



Maritime Supplier Operations Break-Out Session

August 29-30, 2006



Agenda



- Maritime Supply Chain Overview
- Supplier Relationship Management
- Supplier Collaboration
- Open Dialogue



Maritime Supplier Ops At a Glance



What

1.6M Items

- Mechanical
Pumps, Compressors
Valves, Hose & Tube,
Fittings, Bearings,
Packing & Gaskets
- Electrical
Wire & cable, switches,
relays, transformers,
antennas, resistors,
microcircuits

All Maritime Supply
Chain NSNs will be in
BSM as of 1 Sep

From

5000 Suppliers

- Manufacturers
Marotta (Valves)
York (Compressors)
Timken (Bearings)
Raytheon (Electronics)
Amphenol (Connectors)
- Dealers
Large Dealer Network

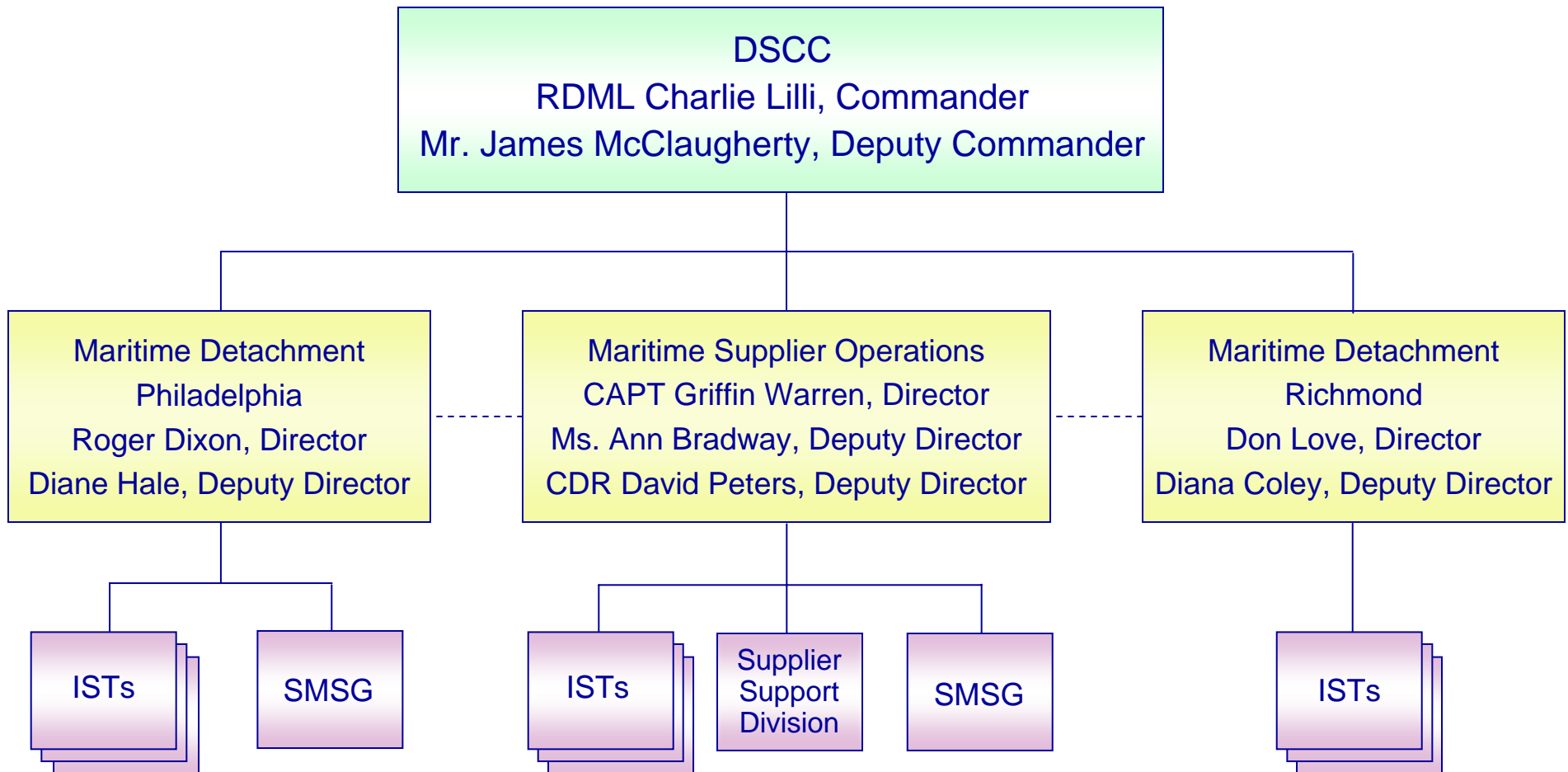
By

352K Contract Actions Worth \$1.7B

- ~850 Employees
- 32 Integrated Supplier Teams
- 3 Sites



Maritime Supplier Ops Organization





BSM Roles, Responsibilities & Functions



Integrated Supplier Team (IST) ... Basic Organizational Unit

- Product Specialists: What to buy?
- Supply Planners: How many and when to buy?
- Pre Award Acquisition Specialists: Execute the buy!

Strategic Material Sourcing Group

- Long Term Contracting (LTC): Multi-NSNs & Corporate Contracts

Supplier Support Division

- Small “Emergency Buying Team” for our customers’ most urgent needs
- Centralized Post-award for Contract Administration matters
- Manages PACE for all DSCC
- Centralized management of solicitation, award and administration of Auto IDPOs



