Maritime Supplier Operations
Break-Out Session

August 29-30, 2006
Agenda

• Maritime Supply Chain Overview
• Supplier Relationship Management
• Supplier Collaboration
• Open Dialogue
Maritime Supplier Ops
At a Glance

**What**

1.6M Items

- Mechanical
  Pumps, Compressors
  Valves, Hose & Tube,
  Fittings, Bearings,
  Packing & Gaskets

- Electrical
  Wire & cable, switches,
  relays, transformers,
  antennas, resistors,
  microcircuits

**From**

5000 Suppliers

- Manufacturers
  Marotta (Valves)
  York (Compressors)
  Timken (Bearings)
  Raytheon (Electronics)
  Amphenol (Connectors)

- Dealers
  Large Dealer Network

**By**

352K Contract Actions Worth $1.7B

- ~850 Employees
- 32 Integrated Supplier Teams
- 3 Sites

All Maritime Supply Chain NSNs will be in BSM as of 1 Sep
Maritime Supplier Ops Organization

DSCC
RDML Charlie Lilli, Commander
Mr. James McClaugherty, Deputy Commander

Maritime Detachment
Philadelphia
Roger Dixon, Director
Diane Hale, Deputy Director

Maritime Supplier Operations
CAPT Griffin Warren, Director
Ms. Ann Bradway, Deputy Director
CDR David Peters, Deputy Director

Maritime Detachment
Richmond
Don Love, Director
Diana Coley, Deputy Director

ISTs
SMSG
ISTs
Supplier Support Division
SMSG
ISTs
BSM Roles, Responsibilities & Functions

Integrated Supplier Team (IST) … Basic Organizational Unit
- Product Specialists: What to buy?
- Supply Planners: How many and when to buy?
- Pre Award Acquisition Specialists: Execute the buy!

Strategic Material Sourcing Group
- Long Term Contracting (LTC): Multi-NSNs & Corporate Contracts

Supplier Support Division
- Small “Emergency Buying Team” for our customers’ most urgent needs
- Centralized Post-award for Contract Administration matters
- Manages PACE for all DSCC
- Centralized management of solicitation, award and administration of Auto IDPOs
Supplier Relationship Management

What is it?

SRM is a strategy for building relationships with key suppliers across the DLA Enterprise. It is a way of evaluating and leveraging supplier capability and using the knowledge gained to improve business processes.
SRM Organizational Position

“Communicate alliance strategies, continuous performance improvement actions and key supplier performance”

Director of Supplier Operations

Strategic Material Sourcing Group

Product Specialist

Acquisition Specialist

Planners

Sourcing Strategy Specialist

“Communicate Key Supplier Capabilities and Performance back to customer contacts”

“Assist in development of recommended sourcing strategies”

“Work with acquisition specialist in development of long-term contracts and management of supplier performance”

“Understanding Customer Requirements”

“Manages key supplier relationships”

“Manage key supplier relationships”

“Communicating Key Supplier Capabilities and Performance back to customer contacts”

Services/Customers

NAM

CAM

Key Suppliers

“Manages key supplier performance”
Supplier Alliances

Objectives –
Allow both parties to work jointly to leverage capabilities to reduce inefficiencies in the supply chain.

Suppliers –
Raytheon, York, Warren Pump, Dresser-Rand, Timken, Crane, Clarcor, Kampi Components.

Goals –
ALT & PLT Reduction
Enhanced forecast
Economic purchases
Contract consolidation

Successes –
Price reductions
Enhanced communication
Greater LTC coverage
ALT/PLT savings
How/Why Would SRM Engage My Company?

