Maritime Supply Chain Breakout Session

Ann C. Bradway
Director, Maritime Supplier Operations

August 30-31, 2005
Agenda

• Transformation
• Maritime Supply Chain Overview
• Commodities Application Group
• Columbus Maritime
• Maritime Detachment – Philadelphia
• Maritime Detachment – Richmond
• Summary
Transformation
The 100,000 Foot View

Customer Driven
One Enterprise
Supply Chain Management

Core Business Model
Enterprise Attributes
Enterprise Initiatives
The Vision

Enhance DLA and Supplier interaction based on the specific needs of a relationship in order to allocate time and resource more efficiently to best support the warfighter.
Supply Chains

Supply Chain Assignment Rules

- Sole Source items assigned to Supply Chains based on parent or associated CAGEs identified in SSA

- Assigned to Supply Chains based on nature of the FSC

- Items assigned to C&T, C&E, Subsistence & Medical
- Assigned based on WSDC or $ customer demand

- Entire Level 2 NAICs assigned based on NAICs title

- Assigned based on WSDC or $ customer demand
The DLA Enterprise…
Today

<table>
<thead>
<tr>
<th>FY01 Sales/Services:</th>
<th>$17B</th>
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</thead>
<tbody>
<tr>
<td>FY02 Sales/Services:</td>
<td>$21.5B</td>
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<td>FY03 Sales/Services:</td>
<td>$25B</td>
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<tr>
<td>FY04 Sales/Services:</td>
<td>$28B</td>
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<tr>
<td>FY05 Projection:</td>
<td>$31.3B</td>
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</tbody>
</table>

- Land/Maritime/Missiles: $3.2B
- Aviation: $3.6B
- Troop Support: $12.9B
- Energy: $7.6B
- Distribution: $2.8B
- Other: $1.2B

- ~95% of Services’ repair parts
- 100% of Services’ subsistence, fuels, medical, clothing & textile, construction & barrier materiel

**Foreign Military Sales**

- Sales: $813.8M
- Shipments: 501K
- Supporting 124 Nations

**Scope of Business**

- 54,000 Requisitions/Day
- 8,200 Contracts/Day
- #54 Fortune 500 – Above Walt Disney
- #2 in Top 50 Distribution Warehouses
- 26 Distribution Depots
- 5.2 Million Items
- 24.7M Annual Receipts and Issues
- 1411 Weapon Systems Supported
- 144.0M Barrels Fuel Sold (FY 04)
- $14.6B Annual Reutilizations/Disposals

**People**

- 21,429 Civilians
- 528 Active Duty Military
- 668 Reserve Military
- Located in 48 States/28 Countries

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**FY03 Sales/Services:** $25B
**FY04 Sales/Services:** $28B
**FY05 Projection:** $31.3B

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Maritime Supply Chain Business Profile

Scope of Business

- 4.7 Million Requisitions per Year
- 341,000 Contracts per Year
- 1,495,000 NSNs
- $1.7B Sales

People

- 1,548 Civilians
- 9 Active Duty Military
- 3 Reserve Military
Maritime Supplier Operations

D / DD DSCC

Maritime Supplier Operations

Valves/Hardware Division
- 3 - ISTs

Fluid Handling Division
- Pumps/Compressors IST
- Pipes & Tubing IST
- Flexible Hose & Tubing IST
- Fittings IST

Active Devices Division
- 3 - ISTs

Passive Devices Division
- 2 - ISTs

Electrical Devices Division
- 3 - ISTs

SMSG Division

Supplier Support Division

Richmond Detachment
- 7 - ISTs
- Strategic Material Sourcing Group (SMSG)

Philadelphia Detachment
- 3 - ISTs
- Strategic Material Sourcing Group (SMSG)
Primary POC for supplier
- Initiates, develops and monitors partnerships with key suppliers
- Identifies improvement opportunities
- Collaboration with Services (right-side, Supplier Operations)
- Develops logistics strategies and SSAs
- Member-SSA Joint Steering Group (JSG)
- Incorporates customer expectations
- Guidance to IST and SMSG
- Collaborates with Customer
Supplier Relationship Management ICP Infrastructure

