



Land Supply Chain Breakout Session

Linda Johnson
Tactical Vehicle Support
Division Chief

Denise Pennington
Supplier Support
Division Chief

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Agenda



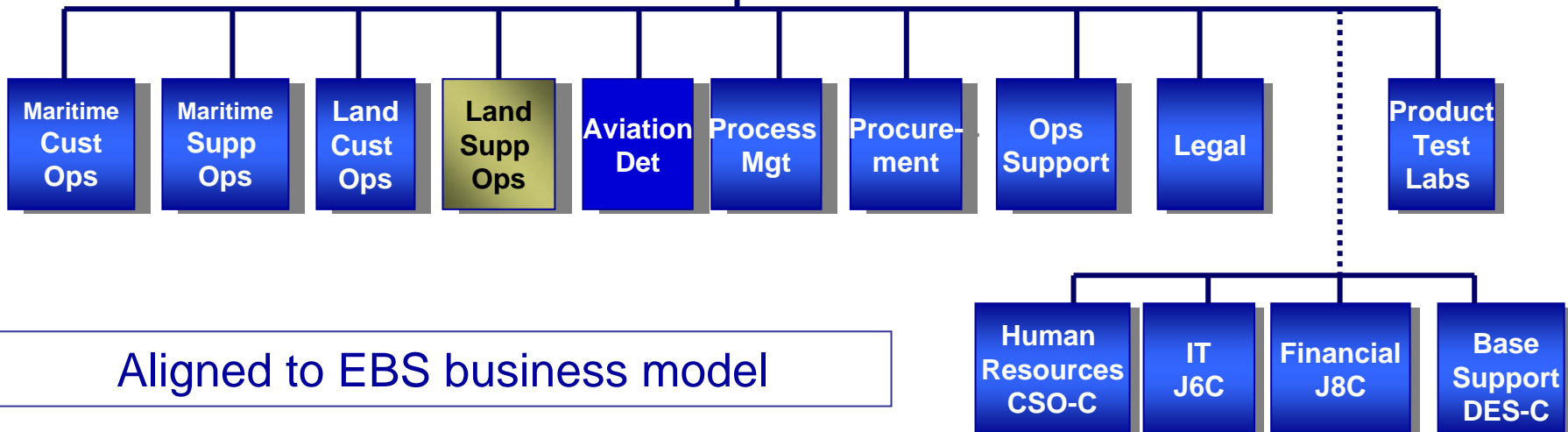
- Welcome
- Organizational Alignment
- One DLA/EBS
- Business Profiles
- SMSG
- Contract Administration
- Summary
- Open Dialogue

A photograph of a military Humvee in a field. A soldier is visible on the roof of the vehicle, and two other soldiers are in the background. The scene is set in a grassy field under a clear sky. The text is overlaid on a semi-transparent green rectangular area.