Key suppliers identified by spend
- Charters with 8 Suppliers

Commodity driven issues

Process solutions

Complex issues that require coordination between customer and supplier
BSM Program
Primary COTS Components

- Order Fulfillment
- Procurement
- Financial Management

SAP

Supply Planning
- Solicit
- Award
- Report

Web Access to Manugistics

View Only or Full Collab

Customer
DOCID = CDD 1062 card column

Vendors
Supply Chain Partners

Performance Transformation Culture
Benefits to the Supplier

- See Time Phased Inventory Plan (TPIP) - anticipated DLA requirements out 24 months
- Ability to better plan production lines
- Reduce inventory levels
- Opportunity to smooth/adjust DLA planned orders before they become purchase orders that the vendor cannot fill
Open Dialogue

Please visit Maritime Supplier Operations Booth (No. 709 and 710)
Story Board Charts
Active Devices Division
Division Chief: Ernest Reid

Integrated Supply Team Chiefs

Electronic Assemblies: James Amatore
Microcircuits & Semiconductors: Kenneth Rumford
Transformers: Lisa Ohl

Top Federal Supply Classes

<table>
<thead>
<tr>
<th>FSC</th>
<th>Nomenclature</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>5998</td>
<td>Electrical and Electronic assemblies</td>
<td>$22,226,124</td>
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<tr>
<td>5962</td>
<td>Microcircuits, Electronic</td>
<td>$21,445,221</td>
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<tr>
<td>5960</td>
<td>Electron Tubes and Associated Hardware</td>
<td>$18,078,005</td>
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</table>
Electrical Devices Division

Division Chief: Larry Scarberry

Integrated Supply Team Chiefs

Connectors: John Pacak
Relays, Wire, & Cable: John Crough
Switches: Regina Westbrook

Top Federal Supply Classes

<table>
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<tr>
<th>FSC</th>
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<th>Sales</th>
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<tr>
<td>5930</td>
<td>Switches</td>
<td>$42,131,350</td>
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<tr>
<td>5935</td>
<td>Connectors, Electrical</td>
<td>$23,265,932</td>
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<tr>
<td>5945</td>
<td>Relays and Solenoids</td>
<td>$22,125,657</td>
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Electronics Division
Division Chief: CDR Clifford Scott

Integrated Supply Team Chiefs
Antennas, Fuses, & Circuit Breakers: Kathy Brewster
Fire Control & Fiber Optics: Robert Heber

Top Federal Supply Classes

<table>
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<th>Sales</th>
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<tbody>
<tr>
<td>5985</td>
<td>Antennas, Waveguides, &amp; Related Equipment</td>
<td>$42,182,329</td>
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<tr>
<td>5999</td>
<td>Miscellaneous Electrical &amp; Electronic Components</td>
<td>$16,382,901</td>
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<tr>
<td>5965</td>
<td>Headsets, Handsets, Microphones, &amp; Speakers</td>
<td>$16,181,528</td>
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Fluid Handling Division

Division Chief: Linda McCarty

Integrated Supply Team Chiefs

Fittings: David McGraw
Flexible Hoses & Tubing: Anita Luich
Pipes & Tubing: LCDR Aaron Traver
Pumps & Compressors: Cheryle Casey

Top Federal Supply Classes

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<tr>
<td>4730</td>
<td>Hose, Pipe, Tube, Lubrication, &amp; Railing Fittings</td>
<td>$36,555,885</td>
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<tr>
<td>4720</td>
<td>Hose &amp; Flexible Tubing</td>
<td>$30,535,270</td>
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<tr>
<td>4710</td>
<td>Pipe, Tube, &amp; Rigid Tubing</td>
<td>$15,207,346</td>
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Valves & Hardware Division

Division Chief: Linda K. Johnson

Integrated Supply Team Chiefs

Non-Powered Valves: Stephen Finney

Powered Valves, Marine Hardware, & Nuclear Reactor Program: Joseph Smith

Top Federal Supply Classes

<table>
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<tr>
<th>FSC</th>
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<th>Sales</th>
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<td>4820</td>
<td>Valves, Non-Powered</td>
<td>$24,167,094</td>
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<tr>
<td>4810</td>
<td>Valves, Powered</td>
<td>$12,692,646</td>
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<tr>
<td>2040</td>
<td>Marine Hardware and Hull Items</td>
<td>$ 1,031,302</td>
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Chief: Ken Rumbaugh

