Weapon System Life Cycle Support

NDIA Logistics Conference

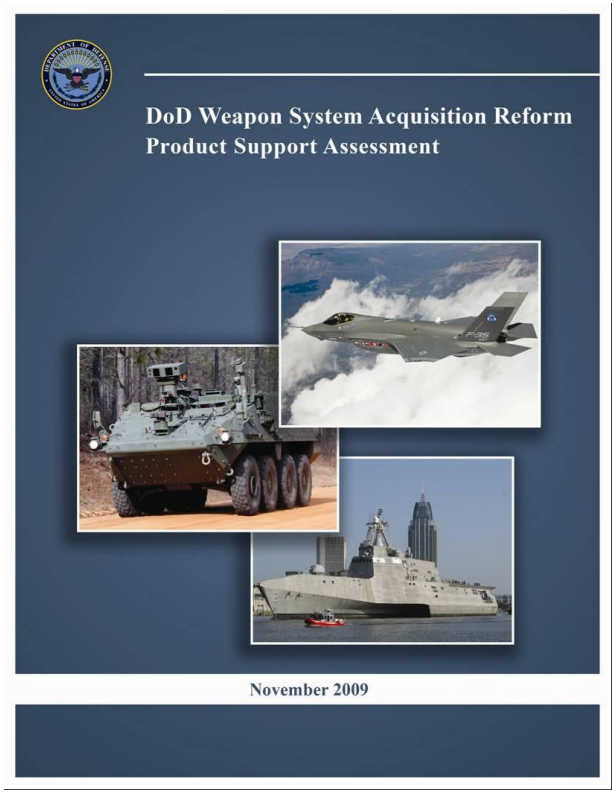
Miami, Fl

April 14, 2010

Panel Line-Up

- Mr. Randy Fowler – Assistant Deputy Under Secretary of Defense (Materiel Readiness) – Moderator
- RDML Vince Griffith – Commander, Defense Supply Center Richmond
- RDML Dave Baucom – Deputy Asst. Secretary of the Navy (Acquisition & Logistics Management)
- BrigGen James Kessler – Commander, Marine Corps Logistics Command
- Mr. Lou Kratz – Vice President, Logistics and Sustainment, Lockheed Martin Corporation

DoD Product Support Assessment



Assessment Purpose

- Recommends to senior leadership improvement of existing weapon system sustainment strategy
- Encompasses operational, acquisition, and sustainment communities
- Complements Weapon System Acquisition Reform Act with perspectives attentive to life cycle management and sustainment
- Provides recommendations to improve weapon system readiness and control life cycle cost

✓ *Senior Steering Group strongly endorsed report and way ahead*
✓ *Final report signed by USD(AT&L) on November 12, 2009*
✓ *Implementation Teams Underway*
✓ *Thanks to NDIA for participation along the journey!*

DoD Weapon System Acquisition Reform Product Support Assessment

Product Support Business Model:

Provide Program Managers a model template for a weapon system support strategy that drives cost-effective performance and capability for the Warfighter across the weapon system life cycle and enables most advantageous use of an integrated defense industrial base

Industrial Integration Strategy:

Align and expand the collaboration between Government & Industry that produces best value partnering practices

Governance:

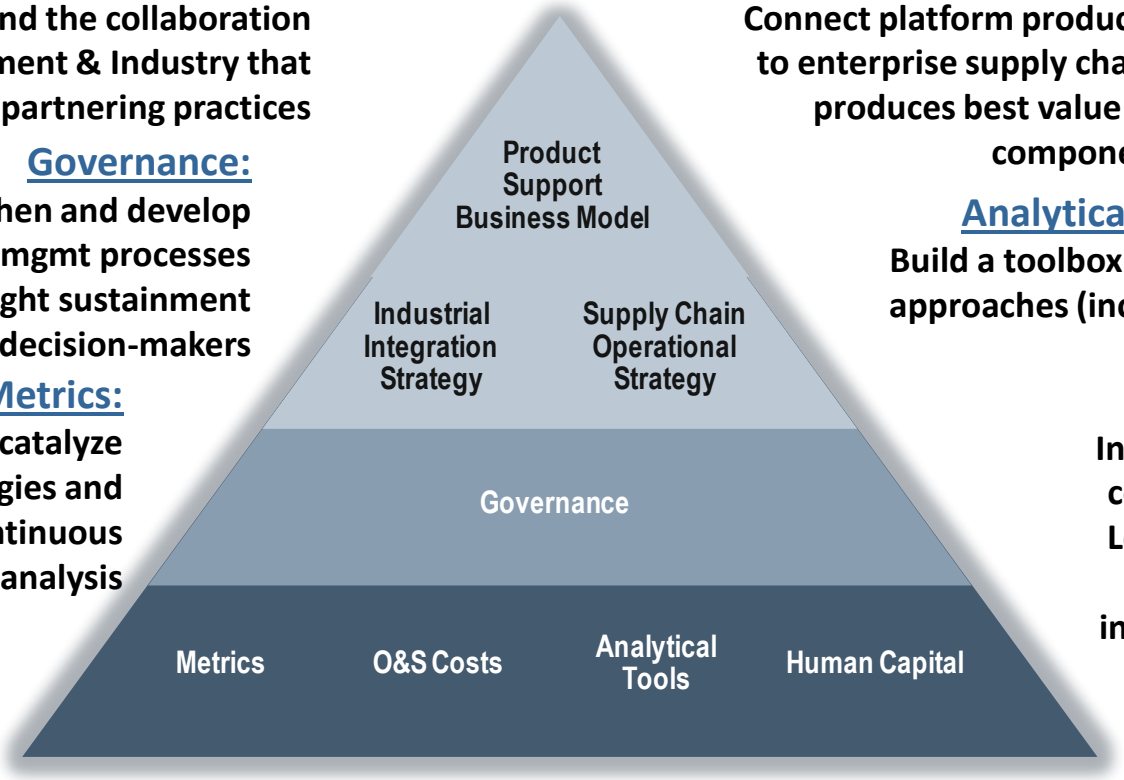
Strengthen and develop organization and mgmt processes to deliver the right sustainment information to decision-makers

Metrics:

Use existing metrics to catalyze sustainment strategies and trigger continuous supportability analysis

O&S Costs:

Improve O&S cost visibility and influence



Supply Chain Operational Strategy:

Connect platform product support strategies to enterprise supply chain approaches that produces best value across the DoD components

Analytical Tools:

Build a toolbox of analytical approaches (including BCA)