Focus On the Warfighter Organizational Alignment

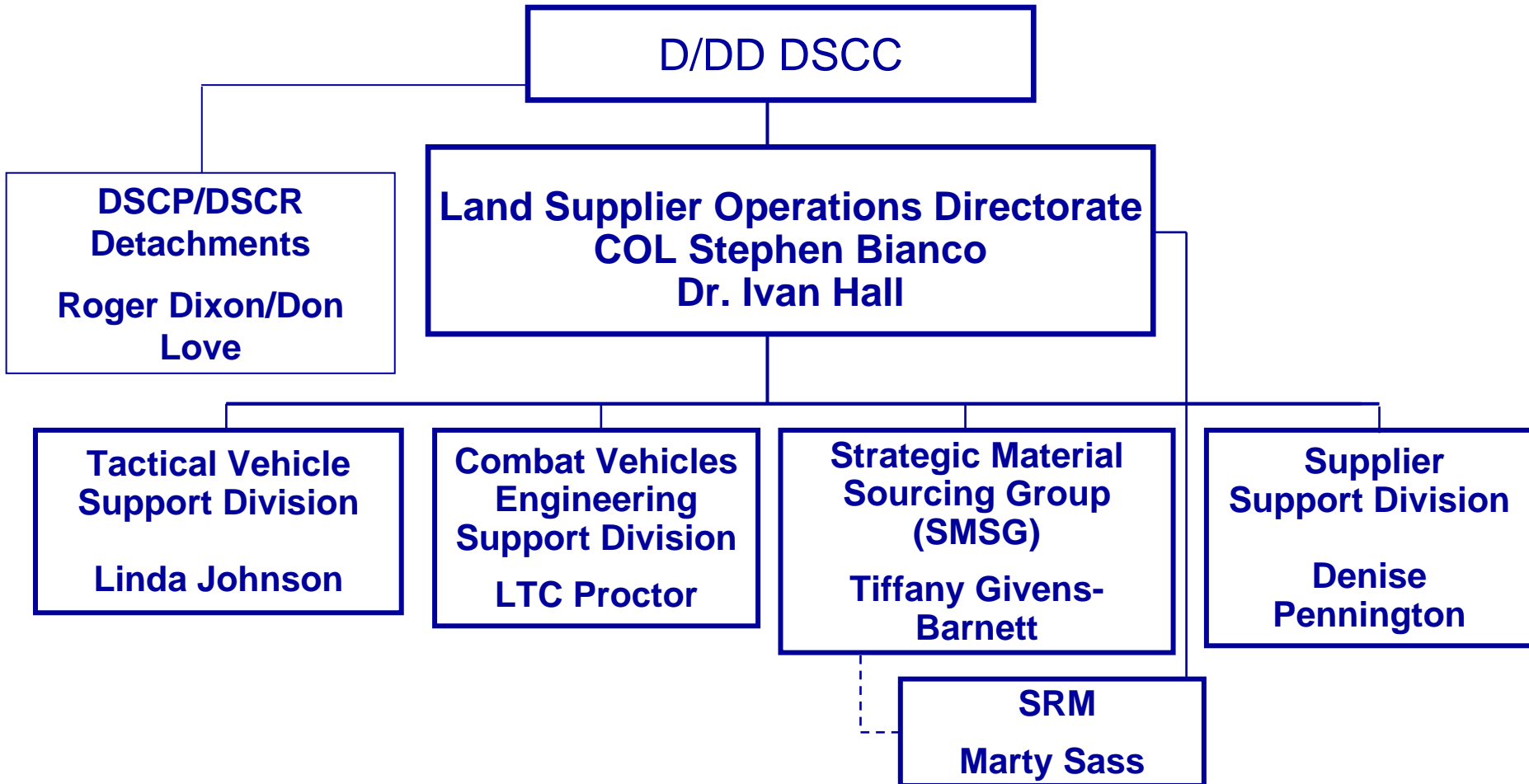


The ICP... Organization





Organizational Alignment



A line of M1 Abrams tanks is shown in a desert environment. The tanks are olive drab in color. In the foreground, the front of a tank is visible, showing its turret and main gun. A soldier is standing on top of the turret, looking through binoculars. Another soldier is visible on the turret of a tank further down the line. The background shows a clear sky and a flat, arid landscape.

Focus On the Warfighter One DLA/EBS



Transformation & Expansion Enterprise Business Systems



The Vision

DSCC Land Supply Chain is fully integrated in EBS. We will strive to enhance functionality and leverage technology to efficiently and effectively meet our customer's needs.

A photograph of a military Humvee in a desert environment. The vehicle is dark-colored and has a mounted machine gun on top. Three soldiers in camouflage uniforms are visible: one on the left, one on top of the vehicle, and one on the right. The vehicle is parked on a gravelly surface. A semi-transparent olive-green rectangular box is overlaid on the center of the image, containing the text.

Focus On the Warfighter Business Profiles



The Nine Indicators Impacting Your Business



Order Fulfillment (Delivery)

- Stock availability
- Order quantity fill rate
- Logistic response time
- Time definite delivery

Planning

- Attainment to plan

Financial

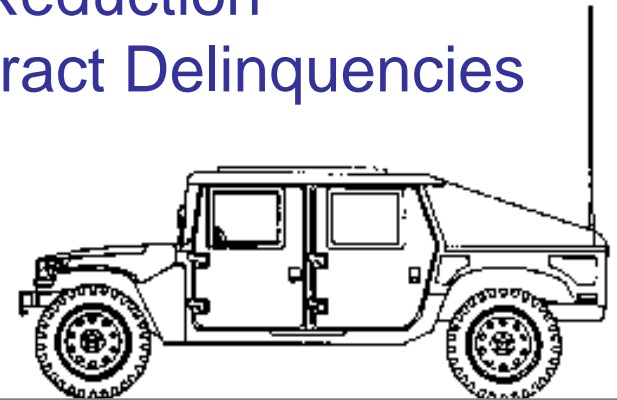
- Aged accounts payable

Tech Quality (PQDRs)

- Order quality

Procurement

- Administrative lead time
- Production lead time
- Key Item Drivers (KID)
- BO Reduction
- Contract Delinquencies



These KPIs measure how we do business with you



Land Supply Chain



Land

Wheeled Vehicles

- Tracked Vehicles 
- Batteries 
- Nuts & Washers 
- Converters 
- Tires
- Non-NSN ????

