Tactical Wheeled Vehicle Conference

COLONEL DOUGLAS EVANS

Red River Army Depot - Depot Commander

ISO 9001:2000 Certified

Partnering & Lean
Tactical Wheeled Vehicle Conference

Public-Private Partnerships Work

- Diversified, Trained, & Deployable Workforce
- Existing Infrastructure
- Competitive Labor Rates
- Secure Force Protection In Place
- Engineering, Logistics & Supply Chain Management Expertise
- Cutting Edge Technology
- Original Equipment Manufacturer
- World Wide Dealer/FSR Base

Depot

Lowers cost of products and services

Sustains critical skills & capabilities

Improves operational efficiencies

Industry

Unclassified
Direct Army Program to RRAD for Reset & Recap

- RRAD is Prime
  - Program Management
  - Technical & Engineering Support
  - Quality
  - Manages Sub-Contracts for Engines, Transmissions, & other Outsourced Work
  - Direct Labor for Reset & Recap

- Customer Pay Contract to AM General
  - Supply Chain Management
    - Procurers & Stores Parts
    - Configures Parts to Work Station Sets
    - Delivers Parts and Work Station Sets to the Production Shop Floor

- Benefits to the Army
  - Parts Are Stored Off Site – No Warehouse Space Required on RRAD
  - No Production Line Stoppage for Parts Shortages in Over 400 Days
  - Production Line Efficiency Maintained
Family of Medium Tactical Vehicles (FMTV)

- P3 with BAE Systems Mobility and Protection Systems
  - BAE Systems is Prime
    - Program Management
    - Technical & Engineering Support
    - Provides Qualified Cabs (GFM from SIAD)
    - Manages CFM Sub-Contracts for Axels, Engines, Transmissions, Cranes, & other Major Components
    - Provides Supply Chain Management Support to RRAD
  - RRAD is Sub-Contractor
    - Provides Facilities, Tools, & Equipment
    - Expedites Parts and Stocks Bins
    - Performs Direct Labor for Reset
  - DCMA on Site at RRAD
  - Benefits to the Army
    - Establishes Depot Capability at RRAD
    - Sustains Critical Skills & Capabilities
    - Provides Cadre of Skilled Personnel for Deployment
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Family of Heavy Tactical Vehicles (FHTV)

- P3 with Oshkosh Truck Corporation (OTC)
  - Performance Based Logistics (PBL) Contract
    - HEMTT
    - HET
    - PLS
  - OTC Is Prime
    - Program Management
    - Technical & Engineering Support
    - Quality Oversight
    - Supply Chain Management
      - Procures and Stores Parts
      - Configures Parts to Work Station Sets
      - Delivers Parts and Work Station Sets to the Production Shop Floor

- RRAD Is Sub-Contractor
  - Facilities, Tools, & Equipment
  - Direct Labor

- Benefits to the Army
  - Standardized SOW Between RRAD & OTC – Transparent to War Fighter
  - OEM Warranty via OTC worldwide service centers & dealerships
  - Configuration Management

Unclassified
Six Sigma Charter Team Established Feb 07
- Caterpillar Corporate
- Caterpillar Holt
- RRAD
- TACOM

Objectives
- Establish Mid-Range Caterpillar Engine Repair Capability at RRAD
- Compliance with Established Caterpillar Certified Processes & Procedures
- Direct Labor Performed by RRAD
- Develop P3 with Caterpillar
  - Supply Chain Management to Obtain Certified Caterpillar Parts
  - Warranty Claims & Service by Caterpillar Dealerships and Service Centers (worldwide)

Pilot Overhaul On Going
- Data Will Drive Business Case Analysis for Future Work

Benefits to the Army
- Utilize Caterpillar Proven Experience from Commercial Engine Sector
- Data Collection for Determination of Maintenance Requirements
- Warranty Claims & Service by Caterpillar Dealerships and Service Centers (worldwide)