Supplier Relationship Management

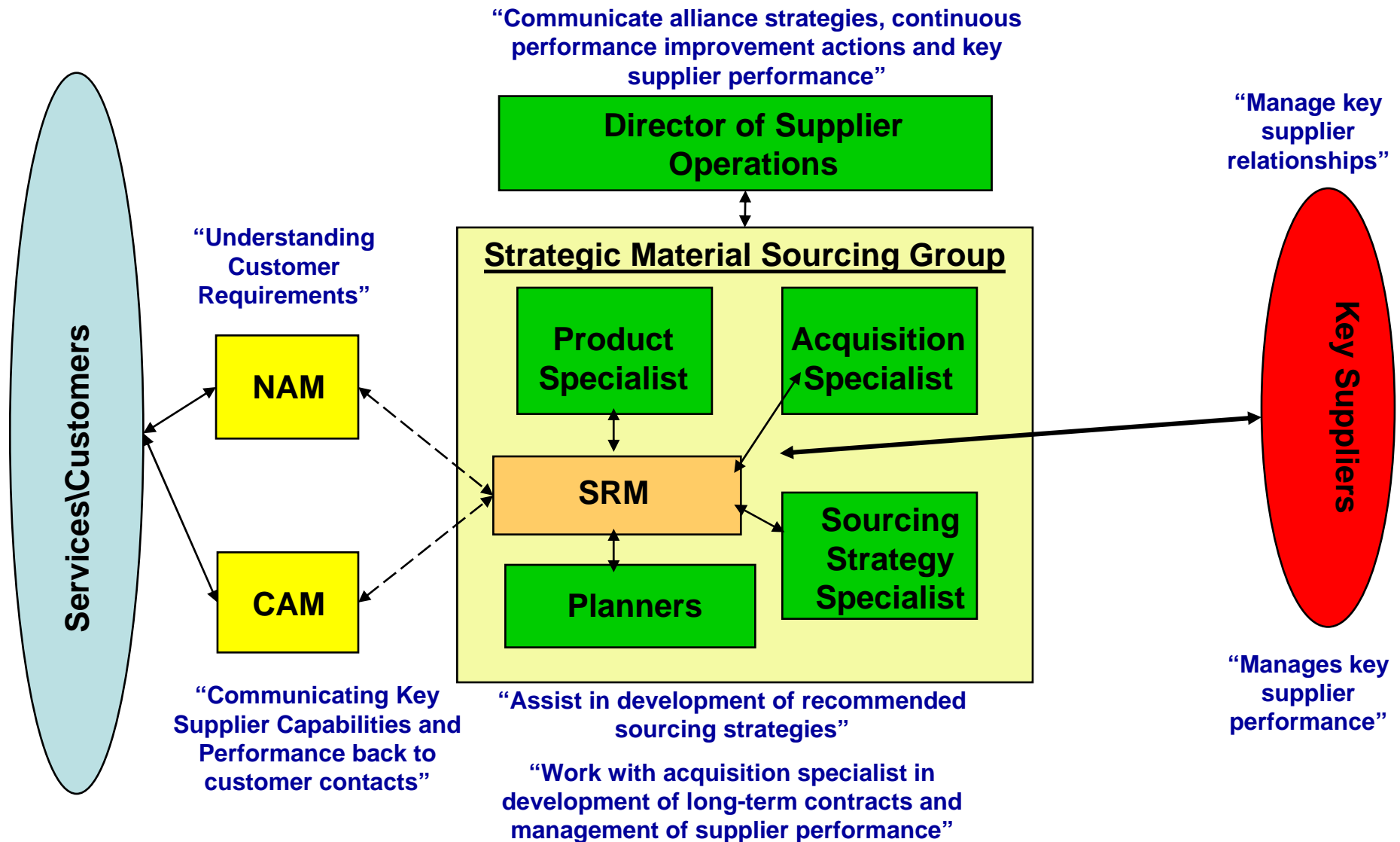


What is it?

SRM is a strategy for building relationships with key suppliers across the DLA Enterprise. It is a way of evaluating and leveraging supplier capability and using the knowledge gained to improve business processes.



SRM Organizational Position





Supplier Alliances



Objectives –

Allow both parties to work jointly to leverage capabilities to reduce inefficiencies in the supply chain.

Suppliers –

Raytheon, York, Warren Pump, Dresser-Rand, Timken, Crane, Clarcor, Kampi Components.

Goals –

ALT & PLT Reduction
Enhanced forecast
Economic purchases
Contract consolidation

Successes –

Price reductions
Enhanced communication
Greater LTC coverage
ALT/PLT savings

CLARCOR

TIMKEN
Where You Turn

CRANE
AEROSPACE &
ELECTRONICS

Warren

DRESSER-RAND

Raytheon

YORK
A JOHNSON CONTROLS COMPANY

Kampi Components Co., Inc.
Serving Government and O.E.M.



How/Why Would SRM Engage My Company?



