

US ARMY INDUSTRIAL OPERATIONS COMMAND

Advance Planning Briefing for Industry
(Levels I & II)

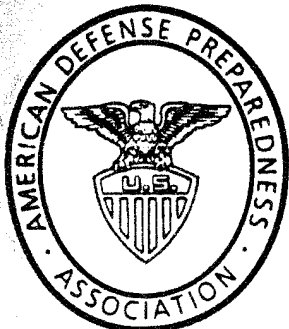
Proceedings

DISTRIBUTION STATEMENT A

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Distribution Unlimited

***"Opportunities and Challenges
in Power Projection,
Industrial Operations &
Munitions"***

Event #656



**April 1-3, 1996
Holiday Inn - Airport
Moline, Illinois**

19960523 039

FY 96 APBI AGENDA

MONDAY, APRIL 1, 1996

5:00-7:00 PM LATE REGISTRATION

TUESDAY, APRIL 2, 1996

6:40-7:40 AM LATE REGISTRATION AND CONTINENTAL BREAKFAST

7:50 AM CALL TO ORDER AND ADMINISTRATIVE ANNOUNCEMENTS
Mr. Craig J. Colledge
Director, Business Relations Center

8:00 AM WELCOME/OPENING REMARKS
SUPPORTING THE IOC COMPETENCIES
COL David Emling
Deputy Commander, Industrial Operations Command (IOC)

**** INDUSTRIAL OPERATIONS ****

8:30 AM IOC OVERVIEW/WHO'S WHO IN THE IOC/STRATEGIC
PLANNING ACTIONS AFFECTING INDUSTRY
Mr. Alan G. Wilson
Director, Plans, Analysis & Evaluation Office, IOC

8:50 AM PRIVATIZATION
Ms. Rosanne Mohr
Plans, Analysis & Evaluation Office, IOC

9:10 AM RESHAPING THE INDUSTRIAL BASE -
PARTNERING/TEAMING THRU DIRECT SALES AGREEMENTS
Ms. Jeri L. Kopp
Partnering/Teaming
Business Development Office, IOC

Ms. Gilda Johnson
Strategic Planning Office
Anniston Army Depot

Ms. Terese M. Harrison
Attorney-Advisor
Office of Counsel, IOC

Ms. Mary Beth Watkins
Acquisition Support Office, IOC

9:55 AM USE OF THE GOVERNMENT BASE FOR DEFENSE WORK
Mr. Fritz W. Larsen
Marketing, Business Development Office, IOC

10:15 AM BREAK

**** POWER PROJECTION ****

10:35 AM WAR RESERVE MISSION AND INDUSTRY OPPORTUNITIES
Mr. Thomas G. Vetter
Acting Division Chief, Strategic/Long Range Operations
Planning Division
U.S. Army Combat Equipment Command, IOC

**** TOPICS OF GENERAL INTEREST ****

10:55 AM ARMS - THE FUTURE PERSPECTIVE
Mr. Douglas G. Borgeson
ARMS Team, IOC

11:15 AM VALUE ENGINEERING EFFICIENCIES
Mr. Greg P. Zelnio
Chief, Value Engineering Division, IOC

11:30 AM SELECTED FASA CHANGES
Ms. Susan M. McKinnis
Acquisition Policy Branch, IOC

11:45 AM ENVIRONMENTAL OPPORTUNITIES
MAJ Wayne Johnson
Environmental Contracting Division, IOC

12:00 PM LUNCH IN THE ATRIUM

**** MUNITIONS ****

1:00 PM DCS AMMUNITION PERSPECTIVE
Mr. Larry Gullede
Chief, Logistics Division
Office of the Deputy Chief of Staff for Ammunition, AMC

1:20 PM IOC PARC PERSPECTIVE
COL James B. Smith, IOC PARC

1:40 PM GOCO COMPETITION - POLICY AND PERSPECTIVES
Mrs. Jean Ligeno
Chief, Acquisition Policy Division, IOC

2:00 PM AMMO DEMIL MASTER PLAN AND CONTRACTING EFFORTS
Ms. Kathy George-Reading
Project Engineer, Excess/Obsolete Munitions Management
Office, IOC

2:20 PM SALES OF DEMIL ASSETS
Lt. Col. James E. Humphrey
Associate Director for Demilitarization Ammo Supply and
Maintenance Division, IOC

2:40 PM BREAK

3:00 PM PRESERVING THE DEFENSE INDUSTRIAL BASE - PANEL
Mr. John Petrone
Associate Director, Industrial Engineering Activity, Army
Materiel Command

COL (RET) Richard Palaschak
Director of Operations
Munitions Industrial Base Task Force (MIBTF)

Mr. Richard W. Janik
DCS for Industrial Readiness, IOC

3:55 PM RELEASE OF LONG-RANGE PLANNING INFORMATION
Mr. Craig J. Colledge
Director, Business Realations Center, IOC

4:10 PM AMMUNITION OVERVIEW
Mr. J. Brad Pierce
Chief, Commercial Procurement Division, IOC

BUYS AND ACQUISITION STRATEGY PROJECTIONS

LARGE CALIBER, FUZE, AND FACILITIES BRANCH
Mr. Gregory A. Kwinski

ROCKET, MORTAR AND PYROTECHNICS BRANCH
Mr. Marshall F. Collins

SMALL/MEDIUM CALIBER AND BOMBS BRANCH
Mr. Charles M. Smith

5:00 PM ADJOURN
RECEPTION-DISPLAY AREA ROOMS A & B

FY 96 APBI AGENDA

WEDNESDAY, APRIL 3, 1996

7:50 AM CALL TO ORDER AND ADMINISTRATIVE ANNOUNCEMENTS

**** MUNITIONS ****

8:00 AM WELCOME/OPENING REMARKS
SUPPORTING THE IOC COMPETENCIES
MG James W. Monroe
Commanding General, Industrial Operations Command (IOC)

8:30 AM ARDEC OVERVIEW
BG James W. Boddie, Jr.
Commanding General, Armament Research, Development and
Engineering Center (ARDEC)

9:00 AM DEVELOPMENT OPPORTUNITIES FOR FORCE XXI
Mr. Carmine Spinelli
Technical Director, ARDEC

10:00 AM MORTARS OPPORTUNITIES
LTC Lauren S. Davis, Jr.
PM Mortars, ARDEC

10:30 AM SMALL ARMS OPPORTUNITIES
LTC William A. Laymon, Jr.
PM Small Arms, ARDEC

11:00 AM BREAK

11:20 AM PERFORMANCE SPECIFICATIONS
Mr. Spence Hirschman
ATD, Producibility & Process Technology, ARDEC

11:55 AM ENVIRONMENTAL TECHNOLOGY OPPORTUNITIES
Mr. Robert Scola, P.E.
Director, Industrial Ecology Center, ARDEC

12:30 PM CLOSING AND ADJOURN



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY INDUSTRIAL OPERATIONS COMMAND
ROCK ISLAND, ILLINOIS 61299-6000



REPLY TO
ATTENTION OF

March 12, 1996

Business Relations Center

Ladies and Gentlemen:

As Special Competition Advocate and Command Ombudsman for the U.S. Army Industrial Operations Command, I am pleased to present these proceedings for our 1996 Advanced Planning Briefing for Industry.

This year's theme is: "*Opportunities and Challenges in Power Projection, Industrial Operations & Munitions.*" This theme calls attention to the three core competencies of the Command and serves as the framework for the information provided.

Each briefing includes a chart showing a point of contact - a subject matter expert that can provide additional information. My staff and I remain ready to provide assistance as well. We can be contacted at (309) 782-5880.

This is your conference, make the most of it:

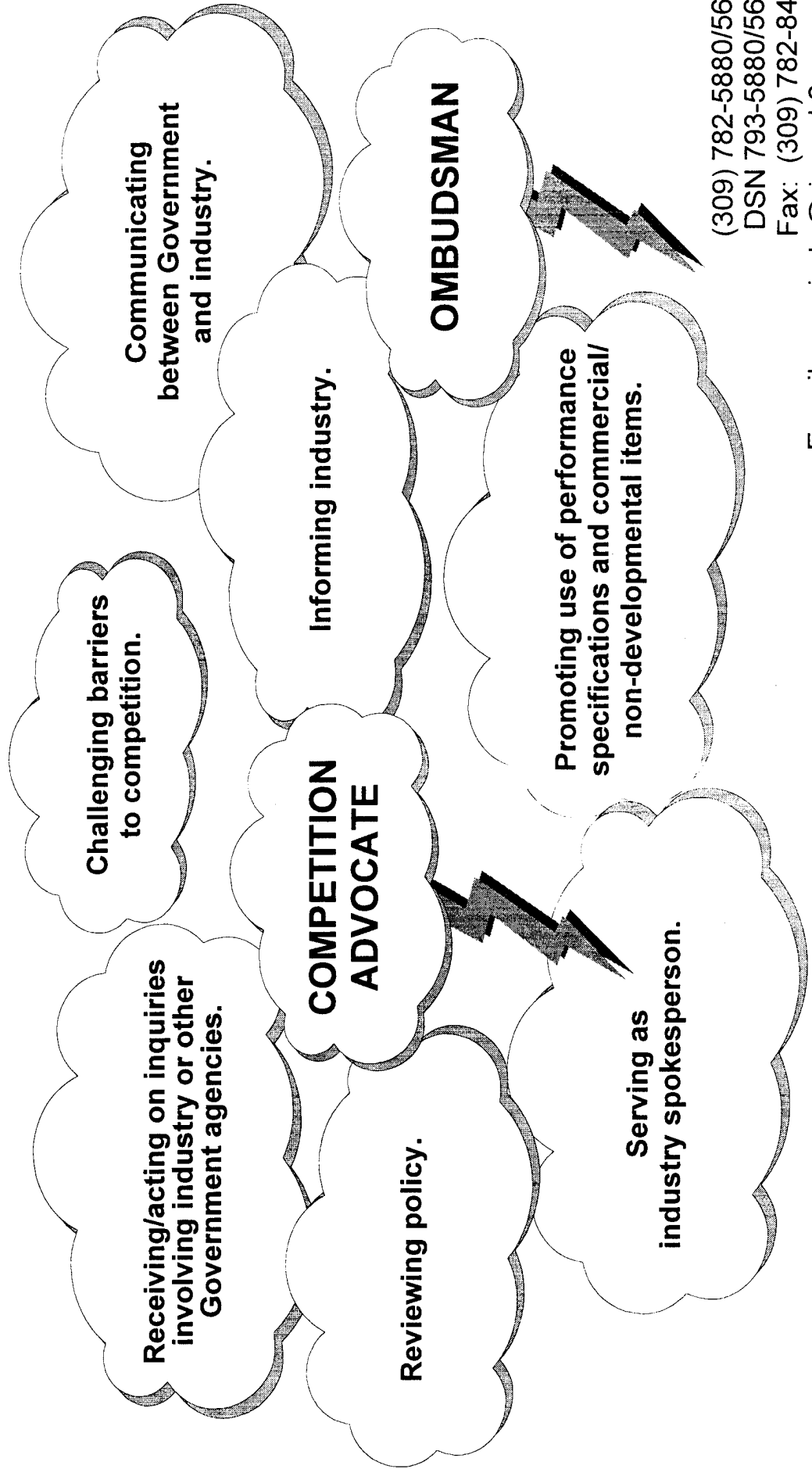
- Interact with our speakers.
- Visit our displays.
- Network with other attendees.

Enjoy the conference!

Craig J. Colledge
Director, Business
Relations Center

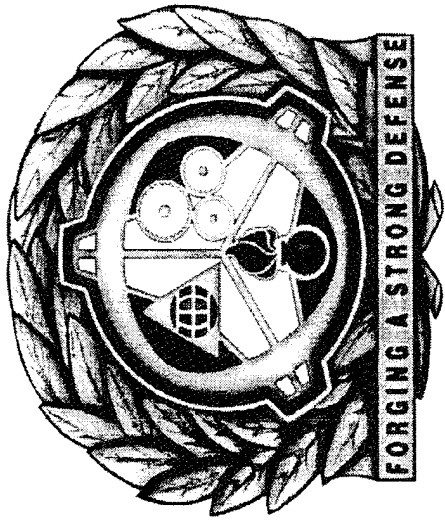
IOC BUSINESS RELATIONS CENTER

VISION: Premier customer service for competition and business relations.



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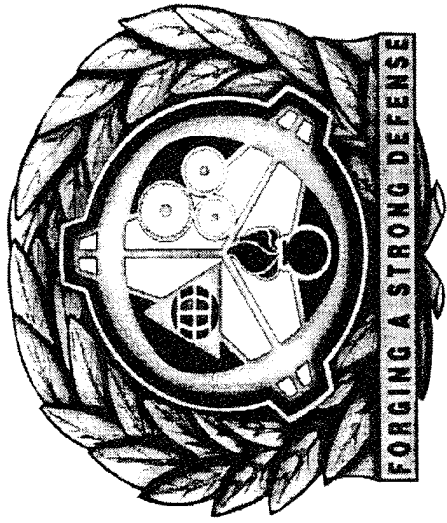
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**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

**WELCOME/OPENING
REMARKS**

INDUSTRIAL OPERATIONS



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

IOC OVERVIEW - WHO'S WHO IN THE IOC - STRATEGIC PLANNING ACTIONS AFFECTING INDUSTRY

**Speaker: Mr. Alan Wilson
Director, Plans, Analysis & Evaluation Office, IOC**

INDUSTRIAL OPERATIONS COMMAND

USADACS
USACEC

COMMAND GROUP
INDUSTRIAL EXECUTIVES

SPECIAL STAFF

BLD 390

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BLD 390

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ALAN WILSON 793-3930

PLANS, ANALYSIS & EVALUATION OFFICE
BLD 390

DCS FOR SMCA
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DCS FOR INSTALLATION SPT
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DCS FOR INDUST READINESS
BLD 350

RICH JANIK 793-2226

TIM SIMMONS 793-1611

DCS FOR INDUSTRIAL RISK MGT
BLD 350

DCS FOR HUMAN RESOURCES
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DCS FOR INFORMATION MGT
BLD 350

DICK FISCHER 793-0304

RON HERTER 793-3372

DCS FOR SECURITY ASST MGT
BLD 350

DCS FOR TRANS & TRAFFIC MGT
BLD 350

BILL TURNIS 793-5824

COL. DAVID EMLING 793-5140

EXEC DIR FOR INDUSTRIAL OPNS
BLD 350

PLANTS

DEPOTS

ARSENALS

COMM PREFIX: (309) 782-

STRATEGIC PLAN



What we do, and who we do it for

MISSION

Where we want to be and how we want to be perceived

VISION

VALUES

"Standards of Conduct" for doing Business in IOC

How we Treat our Workforce and Customers

PHILOSOPHY

STRATEGIES

Where we want to be in 5 + years

GOALS

Where we want to be in 2 - 3 years

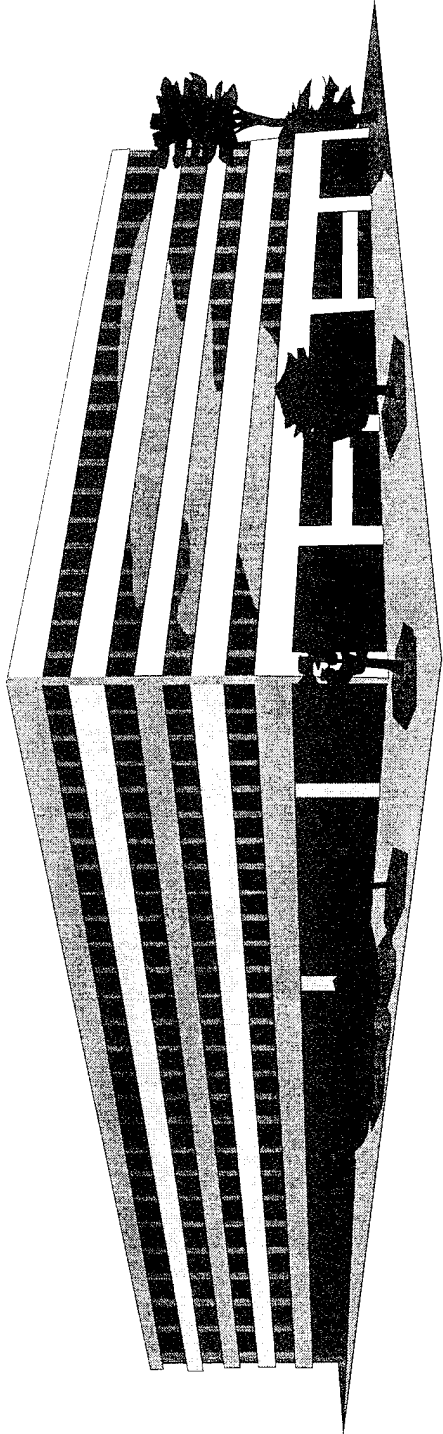
OBJECTIVES

What we need to accomplish in the next 1 - 2 years

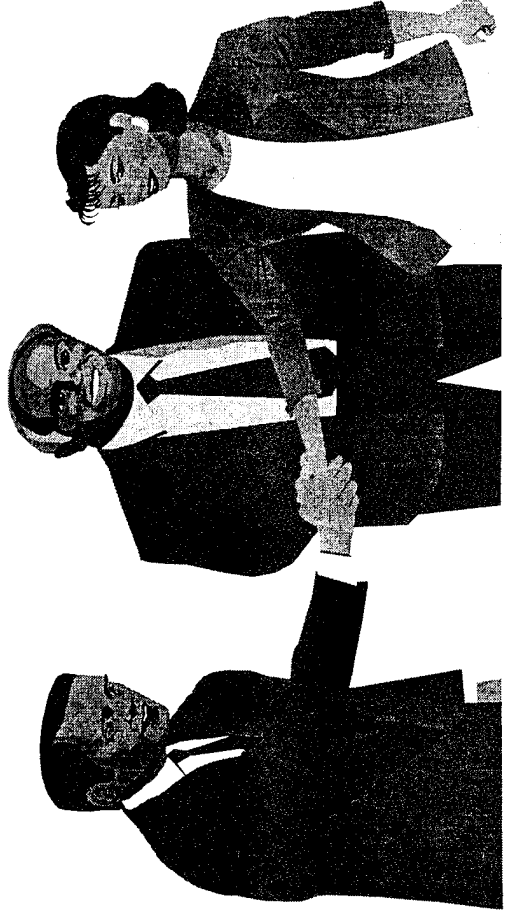
Assignment of Responsibility for Accomplishing Objectives

PERFORMANCE PLANNING

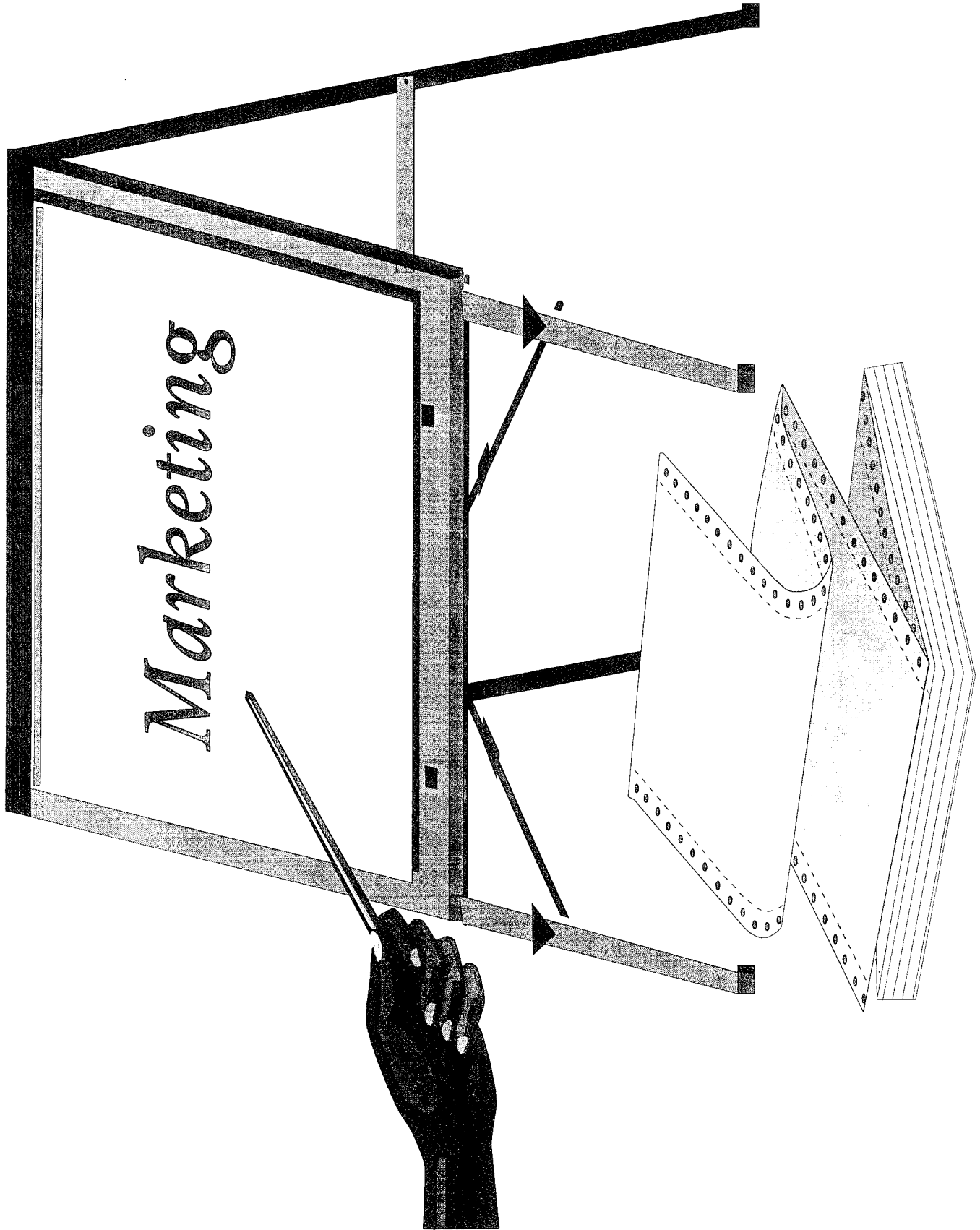
PRIVATIZATION



PARTNERING/TEAMING



Sharing projects with private sector companies in such a way as to retain essential skills and capabilities in both sectors.





