Defense Logistics Agency

SEPRT 14

Depot Level Reparable (DLR) Update

Colonel Christopher Burke, USAF
Agenda

• BRAC Decision Review
• Background on BRAC Savings
• Depot Level Reparable Procurement Management and Governance
• Strategic Supplier Alliance Structure

Decision 35 (Recommendation 176):
Depot Level Reparable (DLR) Procurement Management Consolidation

Transfer procurement management and related support functions for the procurement of DLRs from the Military Services to the Defense Logistics Agency (DLA).
Aviation Supply & Demand Chain
Depot Level Reparable Family
Savings Assumptions

- Consolidated contracting creates one agency contract vice five
  - One contract with a company instead of five discrete contracts
  - Eliminates duplication of effort and creates economies of scale...enables faster growth
- DLA buying power will more than double
- Incorporates best practices (and people) from all of the Services and suppliers
- Allows for larger scope contracts (e.g. consumables and reparables)
Savings Projections

• BRAC related cost and savings information is tracked via the Business Plan process
  – Business Plan is updated twice a year
  – COBRA data was primarily used as a baseline

**Recurring Savings From**

• Reduced holding costs due to reduced inventories
• Reduced Administrative Lead Time (ALT)
• Reduced Production Lead Time (PLT)
• Reduced Contracting costs
• Reduced delivery times
• Reduced prices
Depot Level Reparables

Gained
- Personnel
- New DLR Procurements
- Policies & Procedures

Joint Collaborations
- Acquisition Strategy
- Governance
- Metrics

Retained
- Requirement
- Funding
- Program Management
- Logistics Engineering
- Repair

Depot Level Reparables

DLA

SERVICES
Joint Acquisition Strategies
Board Governance Model

Level I

- Champion joint acquisition strategies
- Resolve conflicts that inhibit joint acquisition strategies
- Approve overall sourcing and supply chain goals
- Oversee and monitor performance metrics
- Establish Level II Board

Level II

- Own DLR sourcing process
- Set overall sourcing and supply chain objectives and goals
- Approve DLR acquisition strategies, plans, and measures
- Evaluate ongoing strategic procurement performance
- Charter DLR procurement Integrated Process Teams (IPTs)

Level III

- Establish/execute Joint Component DLR procurement strategies under the direction of the Level I & II Governance
- Execute supplier business agreements (includes sole source & competitive)
  - Determine contract terms and conditions
  - Performance requirements
  - Determine price reasonableness
  - Select source
- Capture, monitor, and distribute supplier performance
- Manage operational relationships with suppliers
- Conduct and maintain DLR market intelligence
Collaborative Forecasting
Joint Opportunities
Governance
Supplier Relationship Manager (SRM) Role
Metrics

Suppliers
- Ability to focus efforts
  Reduced inventory
- Omnibus contract preference-consistent terms and clauses
- Looking for a single DoD acquisition strategy to support
- Prefers an empowered presence that reaches across supply chains
- Common metrics for DLRs and consumables

DLA
- Metrics to evaluate procurement performance

Services
- Benefits by advance release of material
  Supports need dates
- Legacy to define support. Traditional vs. Perfor Based Logistics vs. Weapon System
- Concerned that DLA may infringe on their role to define rqmts
- AF SRMs and Supplier Relationship Specialist Industry Partners Program Managers

DoD acquisition strategy to support
Prefers an empowered presence that reaches across supply chains
Concerned that DLA may infringe on their role to define rqmts
AF SRMs and Supplier Relationship Specialist Industry Partners Program Managers
Benefits by advance release of material
Supports need dates
Legacy to define support. Traditional vs. Perfor Based Logistics vs. Weapon System
Concerned that DLA may infringe on their role to define rqmts
AF SRMs and Supplier Relationship Specialist Industry Partners Program Managers

Metrics to evaluate procurement performance

Strategic Supplier Alliance Structure

EXECUTIVE COMMITTEE

Director, Procurement Operations

JOINT STEERING GROUP

Improvement Team 1
Collaborative Forecasting

Improvement Team 2
Long Term Contracts

Improvement Team 3
Pricing Strategies

Improvement Team 4
Joint Opportunities

Typical Examples

DSCR Commander/Deputy Commander
DSCR Acquisition Executive
OEM President/VP
Service(s) Executive Level
Defense Contract Management Agency
Director of Procurement Operations (DPO)

SRM(s) JSG Co-Chairs
OEM JSG Co-Chair
DSCR Integrated Supplier Team
DSCP Aviation Supply Chain Detachment
Services Focal Point(s)
DPO Representative(s)
DCMA Representatives
Supplier Relationship Management Structure

Continuing a Single POC Approach

Strategic Acquisition Directorate
Colonel Christopher Burke

Huntsville DPO
Marsha Thornton
On Site SRM - TBD

Warner Robbins DPO
Ken Winslette
On Site SRM - TBD

Ogden DPO
Pam Day
On Site SRM - TBD

Oklahoma City DPO
Michael Yort
On Site SRM - Lisa Register

Richmond DPO
TBD

Philadelphia DPO
Tammy Kozior
On Site SRMs - TBD

SRMs Residing at DSCR

SRM
Yolanda Calvin
Woodward

SRM
Jodi Beard
BAE
Moog

SRM
Yolanda Calvin
Parker
Hannifin

SRM
Glen Mingee
Goodrich
Northrop
Meggitt/ABS

SRM
Bill Rhodes
Pratt Whitney
Rolls Royce
CFMI

SRM
Dean Gilbert
GE/GEAS
Honeywell
Ham Sun

SRM
Craig Weiser
CCC
Eaton
Lockheed

SRM
Mark Schultz
Boeing
Bell
Sikorsky

Director of Procurement Operations (DPOs) Bridge the Gap Between DLR Governance and Strategic Supplier Alliances
DLR Way Ahead

**Sustainment**
- Financial (Budget, Memorandums of Agreements, Inter Service Support Agreements, Support Contracts)
- Training/Learning Management System (Information Technology, Defense Acquisition Workforce Improvement Act Certifications/Licenses)
- Policies, Processes, and Procedures (DLA/Service Integration)
- Daily Operational Support, Roles, Responsibilities, Communication, Business Reviews/Plans/Rules

**Integration**
- Joint Opportunities/Acquisition Strategies/Supplier Relationship Management
- Strategic Sourcing Analysis Tool (SSAT)
- Information Technology (E-Procurement and Service Interfaces)
- Roadmaps and Action Plans for Achieving BRAC Objectives (Collaborative Effort with Customers and Suppliers)
- Governance, Customer Engagement, and Culture