Key suppliers identified by spend

- Charters with 8 Suppliers

Commodity driven issues

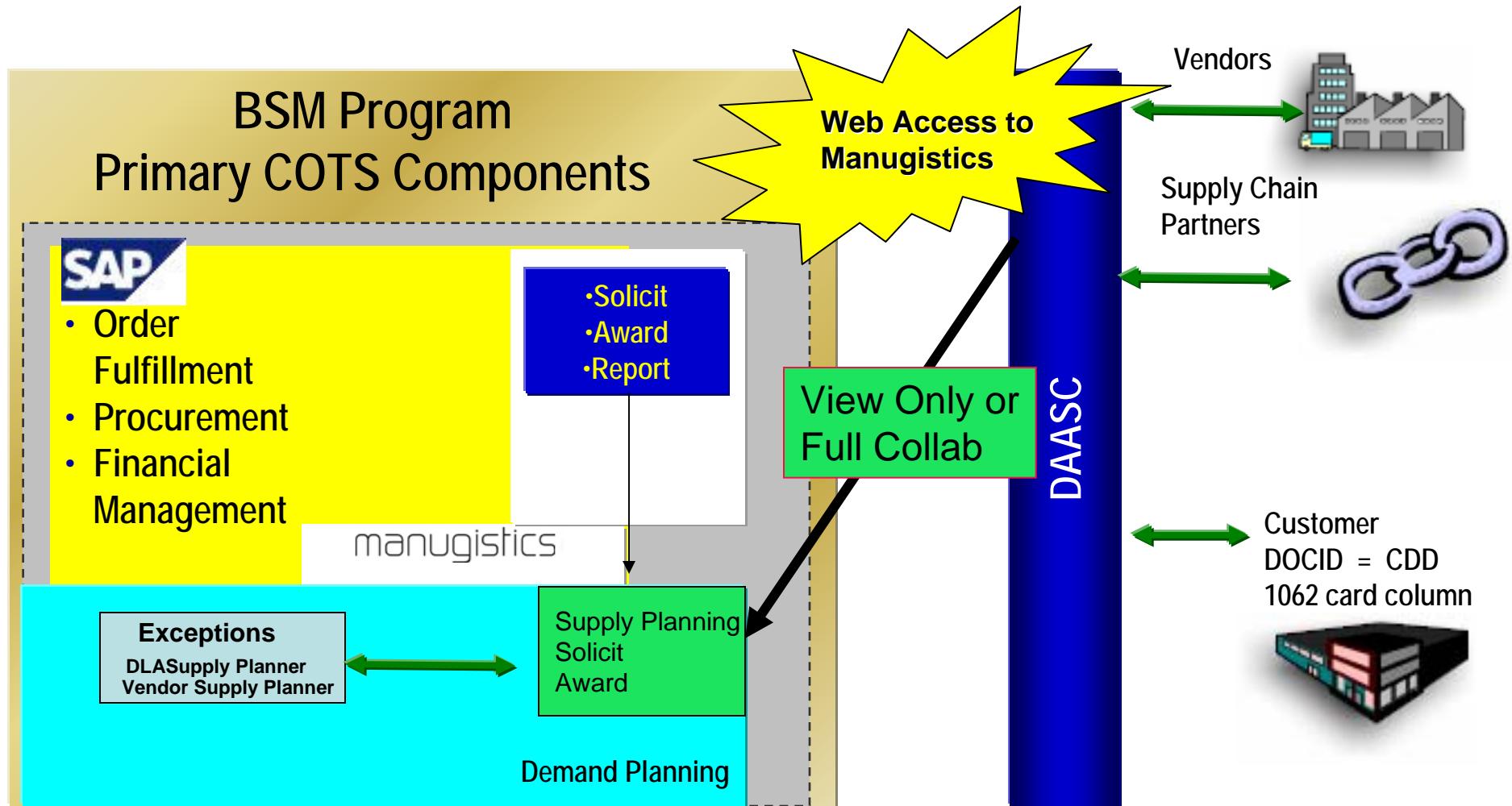
Process solutions

Complex issues that require coordination between customer and supplier



Supplier Collaboration

Sole Source or Long Term Contract Items





Supplier Collaboration Benefits



Benefits to the Supplier

- See Time Phased Inventory Plan (TPIP) - anticipated DLA requirements out 24 months
- Ability to better plan production lines
- Reduce inventory levels
- Opportunity to smooth/adjust DLA planned orders before they become purchase orders that the vendor cannot fill



Open Dialogue

Please visit Maritime Supplier Operations Booth (No. 709 and 710)



Story Board Charts



Active Devices Division



Division Chief: Ernest Reid

Integrated Supply Team Chiefs

Electronic Assemblies: James Amatore

Microcircuits & Semiconductors: Kenneth Rumford

Transformers: Lisa Ohl

Top Federal Supply Classes

FSC	Nomenclature	Sales
5998	Electrical and Electronic assemblies	\$22,226,124
5962	Microcircuits, Electronic	\$21,445,221
5960	Electron Tubes and Associated Hardware	\$18,078,005



Electrical Devices Division



