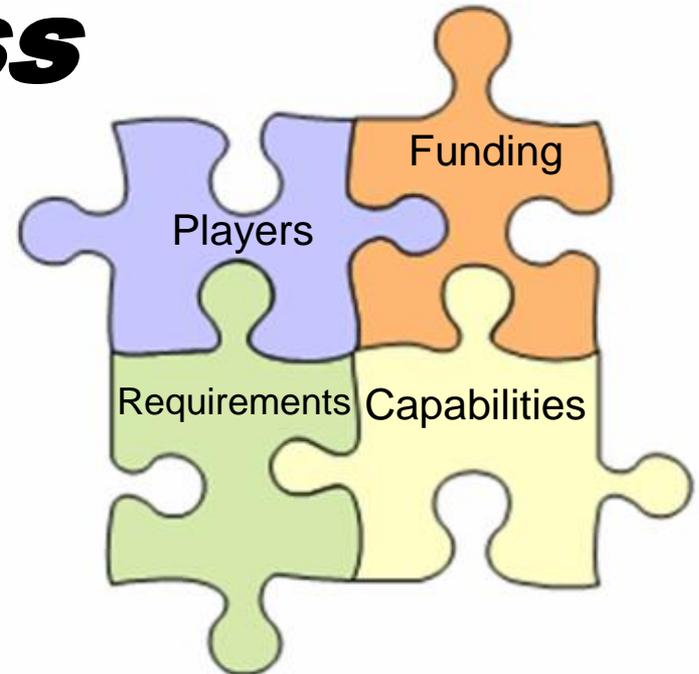




Workload Decision Process



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Today's Agenda

- **The Key Players: Teaming effectively**
- **Funding Path**
- **Regulatory Guidance: Understanding is key**
- **Session Take Away: A strong industrial base**
- **Questions / Comments**

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The Key Players

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Program Managers/Program Support Integration Directorates (PMs/PSIDs) are primary decision makers regarding Sources of Repair (SoRs) for items they manage – focus is “best value”.

When we team effectively with PMs in planning and executing depot level sustainment, we:

- Ensure Army meets *Title 10 requirements while providing maximum flexibility to the Program Manager to determine “best value”.
- Ensure that the planning, development, acquisition, and sustainment of a weapon system together create an affordable support strategy meeting the war fighter’s requirements throughout the weapon system life cycle.
- Take advantage of the **industrial base** capabilities developed over the years as a result of the Army’s requirement to maintain robust **depot-level maintenance** operations.

*Title 10:	<i>10 USC 2460, Defines DM</i>	<i>10 USC 2464, Core Logistics</i>	<i>10 USC 2466, “50/50”</i>
	<i>10 USC 2469, “\$3M Rule”</i>	<i>10 USC 2474, CITE/PPP</i>	<i>10 USC 2476, Invest Cap Budget</i>



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- At least four sources of repair alternatives exist when allocating workload requirements:
 - Depots/Arsenals
 - National Maintenance Program Providers
 - Installation Directorates of Logistics (DoLs)
 - Contract Providers/OEMs
- To minimize program risk and ensure regulatory compliance (i.e., 50/50 Rule), workload decisions should be logical, data-driven, and defensible, backed by standard criteria leading to a supportable decision.
- Program Managers consider several factors, such as:
 - Performance, Cost, Schedule
 - Operational System Readiness Objectives
 - Supportability Analysis
 - System Reliability, Maintainability
 - Support Facilities



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FUNDING PATH and OUT-YEARS

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Funding for Depot Maintenance Workload



OSD

HQDA

G8 - \$

Operations and Maintenance, Army
TO AMC: (For Repair/Reset)
 Base Program
 Supplemental

TO PEOs/PM (For RECAP)
 Base Program
 Supplemental

Procurement Appropriation
TO PEOs/PMs (for RECAP)

AWCF Obligational Authority

Other DA Funding:
 ✓ National Guard
 ✓ US Army Reserves

Other Funding:
 ✓ Other Services
 ✓ FMS/Other Customers

Organic Depot/Other Source of Repair

Contractor Source of Repair

Public Private Partnership

T-A LCMC



A-M LCMC



C-E LCMC



(Not all of the workload is funded)

Jeff Bohun, Director Industrial Base Operations



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- **Depot Level Repair Program Requirements are identified based on Fleet Strategies (CVE, RECAP, EOH Rqmnts, Etc.) during the POM cycle.**
 - FY13-17 Depot Level Requirements loaded FY11 (Dec 10)
 - FY12 Requirement loaded in LMP in FY05, updated during each POM cycle, and locked for installation budget prep in FY010
- **Programs are *defined* in planning years and *refined* in each year leading to execution.**
- **Depot/Arsenal repair and manufacturing programs are recorded electronically into LMP,**
 - Adjustments to Target and Outyear Workload are available to review in Jan-Feb of current FY immediately after POM build.
 - Updates to workload are made throughout the FY based on requirement refinements.
- **Arsenal manufacturing requirements are not POM'd – they follow the P-Form process**
- **Viewable workload planning data includes program end-item, unit funded cost, total program value, forecast quantity, narrative scope of work.**
- **Programs are “Turned On” (Authorized) when bonafide need is established in year of execution, funding is received, applied to a Project Order, and accepted by the installation in LMP.**

