level PBA. Over the life of the program, the performance measures may change or evolve depending on the changing requirements of the program. Initially these documents should contain the following:

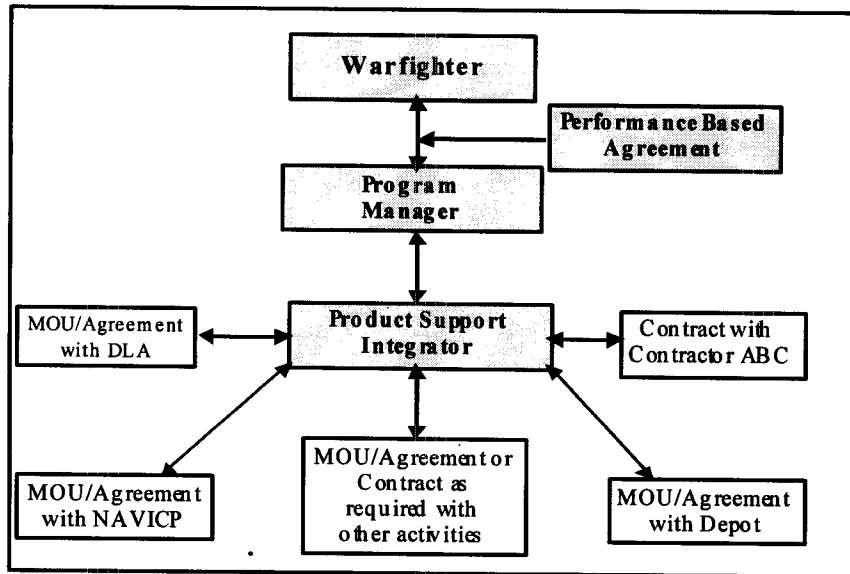
- a. The most critical readiness/maintenance drivers of the component, sub-system or system. As this process matures the metrics can be fine-tuned to continually improve warfighter readiness.
- b. Document what the warfighter needs in terms of performance and relevant support requirements, as well as what the warfighter is willing to resource for that specified level of performance.
- c. Provide a brief description of program and decision criteria in choosing the performance based product support solution.
- d. Through the use of performance metrics a program should measure how well they are meeting or exceeding the warfighter's requirements. These performance measures may change as requirements of the program evolve. A performance measurement methodology should include the elements addressed in section 7.0, (b.).
- e. Major milestones and criteria for demonstrating successful accomplishments.

7.0.1.1 **Roles and Responsibilities**: Clear roles and responsibilities of all players involved in the development of the PBA agreement need to be defined. Players include but are not limited to the Program Office, Warfighter, Industry, Product Support Integrator Lead as well as Product Support Integrator Team,



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and organic support providers such as DLA, NAVICP, System Commands, depots, and shipyards as applicable.



**Diagram (a) - PBL Support for a Weapon System**

7.0.1.2 Support for a Weapon System: As shown in Diagram (a), all MOUs, agreements, or contracts initiated by the Product Support Integrator should support the requirements of the System level PBA between the Warfighter and Program Manager. The Product Support Integrator is responsible for incorporating the performance metrics derived from the System PBA into supporting agreements.

7.0.1.3 Periods of Performance: The PBA is not a one-time event. These agreements will reflect the dynamic relationship between warfighter, government and industry throughout the weapon system life cycle as the system evolves and requirements change.

8.0 Decision Criteria: To determine if implementation of a PBL strategy will improve logistics performance and /or reduce Total Life Cycle costs, the following Initial Program Assessment Criteria (see Attachment A) must be evaluated:

- System/Program Life Cycle Stage;
- Alignment with overall program strategy;
- Impact on the organic infrastructure;
- Viability of the commercial base;
- System design considerations; and
- State of emerging technology.



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These criteria should be used to make an initial assessment of each new start program and fielded programs in order to determine if further investigation of a PBL strategy is appropriate.