IOC COMMITTED

21ST CENTURY

- **QUALITY**
- **CUSTOMER SUPPORT**
- **EFFICIENT OPERATIONS**
- **ORGANIC-COMMERCIAL PARTNERSHIPS**
- **PRIVATIZATION**

IOC WILL BE READY TO PROVIDE OUR WARFIGHTERS WITH THE MUNITIONS, EQUIPMENT, AND SUPPORT WHEN AND WHERE THEY REQUIRE IT

POINT OF CONTACT

MR. ALAN G. WILSON - DIRECTOR PLANS,

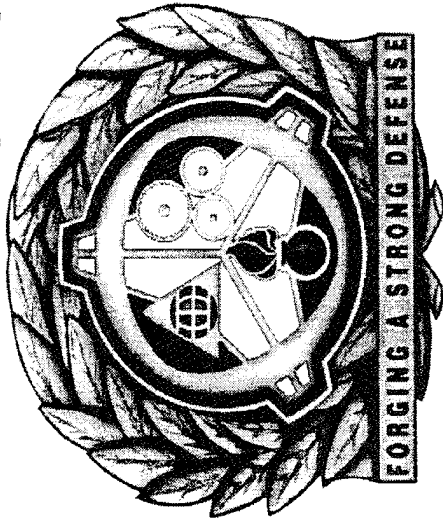
ANALYSIS AND EVALUATION OFFICE

CML (309) 782-3930, DSN 793-3930

AMSIO-AE

HQ, IOC

ROCK ISLAND, IL 61299-6000



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

PRIVATIZATION

***Speaker: Ms. Rosanne Mohr
Plans, Analysis & Evaluation Office, IOC***

PRIVATIZATION

WHY OUTSOURCE?

- ✓ Expands Business Base
- ✓ Competitive commercial markets are responsive, flexible, and innovative
- ✓ Competition drives prices down and efficiencies up
- ✓ Encourages Technology Infusion

PRIVATIZATION

PRIVATIZATION OPTIONS

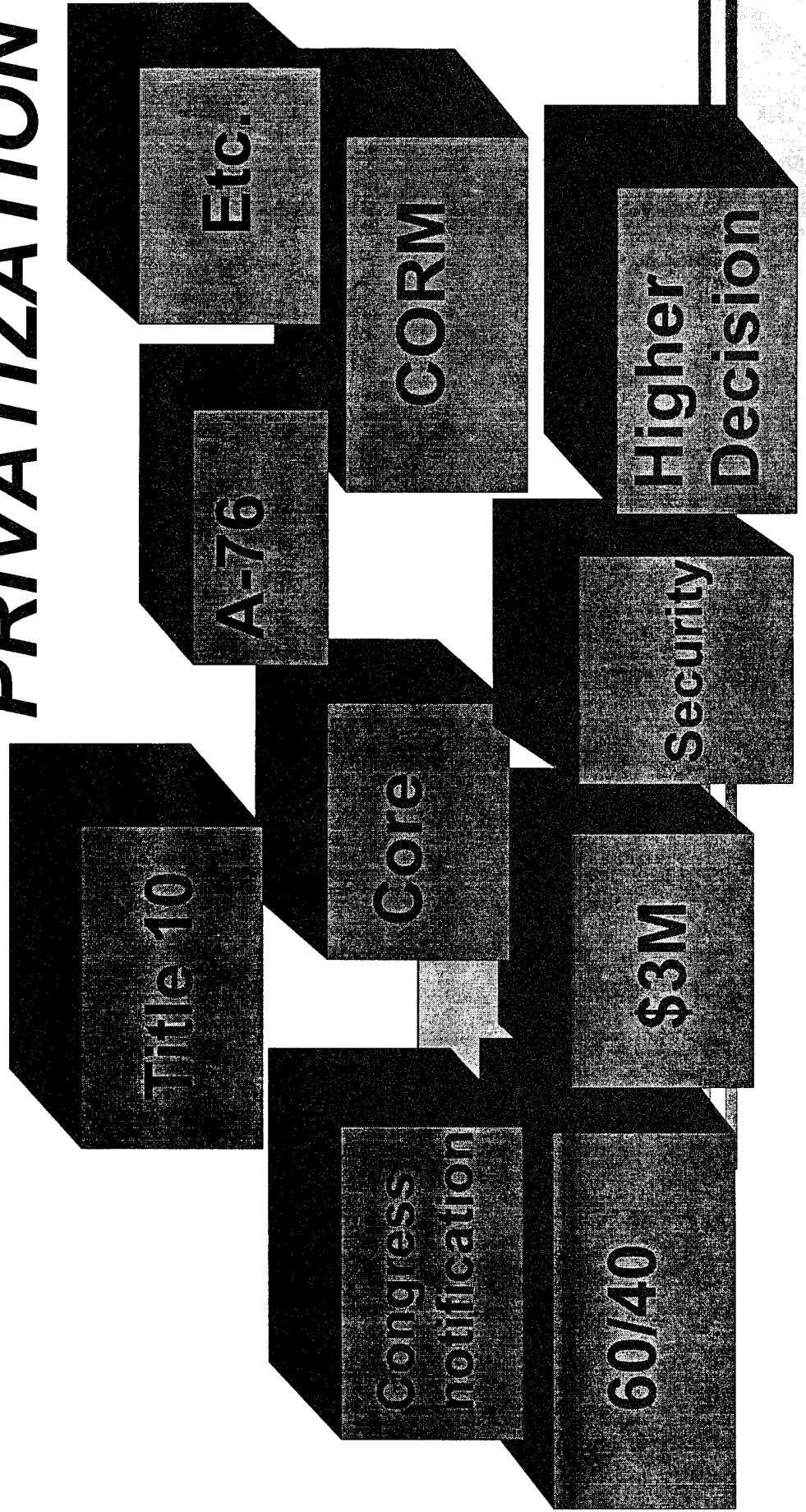
- **OUTSOURCING:** Divesting the organic capability and depending entirely on the marketplace to supply the service.
- **PARTNERING:** Sharing projects with private sector companies in such a way as to retain essential skills and capabilities in both sectors. Total must be great enough to workload to **CORE**.
- **GOVERNMENT OWNED-CONTRACTOR OPERATED (GOCO)** - Converting current depots to GOCO -- retaining the facilities and tooling, but relying on private sector to perform work.
- **AUGMENTATION:** Planned use of private sector support in the event of the 2-MRC, as needed. This does not shift work to the private sector in peacetime.

PRIVATIZATION
AREAS FOR APPLICATION

- COMMISSION ON ROLES & MISSIONS
REPORT (CORM):
 - ▲ DEPOT MAINTENANCE
 - ▲ MATERIEL/SUPPLY MANAGEMENT
 - ▲ HEALTH CARE
- IDENTIFIED AS OPPORTUNITIES
 - ▲ AUTOMATED DATA PROCESSING
 - ▲ EQUIPMENT MAINTENANCE
 - ▲ BASE OPERATIONS
 - ▲ TRAINING AND EDUCATION

Barriers

PRIVATIZATION



Implementation Considerations

Plan

Competition

Environmental

Proprietary Rights

Skills

Efficiencies

\$ Savings

Reuse

Currency of Data

Community

Fixed Price



PRIVATIZATION

CONCLUSION

PRIVATIZING:

Is a priority

Functions are being determined

**..Approach with common sense and
caution**

...Be innovative and open

POINT OF CONTACT

MS. ROZ MOHR - PRIVATIZATION

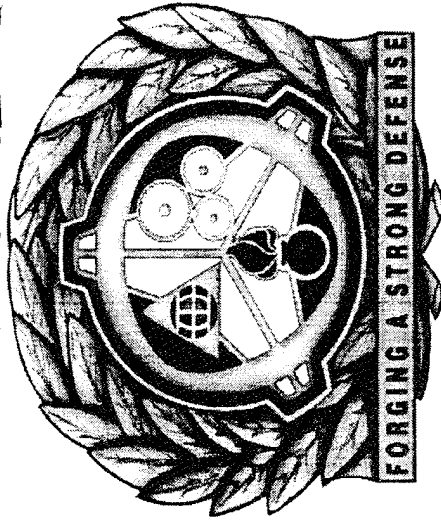
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HQ, IOC

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U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND

RESHAPING THE INDUSTRIAL BASE - THRU PARTNERING/TEAMING THRU DIRECT SALES AGREEMENTS

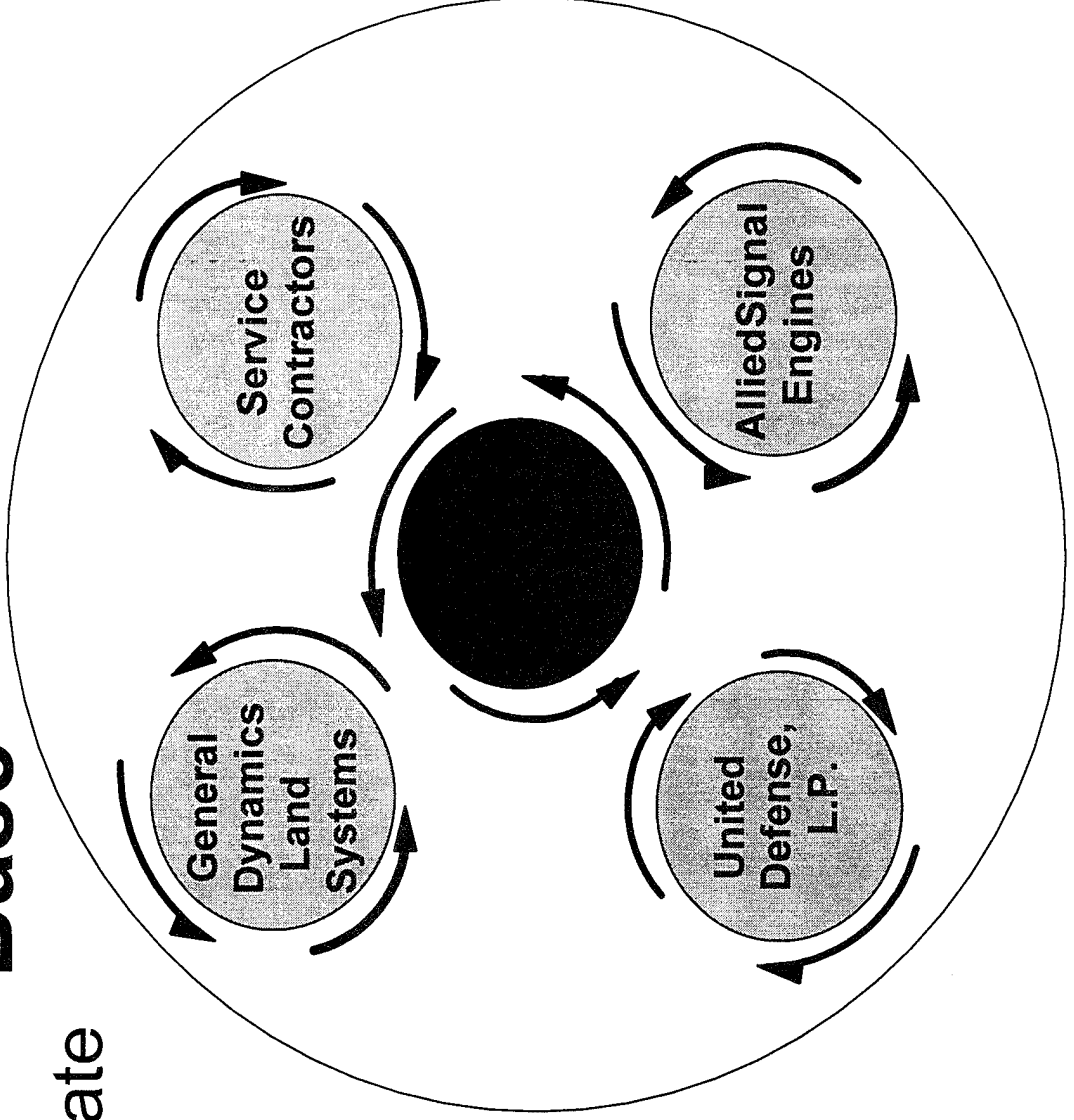
*Panel Members: Ms. Jeri Kopp, Ms. Gilda Johnson,
Ms. Terese Harrison, Ms. Mary Beth Watkins*

AGENDA

- INTRODUCTION - PAST AND PRESENT
- DEFINITIONS OF DIRECT SALES AND PARTNERING/
TEAMING
- OVERVIEW OF STATUTES
- DIRECT SALES PROCESS FLOW
- IOC PARTNERING/TEAMING INITIATIVES
- ANNISTON ARMY DEPOT PARTNERING/TEAMING
INITIATIVES
- IOC GOALS AND BENEFITS

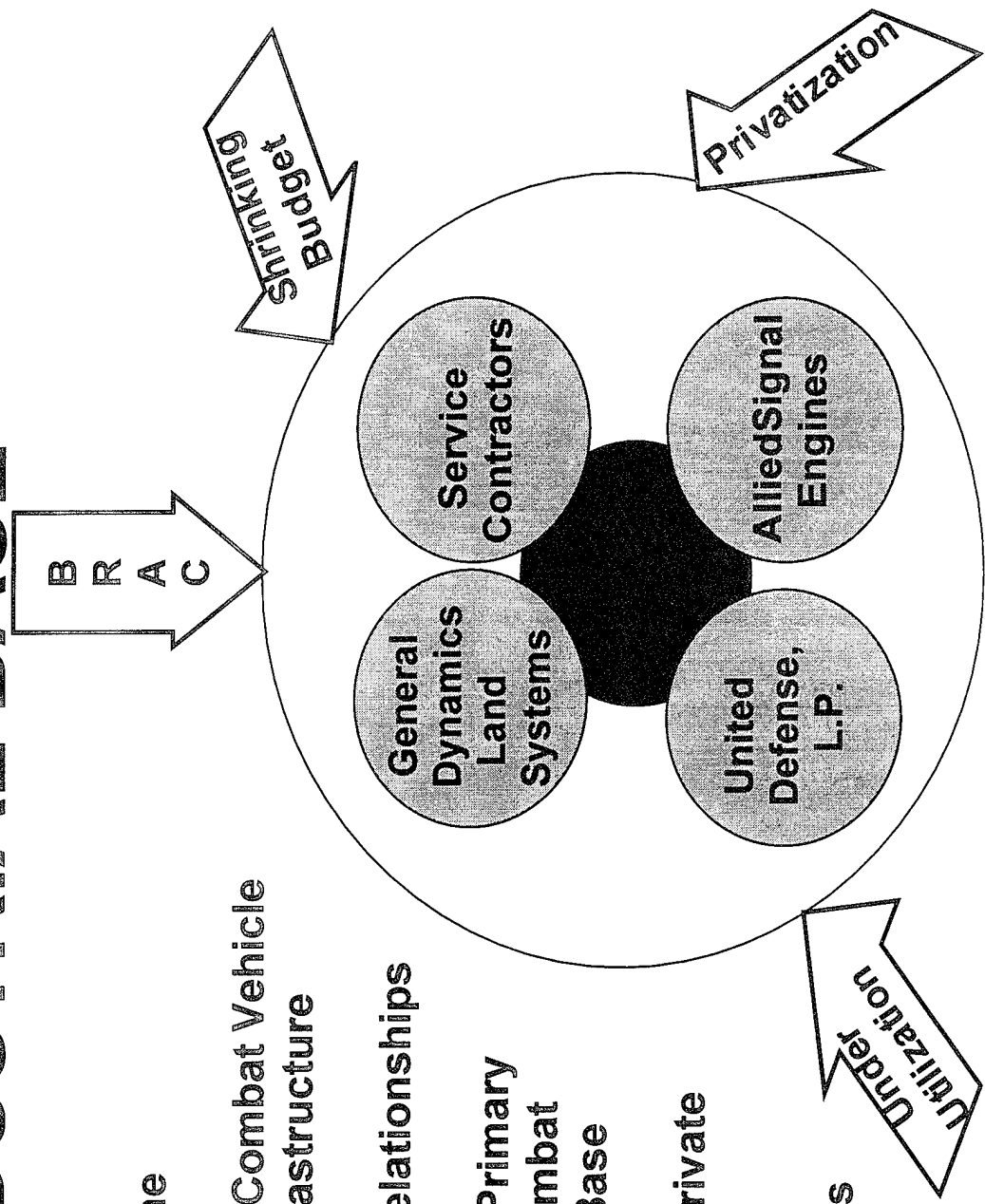
Past Combat Vehicle Industrial Base

- ★ Public vs. Private
 - ★ Independent
 - ★ Competitive
- VS.
- Cooperative



BLENDING COMBAT VEHICLE INDUSTRIAL BASE

- ★ Common Fence Line
- ★ Reduction of Total Combat Vehicle Industrial Base Infrastructure
- ★ Virtual Business Relationships
- ★ Encompasses the Primary Elements of the Combat Vehicle Industrial Base
- ★ Protects Organic/Private Sector Capabilities
- ★ Best of Both Worlds



DEFINITIONS

DIRECT SALES IS.... A SALE BY THE U.S. GOVERNMENT OF MATERIAL AND/OR SERVICES TO PRIVATE INDUSTRY EITHER THROUGH MANUFACTURE BY DEFENSE BUSINESS OPERATIONS FUND (DBOF) FACILITIES OR DIRECT FROM GOVERNMENT INVENTORY

PARTNERING/TEAMING IS A MUTUALLY AGREED WORKSHARE ARRANGEMENT BETWEEN THE U.S. GOVERNMENT AND PRIVATE INDUSTRY

DIRECT SALES STATUTES

- 22 U.S. CODE 2770
- 10 U.S. CODE 2539b
- 10 U.S. CODE 2208 (h)
- 10 U.S. CODE 2208 (j)
- 10 U.S. CODE 4543

22 U.S.C. 2770

Allows the sale of articles for incorporation into an end item to be sold to a friendly foreign government

- End Item must be "military"
- Item purchased would be GFM/GFE in U.S. Contracts
- Buyer must have export license

Approving Authority: Commander, IOC

10 U.S.C. 2539b

When in the interest of national defense, authorize...