- Supplier Relationship Manager
- Integrated Supplier Team
- Strategic Materiel Sourcing Group

- Executes corporate contracts, competitive and sole-source LTCs
- Manages and executes SMS plans and objectives
- Technical and quality review, along with monitors contract performance metrics
Supplier Relationship Manager

Integrated Supplier Team

- Executes and administers contracts- Transactional, LTCs and SSAs
- Technical and quality review
- Supply planning
- Develops and Monitors Key Performance Indicators (KPIs) and Balanced Score Card (BSC)
- Collaborates with (left side, Customer Operations)
- Serves on the JSG and Improvement Team
- Included in representation across the Enterprise when required
- Works with the SRM in collaboration with the Services
Supply Relationship Management Initiatives

- **Strategic Supplier Alliances**
  - Dresser Rand
  - Warren Pump
  - Raytheon
  - York
  - Marotta Controls

- **Supply Chain Alliance**
  - Clarcor Co.
SRM provides for DLA:

- Integration of suppliers into business processes for improved execution
- Improved management of relationships with key suppliers
- Partnering opportunities with counterparts in supplier organizations for issue resolution
- Strengthened customer confidence that mission requirements will be met

SRM provides for Suppliers:

- Reduction in costs
- Better communication leading to better supply management and fewer out of stock and overstocked items
- Relationship driven, qualitative and quantitative feedback on actual performance
- Improved operational execution through improved communication
# BSM Roll-Out
## Maritime Supply Chain

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<thead>
<tr>
<th></th>
<th>Jul05</th>
<th>Aug05</th>
<th>Sep05</th>
<th>Oct05</th>
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<th>Jan06</th>
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- **Stabilization**
  - MSC: 63% NSN, 58% ADV
  - DSCR: 79% NSN, 66% ADV
  - DSCP: 91% NSN, 83% ADV
  - All Users: 100% NSN, 91% ADV

- **All Users**
  - MSC: 100%
  - DSCR: 100%
  - DSCP: 100%

Performance Transformation Culture
Commodities Application Group

“We Support the War Fighters”

CAPT Mike Robinson SC, USN
Director
Who We Are

- **David Glasscoe - Chief, Active Devices Unit**
  - Microcircuits
  - Semiconductors
  - Electronic Assemblies & Post Awards
  - Diminishing Manufacturing Sources

- **Ernie Reid - Chief, Electrical Devices Unit**
  - Relays, Wires & Cable
  - Switches & Post Awards

- **Robert Heber - Acting Chief, Passive Devices Unit**
  - Transformer, A-10, & Post Awards
  - Resistors & Misc
  - 21N – Navy Nuclear Support

- **CDR Patrick Blesch - Chief, Electronic Support Unit**
  - Antennas, Fuses & Circuit Breakers
  - Fire Control, Fiber Optics & Post Awards

- **CDR Patrick Blesch - Acting Chief, Corporate Unit**
  - Tailored Support Unit (TSU)
  - Weapons Systems/Admin Support
  - PACE (Procurement Automated contract Evaluation0
  - Long Term Ctr (LTC)
  - Diminishing Manufacturing Sources and Material Shortage Program (DMSMS)
### Commodities Product Lines
#### Major FSCs