- 385K NSNs, 3 sites, \$1.6B in sales
- Army/Marines
- ...85% of demand
- 4,100 + suppliers
- 320K contract actions
- 468 employees
- 24 integrated supplier teams



Land Supply Chain FSCs

(Preponderance of FSCs assigned to Land SC)



COLS FSCs	
1005	2520
1010	2530
1015	2540
1020	2541
1025	2590
1030	2805
1035	2815
1040	2825
1045	2910
1055	2920
1075	2930
1080	2940
1090	2990
1095	4910
2510	*2530
*2610	*2630
*2640	3030

PHIL FSCs
5340
5341
5360

RICH FSCs
5110
5120
5180
6117
6135
6140

*Tires and tire-related support

A soldier in camouflage gear is shown in profile, aiming a rifle. The background is a vast, hazy desert landscape under a bright sky. The soldier's helmet and goggles are visible, and the rifle is held in a ready position. The overall scene conveys a sense of focus and readiness in a combat environment.

Focus On the Warfighter Sourcing Challenges



Small Arms Challenges



- Diminishing manufacturing base
 - Develop priority list for sourcing efforts
- First article and production lot failures
 - Increased use of pre-award surveys
 - Qualified source list
 - Increased surveillance visits by DCMA



Additional Sourcing Challenges



1005-00-625-7592	Bar trigger	2920-01-048-9790	Plate assembly
2590-01-212-1057	Parts kit door	2540-01-185-4387	Top assembly, HMMWV
1095-00-407-0674	Rack small arms	1005-01-033-4538	Extractor, cartridge
2510-01-061-8923	Screen ballistic, radiator	1005-00-556-4102	Rod cleaning
2540-01-199-6761	Bow, vehicular	2590-01-265-3185	Control assembly, push/pull
2510-01-249-1586	Door, hatch	2530-01-357-9776	Cylinder assembly brake
2510-01-374-3119	Side rack	2590-01-328-2904	Brushguard
2530-01-364-9825	Carrier sprocket	1005-01-032-8143	M240 machine gun
1005-00-992-7287	Ring bolt	2590-00-752-9138	Strainer, element
1095-00-151-4385	Lanyard, firing	2530-00-753-9267	Master cylinder
2530-00-274-4511	Wheel cylinder		

Solution:

Established website that provides a list of NSNs where DSCC would like to develop additional sources.



**Focus On the Warfighter
Strategic Material
Sourcing Group (SMSG)**



FY08 SMSG Strategy



Objective:

- Key business drivers on long-term contract
- Prioritized approach to project selection

Target population:

- FSC 5340 – hardware
- FSC 1005 – small arms
- FSC 3030 - belts
- Weapon systems
- Tires (ancillary support)



Building strategies that are directly linked to customer requirements



FY08 INITIATIVES



- **FASI-G**
- **IPV**
- **Depot Level Repairables**
- **MRAP**




Business Drivers on LTC



Coverage	FY04	FY05	FY06	FY07
NIINs	47%	57%	70%	75%
Annual Demand Value	67%	71%	76%	80%
Annual Demand Frequency	62%	69%	72%	75%

GOAL FOR FY07- 1,529

**90% OF FY08 FOCUS WILL BE ON KID 1-4 NSNs
10% OF FY08 FOCUS WILL BE ON LOW DENSITY SYSTEMS**



**Focus On the Warfighter
Supplier Relationship
Management (SRM)**



Strategic Supplier Alliances & Supply Chain Alliances



Objectives –

Identify and leverage opportunities for DLA and Services to implement and execute SSAs with key industry partners

Goals –

PLT reduction

ALT reduction

Demand planning – **Forecast Collaboration**

Technical support

Pricing and materiel price reduction

Future contract Incentives



Strategic Supplier Alliances & Supply Chain Alliances



Strategic Supplier Alliances

Buyer/seller agreements for sharing information and working together to leverage customer buying power and enhance the supplier's ability to deliver value. (Applies to sole-source OEMs.)

Supply Chain Alliances

Less formal relationships, with competitive suppliers, offering DLA the ability to collaborate (after contract award) and develop opportunities to improve business processes for both DLA and the suppliers.