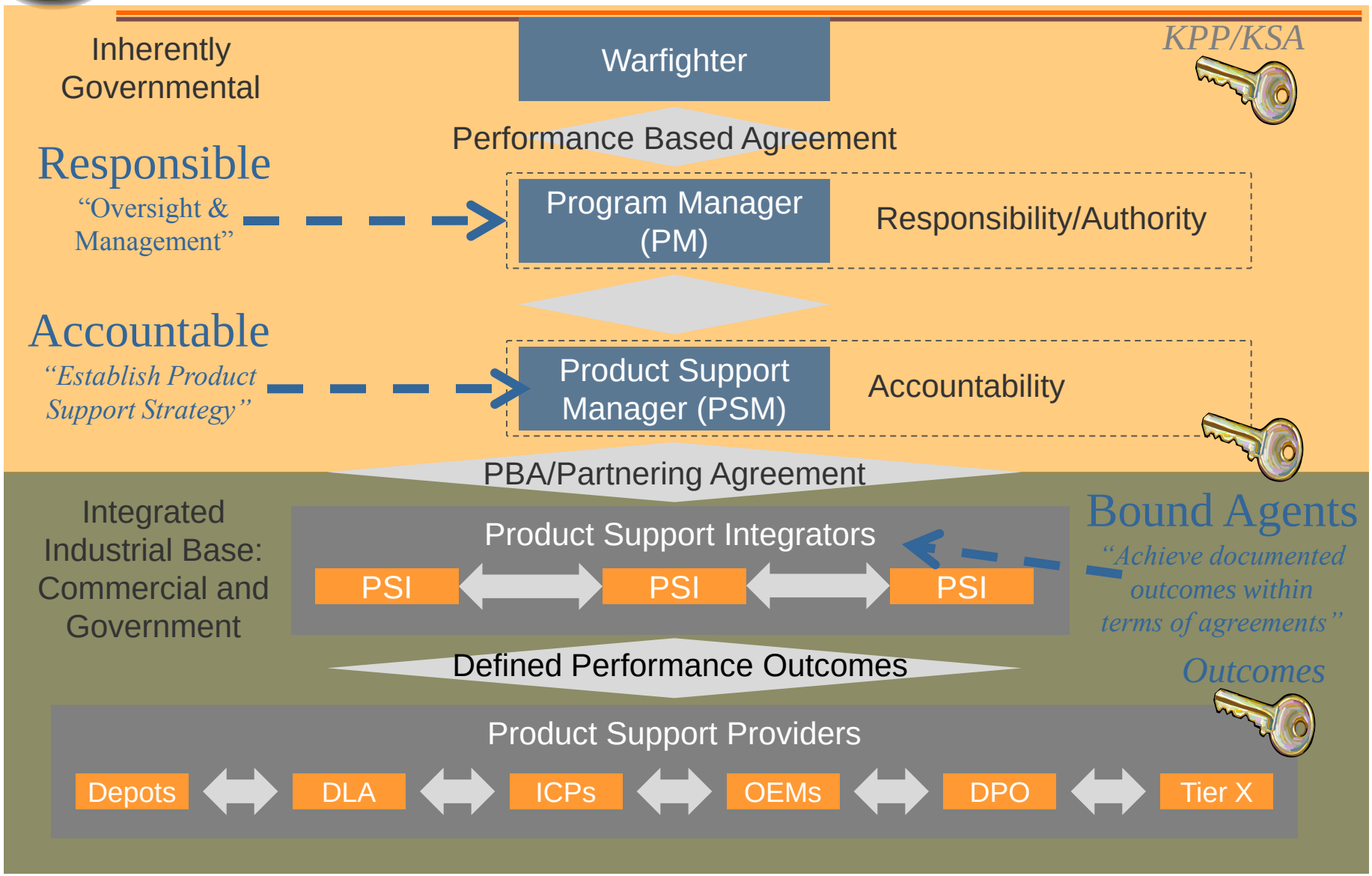
Human Capital:

Integrate Product Support competencies across the Logistics and Acquisition workforce domain to institutionalize successful traits of an outcome-based culture

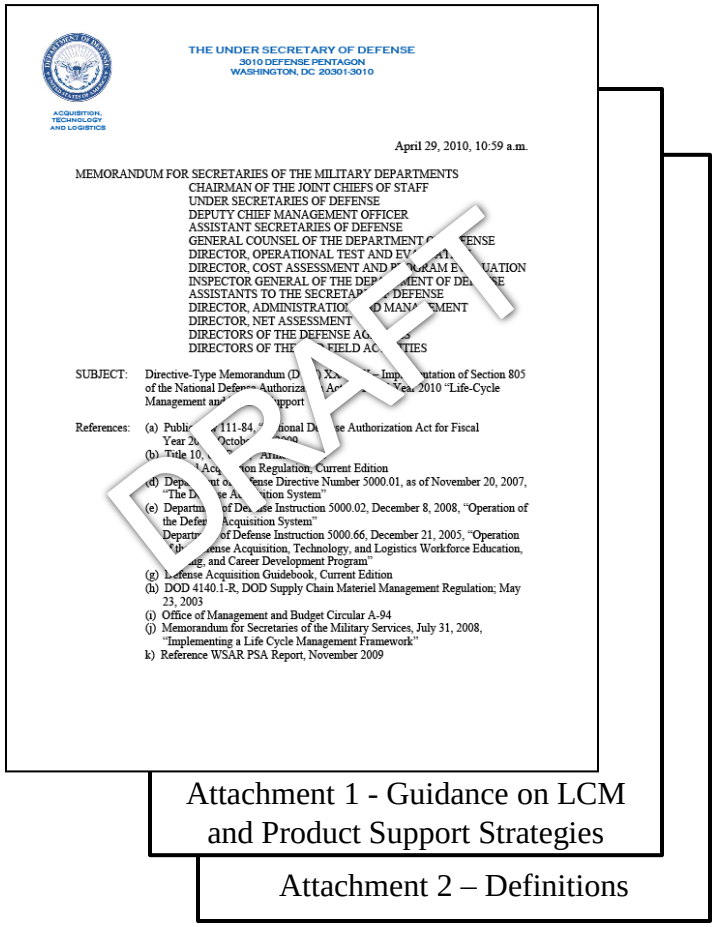
Weapons System Data:

Define, collect, report, and manage the data we need to drive effective Life Cycle Product Support

Product Support Business Model



FY 2010 NDAA Sec. 805, Life Cycle Management and Product Support


THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION, TECHNOLOGY AND LOGISTICS

April 29, 2010, 10:59 a.m.