<table>
<thead>
<tr>
<th>FSC</th>
<th>Nomenclature</th>
<th>Monthly Gross Sales</th>
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</thead>
<tbody>
<tr>
<td>5985</td>
<td>Antennas, Waveguides Related Equipment</td>
<td>$7.1M</td>
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<tr>
<td>5930</td>
<td>Switches</td>
<td>$6.4M</td>
</tr>
<tr>
<td>5935</td>
<td>Connectors, Electrical</td>
<td>$5.6M</td>
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<tr>
<td>5945</td>
<td>Relays, Solenoids</td>
<td>$3.7M</td>
</tr>
<tr>
<td>5960</td>
<td>Electron Tubes</td>
<td>$3.1M</td>
</tr>
<tr>
<td>5998</td>
<td>Electronic Assemblies, Boards &amp; Cards</td>
<td>$3.0M</td>
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<tr>
<td>6145</td>
<td>Wire and Cable, Elect</td>
<td>$2.7M</td>
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<tr>
<td>6625</td>
<td>Electrical Test Equip.</td>
<td>$2.2M</td>
</tr>
<tr>
<td>5965</td>
<td>Headsets, Handsets</td>
<td>$2.1M</td>
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<tr>
<td>5962</td>
<td>Microcircuits, Electronic</td>
<td>$1.9M</td>
</tr>
<tr>
<td>5999</td>
<td>Misc. Equipment</td>
<td>$1.5M</td>
</tr>
</tbody>
</table>

June 2005
## Commodities Product Lines
### Minor FSCs

<table>
<thead>
<tr>
<th>FSC</th>
<th>Nomenclature</th>
<th>FSC</th>
<th>Nomenclature</th>
</tr>
</thead>
<tbody>
<tr>
<td>5950</td>
<td>Coils, Transformers</td>
<td>5910</td>
<td>Capacitors</td>
</tr>
<tr>
<td>5915</td>
<td>Filters &amp; Networks</td>
<td>5920</td>
<td>Fuses, Arrestors, Absorbers &amp; Protectors</td>
</tr>
<tr>
<td>5925</td>
<td>Circuit Breakers</td>
<td>5955</td>
<td>Oscillators, Piezoelectric Crystals</td>
</tr>
<tr>
<td>1240</td>
<td>Optical Sight &amp; Range Equip</td>
<td>1440</td>
<td>Launchers, Guided Missile</td>
</tr>
<tr>
<td>5961</td>
<td>Semiconductor Devices &amp; Associated Hardware</td>
<td>5895</td>
<td>Misc Communication Equip</td>
</tr>
<tr>
<td>5905</td>
<td>Resistors</td>
<td>1430</td>
<td>Guided Missile Remote Control Systems</td>
</tr>
<tr>
<td>5990</td>
<td>Synchros &amp; Resolvers</td>
<td>1290</td>
<td>Misc Fire Control Equip</td>
</tr>
<tr>
<td>5996</td>
<td>Amplifiers</td>
<td>5963</td>
<td>Electronic Modules</td>
</tr>
<tr>
<td>5980</td>
<td>Optoelectronic Devices &amp; Associated Hardware</td>
<td>6060</td>
<td>Fiber Optic Interconnectors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1220</td>
<td>Fire Control Computing Sights &amp; Devices</td>
</tr>
</tbody>
</table>

June 2005
Supplier Initiatives

- Long-Term Contract Coverage of Business Drivers
- Indefinite Delivery Purchase Order Activities
- Diminishing Manufacturing Sources And Materiel Shortages
Columbus Maritime
Who We Are

• Ann Bradway - Director
• CDR David Peters - Deputy Director
• Linda Johnson - Valves/Hardware Division
• LCDR Brian Baldus - Fluid Handling Division
• Ken Rumbaugh - SMSS Division
• David Glasscoe - Supplier Support Division
### Maritime Supply Chain Product Lines

<table>
<thead>
<tr>
<th>Valves/Hardware</th>
<th>Fluid Handling</th>
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<tbody>
<tr>
<td><strong>FSC</strong></td>
<td><strong>Nomenclature</strong></td>
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<tr>
<td>1710</td>
<td>Barrier &amp; Barricade Equipment</td>
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<tr>
<td></td>
<td>Aircraft Arrest</td>
</tr>
<tr>
<td>1720</td>
<td>Aircraft Launching Equipment</td>
</tr>
<tr>
<td>1730</td>
<td>Aircraft Ground Servicing Equipment</td>
</tr>
<tr>
<td>2010</td>
<td>Ship &amp; Boat Propulsion Components</td>
</tr>
<tr>
<td>2030</td>
<td>Deck Machinery</td>
</tr>
<tr>
<td>2040</td>
<td>Marine Hardware &amp; Hull Items</td>
</tr>
<tr>
<td>2090</td>
<td>Misc. Ship Marine Equipment</td>
</tr>
<tr>
<td>4810</td>
<td>Powered Valves</td>
</tr>
<tr>
<td>4820</td>
<td>Non Powered Valves</td>
</tr>
</tbody>
</table>