Division Chief: Larry Scarberry

Integrated Supply Team Chiefs

Connectors: John Pacak

Relays, Wire, & Cable: John Crough

Switches: Regina Westbrook

Top Federal Supply Classes

FSC	Nomenclature	Sales
5930	Switches	\$42,131,350
5935	Connectors, Electrical	\$23,265,932
5945	Relays and Solenoids	\$22,125,657



Electronics Division



Division Chief: CDR Clifford Scott

Integrated Supply Team Chiefs

Antennas, Fuses, & Circuit Breakers: Kathy Brewster

Fire Control & Fiber Optics: Robert Heber

Top Federal Supply Classes

FSC	Nomenclature	Sales
5985	Antennas, Waveguides, & Related Equipment	\$42,182,329
5999	Miscellaneous Electrical & Electronic Components	\$16,382,901
5965	Headsets, Handsets, Microphones, & Speakers	\$16,181,528



Fluid Handling Division



Division Chief: Linda McCarty

Integrated Supply Team Chiefs

Fittings: David McGraw

Flexible Hoses & Tubing: Anita Luich

Pipes & Tubing: LCDR Aaron Traver

Pumps & Compressors: Cheryle Casey

Top Federal Supply Classes

FSC	Nomenclature	Sales
4730	Hose, Pipe, Tube, Lubrication, & Railing Fittings	\$36,555,885
4720	Hose & Flexible Tubing	\$30,535,270
4710	Pipe, Tube, & Rigid Tubing	\$15,207,346



