



Tactical Wheeled Vehicle Conference

COLONEL DOUGLAS EVANS

Red River Army Depot - Depot Commander



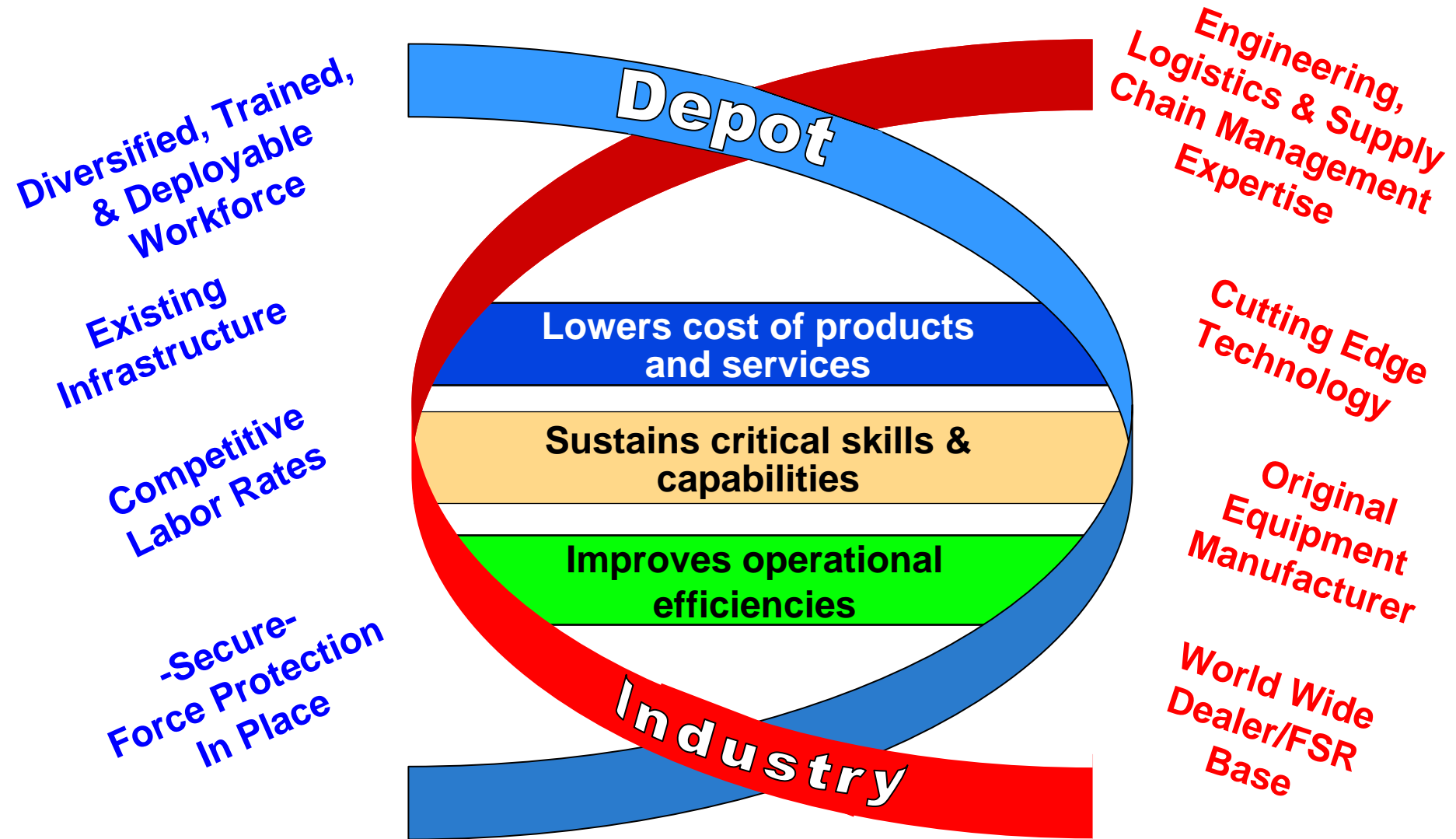
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Partnering & Lean



Tactical Wheeled Vehicle Conference

Public-Private Partnerships Work





Tactical Wheeled Vehicle Conference

High Mobility Multi-purpose Wheeled Vehicle

- **Direct Army Program to RRAD for Reset & Recap**
 - **RRAD is Prime**
 - Program Management
 - Technical & Engineering Support
 - Quality
 - Manages Sub-Contracts for Engines, Transmissions, & other Outsourced Work
 - Direct Labor for Reset & Recap
 - **Customer Pay Contract to AM General**
 - **Supply Chain Management**
 - Procures & Stores Parts
 - Configures Parts to Work Station Sets
 - Delivers Parts and Work Station Sets to the Production Shop Floor
 - **Benefits to the Army**
 - Parts Are Stored Off Site – No Warehouse Space Required on RRAD
 - No Production Line Stoppage for Parts Shortages in Over 400 Days
 - Production Line Efficiency Maintained



