



NDIA Munitions Executive Summit/Advance Planning Brief to Industry Project Director Joint Services 26 February 2013

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What We Do For the Ammunition Enterprise



- GOCO AAP Modernization
- GOCO & GOGO Maintenance & Layaway of Inactive Facilities (MIF/LIF)
- GOCO Armament Retooling and Manufacturing Support (ARMS)
- Industrial Base Strategic Planning



- Sec 806 Determinations
- Single Point Failure Mitigations
- Manufacturing and Technology Solutions



- Single Manager for Conventional Ammunition (SMCA) Annual Report

- Demil of all Services Conventional Ammo
- SMCA Customer Survey
- SMCA issue resolution



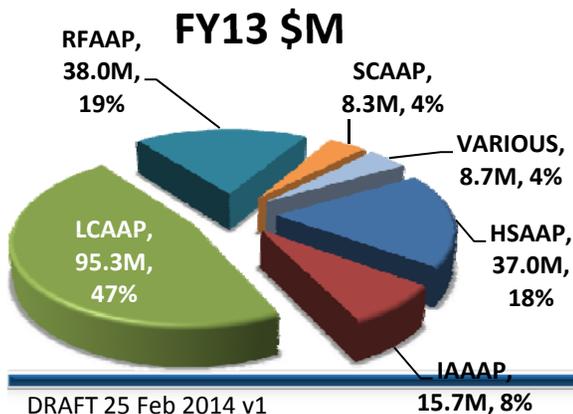


GOCO AAP Capability and Modernization Funding



GOCO Facility	Contractor Operator	Core Processes	FY03-12	FY13	FY14	FY15-18
Radford (VA)	British Aerospace (BAE) Ordnance Systems Inc.	Propellant Manufacturing (Rocket, Artillery, Tank, Med; NC for all Propellants)	625.256	39.796	162.215	257.848
Lake City (MO)	Alliant Techsystems Inc. (ATK)	Small Caliber	329.042	95.323	15.716	198.308
Holston (TN)	BAE	Explosives - HMX, RDX	419.984	37.458	15.681	273.538
Scranton (PA)	General Dynamics-Ordnance and Tactical Systems	Large Caliber Metal Parts - Artillery / Mortars	64.947	8.265	10.997	41.824
Iowa (IA)	American Ordnance	Load, Assemble & Pack (LAP) - Tank / Artillery	136.624	15.726	12.096	57.812
Milan (TN)	American Ordnance	LAP - Mortars, 40mm cartridges; C-4 Extrusion	21.152	1.323	0.000	0.000
QCCCF (IL)	Norris Industries	Large Caliber Cartridge Cases	*	0.000	0.000	0.000
Design / Non-PEO		Engineering Design / ATEC	44.619	8.706	10.014	35.884
Total			1,641.624	206.597	226.719	865.214

* BRAC 05 Funds (\$120M) used to move capability from Riverbank AAP to Quad Cities Cartridge Case Facility (QCCCF), Rock Island, IL



(\$M)	FY14	FY15	FY16	FY17	FY18	TOTAL
PIF - FY2014 PRESBUD - (APR 2013)	226.719	238.161	220.456	204.130	202.467	1091.933

101 Ongoing Modernization Projects



Layaway of Industrial Facilities (LIF) Maintenance of Inactive Facilities (MIF) Programs



LIF (FY14 \$10M)

- Transitions buildings and equipment from production to a laid away or caretaker status
 - Layaway into a condition to be brought back on-line expeditiously and in an efficient manner
 - Efforts consists of decontamination, cleaning preservation and storage in place