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Directive-Type Memorandum (DTM) Xx-xxx – Implementation of Section 805 of the National Defense Authorization Act for Fiscal Year 2010 "Life-Cycle Management and Product Support"

References: (a) Public Law 111-84, National Defense Authorization Act for Fiscal Year 2010, October 2009
(b) Title 10, United States Code
(c) Defense Acquisition Regulation, Current Edition
(d) Department of Defense Directive Number 5000.01, as of November 20, 2007, "The Defense Acquisition System"
(e) Department of Defense Instruction 5000.02, December 8, 2008, "Operation of the Defense Acquisition System"
(f) Department of Defense Instruction 5000.66, December 21, 2005, "Operation of the Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program"
(g) Defense Acquisition Guidebook, Current Edition
(h) DOD 4140.1-R, DOD Supply Chain Materiel Management Regulation; May 23, 2003
(i) Office of Management and Budget Circular A-94
(j) Memorandum for Secretaries of the Military Services, July 31, 2008, "Implementing a Life Cycle Management Framework"
k) Reference WSAR PSA Report, November 2009

DRAFT

Attachment 1 - Guidance on LCM and Product Support Strategies

Attachment 2 – Definitions

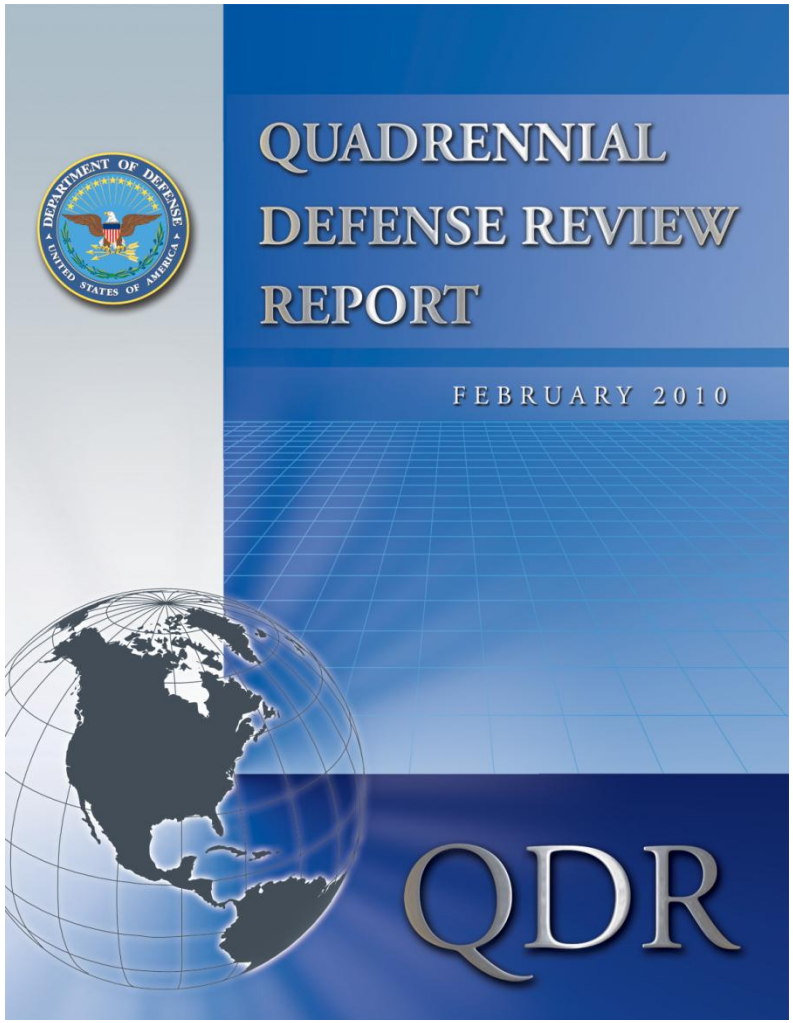
- Outcome-based (readiness-based) strategies at best-value costs
- Balanced use of DoD and industry resources via stable and robust partnerships
- Maximize competition, or the option of competition for long-term effectiveness
- **Assist PMs in LCM responsibilities via establishment of mandatory product support manager (PSM) positions**
- Assign properly qualified military or DoD employee to PSM positions
- Specifies PSM duties

On track for April 30 guidance issuance

Sec 805 – What's Different?

- **Explicitly establishes a PM help-mate**
- **Strengthens PM authority (funding)**
- **Builds a better Life Cycle Logistics human capital asset**
- **More respect for an integral program management position (front-line)**
- **Potential for many key roles and responsibilities to be performed better**

Quadrennial Defense Review 2010



➢ *Reforming How We Buy:*

Improving program execution

- Employ fixed-price development contracts more frequently
- Constrain added requirements by employing Configuration Steering Boards
- Demonstrate critical technologies and prove concepts prior to initiating engineering and manufacturing development
- Certify technology maturity through independent reviews and technology readiness assessments
- Develop more accurate technical baselines
- Conduct realistic integrated testing as early as possible
- Better align profitability with performance
- ***"Achieve effective life cycle cost management by employing readiness-based sustainment strategies, facilitated by stable and robust government-industry partnerships."***

➢ *Strengthening the Industrial Base*

- ***"…create and/or sustain competition, innovation, and essential industrial capabilities."***

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

NDIA 26 Annual National Logistics Conference

V. L. GRIFFITH
Rear Admiral, SC, USN
Commander,
Defense Supply Center Richmond

14 April 2010

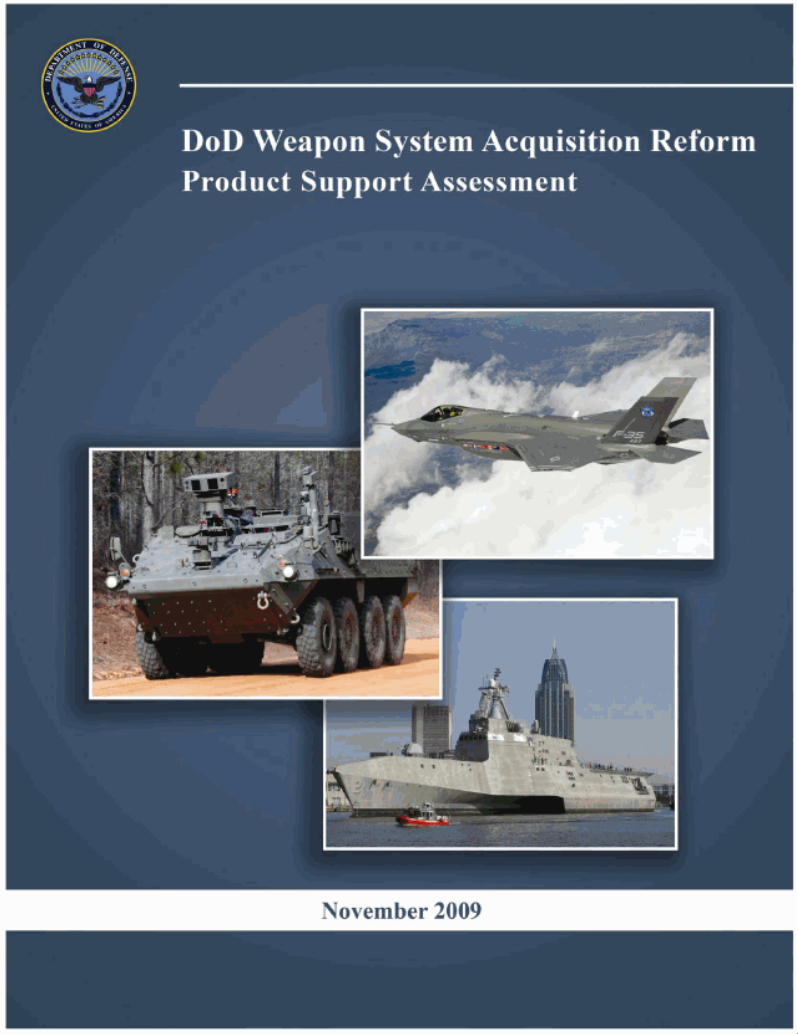
Life Cycle Management: *Influencing Weapon System Logistics*

