

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



Connector Working Group: Implementing Parts Management

25 April 2012



Agenda

- Background
- Current Project
- OEM Involvement
- Contact



Background: Parts Management Project

- Determine if sharing, standardizing, and exchanging OEM, government, and supply chain part data
 - Are possible
 - Have sufficient potential mutual advantage to warrant a broader undertaking
- Demonstrated that a common parts management approach is achievable and offers potential for significant cost savings
 - DoD
 - Acquisition (part selection): \$150M per year
 - Sustainment (part standardization): \$90M per year, \$42M one-time
 - AMRDEC: Between 1/3 to 1/2 new sources identified for previously source-less parts
 - OEMs
 - Between \$800K – \$2M per year, per OEM for fasteners and connectors
- Proved that OEMs will share data with DoD and with each other, *and* that benefits all

Parts Management is required by MIL-STD-3018
Objective is to reduce logistics footprint and total ownership cost



Current Project

- Developing a preferred parts list for connectors
- Developing methodology to create preferred parts lists for other commodities
- Determining logistics attributes that are important when ranking items
- Determining commodity attributes that are important for system design



OEM Involvement

- Input necessary to make preferred parts list development a success
- Part attribute data necessary to enrich item attribute search capabilities
- Benefits to OEM
 - Reduction of items in inventory (industry average cost for introducing a new part into inventory is ~\$9,000)
 - Voice in DoD policy
 - Step towards compliance with MIL-STD-3018