Strategic Supplier Alliances & Supply Chain Alliances



Successes

Tremendous surges in demand and support
Continued dialogue to facilitate customer support
Significant improvement of on-time delivery
Significant support of key NSNs

SRM Vendors

- AM General, LLC
- BTMC Corp.
- Badger Truck Center
- Caterpillar, Inc.
- Cummins Engine Company Aftermarket
- General Dynamics Land Systems (GDLS)
- General Dynamics Land Systems-Canada
- Canadian Commercial Corp.
- Grove U.S., LLC
- Kalmar RT Center, LLC
- Komatsu America International
- Armor Holdings/Ogara-Hess & Eisenhardt
- Oshkosh Truck Corp.
- Penn Detroit Diesel Allison
- SAIC
- Armor Holdings TVLS (Stewart & Stevenson)
- BAE Systems Land and Armament
- Watec, Inc.
- West Side Tractor
- Wheeler Bros., Inc.
- FN Manufacturing



SRM Strategy/Actions



- Ongoing Line of Balance with SRM vendors via monthly open order report, regular communication with SRM personnel
- Priority identification for high priority requirements, highest backordered items (Top 200 BOs)
- Issued to vendor beginning of each month, status requested by mid-month
- Report posted for easy access to status by WSSMS, CAS, SP, Buyers
- Routine sharing of 8 qtr demand history to aid in forecasting and backorder prevention; Additional weapon system data shared as available
- Monthly Performance Metrics
- Routine Improvement Teams/Problem-Solving



SRM Successes



- Evolution of partnership to HMMWV industrial support contract
- Collaboration to Support Theatre Provided Equipment Refurbishment (TPER)
- Improved Air Conditioning Support to SWA – AC Summit
- Weapon System Backorder Support
- Collaboration with Vendors and Lower-Tier Suppliers As Needed
- Improved EDI/EBS Processes
- Payment Facilitation
- Increased Long-Term Contract NSN Coverage

A soldier in a camouflage helmet and goggles is operating a mounted machine gun on a vehicle. The soldier is wearing a dark uniform and is looking through the sights of the weapon. The machine gun is mounted on a tripod and is pointing towards the right. The background is a clear blue sky. The text "Focus On the Warfighter Contract Administration" is overlaid on the image in a dark blue font.

Focus On the Warfighter Contract Administration



Land Backorder Reduction Post Award Plan



Objective:

- Reduce and prevent backorders
- Assure contractor focus aligned with customer needs
- Streamline contractor and government communication
- Impact as many BO items in each age category as possible with given resource constraints



Land BO Post Award Reduction Plan



Multi-pronged approach

- Highest backorder NSN focus
 - MRAP
 - JRIMM
 - 21N
 - KID 1-4
 - Top 200 BO
- SRM backorder strategy
 - Line of balance
- Vendor fact Sheets
- Termination Team

A photograph of a soldier in full combat gear, including a helmet and tactical vest, walking through a dusty, urban environment. The soldier is carrying a rifle and has a focused expression. The background shows a street with buildings and other figures in the distance, suggesting a conflict zone. A semi-transparent green rectangular box is overlaid on the center of the image, containing the text.

Focus On the Warfighter FASI Global



FASI-G Vendor Responsibilities



1. Forecasting
2. Parts Acquisition
3. Item Management
4. Storage/Warehouse Operations
5. Worldwide Distribution/Transportation
6. Supplier Management – maintaining sources of supply with an emphasis on expanding small business participation
7. Obsolescence Management
8. Dedicated Program Customer Service



FASI-G Goals



1. Vendor management of supplies
2. Reduced Government costs
3. Improved supply chain performance
4. Improved end-to-end supply chain visibility
5. Increased small business participation in supply of contracted items
6. Government & Industry partnering

<http://www.dsccl.dla.mil/Offices/Land/FASIGlobal.html>



FASI-G “Top 5” Demand Breakout



Customer	Number of REQNs	Number of NSNs	Average Unit Price	Average REQN Value	Value of REQNs (\$M)
RR DEPOT, TEXARKANA, TX	5,092	650	\$81	\$4,491	\$22.9
% of Column	0.23%	32.9%			4.3%
RR DEPOT, TEXARKANA, TX	3,347	586	\$82	\$6,649	\$22.3
% of Column	0.2%	29.7%			4.2%
ANNISTON ARMY DEPOT, AL	3,173	429	\$170	\$5,740	\$18.2
% of Column	0.1%	21.7%			3.4%
LETTERKENNY ARMY DEPOT, PA	6,621	470	\$46	\$2,127	\$14.1
% of Column	0.3%	23.8%			2.6%
THTR DIST CTR, APO AE 09889	14,043	812	\$58	\$897	\$12.6
% of Column	0.6%	41.1%			2.4%
Top 5 Totals	32,276	1,434	\$73	\$2,789	\$90.0
% of Column	1.5%	72.6%			16.8%
ALL OTHER Customers	2,145,320	1,976	\$67	\$207	\$444.8
% of Column	98.5%	100.0%			83.2%
OVERALL	2,177,596	1,976	\$67	\$246	\$534.83