Assessment – Nov 2009

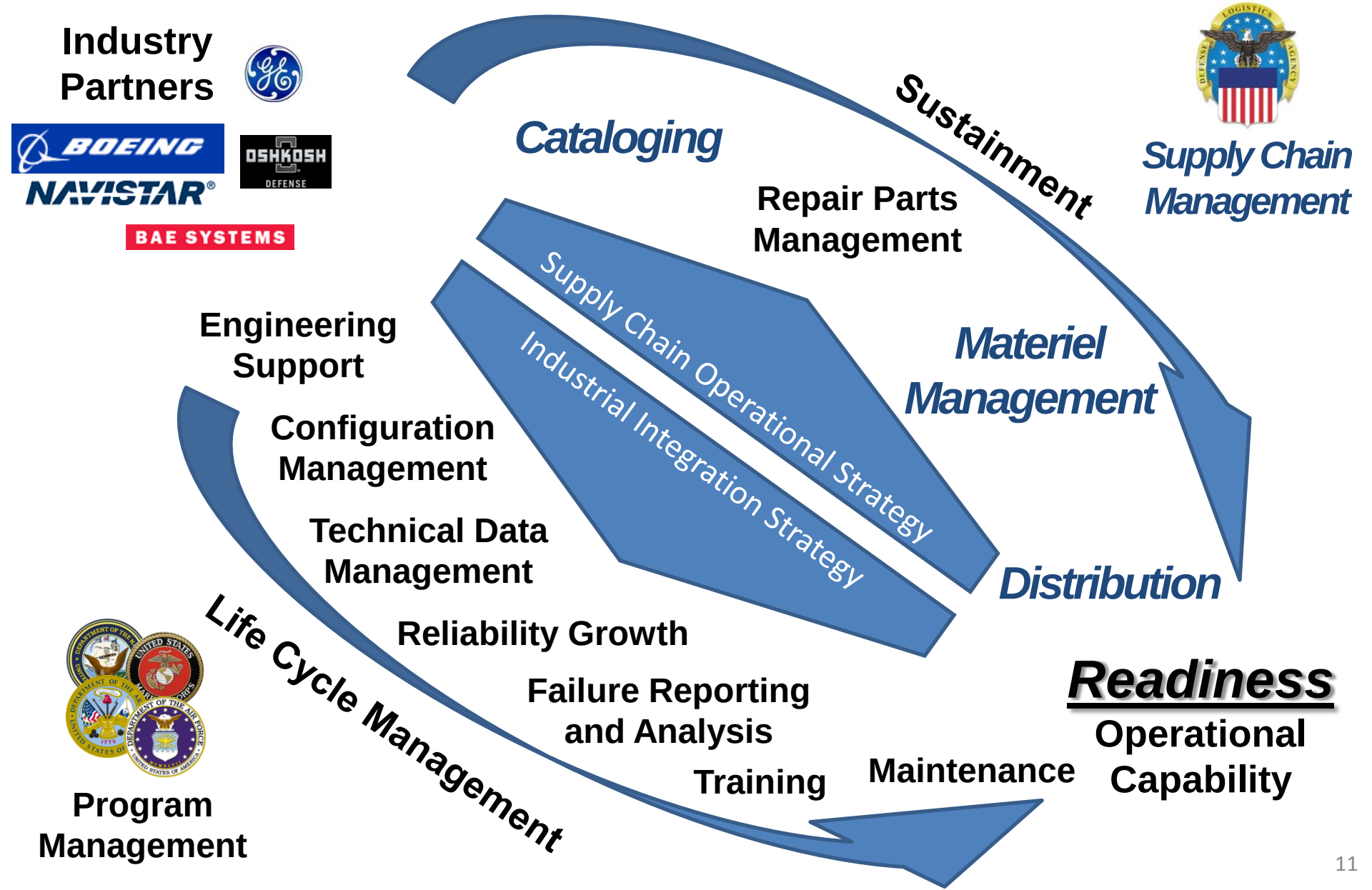
- Enterprise versus Platform perspective
- No single end-to-end supply chain owner
- Lack of visibility of total costs

DLA Contributions

- Balance Platform support with Enterprise efficiency
- Collaborate with military and commercial partners
- Capture and share total cost



Product Support Management



Product Support Provider (PSP): *Joint Collaboration with Industry*

MRAP Example

- Partnerships with OEMs and services
- Rapid evolutionary development and deployment (ACAT ID)
- Approaching PSI engagement

Forward repair

Upgrades

Depot support

Theater support

MRAP Family

- 6 OEMs
- 100+ variants
- Engines, transmissions...

Cataloging

Initial fielding

Initial MRAP contract

SECDEF armor memo

Joint MRAP program est.

17K Items

35K Items
$465M FY09

Operation Iraqi Freedom

Operation Enduring Freedom

Dec 04 | Nov 06 | Jan 07 | Apr 07 | Sep 08 | Today

12K+ Vehicles

Product Support Integrator (PSI): *Partnering with all Sources of Support*

DLA Industrial Support

- Exploit wholesale supply
- Optimize retail supply
- Utilize organic capability
- Integrate DLA and non-DLA material
- Perfect Order Fulfillment (POF) driven execution

KC-135 Flight Controls
- 22 End items
- 8,000+ Items
- $36M per year (Parts)

