Industrial Capabilities and Warstopper Program

Luis Villarreal
24-25 August, 2010
Agenda

• Warstopper Program
  – Warstopper Overview
  – RFI/RFQ Process

• eCAP
  – eCAP Overview
  – Frequently Asked Questions

• IBex
Warstopper Program

Background

*War Stoppers*

- Initiated by HR 102-311 (Industrial Preparedness)
- Nerve Agent Antidotes
- Chemical Protective Overgarments
- Chemical Protective Gloves
- Meal, Ready-To-Eat
- Tray Pack Rations
- Meets Criteria of HR 102-311
- Medical Rotational Stocks
- NBC Defense

In Response DoD created Program Element 0708011S, Industrial Preparedness as provided in DoD 7045.7-H
Warfighter Readiness Solutions

Science & Technology
• Innovation in Products

Title III
• Establish Capability

War Reserve Material
• War Reserve items

DMSMS
• Manage obsolescence

Working Capital Fund
• DLA Procurement Solutions

Warstopper
• Industry/Business Solutions
• Mitigate surge constraints

Manufacturing Technology
• Lead Time Reductions
• Lean Manufacturing

DPAS
• Establish Priority
Warstopper Program Criteria

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

* Congressional guidance HR 102-311
** DoDI 3110.60 War Reserve Materiel Policy
Industrial Base Preparedness

How The Program Works (Government Investment):

- Provide lean six-sigma analysis to maximize vendor capacity
- Provide industrial equipment
- Stage raw material, subcomponents, raw material buffers (vendor managed inventory)
- Award industrial base maintenance contracts to maintain vital domestic industry

Mission:

Government Investment needed when readiness demand is higher than the commercial industry is willing to invest.

Past Investment Items:

- Class IX: Specialty Steel
- Operational Rations
- Class IX - Batteries
- Medical Readiness
- Class II Nomex Fiber
- Nerve Agent Antidote Auto Injector
- Class IV Bastions

Benefit To The Industry
The Warstopper Program has led to cumulative inventory cost avoidance of over $4.3B through the investment of approximately $637M over the program's lifetime. After the costs of the investments, the total cost avoidance to DoD is over $3.6B. The resulting ROI is 6.8:1 over the program's life.
FY09 Sample Investments

**Benefit To Warfighter**

- **AM2 Matting**: $6.1M invested for long lead time extrusions that increase surge output by 85% in first 180 days.

- **Unitized Group Rations-Express**: $1.8M invested for Government-furnished equipment that increases surge output by 15% in first 180 days.

- **Nomex® Fiber**: $1.37M invested in vendor managed buffer of Nomex fiber that increases surge output of fire retardant items by up to 54% in the first 180 days.
## Operational Investments: Successes

<table>
<thead>
<tr>
<th>Class IX Successes</th>
<th>Bradley Fighting Vehicle (BFV)</th>
<th>Reverse Osmosis Water Purification Sys</th>
<th>Cesium Lamp (IR Countermeasures)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weapon System(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Supply Chain

<table>
<thead>
<tr>
<th>Warstopper Investment</th>
<th>Land</th>
<th>Land</th>
<th>Aviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepositioned long lead-time special steel</td>
<td>Invested in staging of critical parts at distributor (Customer Direct Contract)</td>
<td>Prepositioned critical raw material, invested in automation and completed LSS studies</td>
<td>Prepositioned raw materials and key subcomponents</td>
</tr>
</tbody>
</table>

### Results of Investment

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Land</th>
<th>Aviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced PLT from 571 to 77 days; 130% increase in production</td>
<td>Reduced PLT to &gt; 30-days; with initial capability to ship immediately</td>
<td>Increased production capability by 152% in the first 90 days</td>
<td>360-day PLT reduced to 30-days</td>
</tr>
</tbody>
</table>

### Cost (ROI)

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Land</th>
<th>Aviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$310K (8.4)</td>
<td>$677K (2.0)</td>
<td>$9.5M (6.9)</td>
<td>$553K (2.2)</td>
</tr>
</tbody>
</table>

### Situation

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Land</th>
<th>Aviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surged 1300% above peacetime level</td>
<td>Manufacturing capability lost-hurricane Katrina</td>
<td>Suppliers ready to meet surge</td>
<td>Service stocks exhausted prior OIF/OEF</td>
</tr>
</tbody>
</table>

### Execution

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Land</th>
<th>Aviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race-supported increased overhaul/repair production of BFV transmissions</td>
<td>6-Valve Diaphragm Assembly-kept theater ROWPUs in operation over 12-month period</td>
<td>Have not had to execute yet</td>
<td>DLA issued order to fill lamp inventory prior to start of OIF – zero wartime backorders</td>
</tr>
</tbody>
</table>
Warstopper RFI/RFQ Overview

• Offers proactive approach for identifying potential areas for Warstopper investments to address readiness concerns.
• Gives industry an avenue to propose potential investments that improve their capability to meet go-to-war requirements.

