



Army SMCA Transformation



- ✓ To posture the SMCA to better meet DODD 5160.65 Objectives
 - ✓ “Achieve the highest degree of efficiency and effectiveness in the DoD operation required to acquire top quality conventional ammunition for US Forces.”
 - ✓ “Integrate the wholesale conventional ammunition logistics functions of the Military Departments to the maximum extent practicable...”
 - ✓ “Use acquisition strategies that stabilize the business environment and provide incentives for private investment in the production base.”

- ✓ To implement the 1997 PNNL study and 1999 GAO recommendations
 - “Manage ammo as major program”
 - “Consolidate management in PEO”
 - “Apply acquisition reform initiatives”

- ✓ To integrate the life cycle management of ammunition
 - Acquisition, industrial base, logistics and demil strategies



SMCA Document Status



- SecArmy SMCA Delegation – Expires 28 Jan 06. In Army staffing (ASAALT Lead)
- SMCA Charter - In final revision to remove delegations from Charter. (ASAALT Lead)
- ASA(ALT) SMCA Executor & 806 Designation- Expires 27 Jan 06. In Army staffing (ASAALT Lead)



SMCA Accomplishments



- Strategic SMCA documents
 - SMCA Charter- Aug 2004 (first update since 1983)
 - Revised SMCA Charter- Pending
 - Revised DODD 5160.65 Apr 2004
 - Revised DODI 5160.68 Dec 2003
 - SMCA Delegations – SecArmy to ASAALT, ASAALT to SMCA Executor & Section 806 & ASAALT to EDCA
 - Joint Conventional Ammunition Policies and Procedures (JCAPPs)- Jan 06 (replace DODM 5160)
 - LCMC MOU- Dec 05
- SMCA Strategic Plans
 - Demilitarization Strategic Plan
 - SMCA Industrial Base Strategic Plan: 2015
 - Small Cal Strategy
 - Army Ammunition Plant (AAP) Maintenance & Modernization



SMCA Accomplishments



- SMCA Forums
 - JOCG- Lead EXCOM
 - Established Joint SMCA Procurement Steering Council
 - Established Joint Quality Forum
- SMCA IPTS
 - Pricing
 - Engineering Support For Items In Production (ESIP)
 - Joint Developmental Countermeasure Flare (Participant)
 - Medium Cal Tiger Team
 - Supplier Quality Initiative



SMCA Accomplishments



- Product
 - PGU-44 (105mm Crimp) Best Value Contract Awarded
 - Bomb Production Scheduling at McAlester AAP
 - Small Cal Second Source Contract Awarded
 - 40mm System Contract
 - Long Term General Purpose Bomb Strategy
- Organizational changes
 - Established PM Medium Cal
 - JM LCMC- pending
 - Established Military Service Integrators
- SMCA Performance Metrics
 - Metrics established FY04- FY05 78% populated
 - Annual Customer Surveys on SMCA performance



Measuring Success



- SMCA Customer Survey
 - FY 03- Baseline
 - FY 04- 95% of feedback showed improvement
 - FY 05- 67% improvement over previous year
- Customer Requested Actions- 60 Major Actions
 - Communications
 - Acquisition Strategy / Planning
 - Customer Support
- SMCA Procurement Steering Council (Semiannually)
 - *“The SMCA is now an organization not a group of individuals. We are creating corporate knowledge where none existed.” (USN)*
 - *“The metrics and customer feedback were great and lead to gap analysis. All are great measures of the SMCA success.” (OSD)*

“PEO Ammo success will be measured in what the Services say in 3-5 years” (T. Melita OSD(ALT)/DSLW&M)



Measuring Success - Service Feedback on Performance



Areas of Survey

- Performance
- Acquisition Plans
- Compliance to MIPR Clauses
- Admin Lead Time
- Customer Involvement
- Quality Improvement
- Communications
- Information Quality

FY03

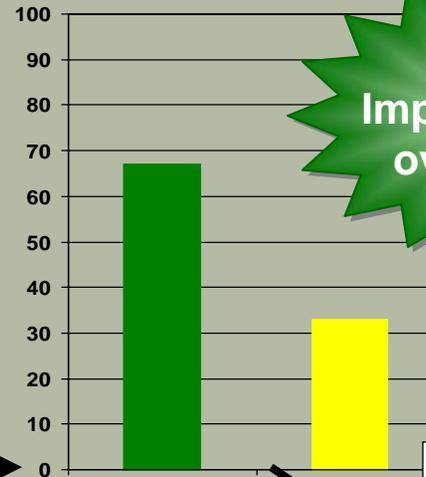
(Baseline)