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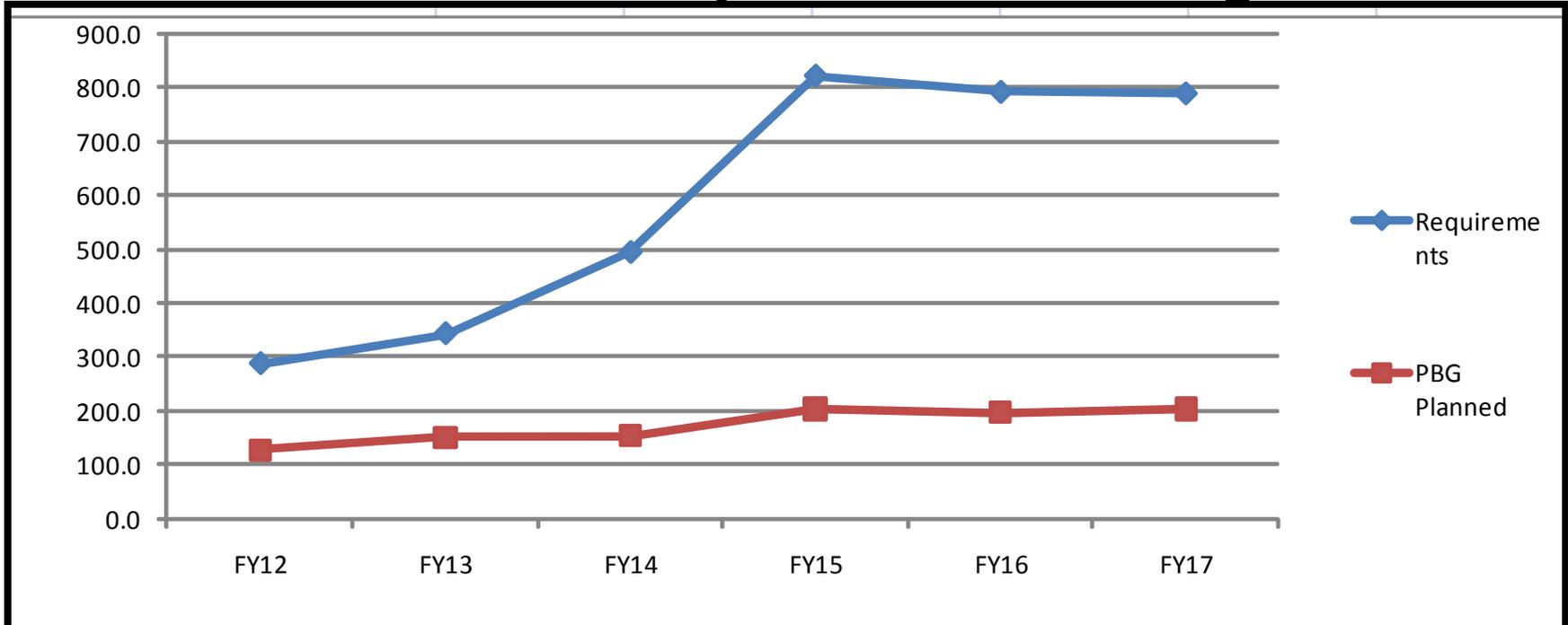


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Sustainment Requirements vs. Funding



\$ in Millions	FY12	FY13	FY14	FY15	FY16	FY17
Requirements	287.6	343.1	493.9	821.4	791.3	788.4
PBG Planned	127.6	151.6	153.6	204.2	197.4	204.0
Variance	-160.0	-191.5	-340.3	-617.2	-593.9	-584.4