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Family of Medium Tactical Vehicles (FMTV)

- **P3 with BAE Systems Mobility and Protection Systems**
 - **BAE Systems is Prime**
 - Program Management
 - Technical & Engineering Support
 - Provides Qualified Cabs (GFM from SIAD)
 - Manages CFM Sub-Contracts for Axels, Engines, Transmissions, Cranes, & other Major Components
 - Provides Supply Chain Management Support to RRAD
 - **RRAD is Sub-Contractor**
 - Provides Facilities, Tools, & Equipment
 - Expedites Parts and Stocks Bins
 - Performs Direct Labor for Reset
 - **DCMA on Site at RRAD**
 - **Benefits to the Army**
 - Establishes Depot Capability at RRAD
 - Sustains Critical Skills & Capabilities
 - Provides Cadre of Skilled Personnel for Deployment



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Family of Heavy Tactical Vehicles (FHTV)

- **P3 with Oshkosh Truck Corporation (OTC)**
 - **Performance Based Logistics (PBL) Contract**
 - HEMTT
 - HET
 - PLS
 - **OTC Is Prime**
 - Program Management
 - Technical & Engineering Support
 - Quality Oversight
 - Supply Chain Management
 - Procures and Stores Parts
 - Configures Parts to Work Station Sets
 - Delivers Parts and Work Station Sets to the Production Shop Floor
 - **RRAD Is Sub-Contractor**
 - Facilities, Tools, & Equipment
 - Direct Labor
 - **Benefits to the Army**
 - Standardized SOW Between RRAD & OTC – Transparent to War Fighter
 - OEM Warranty via OTC worldwide service centers & dealerships
 - Configuration Management



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Mid-Range Caterpillar Engines

■ Six Sigma Charter Team Established Feb 07

- Caterpillar Corporate
- Caterpillar Holt
- RRAD
- TACOM

■ Objectives

- Establish Mid-Range Caterpillar Engine Repair Capability at RRAD
- Compliance with Established Caterpillar Certified Processes & Procedures
- Direct Labor Performed by RRAD
- Develop P3 with Caterpillar
 - Supply Chain Management to Obtain Certified Caterpillar Parts
 - Warranty Claims & Service by Caterpillar Dealerships and Service Centers (worldwide)

■ Pilot Overhaul On Going

- Data Will Drive Business Case Analysis for Future Work

■ Benefits to the Army

- Utilize Caterpillar Proven Experience from Commercial Engine Sector
- Data Collection for Determination of Maintenance Requirements
- Warranty Claims & Service by Caterpillar Dealerships and Service Centers (worldwide)



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Armored Security Vehicle

- **P3 with Textron Marine & Land Systems**
 - **Textron is Prime**
 - Provides Access to TDP
 - Provides Technical, Quality, & Engineering Support to RRAD
 - Provides Supply Chain Management to RRAD
 - **RRAD is Sub-Contractor**
 - Provides Facilities, Tools, & Equipment
 - Performs Direct Labor for Reset
 - **Pilot Overhaul On-Going**
 - Establish Baseline SOW
 - Develop Standard Processes by Work Station
 - Develop Business Case Analysis for Future Work
 - **Benefits to the Army**
 - Establishes Depot Capability at RRAD
 - Sustains Critical Skills & Capabilities
 - Provides Cadre of Skilled Personnel for Deployment



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FY07 P3
Revenue
>\$170M

FY08 P3
Revenue
goal \$225M

70 Active Contracts with industry



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DR. JOHN GRAY

Letterkenny Army Depot - Deputy to the Commander



Partnering & Lean



Partnership - a relationship resembling a legal partnership and usually involving close cooperation between parties having specific legal rights and responsibilities

SHIP PARTS

Supplier Partnership

Provider Partnership



Customer Pay - Integrated Supply Chain Partnership

- **Achievable With New Business Practices**
 - Not unlike “Prime Vendor”
 - Modeled after industry practice
 - Strength of industry in Supply Chain management
- **Better Forecasting and Demand Collaboration**
- **Cost Per Vehicle is Down**
- **Strong and common supply chain between OEM and Life cycle Maintenance Activity**
- **Reduction of Inventory and Storage Costs**



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Core Competency

Industry

- Supply chain management
- Obsolescence management
- Engineering management
- Program management

Military Depots

- Artisan technicians
- Established repair capability
- Diversity of capability
- Infrastructure
- Integral to defense maintenance systems



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Partnerships of the Future

- Shared Information
- Integrated enterprise
- Focus on total enterprise performance
- No clear boundary





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Where We Want To Go in the Future



Raytheon



MACRO Industries Inc.
Design & Engineering - Views From The Ground Up

**Partnerships are
the Future**

**75% of everything
depots do is on contract**

**Merging the strengths of
military industrial base with
what you do best grows
business; both ours and yours**





What are your Questions?

Transforming the Public-Private Relationship

DEPOT PANEL

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