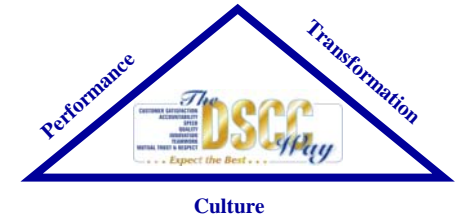




2006 Land & Maritime Supply Chains Business Conference & Exhibition

Tire Privatization Breakout Session



Transformation Through BRAC



OSD Transformational Guidance for Supply & Storage



- Establish a consolidated multi-service supply, storage and distribution system that enhances the strategic deployment and sustainment of expeditionary joint forces worldwide.
- Privatize the wholesale storage and distribution processes from DOD activities that perform these functions
- Migrate oversight and management of all service DLRs to a single DOD agency / activity
- Establish a single Inventory Control Point (ICP) within each service or consolidate into joint ICPs



Joint Cross Service Group Recommendations



**51 total scenarios yielded 3 Recommendations
for Supply & Storage**

Supply, Storage and Distribution
Reconfiguration

DLR Procurement Management

Commodity Management Privatization



BRAC Language



Transformational Intent

Privatize the wholesale storage and distribution processes from DOD activities that perform these functions

Decision

Relocate tire supply contracting function from Detroit Arsenal and Hill AFB to DSC Columbus ICP. Relocate supply contracting function for packaged POL from NSA Mechanicsburg to DSC Richmond ICP. Disestablish all other supply functions and all storage and distribution functions for tires, packaged POL and compressed gasses.



What Does This Recommendation Do?



Privatizes supply functions performed at TACOM, Mechanicsburg, Hill ALC and DSC Richmond

Privatizes storage and distribution functions performed at other distribution depots

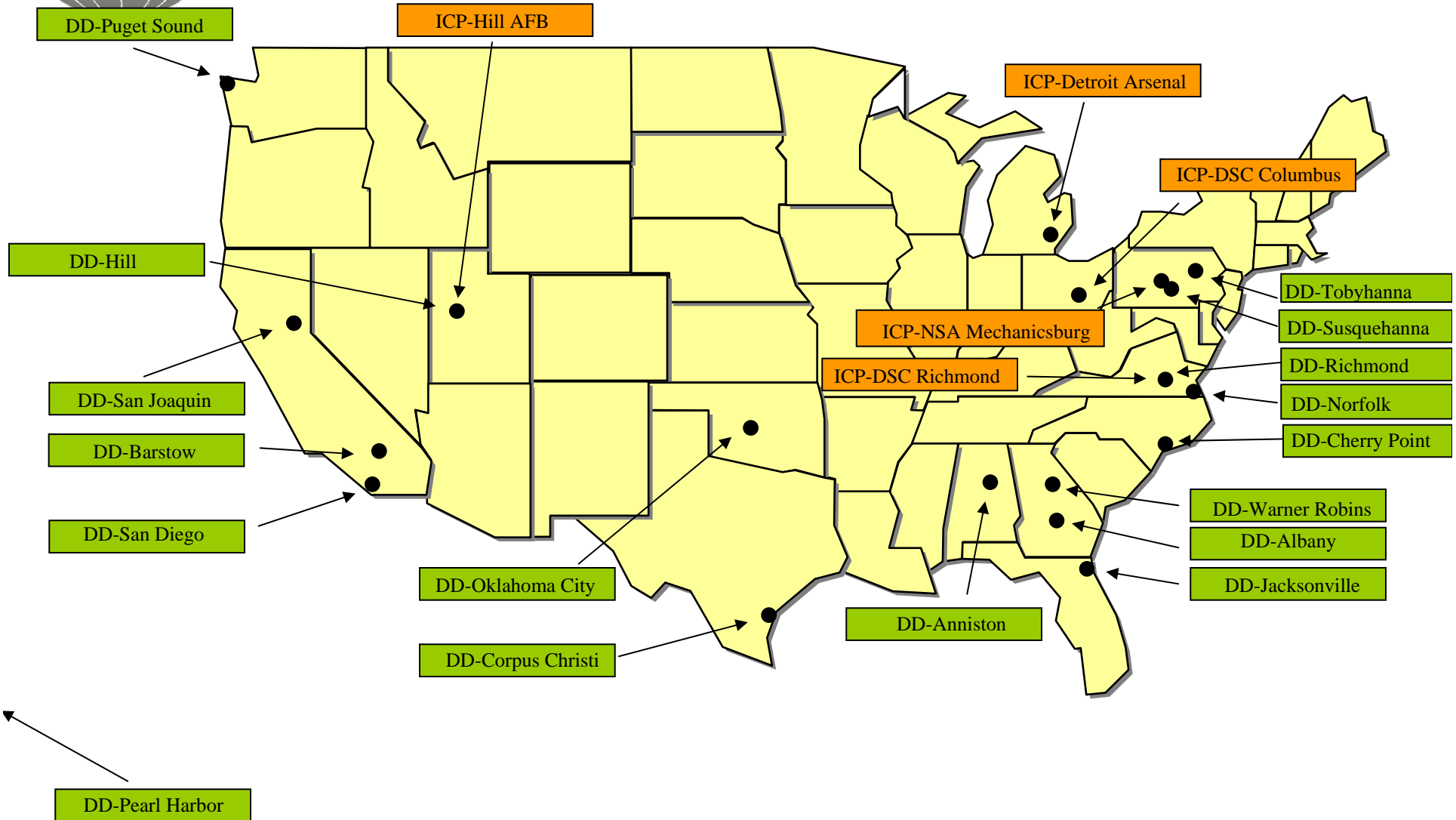
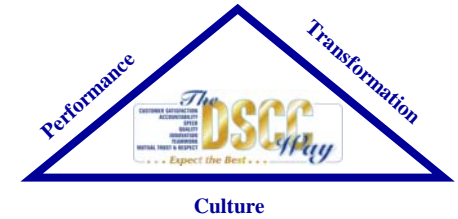
Assigns responsibility for tire contracts to Columbus ICP