Mission: Strategic Material Sourcing

Function:
• Determine optimal contracting strategy for Maritime Supply Chain NSNs
• Award long-term contracts including corporate and prime vendor contracts
• Maximize long-term contract coverage of strategic material sourcing (SMS) NSNs
• Execute contracting actions in support of SSAs and SCAs
• Optimize relationships with key suppliers through SRM

Strategic Sourcing Branch Chiefs: Kreston Harris, Evan Baisden, Jeff Dixius

Supplier Relationship Management Branch:
Bruce Shively, Lead SRM
Tom Bunnell, SRM
Strategic Sourcing Branches
Branch Chiefs: Kreston Harris & Evan Baisden
Award multiple NSN long-term and corporate contracts
Branch Chief: Jeff Dixius
Determine groupings of NSNs for long-term contracts; review technical and quality data; perform contract administration on multi-NSN long-term contracts

Supplier Relationship Management Branch
Lead SRM: Bruce Shively
SRM: Tom Bunnell
Manage relationships with key suppliers via Strategic Supplier Alliances (SSAs) and Supply Chain Alliances (SCAs); coordinate with ISTs to develop solutions to process issues that may impact customer support
Supplier Support Division

Division Chief: David Glasscoe

Mission: Support for Maritime Supplier Operations

Function: Oversee Automated Indefinite Delivery Purchase Orders (AutoIDPOs), emergency buys, automated contracting, and post award

Branch Chiefs:

AutoIDPOs, Emergency Buy Team (EBT), Procurement Automated Contracting Evaluation (PACE): Ed Wingo

Post Award: Stephanie McCormick
Supplier Support Division

Emergency Buy, PACE, & AutoIDPO Branch
Branch Chief: Ed Wingo

Emergency Buy Team Supervisor – Tom Comeans
Customer-Direct Buys for our customers’ most urgent requirements

PACE & AutoIDPO Team Supervisor – Susan Knisley

Procurement Automated Contracting Evaluation (PACE):
Manage PACE automated solicitations and awards up to $100,000

Automated Indefinite Delivery Purchase Orders (AutoIDPOs):
• AutoIDPOs are valid for up to two years or $100,000.
• Manage solicitation, award, & administration of all AutoIDPO instruments
Post Award Branch
Branch Chief: Stephanie McCormick

Post Award Supervisors - Joanne Bogner, Sue Coyer, Myrtice Gray, Jeff West

- Responsible for all post award issues related to existing contracts assigned to Maritime Supplier Operations. Proactively work delinquency, backorder and special project reports.
- The workload is assigned by state or cage code. SSA/SCA suppliers are assigned to specific administrators.
- Coordinate with supply planners, product specialists, resolution specialists, legal, DFAS and the DCMA's to resolve issues.
Maritime Detachment
Philadelphia
Maritime Support

Federal Stock Codes

- 5330/31- Gaskets, O rings, Packing
- 5355 – Knobs, Dials, Pointers

Item Characteristics

- 260K items managed
- Wide variety of materials
  - Cloth
  - Rubber
  - Paper
  - Petroleum based compounds
  - Metals
- Low dollar, high volume items
  - $2500 average award value
  - 100K requisitions received each month
IST Mission and Functions

• Maritime Integrated Supplier Teams (IST’s)
  – Consists of Acquisition Specialists, Supply Planners, and Product Specialists that provide logistic support for assigned NIINs. (100K per team)
  – Primary Functions
    • Pre Award Acquisition
    • Supply Management
    • Technical Support
    • Long Term Contract Management
    • Nuclear Reactor Program Management
• Strategic Materiel Sourcing Group (SMSG)
  – Consists of Acquisition Specialists and Product Specialists who plan and execute contracts for groups of items
  – Primary Functions
    • Cradle to Grave Supply Chain Logistic Support
      – Average Contract Length: 5 years
      – Emphasis on developing supplier relationships
      – Emphasis on Socio Economic Programs
    • Corporate Contract Management
Maritime Supplier Support Division

