



Diminishing Manufacturing Sources and Material Shortages Program Update

**Spring 2015
Part Standardization Management Committee Meeting**

April 28, 2015

**DMSMS Lead
Defense Standardization Program Office**



Current DMSMS Challenges

- Likely impact of current fiscal environment:
 - Downsizing of the force
 - Fewer new-start development programs
 - More Service Life Extension Programs (SLEP)
 - Increased risk for the certain industry sectors and the supply chain
 - Less funding available to resolve DMSMS issues
 - Increased risk of encountering counterfeit items
- Accelerating technology life cycles also means fewer sources for “pin-compatible” replacement parts
- Driving SLEP cost and risk:
 - Loss of OEM sources
 - Obsolete parts
 - Loss of component pedigree
 - Loss of key manufacturing expertise



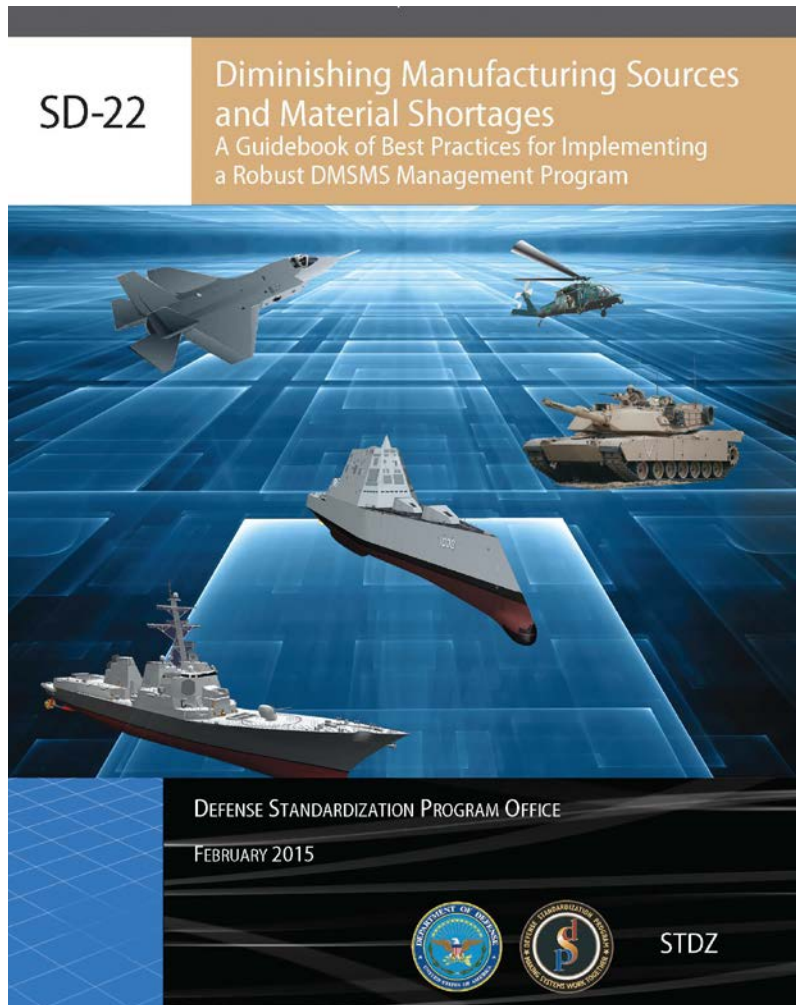
DMSMS Program Strategy

- Reduce or eliminate the cost and schedule impacts of all identified DMSMS issues
- Ensure that DMSMS issues do not prevent weapon system readiness and performance goals from being met

... in a cost effective manner consistent with Better Buying Power (BBP) 2.0/3.0 initiatives



