Providing Critical Support for DoD’s Tactical Vehicle Fleet

16 May 2017
Your DLA Leadership

Commander, DLA Land and Maritime

RDML Michelle Skubic
United States Navy

DLA Director

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Purpose

• Tell you what we know

• Increase readiness through collaboration

• Help DLA buy Smartly and Effectively

• Adjust our Plans for the Future

• Solicit Intelligence and Provide more routine Situational Awareness to our Industrial Partners
The World in 2017

- Increased operations in CENTCOM and EUCOM
- Fifteen years of spending on CENTCOM specific weapon systems
- Uncertain budget impacts industrial operations
- Recapitalization of existing fleets
- DLA SOH may not equal service requirements

Needed to increase dialogue with our customers on the future
The World in 2017

Army – 95% trending to 100% MA by FY 2019 (CG, AMC)

USMC – Maximize readiness and sustainability (CG, LOGCOM)

**CENTCOM**
- Afghanistan: 8,400
- Iraq & Syria: 5,500
- Kuwait: 10,800
- SPMAGTF-CENT: 2,300
- Rotating MEU: 2,200

**PACOM**
- Korea: 4,700 (rotational ABCT)
- 31st MEU: 2,200
- Marine Rotational Force Darwin: 1,250
- Rotating MEU: 2,200

**EUCOM**
- Europe: 4,700 (rotational ABCT)
- Black Sea Rotational Force: 265
- Marine Rotational Force Europe: 300

**AFRICOM**
- SPMAGTF-Africa: 1,100

**Currently Deployed**
- 2 x ABCTs
- 3 x IBCTs
- 3 x MEUs

*40,400 total ground forces*
## The World in 2017

### Army Operations Update
- European Reassurance Initiative
- Deployments with home station equipment and spares
- 24 x CTC rotations / year
- Continued focus on combined arms maneuver
- Diminished Unit Maintenance & Materiel Management Skills
- Common Authorized Stockage Lists (ASLs)
- Depots focused on Performance to Promise
  - ~ 90% of Depot parts required are:
    - Lower / Intermittent Demand Items
    - Non-Business Drivers
- Rising UFOs / Line-Stoppers
- Uncertain Funding = Challenged Forecasting
  - Accuracy & Buyback, Timeliness

### USMC Operations Update
- Aging fleet
- Continued use of Special Purpose Marine Air-Ground Task Force (SPMAGTF)
- Increased deployments with home station equipment
- Continued focus on core mission
- Forward stocking and management initiatives (Operational and Industrial)
- Depot impacted by tornado at MCLB Albany
  - Concurrently, investment in resources to improve forecasting accuracy

### Army Operations Support
- Emphasis on forward stocking (CONUS and OCONUS)
- Investment in readiness drivers (WSEC 1,5,6 / IPG 1)
- DLA Participation in Corps / ESC / TSC / AFSB Updates
  - Focused on readiness and deploying units
  - Non-Business Drivers
- Supportability Analysis for standardized ASLs
- Increased coordination with LCMCs and PEOs
- Add applicable NSNs to Long Term Contracts / PBLs
- WSEC Coding Reconciliation
- Army Supply Plan
  - Manual reviews of BoMs
  - Emphasis on Line Stoppers (CCIRs)
  - Continuous engagement with Depots and AMC

### USMC Operations Support
- Increased emphasis on WSEC 1,5,6 / IPG 1 and key weapons systems
- Routine SPMAGTAF / MEU engagement
- Enhanced Forward Stocking
  - Initial year – 86% Usage Rate
  - 300% increase in parts rcvd from local DD
  - Increased forward stocking by 7k items
  - Collaborating on DLA run retail operations
  - Proof of Principle on operational supply initiative
- Improved Forecasting
  - Added nearly 11,000 items into collaboration

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*Readiness was our priority last year, that’s our priority this year and by necessity, that needs to continue to be our priority*

- CSA GEN Mark A. Milley

*Improve readiness because we need more Marines and equipment ready to fight now*

- CMC Gen Robert B. Neller
Acquisition Approaches

• Performance Based Logistics (PBL) Agreements

• Acquire Whole Supply Chains
  – Privatization (e.g., Tires)

• Acquire Integrated Supplies and Services
  – Custom PBLs for Specific Customers

• Acquire Strategic Materials with Flexible Response
  – Long Term Contracts
    • Performance Requirements

• Transactional Spot Buys
  – Leverage Automation
    • Auto Eval
    • Manual
Customer / Supplier Base Linkage

Generate Requirements

Aggregate Requirements

Fill Requirements

Customers

DLA

Suppliers

Operational

Industrial

Wholesale / Retail

DLA Direct

Customer Direct

DoD’s End-to-End Supply Chain ... 
... Needs active engagement of all to operate effectively/efficiently
Tactical Wheeled Vehicle Sustainment Sales

Tactical Wheeled Vehicles Division

($M)

$1,400

$1,200

$1,000

$800

$600

$400

$200

$0

FY14

FY15

FY16

FY17 To Date

END OF FY17 PROJECTION
Light Tactical Vehicles

Objectives

- Support readiness
- To reduce / eliminate any excess stock buys
- Support rebuild
- Minimize backorders

Proposed Action Plan

- Continue to work with Army regarding readiness as drivers are identified for LTV fleet
- Continue to work with RRAD and TACOM regarding ongoing reset efforts

Intel Received

- Systems include HMMWV
- HMMWV Ambulance program at Rock Island to build 600+ trucks
- EXORD to divest more than 8000 Legacy HMMWVs (966, M998, M1037, M1038, M1025, M1026 and M1114)
- FMS Sales anticipated to increase

HMMWV Orders - Army & USMC

- Chart showing HMMWV orders from March 16 to March 17, with trends indicating a decrease in orders over time.
- Bars represent orders, and lines represent MA% with percentages ranging from 70.00% to 100.00%.

