U.S. Coast Guard Naval Engineering
Logistics Modernization
15 November 2010

Capt John Bragaw
Surface Forces Logistics Center
Coast Guard Yard
No Direct Connection between Mission Support Policy and Execution
Centralized Management of Naval Engineering Support

Commandant (CG-00)

Vice Commandant (CG-09)*

Deputy Commandant for Mission Support (DCMS)

Dir of Operational Logistics

Asst Comdt for Human Resources (CG-1)
Asst Comdt for Eng & Log (CG-4)
Asst Comdt for C4IT (CG-6)
Asst Comdt for Acq’sn (CG-9)

PSC
HSWL
CG-41
CG-45
CG-43
ALC
SFLC
SILC
C4ITSC

Direct Connection between Mission Support Policy and Execution
Logistics Model Objectives: 4 Cornerstones

**Product Line Organization**
- Provide Field w Single-touch-point for Mission Support 24X7
- Centralize management of Maintenance Funds
- Drive toward developing **Total Cost per Op Hour** for assets

**Bi-Level Maintenance**
- Maintenance responsibility @ 2 levels: Operational (O Level) & Depot (D Level)
- Perform 100% of Planned Maintenance
- **Link Maintenance to Configuration** via logistics IT tools

**Configuration Management**
- Ensure Mission Requirements drive **Configuration of assets**
- Ensure Configuration drives Supply Chain & Maintenance systems
- **Reap economies from standard configurations** documented in database

**Total Asset Visibility**
- **Visibility of Fleet Operational Availability**
- **Visibility of Inventory count, condition & supply chain**
- **Link Inventory to Configuration** via logistics IT tools
PL Organization: Single Touch-Point for Fleet
## Product Line Organization

**Personnel Service Center (PSC)**
- Long Range Surv (LRS)
- Med Range Recov (LRS)
- Short Range Recov (SRR)
- Med Range Surv (MRS)

**Aviation Logistics Center (ALC)**
- WMEC
- Patrol Boat (PBPL)
- Small Boat (SBPL)
- Long Range Enforcer
- Ice Breaker Buoy & Constr. Tender

**Surface Forces Logistics Center (SFLC)**

**Shore Infrastructure Logistics Center (SILC)**

**C4IT Service Center (C4IT SC)**

**Health, Safety, and Work Life (HSWL)**

### Logistics and Service Centers:
- Provide 24/7 Product Line Support
- Configuration and Life-Cycle Management
- Centralized Funding Oversight and Execution

### Detachments:
- Local Delivery of Depot Maintenance

* MWA = Maintenance & Weapons Activity (old MATs + WATs)

**Become Base Department in DCMS v 2.0**
Waterfront Delivery of Depot Maintenance

Old Model: Decentralized Control & Limited Visibility of Depot Maintenance

- Cutter submits request for Industrial Services and pays $$$ directly to ISC for materials.
- Cutter requests NESU assistance to perform D-Level Maintenance (Inport Worklist); pays $$$ directly to NESU for materials.
- ISC directs local ISA/ISD to perform D-Level work.
- NESU performs D-Level work using local MAT/WAT.
- Cutter performs QA and accepts work.

MLC or Port Engineer Involvement?

Depot maintenance completed – local records only

New Model: Product Line Control & Full Visibility of Depot Maintenance

- Product Line coordinates and schedules all depot maintenance
- Product Line chooses IOD to perform some depot maintenance for cutter; transfers $$$$ to IOD.
- IOD directs NESU that has available capability (ISA/MWA) to execute depot maintenance.

Depot maintenance completed – central & local records
# Surface Forces Top 5 Mission Degraders

by Asset Class

<table>
<thead>
<tr>
<th>Degraders</th>
<th>Top 5 Mission Degraders - by Asset Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDE</td>
<td>WAGB, 378, 270, 210, 110, 87, 225, 175, 140</td>
</tr>
<tr>
<td>SSDG</td>
<td>WAGB, 378, 270, 210, 110, 87, 140</td>
</tr>
<tr>
<td>CPP / Z Drives</td>
<td>WAGB, 378, 140 / 175</td>
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<tr>
<td>Steering Gear System</td>
<td>378, 140, 110</td>
</tr>
<tr>
<td>Main Gas Turbines</td>
<td>WAGB, 378</td>
</tr>
<tr>
<td>OTH Boat /RHI</td>
<td>270, 210</td>
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<tr>
<td>Boat Davits</td>
<td>270, 210</td>
</tr>
<tr>
<td>Elec Systems &amp; Equip</td>
<td>225, 175, 140</td>
</tr>
<tr>
<td>Cranes</td>
<td>225, 175</td>
</tr>
<tr>
<td>HVAC</td>
<td>87, 110</td>
</tr>
<tr>
<td>Gyro</td>
<td>87, 110</td>
</tr>
<tr>
<td>Thrusters</td>
<td>225, 175</td>
</tr>
</tbody>
</table>
## Surface Forces Top 5 Cost Drivers