- use of available services of labs, centers, ranges or other testing facility for testing of materials for a fee;**
- to sell, lend or give samples and information;**
- to sell or lend equipment and materials for independent research and development (IR&D) programs or for demonstrations to foreign government.**

- Statutory limit to recovery of direct and indirect costs for providing services; competition with private sector to be avoided

Approving Authority: Commander, IOC

10 U.S.C. 2208(h)

Permits the Government to sell supplies from inventory to Contractors for use in performing DoD Contracts

- Applies to "off-the-shelf" type items
- Must be excess to inventory

Approving Authority: Principal Assistant Responsible
for Contracting (PARC)

10 U.S.C. 2208(j)

Allows Arsenals and Depots to sell manufactured or remanufactured articles, as well as services, to qualified contractors as long as the buyer is fulfilling a DOD contract (must make it or have made it before)

- Solicitation for end item must state it is open to public and private competition
- Installation must hold itself open to all -- no exclusive agreements
- Advantage: Allows sale regardless of availability of other private industry sources

Approving Authority: Commander, IOC

10 U.S.C. 4543

Allows Arsenal and Depots to sell manufactured goods and services outside DoD

- Can be for DoD or commercial end items

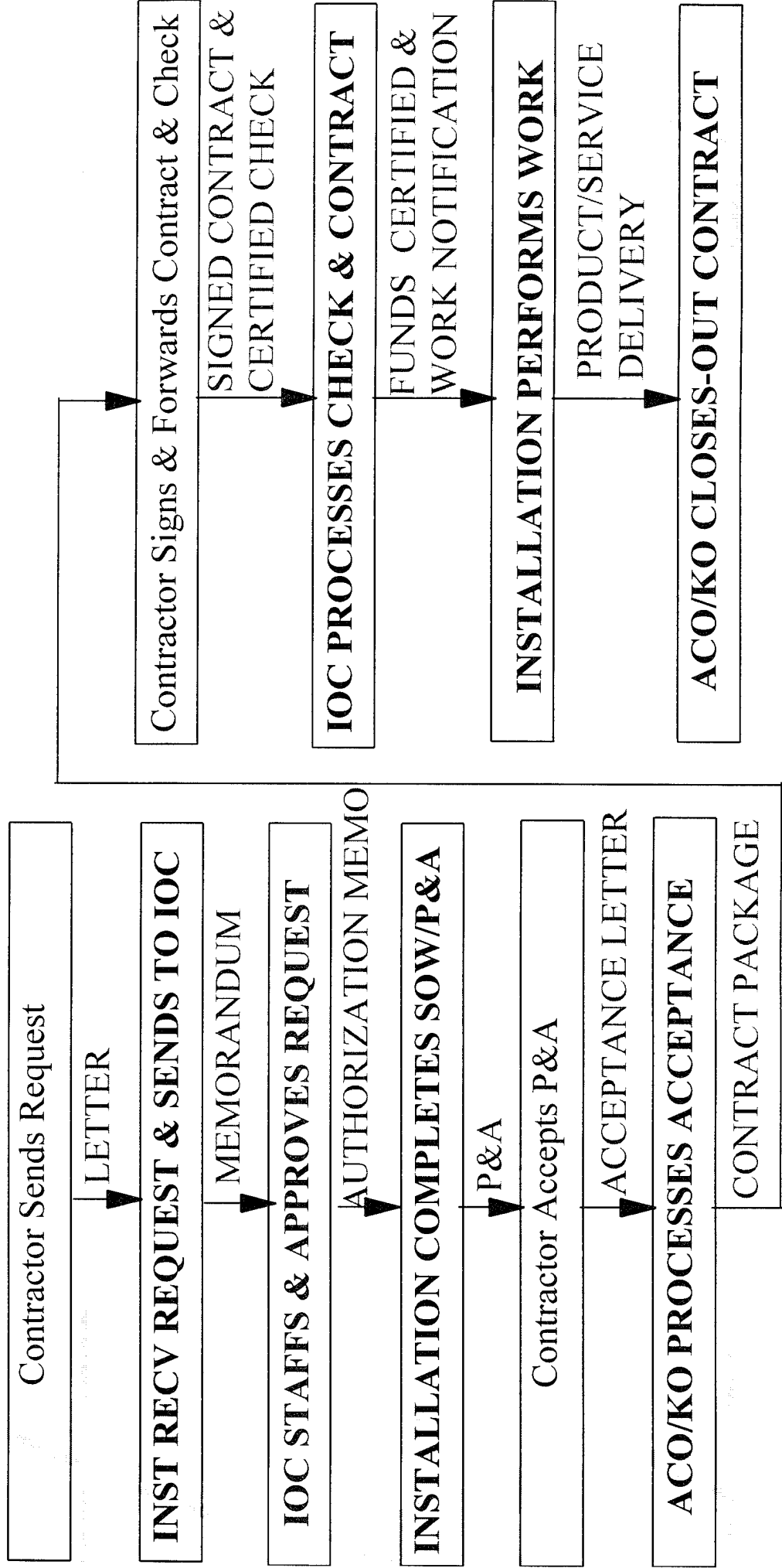
- Cannot interfere with DoD work or installation's military mission
- Services sold must relate to an article authorized to be sold
- Article or service must not be commercially available
- Purchaser must agree to hold U.S. harmless for injury/damage to person or property
- Must be little or no subcontracting required by the installation to do the job
- Must be in the public interest to do the work

Approving Authority: Commander, IOC

NOT COMMERCIALY AVAILABLE

- **AS THIS RELATES TO 10 U.S.C. 4543:**
 - Same standard as Buy American Act determinations
 - Is it reasonably available in sufficient quantity or quality to meet a customer's requirements?
 - Case-by-case determination
 - Approving authority always has the prerogative to adopt a narrower position on behalf of the Command

IOC DIRECT SALES PROCESS FLOW



FOX
NBCRS

MC
AAV7A1

M113
Grit Blast

M1A2
Gunner's
Sight

M88A1
Recovery
Vehicle

AGT 1500
Turbine
Engine

Demil
Fuzes &
Boosters

T700-401
Helicopter
Engines

M109
SPH
Paladin

Bradley
A2 -> A3

Long-wall
Mining

Demil
M117
Bombs

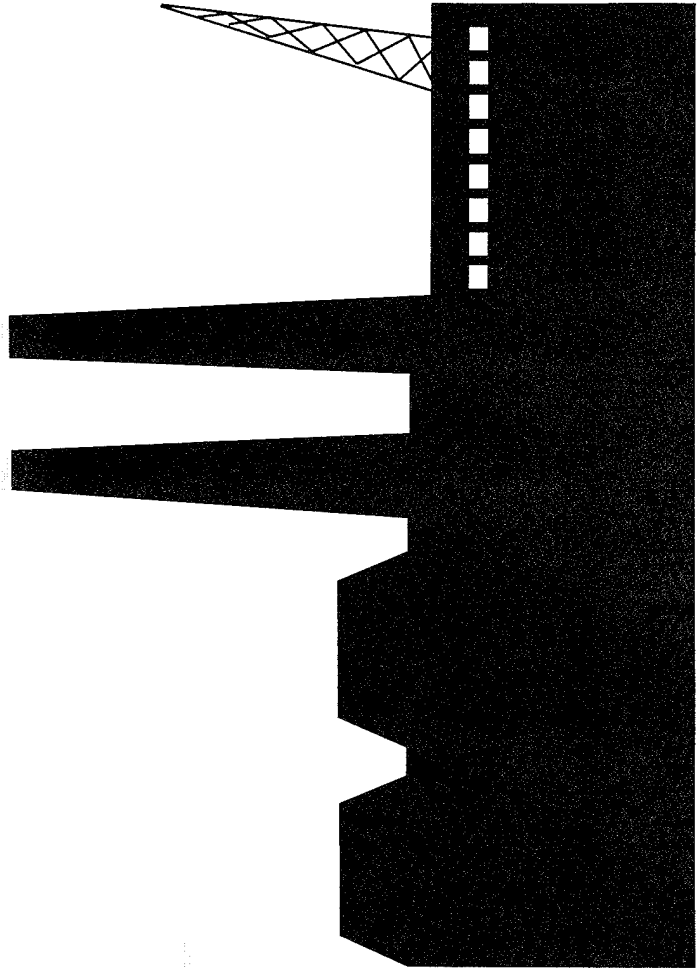
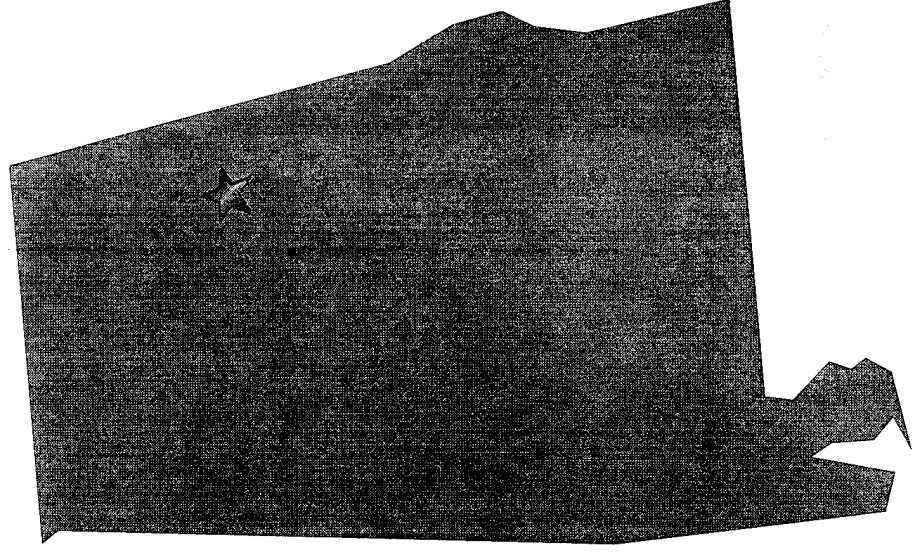
System
Integration
Harpoon

Hydraulic
Gun
Simulators

Propulsion/
Navigation
Shafts



Anniston Army Depot Industry Partnering/Teaming Initiatives



ANNISTON ARMY DEPOT CURRENT and PROPOSED PROJECTS

	Anniston Army Depot	General Dynamics Land Systems	United Defense, L.P.	AlliedSignal Engines
<u>M1/M1A2 Upgrade</u>	X	X		
Heavy Assault Bridge	X	X		
Breacher	X		X	
Abrams Int Mgmt (AIM) XXI	X	X		
Gunner's Primary Sight	X	X		
Test Track	X		X	
Amphibious Assault Veh (LVTP7)	X		X	
Recuperator	X			X
Mining Equipment	X		X	
Hercules	X		X	
Service Life Extension - Engine	X			X
FOX Vehicle	X	X		

M1A2 Upgrade

- Upgrade Basic M1 Tank to M1A2 Configuration
- Workshare Program with General Dynamics Land Systems Division

Programs:	Year	Quantity
	FY94	86
	FY95	120
	FY96	100

- Advantages:

ANAD

Workload

Maintain Core Skills

DA

Reduced Modernization Cost

Maintain Workload & Skills in Public & Private Sectors

GDLS

Workload

Maintain Core Skills

Gunners Primary Sight

- Relocation of General Dynamics Land Systems Division GPS Manufacturing Facility to ANAD
- Facility Use Agreement with General Dynamics Land Systems Division through PM Abrams

- Advantages:

ANAD

Occupancy of Under-utilized Facility

GDLS

Facility & Equipment Cost Savings

DA

M1A2 Contract Savings
Reduce Combat Vehicle Industrial Base Infrastructure

FOX Upgrade Program

- Upgrade Army Fleet of 123 FOX NBC Reconnaissance System Vehicles
- Direct Sales Agreement with General Dynamics Facility Use Agreement with General Dynamics through PM NBCRS, CBDCOM
- Program:
 - Multi-Year Contract - FY97-01
 - One Fixed Location - ANAD
- Advantages:
 - ANAD Workload Occupancy of Under-utilized Facilities Offset Overhead
 - GDLS Reduced Program Cost Facility & Equipment Savings
 - DA Program Savings

AIM XXI

- **Anniston & General Dynamics Introduced This Concept to PM Abrams for Sustainment of M1A1 Fleet**
 - Vehicle Restoration
 - Field Support
 - Information Management
- **Workshare Program with General Dynamics**
- **Program:**
 - Proof of Principle (PoP) Program - FY96 - 17 Vehicles
 - PoP Data Collection & Concept Prove-Out - CY97

■ **Advantages:**

ANAD

Workload

Maintain Core Skills

GDLS

Workload

Maintain Core Skills

Maintain Vendor Base

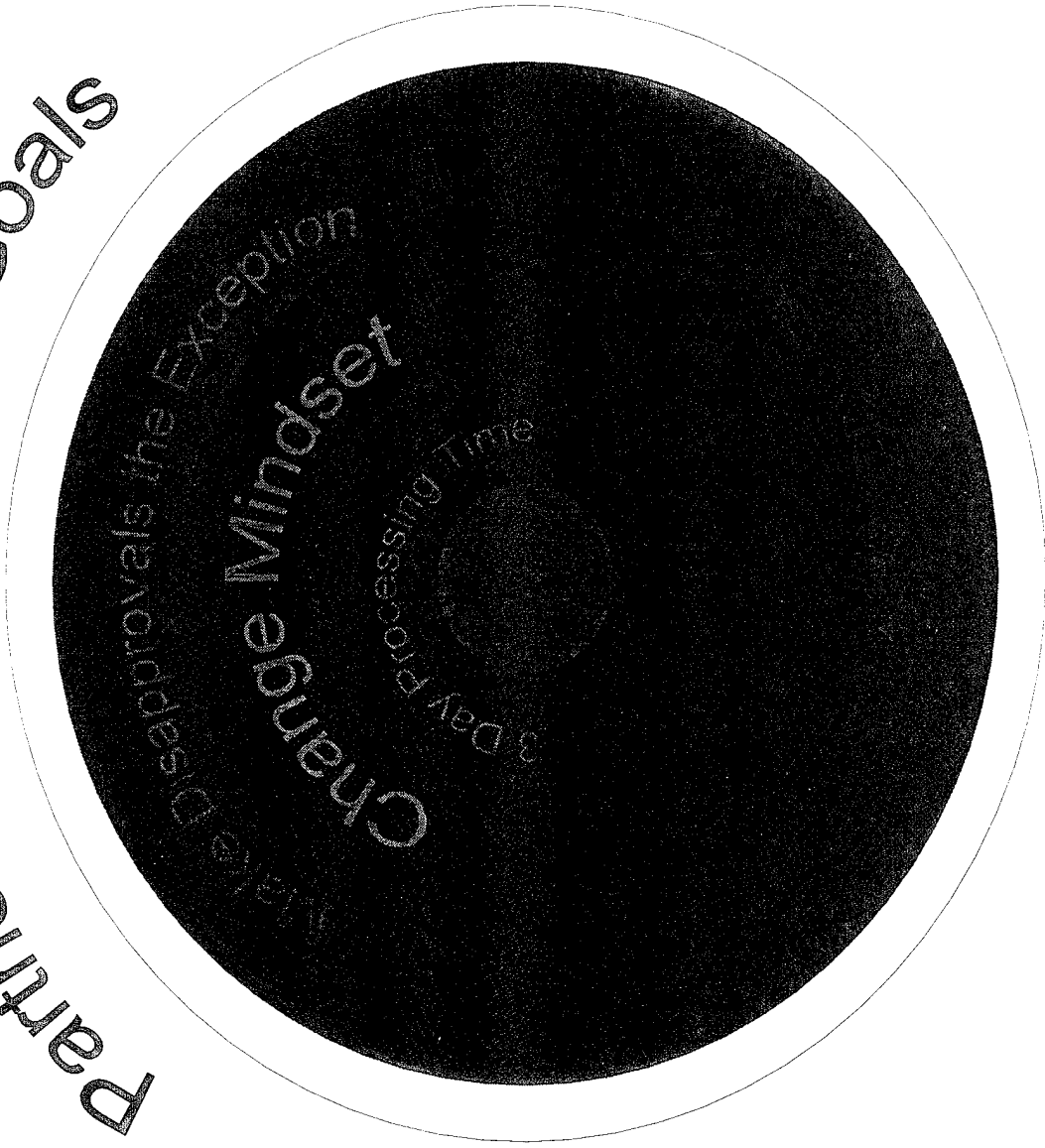
DA

Decreased Fleet Sustainment Cost

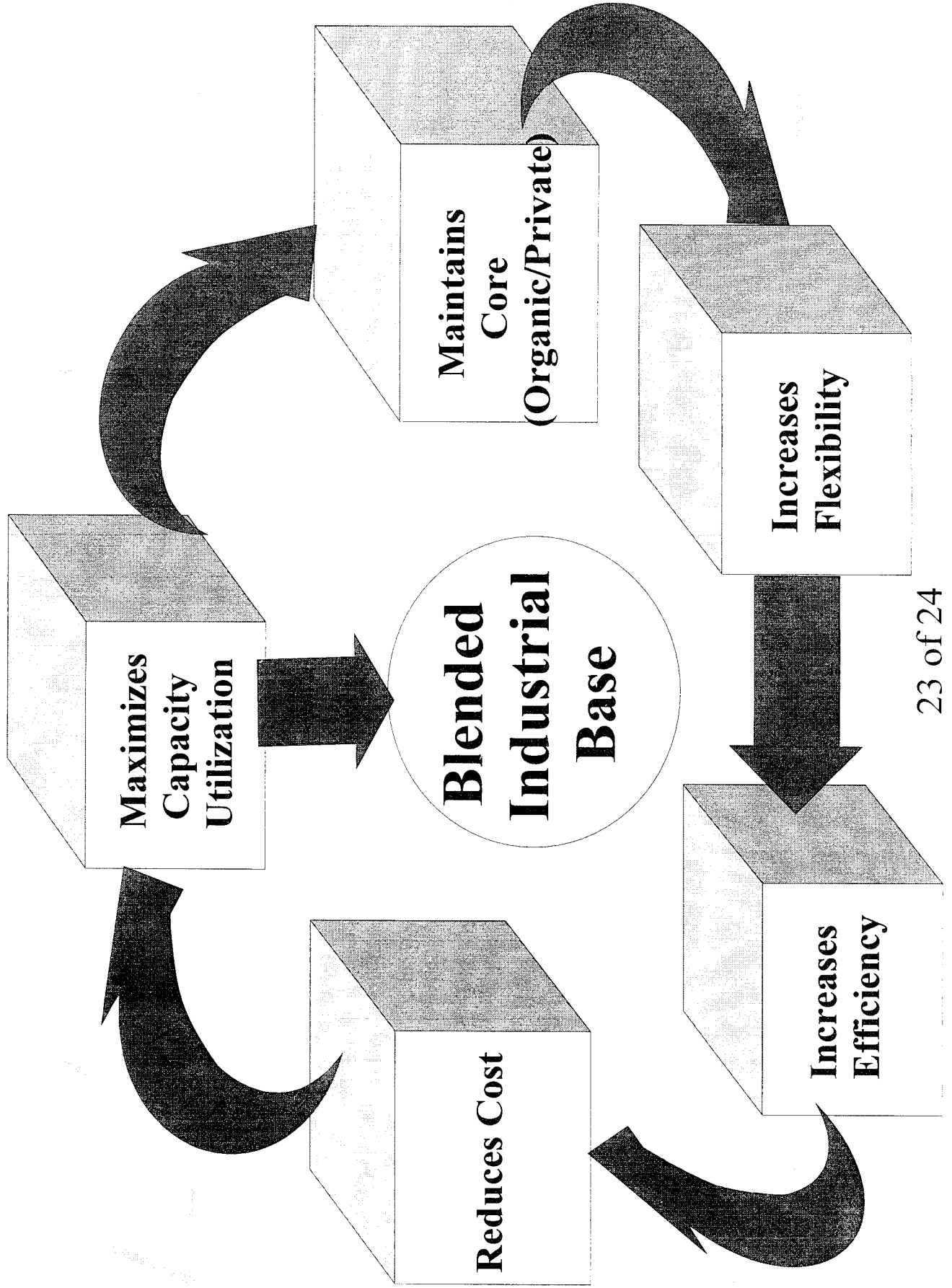
O&S Savings Effecting Increased Modernization