Parts

Parts

DLA OK City
Retail Supply
Local Procurement
Planning

Tech Data

Forecasting

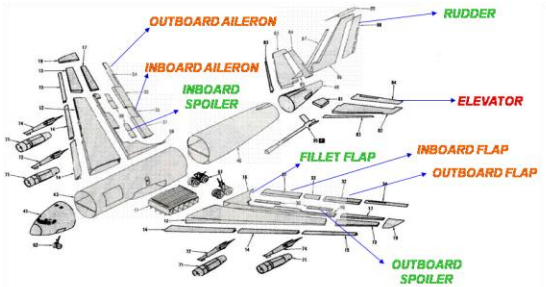
Strategic Contracting

Aging Aircraft Issues

Organic Manufacturing

Retail Inventory

Depot Maintenance



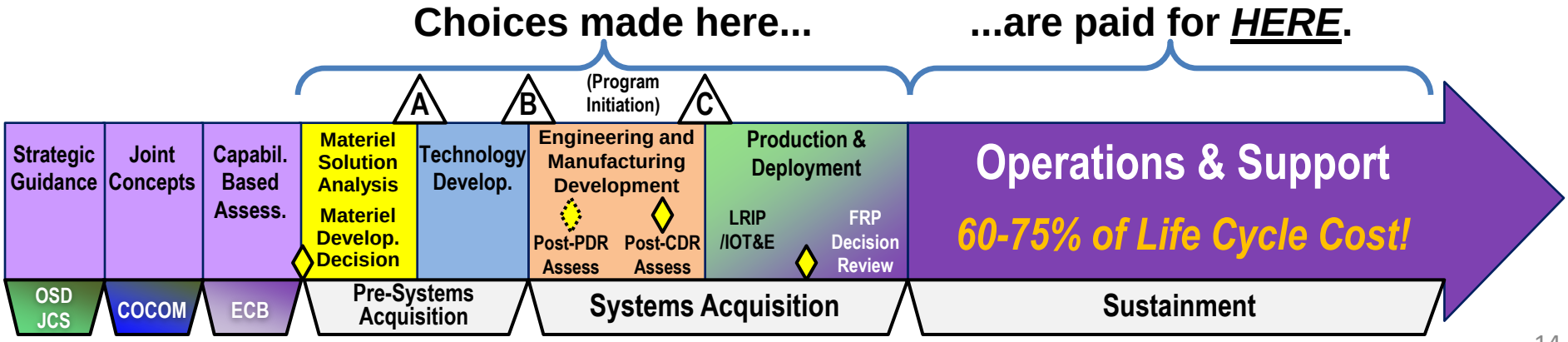
Product Support Decisions:
Optimizing Total Logistics System Value

Considerations

- Balance cost/risk/capabilities
- Focus on performance and manage by facts & outcomes
- Decision drivers:
  - Availability
  - Reliability
  - Affordability

DLA Contribution

- National (global) supply system
- Sustainment commitment through disposal
- Global/theater deployable



Product Support Manager and DLA: *Partnering to Sustain the Warfighter*

Product Support Manager

- Weapon system view
- Enabling metric POF

Takeaways

- Understand support contribution of enterprise
- Understand support strategy impact enterprise
- Collaborate w/DLA

DLA

- Supply chain view
- Objective metric POF

Takeaways

- Understand support contribution to weapon system
- Understand weapon system support costs
- Collaborate w/PSM

Shared Vision...Optimum Warfighter Support

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

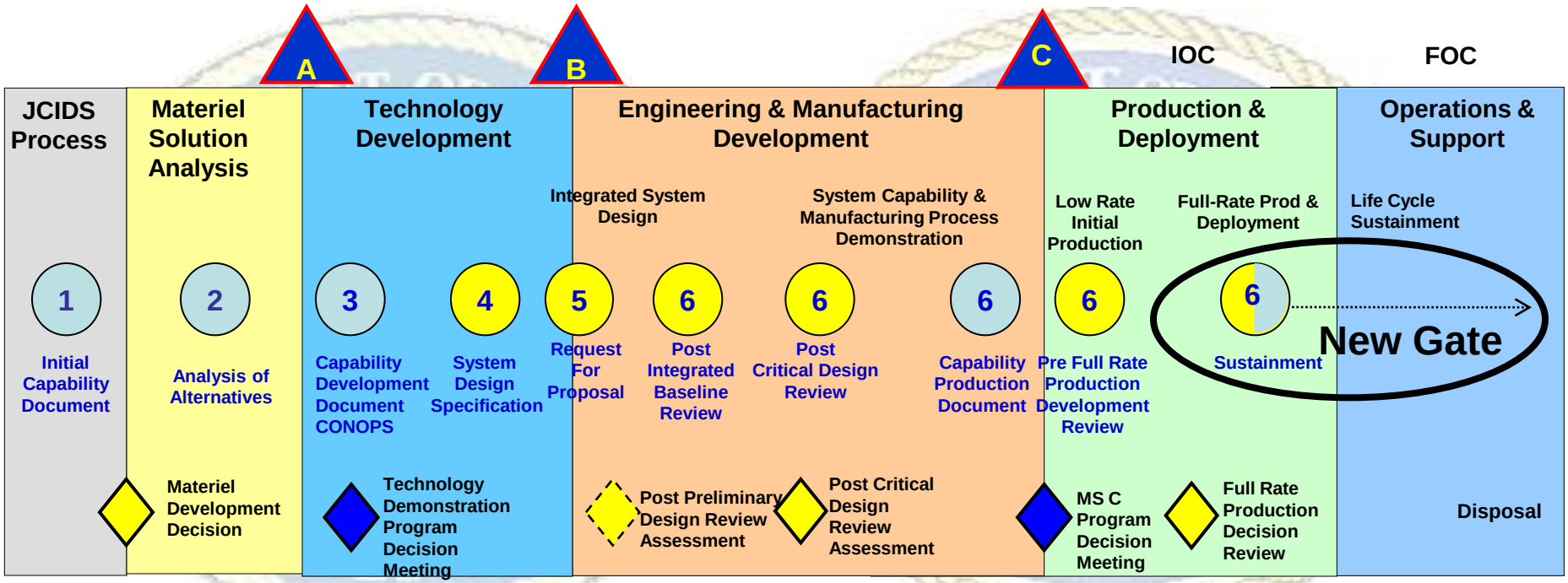
Naval Weapons Systems Life Cycle Support

RDML Dave Baucom
Deputy Assistant Secretary of the Navy
(Acquisition and Logistics Management)
April 14, 2010

