

2006 REQUIREMENTS SYMPOSIUM

AFMC



**BREAKOUT TOPIC:
Support Equipment
Commodity Council
Management Plan Update**

**762d
Combat Sustainment
Group**

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Overview



- **CMP Objectives**
- **SECC Universe**
 - **Spares Status**
 - **Repair Status**
- **CMP Development Ground Rules**
- **Previous/Ongoing Initiatives**
- **Recommended Initiatives and Spirals**
- **Current IPT Spirals**
- **Summary**



CMP Objectives



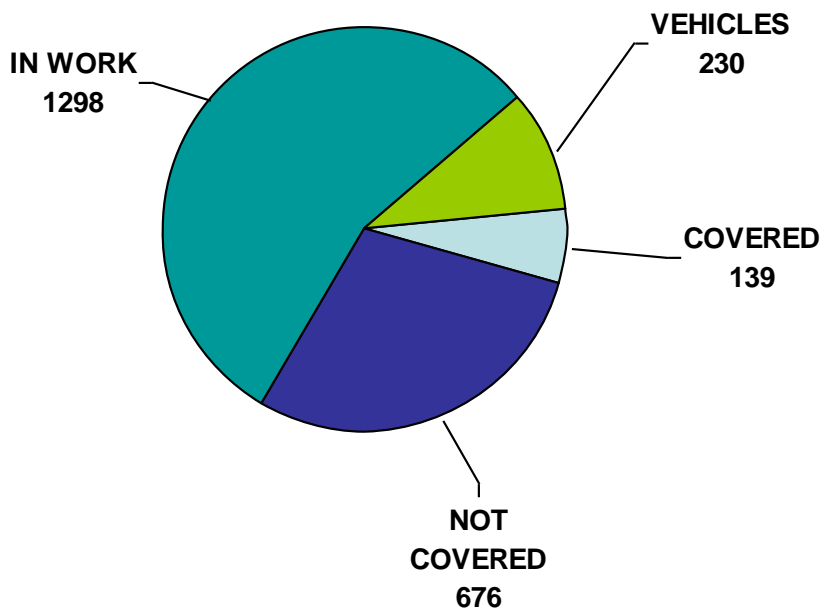
- **Achieve PSCM Goals**
- **Address SCM Issues**
- **Improve Customer Satisfaction**
- **Team Resource Utilization**



