

Munitions Executive Summit

Industrial Base Panel
GOCO Perspective



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- Government Owned Contractor Operated
 - **WWII** Designed, built and operated the Iowa Army Ammunition Plant
 - **1951** Received the operating contract for the Lone Star Army Ammunition Plant
 - **1970** Received the operating contract for the Kansas Army Ammunition Plant
 - **1981** Received the operating contract for the Hawthorne Army Depot
 - **1998** Acquired Mason and Hanger
 - 50% of American Ordnance JV that operates the Iowa and Milan Army Ammunition Plants
 - Operating contract for the Newport Chemical Depot
 - **2007** Acquired the other 50% of American Ordnance



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- Happy to say we have been successful in all competitions

So this part of the Ammo Base is working perfectly!!



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What is the Ammo Base doing right

- **First and Foremost**
- We are meeting the Services' requirements for High Quality, Effective Munitions that are Delivered On Time.



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What is the Ammo Base doing right

- Adapting to a significantly reduced supplier base
 - Developing and qualifying new sources
 - Standing up new capabilities internally
- Utilizing new and enhanced technologies
 - Qualifying new materials and processes
 - Qualifying, incorporating and expanding the use of new technologies such as
 - Improved digital x-ray systems
 - Enhanced vision systems



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What is the Ammo Base doing right

- Continual process improvement for products and services
- ISO 14000 certifications for Environmental Management
- The MIBTF continues to be a very strong advocate for the industrial base.



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What is the Ammo Base doing wrong

- The consolidation of the base has:
 - Driven a lot of capability and flexibility from the base.
 - Created more single points of failure
 - Increased our dependency on foreign produced munitions and components
 - Reduced the ability to replace aging talent
- Taking far too long to update technical data to latest configuration
- Still imputing a rent factor in competitions even though facilities contract requirements more than make up for any possible advantage



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What is the Ammo Base doing wrong

- Micro-managing operating contractors rather than focusing on the results.
 - Old cost plus mentality in a fixed priced reality
 - Forcing sub-optimized use of resources rather than focusing on improvements
- Lack of recognition of the cost of operating and maintaining these large facilities and its effects on competition
 - Recognized for GOGOs, but not GOCOs
- The GOCOs are being re-competed to test the competitiveness of the contractor operator (good thing), the same should be done for GOGO operations and for the same reason.



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What can the Ammo Base do better

- Don't pay for more quality than is required
 - Develop acceptance criteria which meets the users requirements
 - Pushing for absolute perfection generally adds little to effectiveness but can have significant impact on cost and schedule.
- Eliminate non-value added criteria from the technical data and don't add more that aren't listed;
 - Just because you can measure it, does not mean you should.



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What can the Ammo Base do better

- There needs to be more thought on the Teaming concept.
 - When it works, it is a fantastic tool and better promotes cooperation and yields win-win relationships – better serves the ultimate customer
 - It is sometimes used to press a different agenda
 - And in its really bad form, its used as a PR club – if you don't comply with our demands, you really aren't teaming.
- There has been renewed energy around life cycle mgmt of munitions, this is great, but its been at the expense of other critical disciplines such as producibility engineering



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What can the Ammo Base do better

- As capacity is reduced, there needs to be a better look at mobilization and surge needs to insure we always have what we might need
- As the requirement for ammunition is adjusted, there needs to be a strong look at the base within the United States. Buy America becomes more important
 - Reduction of foreign dependency is needed more than just in the oil fields
 - GOCOs are major employers in small economic areas. Given the economy in general, this employment is critical



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GOCO Perspective Ammo Base

Thank You



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