



Overcoming Challenges and Improving Cooperation for Sustainment of Tactical Wheeled Vehicles

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The Challenge



❖ Declining Budgets

- **Modernization & Sustainment Funding**
- **End of OCO Funding**
- **Deferred Future Procurements**
 - **Limited Production, Modernization, and Technology Insertions**
 - **Increase to Number of Variants to Sustain and Support**
 - **Increase to Average Fleet Age**

❖ Risks

- **Impacts to Readiness**
- **Obsolescence & Corrosion**
- **Industrial Base Concerns – Commercial and Organic**
- **Loss of Technical Expertise/Critical Capabilities**
- **Limited Configuration Envelope for Space, Weight and Power Modifications**
- **Growing Gap between Capability and Future Threats**

❖ Other Factors

- **Trust**
- **Culture**
- **Collaboration/Communication Shortfalls**
- **Process Constraints (Statutory/Regulatory/Time)**
- **Continued Uncertainty/Lack of Predictability**



Pursuing The “WIN – WIN”



- ❖ **Trust**
- ❖ **Communication/Collaboration/Cooperation**
- ❖ **Partnerships/Direct Sales Arrangements**
- ❖ **Leverage Strengths – Technology/Processes/Intellectual Manpower/Skilled Labor**
- ❖ **Incentivize Innovation/Efficiency**
- ❖ **Pursue “Related” Work to Maintain Critical Competencies**
- ❖ **Continuous Incremental Improvement of Policy and Processes - Efficiency Focused**



PANEL



- ❖ **Colonel Doyle Lassiter – U.S. Army Commander Red Reiver Army Depot (RRAD)**
- ❖ **Mr. James W. Groom II, Vice President, Logistics and Sustainment, Navistar Defense**
- ❖ **Mr. Clint Herrrick, Director, Global Integrated Product Support, Oshkosh Defense**
- ❖ **Mr. Scott Greene, Vice President, Ground Vehicles, Lockheed Martin Missiles and Fire Control**
- ❖ **Mr. John FitzPatrick, Vice President, Programs, DRS Sustainment Systems, Inc.**



Tactical Wheeled Vehicles

Partnering for

Success

COL Doyle Lassitter
Red River Army Depot



The Facts



- ✓ Mission: Sustain the TWV fleet for Army, NGB, USARC, and other service customers supporting National Defense.

- ✓ RRAD CITE for Army TWV: enables immediate support of Combative Commands now.

- ✓ Issues:
 - Large retrograde and readiness
 - Reduction in Future Funding
 - Keeping the Organic and Commercial Industrial Base Supportable

- ✓ Resolution: Public – Private Partnerships



Proven Success



✓ Established P3's

Direct Sales

- AM General – 900 HMMWV's
- BAE – Bradley
- Critical Solutions International – Husky Transfers

Supply Chain Management

- URS – FMTV
- AM General – HMMWV
- Caterpillar – Engines

✓ TWV Accomplishments

- Navistar – Capsule program for MRAP – Work Share
- BAE – FMTV RESET – Direct Sales
- Textron – ASV Pilot Reset – Direct Sales

✓ Joint Services

- Marine Corp – MRAP and HMMWV
- Navy – MRAP
- Air Force - MRAP



Partnership Wins



- ✓ Benefits both partners
 - Reduced subcontractor oversight
 - Artisan skills
 - Clear commitment to program goals
 - Creates platform for future opportunity
 - Utilize each other's core strengths
- ✓ Incentivizing P3's for OIB contracts
- ✓ Trust and Transparency enables Teaming

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Total Performance Sustainment for the DLA

DLA Goals:

Reduction in Direct Material Costs

Reduction in Operating Costs

Reduction in Inventory



Order Management

- OnCommand E-commerce business tool
- OnCommand Fleet Charge business tool



Customer Service

- Product Availability
- Lifecycle Support
- Account Management
- Service Support Tools



Parts Knowledge / Supply Chain

- Navistar Defense Parts Centers (NDPCs)
- Commercial Heritage



Distribution

- NDPCs
- Navistar's Global Parts Distribution

- Constrained resources requires different thinking (we all want to eat)
- TPS removes requirement for DLA to bear cost (inventory risk/cost removed)
- Leverages commercial distribution/supply chain network (risk on industry)
- Distribution/Dealer network "Core" to Navistar..... Open to others.