Starts: 2006

Finishes: 2008



Places Impacted By The Recommendation





Past Supply Contracts



Avg. Annual Procurement \$

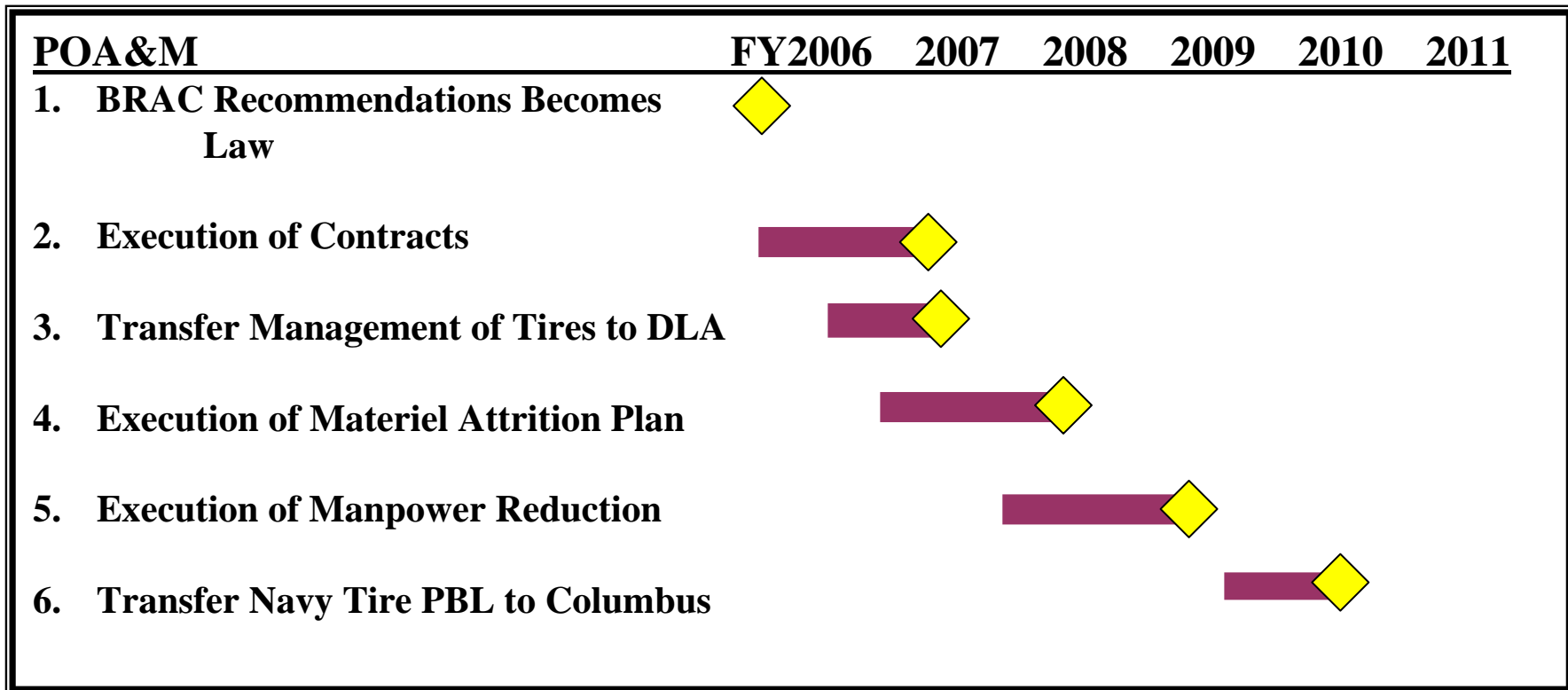
Army \$125 Million

Air Force \$ 42 Million

DLA \$ 1 Million



Tire Privatization POA&M





Tire Privatization Acquisition Status



Issued Two Solicitations	–	10 July 06
Aircraft		
Land Vehicles		
Pre-Proposal Conference	–	27 July 06
Solicitation Closes	–	7 Sep 06
Evaluation Begins	–	11 Sep 06
Contract Award	–	31 Dec 06

Solicitation Website:

<http://www.dsccl.dla.mil/programs/tiremgmt/>



Business System Modernization



GOVERNMENT SUPPLY FUNCTIONS:

- Planning
- Procurement
- Order Fulfillment
- Finance
- Technical and Quality





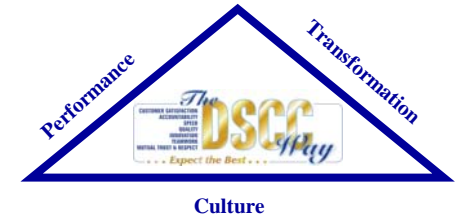
DISCLAIMER