Valves & Hardware Division



Division Chief: Linda K. Johnson

Integrated Supply Team Chiefs

Non-Powered Valves: Stephen Finney

Powered Valves, Marine Hardware, & Nuclear Reactor Program: Joseph Smith

Top Federal Supply Classes

FSC	Nomenclature	Sales
4820	Valves, Non-Powered	\$24,167,094
4810	Valves, Powered	\$12,692,646
2040	Marine Hardware and Hull Items	\$ 1,031,302



Strategic Material Sourcing Group



Chief: Ken Rumbaugh

Mission: Strategic Material Sourcing

Function:

- Determine optimal contracting strategy for Maritime Supply Chain NSNs
- Award long-term contracts including corporate and prime vendor contracts
- Maximize long-term contract coverage of strategic material sourcing (SMS) NSNs
- Execute contracting actions in support of SSAs and SCAs
- Optimize relationships with key suppliers through SRM

Strategic Sourcing Branch Chiefs: Kreston Harris, Evan Baisden, Jeff Dixius

Supplier Relationship Management Branch:

Bruce Shively, Lead SRM

Tom Bunnell, SRM



Strategic Material Sourcing Group



Strategic Sourcing Branches

Branch Chiefs: Kreston Harris & Evan Baisden

Award multiple NSN long-term and corporate contracts

Branch Chief: Jeff Dixius

Determine groupings of NSNs for long-term contracts; review technical and quality data; perform contract administration on multi-NSN long-term contracts

Supplier Relationship Management Branch

Lead SRM: Bruce Shively

SRM: Tom Bunnell

Manage relationships with key suppliers via Strategic Supplier Alliances (SSAs) and Supply Chain Alliances (SCAs); coordinate with ISTs to develop solutions to process issues that may impact customer support



Supplier Support Division



Division Chief: David Glasscoe

Mission: Support for Maritime Supplier Operations

Function: Oversee Automated Indefinite Delivery Purchase Orders (AutoIDPOs), emergency buys, automated contracting, and post award

Branch Chiefs:

AutoIDPOs, Emergency Buy Team (EBT), Procurement Automated Contracting Evaluation (PACE): Ed Wingo

Post Award: Stephanie McCormick



Supplier Support Division



Emergency Buy, PACE, & AutoIDPO Branch
Branch Chief: Ed Wingo

Emergency Buy Team Supervisor – Tom Comeans

Customer-Direct Buys for our customers' most urgent requirements

PACE & AutoIDPO Team Supervisor – Susan Knisley

Procurement Automated Contracting Evaluation (PACE):

Manage PACE automated solicitations and awards up to \$100,000

Automated Indefinite Delivery Purchase Orders (AutoIDPOs):

- AutoIDPOs are valid for up to two years or \$100,000.
- Manage solicitation, award, & administration of all AutoIDPO instruments



Supplier Support Division



Post Award Branch

Branch Chief: Stephanie McCormick

Post Award Supervisors - Joanne Bogner, Sue Coyer, Myrtice Gray, Jeff West

- Responsible for all post award issues related to existing contracts assigned to Maritime Supplier Operations. Proactively work delinquency, backorder and special project reports.
- The workload is assigned by state or cage code. SSA/SCA suppliers are assigned to specific administrators.
- Coordinate with supply planners, product specialists, resolution specialists, legal, DFAS and the DCMA's to resolve issues.



