Logistics Support, Incorporated (LSInc) 2012 Accomplishments

Defense is tasked to cut costs now and manage life cycle costs in the future while maintaining world-class readiness. LSInc continues to deliver the quantifiable, performance-based results required! Several highlights from this year include:

- LSInc continues to support a Navy Enterprise Resource Planning (ERP) and material management transition effort that has significantly improved the accountability of over $5 billion of Operating, Maintenance and Supplies (OM&S) material, previously termed "Sponsor-Owned Material (SOM)", in multiple locations throughout CONUS. Specifically, LSInc has conducted wall-to-wall inventories for the physical validation of material, and to facilitate the capture of additional data elements required to cleanse, format, and transition records from legacy Navy/DoD Logistics Information Systems (LIS) to Navy ERP. Efforts to date have:
  - ✓ Completed the DMIL and <u>disposal/turn-in of over $1.1 billion of excess material</u>.
  - ✓ Accomplished Total Asset Visibility (TAV) at multiple sites by validating and specifically adding over 100-thousand records of material that were not previously visible beyond the local site/legacy LIS – or in any LIS.
  - ✓ Corrected over 140-thousand records (e. g. inventory count, missing data, valuations, etc.) which represent a significant percentage of the material records visible at start. <u>The dollar value of these corrections from legacy LIS's is in excess of $900 million.</u>

  LSInc material inventory efforts highlight a solid business case for this value added effort, freeing up storage space and resources to manage excesses, reduced expenditures through reallocation of material and improved TAV to find material matching current requirements, including material that can be made visible and accessible to the Fleet for redistribution.

- LSInc serves as NAVSEA's Navy Traffic Manager (TM) by direction and coordinates the transport of mission sensitive shipboard material on a daily basis. During 2012, LSInc successfully coordinated the transport of 88 ship and submarine propellers and propeller blades and blade sets, 48 hubs and oil distribution boxes, 65 propeller shafts, 6 CIWS and DDG-1000 gun mounts, 1 VA Class Rotor, 1 DDG-1000 Class Magazine, 1 DDG-1000 Class Deck House, 2 DDG-1000 Class PVLS units, 2 Sonar Domes, 1 Antenna, 3 LCAC Engines, and the transport of various other ship and submarine major components in response to urgent Fleet material supply and readiness requirements. Additionally, the LSInc TM provides effective packaging, handling, and transportability (PHT) oversight of each cargo transport mission, thus ensuring the Navy receives the safest, most secure, highest quality and best value service at an estimated **cost savings $5 to $8 million annually.**

- In support of USCG Deployable Operations Group (DOG), LSInc completed analysis of the Port Security Unit (PSU) Consumption Report and recommended changes to allowancing based upon consumption rates that <u>reduced the PSU Unit Allowance List (UAL) by $513K.</u> Analysis also revealed excess inventory at PSUs that exceeded 22,000 items and $2.4M – providing significant opportunities to reallocate excess inventory within the DOG enterprise. LSInc also conducted detailed market research on commercially sourced items from lowest cost supplier and identified an <u>additional $507K in PSU UAL savings</u>, which equates to a 6% PSU UAL cost reduction! Additionally, LSInc, conducted detailed market research that

revised pricing for over 60% of the MSRT UAL, and through aggressive efforts, <u>identified 709 price reductions that totaled $586K</u>, which equates to a 5.6% overall cost reduction to the MSRT UAL. Completed a review of all eleven MSST's Non-UAL inventory items looking for Non-UAL inventory that is actually UAL- identified and reclassified 796 pieces of operational equipment from Non-UAL to UAL, resulting in a cost <u>avoidance of over $300K</u>. Completed a review of both TACLET's Non-UAL inventory items looking for Non-UAL inventory that is actually UAL - identified and reclassified 889 pieces of operational equipment from Non-UAL to UAL, resulting in a <u>cost avoidance of over $136K</u>. Completed a review of all eight PSU's Non-UAL inventory items looking for Non-UAL inventory that is actually UAL - identified and reclassified 4,215 pieces of operational equipment from Non-UAL to UAL, resulting in a **cost avoidance of over $3.1M.** Completed Base year resource sharing initiatives between DSF units, enabled by the DSF UAL Inventory Database, resulting in a <u>cost avoidance of $381K</u>. Consolidated DSF inventory at the DOL warehouse and re-distributed the inventory to DOG units, resulting in <u>$44K in total cost avoidance</u>. Conducted detailed market research and engaged Suppliers, which identified and recommended 108 UAL items as Bulk Buy candidates with potential <u>savings totals of $767K</u>. **Total Cost Savings/Avoidance = $8.8M, generating an ROI of over 770% in FY2012!**