Potential RFI/RFQ focus areas:

- Barrier Material
- Lean Studies
- Bearings
- Combat Rations
- Personal Protective Gear (i.e., body armor, Fire Retardant uniforms, JSLIST)
- Small Arms
- Medical Material (i.e. vaccines, short life reagents, injectable drugs, medical equipment)
- Fasteners
- Electron tubes
- Power sources (i.e. batteries)
- Tents & Shelters
Warstopper RFI/RFQ Overview

- Proposals must meet the basic Warstopper criteria:
  - Mission Essential or Critical items with low peacetime demand but high wartime demand and a limited shelf life or long production lead time
  - Must be a cost-effective alternative to War Reserve Inventory

- Format is provided for proposals to ensure the following information is included in submission:
  - Targeted NSNs
  - Demand history on Items
  - Supply chain assessment that clearly identifies the constraint
  - Description of the proposed improvement
  - Time phased funding requirement
  - Return on Investment (ROI) calculation
Industrial Base Special Studies

- **Industrial Base Analysis/ Capability Assessment**
  - Traditional studies that include manufacturer interviews, site visits, and supply chain capacity analysis
  - Recommendations may include buffer / safety stock / equipment investments, or a minimum sustainment rate (MSR) investment

- **Acquisition Policy Issues with Industrial Base Implications**
  - Analyzing DoD acquisition programs and approach and how they affect a given supply chain segment
  - Recommendations may include adjustments to acquisition strategy/ approach, pursuing a more cohesive acquisition strategy across DoD

- **Lean Six Sigma & Supply Chain Simulation of Warstopper Item**
  - Deep dive studies that require significant data collection and process modeling to improve production capability or reduce defect risk
  - Recommendations may include production facility optimization or equipment investments to reduce waste, process variation, and defects

- **Supply Chain & Acquisition Benchmarking Leading Practices**
  - Identify leading practices for commodity support of other “peer” organizations, e.g. tire sourcing
  - Provide improved supply market intelligence to better drive DLA’s sourcing strategy
Electronic Capability Assessment (eCAP) Plan

Aaron Craft
24-25 August, 2010
Introduction

• The eCAP application collects the suppliers’:
  – Capability to meet the wartime Surge and Sustainment (S&S) demand, and
  – Industrial base investment opportunities.

• Suppliers self-register to use eCAP and control access to their data

• Suppliers print self-assessment and submit with bid

eCAP is part of the DLA World Wide Web Industrial Capability Program (WICAP)
eCAP - Agenda

• System Login
• Select Solicitation
• CAP Self-Assessment:
  – Capability to deliver Services’ go-to-war requirements
  – Production constraints preventing requirement delivery
  – Opportunities and costs to mitigate constraints
• Self-Assessment Reporting
  – Review
  – Print
  – Submit
• FAQ
eCAP – Select Solicitation

Select Solicitation

SOLICITATION, OFFER AND AWARD

1. THIS CONTRACT IS UNDE...

2. CONTRACT NO.

3. SOLICITATION NO.

SPM7LX-08-R-0011

START CAP

Prepare CAP
## eCAP – Identify Capability

### Start Capability Assessment

Begin the process by checking the offered box of the NSNs that you are including in your proposal response. Please check the solicitation to verify surge is part of the evaluation criteria. If no offer for surge will be made, please click save and continue. If a group is provided for, then all items within the group must be fully covered.

### Offer Full Quantity

- **Yes**
- **No**
eCAP – Constraints

Solution Available

Or

CAP Report
eCAP – Proposed Solution
eCAP – Self-Assessment Report

CAP Summary

Company Name: BearingPoint
CAGE: 54321
Date Completed: 3/18/2009
Completed by: Joe Vendor
 Solicitation Number: SP0000000R9999
(Formally PIIN)

Part 1 - S&S Coverage Capability

Additional quantities of an item that must be shipped to DLA for each 30-day period assuming you receive the order up to the full quantity at the beginning of each period.

<table>
<thead>
<tr>
<th>NSN GROUP</th>
<th>SKU</th>
<th>UI</th>
<th>Official Amount</th>
<th>Official Assortment</th>
<th>Ramp Up Time in Days (STN Model)</th>
<th>End Step</th>
<th>Lead Time (No Ramp Up) (Days)</th>
<th>Overstock</th>
<th>Provisioning Method</th>
<th>Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000-00-00-000</td>
<td>12</td>
<td>EA</td>
<td>20</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>External Supply</td>
<td></td>
</tr>
<tr>
<td>0000-00-00-000</td>
<td>34</td>
<td>EA</td>
<td>40</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>External Supply</td>
<td></td>
</tr>
<tr>
<td>0000-00-00-000</td>
<td>61</td>
<td>EA</td>
<td>75</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Production</td>
<td></td>
</tr>
<tr>
<td>0000-00-00-000</td>
<td>500</td>
<td>EA</td>
<td>1</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Inventory</td>
<td></td>
</tr>
<tr>
<td>0000-00-00-000</td>
<td>35</td>
<td>EA</td>
<td>42</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Leadtime</td>
<td></td>
</tr>
</tbody>
</table>

Part 2 - Description of Constraints

The Offeror certifies that the constraint is factual.