- Solicitation and its Amendments is the Government's representation to potential offerors.
- Nothing I say or do today should be relied upon in the submission of a proposal.

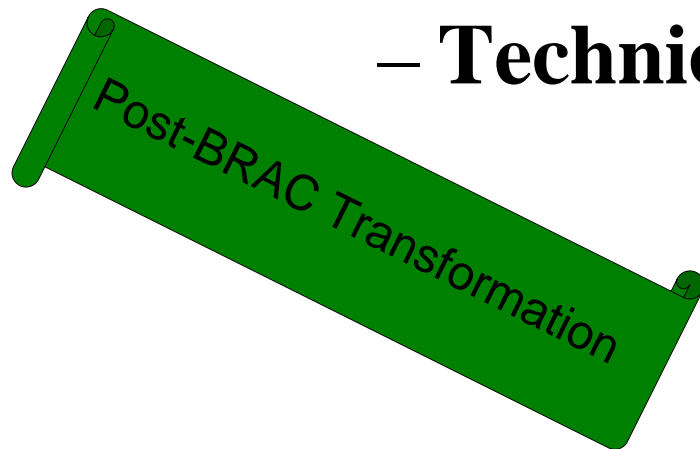


Business System Modernization



PROCESSES:

- Planning (**Contractor**)
- Procurement (**Government**)
- Order Fulfillment (**Contractor**)
- Finance (**Contractor**)
- Technical and Quality (**Shared**)





Tire Privatization



Planning Fundamentals (Contractor)

- **Demand Planning**
 - **Identify Future Needs Through Collaboration**
 - **Improve Demand Plan Accuracy**
- **Supply Planning**
 - **Ensure Inventory Is Available When & Where Needed**
 - **Optimize Inventory Levels, Inventory Turns, And Assist In Reducing Leadtimes**



Tire Privatization



Procurement Fundamentals (Government)