Spares Status FY06 – FY08

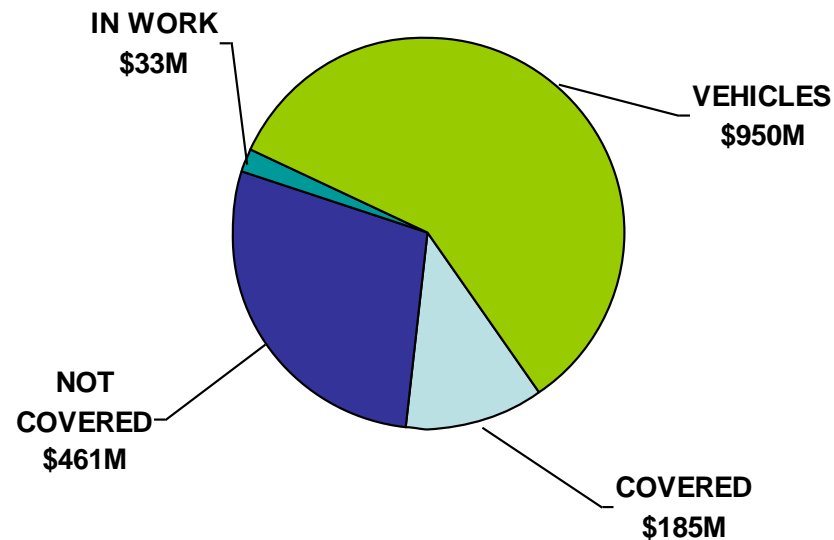


STATUS BY NIINs



COVERED NOT COVERED IN WORK VEHICLES

STATUS BY \$



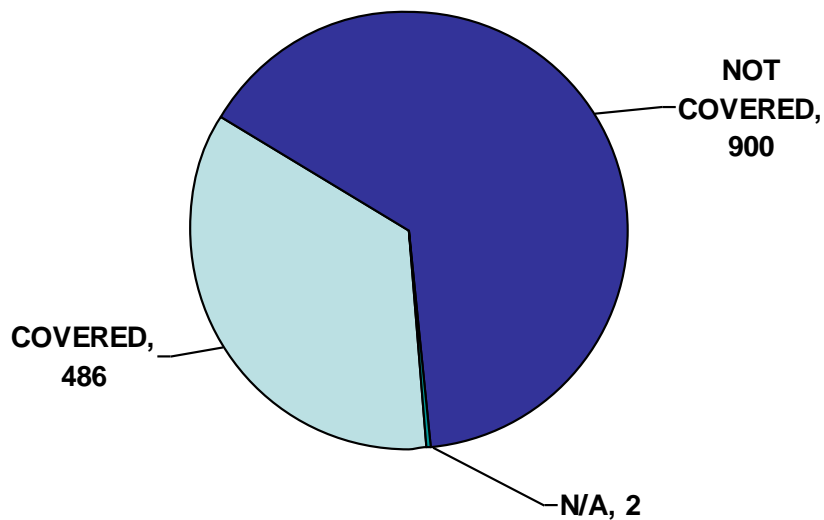
COVERED NOT COVERED IN WORK VEHICLES



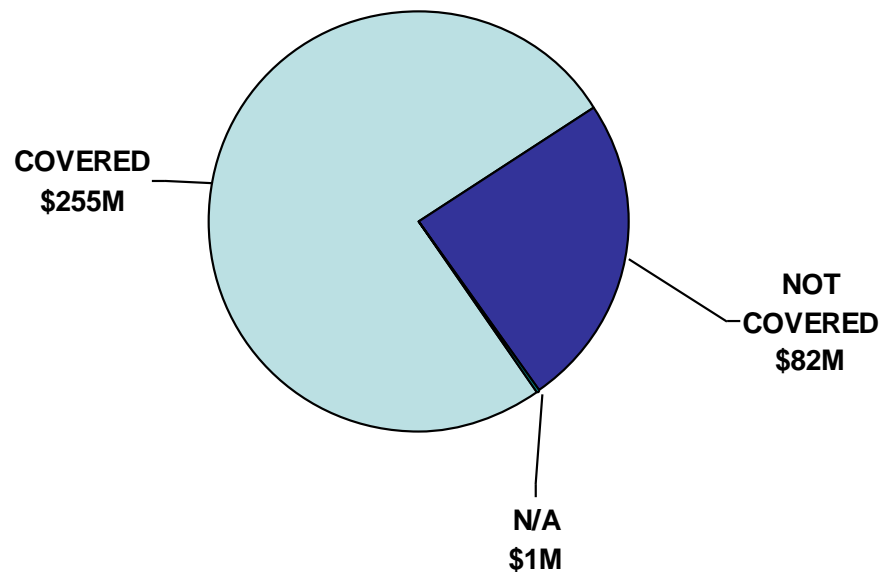
Repair Status FY06 – FY08



STATUS BY NIINs



STATUS BY \$



COVERED NOT COVERED N/A

COVERED NOT COVERED N/A



CMP Development Ground Rules



- **Spend Analysis – Where do we spend our dollars?**
 - Spend (FY03-FY05) Forecast (FY06 – FY08)
 - Based on Mar 05 Computation
- **Priority Based on Estimated Return on Investment (ROI) and SCM Issues**
 - Cost Reduction
 - Improved customer support
 - Acquisition lead-time reduction
 - Execution of 1-year O&M funding
 - Large volume of sole source contractors vs. number of NIINs
 - Lessons learned



