



Marine Corps Logistics Command
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Code: P307 Future Plans
Date Presented: 13 February 2015

Due Diligence Brief

Statement of Objectives
for

Materiel Accountability and Auditability Redesign
and

Materiel Management – Inventory Control Reengineering
for

Marine Corps Logistics Command



Agenda

- Management Objective
- Purpose & Scope
- Background
- Materiel Accountability and Auditability
- Materiel Management/Inventory Control
- Program/Project Management Support
- End state



Management Objective

4. Management Objective. The Contractor shall demonstrate maximum flexibility in developing cost effective solutions and proposing innovative alternatives for providing advisory, assistance and program/project management support that satisfies the government's stated performance outcomes and objectives for two interrelated MARCORLOGCOM strategic initiatives: 1) improve and/or redesign MARCORLOGCOM logistics operations for materiel accountability and auditability, and 2) reengineer a MARCORLOGCOM enterprise-level framework for Materiel Management – Inventory Control.

Demonstrate Maximum Flexibility in...

- Developing Cost Effective Solutions
 - Efficiency
 - Effectiveness
- Proposing Innovative Alternatives



Purpose and Scope

Purpose: To obtain contractor support to provide:

- Qualified personnel with subject expertise, knowledge, skills and abilities
- **Advisory, Assistance and Program/Project Management Support** to two initiatives:
 - Improvement/redesign of MARCORLOGCOM Materiel Accountability and Auditability
 - Reengineering MARCORLOGCOM Materiel Management / Inventory Control

Scope

- Enhance and augment subordinate Commands, Centers, and select Staff Departments
 - Co-locate analysts; shift where and when needed;
 - Provide Advice
 - Outside points of view; developments in industry/university/foundation research; expert opinions
 - Provide Assistance
 - Planning, Research, Data Collection, Analysis, Design, Development, Execution, and Assessment
 - Enhance understanding; develop solutions to issues; improve operations; develop documents...
 - Frameworks, policy directives, memoranda of agreement or understanding, process maps and narratives, standard operating procedures, work instructions, internal management controls, information technology manuals, and workforce training materials
- Centrally coordinated and directed by the OPSDIR
 - Program/Project Management Support
 - Contractor management and oversight of contractor team performance



Background

MARCORLOGCOM mission is to provide worldwide, integrated logistics/supply chain and distribution management; depot level maintenance management; and strategic pre-positioning capability in support of the operating forces and other supported units to maximize their readiness and sustainability and to support enterprise and program-level Total Life Cycle Management.

- Marine Corps Ground Equipment Inventory Manager
- Service Inventory Control Point (ICP), organic Depot Maintenance Activity (DMA) and Remote Storage Activity (RSA) for ground weapon systems and associated collateral material.
- Materiel Management / Inventory Control
 - Managing (planning and executing) and/or supporting the following six functions: 1) cataloging, 2) requirements determinations/computation, 3) procurement, 4) distribution (storage and transportation), 5) overhaul/rebuild, and 6) disposal of materiel.
 - Relates to 4/10 Integrated Logistics Support elements
- All subordinate commands and centers have a direct role in managing and/or supporting the functions of materiel management - inventory control.
- Accountability and auditability inherent to materiel management – inventory control
 - materiel or mission critical assets
 - Initial receipt, to sales/issues, while in storage, maintenance and in-transit, through final disposal
- Department of Defense (DOD) Financial Improvement and Audit Readiness (FIAR) initiative
 - GOAL - improve financial management operations... provide resources (**mission critical assets**) to carry out their mission... improve stewardship of resources... successfully demonstrated through a financial statement audit performed by independent auditors resulting in an unqualified audit opinion.
 - PRIORITY - focus efforts on information that is essential to the effective management of DOD's mission critical assets and also required to support future financial statement audits
 - OBJECTIVE - Ensuring asset accountability and important management information relevant to mission critical assets is accurately recorded in official Accountable Property Systems of Record (APSR)



Background

- MARCORLOGCOM Materiel Accountability and Auditability Challenges
 - Global responsibility
 - Diverse accountability framework
 - Equipment & inventory spread across the world
 - Equipment off Property Records
 - Dependence on legacy systems
 - Multiple Accountable Property Systems of Record (APSR)
 - Serialized Tracking
 - DLA as a Third Party Logistics Provider
 - “As Is” state much different than “To Be” ...haven’t keep up w/LOG innovation
 - Gap in Marine Corps policy on wholesale level supply
 - Gap in MARCORLOGCOM processes and procedures... Folk Lore and Urban Legend
 - ***We’re not Battalion Supply!***
- Some Solutions to the Challenges
 - People
 - Materiel Accountability and Auditability OPT
 - Materiel Accountability Review Board (MARB)
 - Process
 - Wholesale Level Accountability Structure
 - Inventory Segment Playbooks
 - Physical Inventory Control Program
 - Equipment Off Property Records – MARCORDET NSWC IH EODTECDIV
 - Materiel Accountability and Auditability Policy
 - Technology
 - Defense Property Accountability System and Enhanced Yard Management



Materiel Accountability and Auditability Initiative

Improvement/Redesign of Materiel Accountability and Auditability

- Ensure Mission Critical Asset - Existence and Completeness Audit and Full Financial Statement Audit
- Accomplish FIAR Discovery, Corrective Action, and Assertion/Evaluation phases to institutionalize MARCORLOGCOM capabilities for:
 - Transaction Listings
 - Adjusting Entries
 - Processes/Procedures
 - Management Controls
 - Documentation and Data
 - Corrective Action Plans
 - Assertion Documentation
 - Valuation
- Planning, Research, Data Collection, Analysis, Design, Development, Execution, and Assessment

Financial Improvement and Audit Readiness (FIAR) Guidance - November 2013



Materiel Management/Inventory Control Initiative

Reengineering Materiel Management / Inventory Control

- Institutionalize effective and cost efficient MARCORLOGCOM capabilities, processes and procedures for:
 - Demand and Supply Planning
 - Materiel Sourcing
 - Make and Maintain Materiel
 - Delivery of Materiel
 - Materiel Returns, Retention, and Disposition
 - Supporting Technologies
 - Materiel Data Management and Exchange
 - Materiel Programs
 - Metrics and Inventory Stratification Reporting
 - Management of Critical Safety Items, Controlled Inventory Items Including Nuclear Weapons-Related Materiel
- Planning, Research, Data Collection, Analysis, Design, Development, Execution, and Assessment

DoDM 4140.01: Supply Chain Materiel Management Procedures – February 2014



Program/Project Management

Day-to-day support to manage two initiatives

- Integration Management
- Risk Management
- Activity/Task Management
- Meeting Management
- Quality Management
- Information Management
- Communications Management
- Contractor Team Management



End State

Material Accountability and Auditability Redesign Initiative

- Validated and/or redesigned logistics operations
 - policy, processes, procedures, management controls, information technology systems, organizational structure and personnel competency
- In order to help managers achieve maximum materiel auditability and Existence and Completeness audit readiness for mission critical assets by the end of FY 2017.

Material Management – Inventory Control Reengineering Initiative

- Validated and/or reengineered enterprise-level logistics framework comprised of those basic/essential logistics operations
 - improved, redesigned and/or reengineered policies, processes, procedures, management controls, information technology systems, and organization structure and personnel competency
- In order to help managers achieve maximum effectiveness and economy, reflecting “brilliance in the basics” within their essential operations.



Questions?