- LSInc continues to provide outstanding Fleet support via our Anti-Terrorist/Force Protection (AT/FP) Inventory Material Management (IMM) Contract. Under the newly established Shipboard Refresh Program, LSInc has issued from the IMM Warehouse Refurbishment Program to the Fleet replacement OPTAR, for (CTRC/LWH/ESAPI) Pool, total cost avoidance in OY1 is recognized in the amount of **$299K.** The Center for Security Forces (Pearl Harbor and Chesapeake) issues of CTRCs in lieu of ordering has shown a cost avoidance of over **$32K.** Through the LSInc IMM Warehouse Helmet refurbishment program, RBR, ACH, and LWH have been re-issued, total cost avoidance in OY1 is recognized in the amount of **$63K**. The Laundering Service provided under the IMM Warehouse operation to-date has cleaned and replaced back into stock, Mustang Dry Suits, MARCIRAS (Eagle) Carriers, CTRCs, and OTV Carriers & Soft Ballistics shows the total cost avoidance in OY1 of **$2.3M**. The Military Sealift Command issue of OTV's for NBO in lieu of ordering has shown a cost avoidance of over **$976K.** The Patrol Coastal Squadron One issue of flotation plates has shown a cost avoidance of over **$16K.** LSInc warehouse personnel researched alternative methods of shipping resulting in a significant cost avoidance of **$48K.** LSInc warehouse personnel installed Spare K-Rack Systems as a (do-it-yourself project) which created 174 additional locations for stowage of SURFLANT and awaiting DRMO materials, cost avoidance of **$5K**. <u>**Total Ownership Cost Avoidance of over $3.71M and the Return on Investment is >1.74 X Cost of Contractor Support during 2012.**</u>

- LSInc continued to work closely with the NAVSEA ERP Material Management (MM) Team Lead (NSLC), in coordination with the NAVSEA Enterprise Resource Planning (ERP) Business Office (NEBO), the Navy Automated Identification Technology (AIT) Program Office, and Naval Warfare Centers to conduct site surveys of their warehouses in preparation for transition of Operating, Maintenance and Supplies (OM&S), formerly Sponsor Owned Material (SOM), records from the various legacy systems (ILSMIS, MIMS, SWIMS, and others) to Navy ERP. LSInc coordinates transition to Navy ERP Warehouse Management (WM) as well as coordinates implementation of AIT at all NAVSEA Warfare Centers. AIT implementation will enable Warfare Centers and Fleet Logistics Center (FLC) personnel <u>to maintain accurate accountability and management of NAVSEA OM&S (SOM) material.</u>

- Support of NAVSEA/NAVSUP's Independent Logistics Assessment (ILA) process continued throughout 2012, with five ILAs underway: Future Radiographic System (FRS), Cooperative Engagement Capability (CEC), Littoral Combat Ship Mission Modules (LCS MM), Identity Dominance System (IDS), and Advanced Explosive Ordnance Disposal Robotics System (AEODRS). These programs consist of the following Acquisition Categories (ACATs): I, IC, IVM and IVT; and Milestones B, C and Full Rate Production (FRP). In addition to ILA support efforts, LSInc supported the ILA Project Management Tool (PMT) transitioned to a new software platform. The enhance PMT captures all of the elements of the finding data in LSInc's ILA Archive. This data can be filtered and displayed in multiple ways to identify trends and highlight trouble spots so that appropriate remediation efforts can be undertaken. Also, customized reporting provides trend data on findings to focus remediation efforts to help Program Managers better manage their supportability engineering and sustainment planning efforts prior to conduct of an ILA. Execution of these proven acquisition logistics best practices has improved supportability, increased product support efficiencies, and reduced life cycle sustainment costs, which are estimated to comprise 72% of the average DOD program's overall costs. In addition to the ILA data PMT, LSInc established an online, SharePoint Archive of ILA Reports for NAVSEA/NAVSUP's use (previously, ILA reports were not gathered in one location for ready access). LSInc also assisted N00AL1 in updating and improving NAVSEA's Integrated Product Support (IPS) portal in Navy Knowledge Online (NKO). LSInc helped establish, in one location, a list of DoD, DoN, SYSCOM reference links for each IPS element and a list of Subject Matter Experts (SMEs), links to IPS training and useful websites to provide a 'one-stop' IPS knowledge portal.

