



Acquisition Management, J-7



Industrial Capabilities Program Strategic Sourcing - Effective Utilization

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Agenda



- Warstopper Overview
- Supply Chain Intervention
 - Strategic Metal Buffer Pilot
 - Nomex Buffer
- BAA
- Questions



Warstopper Industrial Preparedness Program



- Purpose

Leverage the industrial base to offset the buy-and-hold war reserve material option and where necessary, make industrial (Warstopper) investments that provide industry's ability to quickly ramp up production and sustain that higher production rate to meet the Warfighter's needs.

- Criteria

- Mission Essential or Critical*
- Low peacetime demand but high wartime demand*
- Long production lead time*
- Limited shelf life*
- Cost effective alternative to War Reserve Inventory**

* Congressional guidance HR 102-311

** DoDI 3110.6 War Reserve Material

- Investment Examples




- Provide incentives for lean manufacturing initiatives
- Provide industrial equipment
- Stage raw material and subcomponents
- Industrial base maintenance contracts to keep domestic industry alive
- Supplement vendor's inventory to guarantee access to commercial inventory





Warstopper

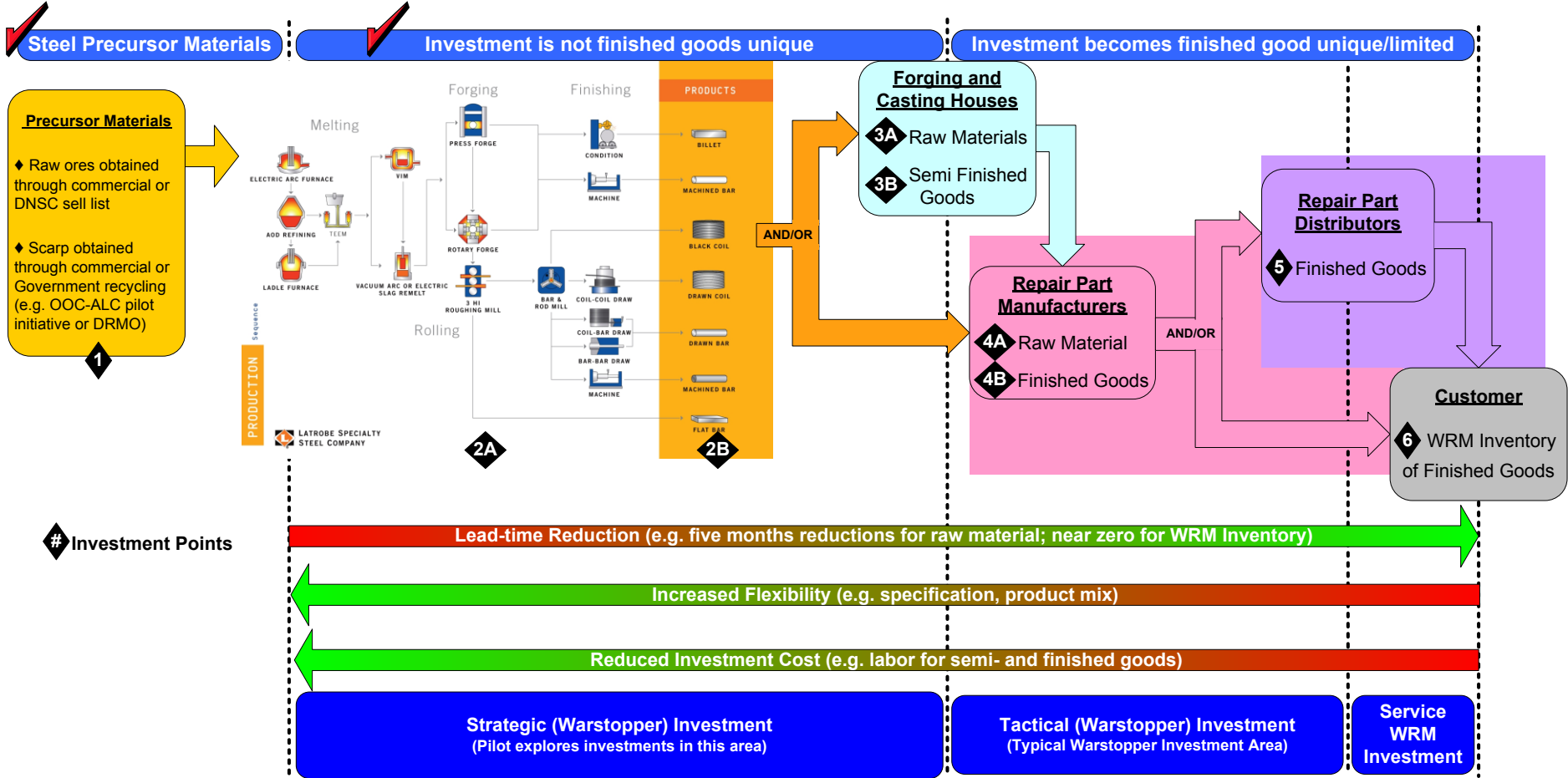
Example: tactical/Item Level Investment

Item	Cesium Lamp 	Battery 	Barriers 
Action	Staged raw materials & subassemblies	<ul style="list-style-type: none"> · Staged raw materials & subassemblies · Re-balanced assembly line 	Staged geo-textile (Berry Amendment) and raw steel materials