Program Capability

Partnering/Teaming Goals



BENEFITS



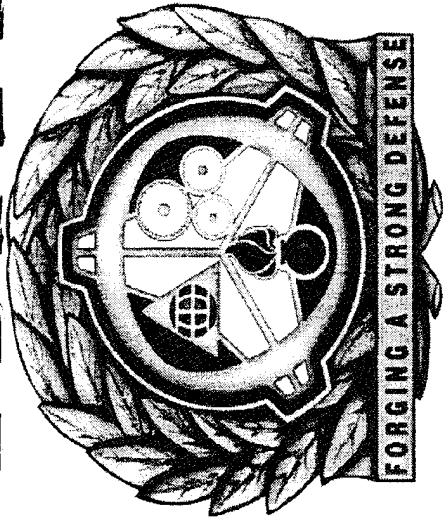
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MS. JERI KOPP - BUSINESS DEVELOPMENT
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MS. GILDA JOHNSON - STRATEGIC PLANNING
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ANNISTON, AL 36201-4199



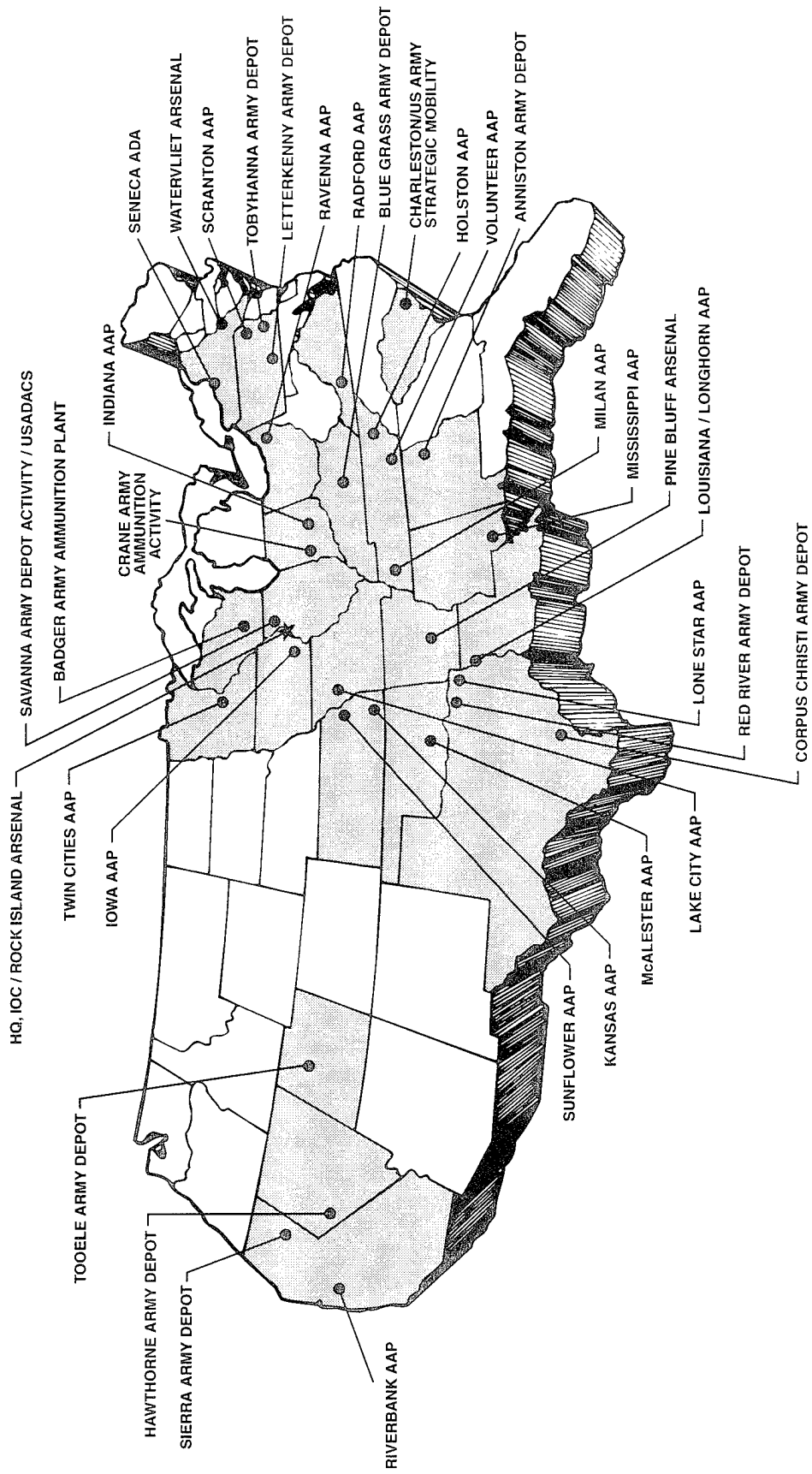
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INDUSTRIAL OPERATIONS COMMAND**

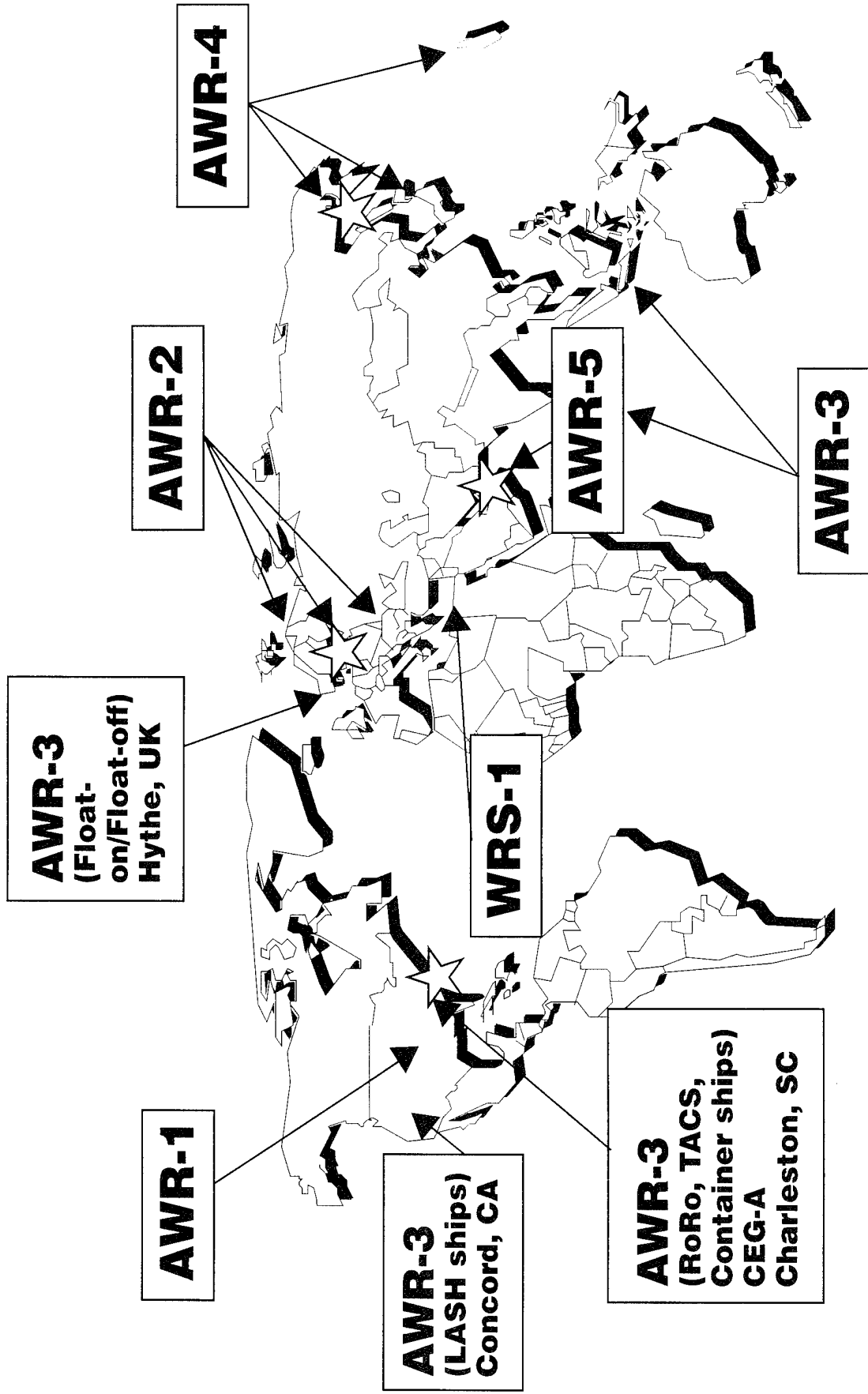
USE OF THE GOVERNMENT BASE FOR DEFENSE WORK

**Speaker: Mr. Fritz Larsen
Marketing, Business Development Office, IOC**

INDUSTRIAL OPERATIONS COMMAND

OUR FACILITIES



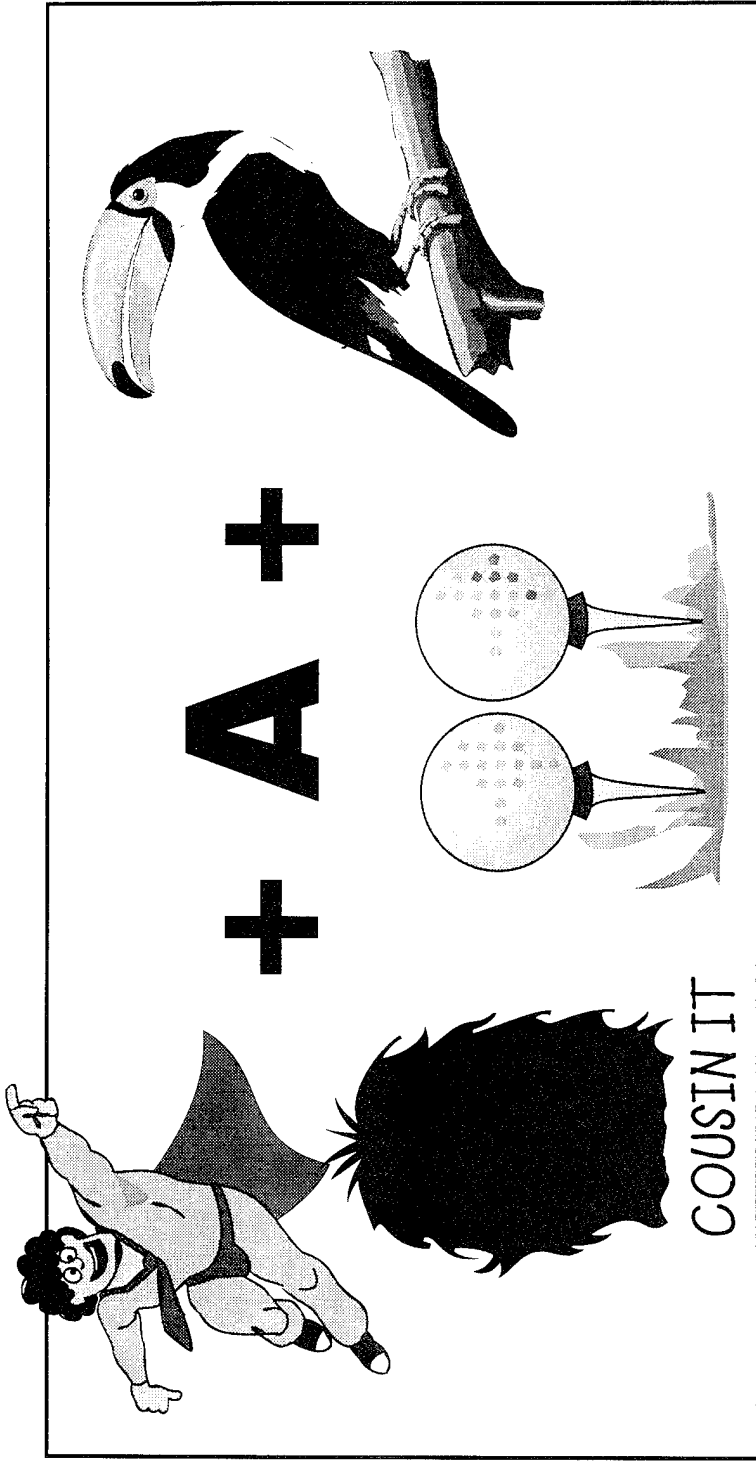


INDUSTRIAL OPERATIONS COMMAND CONCENTRATION

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21	22	23	24	25
26	27	28	29	30

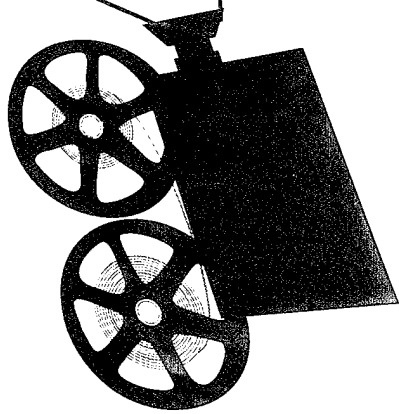


**INDUSTRIAL OPERATIONS COMMAND
CONCENTRATION**



**CAPE + A + BILL + IT + TEES =
CAPABILITIES**

INDUSTRIAL OPERATIONS COMMAND



CAPABILITIES VIDEO



INDUSTRIAL OPERATIONS COMMAND



INDUSTRIAL OPERATIONS
COMMAND



CAPABILITIES
1996

INDUSTRIAL OPERATIONS COMMAND

DON'T BE PUZZLED

A T T H E

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AMSIO-AEB
ATTN: MR. F. LARSEN
ROCK ISLAND, IL 61299-6000

B Y P H O N E

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DSN 793-3681
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A P B I
A D D R E S S
I N T E R N E T

<http://www-IOC.army.mil>

flarsen1@ria-emh2.army.mil

WE'RE VERY ACCESSIBLE



INDUSTRIAL OPERATIONS COMMAND EXHIBITOR LISTING

**Armament Research & Development Center
Blue Grass AD
Crane AAA
Holston AAP
Indiana AAP / Volunteer AAP
Industrial Operations Command
Information Management
Iowa AAP
Lone Star AAP
McAlester AAP
Milan AAP
Pine Bluff Arsenal
Rock Island Arsenal
Tobyhanna AD
Tooele AD
Value Engineering**

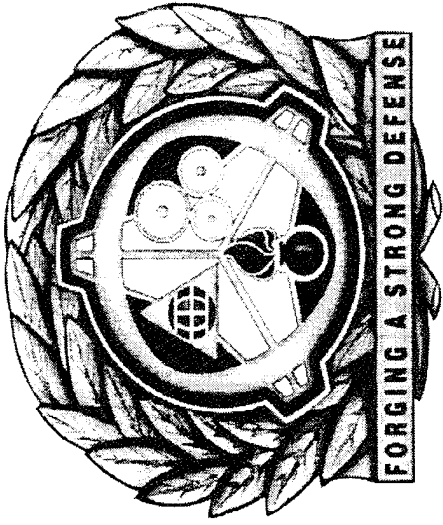
POINT OF CONTACT

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POWER PROJECTION



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

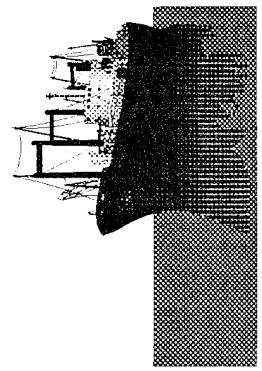
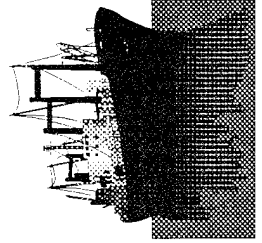
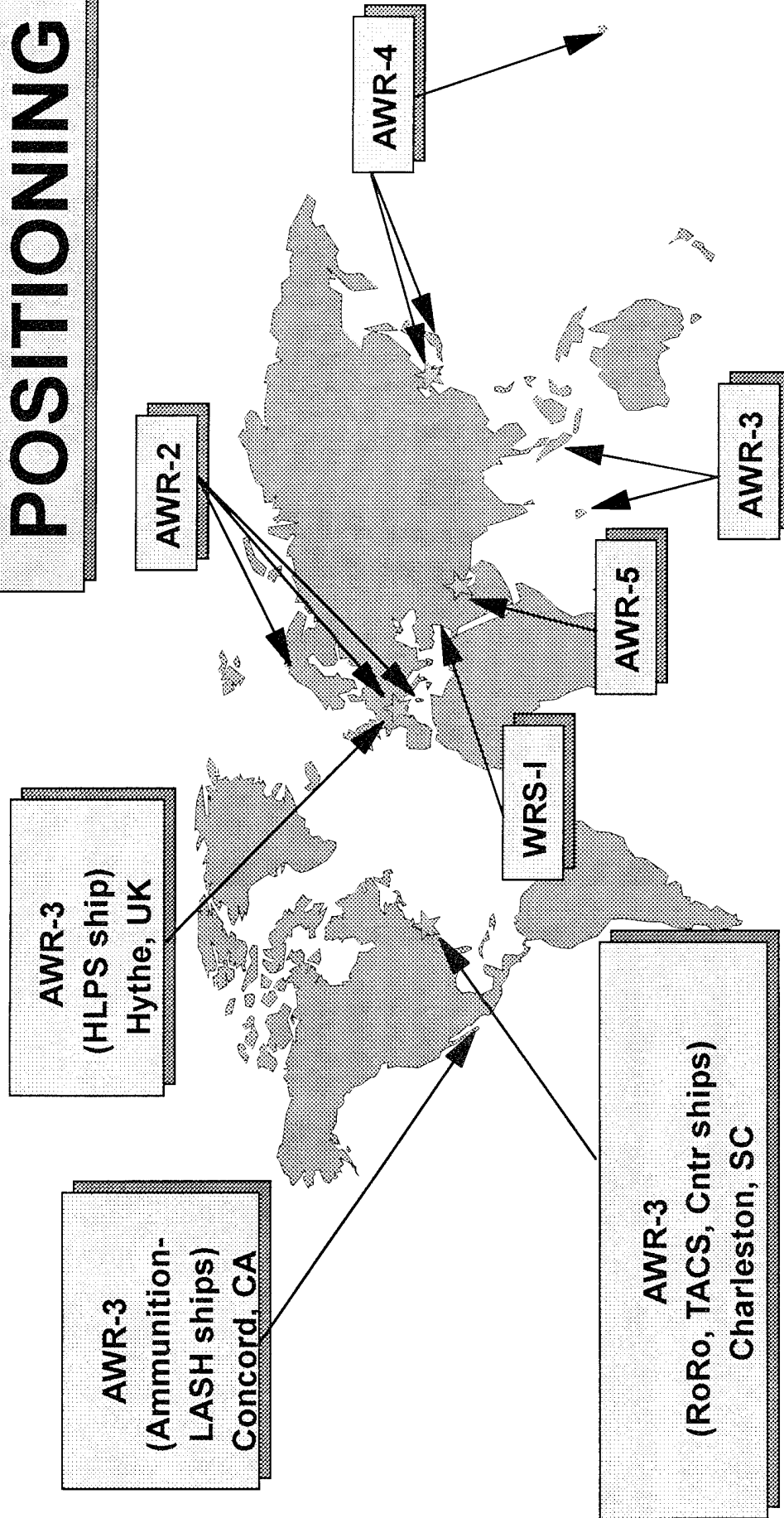
WAR RESERVE MISSION AND INDUSTRY OPPORTUNITIES