### by Asset Class

<table>
<thead>
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<th>Cost Drivers</th>
<th>Top 5 Cost Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDE</td>
<td>WAGB, 210, 110, 87, 225, 140</td>
</tr>
<tr>
<td>SSDG</td>
<td>WAGB, 210, 110, 87, 140</td>
</tr>
<tr>
<td>CPP / Z-Drive / Shafts &amp; Propulsion</td>
<td>WAGB, 270, 210, 225 / 175 / 378</td>
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<tr>
<td>Hull Repairs</td>
<td>378, 270, 110, 87</td>
</tr>
<tr>
<td>Cranes</td>
<td>WAGB</td>
</tr>
<tr>
<td>Flight Deck repairs</td>
<td>270, 210</td>
</tr>
<tr>
<td>Preservation</td>
<td>225, 175</td>
</tr>
<tr>
<td>Main Motor</td>
<td>140</td>
</tr>
<tr>
<td>HVAC</td>
<td>110, 175</td>
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<tr>
<td>Red Gear</td>
<td>87</td>
</tr>
<tr>
<td>Gyro</td>
<td>87, 140</td>
</tr>
<tr>
<td>Lead / Asbestos Abatement</td>
<td>WAGB</td>
</tr>
<tr>
<td>Buoy Handling Systems</td>
<td>225, 175</td>
</tr>
<tr>
<td>Thrusters</td>
<td>225, 175</td>
</tr>
</tbody>
</table>
SFLC Supports

**Assets**
- 2044 (244 cutters / 1800 boats)
- 34 Asset Classes (17 cutters / 17 boats)

**Operating Hours**
- 1.5M (461K cutters / 1.1M boats)

**Depot Maintenance Availabilities**
- 200/yr (125 cutters / 75 boats)

**Supply Line Items**
- up to 250K to push parts on time

**Maintenance Procedure Cards**
- >18K (200 to 900 per Class)
## FY-10 IDIQ Multi-Ship Contracts Summary

<table>
<thead>
<tr>
<th>Product Line/Organization Supported</th>
<th>Number of IDIQ/Requirements &amp; Multi-Ship Contracts Requested</th>
<th>Number of IDIQ/Requirements &amp; Multi-Ship Contract Packages ready for Solicitation / Solicited</th>
<th>Number of IDIQ/Requirements &amp; Multi-Ship Contracts Awarded</th>
<th>Number of IDIQ/Requirements &amp; Multi-Ship Contracts in danger of slipping to FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Boat</td>
<td>47</td>
<td>2</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>Patrol Boat</td>
<td>23</td>
<td>1</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Medium Endurance Cutter</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Long Range Enforcer</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Ice Breaker &amp; Construction Tender</td>
<td>6</td>
<td>0</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>ALD/YARD Retail</td>
<td>16</td>
<td>9</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>ESD/BOD</td>
<td>9</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>115</strong></td>
<td><strong>21</strong></td>
<td><strong>49</strong></td>
<td><strong>52</strong></td>
</tr>
</tbody>
</table>
Opportunities

- Support from CG Senior leadership
- Shift away from tolerance for deferred maintenance
- Centralized management
- Data driven decisions
- Most efficient use of limited resources
- Define cost of an asset’s operational hour
- Nationwide contract strategies
Challenges

- Centralizing over 20 diverse units
- Culture of deferred maintenance & lack of configuration discipline
- Geographic distribution
- No single IT system
- Personnel resources significantly under capacity to meet requirements of new model
Benefits of IDIQ / Multi-Ship Contracts

Lower Cost/Op Hour
- 20% Reduction (41’ UTB, 47’ MLB, 25’ RB-S, 26’ TANB)

Increased Ops Availability
- Tier 1 Boat Not Mission Capable due to Supply (NMCS) Cut-in-Half in past 12 months

Shorter Procurement Action Lead Time (PALT)
- Standard Emergency Dry Dock = 8 DAYS
- Delivery Order for CYPRESS = 2 DAYS

Increased Flexibility of Emergency DryDocks
- no longer limited to Emergent Items
NMCS Rates - Tier 1 & 2A Modernized Boats

<table>
<thead>
<tr>
<th>Month</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/Jul</td>
<td>5.1%</td>
</tr>
<tr>
<td>2009/Aug</td>
<td>7.4%</td>
</tr>
<tr>
<td>2009/Sep</td>
<td>7.9%</td>
</tr>
<tr>
<td>2009/Oct</td>
<td>6.7%</td>
</tr>
<tr>
<td>2009/Nov</td>
<td>6.1%</td>
</tr>
<tr>
<td>2009/Dec</td>
<td>4.9%</td>
</tr>
<tr>
<td>2010/Jan</td>
<td>4.5%</td>
</tr>
<tr>
<td>2010/Feb</td>
<td>4.8%</td>
</tr>
<tr>
<td>2010/Mar</td>
<td>4.6%</td>
</tr>
<tr>
<td>2010/Apr</td>
<td>4.3%</td>
</tr>
<tr>
<td>2010/May</td>
<td>3.9%</td>
</tr>
<tr>
<td>2010/Jul</td>
<td>4.1%</td>
</tr>
<tr>
<td>2010/Aug</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Target < 5%
Staffing ~ 2750

- **Civilian: 1350**
  - 1100 Bargaining Unit
  - 550 GS
  - 800 Wage Grade

- **Military: 1100**
  - 300 Officers
  - 800 Enlisted
  (38 Reservists)

- **Contractors: 300**