Additionally PBL considerations typically include the following:

- Quantifiable support performance criteria and metrics, that are based on requirements provided by the warfighter;
- Support analyses that extend to the full life cycle and impact to organic support;
- Baseline assessment and validation of costs;
- Contractual "exit" criteria provisions, which will apply when PBL contracts expire or are terminated; and
- Consideration of wartime conditions.

Major ACAT Program PBL strategies will also be decided from a DoN-wide corporate perspective. These decisions will be based, not only on considerations of individual acquisition program effectiveness, but also on the effect in the operational environment and on the logistics infrastructure's ability to support non-PBL weapon systems. Once the initial decision has been made to pursue a PBL support strategy, further implementation requires a sound business case.

9.0 PBL Categories: PBL strategies, like any other logistics support strategy, must be tailored to the specific system, subsystem, or component. Additionally, Table 1 shows the levels of PBL application and codes as it relates to systems and support/logistic PBL combinations. Program Manager's should determine at which level a PBL strategy makes sense for their program.

If a System PBL is impractical, a PBL strategy for specific subsystems or components developed in concert with the appropriate support agency (i.e., Naval Inventory Control Point (NAVICP)) should be considered.

For existing systems, subsystems and components, the PBL strategy should be considered during the procurement-planning phase of follow-on contract support. The Program Manager, NAVICP or private industry may recommend a PBL strategy starting with the component level, however, this recommendation must be reviewed by the Program Manager who will consider this PBL support in consonance with consideration of entire system and subsystem support strategies.



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**Logistics Process/Element View**

	<b>All</b>	<b>Multiple</b>	<b>Single</b>
<b>System Level</b>	(S1) All ILS elements for an entire system	(S2) Multiple ILS elements for an entire system	(S3) A single ILS element for an entire system
<b>Sub-System Level</b>	(Sub 1) All ILS elements for an entire sub-system	(Sub 2) Multiple ILS elements for an entire sub-system	(Sub 3) A single ILS element for an entire sub-system
<b>Component Level</b>	(C1) All ILS elements for a single component	(C2) Multiple ILS elements for a single component	(C3) A single ILS element for a single component

**Table 1: Levels of PBL Application & Codes**

- 10.0 **PBL Resources and Funding:** In order to fund a PBL, a clear distinction must be made between what is being procured under major systems appropriated funds and the Navy Working Capital Fund (NWCF). Appropriated funding requirements will be identified by program managers and included during program development or as funding issues during Program Objectives Memorandum (POM) and budget development. NAVICP component PBL efforts support Systems that have been procured and deployed (or being deployed), and utilize the NWCF. The revolving multi-year aspect of the NWCF allows the NAVICP to contract for long term spares support arrangements without the need to tie up multiple year increments of appropriated funding (e.g., APN, OPN, & SCN).
- 11.0 **Business Case Analysis (BCA):** The BCA is a decision support tool used to estimate the costs and describe the benefits between alternative product support strategies (i.e., traditional or existing vs. proposed alternative). It compares the total estimated product support costs between the baseline and PBL strategies to assist in determining the appropriate product support concept required by the PBA. It is the Program Offices' responsibility to generate the BCA. The BCA may not be suitable for future programmatic reviews (due to programmatic or operational changes) but the analysis may be useful to compare the estimated versus actual costs. Comparing projected versus actual cost savings/avoidances is useful to determine the fidelity of the BCA. The BCA should be updated when programmatic changes occur.



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NCCA is responsible for conducting a validation of the SYSCOMs' BCA process. Individual SYSCOM cost departments (e.g., NAVSEA 017, NAVAIR 4.2) will conduct independent PBL BCA reviews for programs when tasked to do so. The final BCA shall become a permanent record in the program supportability files. The SYSCOMs and PMs are responsible for scheduling the BCA process and program reviews in time to support programmatic milestones.

The NCCA guidelines, ground rules, and basic format for developing a PBL BCA are contained in Attachment B.

