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PROCUREMENT TIMELINESS

PRESENTED TO ICAP
28 OCTOBER 2010
RICHARD G. PALASCHAK
703-276-1702
MIBTF@EROLS.COM

THE MUNITIONS INDUSTRIAL BASE TASK FORCE

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AEROJET
ATK/ALLIANT TECHSYSTEMS
AMRON
AMTEC
BAE ORDNANCE SYSTEMS
CHEMRING GROUP
DAY & ZIMMERMANN
DSE, INC.
ENSIGN-BICKFORD
ESTERLINE DEFENSE
GENERAL DYNAMICS
GLOBAL TUNGSTEN & POWDERS
L-3 FUZING & ORDNANCE SYSTEMS
MEDICO INDUSTRIES
NAMMO TALLEY
NI INDUSTRIES
OLIN-WINCHESTER
PACIFIC SCIENTIFIC EMC
STRESAU LABORATORY

ADEQUATE FUNDING AND
POLICIES TO SUSTAIN A
RESPONSIVE CAPABLE U.S.
MUNITIONS INDUSTRIAL BASE
TO DEVELOP, PRODUCE, AND
SUPPORT SUPERIOR MUNITIONS
FOR THE U.S. AND ITS ALLIES.

BACKGROUND

- NOV-DEC 2009: COMPLAINTS RE: SLOWNESS OF PROCUREMENT PROCESS AFFECTING COMPANY BUSINESS OPERATIONS
- DEC 2009: QUERY TO JMC - IS THERE A SENIOR EXECUTIVE LEVEL REGULARLY SCHEDULED STATUS REVIEW OF PLANNED/ONGOING PROCUREMENTS ?
 - ANSWER: PM'S CONDUCT REVIEWS WITH JMC COMMODITY TEAMS
- JAN 2010: MIBTF EBOD DIRECTS SURVEY TO DETERMINE:
 - HOW WIDESPREAD ARE THE PROBLEMS AND
 - THE TYPES OF PROBLEMS BEING ENCOUNTERED AND THEIR IMPACTS

SURVEY FORM

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PROCUREMENT TIMELINESS

1. HAS THE LACK OF TIMELY PROCUREMENTS RECENTLY AFFECTED YOUR BUSINESS ?

YES _____

NO _____

*IF YOU ANSWERED "NO", NO FURTHER RESPONSES ARE NECESSARY
IF YOU ANSWERED "YES", PLEASE CONTINUE*

SURVEY FORM RESULTS

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PROCUREMENT TIMELINESS

1. HAS THE LACK OF TIMELY PROCUREMENTS RECENTLY AFFECTED YOUR BUSINESS ?

YES 12

NO 3

*IF YOU ANSWERED "NO", NO FURTHER RESPONSES ARE NECESSARY
IF YOU ANSWERED "YES", PLEASE CONTINUE*

SURVEY FORM

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PROCUREMENT TIMELINESS

2. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED A PRODUCTION LINE TO GO COLD ?

YES _____

NO _____

SURVEY FORM RESULTS



PROCUREMENT TIMELINESS

2. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED A PRODUCTION LINE TO GO COLD ?

YES 7 NO 5

SURVEY FORM

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PROCUREMENT TIMELINESS

3. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED YOUR COMPANY TO LAY OFF OR FURLOUGH WORKERS ?

YES _____

NO _____

SURVEY FORM RESULTS

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PROCUREMENT TIMELINESS

3. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED YOUR COMPANY TO LAY OFF OR FURLOUGH WORKERS ?

YES 6 NO 6

SURVEY FORM

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PROCUREMENT TIMELINESS

4. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED YOUR COMPANY TO FAIL TO MEET PROJECTED BUSINESS PLAN REVENUE FOR YOUR COMPANY'S FISCAL YEAR ?

YES _____

NO _____

SURVEY FORM RESULTS

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PROCUREMENT TIMELINESS

4. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED YOUR COMPANY TO FAIL TO MEET PROJECTED BUSINESS PLAN REVENUE FOR YOUR COMPANY'S FISCAL YEAR ?

YES 9 NO 3

SURVEY FORM RESULTS

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PROCUREMENT TIMELINESS

1. HAS THE LACK OF TIMELY PROCUREMENTS RECENTLY AFFECTED YOUR BUSINESS?

YES 12 NO 3

*IF YOU ANSWERED "NO", NO FURTHER RESPONSES ARE NECESSARY
IF YOU ANSWERED "YES", PLEASE CONTINUE*

2. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED A PRODUCTION LINE TO GO COLD?

YES 7 NO 5

3. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED YOUR COMPANY TO LAY OFF OR FURLOUGH WORKERS?

YES 6 NO 6

4. HAVE DELAYS IN ANY RECENT PROCUREMENTS CAUSED YOUR COMPANY TO FAIL TO MEET PROJECTED BUSINESS PLAN REVENUE FOR YOUR COMPANY'S FISCAL YEAR?