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Armored Security Vehicle

- **P3 with Textron Marine & Land Systems**
  - **Textron is Prime**
    - Provides Access to TDP
    - Provides Technical, Quality, & Engineering Support to RRAD
    - Provides Supply Chain Management to RRAD
  - **RRAD is Sub-Contractor**
    - Provides Facilities, Tools, & Equipment
    - Performs Direct Labor for Reset
  - **Pilot Overhaul On-Going**
    - Establish Baseline SOW
    - Develop Standard Processes by Work Station
    - Develop Business Case Analysis for Future Work
  - **Benefits to the Army**
    - Establishes Depot Capability at RRAD
    - Sustains Critical Skills & Capabilities
    - Provides Cadre of Skilled Personnel for Deployment

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LEADERSHIP…..Cultivate management
TEAMING..........Empowering employees
COMMUNICATION..........Information is power
EMPLOYEE SUPPORT…..Employees are our #1 resource
STRATEGIC THINKING…..Thinking outside the box
ORGANIZATION CLIMATE..........Culture change

IMPROVING THE DEPOT’S FUTURE PRODUCTION: FOCUS ON OUR CUSTOMER
GOAL: 100% COMPLETE AND ON TIME DELIVERY

PARTNERSHIPS / MARKETING: FOCUS ON OUR SUCCESS
GOAL: BE THE PREFERRED SOURCE FOR THE WAR FIGHTER

SAFETY: FOCUS ON OUR PEOPLE
GOAL: VPP STAR STATUS & 0.75 ACCIDENTS / 100 MAN YEARS

QUALITY: FOCUS ON THE SOLDIER
GOAL: ZERO DEFECTS

LEAN/SIX SIGMA: FOCUS ON THE FUTURE
GOAL: WORLD CLASS

ENVIRONMENTAL: FOCUS ON THE ENVIRONMENT
GOAL: ISO 14001 CERTIFICATION

CRITICAL FACTORS

BUILDING IT AS IF OUR LIVES DEPEND ON IT: THEIRS DO.

PEOPLE

20/20 VISION

PROCESS

PRODUCTS & SERVICES

70 Active Contracts with industry

FY07 P3
Revenue
>$170M

FY08 P3
Revenue
goal $225M

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DR. JOHN GRAY
Letterkenny Army Depot - Deputy to the Commander

Partnering & Lean

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Partnership - a relationship resembling a legal partnership and usually involving close cooperation between parties having specific legal rights and responsibilities

SHIP PARTS

Supplier Partnership  Provider Partnership
Customer Pay - Integrated Supply Chain Partnership

- Achievable With New Business Practices
  - Not unlike “Prime Vendor”
  - Modeled after industry practice
  - Strength of industry in Supply Chain management
- Reduction of Inventory and Storage Costs

- Better Forecasting and Demand Collaboration
- Cost Per Vehicle is Down
- Strong and common supply chain between OEM and Life cycle Maintenance Activity
## Tactical Wheeled Vehicle Conference

### Core Competency

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<tr>
<th>Industry</th>
<th>Military Depots</th>
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<tr>
<td>• Supply chain management</td>
<td>• Artisan technicians</td>
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<tr>
<td>• Obsolescence management</td>
<td>• Established repair capability</td>
</tr>
<tr>
<td>• Engineering management</td>
<td>• Diversity of capability</td>
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<tr>
<td>• Program management</td>
<td>• Infrastructure</td>
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<td></td>
<td>• Integral to defense maintenance systems</td>
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*Unclassified*
Partnerships of the Future

- Shared Information
- Integrated enterprise
- Focus on total enterprise performance
- No clear boundary
Partnerships are the Future

75% of everything depots do is on contract

Merging the strengths of military industrial base with what you do best grows business; both ours and yours.
What are your Questions?
Transforming the Public-Private Relationship

DEPOT PANEL

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  TACOM LCMC - Commanding General
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