- Payment
- Single Contract Writing Application
- Single Integrated Master Data
- Visibility Of Long Term Contracts Across The Enterprise



Tire Privatization



Order Fulfillment Fundamentals (Contractor)

- Quick Order Turnaround
- Provides Timely Information
- Track & Trace Orders



Tire Privatization



Finance Fundamentals (**Contractor**)

- Better Planning = Better Budgets
- Better Cost Visibility
- Enables CFO Compliance
- Near Real-time Data



Tire Privatization



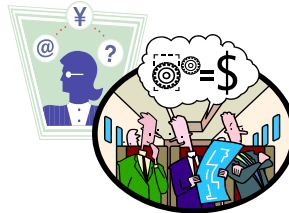
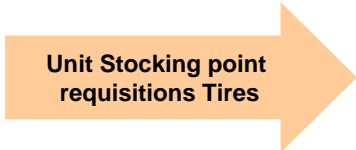
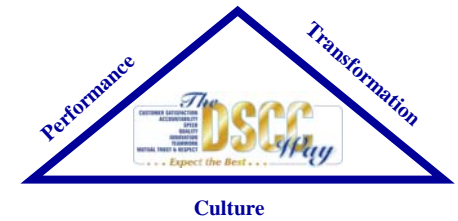
Tech Quality Fundamentals (Shared)

- Streamlined Item Introduction
- Comprehensive Product Lifecycle Management
- Improved Product Quality Assurance

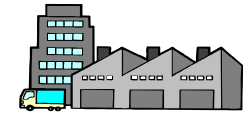
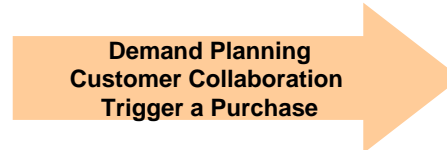
Does NOT include
Design/Configuration
Control



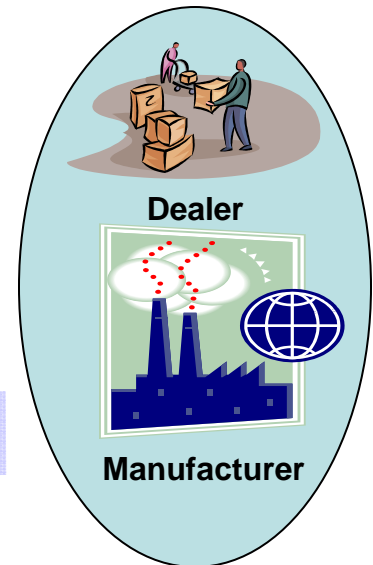
DLA Supply Chain



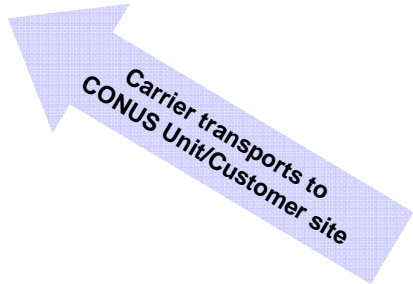
Item Management



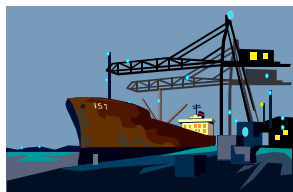
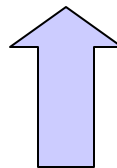
Contracting