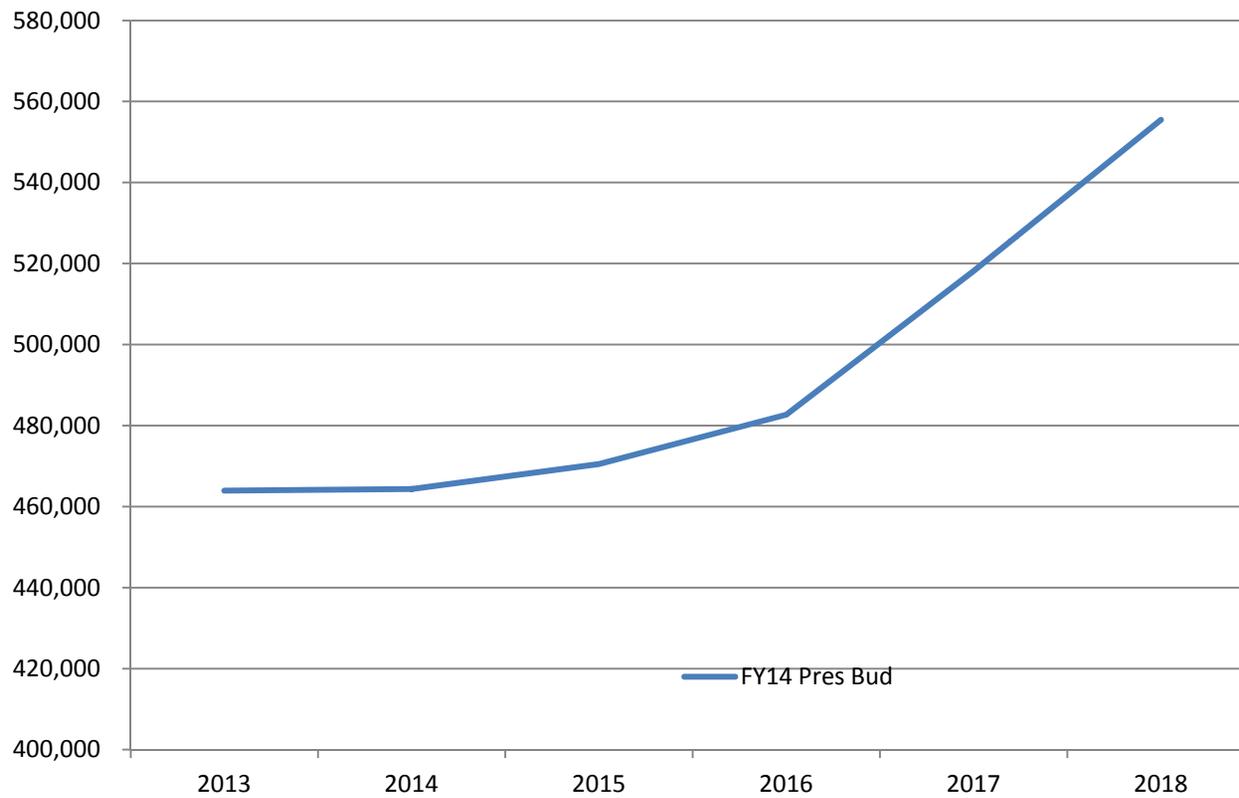
MIF (FY14 \$6M)

- Maintains and preserves equipment and facilities for future use
 - Efforts include inspection, rust removal, cleaning, painting, lubricating, test and/or repair





Demil Projected Stockpile





GOCO Cost Reduction Tiger Team



- **SHORT TERM:** 31 Performance Work Statements (PWS) changes accepted by Industry and Gov't
 - Estimated “instant” annual savings of nearly \$1.8M (as of 6 Dec 2013)
 - Contract modifications currently executing collaborative identified savings
- **LONG TERM:** Most significant benefit to be derived from AAP “reclassification” to a non-installation.
 - Co-leads currently pursuing Installation Status Report (ISR)/POV as a “pilot” to gauge leadership appetite for the transition.
 - Assistance from all levels of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT))/Army Materiel Command (AMC) leadership required
- Indemnification path forward outcome pending further review by the Office of the General Council (OGC) / **\$8.4 potential savings**
- Continue to pursue more comprehensive PWS cost saving opportunities/**\$5.25M potential savings**
 - Opportunities / security, fire, property, maintenance, and other areas.

SHORT vs. LONG-TERM SAVINGS REALIZATION PLAN		
Year 1	Year 2	Year 3
31 PWS Changes (6-12 Mo) <i>Estimated annual savings of > \$1.8M per year</i>		
ISR/POV “Pilot” (6-12 Mo) 		Full “Reclassification” (12-24 Mo)
Go / No Go Determination		<i>Potential LT PWS savings of over \$5-12M per year</i>



Potential Opportunities

Opportunities:

- Conventional Demil Systems Contract : \$499,000,000 FY15-19
 - Cluster Munitions, Smoke Munitions, Mines
- Army Ammunition Plant Modernization
 - Reduce cost of ownership
 - Infrastructure Improvements
 - Energy Efficiencies
 - Manufacturing Process Improvements
 - Environmental Compliance
- Armament Retooling & Manufacturing Support (ARMS) Tenants
- Single Point Failure Mitigation