Previous/Ongoing Initiatives



- Honeywell Corporate Contract (CAMP – Spiral #1)
- Utilization of Existing Corporate Contracts
- F-16 Items – Covered by OO-ALC LTC
- Oscilloscopes (CAMP; awarded 14 Mar 05 – Spiral #2)
- Borescopes – EAD 1 Oct 06
- Signal Generators – EAD 30 Sept 06
- Jacks – Covered by 5 existing contracts already in place or under 3PL
- Engine Trailers (Plus Up Funds Awarded 21 Apr 06)
- Competitive Small Business 3PL (CAMP; EAD 31 Dec 06 – Spiral #3)



Recommended Initiatives



- Spiral #4 – Remanufacturing vs. New Buy/Disposal
 - Vehicles & Ground Based Support Equipment
- Spiral #5 - >\$10K Unit Cost “Sole Source”
- Spiral #6 – Market Basket
 - F&O competition for items >\$10K
 - Contract repair (no unit cost limitation)
- Spiral #7– OEM (HP, Tektronix, etc) Out of Production Test Equipment
 - Spectrum Analyzers
 - Digitizers
 - Frequency Counters
 - Pulse Generators
- IPT/PBL Candidates



Recommended Spiral #4



- Remanufacturing
 - FY06 – FY08 Forecast - \$54M (123 Items)
 - Remanufacturing vs. new procurement/disposal
 - Includes items such as trailers, dollies, maintenance stands, test stands, hoists, slings, and fixtures
 - Majority of Items currently sent to DRMO if field unit can not repair
 - Asset still has value for remanufacture
 - SCMs support initiative – more candidates may be identified
 - Potential Benefits
 - **Potential for significant hard savings**
 - **Remanufactured items cost 40-60% of new acquisition price**
 - **Capability readily available in commercial marketplace**
 - **Used extensively by U.S. Army**



Recommended Spiral #5



- >\$10K Unit Cost Sole Source
 - FY06 – FY08 Forecast - \$116M (246 NIINs)
 - 114 Sole Source Contractors
 - Diverse group of items
 - Administratively burdensome to SCMs (very similar to 3PL)
 - Potential Benefits
 - **Administrative savings**
 - **Rapid execution of 1-year O&M funding**
 - **Decreased Customer Wait Time**



Recommended Spiral #6



- Market Basket
 - >\$10K Unit Cost & Contract Repair (No Unit Cost Limitation)
 - *Full and Open Competition:
 - Spares 450 NIINs - \$890M Forecast
 - Repair: 453 NIINs - \$241M Forecast
 - Multiple awards
 - F&O Potential Benefits
 - **Potential for hard and soft savings**
 - **Facilitate execution of 1 year O&M dollars**
 - **Reduction of Acquisition lead-time**



Recommended Spiral #7



- OEM Out of Production Test Equipment
 - Repair of obsolete and/or out of production electronics
 - FY06 – FY08 Forecast (Dependent on Final Scope)
 - Effort grouped by manufacturers such as Agilent and Tektronics
 - Potential for consolidation of Joint/DOD requirement
 - Repair source to purchase repair data/materials from OEMs no longer interested in repair of older equipment
 - Potential Benefits
 - **Joint service approach**
 - **Reliable long term source**
 - **Reduced systems modification costs**
 - **Administrative savings**
 - **Reduced Customer Wait Time**



Current IPT Spirals



- Support Equipment Commodity Council Goal is to Participate as an Advisor/Mentor for IPT efforts but may take on Leadership, as Required
- RFTLTS (Radio Frequency Transmission Line Test Set)
 - Sole Source to BAE
 - PBL Based on Availability of System Components
 - Estimated 8 Year Contract with 3 Year Basic
 - Dollar Value of Contract Period – Estimated \$4M
- Engine Trailers (Potential Production)
 - Spares Only
 - 18 NIINs – FY06 – FY08 (\$3M)
 - Life Extension



Summary



- We have implemented some good strategies
- We have some challenges and opportunities ahead of us
- Our next two acquisition strategies we are focused on are:
 - Remanufacturing
 - \$>10K Sole Source
- We have a lot of work ahead of us before a strategy can be implement
- We look forward to working with our customers and industry to find solutions that provide win/win strategies