**12.0 Program PBL Implementation Plans:** A program level PBL implementation plan shall be developed for all new start and ACAT I/II in-service programs implementing a PBL support strategy. While a stand-alone plan is preferred, it is not required as long as the information required by Guidelines to Developing Naval Performance Based Logistics (PBL) Business Case Analysis (BCA) Attachment C is provided and maintained in a programmatic document.

**13.0 References:**

- Product Support for the 21<sup>st</sup> Century, A Program Manager's Guide to Buying Performance, November 2001, <http://www.abm.rda.hq.navy.mil>
- USD (AT&L) Policy Memo, Incentive Strategies for Defense Acquisitions, January 5, 2001
- Defense Systems Management College, Risk Management Guide for DoD Acquisitions, January 2001
- Defense Systems Management College, Acquisition Logistics Guide, December 1997
- Business Case Model For The DOD Logistics Community, [http://www.acq.osd.mil/log/logistics\\_materiel\\_readiness/organizations/lpp/html/pr od\\_suprt.htm](http://www.acq.osd.mil/log/logistics_materiel_readiness/organizations/lpp/html/pr od_suprt.htm)

## Attachment A

### Performance Based Logistics (PBL) Initial Program Assessment Criteria

This attachment provides evaluation criteria to determine if a PBL strategy is appropriate for a program. Program Managers and their staff should assess each new start program and ACAT I/II fielded program against each of the following six criteria and make a summary recommendation. The assessment should weight the potential benefits and risks of PBL in terms of affordability and readiness improvements against the overall program plan. In addition, the PBL strategy assessment should assess the potential benefits received by an individual program against the systemic impacts on supportability and affordability across other programs/weapon systems.

<b>Item 1</b>	<b>Criteria: Life Cycle Stage</b>	<b>Criteria Definition.</b> The earlier in the system life cycle that a PBL strategy is implemented, the greater the potential benefits. PBL solutions require sufficient time to generate the positive returns necessary to off set the related capital investments. Assess the current life cycle status of your program and the potential benefits (cost and readiness performance) associated with implementing a PBL strategy either now or as part of a planned system modification (i.e., spiral integration). Also address the impact that implementing a PBL strategy will have on overall program planning, schedule and cost.
	<b>Program Office Assessment:</b>	

<b>Item 2</b>	<b>Criteria: Acquisition Program Strategy</b>	<b>Definition.</b> PBL implementation must be incorporated within the overall program acquisition strategy. Synopsise acquisition logistics and sustainment plans for your program's Acquisition Strategy. Identify any programmatic risks associated with implementing a PBL strategy.
	<b>Program Office Assessment:</b>	

<p><b>Item 3</b></p>	<p><b>Criteria: Organic Impact</b></p>	<p><b>Definition.</b> DoN logistics is aligned both horizontally by function and vertically by program. Accordingly, an optimal PBL strategy at the program level may lead to sub-optimizing at the DoN or DoD functional level. Assess the impact of your proposed PBL solution in terms that will permit assessment of your program's PBL effect on the DoN/DoD infrastructure to include DLA ICPs and Distribution Depots as applicable (capacity, rates and affordability).</p>
<p><b>Program Office Assessment:</b></p>		

<p><b>Item 4</b></p>	<p><b>Criteria: Commercial Base</b></p>	<p><b>Definition.</b> PBL may require both capital investment as well as shift in the Government/Industry relationships. Industry partners may be required to commit to long-term relationships and assume additional risk, including peacetime and wartime considerations. Assess your commercial business base in terms of their understanding of the DoN environment, ability to perform successfully, management ability, understanding of system supportability issues, and corporate commitment. Given the current organic and industrial base, describe the long-term prospects for continued competition and sources of logistics products and services. If performed, describe the results of the independent analysis (NCCA or other activity) regarding life cycle cost effectiveness of your PBL strategy.</p>
<p><b>Program Office Assessment:</b></p>		