2 Pass / 6 Gate Process

DON Requirements — Acquisition

Program Initiation at Milestone B



Legend: Gate Chair: ASN(RDA) — Gate Chair: CNO/CMC

Gate Review Core and Program Health

Gate 5 (RFP)	Membership	Entrance Criteria	Goals/Exit Criteria	Briefing Content
Purpose: RFP Approval and MS B PDM (if applicable), Assess Affordability **Briefer:** PM	**Chair:** ASN(RD&A) **Principal:** VCNO/ACMC, ASN(FM&C), N00N, N8/DC, P&R/DC, CD&I, N1/DC, M&RA, N2/N6, N3/N5/DC, PP&O, N4/DC, I&L, DON CIO, PDASN, WE Lead &/or USFF/MARFOR, SYSCOM, PEO/DIRSSP **As required:** CNR, DC, Avn **Advisory:** ASN(RD&A)CHSENG, DASNs, N80, N81, N82, N81D, N091, USFF(N8), HQMC(CL, PA&E), OGC, DASN(FMB), DASN(C&E), SYSCOM Cost Director, Resource Sponsor, DirNIPO, OPPA, COTF/MCOTEA	1. Approved SDS and Technical Data Package 2. Approved Acquisition Strategy 3. Completed Cost Review Board 4. RFP has been reviewed by the Source Selection Authority (SSA) and reviewed by principal and advisory members/staffs 5. Approved TEMP 6. Approved alternate Live Fire Test and Evaluation (LFT&E) plan and an approved LFT&E waiver from full up testing 7. Completed Service review of Life Cycle Sustainment Plan	1. Approval for RFP release, and the next acquisition event, as authorized by the Acquisition Strategy 2. Authorization to proceed to Milestone B DAB or approval of Milestone B if MDA is ASN (RD&A) 3. Approve APB and Full Funding Certification for MS-B 4. Acknowledgement of CSB recommended capability changes. Approval to proceed to R3B/MROC, or CNO/CMC, for assessment and Service approval 5. Satisfactory review of Program Health	1. Review capability and threat 2. Acquisition Strategy 3. Program Schedule 4. RFP content and issues 5. All critical data deliverables and related intellectual property right issues addressed 6. Demonstration that financial, logistics, and Procurement functions have agreement on the appropriate and compliant level of Acquisition detail 7. MS-B SCP, assumptions, and cost [illegible] Curves by appropriation 8. Cost drivers by phase and by KP[illegible] include specific cost reduction strategies 9. TOC Planning 10. Cost arrayed in accordance with NCCA policy (i.e. MIL HDBK 881 and OSD CAIG [illegible]) 11. ILA results and Life Cycle Sustainment Plan 12. [illegible] assessment of doctrine, organization, training, materiel, leadership & education, personnel, & facilities (DOTMLPF) change requests 13. Job Task Analysis, Front End Analysis, Final Training System Plan, and Manpower Estimate 14. Summarized results of CDR (if applicable) 15. Environmental issues/impacts 16. Review the overall Test and Evaluation program and results of key test events 17. Interdependencies 18. Configuration Steering Board (CSB) [illegible] 20. Program Health

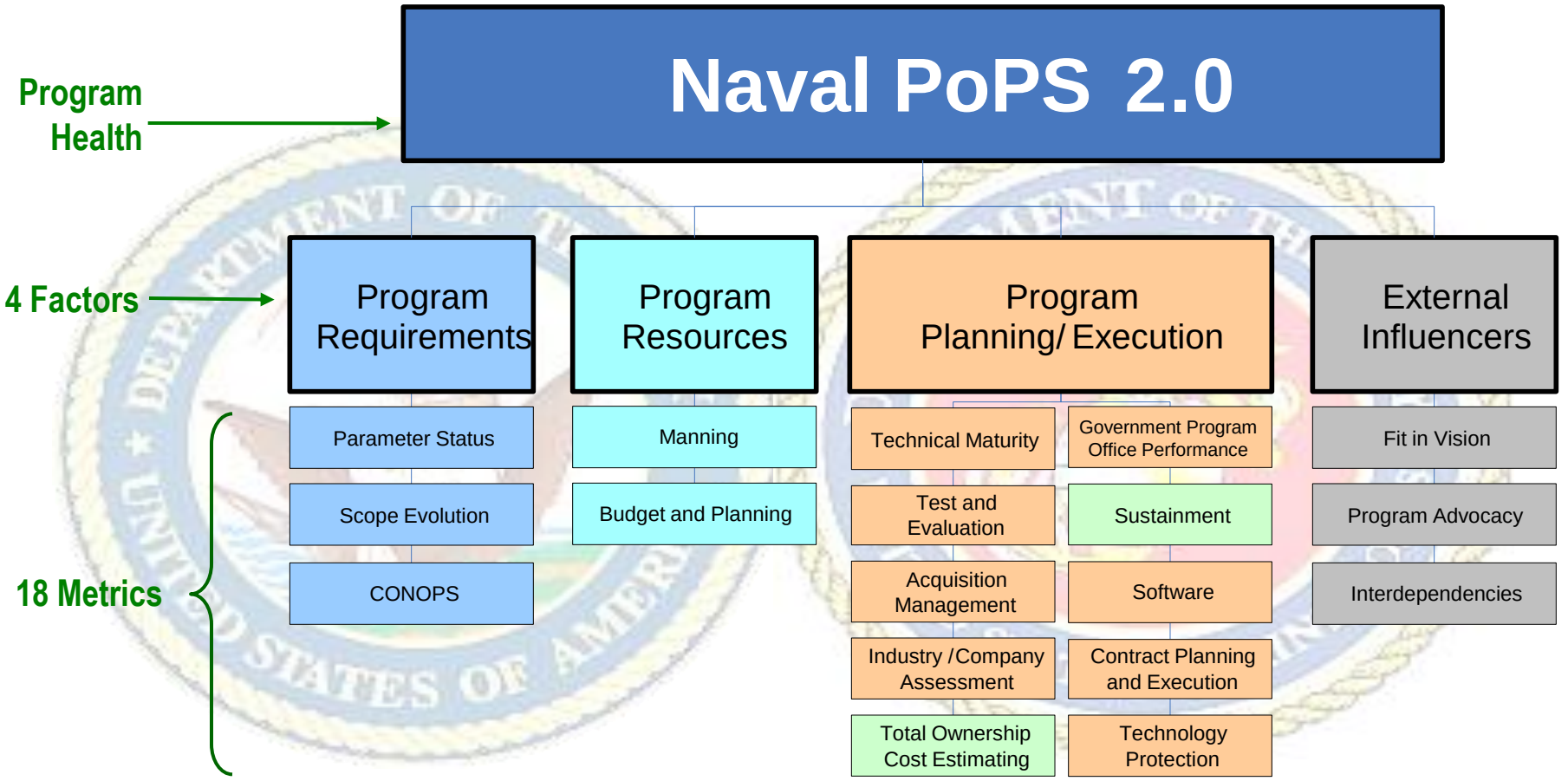
"Core" = Detailed information germane to the Gate Decision

