

# STRATEGIC PLANNING IMPERATIVES FOR INDUSTRIAL DEPOT MAINTENANCE

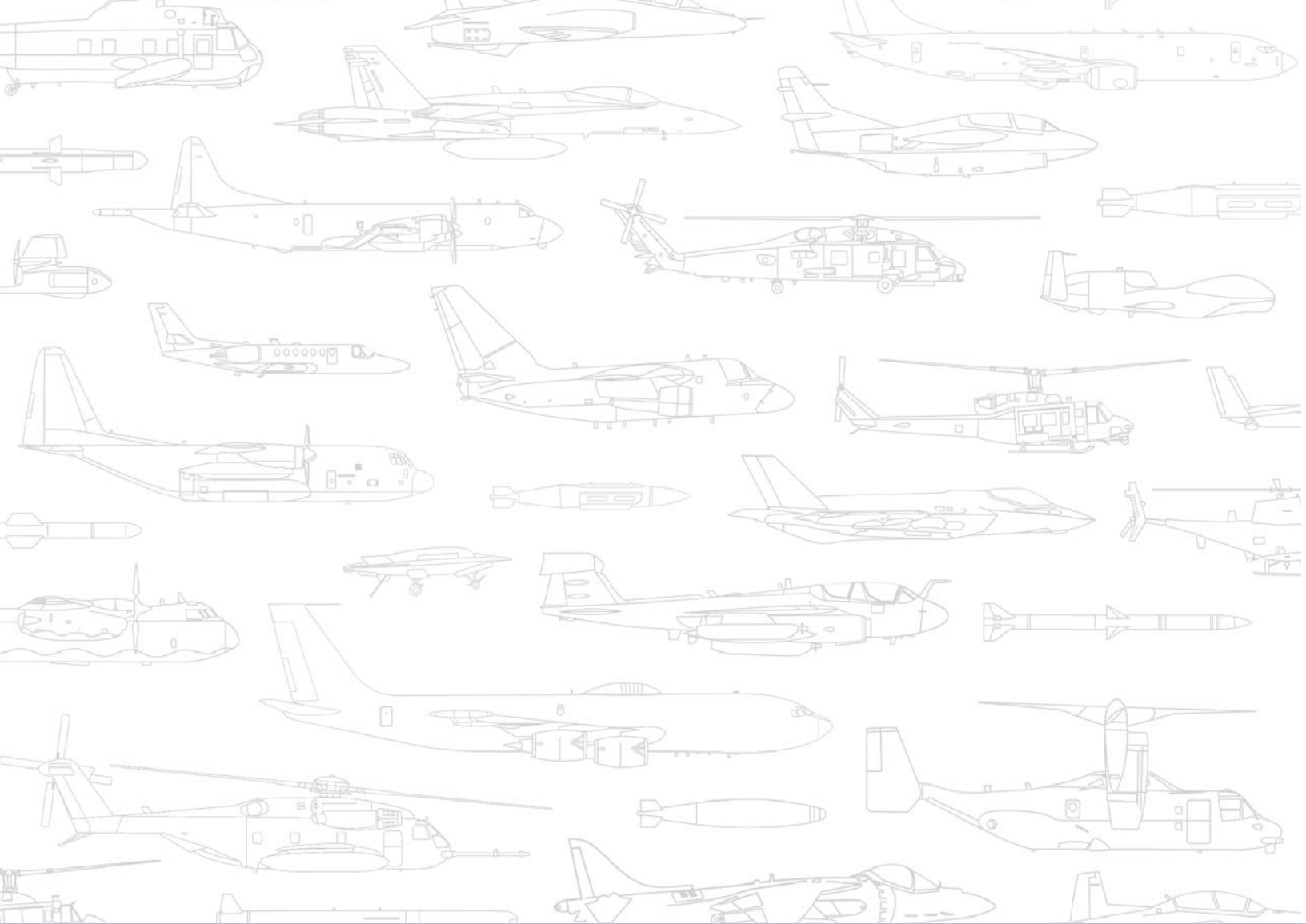
NAVY AIR



2010 - 2017







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# INTRODUCTION



As Naval Aviation reaches 100 years, a century of excellence, challenges to support readiness and sustainment goals will increase as the Fleet continues to maintain weapons systems past their intended life. Program management support strategies will be executed with an ever diminishing budget and aging support structure. Key to the support and sustainment challenges is timely and accurate planning for depot maintenance solutions at the Navy's Centers of Industrial and Technical Excellence (CITEs) and DoD organic depots. New acquisition programs, rapid acquisition programs, evolutionary acquisitions, block upgrades, and aircraft modifications (capability and life extensions) all must continue to develop, update, and implement depot maintenance solutions. Therefore, the plans and information contained in this document should be equally applied for existing, new acquisition, and modification programs.

