



# THE NAVAL AVIATION ENTERPRISE AIR PLAN



...One Vision, One Team

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***“NAVSUP Weapon Systems Support (NAVSUP WSS) continues its commitment to initiating and renewing Performance Based Logistics (PBL) contracts that demonstrate continuous performance improvement, material availability and aircraft readiness while delivering cost savings to the Fleet.”***

- Rear Adm. John G. King, Commander, NAVSUP WSS

## NAVSUP WSS - Supporting Naval Aviation through Performance Based Logistics

### Performance Based Logistics (PBL) - A Primer

Although each PBL contract is unique and tailored to meet a specific requirement, [NAVSUP WSS](#) has successfully established a PBL construct that is standardized and repeatable. The NAVSUP WSS PBL concept attempts to influence private industry’s behavior to meet the warfighter’s requirement. The focus is on procuring an outcome, for example, availability or reliability, instead of procuring a pre-determined number of parts and supplies. PBL contractors have the motivation to pursue efficiencies, remove waste, and the latitude to be innovative in order to make that happen.

The use of Navy Working Capital funds provides for the use of long-term PBL contracts that can be as long as five years, with five year renewal options. Such long-term contracts promote and facilitate partnership with private industry investments in areas such as technology infusion, leverage existing Navy organic depot infrastructure, expertise and capability, and generally encourage return on investment decisions not likely to occur with traditional support contracts.

NAVSUP WSS conducts an analysis of traditional inventory management costs, and only enters into a PBL arrangement if the cost is determined to be the same or less than traditional support. In most cases, PBL contractors receive payments based upon a negotiated Firm-Fixed Price Contract funded with Navy Working Capital, equal to or less than what the government would have spent, to provide very specific, measured outcomes.

### Success Story

The F/A-18 Heads Up Display (HUD) and Digital Display Indicator (DDI) are great examples of a PBL success. Today, young Marines and Sailors would not think of the F/A-18 HUD or DDI to be a significant readiness degrader. When a HUD or DDI is requisitioned, it is filled 100 percent of the time, and there are currently zero back orders. Long forgotten is the fact that when this PBL went into effect in late 2003, the supply system held 583 fleet back orders, with a 46 percent fill rate.

Successes such as these mean that our maintainers spend fewer man-hours cannibalizing certain components from aircraft to aircraft, and that mission-capable aircraft are more reliably available to the warfighters. You can read more about what PBL contracts mean to our maintainers and warfighters in the April [Naval Supply Corps Newsletter](#).

The improved reliability resulting from PBL ultimately enhances the [Naval Aviation Enterprise](#)’s ability to achieve its overall mission—to *advance and sustain Naval Aviation warfighting capability at an affordable cost*.

### Latest NAE Award Winners

Questions? Ask: [nae@navy.mil](mailto:nae@navy.mil)

June 2013: Danial Van Buskirk, AIR 6.8.2.1, Naval Air Systems Command

July 2013: Cmdr. Suzanne Dalton, Naval Air Force Atlantic

### Main Points

- PBL efforts are accomplished at the same or lower cost to the government than if traditional inventory management was utilized.
- NAVSUP WSS PBL contracts have achieved significantly improved supply response times and reduced backorders.
- NAVSUP WSS PBL contracts resulted in a 3.9 percent reduction in costs compared to traditional support.
- Since NAVSUP WSS awarded its first PBL contract in 1998, it has earned 13 of 27 Secretary of Defense Performance Based Logistics Awards.

### Facts/ Figures/Resources

- NAVSUP WSS PBL contracts have helped achieve the following:
- Decreased world-wide response times for tires to a few days
  - Decreased F404 Engine repair turn-around-times by 25 percent and work-in-progress by 75 percent
  - Reduced Auxiliary Power Units (APUs) awaiting parts (AWP) from 232 units to 0
  - Reduced F/A-18 Stores Management System backorders from 489 to 0
  - Reduced logistics footprint: two-thirds fewer tires and \$7 million less ALR-67(v)3 radar warning receivers required to support local maintenance requirements