***Speaker: Mr. Thomas Vetter
U.S. Army Combat Equipment Command, IOC***

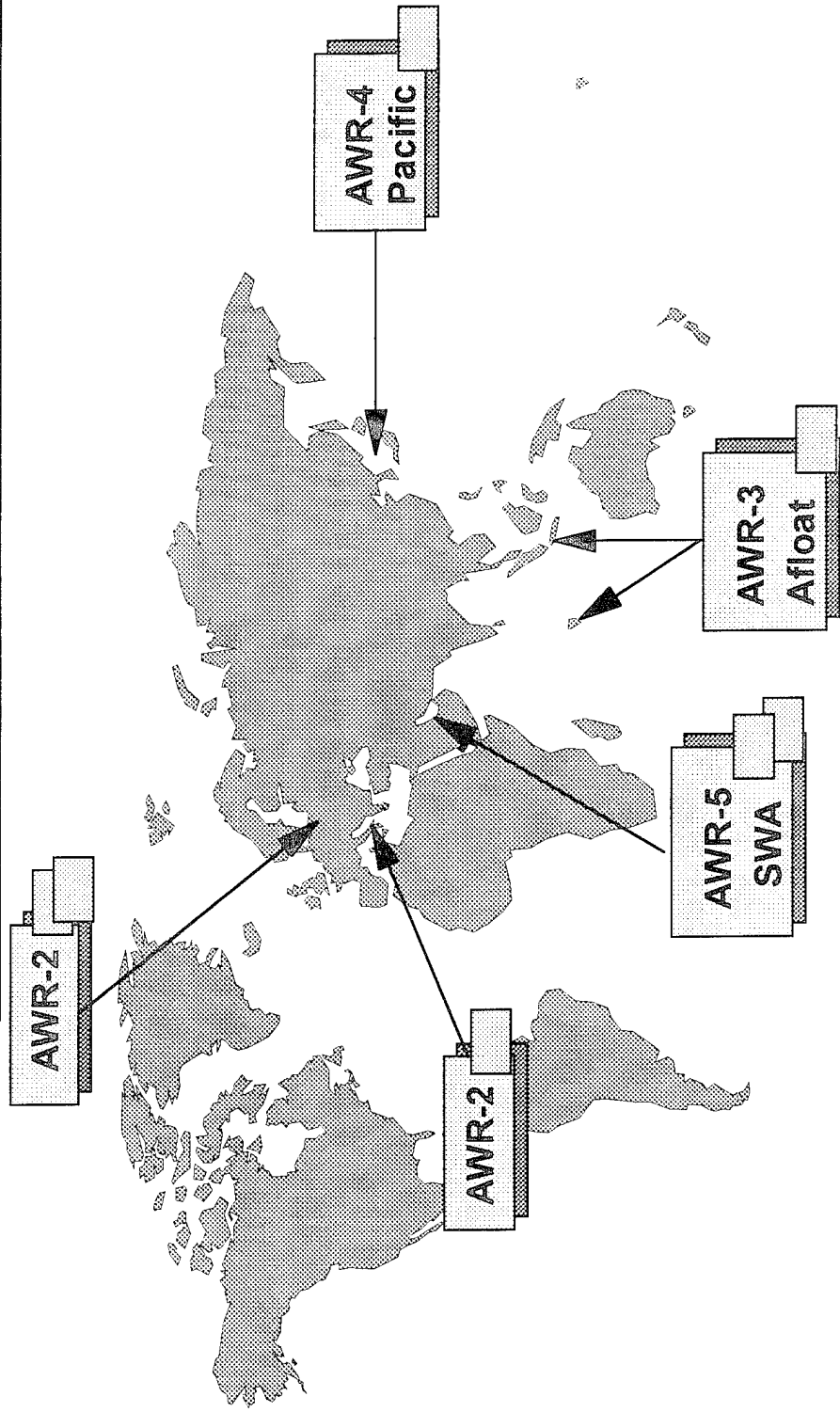
OVERVIEW

- **MAY 92 CSA DIRECTS:**
 - A new Army strategy and policy for War Reserves and Operational Projects Stocks
 - Disconnect war reserve materiel from Theater Commander
 - Pool all war reserve materiel
 - Centrally manage and account for all war reserve materiel
- **MAY 94 CSA EXPANDS MISSION TO INCLUDE POMCUS & AWR-5**
- **U.S. ARMY MEDICAL MATERIEL AGENCY (EXECUTIVE AGENT FOR MEDICAL MATERIEL)**
- **U.S. ARMY MATERIEL COMMAND (EXECUTIVE AGENT FOR ALL OTHER MATERIEL)**
 - Industrial Operations Command (responsible agent)
 - U.S. Army Combat Equipment Command (Provisional) Feb 96

WORLDWIDE POSITIONING



GLOBAL PREPOSITIONING STRATEGY (GPPS)



Bottom Line: GPPS is Dynamic; Tomorrow could bring Brigade Set #8.

SCOPE OF RESPONSIBILITIES

Equipment for:

- * 7(+)
Bde sets
- * Div base
- * Corps base
- * Theater base
- * Operational projects

* Port opening pkg

Oversight of contractor personnel

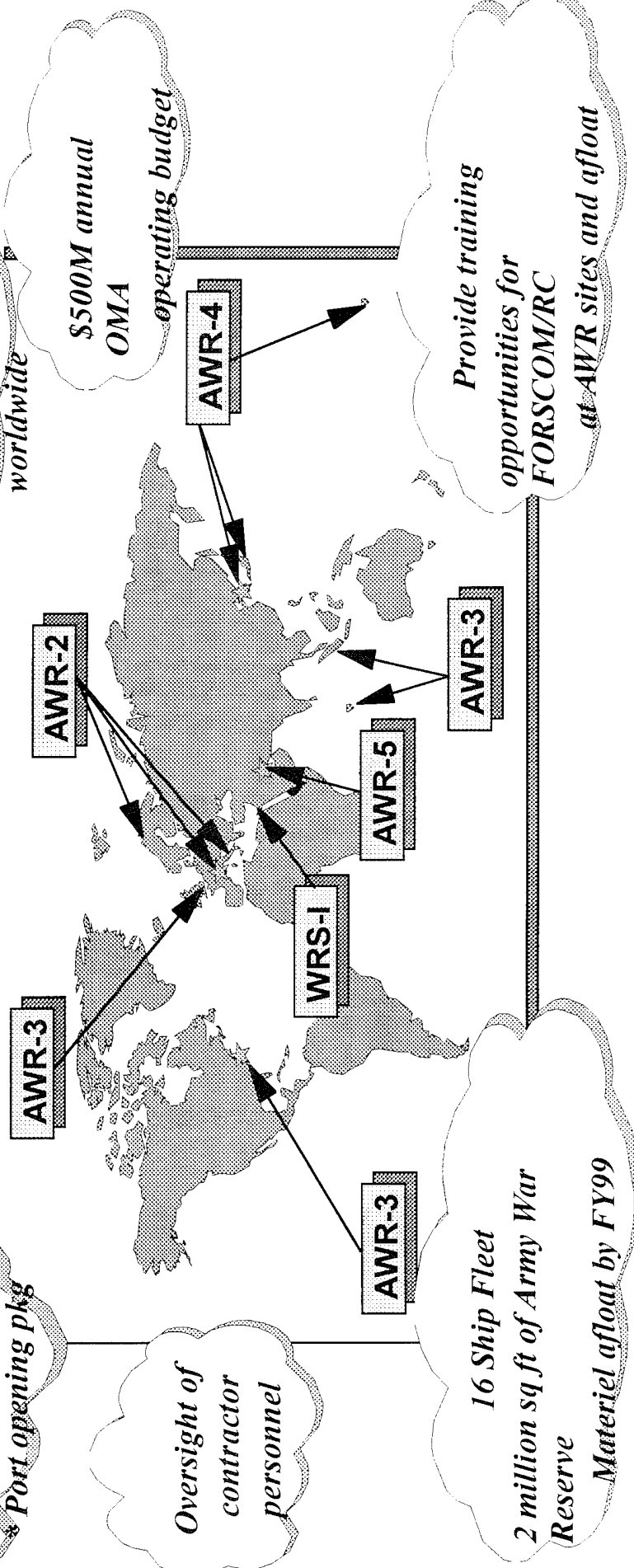
*16 Ship Fleet
2 million sq ft of Army War Reserve
Materiel afloat by FY99*

*Major Items = \$10.3B
Secondary Items = \$ 4.7B
Total = 15.0B*

Hundreds of millions of dollars in facility assets worldwide

\$500M annual OMA operating budget

Provide training opportunities for FORSCOM/RC at AWR sites and afloat



Bottom Line: AMC management responsibility far exceeds a Corps equivalent of assets

ACQUISITION STRATEGY

- **Maximize Long-Term Contractor Provided Maintenance Support**
- **Competitive - Full & Open**
- **Minimize Short-Term Contractor Field Team (CFT)**

**CONTRACTING OPPORTUNITIES
MAINTENANCE SUPPORT**

CURRENT PLANNED

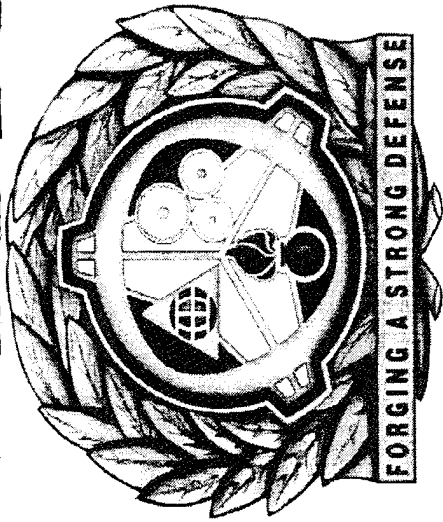
AWR-1/2	None (AWR-2 LN's)	None (AWR-2 LN's)
AWR-3	Contractor Field Teams (CFT)	Compete 1998
AWR-4	None (LN's)	Investigate Feasibility of Full & Open Competition
AWR-5	QATAR	
	- CFT	Compete 1998
	KUWAIT	
	- ARCENT Contract	Recompete 1999
	(Maint/Base OPs)	
	SWA (Ashore/Afloat)	
	- Discussions - 8th BDE	Competition TBD

*** Subject to receipt of stable requirements/funding**

POINT OF CONTACT

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TOPICS OF GENERAL INTEREST



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

ARMS - THE FUTURE PERSPECTIVE

***Speaker: Mr. Douglas Borgeson
ARMS Team, IOC***

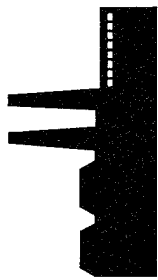
ARMS Initiative

- In FY 1993
 - ▶ Congress Enacted Initiative and Appropriated \$200 Million
 - ▶ Use Facility Contracting and Financial Incentives to Reuse Idle Ammunition Production Capacity Through Commercialization
 - ▶ Funds Offered for Rescission, Withheld, and Incrementally Released
- In FY 1995
 - ▶ Congress Reduced Funds to \$100M
 - ▶ Congress Authorized Extension of Initiative Through 30 Sep 96
 - ▶ Remaining Funds (\$68M) Released
 - ▶ Participation Expanded from 4 to 11 Facilities, Other 5 Working
- Goals
 - ▶ Use Non-Hardware Ammunition Funds to Reduce Operating and Maintenance Costs
 - ▶ Stabilize/ Lower Ammunition Unit Cost at Active Facilities
 - ▶ Minimize Maintenance Costs at Inactive Facilities
 - ▶ Create Economic Sustainability



ARMS Initiative - Performance

BOTTOM LINE \$100M Investment Reduces Operating Costs and Returns \$15M Annually in FY 99

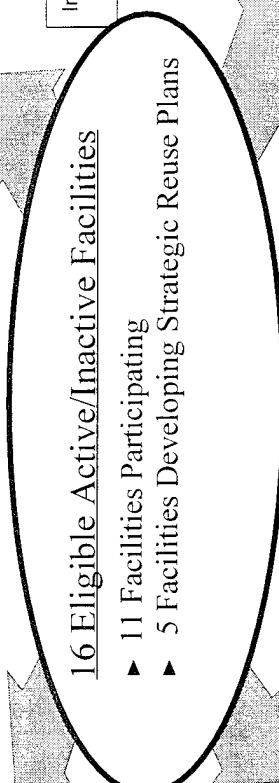
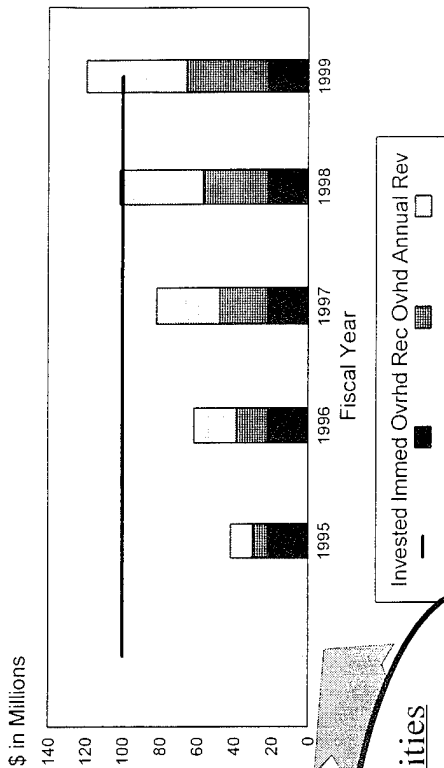


Cost Avoidance

- ▶ Operating Cost Reduction Reduces Propellant Unit Cost by 6.5% per pound
- ▶ Achieved - 2 Facilities at \$0 Maintenance Costs
- ▶ Projected - 4 Additional Facilities at \$0 Maintenance Costs

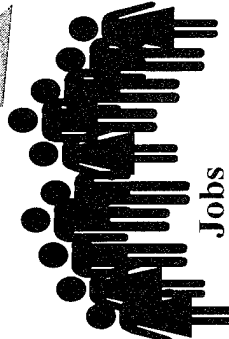
Return on Investment

(Immediate Overhead Return, Annual Overhead Reduction, & Revenues)



- 16 Eligible Active/Inactive Facilities**
- ▶ 11 Facilities Participating
 - ▶ 5 Facilities Developing Strategic Reuse Plans

Economic Benefits



	<u>Current</u>	<u>FY 1996</u>
Jobs	1,436	2,641
Direct Wages	\$51M	\$93.8M
Community	\$306M	\$562.8M

100 Commercial Contractors On-Site

Skill Retained



31 of 33 **13 of 15**
at Indiana **at Mississippi**



ARMS Initiative - Future

- **Negotiate Facility Contracts At Remaining 5 Facilities**
- **Continue to Maximize Return on Non-Hardware Investment Through Commercialization**
 - ▶ **Active Facilities - Stabilize/Reduce Ammunition Unit Cost**
 - ▶ **Inactive Facilities - Reduce Maintenance Costs to \$0**
 - ▶ **Facilities and Communities - Generate a Sustainable Economic Environment**
- **45 Million Appropriated for FY 96**
- **Program Success Depends on Funding Stability**
- **Program included in FAA and POM in Future**



"Defense Conversion" An Investment Program

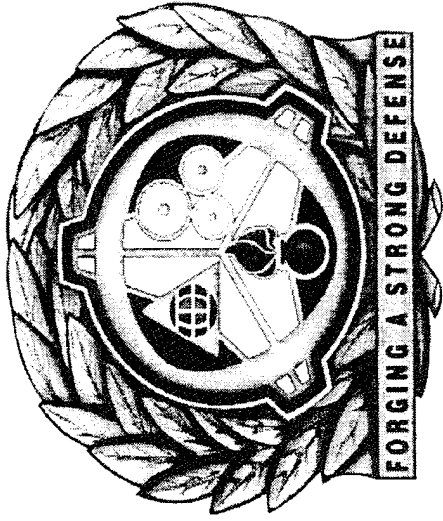


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**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

VALUE ENGINEERING EFFICIENCIES

***Speaker: Mr. Greg Zelnio
Chief, Value Engineering Division, IOC***

OUTLINE

- **WHY VE**
- **VE SUCCESS**
- **VECP CRITERIA**
- **VE BENEFITS**
- **VE CHALLENGES**
- **VE OPPORTUNITY**

A MESSAGE FROM CSA:

**Subject: CSA "Yellow" 95-03 (THE STATE OF THE ARMY dtd
28 JUL 96 (Excerpt, para 3)**

"The Nation's resources available for defense are limited. Continuing resource constraints will demand unprecedented productivity. We have a window of opportunity to make changes that make us more efficient. We must find smarter ways to do business, streamline our management processes, reduce overhead, leverage outside resources, and use what we have more efficiently in order to be effective. The only alternatives to becoming more efficient are to either become smaller or to not provide our quality soldiers the quality equipment they deserve in the future."

Dennis J. Reimer, General, United States Army Chief of Staff

WHY VE

- INCREASE PROFITS
- INCREASE PRODUCTIVITY
- TECHNOLOGY INSERTION
- SATISFY CUSTOMER
- PROGRAM SURVIVABILITY

SUCCESSFUL VE PROGRAM

INPUT

**Management
commitment
& support**

**Value engineering
methodology**

PROCESS

**Process improvements
Increased productivity
Efficiencies**

OUTPUT

Reduced costs

VECPS

POLICIES

- **PROVIDE CONTRACTORS A SUBSTANTIAL INCENTIVE TO DEVELOP AND SUBMIT VECPS.**
- **PROVIDE CONTRACTORS OBJECTIVE AND EXPEDITIOUS PROCESSING OF VECPS SUBMITTED AND FAIR SHARE OF SAVINGS ON ACCEPTED VECPS.**
- **ENCOURAGE SUBCONTRACTORS TO SUBMIT VECPS.**

VALUE ENGINEERING CHANGE PROPOSAL

- **A VECP, WHAT IS IT?**
 - A proposal submitted by a contractor to the government IAW the provisions of the contract.
- **WHERE ARE THE PROVISIONS OF THE CONTRACT?**
 - Federal Acquisition Regulation (FAR) Part 48 instruction: FAR 52.248-1 clause for supply and service contracts.
- **FAR 52.248(B) PROVIDES VECP CRITERIA:**
 - Requires a change to this, the instant contract, to implement...
 - Results in reducing the overall projected cost to the agency...provided the VECP is not a change to:
 - Deliverable end item quantities only
 - Contract type only
 - R&D items or R&D test quantities

VE BENEFITS

• **COST SAVING CHANGES TO CONTRACTS CAN**

EARN YOU UP TO A 50 PERCENT SHARE OF

SAVINGS.



THE ADVANTAGE

(FFP CONTRACT)

BEFORE VECP:

CONTRACT COST	\$10M
PROFIT @ 10%	<u>\$ 1M</u>
CONTRACT PRICE	\$11M

AFTER VECP THAT CUTS COST BY 20%:

ORIGINAL CONTRACT COST	\$10M
VECP NET COST SAVINGS	<u>-\$ 2M</u>
NEW CONTRACT COST	\$ 8M

ORIGINAL CONTRACT PROFIT	\$ 1M
50% OF VECP SAVINGS	<u>\$ 1M</u>
TOTAL PROFIT	\$ 2M

NEW CONTRACT PRICE	\$10M
NEW PROFIT = \$2M/\$8M = 25%	

THE CONTRACTOR ADVANTAGE

- **MAGNITUDE OF PROFIT INCREASES (\$1M TO \$2M)**
- **PROFIT RATE INCREASES (10% TO 25%)**

**\$2M VECF generates another \$1M in profit -
the same profit that would result from an
additional \$11M contract.**

WHAT CAN CONTRACTORS DO?

- **MAKE VE PART OF YOUR OVERALL BUSINESS PLAN.**
- **EMPHASIZE VE TRAINING.**
- **TALK TO YOUR CUSTOMERS.**
- **UTILIZE VALUE ENGINEERING PROGRAM TO INCREASE PROFIT/SAVINGS.**

LOOK BEYOND THE TRADITIONAL

- DON'T LIMIT THE SCOPE OF YOUR VE PROGRAM TO HARDWARE TDP CHANGES.
- CHALLENGE CONTRACT DATA/REPORTING REQUIREMENTS.
- TARGET OPERATION AND SUPPORT COSTS
- GOVERNMENT/CONTRACTOR VE WORKSHOPS.
- CONTRACTOR/SUBCONTRACTOR VE WORKSHOPS.