• Post Award Branch
  – Responsible for post award issues on purchase orders and assigned delivery orders.
    • Team Leader – Sharon Sax

• Resolution Specialist Branch
  – Responsible for inventory and accounting reconciliation issues. Works closely with DLA depots and post award team.
    • Team Leaders – Pam Stephens and Joann Peters

• PACE
  – Responsible for the automated purchase system.
    • Team Leader – Wilfredia Fields
Post Award Process

Contractor Calls

Post Award Message Center
Phone: (215)737-0706
Fax: (215) 737-7357
Email: dscpgandipa@dla.mil

- CIS Operator Opens Work Order
- Enters Into CATS
- Assessment On Cage Code

CIS Post Award Analyst
- Researches
- Directs Message to Proper Specialist, i.e. Payment Issues to DCMA, Tech for Tech Issues, Supply Planner, Inventory & Accounting for Receipts
- Returns Call/Notifies Contractor

Land And Maritime Post Award
- KO Takes Appropriate Action i.e., Modification Issued Or Contract Cancelled
- Notify Contractor

Work Order Closed In CATS
MARITIME SUPPLY CHAIN

Bearings
Motors
Maritime Instruments
Maritime Miscellaneous
Maritime Strategic Supplier Alliance

“Haze gray and underway”
Organization

• **Director** (NL) – Don Love
• **Deputy Director** (NL) – Deny Coley
  • **Maritime I (NLM)** – Kim Hansen
    • **Bearings I IST Lead** (NLMA) – Darrel Borum
    • **Bearings II IST Lead** (NLMB) – Russell Wells
    • **Bearings III IST Lead** (NLMC) – Charleen Trotter
  • **Maritime II (NLN)** – Mike Kuszmaul
  • **Maritime II Deputy** (NLN) – Julia Roquemore
    • **Motors IST Lead** (NLNA) – John McCloud
    • **Maritime Instruments IST Lead** (NLNB) – Martha Tuck
    • **Maritime Miscellaneous IST Lead** (NLNC) – Emma Pfeiffer
    • **Maritime SSA IST Lead** (NLND) – Earnestine Minor
Land & Maritime Detachment
Richmond - NL

Donald Love, Director
Diana Coley, Deputy Director

NLM
Maritime I

NLN
Maritime II

Scope of Business

FY06 Proj. Sales (M) $390
FSCs: 164
NSNs: 207,318
Avg Monthly Demands: 64,460
Personnel Civilians 196
Maritime I
- FSCs
  - 3110 Bearings, Anti-friction, Unmounted
  - 3120 Bearings, Plain, Unmounted
  - 3130 Bearings, Mounted

Maritime II
- 160+ FSCs, Some of the Major Ones are:
  - 5940 Lugs, Terminals and Terminal Strips
  - 5975 Electrical Hardware and Supplies
  - 5995 Cable, Cord and Wire Assemblies
  - 6105 Motors, Electrical
  - 6110 Electrical Control Equipment
  - 6130 Power Conversion Equipment, Electrical
  - 6650 Optical Instruments
  - 6680 Liquid and Gas Flow, Liquid Level, and Mech. Motion Measuring Instruments
  - 6685 Pressure, temp. and Humidity Measuring and Controlling Inst.
• BSM Roll Out Complete Sept 1.
  – Draw Down of Legacy Workload
• Reorganization Mid October
  – Consolidation of LTC Efforts
  – Establish Emergency Buyer Group
  – Consolidates Post Award Resources
  – Establish Program Mgmt Group