To meet these challenges and align to the Naval Aviation Enterprise (NAE) Strategic Goals and Initiatives, the industrial maintenance solution must be addressed early in the acquisition process. This Strategic Planning Imperatives for Industrial Depot Maintenance 2010-2017 document is a departure from the norm. It is designed to focus on a specific set of activities that when accomplished, deliver a unique mix of value to the Program, thereby helping to positively affect the Operations and Support (O&S) levers having a direct impact on Total Ownership Cost (TOC).

Early engagement in executing the industrial depot maintenance planning processes and procedures in the acquisition lifecycle will guide Program Managers, Air (PMAs) in making qualified determinations on their depot maintenance sustainment solution. These solutions will vary between pure Navy Organic, Interservice, Commercial, and Performance Based Logistics via partnerships or a combination of supporting sustainment strategies while meeting statutory requirements.

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## V I S I O N

*To develop and implement integrated Navy Organic, Interservice, and Commercial Depot Maintenance sector planning that provides Industrial Depot Maintenance solutions focused on delivering economical and reliable mission ready systems, sub-systems, and components to effectively and efficiently support the warfighter.*

## M I S S I O N

*To provide processes and tools to the PMAs to develop the most cost-efficient solutions for Industrial Depot Maintenance capability and capacity while meeting congressionally mandated United States Code (USC), Title 10 requirements in support of warfighter mission success.*

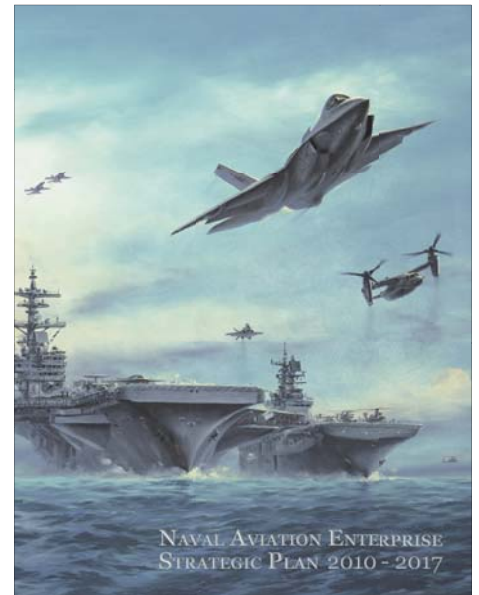
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For Naval Aviation to perform its roles in support of the warfighter in the six core capabilities: forward presence, deterrence, sea control, power projection, maritime security and humanitarian assistance/disaster relief, it is vital to have effective sustainable support solutions that pay particular attention to TOC. An integral part of meeting these requirements is a strong, coordinated, efficient, ready and controlled source of Depot Maintenance.

## 1.0 Strategic Linkage

This Strategic Planning Imperatives for Industrial Depot Maintenance document presents planning considerations and guidance for aligning the Industrial Depot Maintenance Planning activities to the Strategic Objectives set forth in the Naval Aviation Enterprise Strategic Plan 2010-2017. The Industrial Depot Maintenance/Sustainment Planning Imperatives, introduced in section 2.0, are linked to the NAE goals of Enterprise Culture and Communication, Readiness, People, and Future Readiness. The imperatives will provide the PMA the path to:

- Meet statutory requirements
- Leverage logistics transformation initiatives
- Engage and leverage knowledge from Subject Matter Experts (SMEs)
- Benefit from Science & Technology (S&T) and Research, Development, Test & Evaluation (RDT&E) endeavors
- Institutionalize processes and procedures to leverage Naval Aviation Centers of Industrial Technical Excellence (CITEs) as part of their depot sustainment solution



