DoD Parts Management Reengineering

Status Briefing

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History of Parts Management

1977: MIL-STD-965, Parts Control Program

1983: SECDEF Weinberger Spare Parts Acq memo

1984: DEPSECDEF Taft DoD Parts Control Program memo

1994: SECDEF Perry Acquisition Reform memo

1996: MIL-STD-965, Parts Control Program cancelled/replaced by MIL-HDBK-965

2000: MIL-HDBK-965 cancelled/replaced by MIL-HDBK-512, Parts Management

Background

- HQ DLA requested relief from the parts management program (July 2003)
- ADUSD (Logistics Plans & Programs) directed DSPO to reengineer the DoD Parts Management Program (October 2003)
- DSPO established PMRWG (February 3, 2004)

Background (cont'd)

- Defense Standardization Council expanded scope of PMRWG to address parts management throughout system life cycle (February 20, 2004)
- PMRWG kickoff (March 18, 2004 – Lansdowne, VA)
  - Charter
    - Reengineer entire DoD parts management process
    - Emphasize reduction in logistics footprint

Challenges

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

Challenges

- Systems Engineering Approach
  - Parts Selection Process
  - DMS/MS Planning
  - Parts Management Plan
- Milestone Reviews
  - Ensure Compliance
  - Measure Effectiveness

Findings

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

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 fully accomplished within a performance-based environment

Major Recommendations

- Restore parts management as an engineering discipline
- Make parts management a contractual requirement
  - Identify effective incentives
- Improve DOD organization for parts management
- Build key partnerships and relationships
  - Educate and train
- Create a Parts Management Center of Excellence
- Develop parts management tools and metrics
- Develop new marketing products
- Understand parts management's contribution to logistics footprint

Implementation

- Continue working recommendations already in process
- Begin working remaining recommendations
- Rank recommendations by priority
- Redefine organizational responsibilities
- Provide improved tools and databases
- Optimize resources

PMRWG Next Steps

- Draft appropriate language to realize the necessary changes to reengineer the process
- Relate the reengineered parts management process to performance metrics
- Evaluate existing parts management processes and tools to determine the appropriate change action (ongoing)
- Integrate industry best practices

Next Steps (cont.)

- Develop strategies to increase cross-service/ platform interoperability/standardization
- Coordinate proposed changes with Systems Engineering community, program managers, and industry
- Engage and coordinate with acquisition policy community to assist with development of language

Next Steps (cont.)

- Identify requirements, tools, metrics to enable effective parts management/standardization
- Define incentives for DoD-wide parts management/standardization performance
- Issue Report
- DSPO select key/top priority recommendations
- DSPO form implementation teams to develop plans/execute recommendations

PMRWG