Plus 10 More
Initiatives

- Maximize Long-Term Contract Coverage of Sales and Demand Drivers
- Continue Building Upon SSA and SCA Partnerships
- Auto Indefinite Delivery Order Functionality in BSM
- Support for Customer Focused LTC Arrangements
Maritime Detachment
Philadelphia
Who We Are

- Roger Dixon - Director
- CDR Ronald Kocher - Deputy Director
- Frank Madeja - Chief, Maritime Division
  - Michael Tarkett – Chief, Sea Hardware IST
  - Linda Middleman – Chief, Packing/Gasket/O Ring IST
  - Ruth Herman – Chief, Packing/Gasket/O Ring IST
- Marvin Rosenbaum - Chief, Supplier Support Division
  - Strategic Material Sourcing
  - Strategic Supplier Alliances
  - Post Award & Automated Buys
Maritime Detachment Philadelphia

Major Federal Stock Codes

260,000 NSNs

- 5330/31 - Gaskets, O rings, Packing
- 5355 – Knobs, Dials, Pointers

Major Program Initiatives

- Maritime Weapon System Support
- Nuclear Reactor Program (NRP)
- Maritime SMSG
- Corporate Contracts
Initiatives

- **Strategic Material Sourcing Program**
  - Long-term Contract Initiatives
  - Socio Economic Program Support
  - Strategic Supplier Alliances

- **Automated Evaluation and Award processing**
  - DIBBS
  - Fast PACE
Maritime Detachment Richmond

MARITIME SUPPLY CHAIN

Bearings
Motors
Maritime Instruments
Maritime Miscellaneous
Maritime Strategic Supplier Alliance

“Haze gray and underway”
Who We Are

- Pat James - Director
- Deny Coley - Deputy Director
  - Maritime I – Kim Hansen
    - Bearings I IST Lead – Darrel Borum
    - Bearings II IST Lead – Russell Wells
    - Bearings III IST Lead – Kent Ennis
  - Maritime II – Mike Kuszmaul
  - Maritime II Deputy – Julia Roquemore
    - Motors IST Lead – John McCloud
    - Maritime Instruments IST Lead – Martha Tuck
    - Maritime Miscellaneous IST Lead – Ernestine Minor
    - Maritime SSA IST Lead – Emma Pfieffer

Contract Administration accomplished within each IST
Richmond Product Lines

- **Maritime I**
  - FSCs
    - 3110 Bearings, Anti-friction, Unmounted
    - 3120 Bearings, Plain, Unmounted
    - 3130 Bearings, Mounted

- **Maritime II**
  - 160+ FSCs, Some of the Major Ones are:
    - 5940 Lungs, Terminals and Terminal Strips
    - 5975 Electrical Hardware and Supplies
    - 5995 Cable, Cord and Wire Assemblies
    - 6105 Motors, Electrical
    - 6110 Electrical Control Equipment
    - 6130 Power Conversion Equipment, Electrical
    - 6650 Optical Instruments
    - 6680 Liquid and Gas Flow, Liquid Level, and Mech. Motion Measuring Instruments
    - 6685 Pressure, temp. and Humidity Measuring and Controlling Inst.
Initiatives

- “Reducing Friction Around The World!”
- JIT Bushing Initiative with Hill AFB
- Market Basket & Corporate Contracts
- Performance Based Incentive Fee Contracts
- Test Group for Automated IDPOs
- Foreign Bearing Waivers
Summary

- “One DLA” for increased effectiveness, improved support to the warfighter

- DLA transformation moving to full speed

- Maritime Supply Chain reaches across the agency to provide best support to the warfighter

- Committed to relationship building with our customers and suppliers