Defense Logistics Agency

SEPRT 14

DLR Procurement
DPOs Perspective

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Overview

• What Has Changed
• What Hasn’t Changed
• How We Operate
• Strategic Relationship Challenges
• Joint Opportunities
• DPO Panel Question and Answer Session
What Has Changed

• Decentralized DLR Buying to Centralize DLR Buying
  – Transfer of Function/Procurement Authority
  – Organization
    • Various to Common Structure
    • Recently Aligned to Maximize Strategic Focus

• Roles and Responsibilities
  – Procurement Divisions/Branches to Procurement Operations
  – DLR Procurement Support for One Service to DLR Procurement Support across the DoD Enterprise

• Culture
  – Changing from a Service Centric Focus to Joint Focus
    • We are Them and They are Us
    • What is Best for Me to What is Best for DoD
What Hasn’t Changed

• Our Commitment to Improve Support to Our Warfighters
• Our Obligations to the Taxpayer
• “As Is, Where Is”
  – Contract Writing Systems
  – Most Contract Policy
  – Approval Authority
• Relationships
  – Strong Relationships with Local Requirements Activities
How We Operate

- One Team Functioning as:
  - Individual Procurement Operations for Tactical Buys
  - Integrated Procurement Operation for Joint Procurements
- Leverage the Expertise, Capability, and Capacity of All
- Take Joint Ownership and Responsibility for Accomplishing BRAC Objectives
- Strive to Improve, Standardize, Integrate Processes
DPOs Perspective

Strategic Relationship Focus, Challenges, Way Head
Strategic Relationship Challenges

• Strategic Focus
  – Meeting Goals/Mission of Warfighter and Services
  – Reduce Weapon System Sustainment Costs
  – Improve Responsiveness to Customer
  – Improve Material Availability

Maximize Joint/Strategic Opportunities
Formulate Strong Supplier Relationships
Strategic Relationship Challenges

• Strategic Challenges
  – Cultural Change (DLA/Services/Other Stakeholders)
  – Prove Capability through Successful Execution
  – Communication throughout Expanded Enterprise
  – Coordination of SRM Activities/Objectives
Strategic Relationship Challenges

• WAY AHEAD
  – Each Opportunity is Unique
  – DPO/SRM/Suppliers JSGT Focus
  – Communication with Services/Governance Board
  – Realistic/ROI Approach
  – Recognize Need for Short Term/Interim and Long Term Opportunities
DPOs Perspective

Joint Opportunities
Joint Opportunities

- General Electric
- MOOG
- Bell
- Goodrich
- A/C Structural Items VPV
Joint Opportunities

• Goal - Establish a joint contract to support sole-source GE Depot Level Reparable (DLRs) and Consumable Items
  – Scope
    • 4436 identified candidates (252 DLRs and 4184 consumables)
    • Estimated Total Contract Dollar Value=$2.9 billion (2 year est)
  – Proposed Growth
    • 4 phases
      – Phase 1- Mar 2010= 3491 NSNs
      – Phase 2 -Dec 2011=303 NSNs
      – Phase 3- Feb 2013=404 NSNs
      – Phase 4-Feb 2014=238 NSNs
  – IPT Convened -
    • DSCR SMSG Lead
    • Currently 10 members from DLA, Army Navy, Air Force
Joint Opportunities

• Goal - Support Sole-Source Moog Depot Level Reparable (DLRs) and Consumable Items
  – Scope
    • Identified Candidates - 98 DLRs and 2291 Consumables
    • Contract Value= $4.38 Million (2 year est)
  – Approach
    • 3 Phases Based on SSAT Data
      – Phase 1 - 201 NSNs
      – Phase 2 - 450 NSNs
      – Phase 3 - TBD
  – Anticipated participants
    • DLA, Army, Navy, and Air Force
Joint Opportunities

- **Goal**: Establish a joint contract to support sole-source Bell Depot Level Reparable (DLRs) and Consumable Items
  - **Scope**
    - 4797 identified candidates (222 DLRs and 4575 consumables)
    - Estimated Total Contract $ Value=$1.02 billion (2 years est.)
  - **Proposed Growth**
    - 2 phases
      - Phase 1- Sept 2009 = 4575
      - Phase 2 - TBD
  - **Anticipated Participants**
    - DLA, Army Navy, Air Force
Joint Opportunities

• Goal- Establish a joint contract to support sole-source Goodrich Depot Level Reparable (DLRs) and Consumable Items
  – Scope
    • 1589 identified candidates (177 DLRs and 1412 consumables)
    • Estimated 2-year Contract $ Value= $61.4 million
  – Approach
    • TBD
  – Anticipated participants
    • DLA, Army, Navy, and Air Force
Joint Opportunities

• Goal- Establish Long-term VPV/3PL multiple award contracts for low dollar structural/mech. depot level reparable (DLRs) and consumable items to reduce ALT, improve on-time delivery, and level of effort required for tactical procure
  – Potential Scope
    • 9011 Candidate Items
      – FSCs 1560, 1610, 1615, 5342, U/P <= $10K, not on LTC, have forecasted demand
  – Approach
    • Market Research to determine SB capability and identify potential sources
    • Source Selection – capability/business processes, capacity, and price
      – Initial pricing for 1st year’s forecasted requirements
    • Award multiple IDIQ contracts 3-4 quarter FY10
    • Follow-on price competition for each year’s forecasted requirements
  – Participants –
    • 638 SCMG & WR Robins DLR Procurement Lead
    • DSCR SMSG, other representatives or POC as requested/required
DPO Panel

QUESTIONS??