<b>Item 5</b>	<b>Criteria: Design Considerations</b>	<b>Definition.</b> Assess the system design in terms of potential PBL benefits and risks. Consider current and projected requirements and their introduction into the operational environment. Address the risk associated with establishing incentives based on performance. Address the risk associated with achieving ORD, KPPs, thresholds and other performance requirements.
<b>Program Office Assessment:</b>		

<b>Item 6</b>	<b>Criteria: Technology Considerations</b>	<b>Definition.</b> Assess the technology base for your system in terms of potential PBL risks and benefits. Address life cycle technology insertion/refreshment and the associated challenges, risks and benefits to supportability. Address the risk associated with achieving ORD, KPPs, thresholds and other performance requirements.
<b>Program Office Assessment:</b>		

<b>Item 7</b>	<b>Criteria: Summary Assessment</b>	<b>Definition.</b> Provide your recommendation as to whether or not your program is a viable PBL candidate. Discuss the pros and cons, risks, benefits and other relevant aspects of your PBL recommendation. Provide Fleet/warfighter concerns and recommendations regarding a PBL strategy for your system. If your program is a viable PBL candidate, describe the scope of applicability, proposed start and end date (fully implemented). Address any factors that may not have been address in the other six (6) criteria areas. If your program is not a PBL candidate provide supporting justification.
<b>Program Office Assessment:</b>		



## Attachment B

### Guidelines to Developing Naval Performance Based Logistics (PBL) Business Case Analysis (BCA)

#### I. Ground Rules

1. Cost for all computations should include:
  - A. Constant Year
  - B. Then Year
  - C. Discounted Constant
    1. Base Year should be the year in which study occurs.
    2. Latest Indices from the Office of the Secretary of Defense (OSD) can be found at (<http://www.ncca.navy.mil/>).
    3. The latest discount rate can be found at (<http://www.whitehouse.gov/omb/circulars/a094/a094.html>) Refer to appendix C of reference.
2. Savings Analysis should separate savings benefits that can be measured, quantified or placed under management control (Hard Savings).
3. Avoidance in labor hours should be addressed as a separate line item (Soft Savings).
4. No sunk costs should be included in ROI Analysis.
5. Labor rate costing for military and civilians should utilize the following web site: (<http://www.dtic.mil/comptroller.ratesindex2002.html/>)
6. A total life cycle cost approach will be used in the analysis.

#### References:

1. The DOD Instruction 7041.3, Economic Analysis for Decision Making can be found at (<http://www.dtic.mil/whs/directives/>). This is the most explicit DOD guidance on how to accomplish a BCA. It contains specific guidance on how to conduct an Analysis. In addition the logistics site from OSD ([http://www.acq.osd.mil/log/logistics\\_materiel\\_readiness/organizations/lpp/assets/product\\_support/final%20bcm.pdf](http://www.acq.osd.mil/log/logistics_materiel_readiness/organizations/lpp/assets/product_support/final%20bcm.pdf)) gives specific details on what should be included when dealing with logistical BCA's. The NAVAIR "Maintenance Trade Cost Guidebook" found at (<https://www.nalda.navy.mil/3.6/coo/gbookv4.htm>) is another good source for analysis guidance.
2. The "Naval Inventory Control Point Performance Based Logistics Business Case Analysis Fact Sheet" should be used. It can be found at (<http://www.navicp.navy.mil/business/longterm/h60/pbl/fact.htm>) In addition, other guidance may be found using Q & A from (<http://www.navicp.navy.mil/business/longterm/h60/pbl/qandajun.htm>) (<http://www.navicp.navy.mil/business/longterm/h60/pbl/qanda13sept.htm>)