POINT OF CONTACT

GREGORY P. ZELNIO

IOC

VALUE ENGINEERING DIVISION

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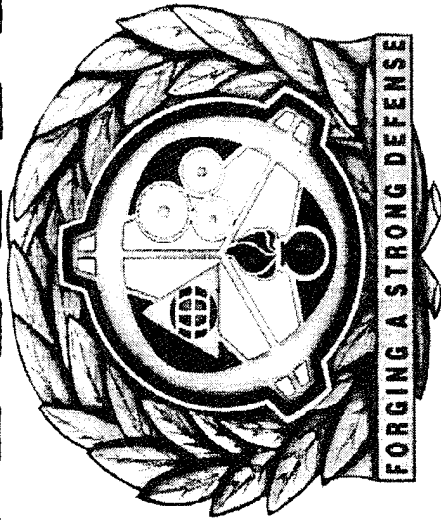
DSN 793-3470

MAIL: Commander

HQ, IOC

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**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

SELECTED FASA CHANGES

***Speaker: Ms. Susan McKinnis
Acquisition Policy Branch, IOC***

SELECTED FASA CHANGES

- TRUTH IN NEGOTIATIONS ACT
- FEDERAL ACQUISITION COMPUTER NETWORK (FACNET)/ELECTRONIC DATA INTERCHANGE
- PAST PERFORMANCE EVALUATIONS

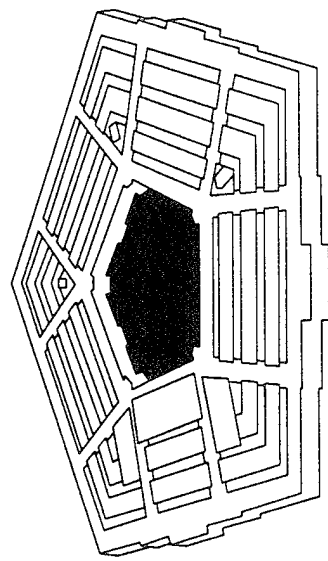
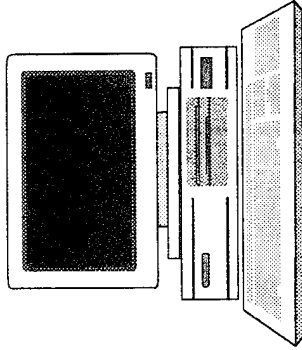
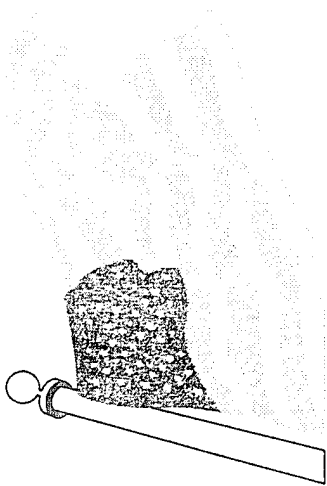


TRUTH IN NEGOTIATIONS ACT

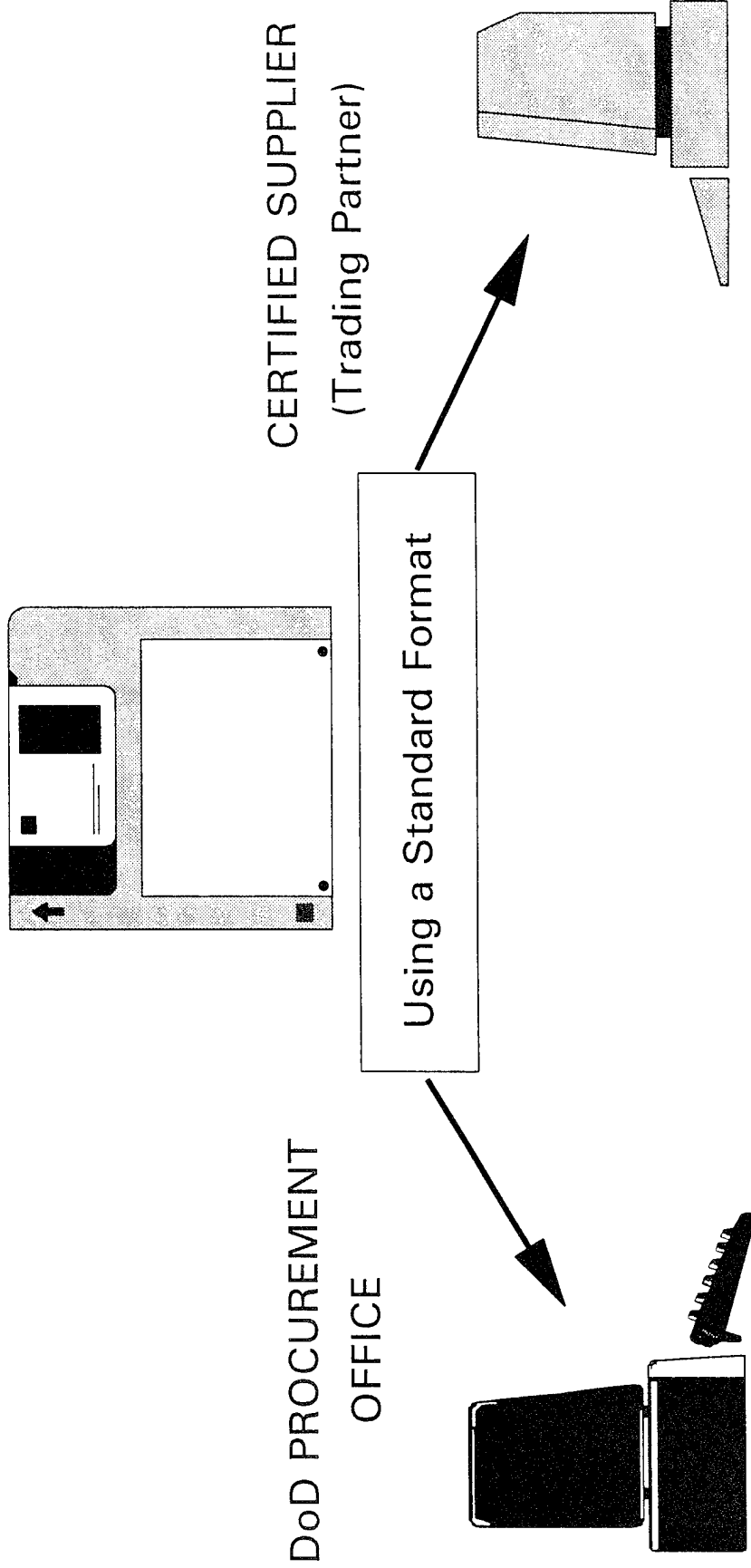
SELECTED FASA CHANGES

- \$500,000 THRESHOLD
- EXCEPTIONS
 - ADEQUATE PRICE COMPETITION
 - CATALOG OR MARKET PRICE
 - PRICES SET BY LAW OR REGULATION
 - MODIFICATION OF CONTRACTS FOR COMMERCIAL ITEMS
- HCA WAIVER
- COST OR PRICING DATA - LAST RESORT

A SINGLE FACE TO INDUSTRY



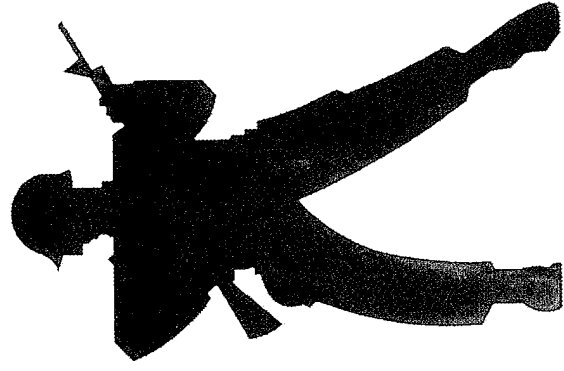
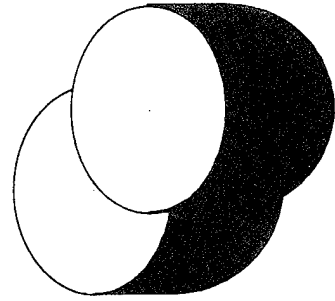
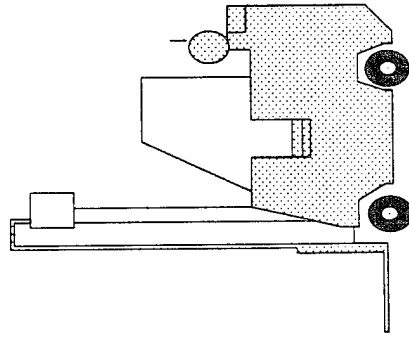
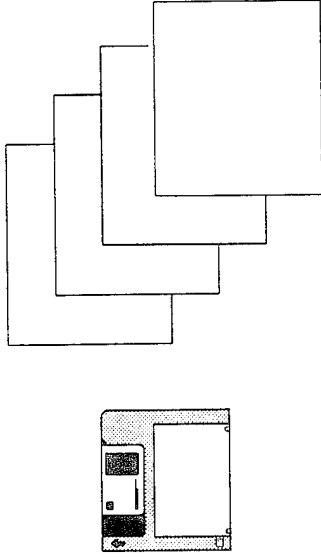
PROCUREMENT INFORMATION EXCHANGE WITH EDI



VAN INFO NO.: 1-800-EDI-3414

BENEFITS

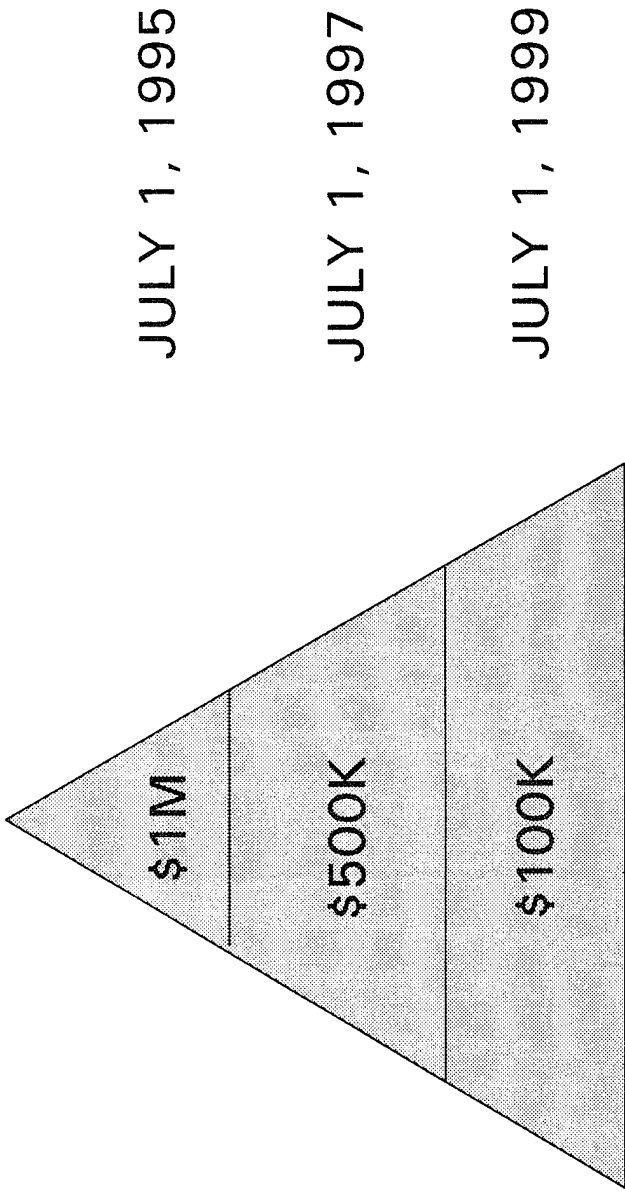
- REDUCED PAPER
- REDUCED ADMINSTRATIVE TIME
- INCREASES COMPETITION
- JUST-IN-TIME INVENTORIES
- SUPPORTS WARFIGHTER PROGRAMS



PAST PERFORMANCE EVALUATIONS

SELECTED FASA CHANGES

- MANDATORY ON COMPETITIVELY NEGOTIATED PROCUREMENTS

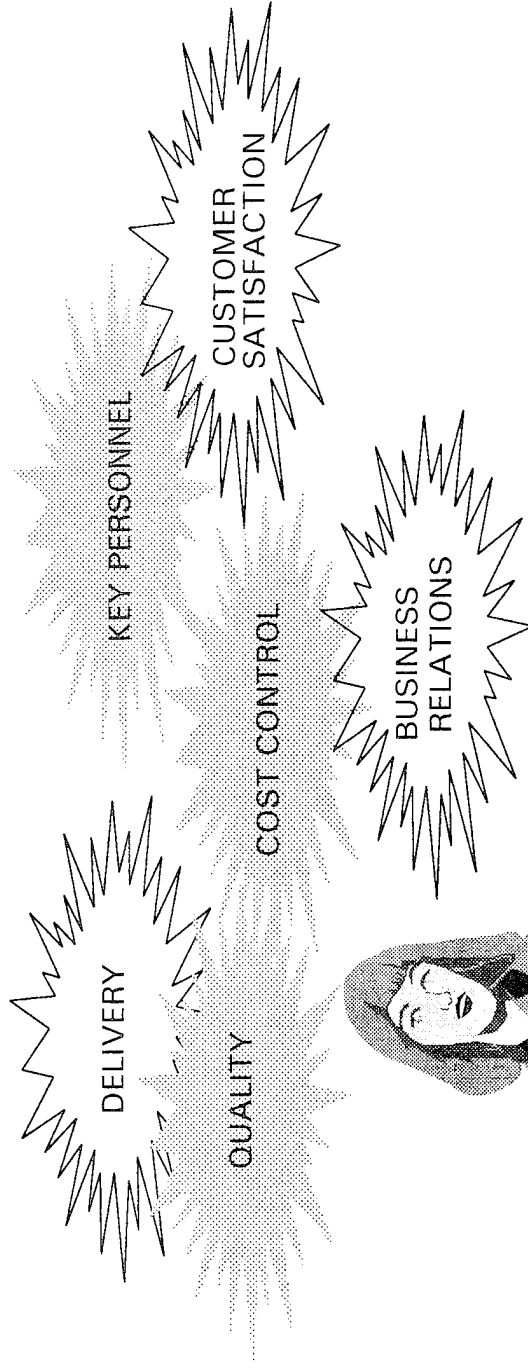


- PRIMARY NON-COST EVALUATION FACTOR

PAST PERFORMANCE EVALUATIONS

SELECTED FASA CHANGES

- COMPLETION OF CONTRACT



- SHARED WITH YOU

- RETAINED FOR 3 YEARS

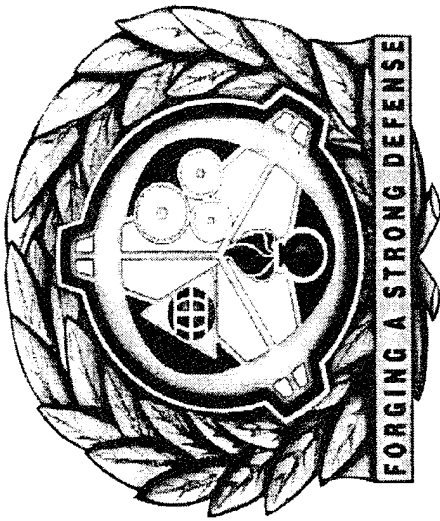


POINT OF CONTRACT

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**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

ENVIRONMENTAL OPPORTUNITIES

***Speaker: Major Wayne Johnson
Environmental Contracting Division, IOC***

ENVIRONMENTAL OPPORTUNITIES

- **CHEMICAL STOCKPILE DEMILITARIZATION PROGRAM**
- **CHEMICAL NON-STOCKPILE DISPOSAL PROGRAM**
- **CONVENTIONAL AMMUNITION DEMILITARIZATION**
- **LOW LEVEL RADIOACTIVE WASTE DISPOSAL**
- **HAZARDOUS WASTE DISPOSAL**



CHEMICAL STOCKPILE DEMILITARIZATION PROGRAM

ENVIRONMENTAL OPPORTUNITIES

- **SYSTEMS CONTRACTORS WILL BE COMPETITIVELY SELECTED TO CONSTRUCT, PROVE-OUT, OPERATE, AND CLOSE SEVEN CHEMICAL DEMILITARIZATION FACILITIES IN THE CONTINENTAL UNITED STATES**
- **FACILITIES TO BE LOCATED AT**
 - **Anniston Army Depot, AL**
 - **Pine Bluff Arsenal, AR**
 - **Pueblo Army Depot Activity, CO**
 - **Blue Grass Army Depot, KY**
 - **Aberdeen Proving Ground, MD**
 - **Newport Army Ammunition Plant, IN**
 - **Umatilla Army Depot Activity, OR**

CHEMICAL STOCKPILE DEMILITARIZATION PROGRAM

ENVIRONMENTAL OPPORTUNITIES

SYSTEMS CONTRACTORS

• PUEBLO CHEM DEMILITARIZATION FACILITY

- RFP issued February 1996
- Preproposal conference early April 1996
- Proposals due 2 July 1996

• BLUE GRASS CHEM DEMIL FACILITY

- RFP to be issued October 1996

• ABERDEEN CHEM DEMIL FACILITY

- RFP to be issued October 1997

• NEWPORT CHEM DEMIL FACILITY

- RFP to be issued October 1998



**CHEMICAL STOCKPILE
DEMILITARIZATION PROGRAM
ENVIRONMENTAL OPPORTUNITIES**

SUBCONTRACTORS

- ANNISTON CHEM DEMIL FACILITY
 - Awarded 29 February 1996 - Westinghouse
- PINE BLUFF CHEM DEMIL FACILITY
 - Evaluation of proposals in process
- UMATILLA CHEM DEMIL FACILITY
 - Evaluation of proposals in process
 - Award scheduled for August 1996

CHEMICAL NON-STOCKPILE DISPOSAL PROGRAM

ENVIRONMENTAL OPPORTUNITIES

- CARBON DIOXIDE CLEANING FACILITY
 - DAAA09-96-R-0096
 - Minimum standards basis, FFP, unrestricted
 - Issued 2d Qtr FY 96, award 4th Qtr FY 96

DISPOSAL AND SUPPORT CAPABILITIES, COMMERCIAL CHEMICALS

- DAAA09-96-R-0080
- Best Value, FFP and CPFF, SBSA
- Issue 3d Qtr FY 96, award 4th Qtr FY 97

CHEMICAL NON-STOCKPILE

DISPOSAL PROGRAM

ENVIRONMENTAL OPPORTUNITIES

- **DEMOLITION OF BUILDINGS (STEP 0, STEP 1, AND STEP 2).
NAAP FORMER CHEMICAL PRODUCTION FACILITY**
 - Best Value, CPFF, unrestricted
 - Issue 1st Qtr FY 98, award 4th Qtr FY 99

- **SMALL BURIALS CONTRACT FOLLOW-ON**
 - Best Value, FFP and CPFF, unrestricted
 - Issue 1st Qtr FY 99, award 4th Qtr FY 2000

CONVENTIONAL AMMUNITION DEMILITARIZATION

ENVIRONMENTAL OPPORTUNITIES

- **EXPLOSIVE "D" (6" AND 8" PROJECTILES)**
 - DAAA09-96-B-0021
 - 5,069 short tons
 - Solicitation issued 15 March 1996, proposals due 15 April 1996

- **PROPELLING CHARGES (8" AND 175MM)**
 - DAAA09-96-B-0022,
 - 5,665 short tons
 - Issue solicitation 15 March 1996, proposals due 15 April 1996

CONVENTIONAL AMMUNITION DEMILITARIZATION

ENVIRONMENTAL OPPORTUNITIES

- **AP CARTRIDGES (105MM)**
 - DAAA09-96-B-0023
 - 3,362 short tons
 - Issue solicitation 29 March 1996, proposals due
30 April 1996

- **MEDIUM CALIBER (25MM/30MM/40MM)**
 - DAAA09-96-B-0031
 - 4,532 short tons
 - Issue solicitation 15 April 1996, proposals due
15 May 1996

LOW LEVEL RADIOACTIVE WASTE DISPOSAL

ENVIRONMENTAL OPPORTUNITIES

QUALIFIED BIDDERS LIST (QBL)

- **THE FOLLOWING LOW LEVEL RADIOACTIVE WASTE DISPOSAL SERVICES ARE PROVIDED THROUGH THE USE OF THE QBL**
 - **Characterization and Verification**
 - **Decontamination and Decommissioning**
 - **Transportation and Brokering**
 - **Processing and Disposal**