"PoPS" = Holistic view of overall program health and readiness to proceed

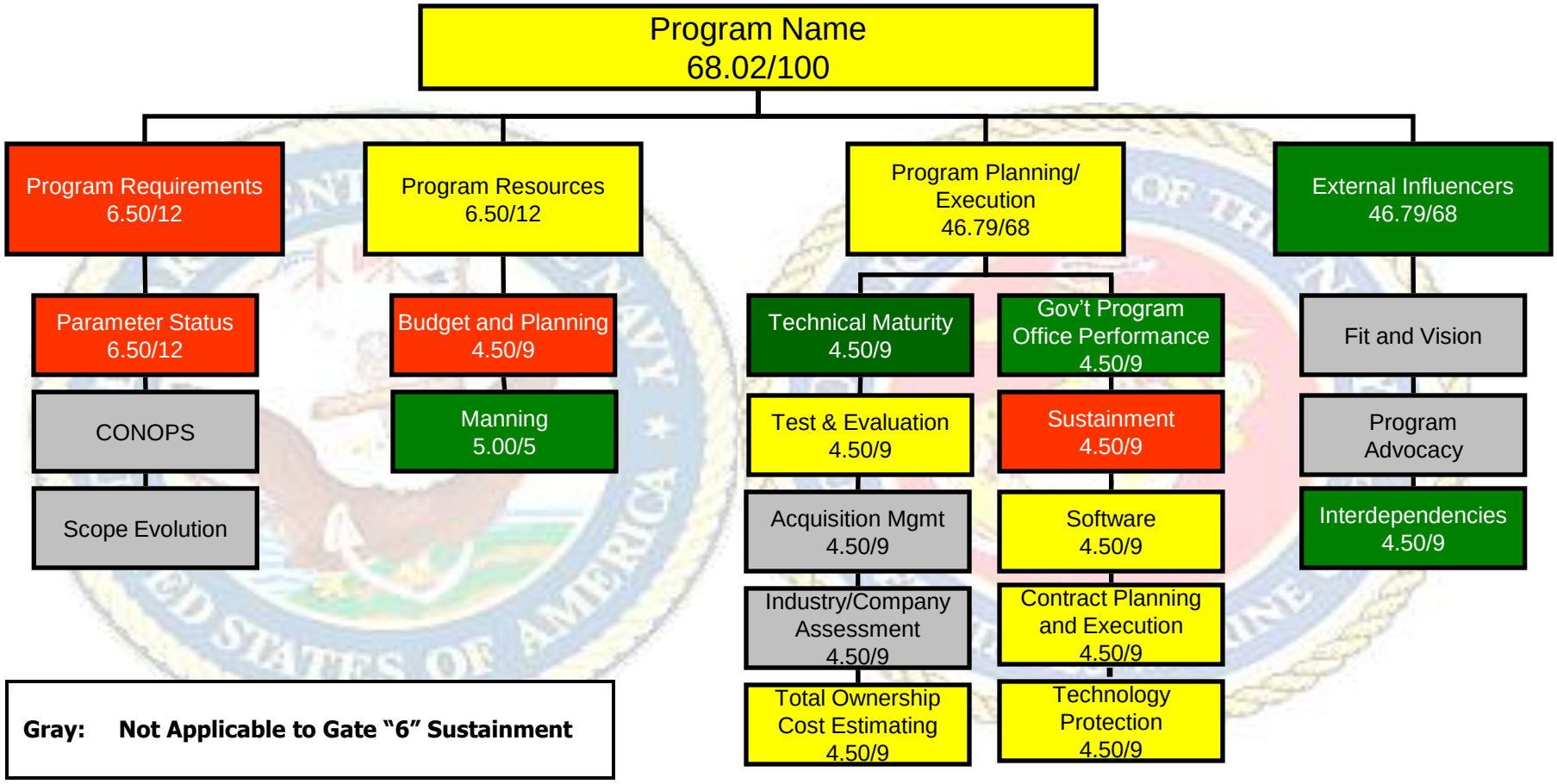
- Used during Gate Reviews and anytime Program Health is discussed

11. ILA Results and Life Cycle Sustainment Plan

Probability of Program Success



PoPS Program Health Scoring – Gate 6 (Sustainment)



PROPOSED

PoPS Scoring:
Gate 6 – Sustainment (Draft) Criteria

Total Ownership Cost Estimating	Gate 6 Sustainment	6.sust.8.1	Post-Initial Operational Capability (IOC) cost estimates and the projection of the Total Ownership Cost (TOC) Objective versus Service Cost Position (SCP) baseline are substantiated by assessed fielded systems performance, operations, and sustainment related expenditure to date.
Sustainment	Gate 6 Sustainment	6.sust.11.1 (critical criteria)	Sustainment program logistically supports all system performance capabilities introduced to date, such that Key Performance Parameter/Key System Attribute (KPP/KSA) capability parameters are assessed to meet threshold levels.

USMC Life Cycle Product Support: The "Single Battle Concept"

Brigadier General Jim Kessler
Commanding General
Marine Corps Logistics Command

Marine Corps Life Cycle Product Support: More Than a Procurement Decision

- Recognizing it's more than a "PM-centric" view of Life Cycle Management
- Integrating USMC strategic imperatives into the process
  - Future warfighting concepts and requirements
  - Current acquisition and sustainment procedures
  - Early sustainment planning and development
  - Advocacy for combat readiness of the MAGTF
  - Shaping logistics policy

Marine Corps Life Cycle Product Support: "…An Indivisible Entity…"

"…focus the efforts of all the elements of the force to accomplish the mission."