Maritime Detachment Philadelphia

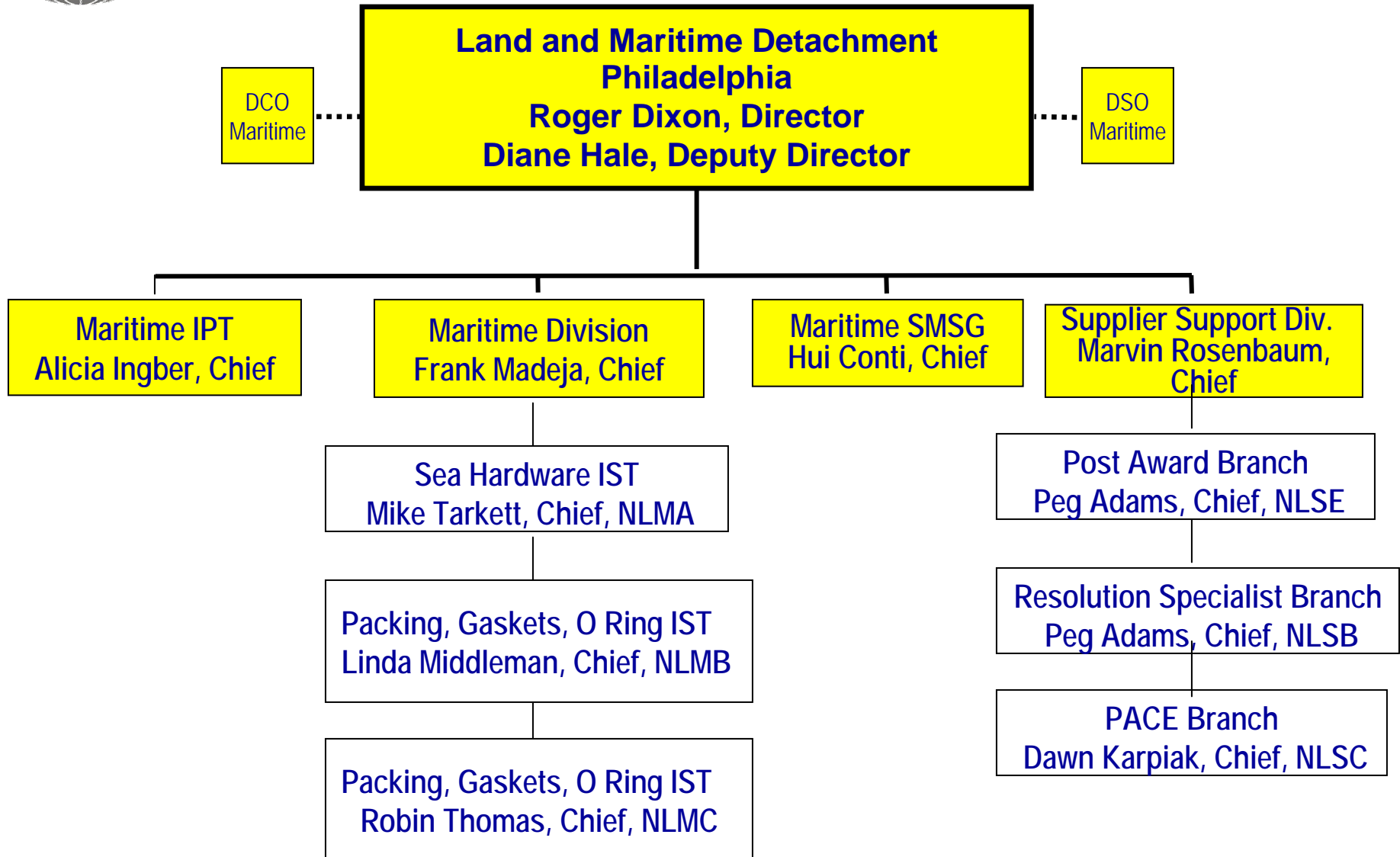




Organization Design



Culture





Maritime Support



Federal Stock Codes

- 5330/31- Gaskets, O rings, Packing
- 5355 – Knobs, Dials, Pointers

Item Characteristics

- 260K items managed
- Wide variety of materials
 - Cloth
 - Rubber
 - Paper
 - Petroleum based compounds
 - Metals
- Low dollar, high volume items
 - \$2500 average award value
 - 100K requisitions received each month





IST Mission and Functions



- Maritime Integrated Supplier Teams (IST's)
 - Consists of Acquisition Specialists, Supply Planners, and Product Specialists that provide logistic support for assigned NIINs. (100K per team)
 - Primary Functions
 - Pre Award Acquisition
 - Supply Management
 - Technical Support
 - Long Term Contract Management
 - Nuclear Reactor Program Management