FY04



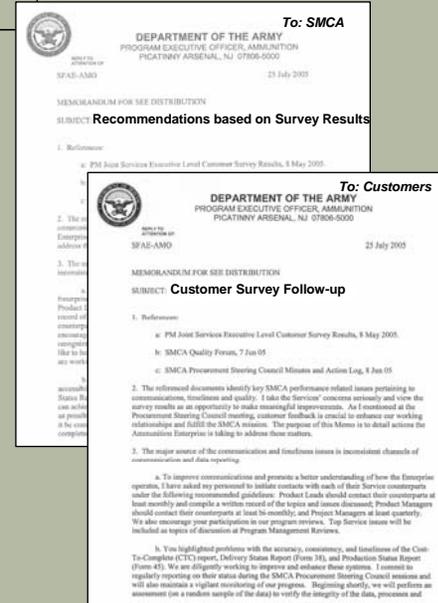
95% Improvement in Baseline Areas

FY05



67% Improvement over FY04

■ Improvement
■ Same





SMCA Challenges



- Not a lot in it for the Army. Manpower and resource intense
- Aging industrial base
- OMA 4.24 (SMCA) competes within the sustainment PEG for resources



Background





SMCA Customers



Navy



USMC



Air Force



SOCOM

JOCG Principals

MARCORSYSCOM

JOCG EXCOM

AFMC

ILPR- Requirements

ILMW- Policy

**AAC
PEO Weapons**

ALC

NSWC

NOSSA

**CNO – Log
Policy 411**

NAVSEA

NAVAIR

PEO Strike W

PEO IWSO

PEO Tack A/C

PM Ammo

SMCA Customers

NSWC

USASOC

AFSOC

PM3C

**84 MUSG
Hill AFB, UT
Air-to-Surface**

PM 4 Crane

PMA 201 Bombs

PMA 242 Def sprsn

PMA 272 Flares

SMCA Portfolio

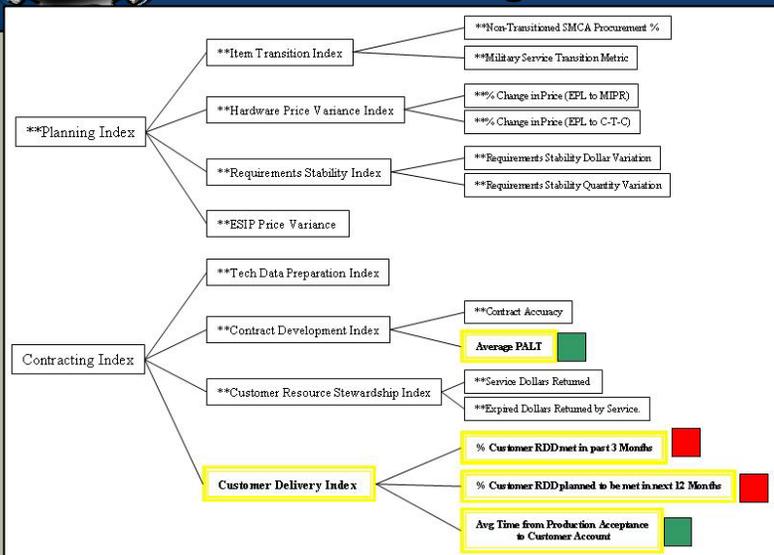
2.75"	Artillery	Bombs	Small Cal	Med Cal	Large Cal	Demo	Flares	Grenades
PM ARM	PM CAS	PM JS	PM MAS		PM CCS			



