NDIA Munitions Executive Summit/Advance Planning
Brief to Industry
Project Director Joint Services
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What We Do For the Ammunition Enterprise

- PD Joint Services serves as EXCOM Chairperson
- Organizes meetings for JOCG EXCOM and Principals
- Joint Conventional Ammo Policies and Procedures (JCAPPS)

- Coordinates & integrates the DoD’s SMCA activities on behalf of PEO Ammo
- Liaison for Munitions Executive Summit/Industrial Committee of Ammo Producers (ICAP)

- GOCO AAP Modernization
- GOCO & GOGO Maintenance & Layaway of Inactive Facilities (MIF/LIF)
- GOCO Armament Retooling and Manufacturing Support (ARMS)
- Industrial Base Strategic Planning

- Sec 806 Determinations
- Single Point Failure Mitigations
- Manufacturing and Technology Solutions

- Single Manager for Conventional Ammunition (SMCA) Annual Report
- Demil of all Services Conventional Ammo
- SMCA Customer Survey
- SMCA issue resolution

Single Manager for Conventional Ammunition (SMCA)
## GOCO AAP Capability and Modernization Funding

<table>
<thead>
<tr>
<th>GOCO Facility</th>
<th>Contractor Operator</th>
<th>Core Processes</th>
<th>FY03-12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radford (VA)</td>
<td>British Aerospace (BAE) Ordnance Systems Inc.</td>
<td>Propellant Manufacturing (Rocket, Artillery, Tank, Med; NC for all Propellants)</td>
<td>625.256</td>
<td>39.796</td>
<td>162.215</td>
<td>257.848</td>
</tr>
<tr>
<td>Lake City (MO)</td>
<td>Alliant Techsystems Inc. (ATK)</td>
<td>Small Caliber</td>
<td>329.042</td>
<td>95.323</td>
<td>15.716</td>
<td>198.308</td>
</tr>
<tr>
<td>Holston (TN)</td>
<td>BAE</td>
<td>Explosives - HMX, RDX</td>
<td>419.984</td>
<td>37.458</td>
<td>15.681</td>
<td>273.538</td>
</tr>
<tr>
<td>Scranton (PA)</td>
<td>General Dynamics-Ordnance and Tactical Systems</td>
<td>Large Caliber Metal Parts - Artillery / Mortars</td>
<td>64.947</td>
<td>8.265</td>
<td>10.997</td>
<td>41.824</td>
</tr>
<tr>
<td>Iowa (IA)</td>
<td>American Ordnance</td>
<td>Load, Assemble &amp; Pack (LAP) - Tank / Artillery</td>
<td>136.624</td>
<td>15.726</td>
<td>12.096</td>
<td>57.812</td>
</tr>
<tr>
<td>Milan (TN)</td>
<td>American Ordnance</td>
<td>LAP - Mortars, 40mm cartridges; C-4 Extrusion</td>
<td>21.152</td>
<td>1.323</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>QCCCF (IL)</td>
<td>Norris Industries</td>
<td>Large Caliber Cartridge Cases</td>
<td>*</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Design / Non-PEO</td>
<td>Engineering Design / ATEC</td>
<td></td>
<td>44.619</td>
<td>8.706</td>
<td>10.014</td>
<td>35.884</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>1,641.624</td>
<td>206.597</td>
<td>226.719</td>
<td>865.214</td>
</tr>
</tbody>
</table>

* BRAC 05 Funds ($120M) used to move capability from Riverbank AAP to Quad Cities Cartridge Case Facility (QCCCF), Rock Island, IL

### FY13 $M

- **LCAAP**, 95.3M, 47%
- **HSAAP**, 37.0M, 18%
- **IAAAP**, 15.7M, 8%
- **SCAAP**, 8.3M, 4%
- **RFAAP**, 38.0M, 19%
- **VARIABLES**, 8.7M, 4%

### PIF - FY2014 PRESBUD - (APR 2013)

<table>
<thead>
<tr>
<th>($)</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIF - FY2014 PRESBUD - (APR 2013)</td>
<td>226.719</td>
<td>238.161</td>
<td>220.456</td>
<td>204.130</td>
<td>202.467</td>
<td>1091.933</td>
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</table>

### 101 Ongoing Modernization Projects
Layaway of Industrial Facilities (LIF)
Maintenance of Inactive Facilities (MIF) Programs

**LIF (FY14 $10M)**
- Transitions buildings and equipment from production to a laid away or caretaker status
  - Layaway into a condition to be brought back on-line expeditiously and in an efficient manner
    - Efforts consist of decontamination, cleaning preservation and storage in place

**MIF (FY14 $6M)**
- Maintains and preserves equipment and facilities for future use
  - Efforts include inspection, rust removal, cleaning, painting, lubricating, test and/or repair
Demil Projected Stockpile

![Graph showing projected stockpile from 2013 to 2018]

- **2013**: 460,000
- **2014**: 470,000
- **2015**: 480,000
- **2016**: 490,000
- **2017**: 500,000
- **2018**: 510,000

FY14 Pres Bud
SHORT TERM: 31 Performance Work Statements (PWS) changes accepted by Industry and Gov’t
  • Estimated “instant” annual savings of nearly $1.8M (as of 6 Dec 2013)
  • Contract modifications currently executing collaborative identified savings

LONG TERM: Most significant benefit to be derived from AAP “reclassification” to a non-installation.
  • Co-leads currently pursuing Installation Status Report (ISR)/POV as a “pilot” to gauge leadership appetite for the transition.
    – Assistance from all levels of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT))/Army Materiel Command (AMC) leadership required

Indemnification path forward outcome pending further review by the Office of the General Council (OGC) / $8.4 potential savings

Continue to pursue more comprehensive PWS cost saving opportunities/$5.25M potential savings
  – Opportunities / security, fire, property, maintenance, and other areas.

### SHORT vs. LONG-TERM SAVINGS REALIZATION PLAN

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 PWS Changes (6-12 Mo)</td>
<td><strong>Estimated annual savings of</strong> &gt; $1.8M per year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISR/POV “Pilot” (6-12 Mo)</td>
<td>![Yellow Diamond]</td>
<td>Full “Reclassification” (12-24 Mo)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Go / No Go Determination</td>
<td>Potential LT PWS savings of over $5-12M per year</td>
<td></td>
</tr>
</tbody>
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DRAFT 25 Feb 2014 v1
Potential Opportunities

Opportunities:

• Conventional Demil Systems Contract: $499,000,000 FY15-19
  • Cluster Munitions, Smoke Munitions, Mines
• Army Ammunition Plant Modernization
  • Reduce cost of ownership
  • Infrastructure Improvements
  • Energy Efficiencies
  • Manufacturing Process Improvements
  • Environmental Compliance
• Armament Retooling & Manufacturing Support (ARMS) Tenants
  • Single Point Failure Mitigation