HMMWV Orders - Army & USMC

- Orders data visualized with a bar chart.
- MA% data visualized with a line chart.
- Graphs show the trend of HMMWV orders from March 16 to March 17.
Medium Tactical Vehicles

Intel Received

• Previous FY reset totals 556 with an additional 687 FY 17 systems

• Systems include FMTV’s and MTVR

Objectives

• Support readiness

• To reduce / eliminate any excess stock buys

• Support rebuild

• Minimize backorders

Proposed Action Plan

• Continue to work with Army and USMC regarding readiness as drivers are identified for MTV fleet

• Continue to work with TACOM, MARCORSYSCOM and RRAD regarding ongoing reset efforts
Heavy Tactical Vehicles

**Intel Received**

- Previous FY reset totals 223 with and additional 49 FY 17 systems
- Systems include Tanker, LET, Wrecker, LHS and Cargo
- Oshkosh to rebuild 454 battlefield trucks. DLA researching excess parts availability to support program

**Objectives**

- Support readiness
- To reduce / eliminate any excess stock buys
- Support rebuild
- Minimize backorders

**Proposed Action Plan**

- Continue to work with Army regarding readiness as drivers are identified for HTV fleet
- Continue to work with RRAD and TACOM regarding ongoing reset efforts
- Army – 223 vehicles in OPEN reset status

**HTV Orders- Army & USMC**

- Orders
- MA%

- Previous FY reset totals 223 with and additional 49 FY 17 systems
- Systems include Tanker, LET, Wrecker, LHS and Cargo
- Oshkosh to rebuild 454 battlefield trucks. DLA researching excess parts availability to support program

- Support readiness
- To reduce / eliminate any excess stock buys
- Support rebuild
- Minimize backorders
• USMC transferred ~4700 CLS supported items from Oshkosh Defense (LA9) to DLA for management in late CY 16
• USMC transferred remaining CLS items to Organic Support in 4th QTR 16
• In 4 months DLA purchased 37 M in spares (Jul-Oct 16)
• Operational Readiness rates remained steady during transfer at 85%
• Benefits are increased MA and reduced operational cost, with a possibility of increase in readiness
MTVR

Objectives

• Support readiness

• To reduce / eliminate any excess stock buys

• Benefits
  • Increase MA
  • reduce operational cost

Intel Received

• 8750 Vehicles in the FLEET
  – 13 different TAMCN/Variants

• Previous FY reset totals 50 with an additional 100 FY 17 systems

Proposed Action Plan

• Continue to work with Army and USMC regarding readiness as drivers are identified for MTV fleet

• USMC transferred remaining CLS items to DLA for management.

• DLA plans to award 4 separate LTC to support MTVR

MTVR Orders

MTVR Orders

MTVR MA%

Readiness
JLTV - Joint Light Tactical Vehicle

Intel Received

- EST 54,999 Vehicles
  - 4 different Variants
- LRIP continues
- FRP decision First Quarter 2019
- IOC Decision First quarter 2020

Proposed Action Plan

- Continue to work with Army and USMC to support Organic support decision
- Army Purchased the TDP
- Support opportunities - PBL, LTC’s and manual awards
- Provisioning effort ongoing - working with Oshkosh and PM Office

Objectives

- Support fielding and readiness
- To reduce / eliminate any excess stock buys
- Support Organically
Supplier Help

- Identification of Supply Chain Constraints
- Data Cleaning / Stock Re-Engineering
- Material Cost Reduction
The Future…

• Shifting National Priorities
• Uncertain Military Service Budgets
• Increasing Troops in Overseas Contingencies
• RECAP / RESET in Constrained Environment
• Suppliers Adjusting Now
• Must Make Prudent Forecast Adjustments
  – Focus Investments Wisely
  – Protect Readiness
• Forecast Models Rely on Demand Histories

We Need Your Help

The past is not an accurate predictor of future requirements
Closing

Continue to partner for readiness of our Warfighters and Depots

Captains of Industry
24 Aug 2017
Columbus, OH

Greater Collaboration With Our Suppliers
BACK-UP SLIDES
Land Customer Operations Directorate

Director/Deputy Customer Operations (QL)
COL Dale Farrand / Mr. Eugene Williams

MANNING:
FY 2014 = 150 FTEs
FY 2016 = 153 FTEs
FY 2017 = 149 FTEs

Operating Forces Div (QLA)
Kristin Zahnow
614-692-4702
CAS= 46
CSR= 9
CLSS= 0
Mil= 2

Industrial Support Div (QLB)
Mr. John Dreska
614-692-7364
CAS= 43
CSR= 5
DP= 9
CLSS= 4

Weapon Systems Readiness (QLR)
LTC Jeffrey Scott
614-692-3544
WSSM= 11
CSR (TACOM)= 2
CTR= 4
CSR (CECOM)= 1
MRAP TM= 1
CSR (AMCOM)= 1
CAS-MRAP= 1
DP-MRAP= 1

Operations Div (QLC)
LtCol Kirk Greiner
614-692-8749
Mil= 2

LRR Supervisor (Part of QLR)
CW4 Joseph Scarpill
614-692-8418
CAS= 3
EE= 3
Mil= 1
Combat Vehicles, Engines & Armaments

Sustainment Sales

![Bar chart showing Combat Vehicles, Engines & Armaments Sustainment Sales from FY14 to FY17 To Date.](chart.png)