SMSG



- Strategic Materiel Sourcing Group (SMSG)
 - Consists of Acquisition Specialists and Product Specialists who plan and execute contracts for groups of items
 - Primary Functions
 - Cradle to Grave Supply Chain Logistic Support
 - Average Contract Length: 5 years
 - Emphasis on developing supplier relationships
 - Emphasis on Socio Economic Programs
 - Corporate Contract Management



Maritime Supplier Support Division



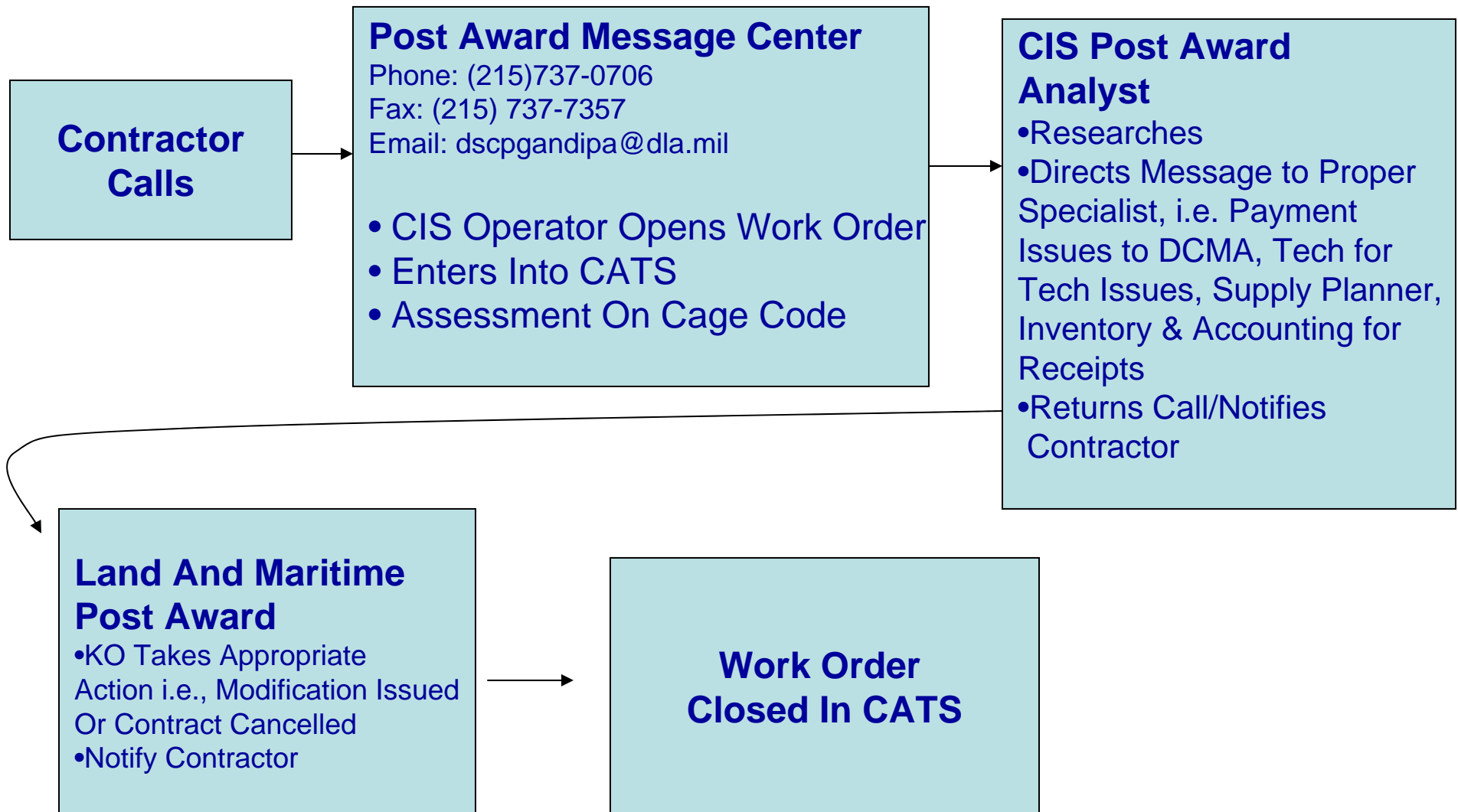
- **Post Award Branch**
 - Responsible for post award issues on purchase orders and assigned delivery orders.
 - Team Leader – Sharon Sax
- **Resolution Specialist Branch**
 - Responsible for inventory and accounting reconciliation issues. Works closely with DLA depots and post award team.
 - Team Leaders – Pam Stephens and Joann Peters
- **PACE**
 - Responsible for the automated purchase system.
 - Team Leader – Wilfredia Fields