HAZARDOUS WASTE DISPOSAL

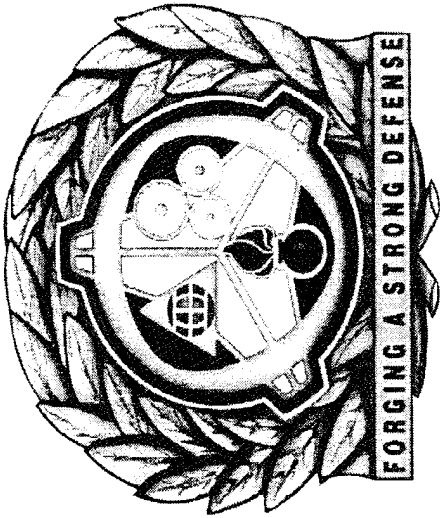
ENVIRONMENTAL OPPORTUNITIES

- **ASBESTOS ABATEMENTS**
- **HAZARDOUS WASTE DISPOSAL**
- **SOIL INVESTIGATIONS**
- **RCRA CLOSURES**
- **UNDERGROUND STORAGE TANKS**
- **ENVIRONMENTAL ASSESSMENTS**
- **GENERAL DECONTAMINATION**
- **ENVIRONMENTAL STABILIZATION PLANNING**
- **SAMPLING AND ANALYSIS**
- **REGULATORY COMPLIANCE/COORDINATION**

POINT OF CONTACT

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MUNITIONS



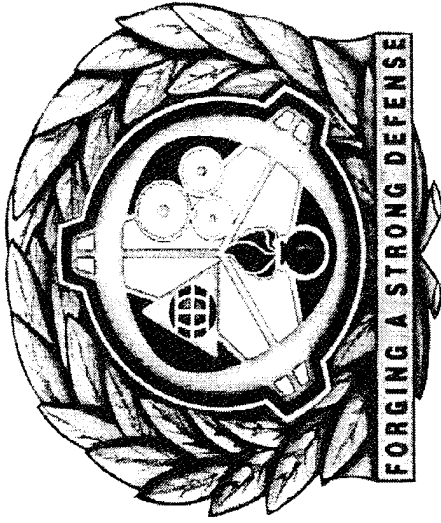
**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

DCS AMMUNITION PERSPECTIVE

***Speaker: Mr. Larry Gulledege
Office of the Deputy Chief of Staff for
Ammunition, AMC***

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**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

IOC PARC PERSPECTIVE

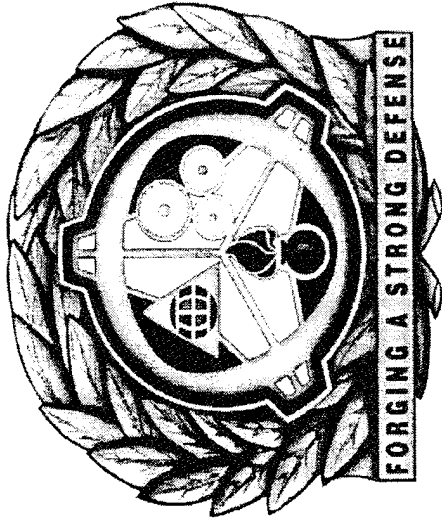
**Speaker: Colonel James Smith
IOC PARC**

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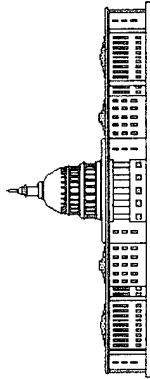


U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND

GOCO COMPETITION - POLICY AND PERSPECTIVES

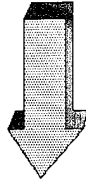
*Speaker: Mrs. Jean Ligeno
Chief, Acquisition Policy Division, IOC*

COMPETITION IN CONTRACTING ACT



COMPETE UNLESS ONE OF THE EXCEPTIONS APPLY:

1. ONLY SOURCE
2. URGENCY
3. MOBILIZATION
4. INTERNATIONAL AGREEMENT
5. AUTHORIZED OR REQUIRED BY STATUTE
6. NATIONAL SECURITY
7. PUBLIC INTEREST



GENERAL SITUATION

CHANGING THREAT (MOBILIZATION VS. REPLENISHMENT)

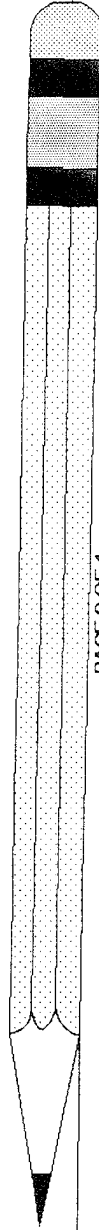
BUDGET / REQUIREMENTS REDUCTION

AMMUNITION BASE ASSESSMENTS

**"THE PLANTS WILL BE COMPETED AT TIME OF
CONTRACT RENEWAL UNLESS AN ECONOMIC
ANALYSIS / READINESS ASSESSMENT
DOCUMENTS THAT IT IS NOT IN THE
GOVERNMENT'S BEST INTEREST FOR REASONS
UNDER A COMPETITION IN CONTRACTING
ACT EXCEPTION."**

IOC POLICY

PAGE 3 OF 4



SEQUENCE OF EVENTS

DETERMINE THE PLANT IS NEEDED FOR READINESS

ECONOMIC ANALYSIS - MULTIFUNCTIONAL TEAM

READINESS ISSUES

COST ISSUES

DETERMINATION TO COMPETE OR NOT; J&A IF NECESSARY

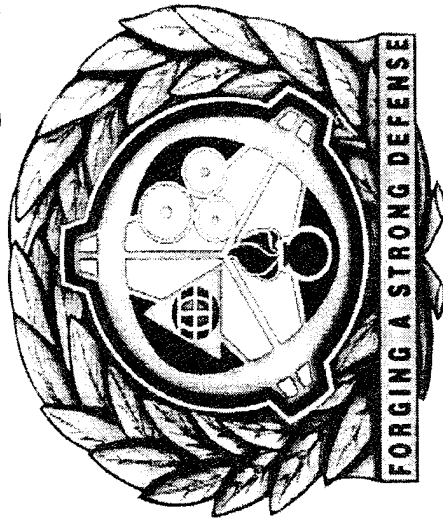
SURVEY THE MARKET FOR INTEREST

POINT OF CONTACT

▪ JEAN LIGENO

▪ PHONE: COMMERCIAL (309) 782-6894
DSN 793-6894

▪ MAIL: AMSIO-ACA
HQ IOC
ROCK ISLAND IL 61299-6000



U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND

AMMO DEMIL MASTER PLAN AND CONTRAS EFFORTS

*Speaker: Ms. Kathy George-Reading
Project Engineer, Excess/Obsolete Munitions
Management Office, IOC*

CONVENTIONAL AMMUNITION DEMILITARIZATION

PURPOSE AND GOALS

● **PURPOSE - To safely and efficiently demilitarize excess/obsolete conventional ammunition**

- **BRAC - Storage space**
- **Power Projections - Tiering**

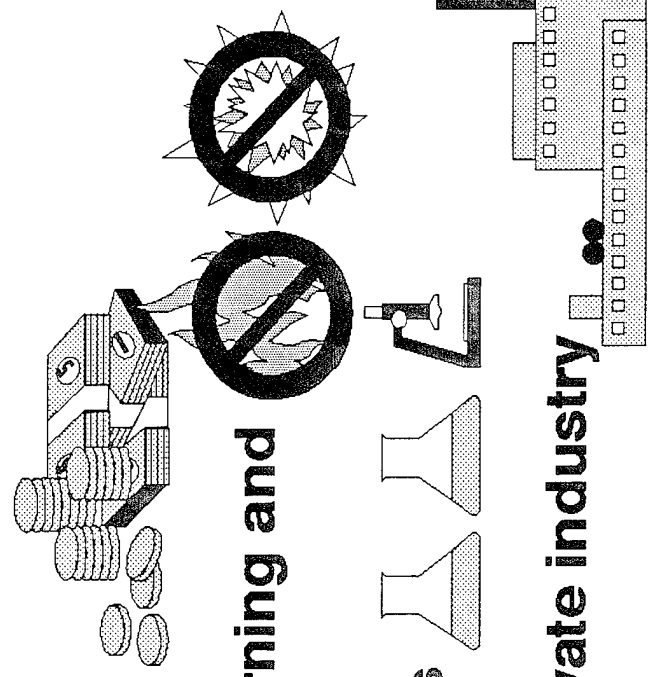
● **GOALS -**

● **"Biggest Bang for the Buck"**

● **Reduce reliance on open burning and open detonation**

● **Utilize alternate technologies**

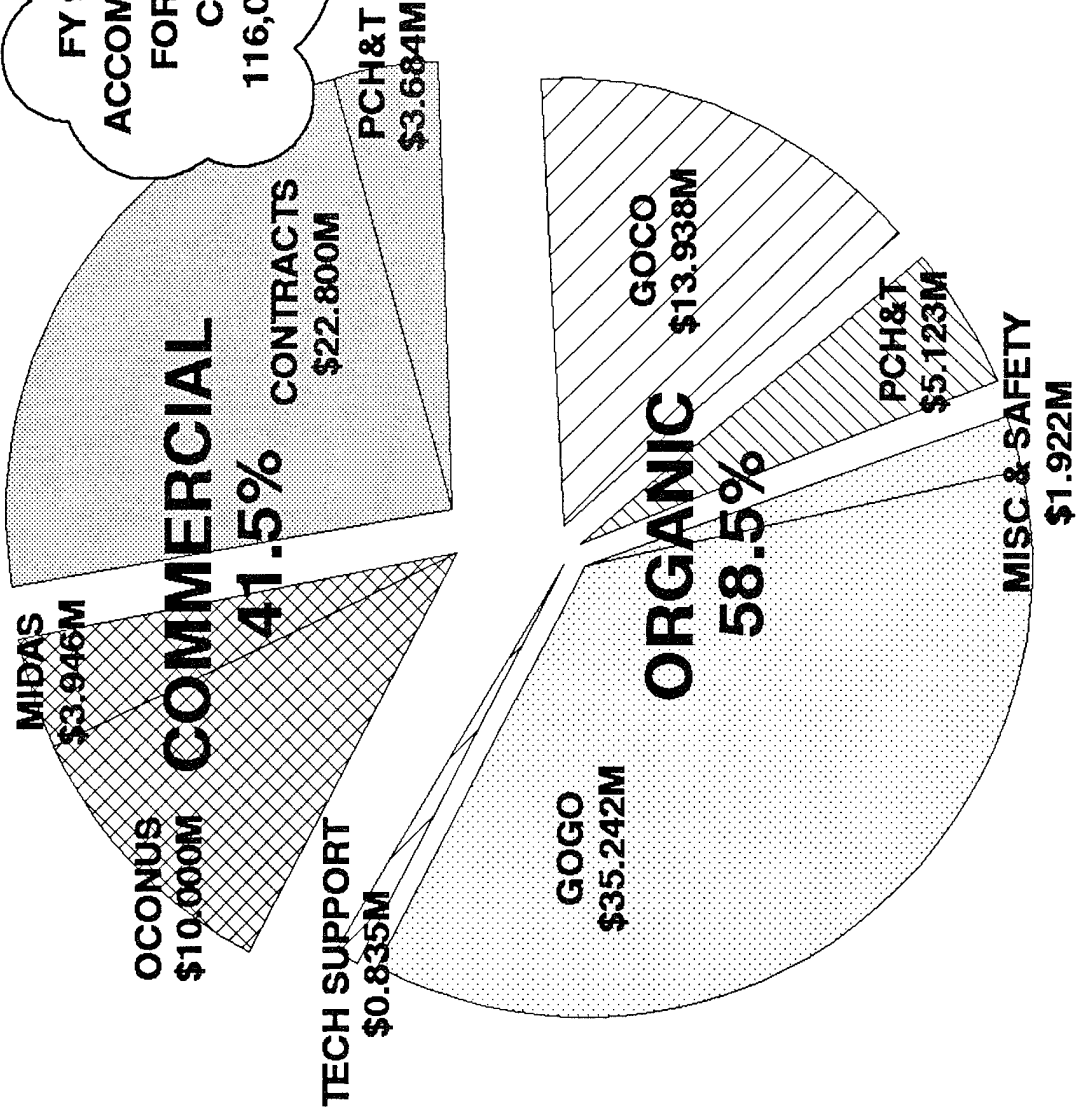
● **Increase participation of private industry**



CONVENTIONAL AMMUNITION DEMILITARIZATION

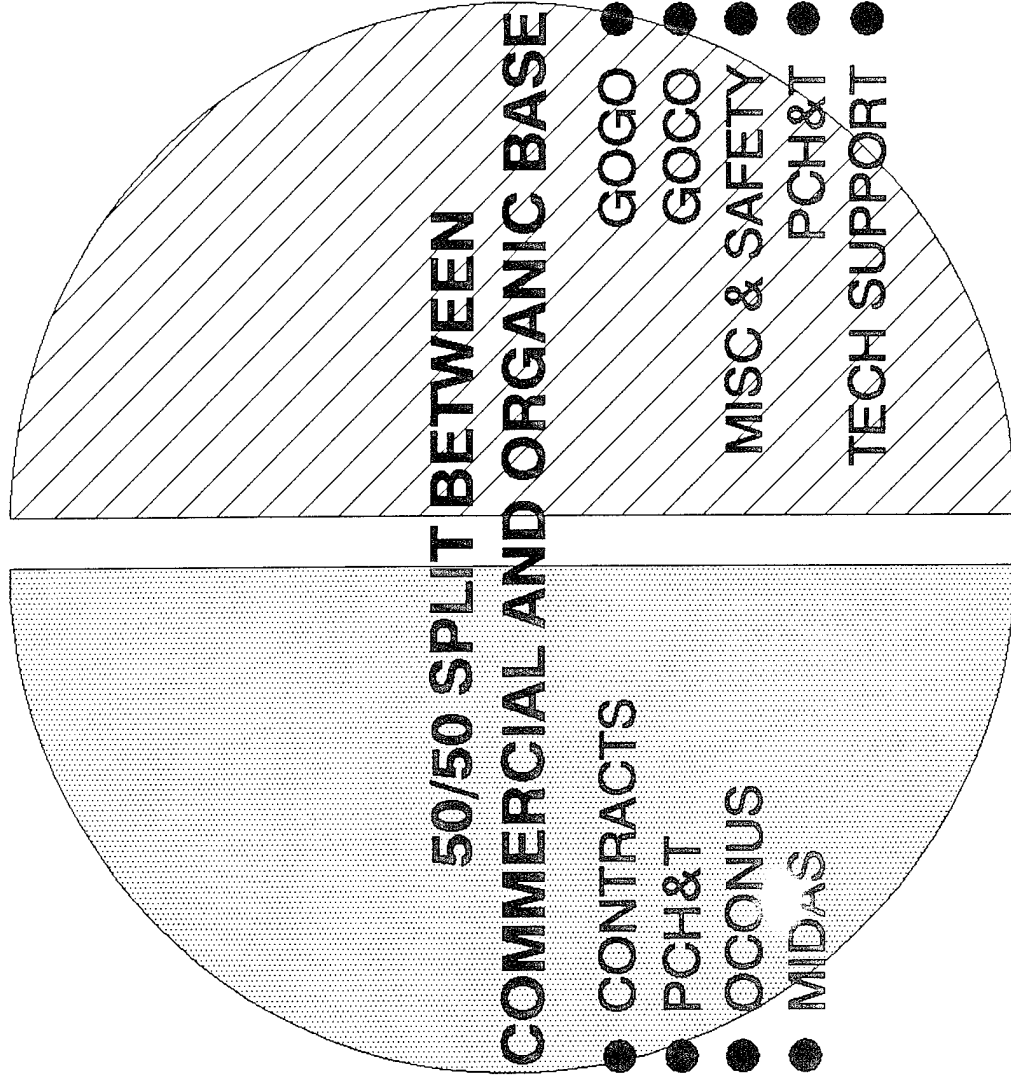
FY 96 FUNDING: \$97.480M

FY 96 PROJECTED ACCOMPLISHMENT LEVEL FOR ORGANIC AND COMMERCIAL: 116,000 SHORT TONS



CONVENTIONAL AMMUNITION DEMILITARIZATION

FY 97 FUNDING: \$98.6M



CONVENTIONAL AMMUNITION DEMILITARIZATION

CURRENT CONTRACTS/OPTIONS

	ST	\$\$/ST	TOTAL
● OLIN (HE CTG) - R3	5,532	\$ 775	\$ 4.287M
● TPL (PYRO) - R3	1,697	\$1,965	\$ 3.335M
● OLIN (20MM) - R3	2,984	\$ 832	\$ 2.483M
● TALON OPT (SAA) - R3	3,777	\$1,146	\$ 4.328M
● GES (EXPL D) - INCIN	5,255	\$ 900	\$ 4.730M
● OLIN OPT (HE CTG) - R3	5,532	\$ 717	\$ 3.966M
● OLIN (HE CTG) - R3	5,464	\$ 851	\$ 4.650M
● GES (BOMBS) - R3	10,000	\$ 336	\$ 3.360M
● D&Z (PROP CHGS) - OB	5,343	\$ 456	\$ 2.436M
● TALON (FUZES) - R3	2,904	\$1,354	\$ 3.932M
TOTAL	48,488		\$37.507M

CONVENTIONAL AMMUNITION DEMILITARIZATION

CONTRACTING TRENDS

	TOTAL BUDGET	CONTRACTS AWARDED IN EACH FY	# CONTRACTS AWARDED
FY 92	\$ 29.0M	\$ -0-	0
FY 93	\$ 34.4M	\$ 5.5M	1
FY 94	\$ 70.5M	\$ 12.1M	3
FY 95	\$109.2M	\$ 20.4M	6
FY 96	\$ 97.5M	\$ 9.3M	3 TO DATE

- 6 OPTIONS AVAILABLE
- 5 MORE SOLICITATIONS PLANNED

FY 97	\$ 98.6M	\$ 49.0M	APPROX 7
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CONVENTIONAL AMMUNITION DEMILITARIZATION

FY 96 PLANNED SOLICITATIONS

ST	NOTES
● 6" & 8" EXPL D 5,000	SYNOPSIS CBD - 7 FEB 96
● PROP CHARGES 5,000	SYNOPSIS CBD - 8 FEB 96
● AP CARTRIDGES 3,000	SYNOPSIS CBD - 8 FEB 96
● MED CALIBER 2,500	SYNOPSIS CBD - 8 FEB 96
● 155MM/8" ICM 5,000	IN DEVELOPMENT

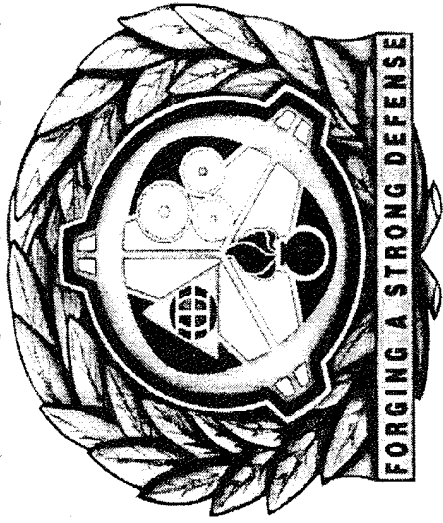
NO OB/OD WILL BE ALLOWED

CONVENTIONAL AMMUNITION DEMILITARIZATION

CONCLUSION

- DEMIL CONTINUES TO BE A GROWTH INDUSTRY
- COMMERCIAL CONTRACTS VITAL TO PROGRAM SUCCESS
- LOOK FOR CONTINUED PARTICIPATION WITH AND BY INDUSTRY

PARTNERSHIP IS THE KEY



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

SALES OF DEMIL ASSETS

***Speaker: Lieutenant Colonel James Humphrey
Associate Director for Demilitarization Ammo
Supply & Maintenance Division, IOC***

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS GENERAL DESCRIPTION

- **DEMIL ACCOUNT ASSETS**
 - **END ITEMS**
 - **COMPONENTS**
 - **MATERIALS**
- **AVAILABLE ON REQUEST**
- **MUST MEET CERTAIN CRITERIA**
- **DISTINCT FROM DRMS SALES**

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS

GOALS

- **REDUCE SIZE OF DEMIL ACCOUNT**
- **REDUCE COST OF DEMIL PROGRAM**
- **PRODUCE REVENUE FOR ADDITIONAL DEMIL**
- **DEMONSTRATE VALUE OF ASSETS**
- **PROVIDE SERVICE TO DOD AND INDUSTRY**