- LSInc supported Program Managers along with NAVSEA field activities in the identification and prioritization of FY 13-19 constrained and unconstrained IT funding requirements for OPNAV and proposed/facilitated the selection of alternatives that support Navy directed IT cost savings associated with rationalization, integration and central hosting objectives. Execution of solutions identified will result in <u>immediate savings of $500K</u> with additional TOC savings projected through FY 19. There are other savings associated with Product Lifecycle Management (PLM) integration of Life Cycle One and Configuration Data Manager Database - Open Architecture-Configuration Management Reference Material (CDMD-OA-CMRM)-Navy Data Environment (NDE) that will be quantified and executed during FY13.

- LSInc is supporting the transition of the Customer Relationship Management (CRM) component of the Navy's Distance Support (DS) capability sponsored by OPNAV N4 and managed by the Sea Warrior Program to *Navy* 311, now ready for deployment. As such, "Navy 311" simplifies help desk access and easily identifies this assistance from among the many other important Fleet Distance Support services. Many forward-thinking government organizations and municipalities are using centralized "3-1-1" call centers to cost-effectively expand citizen services and streamline operations. In the same manner, Navy 311 is focused on achieving Fleet customer service excellence through modern technology, timely feedback, and increased operational efficiency. The business value of Navy 311 is to:
  - ✓ Provide easy-to-access, immediate "reach back" capability from the customer, via dedicated communication channels, to subject matter experts.
  - ✓ Measure response times and customer satisfaction for fleet support performance.

✓ Monitor service requests, route those requests to authorized support providers, and stabilize responsiveness for service level consistency.

✓ Track trends to anticipate, plan, and budget for changing Navy and Sailor needs.

✓ Identify key support drivers to reduce total ownership costs and improve processes.

- LSInc worked closely with the NAVSEA Maintenance Interservice Support Office (MISO) in the related areas of Joint Depot Maintenance (JDM) and Depot Maintenance Interservice (DMI) to ensure that overhaul depot assignments for DOD repairable components are made based upon Interservice competition regulations. During 2012, 16 introductory packages from NAVSEA activities recommending proposed Depot Overhaul Points (DOPs) have been reviewed for accuracy and completeness by LSInc, on behalf of the NAVSEA MISO, with corrections made as necessary, prior to routing to the Navy Maintenance Interservice Support Management Office (MISMO) for subsequent Interservice competition. Those introductory packages related to such systems as the AN/UIQ-100, the AN/BQQ-10 TI02 Germane Servers, Deployable Thin Line Towed Array (TLTA) Cables used on Seawolf Class Submarines, the AN/BQQ-6 sonar system, the AN/SLC-32 Block Upgrade, the LCAC Command, Control, Communication Computer (C4N) and the Advanced Explosive Ordnance Disposal Robotic System (AEODRS). In addition 37 introductory packages from other non-NAVSEA activities were received by LSInc and processed through NAVSEA's shipyard and Warfare Center DOP Maintenance Interservice Coordinating Offices (MICOs) to ensure that an opportunity was provided for possible competition in those DOP assignments. LSInc also provided significant Headquarters input to ongoing revisions related to the draft OPNAVINST 4790.14B (Navy Participation in the Joint Depot Maintenance Program) and the draft Desktop Depot Maintenance Interservice Support Agreement (DMISA) Reference Guide.

- LSInc provides Architectural and Engineering technical services through proficiency in Computer Aided Design (CAD), RS Means estimating software, and preparation, review and verification of accuracy of as-built drawings. LSInc draft plans and perform engineering calculations; develop, maintain and update the CAD data file library; and prepare a variety of maps and drawings of neighborhoods and homes. Additionally, LSInc provides technical and maintenance support in the overhaul and repair of Navy's SH-60, Cobra, AH-1 and UH1N helicopters, Army UH-60, AH-64 and other aircraft and component programs, provide preventative maintenance (PM) and general maintenance and repair (M&R) make alterations, renovation, and interior minor construction of facilities installed equipment, refrigeration units, heating/ventilation and air conditioning (HVAC) systems. LSInc's support involves a mix of management, supervisory, and maintenance skills, to perform scheduled preventative maintenance and regular and unscheduled maintenance and repair of facilities, equipment, and components. LSInc also provides technical engineering support to sustain the Degaussing Test Range and Magnetic Calibration of U.S. Naval ships, and Coast Guard vessels.