Unit/Customer



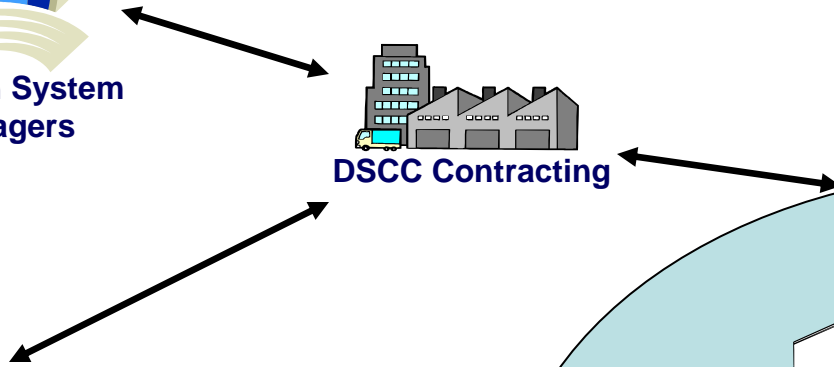
DLA Depot



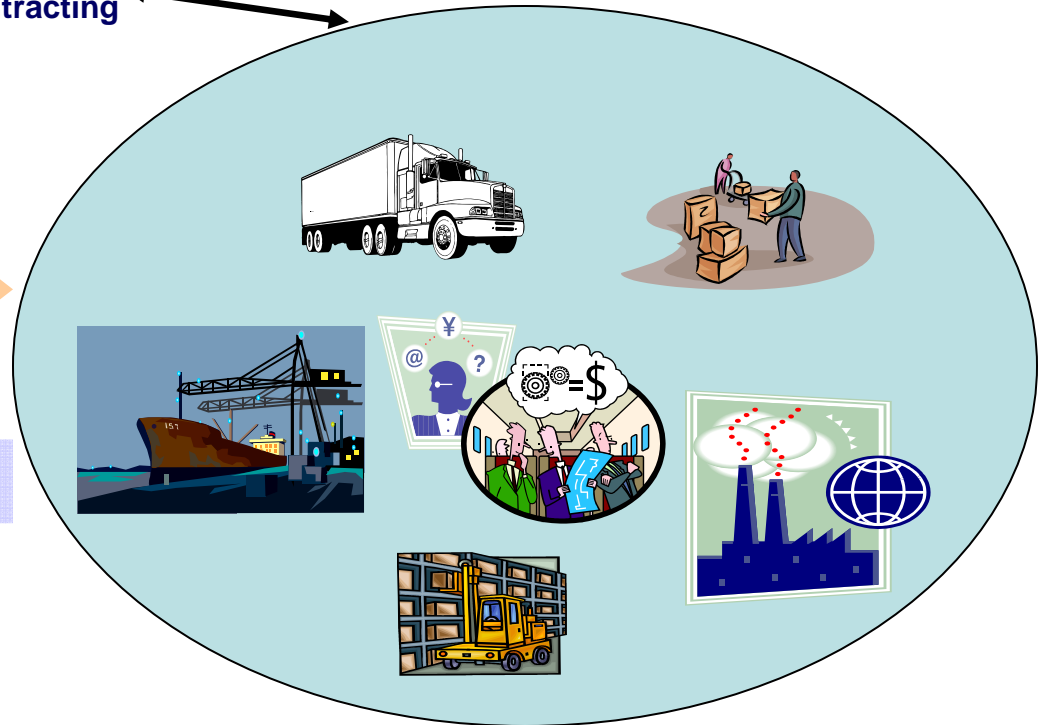
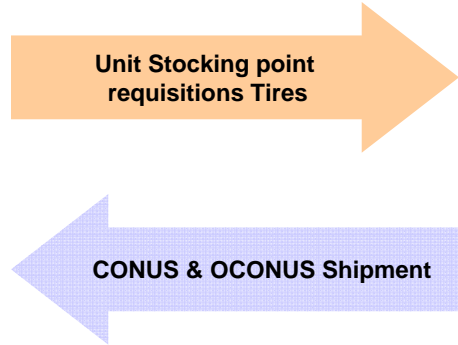
OCONUS Shipment