Benefit	Reduced Production Lead Time from 360 to 30 days <i>(Sapphire crystal has 4 month lead time to "grow" in lab)</i>	121% more production in first 90 days	Immediate production and labor ramp-up instead of at 120-days
WRM Cost Avoidance	\$1.2 M	\$27.8 M	\$35 M
Cost	0.5M	\$2.3 M	\$4 M
ROI	2.2:1	12:1	8.7:1



Warstopper Program Identifies Supply Chain Intervention Points

(Example: Strategic Metal and Repair Part Supply Chain)

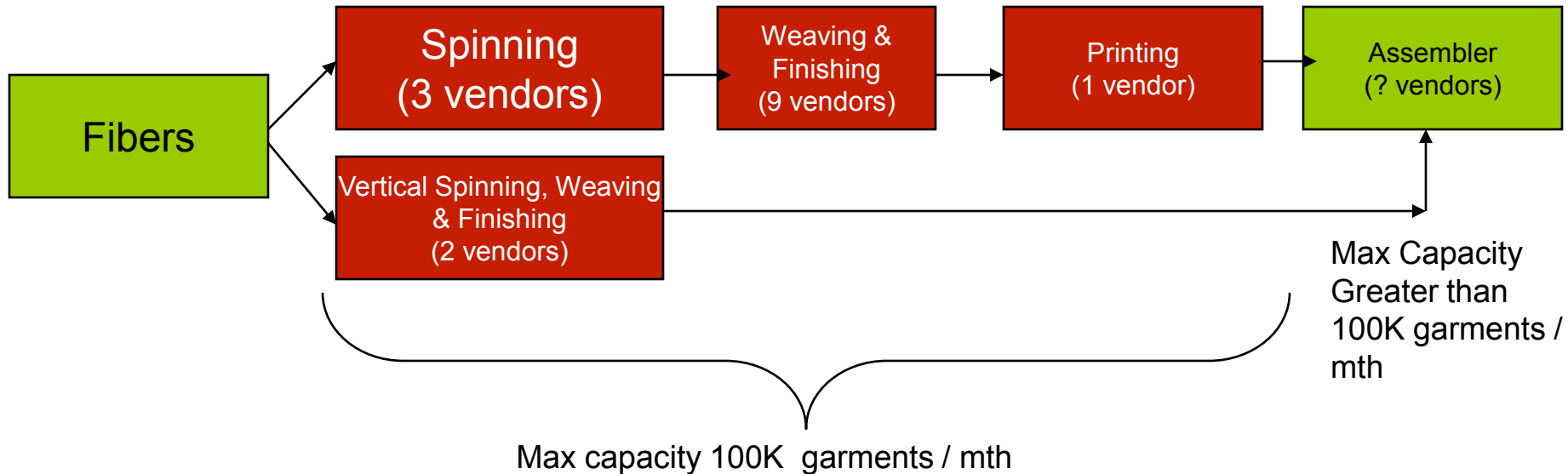


✓ Pilot investment is strategically focused before the material is dedicated to a part



Warstopper Program Identifies Supply Chain Intervention Points

(Example: Nomex and Woven Garments Supply Chain)



Notes:

- Fiber capacity is not an issue, but **immediate surge availability** may be an issue depending on vendor schedule and when DSCP places orders
- Material fabrication (spinning, weaving, and printing) is the pacing capacity process. More analysis is required to determine which of these 3 sub-processes constrain production



Broad Agency Announcement (BAA)



- DoD Suppliers (both end item and raw material suppliers)
- Offer a solution to production constraints that have limited their ability to meet demand spikes associated with wartime or contingency operations (e.g., OEF/OIF)
- Released: December 22, 2008
- Responses due: March 24, 2009



Questions