### 1.1 Enterprise Culture and Communications

The Industrial Depot Maintenance/Sustainment Planning Imperatives in section 2.0 provide awareness with emphasis on, and rewards of, collaboration, accountability, and transparency when performing industrial depot maintenance planning in support of Naval Aviation readiness. When initiated very early in the acquisition lifecycle, they will help to support:

- Elimination of organizational barriers for decision-making on depot maintenance requirements
- Emphasis on enterprise communication in moving through the spectrum from awareness to ownership when planning, budgeting, and establishing depot maintenance capability
- Depot cost management to create incentives for influencing behavior so as not to expend funds on unnecessary duplication of depot maintenance capability

### 1.2 Readiness

The Industrial Depot Maintenance/Sustainment Planning Imperatives are processes and procedures to effectively engage stakeholders and their organizations in driving depot maintenance planning today and in the future. Employing the processes will provide an enabler to plan the efficient delivery of depot maintenance capability in support of current and future operational requirements. Use of the processes and procedures early in the acquisition lifecycle provides the framework to:

- Identify roles, responsibilities, and processes for programs to meet USC, Title 10 obligations
- Analyze the O&S costs linked to readiness requirements for the different depot maintenance strategy options in making risk-balanced decisions and taking proper courses of action

- Drive improved processes for identifying, validating, and eliminating any gaps in depot maintenance capability required to support warfighter readiness levels
- Optimize the determination of the portion of TOC associated with lifecycle depot maintenance and provide greater fidelity for POM inputs
- Support the implementing of holistic sustainment strategies focused on service life management and the logistic processes
- Assist with planning for depot maintenance solutions for the transitions from legacy to new weapons systems and ensure legacy platforms are supported until replaced

### 1.3 People

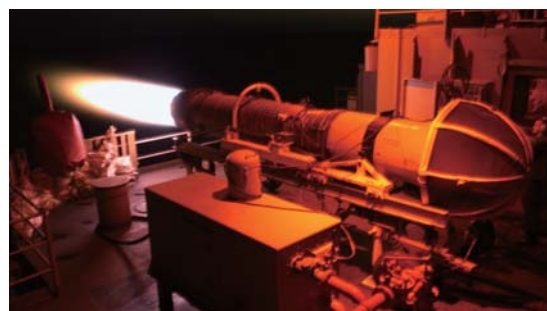
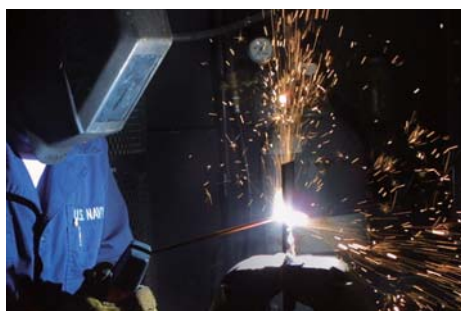
People must possess the requisite skills and training to effectively implement the Strategic Planning Imperatives. In order to continue to meet mission demands they must be continuously trained in the execution of effective depot planning activities. By effectively recruiting, training, and maintaining our workforce in the depot planning disciplines, we will enhance and expand workforce skills and capabilities to achieve cost-wise readiness through the support of effective weapon system sustainment. Providing the training and processes to excel will drive:

- Effective and efficient industrial depot maintenance processes to support readiness objectives
- Accurate and consistent maintenance planning processes
- A trained, skilled, and ready workforce available to meet the challenges of the future

### 1.4 Future Readiness

The trend in Naval Aviation is to produce, support, and maintain the required performance and readiness objectives, but with lower levels of Total Obligation Authority (TOA). It is important for stakeholders to be engaged in implementing industrial depot maintenance solutions that optimize costs while providing the required levels of future readiness. To help meet these objectives, the implementation of early depot maintenance planning will:

- Identify and form collaborative cross-functional relationships in defining depot repair requirements
- Embrace the Systems Engineering Technical Review (SETR) processes and milestone reviews to ensure programs include realistic considerations for industrial depot maintenance solutions
- Ensure support and sustainment requirements are developed and included in program requirements documents, including the Life Cycle Sustainment Plan (LCSP)
- Leverage S&T and RDT&E trends to develop efficient long-term depot repair and technology sustainment solutions





## 2.0 Industrial Depot Maintenance/Sustainment Planning Imperatives

It is important to note that neither a preordained path nor one maintenance solution is designed to fit all program sustainment scenarios. The PMA may have to develop hybrid options; a combination of sustainment solutions to meet both program and mandated United States Code, Title 10 requirements. As the program matures and changes occur, the PMA may have to re-evaluate sustainment solutions and initiate different options. Successful future sustainment decisions require the PMA to engage and leverage the full range of Industrial Depot Maintenance/Sustainment Planning Imperatives.