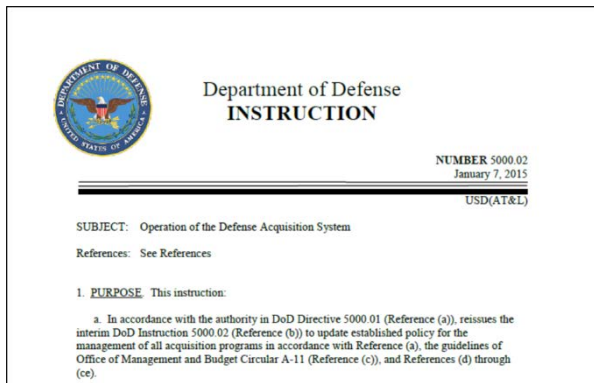
DMSMS Planning



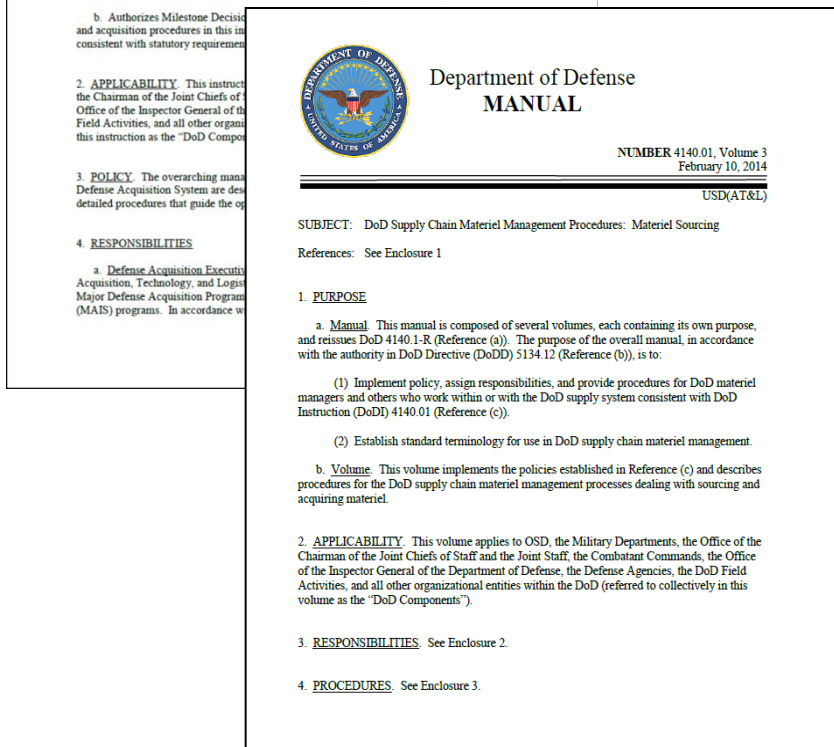
- **DMSMS Considerations in Design**
 - Are we appropriately trading DMSMS concerns with other design considerations for initial designs and subsequent redesigns?
 - Are DMSMS management activities during O&S adequately considered in upfront design activities?
 - Are DMSMS considerations adequately covered in technical reviews and engineering plans?
- **Potential design concepts to minimize DMSMS risk**
 - Technology and item selection
 - Parts management
 - Use of COTS assemblies
 - Open systems architecture
 - Leveraging design tools



DMSMS Policy



- DODI 5000.02, Enclosure 6—
 - “Ensure identification of obsolete parts in specifications and develop plans for suitable replacements in accordance with P.L. 113-66, Section 803”



- DODM 4140.01, Volume 3—
 - Identify and minimize DMSMS impacts throughout a system’s life cycle
 - Designate a DMSMS “focal point”
 - Implement “the most cost effective solution” to identified DMSMS issues
 - Communicate and exchange DMSMS information within the DoD, with other government organizations, and with industry through the maximum use of alerts and the Government-Industry Data Exchange Program (GIDEP)

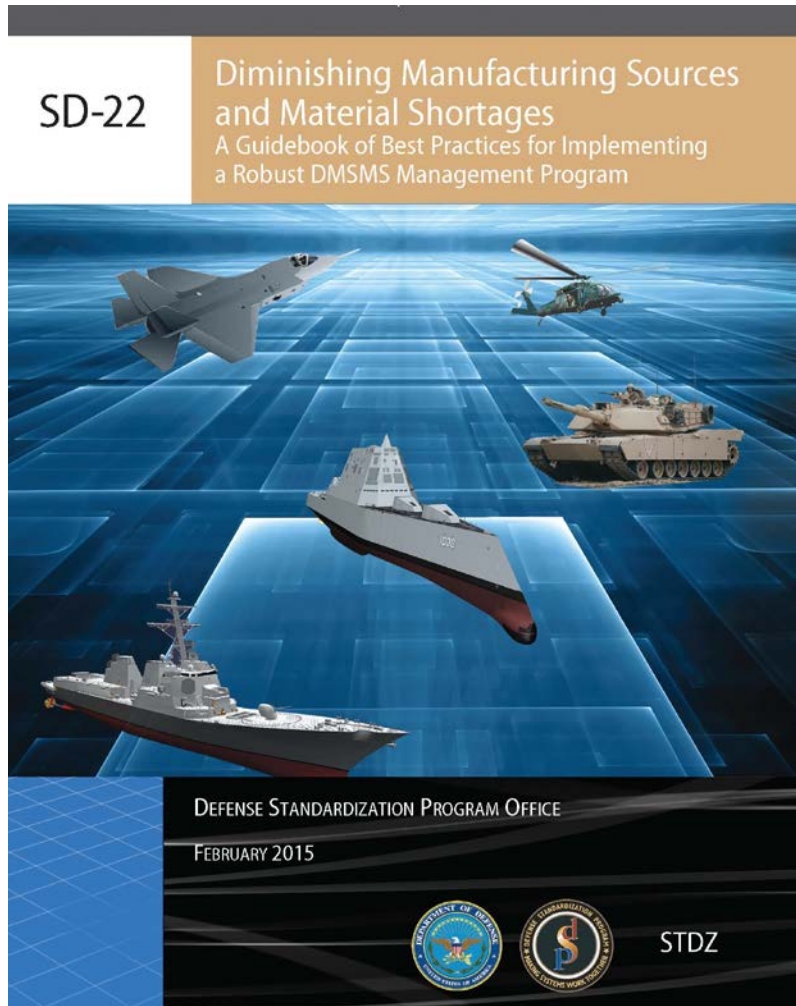


Section 803, FY 2014 National Defense Authorization Act

- Requires Secretary of Defense to implement a process for the expedited identification and replacement of obsolete electronic parts included in acquisition programs
- OSD office for Supply Chain Integration under Logistics and Materiel Readiness has the lead