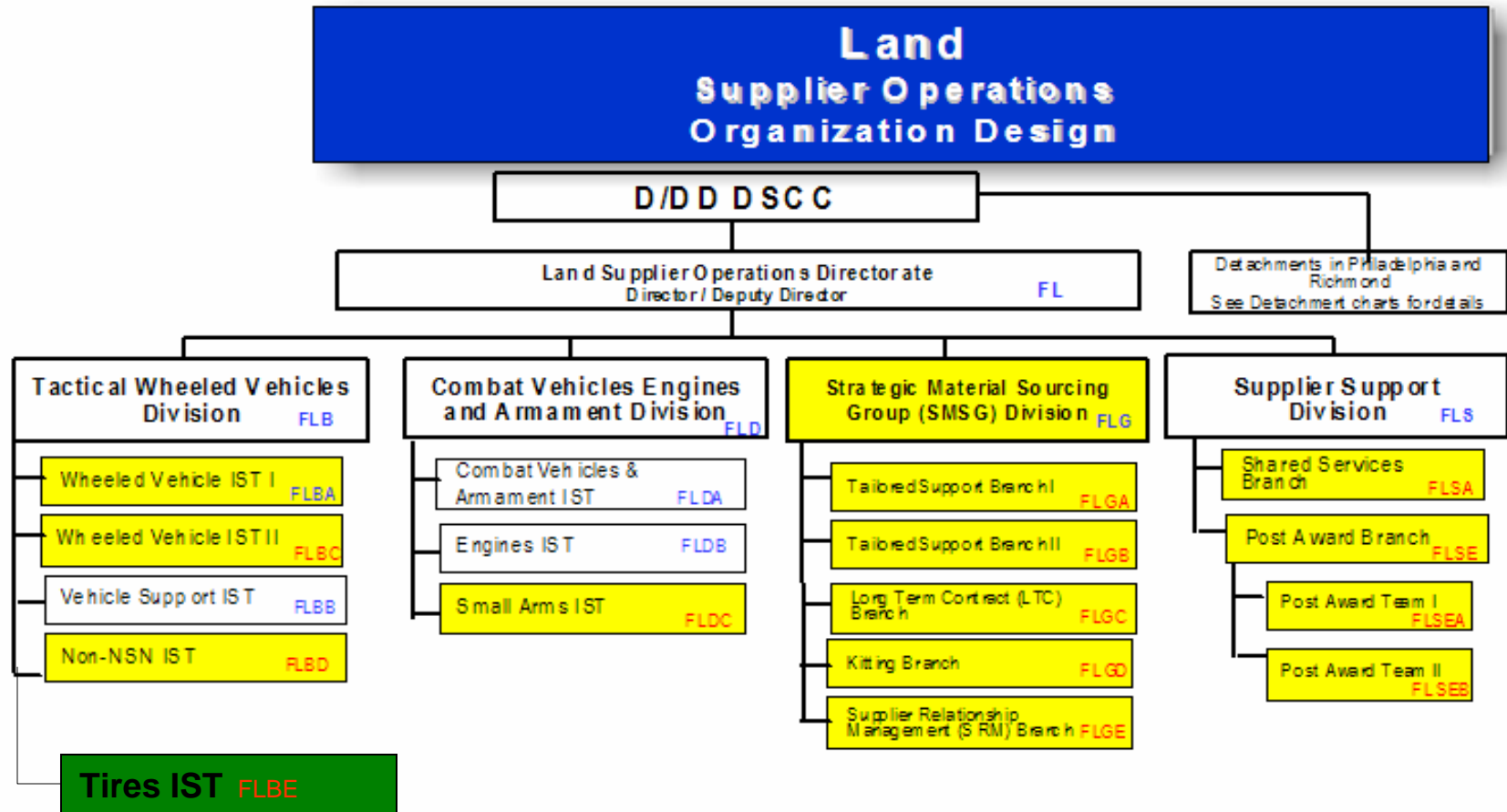
Supply Contract Function



Unit/Customer

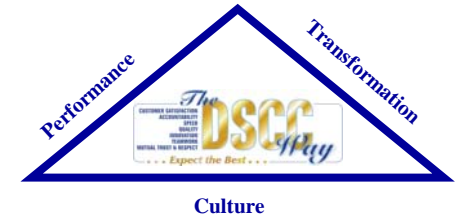


Commercial Supply Chain





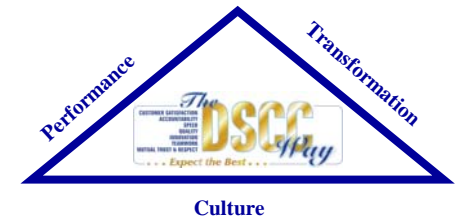
Benchmark

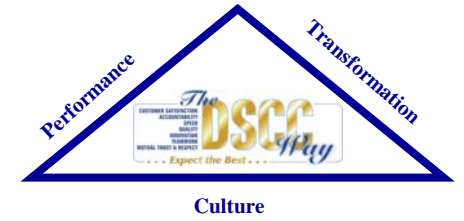


Right tire, right place, and on-time
with
Savings



Warfighter





Questions