### 3. Savings Analysis considerations (from Business Initiative Council (BIC)):

- a. **Cost Avoidance**– Benefits that result from an initiative but that cannot result in a dollar- reduction to a program or budget and may include such items as:
  - Increase in worker productivity (but without any cut in headcount)
  - Improvements in business process (but without cuts in infrastructure, or legacy IT systems, or prices of commodities or services)
  - Increase in readiness
  - Improvements in value (quantity, quality, or timeliness)
- b. **Hard Savings**- Benefits you can measure, quantify, and place under management control at the time the benefits occur. You can reflect hard savings as specific reductions in the approved program or budget after you have obtained them. Hard savings may include reduced expenditures in such items as:
  - Headcount (direct or infrastructure)
  - Prices of commodities or services (e.g., desktop software or aircraft parts)
  - Quantities of commodities or services (e.g., elimination of databases or dead inventory)
  - Travel and utilities.
  - Check = can it be traced to a Budget line/PE item

## II. The Minimum Format

### A: Assumptions and Methods

- Scope of Analysis
- Assumptions
- Metrics (Required by The Government Performance and Results Act and the Acquisition Streamlining Act).

### B: The Business Case Model

- Cost
- Benefits
- Analyzing the Project Business Case Model ROI, NPV
- Non-Financial Benefits for Project

### C: Conclusions, Recommendations, and Future Steps

- Conclusions
- Recommendations
- Future Step

### **III. The Comprehensive Format**

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  - 1.1.1 Subject**
  - 1.1.2 Purpose**
- 1.2 Organization**
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- 1.4 Alternatives Considered**
- 1.5 PBL Project Vision**
- 1.6 PBL Objectives**
- 1.7 BCA Approach**
- 1.8 BCA Scope**
- 1.9 Cost Summary**
- 1.10 Benefits Summary**
- 1.11 Financial Summary**

#### **Chapter 2: Assumptions and Methods**

- 2.1 Scope of Analysis**
- 2.2 Assumptions**
- 2.3 Metrics (Required by The Government Performance and Results Act and the Acquisition Streamlining Act).**

#### **Chapter 3: The Business Case Model**

- 3.1 Cost**
- 3.2 Benefits**
- 3.3 Analyzing the Project Business Case Model ROI, NPV**
- 3.4 Non-Financial Benefits for Project**

#### **Chapter 4: Sensitivity Analysis and Risk Management**

- 4.1 Sensitivity Analysis**
- 4.2 Key Risks**
- 4.3 Lessons Learned**

#### **Chapter 5: Conclusions, Recommendations, and Future Steps**

- 5.1 Conclusions**
- 5.2 Recommendations**
- 5.3 Future Steps**

#### **Appendices:**

## **Attachment C**

### **Content Requirements for System Level PBL Plans**

PBL implementation schedules for individual systems shall be developed in support of Service PBL implementation. Although no common format is dictated, program plans should include, at minimum, the information outlined below.

- 1.0 **Descriptive Program Information** – For all service weapon system programs provide background data to include brief system description, mission area, Acquisition Category, life cycle stage, number of systems, summary level cost/budget information, customer base (to include FMS), brief overview of current support concept, current organization, current readiness rates (for legacy systems) and other critical performance measures as applicable. For each program, indicate which of the following PBL components are in place:
  - 1.1. Performance Based Agreements with the Warfighter
  - 1.2. Performance and other Agreements with commercial and organic providers
  - 1.3. Integrated Product Support provider
  - 1.4. Performance-based metrics
  - 1.5. Performance-based incentives
  - 1.6. Partnering
  - 1.7. Total life cycle systems management responsibility (i.e. Program Manager oversight of sustainment)
  - 1.8. Other as present
  
- 2.0 **PBL Strategy**
  - 2.1. Current Product Support Approach (including the maintenance strategy)
  - 2.2. Support infrastructure (organizations, roles and responsibilities)
  - 2.3. PBL Transition Plan
  - 2.4. Redefined support infrastructure
  - 2.5. Expected outcomes in terms of performance and cost
  - 2.6. Performance incentives and sanctions
  - 2.7. Risk Management
  - 2.8. Other Factors
  
- 3.0 **PBL Implementation**
  - 3.1. PBL Plan
    - 3.1.1 Product support integrator
    - 3.1.2 Reduced demand for logistics support (performance requirements)
    - 3.1.3 Reduced resources for logistics support (personnel and dollars)