DMSMS Guidance

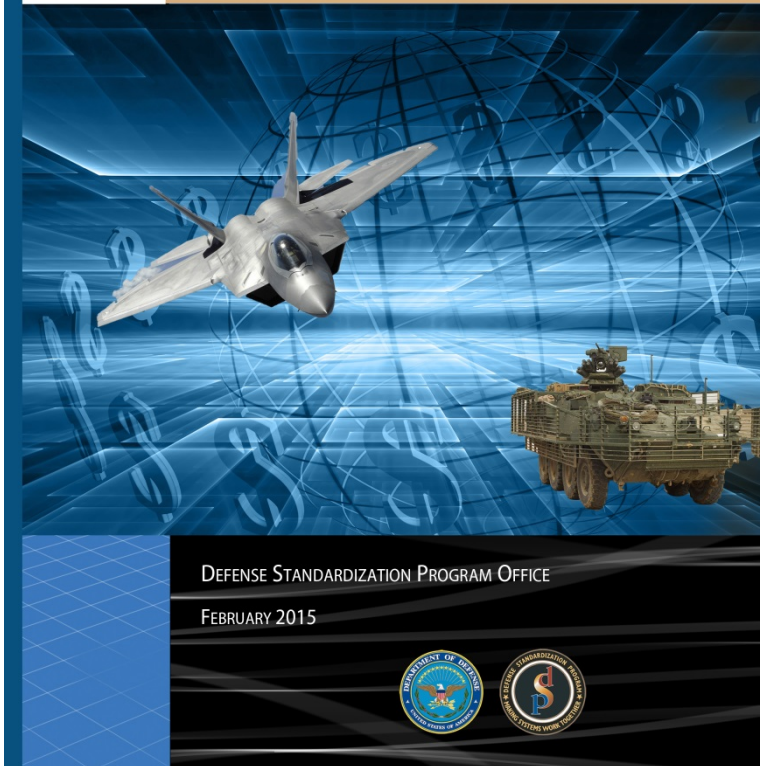


- An updated version of SD-22, *Diminishing Manufacturing Sources and Material Shortages—A Guidebook for Best Practices for Implementing a Robust DMSMS Management Program*, issued in February 2015 with new material on the following—
 - The application of DMSMS management to software integrated throughout the document
 - The introduction of the concept of functional obsolescence
 - Risk based approach to DMSMS management
 - Key program leadership enabling activities
 - The importance of technology and supply chain management
 - DMSMS mechanisms for hardware and software
 - The development of DMSMS health assessments
 - Methods for estimating resolution funding



New Cost Metrics Report

Diminishing Manufacturing Sources and Material Shortages Cost Metrics



- Up-to-date cost metrics are crucial for ensuring that the DOD uses the most cost-effective approach to resolving issues related to DMSMS
 - To update those metrics, the Defense Standardization Program Office undertook an analysis of responses to the 2014 DMSMS cost survey—Defense Industrial Base Assessment: Diminishing Manufacturing Sources and Material Shortages Cost Resolution Values Survey—conducted by the Department of Commerce’s Bureau of Industry and Security
- The updated metrics have been incorporated into the latest version of SD-22, and the cost metric report will be publically available via the Defense Technical Information Center



New DMSMS Training

- What Program Management Needs to Do and Why
 - New Defense Acquisition University (DAU) DMSMS continuous learning course (CLL 200)
 - Focused on addressing two basic questions:
 - What does program management need to know about DMSMS?
 - Why is it important for program management to know these things?
- DMSMS Fundamentals
 - Update of an existing DAU DMSMS continuous learning course (CLL 201)
 - To be aligned with the organizational framework and content of the current SD-22



DOD DMSMS Working Group Meeting



- Date: May 19 - 21, 2015
- Location: Warren, MI
- Host: US Army - TACOM Life Cycle Management Command
- Host POC:
- Agenda Topics
 - OSD and Components Updates
 - SD-22 Review
 - Program Budgeting
 - DMSMS Contracting Language
 - US Army AMC - DMSMS/Obsolescence Management Best Practices Update
 - NAVSEA Performance Based Logistics Update
 - Industrial Base Integration Team
 - Materiel Enterprise Database-Capabilities
 - Additive Manufacturing Supporting DMSMS
 - TARDEC-DLA Logistics & Manufacturing Coordination



DMSMS 2015 Conference

- Held in conjunction with the Defense Manufacturing Conference, November 30 – December 3, 2015
- Phoenix, Arizona
- Website <http://dmsmsmeeting.com/>
- Call for Presentation Abstract Topics Open **(May 4, 2015)**
 - DMSMS Case Studies, Lessons Learned, and Best Practices
 - Software, Materials, and Mechanical DMSMS
 - DMSMS and the Product Support Manager
 - Counterfeit Materiel
 - Parts Management
 - Training