<table>
<thead>
<tr>
<th>Category</th>
<th>Constraint Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Supply</td>
<td>Limitation on ability to deliver the required quantities in time.</td>
</tr>
<tr>
<td>Leadtime</td>
<td>No Support to DLA</td>
</tr>
</tbody>
</table>

Part 3 - Proposed Solutions & Government Investments Required to Obtain S&S Coverage Capability

Part 3.1 - Coverage to be Gained

The Offeror certifies that they cannot deliver the stated quantities according to the surge delivery schedule without implementing the proposed solution. The Offeror also certifies that the solution offered is the most efficient method to resolve the S&S capability shortfall. If a government investment is required it is indicated in Section 3.2.

Numbers reflect data after the Proposed Solution is implemented.

<table>
<thead>
<tr>
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<th>Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000-00-00-000</td>
<td>100</td>
<td>EA</td>
<td>0</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Leadtime</td>
<td></td>
</tr>
<tr>
<td>0000-00-00-000</td>
<td>30</td>
<td>EA</td>
<td>50</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Leadtime</td>
<td></td>
</tr>
</tbody>
</table>

Part 3.2 - Funding Requirement to Obtain S&S Coverage

Costs applicable to coverage gained on items in Part 3.1

Investment Cost Details

<table>
<thead>
<tr>
<th>Cost</th>
<th>Purpose</th>
<th>Source Selection Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Lead Time Source Selection Information</td>
<td>$50,000</td>
<td>See FAR 2.101 and 3.104</td>
</tr>
</tbody>
</table>

Part 4 - Group Items Details

Here is a breakdown of which items are incorporated into the groups mentioned above.

<table>
<thead>
<tr>
<th>Group Name</th>
<th>[Details]</th>
</tr>
</thead>
</table>

Part 5 - Uploaded Files

[Files]

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Source Selection Information—See FAR 2.101 and 3.104.
Q: How do I get an account to access eCAP?
A: WICAP allows users to create their own accounts. Simply access the WICAP website, click the “New User Registration” link under the log in area and enter the requested data.
  – The first user to register under a CAGE code is the CAGE Administrator. The CAGE administrator is responsible for making all new accounts for their CAGE code.

Q: I forgot my password, how do I get a new one?
A: WICAP users are able to request a new password right from the WICAP website. Simply access the WICAP website, click the “Forgot Password?” link under the log in area and enter the requested data. You will need your username and email address in order to request a new password. If you do not have these pieces of information contact WICAP Support.
Q: How should “offered quantity” be stated?
A: Only state what you can do. Surge sourcing is built into eProcurement so expect surge orders.

Q: Is the offered surge quantity in addition to the peacetime delivery requirement?
A: Yes.

A: How do distributors select a provisioning method?
Q: It depends on whether they will deliver from distributor inventory or from external supplier.

A: Am I required to establish inventory?
Q: No the Government is not specifying what you should do to meet the offered requirement. You should determine the method. Distributors should work with their sub-tier suppliers to obtain support agreements and/or to identify industrial solutions.
Q: If I need support for a sub tier supplier, should I include them in the solution investments required?

A: Yes, if the best value solution is to make an investment at the sub-tier level. No, if the best solution is to stock the finished sub-component item.

Example:

Q: How can I get more assistance?

A: An introduction to eCAP can be found on the WICAP website. Access WICAP and click the, “eCAP Walk-Through Document” link. If you need further technical assistance please contact WICAP Support using the Contact Webmaster (link available at the bottom of each WICAP webpage).
IBEX
Industrial Base Extension Program

Joan Lutz
24-25 August, 2010
Industrial Base Extension Program (IBEX) Introduction

• Logistics readiness planning (sourcing) tool utilizing data from global logistic providers.

• Provides OCONUS sourcing information to government and military planners for manufacturing, logistics, storage and transportation.
IBEX - Agenda

• System Login – Via IBMS-SPIDERs
• Macro information for Global Support
  • Add Support Area
  • View Capabilities in Area
• Vendor Profiles
• Other Tools
  • Reports
  • Alerts
  • Collaboration
• IBEX²
Access IBEX via SPIDERS System

- IBMS-SPIDERS is a secure web application that requires vendor users to be PKI compliant
Objective: To maintain industrial base vigilance over OCONUS assets which can be utilized during a contingency or national emergency.
Vendor Profiles

- Secure contact information used by IBEX Program Manager
Other Tools/Utilities

- Vendor Reports
- Vendor Alerts
- Collaboration
Execution of the Industrial Base Extension

Welcome to Ibx²