Agenda

- Welcome
- Organizational Alignment
- One DLA/EBS
- Business Profiles
- SMSG
- Contract Administration
- Summary
- Open Dialogue
Focus On the Warfighter
Organizational Alignment
The ICP… Organization

ICP Commander
Deputy Commander
Chief-of-Staff
Deputy Chief of Staff

Maritime Cust Ops
Maritime Supp Ops
Land Cust Ops
Land Supp Ops
Aviation Det
Process Mgt
Procurement
Ops Support
Legal
Product Test Labs

Human Resources CSO-C
IT J6C
Financial J8C
Base Support DES-C

Aligned to EBS business model
Organizational Alignment

D/DD DSCC

Land Supplier Operations Directorate
COL Stephen Bianco
Dr. Ivan Hall

DSCP/DSCR Detachments
Roger Dixon/Don Love

Tactical Vehicle Support Division
Linda Johnson

Combat Vehicles Engineering Support Division
LTC Proctor

Strategic Material Sourcing Group (SMSG)
Tiffany Givens-Barnett

Supplier Support Division
Denise Pennington

SRM
Marty Sass
Focus On the Warfighter
One DLA/EBS
Transformation & Expansion
Enterprise Business Systems

Customer Relationship Management
- Customer Insight
- Customer Service
- Emergent Problem Resolution
- Returns Management

Enterprise Business Systems

Supplier Relationship Management
- Strategic Materiel Sourcing
- Strategic Supplier Alliances
- Supplier Partnering

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.
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

- 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)

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<th>COLS FSCs</th>
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<table>
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*Tires and tire-related support*
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

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

## 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

<table>
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<tr>
<th>Coverage</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
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<tr>
<td>NIINs</td>
<td>47%</td>
<td>57%</td>
<td>70%</td>
<td>75%</td>
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<tr>
<td>Annual Demand Value</td>
<td>67%</td>
<td>71%</td>
<td>76%</td>
<td>80%</td>
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<tr>
<td>Annual Demand Frequency</td>
<td>62%</td>
<td>69%</td>
<td>72%</td>
<td>75%</td>
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</table>
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
Focus On the Warfighter
Contract Administration
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
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.dscc.dla.mil/Offices/Land/FASIGlobal.html
## FASI-G “Top 5” Demand Breakout

<table>
<thead>
<tr>
<th>Customer</th>
<th>Number of REQNs</th>
<th>Number of NSNs</th>
<th>Average Unit Price</th>
<th>Average REQN Value</th>
<th>Value of REQNs ($M)</th>
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<td>RR DEPOT, TEXARKANA, TX</td>
<td>5,092</td>
<td>650</td>
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<td>ANNISTON ARMY DEPOT, AL</td>
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<td>LETTERKENNY ARMY DEPOT, PA</td>
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<td>THTR DIST CTR, APO AE 09889</td>
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<td>812</td>
<td>$58</td>
<td>$897</td>
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<td>41.1%</td>
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<td>Top 5 Totals</td>
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<td>$73</td>
<td>$2,789</td>
<td>$90.0</td>
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<td>1.5%</td>
<td>72.6%</td>
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<td>16.8%</td>
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<td>ALL OTHER Customers</td>
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<td>1,976</td>
<td>$67</td>
<td>$207</td>
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<td>100.0%</td>
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<td>83.2%</td>
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<td>OVERALL</td>
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<td>1,976</td>
<td>$67</td>
<td>$246</td>
<td>$534.83</td>
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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
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
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

The last (3) factors, when combined, are significantly less important than the first three factors, when combined
### FASI-G Milestones

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

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

Booth #704 and 705
Focus On The Warfighter

SMSS FY '07 Focus Areas

BSM Execution
HMMWV Recap
SRM Relationships
Tire Support
SMS LTC Goals

SSA Action Plans
FASI Global
New SCAs
Kitting
Open Dialogue