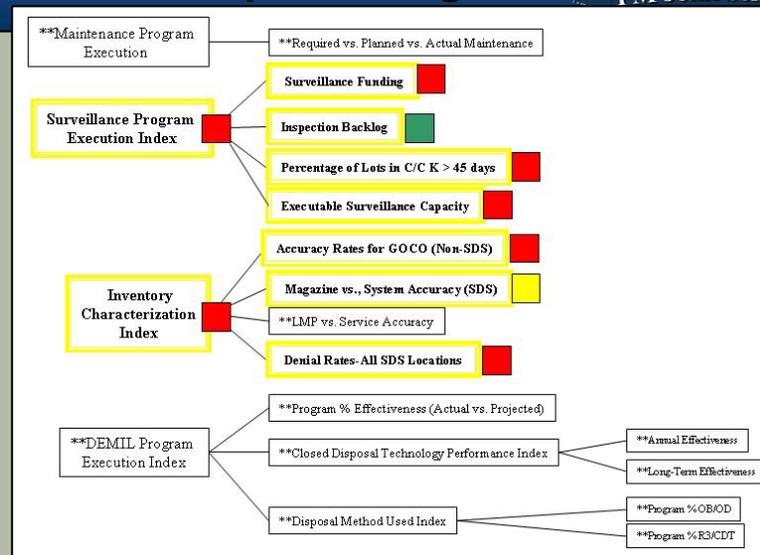
FY 04 SMCA Metrics



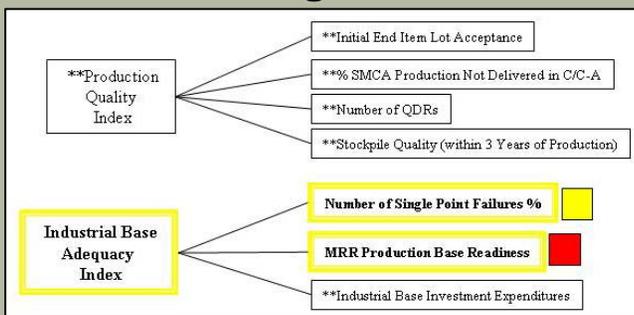
Procurement Management



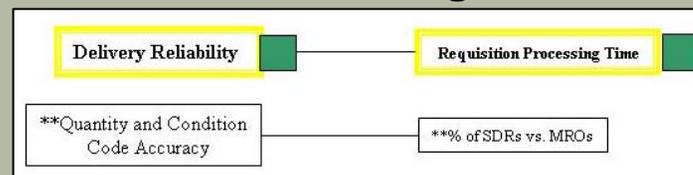
Stockpile Management



Production and Industrial Base Management



Distribution Management



** Phase II Metric

Initial Phase- Data being validated



Future Challenges of the SMCA



- More items need to be modernized (old TDPs); product and process improved
- More items need to be consolidated, family contracts and system contracts
 - Implementing Systems Contracts in light of the Acquisition Reform (Consolidation Policy)
 - Requires ASA(ALT) approval and we must work Small Business set asides and credit for Systems Contracts
- Investment in Facilitization
 - Army plants, Army programs, Army funds but we need OSD approval on any facility investment greater than \$10M



Future Challenges of the SMCA

(Cont'd)



- LCM IT Infrastructure is inadequate to perform the SMCA mission;
 - Antiquated ~30 Year old technology, not web-able, stove piped, not user friendly and does not account for all items
- Improving timing & accuracy of Services' requirement forecasts
- Resourcing the mission: limited OMA funds to support SMCA mission: 2nd smallest PEO, 4th largest in \$, hundreds of procurement actions
- Collaborative decision making on the optimal use of OMA funds



SMCA Successes



PM JS/Demil

- Updated DoD/SMCA
- JCAPPs
- Long-term bomb strategy
- Demil Strategic Plan
- 5 year Best Value Commercial Demil award
- TNT facility
- Partnership Agreements
- Developing Log R&D Strategic Plan
- Service Integrators

PM MAS

- 1.5 Billion rds Small Cal
- Small Cal 2nd Source
- 40mm Sys Contract
- Modernization of Lake City AAP
- Established PM Med Cal

Industrial Base

- IB Strategic Plan
- IBAT (assessment tool)
- Influence BRAC
- IB Modernization
- Science Based Prototyping & Production
- Single Point Failure

PM CAS

- Resolved in theater shortages for 120mm mortal ILLUM
- Delivered: 1.1M artillery and mortars; 790K fuzes; 2.3M MACS propellant charges; 465K artillery recapped
- Improved decision making with USMC for artillery and mortars
- Developed second US source for ILLUM candles

PEO Programs

- IM Strategic Plan
- SMCA Metrics
- LCMC/Ammo Enterprise
- ESIP Process Improvement
- Ammo Enterprise Portal

PM CSS

- M67 Hand Grenade Sys Contract
- Multiple fuze suppliers
- Smoke grenade family improvements
- Countermeasure Flares
 - Awarded two M206 5-year contracts
 - Established initial production of 211 and M212
- Destruction of Captured Enemy Ammunition using landmines