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS DIRECT SALES

- **CURRENT STATUS OF DIRECT SALES EFFORTS:**
- ● **ONE PERSON FULL TIME IN IOC DEMIL OFFICE**
- ● **OVER \$2.5M IN SALES YEAR TO DATE**
- ● **SEVERAL CASES IN PROCESS**
- ● **COST AVOIDANCE OVER \$3M**

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS

TYPES OF SALES

- **DEFENSE REUTILIZATION AND MARKETING SERVICE (DRMS)**
- **DIRECT SALES**
 - ● **22 USC 2770**
 - ● **10 USC 2541**
 - ● **10 USC 4543 - NO LONGER USED**

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS

22 USC 2770

- **PURPOSE OF SALE**
 - Incorporate into end items sold to Friendly Foreign Governments
- **CONDITIONS OF SALE**
 - Export license/end use certificate
 - Articles provided as GFE
 - Articles available only from US Gov't sources
- **APPROVAL: IOC**

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS

10 USC 2531

- **PURPOSE OF SALE**
 - ● Use of articles for independent R&D, testing, and manufacturing
 - ● Use of articles for demonstrations to Friendly Foreign Governments
- **CONDITIONS OF SALE**
 - ● Export license/end use certificate
 - ● Must be qualified purchaser as determined by DOD
 - ● Sale, gift, or loan
- **APPROVAL: SECRETARY OF DEFENSE FOR TESTING
IOC FOR ALL OTHER PURPOSES**

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS EXPLOSIVES/PROPELLANTS

- **PROPELLANTS (DEMIL CONTRACTS)**
 - ● 11.5M POUNDS OF M1, M6, M31A1
 - ● 175MM, 155MM, 8 INCH, 5 INCH
- **EXPLOSIVES (DRMS)**
 - ● 2.5M POUNDS (PLUS GENERATIONS)
 - ● LOCATIONS: HAWTHORNE, BLUE GRASS,
MCALESTER
 - ● COMP B/TNT

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS DIRECT SALES EXAMPLES

- **8 INCH, M106 HE PROJECTILES**
- **105MM, HE PROJECTILES**
- **M483 ICM PROJECTILES/COMPONENTS**
- **DU PENETRATORS**
- **CS 1 AND CN**
- **CLUSTER BOMB DISPENSERS**

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS PROBLEM AREAS

- NO PROVISION FOR DOMESTIC SALES CASES
- NO SALES FOR LAYAWAY
- LIMITED CUSTOMERS
- SMALL QUANTITIES/HIGH WORKLOAD

CONVENTIONAL AMMUNITION DEMILITARIZATION

SALES OF DEMIL ASSETS INITIATING SALES

- **DEMIL ACCOUNT LISTING**
- ● **PHONE: (309) 782-7648**
- ● **UP TO 9600 BAUD**
- ● **CURRENTLY PROGRAMMED ITEMS NOTED**
- **INITIATE PROCESS VIA DIRECT CONTACT**

CONVENTIONAL AMMUNITION DEMILITARIZATION

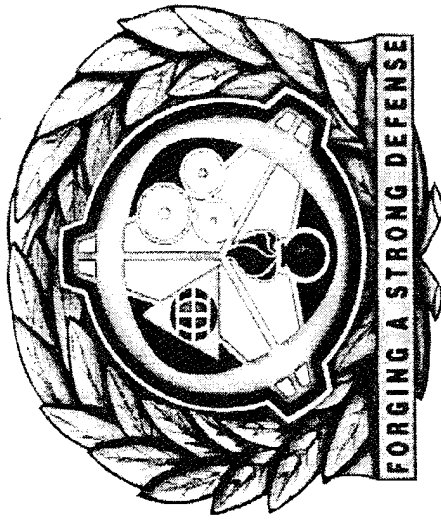
SALES OF DEMIL ASSETS INITIATING SALES

- NATIONAL MAINTENANCE POINT BRANCH
- US ARMY INDUSTRIAL OPERATIONS COMMAND

ATTN: AMSIO-SMA-N/Mr. Brent Starkey

ROCK ISLAND, IL 61299-6000

Tel: (309) 782-6498 DSN: 793-6498



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

**PRESERVING THE
DEFENSE INDUSTRIAL
BASE - PANEL**

*Panel Members: Mr. John Petrone,
Colonel (Ret.) Richard Palaschak,
Mr. Richard Janik*

POINTS OF CONTACT

▪ RICH JANIK

- PHONE: COMMERCIAL (309) 782-2226
DSN 793-2226

- MAIL: AMSIO-IR
HQ IOC
ROCK ISLAND IL 61299-6000

▪ JOHN PETRONE

- PHONE: COMMERCIAL (309) 782-5444
DSN 793-5444

- MAIL: AMXIB-I
IEA, AMC
ROCK ISLAND IL 61299-7260

▪ COLONEL (RET.) RICH PALASCHAK

- PHONE: (703) 418-2492



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

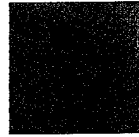
RELEASE OF LONG-RANGE PLANNING INFORMATION

***Speaker: Mr. Craig Colledge
Director, Business Relations Center, IOC***

WHY NO UPDATES?

RELEASE OF LONG-RANGE PLANNING INFORMATION

**"BUDGETARY
INFORMATION
UNRELEASABLE"**

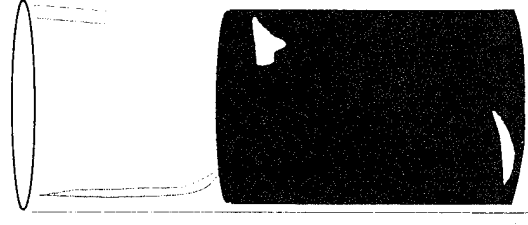


MAKING PROGRESS

RELEASE OF LONG-RANGE PLANNING INFORMATION

CAN ONLY RELEASE

- **Once annually after President's budget goes to Congress**
- **1 or 2 year forecast**



OUT YEAR FORECAST

RELEASE OF LONG-RANGE PLANNING INFORMATION

<u>ITEM</u>	FY 96	FY 97
	<u>QTY</u>	<u>QTY</u>
XXXXXXXXXXXXXX	000,000	000,000

1 OR 2 YEARS
ONLY

**COMPETITION ADVOCATE'S
SHOPPING LIST (CASL)**

RELEASE OF LONG-RANGE PLANNING INFORMATION

<u>ITEM</u>	<u>QTY</u>	<u>LAST BUY UNIT PRICE</u>	<u>MFGR</u>
XXXXXXXXXXXXXX	000,000	\$00,000	XXXXXXXXXX

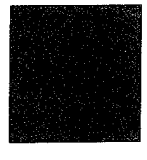
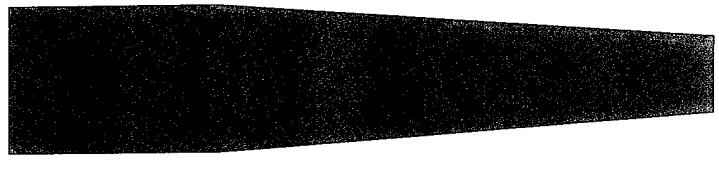
**CURRENT YEAR
BUYS**

LOCATION OF FORECAST INFORMATION

RELEASE OF LONG-RANGE PLANNING INFORMATION

- SOON
- AAIS

- FUTURE
- WWW
- AAAF



POINT OF CONTACT

▪ CRAIG COLLEDGE

▪ PHONE: COMMERCIAL (309) 782-5880
DSN 793-5880

▪ MAIL: AMSIO-BR
HQ IOC
ROCK ISLAND IL 61299-6000



**U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND**

AMMUNITION OVERVIEW

***Speaker: Mr. J. Brad Pierce
Chief, Commercial Procurement Division, IOC***

CONTRACTING OFFICERS

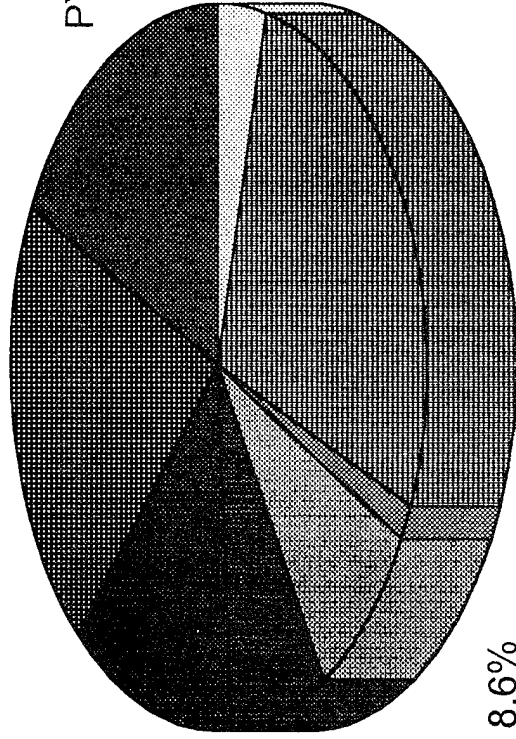
AMMUNITION BUYS

<u>PCO</u>	<u>NAME</u>	<u>OFFICE</u>	<u>PHONE</u>
GLM	GARY L. MEYER	AMSIO-ACC-B	4942
DWS	DAVID W. SCHWEGLER	AMSIO-ACC-B	3613
JRW	JOSEPH R. WELLS	AMSIO-ACC-B	5942
JKI	JANICE K. ISEBERG	AMSIO-ACC-F	3620
JML	JAMES M. LONERGAN	AMSIO-ACC-F	4925
JB	JUDITH BELFER	AMSIO-ACC-L	3695
RPB	RICHARD P. BURNS	AMSIO-ACC-L	4597
PFM	PATRICIA F. MARTEL	AMSIO-ACC-L	3612
SB	SHARON BROWN	AMSIO-AT	7750

FY 95 RQMTS BY COMMODITY

AMMUNITION BUYS

SMALL/MED CAL \$93.4 20.4%



PYRO/DEMO \$ 82.4 17.8%

ARTILLERY \$ 16.4 3.7%

TANK \$132.6 27.6%

BOMBS \$ 38.8 8.6%

MORTARS \$ 5.4 1.6%

FUZES \$ 33.4 7.4%

ROCKETS \$ 58.6 12.9%

NOTE: REQUIREMENTS VALUES IN MILLIONS

POINT OF CONTACT

▪ BRAD PIERCE

▪ PHONE: COMMERCIAL (309) 782-6895
DSN 793-6895

▪ MAIL: AMSIO-ACC
HQ IOC
ROCK ISLAND IL 61299-6000





U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND

BUYS AND ACQUISITIONS STRATEGY PROJECTIONS (LARGE CALIBER, FUZE, AND FACILITIES)

Speaker: Mr. Gregory Kwiniski

RESTRICTED TO RSB SOURCES
AMMUNITION BUYS

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
M734 FUZE	153	100	JML
M549 FUZE	1,073	100	JML
M550 ESC ASSY	1,418	100	JML
M935 FUZE	93	50	JML
M762 FUZE	61	0	JML
MK404 FUZE	3	100	JML
M745 FUZE	5	100	JML
M228 FUZE	3,352	0	JML
MK43 RSRV ENERG	5	N/A	JML

RESTRICTED TO RSB SOURCES
AMMUNITION BUYS
(CONTINUED)

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
M739A1 FUZE	434	0	JML
M767 FUZE	124	0	JML
M213 FUZE	225	100	JML
MK417 FUZE	5	0	JML
MK407 FUZE	18	0	JML
76MM CTG CASE	3	0	JKI
M913 WHD BOND ASSY	37	0	JKI
M913 IGN DELAY	37	0	JKI

**SINGLE OR LIMITED SOURCE
AMMUNITION BUYS**

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
M776 FUZE	51	50	JML
M772 FUZE	20	0	JML
M762 FUZE	104	0	JML

RESTRICTED TO SDB OR 8(A)
AMMUNITION BUYS

<u>NOMENCLATURE</u>	FY 96	OPTION	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
ADAPTER HOSE FZ	20	N/A	JKI
AMMO PALLET CRATE	12	0	JKI

LARGE CALIBER, FUZE & FACILITIES BRANCH

NO AMMUNITION BUYS

- **U.S. & CANADA COMPETITION**
- **FULL & OPEN COMPETITION**
- **SMALL BUSINESS SET-ASIDE**

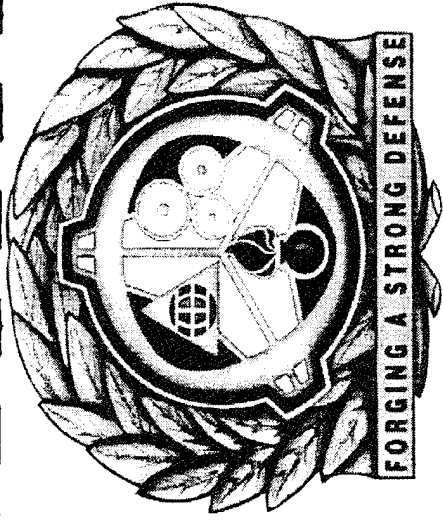


POINT OF CONTACT

- **GREGORY A. KWINSKI
INDUSTRIAL OPERATIONS COMMAND
LARGE CALIBER, FUZE & FACILITIES BRANCH**

- **PHONE: COMMERCIAL (309) 782-5315
DSN 793-5315**

- **MAIL: AMSIO-ACC-F
HQ IOC
ROCK ISLAND IL 61299-6000**



U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND

BUYS AND ACQUISITIONS STRATEGY PROJECTIONS

**(ROCKET, MORTAR, AND
PYROTECHNICS)**

Speaker: Mr. Marshall Collins

RESTRICTED TO RSB SOURCES

AMMUNITION BUYS

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
MJU 7A/B FLARE	944	100	PFM
MJU 8A/B FLARE	159	-	PFM
M206 FLARE	331	100	PFM
MK46-1 FLARE	150	-	PFM
RKT HYDRA 70 SG PRC	24	-	RPB
M274(W/O MOTOR)			
RKT MOTOR 2.75" MK66	52	-	RPB



Page 152
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FULL & OPEN COMPETITION
AMMUNITION BUYS

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
CAP, BLAST ELEC M6	52	-	JB
CAP, BLAST NON-ELEC	62	100	JB
CHG KIT TUBLR MK75	2	-	JB
CORD, DET TYPE I	12,873 (FT)	-	JB
EXPL CUT TAPE	43	100	JB
MK143-149			
FLEX LIN SHAPE CHG	5	-	JB
(VAR)			
FUSE BLST TM M700	1,591	-	JB
IGN FZE BLAST M60	613	100	JB

FULL & OPEN COMPETITION
AMMUNITION BUYS
(CONTINUED)

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
SIM BT FLASH M117	233	-	JB
SIM BT ILLUM M118	2	-	JB
SIM BT WHSTL M119	4	-	JB
SIM FLASH ARTY M21	20	100	JB
SIM PROJ AIRBST M74	11	-	JB
M49 SURFACE TRIP FLR	12	-	JB
MK123 NON-ELECTRIC	38	-	JB
LCHR LAU-68 F/M66 MTR	238 (EA)	100	RPB
MJU-10/B IR FLARE	110	100	PFM
SM-875 SIM FLARE	150	100	PFM

**SMALL BUSINESS SET-ASIDE
AMMUNITION BUYS**

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
HAND-HELD SIGNALS	191	-	JB
SIG KIT PER DIST RED	37	-	JB
SIM PROJ GB M115A2	459	-	JB
SIM M116A1	276	100	JB

ROCKET, MORTAR & PYRO BRANCH

NO AMMUNITION BUYS

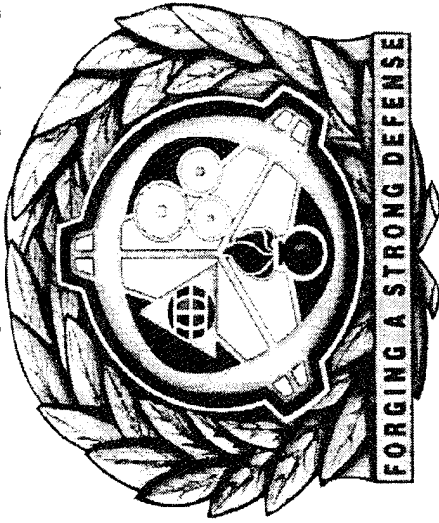
- **SINGLE OR LIMITED SOURCE**
- **RESTRICTED TO SDB OR 8(A)**
- **U.S. & CANADA COMPETITION**

POINT OF CONTACT

▪ MARSHALL F. COLLINS
INDUSTRIAL OPERATIONS COMMAND
ROCKET, MORTAR & PYRO BRANCH

▪ PHONE: COMMERCIAL (309) 782-5447
DSN 793-5447

▪ MAIL: AMSIO-ACC-L
HQ IOC
ROCK ISLAND IL 61299-6000



U.S. ARMY
INDUSTRIAL OPERATIONS COMMAND

BUYS AND ACQUISITIONS STRATEGY PROJECTIONS (SMALL/MEDIUM CALIBER AND BOMBS)

Speaker: Mr. Charles Smith

RESTRICTED TO RSB SOURCES

AMMUNITION BUYS

<u>NOMENCLATURE</u>	FY 96	OPTION	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
PGU-27B 20MM CTG	440	100	DWS
PGU-28B 20MM CTG	884	100	DWS
M793 25MM CTG	1,189		DWS
M910 25MM CTG	1,061		DWS
M788 30MM CTG	322		DWS
PGU-15B 30MM CTG	623		DWS
M55A 20MM PRJ	170	100	GLM
M9 LINK	12,961	100	GLM
M16A2 LINK	1,905		GLM

RESTRICTED TO RSB SOURCES
AMMUNITION BUYS
(CONTINUED)

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
M27 LINK	34,577		GLM
M169 CASE CTG	2,505	100	GLM
BOMB BODY, MK82	1	100	JRW
BOMB BODY, MK84	1	100	JRW
BOMB BODY, BDU 45	15	100	JRW
BOMB BODY, BDU 56	47	100	JRW
BOMB BODY, BDU 50	13	100	JRW
WC PROPELLANT	2,863	100	JRW

U.S. & CANADA COMPETITION
AMMUNITION BUYS

<u>NOMENCLATURE</u>	FY 96	OPTION	<u>QTY (K)</u>	<u>%</u>	<u>PCO</u>
BLU 109 CASE	1	100			JRW

FULL & OPEN COMPETITION

AMMUNITION BUYS

<u>NOMENCLATURE</u>	FY 96	OPTION	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
M2A1 METAL BOX	371	100	JRW
CTG 10 GAUGE	48	100	GLM
CTG 45 CAL	45	100	GLM
CTG 22 CAL	1,332	100	GLM

SINGLE OR LIMITED SOURCE
AMMUNITION BUYS

<u>NOMENCLATURE</u>	FY 96	OPTION	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
PGU 38B 25MM CTG	303	50	DWS



SMALL BUSINESS SET-ASIDE
AMMUNITION BUYS

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
M548 METAL BOX	196	100	JRW
M918 PROJ ASSY	596		GLM
M220 PRAC WHD	9,050		GLM
30MM TUBE	623	100	DWS
12 GAUGE #00	4,855	100	GLM
M781 40MM GREN	2,572	100	GLM
MK217-0 9MM CTG	291	100	GLM
FIN ASSY BSU33	13	100	JRW
25LB BOMB LUG	5	100	JRW

**SMALL BUSINESS SET-ASIDE
 AMMUNITION BUYS
 (CONTINUED)**

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
AT MINE CASE	425		JRW
MK3-0 PALLET	4	100	JRW
BDU 33	400		JRW

RESTRICTED TO SDB OR 8(A)
AMMUNITION BUYS

<u>NOMENCLATURE</u>	<u>FY 96</u>	<u>OPTION</u>	<u>PCO</u>
	<u>QTY (K)</u>	<u>%</u>	
M918 PROJ ASSY	1,851	100	GLM
ADAPTER, ADU	2	100	JRW

POINT OF CONTACT

- **CHARLES M. SMITH**
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UPCOMING MEETINGS

- **DEMILITARIZATION SYMPOSIUM (AMMUNITION)**
 - 14-17 May 1996
 - Reno, NV
- **MUNITIONS EXECUTIVE SUMMIT**
 - 17-18 September 1996
 - Tyson's Corner, VA
- **FOR MORE INFORMATION CONTACT:**
 - Colonel (Ret.) Ira Click
 - American Defense Preparedness Association
 - (703) 522-1820