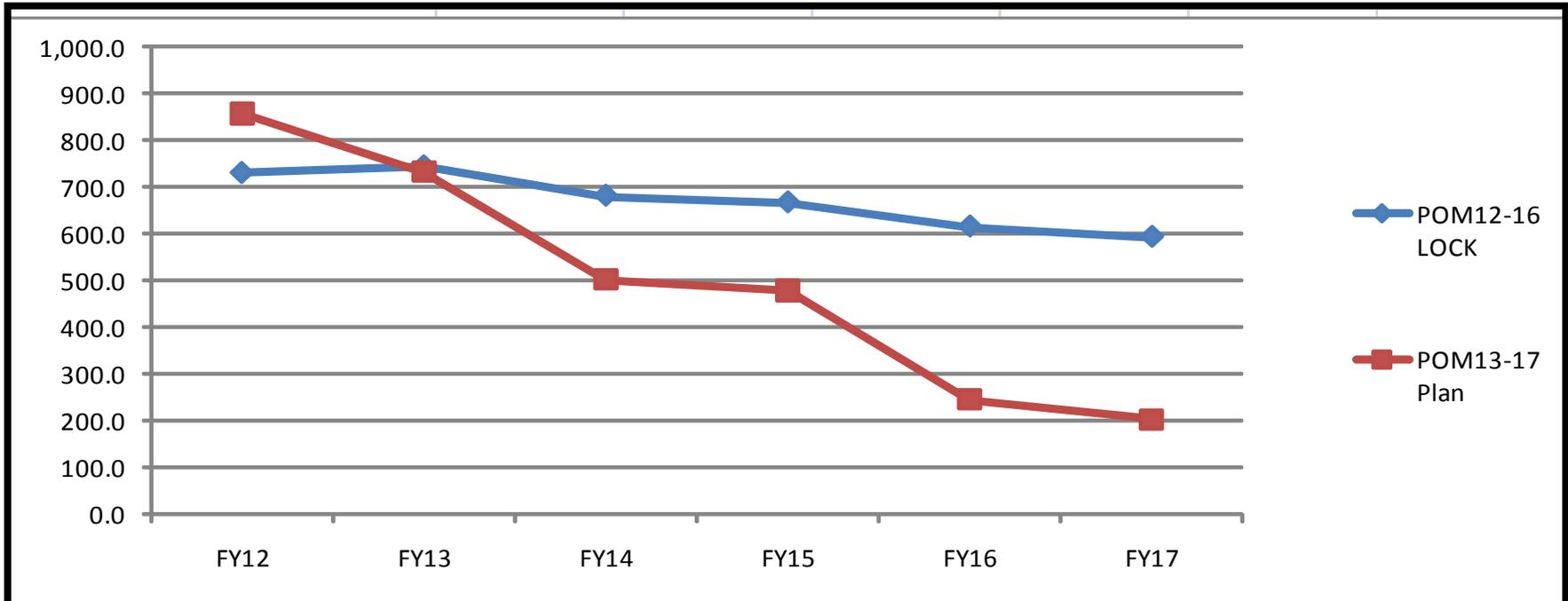
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Supplemental Requirements



\$ in Millions	FY12	FY13	FY14	FY15	FY16	FY17
POM12-16 LOCK	729.9	744.2	681.3	667.1	615.4	593.2
POM13-17 Plan	858.4	733.1	502.2	479.5	246.3	203.9
Variance	128.5	-11.1	-179.1	-187.6	-369.1	-389.3

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Regulatory Guidance

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CORE Relationship to Workload

Core Logistics (Title 10 USC 2464) is key to the success of depot maintenance and the authorization of sufficient funding each fiscal year to ensure the Army's ability to maintain a skilled work base.

- CORE Determination Process identifies total organic workload as well as the minimum level of workload required to maintain the organic logistics capability to support identified weapons systems and equipment.
- CORE capabilities and workload required to maintain skilled work base will be reviewed every 2 years or more frequent if necessary.
- DAMSCs/PMs/PEOs/LCMCs and depots coordinate to resolve shortfalls (current austere funding will influence outcomes).

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Public Private Partnerships

- A Public-Private Partnership (P3) is an agreement between an organic activity and one or more private industry, or other, entities to perform work or utilize facilities and equipment
- P3 is NOT.....
 - Contracts where private sector provides support and or services to the Depot at a COST to the Depot

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Benefits of Public Private Partnerships

- Appropriate partnering with private industry will help sustain:
 - Core capabilities
 - Facilities
 - Technical expertise in the workforce
- Private sector investment in facilities and equipment can:
 - Improve financial viability
 - Increase performance results

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Types of Public Private Partnerships

- Direct Sales
- Facility Use Agreements
- Work Share Agreements
- Center of Industrial and Technical Excellence (CITE) Partnering
- Armament Retooling and Manufacturing Support Programs (ARMS)
- Arsenal Support Program Initiative (ASPI)
- Cooperative Research and Development Agreements (CRDA)

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CENTER FOR INDUSTRIAL EXCELLENCE (CITE)

- CITE is authorized under a general statutory authority (10 USC 2474). To obtain a CITE, the organic facility must obtain approval from AMC showing they have the core competency (skilled workforce, facility and equipment necessary to serve as DOD source of this activity.)
- CITE impacts workload because it is a flexible statute that provides opportunities for broad-based P3 arrangements.
- Best practice includes working with the PEO/PMs to obtain their endorsement for the CITE designation. This puts the organic facility in the line of sight during the acquisition process.

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Other Workload Considerations



- 50/50
- Existing Capability
- Experience
- Proprietary Processes
- Capital Investment Requirements



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Session Take Away



Essential “pieces of the puzzle” :

- **Workload decisions are governed by set processes and regulations that must be followed, so a clear understanding of these guidelines are crucial to making the best value decisions.**
- **Knowing and strategically aligning goals/mission of the organic base, PEOs/PMs, and private industry help build the true TACOM LCMC enterprise construct.**
- **Building trust among all our partners will help create an industrial base that is capable of surging to enhance Soldier readiness**

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QUESTIONS / COMMENTS



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