

Reducing Procurement Lead time with Data Rich Solicitations

PROBLEM/OBJECTIVE

Procurement of National Stock Numbers (NSN's) with forged content has historically higher rates of backorders and increased costs than an average part. New forging tooling averages \$18,000 to create and often takes 6 to 8 weeks to prove out. Bidders are frequently unaware that a solicitation contains forged content and requires special tooling, which results in longer lead times and increased costs.

The objective is to reduce costs and lead time by increasing the use of existing tooling, and encouraging suppliers to locate forging sources prior to bidding.

ACCOMPLISHMENTS PAYOFF

Identifying and flagging forged content in solicitation purchase order text alerts bidders that special tooling is required. Studies have shown an Administrative Lead Time (ALT) and Production Lead Time (PLT) reduction of 47 and 27 days respectively for forged NSN's that are identified as such in a solicitation.

In the beginning of CY2010, 1,325 Defense Logistics Agency (DLA) Aviation and 7,285 DLA Land & Maritime forgings were identified in solicitations. During the year, extra emphasis by the team was placed on increasing the population of confirmed forgings being identified in solicitations. As of January 2011, 4,068 DLA Aviation and 8,315 DLA Land & Maritime forging NSN's had text inserted into DLA's Enterprise Business System to alert bidders during the next solicitation that special tooling is required. This effort is expected to reduce ALT and PLT, moving parts to the warfighter more quickly.

In addition to the approximately 12,300 known forgings, there is a large population of NSN's that is suspected to contain forged content, but has yet to be confirmed. To keep track of so many parts, the forging team worked with the casting team and DLA to develop a database to track key data about each NSN. Using the new

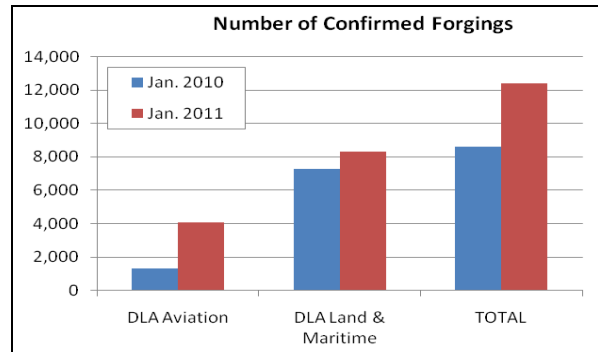


Figure 1: Chart showing number of confirmed forgings in January 2010 versus January 2011

database, the team plans to develop new processes for increasing the population of forgings being identified in solicitations.

The team's next steps are to provide even further value to the DLA and its customers by including ways to guide bidders to existing tooling sources, and to explore ways to ensure bidders have a forging source prior to issuing an award.

"A forging process was identified as a means to manufacture this item. Tooling is required to produce a forging. For additional information..."

Figure 2: Example text that is inserted into solicitations identifying forged content

TIME LINE/MILESTONE

Start date: January 2010
End date: December 2010

FUNDING

DLA ManTech: \$15,000

PARTICIPANTS

- Defense Logistics Agency (DLA) Aviation
- Aviation Forging & Casting Assistance Team (AFCAT)
- Defense Logistics Agency (DLA) Land & Maritime
- Maritime & Land Forging and Casting Team (MetaLFACT)
- FORGE-IT Team