FASI-G

Acquisition Particulars



- 10-Year Contract Term: 4-yr base period, three, 2-yr option periods
- \$1.72B estimated 10-yr value: \$172M annually (\$95M unrestricted, \$76M set-aside)
- Partial Small Business Set-Aside
 - 1,976 total NSNs: 1,246 unrestricted, 730 set-aside
- Offerors proposing on both portions **MUST** be submitted **SEPERATELY** and clearly identified on the outside of the package



FASI-G

Performance Metrics



1. Backorder/On-Time Delivery
2. Requisition Fill-Rate (incentive/disincentive)
3. Small Business Report
4. Material Acceptance Rate
5. Stock-out and Potential Stock-out

Metrics 1-5 above measured monthly

Additional reporting/reviews:

1. Transition Plan Progress Reports – submitted monthly during transition period
2. Program Management Reviews (PMRs) – occurs at least quarterly during base period and at least annually during option periods



FASI-G

Performance Metrics cont'd



- Awardee(s) will sign a Supply Chain Alliance (SCA) with DSCC
- As an SCA vendor, performance is monitored IAW Vendor Scorecard Metrics outlined and defined on page 10 of RFP
 - Some VSM consistent with existing metrics
 - Quality Score
 - Fill Rate
 - Socioeconomic reporting



FASI-G Unrestricted Small Business Targets



- **50%** total subcontracting dollars to be subcontracted to small business concerns;
- **8%** total subcontracting dollars to be subcontracted to veteran owned small business concerns;
- **1%** total subcontracting dollars to be subcontracted to service-disabled veteran-owned small business concerns with a 25% escalation each year, NTE 3% during the life of the contract;
- **9%** total subcontracting dollars to be subcontracted to HUBZone small business concerns;
- **6.5%** total subcontracting dollars to be subcontracted to 8(a) small business concerns;
- **6%** total subcontracting dollars to be subcontracted to small disadvantaged business concerns; and
- **2%** total subcontracting dollars to be subcontracted to women-owned small business concerns



FASI-G Set-Aside Small Business Targets



- **80%** total subcontracting dollars to be subcontracted to small business concerns;
- **3%** total subcontracting dollars to be subcontracted to veteran owned small business concerns;
- **1%** total subcontracting dollars to be subcontracted to service-disabled veteran-owned small business concerns with a 25% escalation each year, NTE 3% during the life of the contract;
- **3%** total subcontracting dollars to be subcontracted to HUBZone small business concerns;
- **.75%** total subcontracting dollars to be subcontracted to 8(a) small business concerns;
- **3%** total subcontracting dollars to be subcontracted to small disadvantaged business concerns; and
- **5%** total subcontracting dollars to be subcontracted to women-owned small business concerns



FASI-G

Evaluation Factors



Other than price factors, ranked in descending order of importance:

1. Technical
 - a. Delivery
 - b. Business Management
 - i. Implementation
 - ii. Process
 - iii. Information Technology
 - iv. Quality Assurance
 - v. Financial
2. Past Performance
3. Surge & Sustainment
4. Socioeconomic Support
5. DLA Mentoring Business Agreement (MBA) Program
6. Javits-Wagner-O'Day (JWOD) Program Support

The last (3) factors, when combined, are significantly less important than the first three factors, when combined



FASI-G Milestones



Task Name	Target Completion
Pre-Solicitation Conference	23-Feb-07 ✓
Documents to HQ DLA	17-May-07 ✓
DLA / OSD reviews and approvals (IARB)	06-Jun-07 ✓
Synopsis period	06-Jun-07–08-Jul-07 ✓
Solicitation closing (SPM7LX-06-R-0157)	09-Jul-07–20-Aug-07 ★
Evaluation / negotiation / reviews / site visits / # offerors / protests / congressionals	07-Sep-07
Award preparation and review	12-Oct-07
Congressional notification	02-Nov-07
Award date	31-Dec-07



Current/Future Initiatives



- HMMWV Recap
- Tire-related support
- Small arms support
- IPV
- MRAP
- 3030 FSC

Booth #704 and 705



Focus On The Warfighter SMSG FY '07 Focus Areas



BSM Execution
HMMWV Recap
SRM Relationships
Tire Support
SMS LTC Goals

SSA Action Plans
FASI Global
New SCAs
Kitting

A photograph of two soldiers in military uniforms and helmets, holding rifles, standing in a conflict zone. The background shows a destroyed urban area with rubble and damaged buildings. A semi-transparent yellow box is overlaid on the center of the image, containing the text "Open Dialogue".

Open Dialogue