



DCMA

On Time Delivery

Presented By:

DCMA

Date: April 7- 8, 2010



Agenda

- **Introduction to DCMA Delivery Surveillance**
- **DCMA Monitoring and Metrics**
- **Top Causes of Delay**
- **Defense Priorities and Allocations System (DPAS)**
- **Reporting Delays**

- **DCMA Responsibility**
 - **Risk Rating of Contractor's Delivery Performance required by the DFARS**
 - **Methods Used**
 - **Likelihood of a delay**
 - **On-time delivery percentage**
 - **Consequence of a delay**
 - **Impact on late delivery for customer**

- **Risk Rating Continued**
 - **Likelihood of a delay calculated with on time delivery performance percentages**
 - **High Risk – Less than 75% on-time**
 - **Moderate Risk – Greater than or equal to 75% and less than 90% on-time**
 - **Low Risk – Greater than or equal to 90% on-time**

- **Risk Rating Continued**
 - **CONSEQUENCE OF A DELAY – IMPACT ON CUSTOMER**
 - Possibility of causing a program to be re-negotiated
 - Item essential to maintain production on other lines
 - Out-of-stock conditions
 - Items identified as a crisis requirement
 - Items are needed to restore war-fighter readiness
 - **Potential for contractor default – Costs to the Contractor**
 - **Probable length of lateness of the delivery – impacts rating**

- **Risk Rating Continued**

- **Also considered in the performance of risk rating**

- **DPAS RATING whether DO or DX**

- **Criticality Designator**

A = Immediate need/Major Weapons System

B = Used to sustain production or repair line; or prevent out of stock condition

C = Going to stores or inventory

- **DCMA Responsibility**
 - **Influence contractors to ship in accordance with contract terms (on time)**
 - **Importance of shipping on time**
- **Methods of Surveillance**
 - **Post Awards**
 - **Plant Visits – critical path and milestone monitoring**
 - **Telephone**
 - **Email**

- **Monitoring Responsibility**
 - **A team effort gets results, Communication is Key**
 - **Industrial Specialist**
 - **Contract Administrators**
 - **Quality Assurance Representatives**
 - **Contractor**
 - **Importance of Monitoring**
 - **DCMA needs to influencing on-time deliveries**
 - **DCMA can assist contractors with contractual issues**
 - **We will Assure the Warfighter is supported**

- **Use of Metrics**
 - **Provides contractor performance information**
 - **To determine Risk Assessment Information – Risk Rating**
 - **To aid the Buying Commands in awarding Contracts**
 - **Determines level of surveillance required**
 - **Provides DCMA Headquarters and Customers with Contractor Delivery performance**

- Under title I of the Defense Production Act of 1950
 - *The President is authorized to require preferential acceptance and performance of contracts or orders*
- DPAS Purpose
 - To assure timely availability of industrial resources to meet current national defense and emergency preparedness
 - Provide an operating system to support rapid industrial response in a national emergency
- U.S. Department of Commerce
 - 15 CFR 700

- **Priority Ratings and Rated Orders**
 - **Rated Orders are identified by priority rating**
 - **DX – Highest National Priority**
 - **DO – Vital to National Defense**
 - **Rated Orders take preference over unrated orders to meet delivery dates**
 - **Rated Orders must be scheduled to ensure on-time delivery**
- **Penalties**
 - **Violators may be subject to criminal penalties**

- **Vendor Management**
 - **Contractors not adequately following up with vendors for status**
 - **Contractors not familiar with vendor history**
 - **Contractors placing Purchase Orders with poor performing vendors**
- **Contract Review**
 - **Contractor not performing adequate contract review in a timely manner**
 - **Contractor not passing down contract requirements to ensure timely delivery**

- **Non Conforming Product**
 - **Contractor/vendor not running a first piece sample or errors during inspection of machining set-up**
 - **Contractor/vendor not assuring all equipment is operational and in good condition**
 - **Failing to maintain equipment & machinery**
 - **Inadequate tracking of tool wear**
 - **Outdated Drawings or Specifications requiring ECPs/or Waivers**
 - **Complex Operations – CNC machines**
 - **Low First Pass Yield Rates**

Reporting Delays

- **Responsibility**
 - **Contractor**
 - **MUST** notify DCMA, in writing, any and all potential delays
 - **As soon as a delay is detected or anticipated**
 - Preferably 30 days before the contractual due date
 - Email
 - Telephone
 - During DCMA Plant Visit
 - **Possible Penalty**
 - **Corrective Action Request (CAR) Issued by Industrial Specialist**
 - **DPAS violations may be subject to criminal penalties**

- **DCMA**
 - **Must obtain delay information from Contractors**
 - **Must report Delay information to the Buying Activities**
 - **Delivery Schedule Manager (DSM) Database**
 - **Email/telephone if requested from the Buying Activity in addition to DSM**
 - **DCMA is expected to provide delay notices 30 days or more before scheduled contractual due date**
- **Reason for Reporting Delays**
 - **To provide time for adjustments to be made in material needed in support of the Warfighter**

Why should you care about timely delivery !!



Questions