Life Cycle Management Governance

Program Management

Sustainment strategy development and execution

Future warfighting capabilities development and integration

Advocacy for MAGTF combat power

Marine Corps Life Cycle Product Support: Capitalizing on Strategic Capacity

Critical Value of the Service-owned Depots

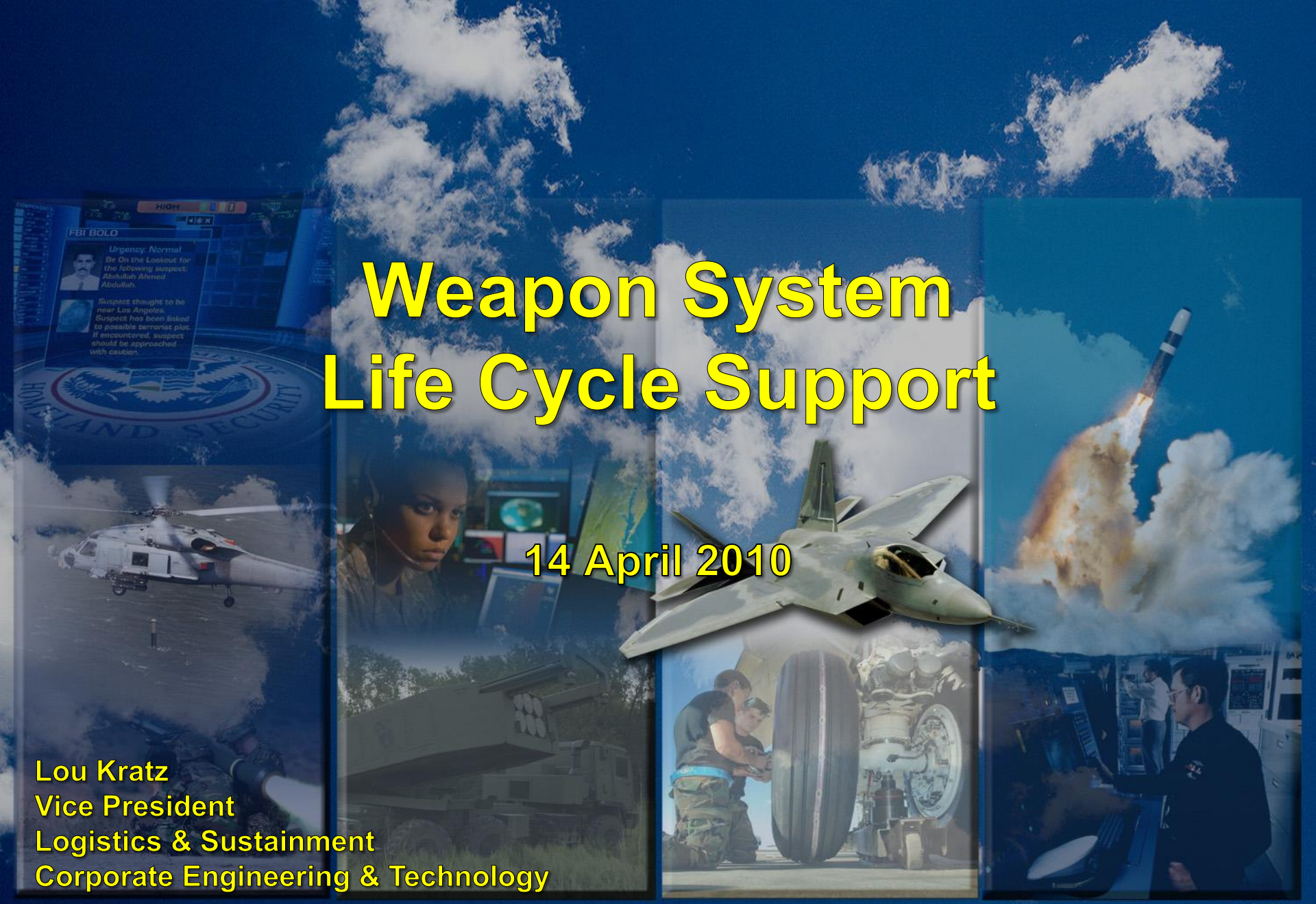
- Reliability
- Endurance
- Flexibility

Questions

Weapon System Life Cycle Support

14 April 2010

Lou Kratz
Vice President
Logistics & Sustainment
Corporate Engineering & Technology



MSV-07_331

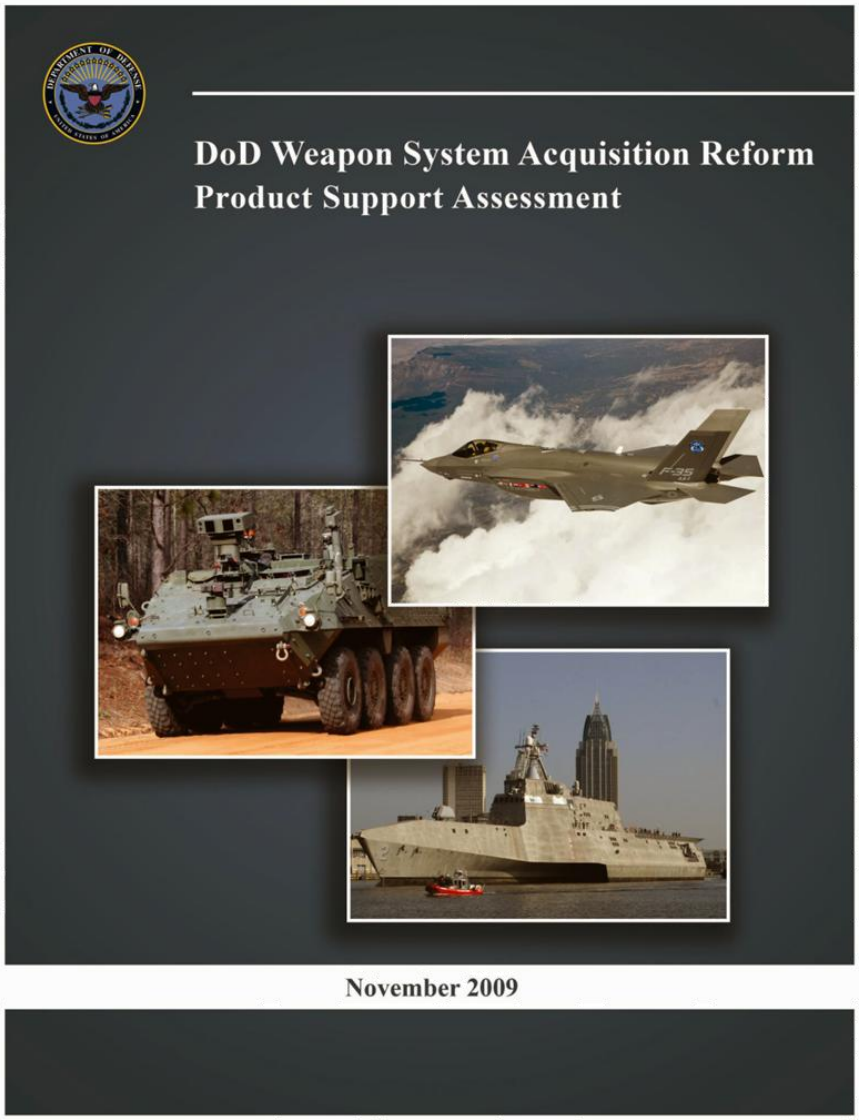
Agenda

- Changing Environment
- Industry Efforts
- Government Efforts
- Path Forward

Changing Environment

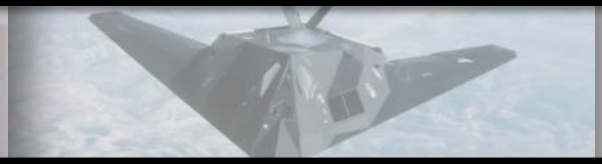
- **Weapon System Acquisition Reform Act**
- **Product Support Assessment**
- **NDAA, Section 805**
- **Quadrennial Defense Review**

Product Support Assessment



- **Outcome-based sustainment**
- **Clear accountability**
- **Enhanced business model**
- **Extended industrial integration**

Industry Efforts



F-22 Raptor: Leading the Way

- **Outcome-based**
- **Best from Gov't**
- **Best from Industry**
- **Sustained Air Dominance**

Government Efforts

- **End to End Supply Chains**
- **Life Cycle Management**
- **Performance Based Partnership**
- **Joint Logistics Wargames**

Next Steps

- **Develop outcome-based metrics**
- **Refine analytic tools and BCAs**
- **Further develop DoD workforce**
- **Implement outcome-based sustainment for fielded systems**