2006 Land & Maritime Supply Chains Business Conference & Exhibition

Tire Privatization Breakout Session
Transformation
Through
BRAC
OSD Transformational Guidance for Supply & Storage

- Establish a consolidated multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary joint forces worldwide.

- Privatize the wholesale storage and distribution processes from DOD activities that perform these functions

- Migrate oversight and management of all service DLRs to a single DOD agency / activity

- Establish a single Inventory Control Point (ICP) within each service or consolidate into joint ICPs
Joint Cross Service Group
Recommendations

51 total scenarios yielded 3 Recommendations
for Supply & Storage

Supply, Storage and Distribution
Reconfiguration

DLR Procurement Management

Commodity Management Privatization
Transformational Intent

Privatize the wholesale storage and distribution processes from DOD activities that perform these functions.

Decision

Relocate tire supply contracting function from Detroit Arsenal and Hill AFB to DSC Columbus ICP. Relocate supply contracting function for packaged POL from NSA Mechanicsburg to DSC Richmond ICP. Disestablish all other supply functions and all storage and distribution functions for tires, packaged POL and compressed gasses.
What Does This Recommendation Do?

Privatizes supply functions performed at TACOM, Mechanicsburg, Hill ALC and DSC Richmond

Privatizes storage and distribution functions performed at other distribution depots

Assigns responsibility for tire contracts to Columbus ICP

Places Impacted By The Recommendation
Past Supply Contracts

Avg. Annual Procurement $

Army $125 Million

Air Force $42 Million

DLA $1 Million
## Tire Privatization
### POA&M

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<th>POA&amp;M</th>
<th>FY2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<td>1. BRAC Recommendations Becomes Law</td>
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<td>3. Transfer Management of Tires to DLA</td>
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<td>4. Execution of Materiel Attrition Plan</td>
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<td>5. Execution of Manpower Reduction</td>
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- BRAC Recommendations Becomes Law: FY2006
- Execution of Contracts: In Progress
- Transfer Management of Tires to DLA: In Progress
- Execution of Materiel Attrition Plan: In Progress
- Execution of Manpower Reduction: In Progress
- Transfer Navy Tire PBL to Columbus: In Progress
Tire Privatization
Acquisition Status

Issued Two Solicitations – 10 July 06
Aircraft
Land Vehicles
Pre-Proposal Conference – 27 July 06
Solicitation Closes – 7 Sep 06
Evaluation Begins – 11 Sep 06
Contract Award – 31 Dec 06

Solicitation Website:
http://www.dscct.dla.mil/programs/tiremgmt/
GOVERNMENT SUPPLY FUNCTIONS:

– Planning
– Procurement
– Order Fulfillment
– Finance
– Technical and Quality
DISCLAIMER

• Solicitation and its Amendments is the Government’s representation to potential offerors.

• Nothing I say or do today should be relied upon in the submission of a proposal.
Business System Modernization

PROCESSES:

– Planning (Contractor)
– Procurement (Government)
– Order Fulfillment (Contractor)
– Finance (Contractor)
– Technical and Quality (Shared)
Tire Privatization

Planning Fundamentals (Contractor)

• Demand Planning
  – Identify Future Needs Through Collaboration
  – Improve Demand Plan Accuracy

• Supply Planning
  – Ensure Inventory Is Available When & Where Needed
  – Optimize Inventory Levels, Inventory Turns, And Assist In Reducing Leadtimes
Tire Privatization

Procurement Fundamentals (Government)

– Payment
– Single Contract Writing Application
– Single Integrated Master Data
– Visibility Of Long Term Contracts Across The Enterprise
Tire Privatization

Order Fulfillment Fundamentals

(Contractor)

– Quick Order Turnaround
– Provides Timely Information
– Track & Trace Orders
Tire Privatization

Finance Fundamentals (Contractor)

- Better Planning = Better Budgets
- Better Cost Visibility
- Enables CFO Compliance
- Near Real-time Data
Tire Privatization

Tech Quality Fundamentals (Shared)

- Streamlined Item Introduction
- Comprehensive Product Lifecycle Management
- Improved Product Quality Assurance

Does NOT include Design/Configuration Control
**DLA Supply Chain**

**Unit/Customer**
- Unit Stocking point requisitions Tires

**Item Management**
- Demand Planning
- Customer Collaboration
- Trigger a Purchase

**Contracting**
- Solicit, award, and administer a contract

**Carrier picks and Delivers to DLA Depot**

**DLA Depot**
- Regeneration directed to DLA Depot

**OCONUS Shipment**
- OCONUS Shipment Transferred To CCP and delivered to overseas carrier

**Carrier transports to CONUS Unit/Customer site**

**Carrier transports to OCONUS Unit/Customer site**

**OCONUS Unit/Customer**

**Manufacturer**

**Dealer**

**Performance Transformation Culture**
Supply Contract Function

Weapon System Managers

DSCC Contracting

Unit Stocking point requisitions Tires

Unit/Customer

CONUS & OCONUS Shipment

Commercial Supply Chain
Benchmark

Right tire, right place, and on-time with Savings
Warfighter
Questions