

DoD PARTS MANAGEMENT REENGINEERING

Industry Day
McLean, VA
19 May 2009

DSPO

Short History of Parts Management

- The days of MIL-STD-965
- Acquisition Reform
- ADUSD(LPP) Tasking to Reengineer Program
- Parts Management Reengineering Working Group (PMRWG)
- Parts Management Reengineering Implementation Process Team (PMRIPT)
- Parts Standardization and Management Committee (PSMC)

Reengineering Timeline

- Parts Management declined after Acquisition Reform **(1995 – 2002)**
- HQ DLA requested relief from Parts Management Program **(Jul 2003)**
- ADUSD (Logistics Plans & Programs) directed DSPO to reengineer DoD Parts Management Program **(Oct 2003)**
- DSPO established PMRWG **(Mar 2004)**
- Briefed initial findings to TLCSM **(Oct 2004)**

Reengineering Timeline

(Continued)

- Briefed preliminary recommendations to TLCSM **(Jan 2005)**
- PMRWG final report published **(Oct 2005)**
- TLCSM EC approved implementing PMRWG recommendations **(Apr 2006)**
- DSPO established PMRIPT **(May 2006)**
- MIL-STD-3018 was published **(Oct 2007)**
- Implementation “hand-off” from PMRIPT to PSMC **(Oct 2007)**

What Is Parts Management?

- Selecting parts during weapon system design
- Analyzing parts for reliability, availability, and quality
 - Mitigating DMSMS is critical
- Screening for common usage
- Reducing the number of unique parts
- Qualifying products

Benefits of Parts Management

- Cost avoidance
- Enhanced logistics readiness and interoperability
- Increased supportability and safety of systems and equipment
- Improved Warfighter support
- Reduced acquisition lead-time
- Benefits government and industry

Parts Management Reengineering Participants

- Defense Standardization Program Office
- OSD Systems & Software Engineering
- Military Departments
- Defense Logistics Agency
- Missile Defense Agency
- National Aeronautics and Space Administration
- *Parts Standardization & Management Committee*
- DMSMS Working Group
- Government Industry Data Exchange Program
- Industry representatives

Industry Participants

- Aerospace Corporation
- ARINC
- BAE Systems
- BMPCOE
- Boeing
- ECCMA
- Electric Boat
- General Dynamics
- Honeywell
- IHS
- Inventory Locator Service
- Lansdale
- Lockheed Martin
- Manufacturing Technology Inc.
- MPC Products
- Northrop Grumman
- Parker Aerospace
- PARTsolutions
- Raytheon
- XSB

Top Three PMRWG Recommendations

- Revitalize parts management within systems engineering
- Make parts management a policy and a contractual requirement
- Develop improved parts management tools and metrics

#1 Revitalize Parts Management Within Systems Engineering

- New parts management language in the Defense Acquisition Guide, Chapter 4, Systems Engineering
- Addressing parts management in:
 - Systems Engineering Plans (SEPs)
 - Risk assessment checklists
 - Other engineering guidance
- Emphasizing parts management in training course material for engineers

#2 Make Parts Management A Policy and Contractual Requirement

MIL-STD-3018 (Parts Management)

- Implements a Parts Management Program on acquisition contracts
- Requires a Parts Management Plan in response to Requests for Proposals
- Contains the required parts management elements
- Provides an order of preference for part selection

DI-SDMP-81748 (Parts Management Plan)

#3 Develop Improved Parts Management Tools

The goal: to provide current, accurate, consistent data for government and industry

- Integrate parts management data requirements with current initiatives
- This need drove the development of the Defense Parts Management Portal (DPMP)
- Provide additional tools as funding permits

Implementation Accomplishments

- Inserted parts management language into systems engineering guidance documents
- Published MIL-STD-3018, “Parts Management,” 15 Oct 2007 (superseded MIL-HDBK-512)
- Published new DID, DI-SDMP-81748, “Parts Management Plan,” 15 Oct 2007
- Updated Parts Management language in Defense Acquisition Guide, Chapters 4 and 5
- Deployed DAU course: CLL206, “Parts Management Executive Overview,” August 2008
- Developed and began testing the Defense Parts Management Portal (DPMP)