The imperatives are comprised of the Industrial Source of Repair (ISOR), NAVAIR Industrial Assessment, Core Logistics Analysis (CLA), final Core determination, Source of Repair Analysis (SORA), and Depot Maintenance Interservice (DMI) Review/Depot Source of Repair (DSOR) Decision processes. The Industrial Depot Maintenance/Sustainment Planning Imperatives are designed to leverage existing programmatic information mainly derived via the SETR process as the program progresses through each formal review. Information will have greater definition and detail with each subsequent review, and will assist in generating thorough plans.

Executing the Industrial Depot Maintenance/Sustainment Planning Imperatives will help form the cross functional relationships to benefit from SME inputs, and provide clear communication and transparency of processes. The earlier depot level support planning is initiated in the acquisition process, the more influence the PMA will have on life cycle sustainment outcomes and TOC. The Industrial Depot Maintenance/Sustainment Planning Imperatives are provided to assist the PMA in:

- Using the NAVAIR Industrial Assessment, which leverages DoDI 5000.02 requirements as the formal stepping stone into the ISOR process early in the acquisition process
- Employing the ISOR process to determine depot repair sources
- Engaging organizational SMEs when and where required in the acquisition process
- Leveraging the existing SETR process for depot-related planning data to feed the Industrial Depot Maintenance/ Sustainment Planning Imperatives
- Determining the most effective and efficient industrial depot maintenance solution that meets statutory requirements
- Initiating the DMI Review/DSOR Decision process thereby ensuring the required depot maintenance capability and capacity is not unnecessarily duplicated
- Optimizing program depot establishment costs and reducing them when and where possible





## 2.1 *Industrial Source of Repair (ISOR)*

NAVAIRINST 4790.14, Deciding Depot-Level Industrial Sources of Repair (ISOR) describes policy, procedures, processes, and responsibilities for deciding depot-level industrial sources of repair. It is an overarching document that gives the PMA guidance when developing operational and sustainment strategies. It is intended to provide the PMA the tools to:

- Identify a DSOR for new or previously postured weapon systems
- Ensure programs are aware of the requirement to maintain ready and controlled sources of depot maintenance and repair in support of national surge and reconstitution capabilities
- Understand the provisions of USC, Title 10, Sections 2464, 2466, and 2469
- Help evaluate, decide, initiate, and implement the depot support decision early in the acquisition process
- Help develop operational and sustainment decisions that positively affect TOC

## 2.2 *NAVAIR Industrial Assessment*

The NAVAIR Industrial Assessment is designed to support the development of an early sustainment strategy by the PMA using the CLA, SORA, DMI Review, and DSOR Decision processes, which will ensure support is in place by Initial Operational Capability (IOC) +4 years. The SETR process will be leveraged for data to help the PMA develop a potential depot maintenance solution set to identify sustainment requirements and cost, and to add fidelity and detail to the sustainment planning process. It is the linking to the SETR process that will initiate the logistics analysis early on to meet program sustainment depot level repair requirements. The NAVAIR Industrial Assessment is comprised of a preliminary assessment to support programs by:

- Determining Core and non-Core candidates earlier in the acquisition life cycle
- Determining strategic assets; those assets that are determined to be non-Core, but should have organic support as part of the sustainment solution
- Determining DSOR candidate locations and facilities to perform depot maintenance

### 2.2.1 *Core Logistics Analysis (CLA)*

The CLA is a non-economic determination of required Core capability that must be established by the PMA at an organic depot. The CLA is part of the USC, Title 10, Section 2464 (Core Logistics Capabilities) statutory compliance determination process. The CLA should be performed as early as possible in the acquisition lifecycle with emphasis on initiating by Pre-Milestone B. DoD Instruction 5000.02 provides specific guidance. The CLA provides the PMA:

- Advanced input, by system, on required core logistics capability organic support
- Early identification of commercial items
- Opportunities to identify and analyze various flexible and hybrid depot maintenance solutions from the organic, interservice, and commercial sectors
- Early input for performing O&S cost estimation with higher fidelity that enhances program success

