

Top 10 Sourcing Questions for Spare Part Component Breakout Process & Screening Logistics Criteria

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Site Visit Executive has noticed many weapon systems utilised by the military services are supported by supply of more than 2 billion spare parts which comprise over 10 billion dollars of DoD 2017 Budget. Dispatcher systems logistics teams must address composition of components, equipment & subassemblies made up of thousands of parts. Spare parts are procured to replace those parts worn out in service, malfunction or break. Procurement of parts & administration of spare parts cache is required to keep weapon systems fully operational.

Site Visit Executive has noted logistics experience is limited in most major weapon system programmes, so replenishment spare parts breakout in supply line connections is usually not understood very well by DoD. Replenishment spare parts are those consumable or repairable parts purchased after provisioning of that part for replacement, replenishment of stock, or use in the maintenance, overhaul & repair of equipment. Provisioning is technique utilised to provide the initial spare parts necessary to field a weapon system prior to receipt of sufficient usage information to meet parts stock criteria.

Dispatcher application of mechanistic breakout models involves improvement in logistics techniques designed to assess spare parts acquisition status by deliberate Site Visit Executive action. It is often possible to buy spare parts competitively when DoD had previously bought item under noncompetitive conditions. Parts can be bought from original supply line connection entities instead of prime contractor who does not produce the actual part. Many times, prime contractors acquire mission-critical components from original suppliers either semi-finished or complete. Unless the prime contractor accomplishes additional processing of item status no intrinsic value to DoD is added to the parts. Increased pass-through costs added by prime contractor are often significant.

Generally speaking, DoD acquires spare parts through two distinct/separate logistics processes, initial provisioning & replenishment. During initial stages of weapon system life, Site Visit Executive has directed dispatchers to participate in supply line connection conferences with prime contractors to make decisions concerning spare parts required in an initial provisioning package for use during fielding of the system including prices, method of acquisition & sources of supply.

How does DoD define replenishment spare parts and how are these parts acquired during breakout supply line connections? Replenishment spare parts are defined as consumable or repairable parts purchased, after provisioning of a part, for replacement, overhaul & repair of equipment. Replenishment spare parts are procured in an ongoing logistics process promoted by Site Visit Executive. Basically, requirements for replenishment spare parts from repair actions in the field are compiled by an automated parts control system producing purchase requests. Requests are screened by dispatchers for status errors and submitted to supply line connection

episodes for procurement action.

Dispatchers assign parts to work orders describing the competitive status of the part in DoD information systems. Under a breakout programme, continuing logistics action by Site Visit Executive is taken to improve the competitive status of a part for the life of the part or until it can be procured competitively. Dispatchers are provided with individual breakout work orders with each procurement request for recommended current acquisition model as well as dispatch of available supply sources.

The breakout procedure is complex and time consuming for Site Visit Executive requiring significant number of additional dispatch labour assignments in acquisition process to achieve optimum procurement lead times so state of readiness is not compromised. DoD must make more effort to establish new processes involving screening of spare parts, assessing procurement packages & qualifying additional sources, Logistics activities will require additional technical training and recruitment of dispatchers with increasingly higher skill levels. For example, administration of procurement packages and additional sources requires knowledge of supplier processes/techniques, work site conditions, & critical part work order characteristics considerations.

One key objective of tactics Site Visit Executive has proposed is to reduce costs in the procurement of replenishment spare parts by breakout of parts for purchase from supply entity other than the prime weapon system contractor. Breakout action establishes dispatch screening process with step-by- step logistics instructions for examining the competitive status & condition of technical information for any particular part. Provision is made internal to determination of specified additional direct/indirect costs to DoD for breakout involving costs of special tooling, source assessments/qualification, correction of deficient information packages/rights & quality control.

Site Visit Executive has implemented logistics processes so DoD is empowered to screen for breakout candidates as early as possible in procurement process to determine technical/fiscal characteristics of parts impacting potential for breakout to competition. Effective utilisation of resources in accomplishing breakout requires dispatcher application of work order priorities in assuring concentration of breakout efforts for parts offering greatest potential for meeting real-world field-level mission requirements.

DoD must establish Breakout processes divided into two dispatch processes: full screen & limited screen reviews. Full screen breakout is applied to replenishment parts, and is performed well in advance of a planned procurement. Limited screen breakout entails review supply line connection episodes of items already in the procurement phases that covers only essential logistics points technical evaluation. Limited screen breakout can be performed by any procurement activity & breakout decision is made by Site Visit Executive based upon the information available to dispatchers on site, or information processing which can be furnished in a timely manner. For this reason, limited screen breakouts usually involve materiel which is not highly technical in nature and for which it is readily apparent sole source contractor adds no value to the product.

Dispatchers screen parts based on suspense date established during initial or previous screening determined by logistics circumstances surrounding individual supply line connection episode established for part items. The period between suspense dates varies. Work orders assigned as the result of limited screening have the lowest suspense period. In extreme cases highlighted by DoD where the status of the part is not expected to change, a longer suspense period is assigned subject to local controls. Other provisions to ensure effective assignment of breakout resources include termination of screening when part item reaches competitive status. Lastly, effective resource assignment is encouraged by Site Visit Executive advocate policy incorporation of the screening process with other existing mechanised processes at the part procurement activity.

In order for DoD to accomplish periodic screening according to supply line connection buy value and part review date, utilisation of post grid extract listings must be served to establish part status determination/review dates, & creation of standardised logistics tickler systems. Dispatchers must tag part episode status with labeled work order clips signalling the proximity of review dates to preclude unnecessary and inefficient review of all part components during periodic Site Visit Executive assignments.

Site Visit Executive promotion of Breakout Programmes forms integral part of current DoD Service initiatives to increase competition & control fiscal conditions of spare parts. Logistics task design features take into consideration dispatcher requirements for configuration control and parts standardisation. The breakout process subjects the breakout decision to these considerations, by design, to maintain the integrity of supported systems & its equipment. During screening process, prior to actions establishing additional sources for a part, allowance is made for consideration of source control, design control, required master tooling, special testing, qualified product work order control, high reliability, and whether design of the part is yet unstable.

Although dispatch breakout screening and many logistics actions arising to effect breakout under a variety of situations can be a lengthy, time consuming process, Site Visit Executive has made explicit to DoD provisions for temporarily by-passing the breakout process to satisfy urgent mission requirements. Both the limited screening process for immediate buy requirements and an allowance for actually bypassing the process altogether must be provided for meeting immediate/urgent mission requirements of real-world, field-level scenarios.

1. At what logistics unit level is the replenishment spare parts breakout programme administered and why?
2. What are the published standard operating logistics procedures for breakout programme?
3. What are logistics organisation requirements of work orders on replenishment spare parts breakout?
4. Which logistics dispatcher divisions are key players in the breakout decision-making process?

5. When/why was replenishment spare parts breakout first accomplished at logistics unit level?
6. What are the driving logistics goals behind suitability of breakout decision?
7. When in the acquisition logistics process is breakout of replenishment spare parts breakout accomplished?
8. When are logistics processes in part supported system service life breakout accomplished?
9. How do logistics teams utilise technical specs in replenishment spare parts breakout?
10. Are use of breakout decision-making models or logistics checklists utilised? If so, what are its key features?