Remaining Implementation Tasks

- Coordinate directive parts management memorandum for AT&L signature
- Insert parts management language into DoDI 5000.02, *Operation of the Defense Acquisition System*
- Publish revised SD-19, “Parts Management Guide”
- Continue reviewing/revising related documents and training course material
- Complete testing and deployment of DPMP
- Develop a parts management practitioners course
- Develop a parts management plan builder on the Army LOGSA SYSPARS website

Ways to Support the DoD Effort

- **Take the Parts Management Exec course (CLL 206)**
 - Register for credit or simply “browse” for your info
 - Go to: www.dau.mil - click “Continuous Learning”
 - Designed to be self-taught in an hour and a half
- **Participate in the DPMP**
 - Each company will be invited to build a “bridge page”
 - The Portal’s effectiveness will depend on its users
- **Participate in future meetings**
 - DMSMS/STDZ Annual Conference, Sep 2009, Orlando
 - PSMC Fall Conference, Nov 2009, San Diego

Closing



Questions?

Comments?

Back Up Material

History of Parts Management

- 1977:** MIL-STD-965, Parts Control Program
- 1983:** SECDEF Weinberger Spare Parts Acq memo
- 1984:** DEPSECDEF Taft DoD Parts Control memo
- 1994:** SECDEF Perry Acquisition Reform memo
- 1996:** MIL-HDBK-965, Parts Management Program
- 2000:** MIL-HDBK-512, Parts Management
- 2004:** Begin Re-engineering DoD Processes

Challenges

- Reengineer process with a clean slate
 - Reduce the Logistics Footprint
- Focus on DoD's desired results
 - Operational availability
 - Operational reliability
 - Cost per unit of usage
 - Logistics Response Time

Challenges

- **Systems Engineering Approach**
 - Parts Selection Process
 - DMSMS Planning
 - Parts Management Plan
- **Milestone Reviews**
 - Ensure compliance
 - Measure effectiveness

Logistics Footprint

The size of the presence of logistics support required to deploy, sustain, and move a weapon system, including:

- Inventory/equipment/parts
- Personnel
- Facilities
- Transportation
- Real Estate

PMRWG Findings

- Footprint is growing
- Parts management can moderate growth
- Acquisition environment lacks adequate emphasis on parts management at the DoD level
 - discipline, motivation, incentives, and requirements
- Systems Engineering discipline currently lacks parts management focus
- Most DoD programs do not address DoD level parts management
- A performance-based mechanism to restore balance already exists (MIL-HDBK-512, SD-19)

PMRWG Conclusions

- Parts management needs to be a requirement
- Parts management needs a total system approach
- Parts management decision-makers need better tools
- Parts management can be accomplished within a performance-based environment

Final PMRWG Report

- Published final report (Oct 05)
- Executive version
- Available electronically at:



www.dsp.dla.mil/APP_UII/content/documents/pmrwg_rpt.pdf

Implementation Phase

- **DSPO Chartered Parts Management Reengineering Implementation Process Team (PMRIPT)**
 - Kicked off in May 2006
 - Held 3-day meetings about every other month
- **Organized PMRIPT into project teams to guide implementation of the top three recommendations:**
 - Systems Engineering Team
 - Policy and Contracts Team
 - Tools Development Team
- **Enlisted the Parts Standardization & Management Committee (PSMC) to support the reengineering effort**
 - Long-standing Government/Industry Forum
 - Many PMRIPT members also belonged to PSMC
 - Chartered PSMC under DSPO Nov 2006

PMRIPT Project Teams

- **Systems Engineering Team**

- Work with Systems Engineering community to integrate parts management into systems engineering policy / process
- Coordinate with DAU on incorporating parts management language into appropriate courses

- **Policy and Contracts Team**

- Develop language for existing policy documents, and developing new documents
- Draft contract templates and data item descriptions for parts management contractual requirements

- **Tools Development Team**

- Interview key users to determine tools requirements
- Coordinate with DMSMS community to build upon existing DMSMS capabilities to develop a single point of entry to parts management data

MIL-STD-3018 Defines Parts Management...

...as the practice of considering the:

- Application
- Standardization
- Technology (both new and aging)
- System reliability, maintainability and supportability
- Cost

when...

MIL-STD-3018 Defines Parts Management (continued)

- Selecting parts
- Addressing
 - Availability
 - Logistics support
 - DMSMS
 - Legacy issues

“throughout the life of the systems”