Post Award Process



Culture





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MARITIME SUPPLY CHAIN

Bearings

Motors

Maritime Instruments

Maritime Miscellaneous

Maritime Strategic Supplier Alliance



“Haze gray and underway”



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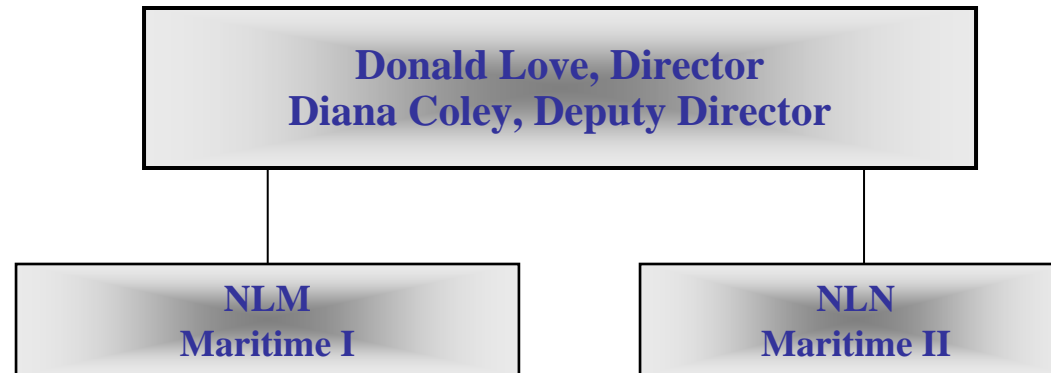


Organization

- **Director (NL)** – Don Love
- **Deputy Director (NL)** – Deny Coley
 - **Maritime I (NLM)** – Kim Hansen
 - **Bearings I IST Lead (NLMA)** – Darrel Borum
 - **Bearings II IST Lead (NLMB)** – Russell Wells
 - **Bearings III IST Lead (NLMC)** – Charleen Trotter
 - **Maritime II (NLN)** – Mike Kuszmaul
 - **Maritime II Deputy (NLN)** – Julia Roquemore
 - **Motors IST Lead (NLNA)** – John McCloud
 - **Maritime Instruments IST Lead (NLNB)** – Martha Tuck
 - **Maritime Miscellaneous IST Lead (NLNC)** – Emma Pfeiffer
 - **Maritime SSA IST Lead (NLND)** – Earnestine Minor



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Scope of Business

FY06 Proj. Sales (M)	\$390
FSCs:	164
NSNs:	207,318
Avg Monthly Demands:	64,460
Personnel	Civilians 196



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FSC Management

- **Maritime I**
 - **FSCs**
 - **3110 Bearings, Anti-friction, Unmounted**
 - **3120 Bearings, Plain, Unmounted**
 - **3130 Bearings, Mounted**
- **Maritime II**
 - **160+ FSCs, Some of the Major Ones are:**
 - **5940 Lugs, Terminals and Terminal Strips**
 - **5975 Electrical Hardware and Supplies**
 - **5995 Cable, Cord and Wire Assemblies**
 - **6105 Motors, Electrical**
 - **6110 Electrical Control Equipment**
 - **6130 Power Conversion Equipment, Electrical**
 - **6150 Misc. Electrical Power, Solar Elec. Power Sys., Fuel Units Components and Access**
 - **6650 Optical Instruments**
 - **6680 Liquid and Gas Flow, Liquid Level, and Mech. Motion Measuring Instruments**
 - **6685 Pressure, temp. and Humidity Measuring and Controlling Inst.**



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- BSM Roll Out Complete Sept 1.
 - Draw Down of Legacy Workload
- Reorganization Mid October
 - Consolidation of LTC Efforts
 - Establish Emergency Buyer Group
 - Consolidates Post Award Resources
 - Establish Program Mgmt Group