Direct Material Costs

Operating Costs

Reduce Inventory

TPS is leveraging the commercial National Account support process through:

- **Fleet Charge** – guaranteed pricing through localized inventories (NDPCs)
- **E-Commerce** – Delivery Order receipt from DLA to our NDPCs
- **Non-PBL** – but Commercial Supply Chain Support for fleets, such as noted in :
 - *Profiles of Navistar Fleet Programs: Ryder, ComEd, and Idealease*

TPS moves the inventory strategy to “just in time” delivery without costs to USG:

- **5 NDPCs** located along the outer rim of the US
 - Bases within hours of NDPCs for support and next- /same-day delivery
- Expand inventory locations without fixed costs
- Local customer service support to identify correct NSN and assist ordering through DLA
- Inventory carrying cost on commercial supply chain

TPS shifts inventory responsibility from DLA to Industry:

- Removes stocking costs based on immature algorithms
- GSA and EMALL – similar strategy, but with industry partner
- Potential commercial parts buy-back to reduce current overstocked DLA inventory
- Stock optimization revitalizes old stock to usable NSNs

Depot Panel “Overcoming Challenges and Improving Cooperation”

NDIA Tactical Wheeled Vehicles

Clint Herrick
Director, Global Integrated Product Support
Oshkosh Defense

06 May 2014



TWV Depot Partnering Challenges

- Identifying actionable business opportunities in current environment
 - ✓ Of common interest to both depot and industry
 - ✓ A good business case to both – strategic, profitable, and meet or exceed customer expectations
 - ✓ Real (funded) and sizeable (sustainable)
- Maintaining relationships to leverage opportunities when presented

Public-Private Partnerships with Depots will work as long as it makes business sense for all parties involved (good outcome for all stakeholders)

How to Overcome Challenges for Improved TWV Cooperation

- Routinely communicate well
- Play to respective strengths
- Protect industry's intellectual property in the process
- Fund reset and recap of our TWV fleet
 - Reset to meet readiness standards
 - Recap of existing light, medium, heavy and MRAP fleet with elements of modernization to improve readiness and increase troop protection
 - Do nothing and pay a much larger bill in the future
- ★ Define success realistically

Our common interest: Preserving the valuable TWV industrial base, both Government and private industry



Depot Collaboration

Scott Greene
Lockheed Martin

Shared Challenges



- Uncertainty of the future
- Maintain core skills
- Aging workforce – Resistant to change
- Preparation of leaders for future challenges
- Communication – Depots/OEMs/PEOs
- Sustain fielded systems beyond expected life

Depots and Industry share the same challenges

Partnering Challenges



- Communication
- Developing executable agreements
- Focus on leveraging strengths to reduce risk/costs
- Early communication – Depots/OEMs/PEOs
- Inconsistent PEO/OEM/Depot philosophies
- Work Share – emphasis on strengths

Both Industry & Depots need to focus on maintaining a strong Defense Base

Lessons Learned



- Industry needs to build a real working relationship with the Depots. Perform site surveys at each depot
- Develop partnerships that are defined / built in support of the Depot strong points
- Understand the capabilities and strengthens of one another (Both Industry and Depot)
- Understand Depots view on what programs they view as successful partnerships
- Industry needs to work with the Depot as a partner not as the competitor



Overcoming Challenges and Improving Cooperation Panel Discussion

NDIA TWV Conference – 6 May 2014



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M1000 Heavy Equipment Transport semitrailer carries armored vehicles and other heavy equipment loads weighing up to 70 tons.

M1000 Production commenced 2009 – 2014 with Tech Insertions



M1000 Reset commenced in 2010 – 2013





M1000: Asset Visibility

Issue:

- Asset Visibility for Reset Production Planning Purposes

Success:

- Cooperation between PM shop and ILSC to adjust delivery schedules

On-Going Challenges:

- Communication key to support production planning





M1000: “Over & Above” Contract Statement of Work

Issue:

- Over and Above Process Changed from CPFF to Actuals

Success:

- Finalized process to help keep DRS cash neutral (5 submittals)

On-Going Challenges:

- New Over and Above process forces contractors to invest cash for long periods of time





M1000: Depot Parts

Issue:

- Depots frequently require parts urgently

Success:

- Utilized production inventory to keep depot line running

On-Going Challenges:

- Inventories are rapidly being drawn down affecting Depot support