### **2.2.2 Source of Repair Analysis (SORA)**

The SORA is a detailed analysis that is coordinated with the CLA. The SORA helps define the range of possible sources of depot maintenance support. The SORA is also used to determine the Navy depot candidate utilized later in the process for the Depot Maintenance Interservice (DMI) review process. The Navy Maintenance Interservice Support Management Office (MISMO) coordinates with the various Navy System Commands (NAVAIR, NAVSEA, and SPAWAR) Maintenance Interservice Support Offices (MISOs) and PMA staff to determine a candidate depot for each system introduction. Along with the CLA, the SORA should be initiated as early as possible in the acquisition lifecycle. DoDI 5000.02 provides specific guidance for performing SORA Pre-Milestone B. Like the CLA, prompt analysis provides:

- Opportunity for the PMA to evaluate the potential range of depot maintenance solutions
- Opportunity for early planning of associated sustainment lifecycle costs
- Input to the program of record LCSP for depot maintenance analysis and decisions

### **2.3 Depot Maintenance Interservice (DMI) Review/Depot Source of Repair (DSOR) Decision**

The DSOR Decision process applies to the depot maintenance support of all weapons systems, end items, and their components by and for the DoD. The DSOR process is comprised of a DMI review which is accomplished under the Joint Depot Maintenance (JDM) Program. The result is a formal issuance of a coordinated, joint service decision memorandum assigning the DSOR to a specific organic depot maintenance activity or to the commercial sector. It provides an efficient and effective mechanism to make decisions that comply with DoD maintenance policy and statutory requirements. This process is a mandatory activity in logistics support planning for systems and equipment that will require depot level maintenance. Early completion of the process can shorten Interim Contract Support (ICS) and potentially reduce program cost.

The DMI Review/DSOR Decision process benefits the PMA by:

- Determining the appropriate depot repair facility to help prevent unnecessary duplication of effort, such as utilizing another service's organic facility where like or similar work is performed
- Ensuring the best use of organic maintenance capabilities by leveraging the existing infrastructure across DoD depot facilities
- Having a solid and auditable data trail that supports the end result of a DSOR decision
- Providing the potential to substantially reduce program costs associated with depot stand-up costs

### **2.4 Depot Maintenance Stand-up: Capable by Initial Operational Capability (IOC) + 4 years**

Depot maintenance stand up by IOC +4 is an important part of the PMA's sustainment planning process. It is mandated under USC, Title 10, Section 2464 for Core items. The ability to determine source of repair early in the program (organic, commercial, or a combination) allows the PMA to

develop cost-wise sustainment decisions while meeting statutory requirements and warfighter needs. By formally initiating the depot maintenance sustainment planning process Pre-Milestone B, the NAVAIR Industrial Assessment becomes instrumental in providing early identification of Core depot maintenance requirements. The earlier determination in the acquisition life cycle will provide the PMA with valuable information that allows for:

- Up-front planning for depot funding in the POM
- Ensuring depot capability can be established in a timely manner to support readiness requirements
- Planning to leverage depot maintenance investment costs from other sources (technology, Capital Purchase Program (CPP), Capital Investment Program, etc.)
- Adding clarity in developing O&S and TOC
- Building the depot support team much earlier

### 3.0 Summary

As stakeholders in support of Naval Aviation, we will continue to face many challenges to deliver effective depot maintenance solutions that balance diminishing resources and are compliant with the law, while striving to meet warfighter readiness requirements. To develop an effective depot sustainment solution, the PMA staff will need to consider the different options of Navy Organic, Interservice, Commercial, and Performance Based Logistics via partnerships, or a combination of strategies, while meeting statutory requirements. Leveraging the existing SETR process for data earlier in the acquisition process to execute the Industrial Depot Maintenance/Sustainment Planning Imperatives will help to positively affect O&S costs. In addition, these imperatives will also help in improving collaboration, communication, accountability, and transparency to help ensure program success. The culmination of the ISOR process in a DSOR decision should ensure no unnecessary duplication of depot maintenance capability and capacity. This will maximize the effectiveness of depot support and optimize program investments, which will result in greater sustainment support to meet mission requirements.







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*NAVAIR Public Release 10-1074  
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