YES 9 NO 3

SURVEY FORM

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PROCUREMENT TIMELINESS

5. PLEASE IDENTIFY SPECIFICS ON THE EFFECTS OF DELAYED PROCUREMENTS AND PROVIDE ANY OTHER RELEVANT INFORMATION / COMMENTS

SURVEY FORM RESULTS

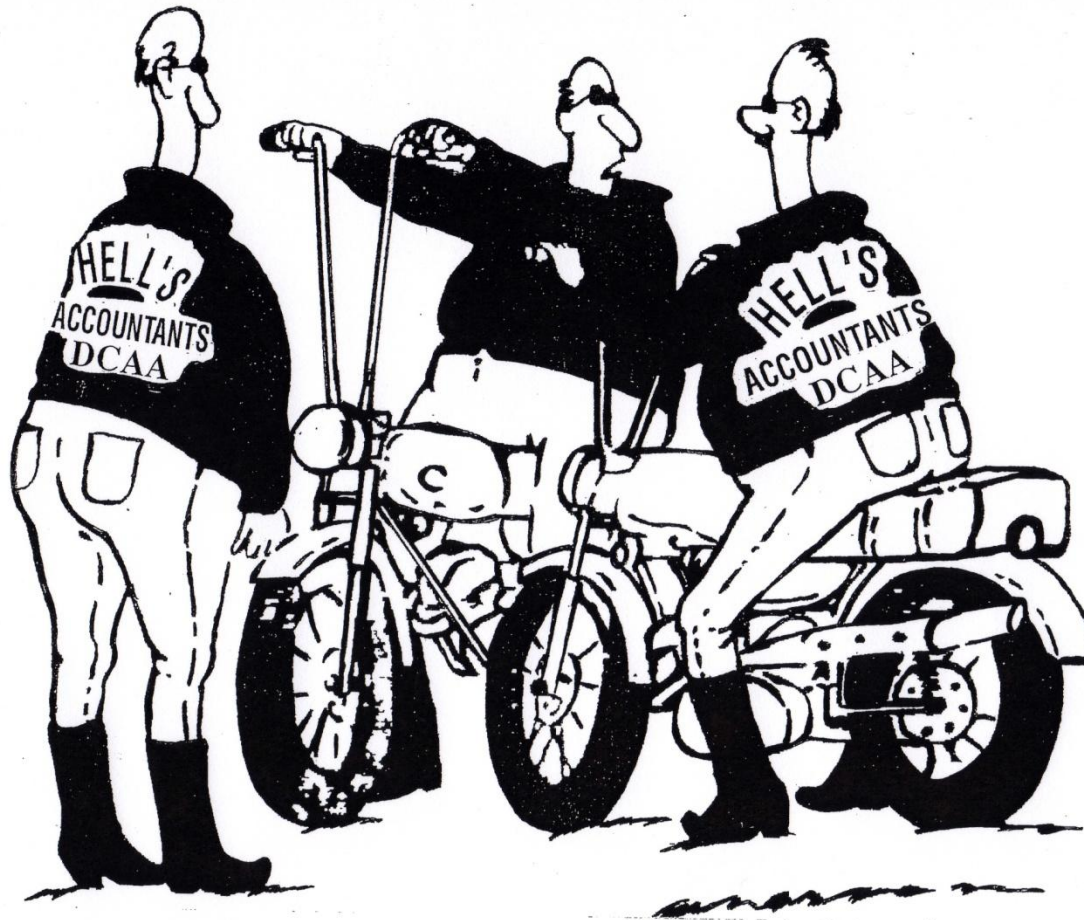
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PROCUREMENT TIMELINESS

5. PLEASE IDENTIFY SPECIFICS ON THE EFFECTS OF DELAYED PROCUREMENTS AND PROVIDE ANY OTHER RELEVANT INFORMATION / COMMENTS
 - MOVEMENT OF FUNDS WITHIN DOD
 - PROCUREMENT PROCESS
 - COORDINATION AMONG PCO, ITEM MANAGER, DCAA, AND COMPANIES
 - DCAA AUDITS

MID-TERM DEFENSE BILLS PASSAGE

<u>FY</u>	<u>CR</u>	<u>AUTHORIZATION</u>	<u>APPROPRIATION</u>
1991	YES	11 / 5	11 / 5
1995	YES	10 / 5	9 / 30
1999	YES	10 / 17	10 / 17
2003	YES	12 / 2	10 / 23
2007	YES	10 / 17	9 / 29
2011	YES	?	?



"Want to ride downtown and gang-audit somebody?"

OUTLOOK

- **AMMUNITION PROCUREMENT FUNDING IS PROJECTED TO DECLINE AS THE WARS IN IRAQ AND AFGHANISTAN ABATE.**
- **DELAYS IN CONGRESS WILL AFFECT TIMELY AVAILABILITY OF FUNDS.**
- **CURRENT PROBLEMS WITH PROCUREMENT TIMELINESS WILL BE MAGNIFIED AS COMPANIES STRIVE TO REMAIN VIABLE AND COMPETITIVE.**

RECOMMENDATIONS

SENIOR LEADERS WITH MUNITIONS RESPONSIBILITIES IN EACH SERVICE:

- PERSONALLY CONDUCT MONTHLY STATUS REVIEWS OF PLANNED AND ONGOING PROCUREMENTS TO ENSURE TIMELY PROCESSING OF FUNDS AND TIMELY EXECUTION OF PLANNED AND ONGOING PROCUREMENTS
- ADDRESS THE DCAA AUDIT ISSUES JOINTLY WITH INDUSTRY

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