

# The Cutting Edge



by Ms. Audrey Yackel, Industrial Specialist, DCMA Bell Helicopter Textron

In an effort to support its customers by facilitating increased weapon systems readiness, Defense Contract Management Agency (DCMA) Bell Helicopter has initiated the use of Military Standard Requisitioning and Issue Procedures (MILSTRIP), warranty administration and carcass credit<sup>1</sup> tracking for timely material returns, which results in quick refunds to the customer's account. Another significant benefit is the control of overspending. This is achieved through DCMA's oversight of failed parts under warranty, which are expedited to vendors for repair rather than

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being shelved, awaiting disposition, surpassing the warranty expiration date and costing the government more to repair. Returning failed components prior to the warranty expiration date compels vendors to comply with warranty clauses and repair the parts at no extra cost to the government. This procedure also helps to produce higher quality vendor standards as DCMA maintains a database of all warranty repairs and monitors their progression to ensure that parts are returned promptly. Each MILSTRIP transaction, warranty repair or carcass return is logged into its own database and tracked

through its receipt/return or until credit is received. By maintaining a continually updated database for all serviceable and unserviceable parts, DCMA provides disposition, tracking and follow up.



This efficient management of the Material Returns Program and concordant control of government furnished equipment (GFE) minimizes the risks associated with weapon systems critical spares availability and fielding schedules. Spares may be at risk when a depot is unable to purchase material from a supplier or when the lead time is long. This can result in work stoppage, the inability of the contractor to meet delivery schedules and the inability of program offices to field aircraft. By expediting GFE to vendors for repairs, carcass returns to the depot are faster and more efficient with regard to aircraft movement, especially when cycle and lead times are involved. The Material Returns Program process has also resulted in quantifiable savings: since 1993, there has been over \$140 million in program savings for customers.

Through efficient and effective use of MILSTRIP, carcass credit returns processing and warranty repair expeditions, DCMA Bell Helicopter Textron has attained the program manager's desired outcome to increase weapon system readiness and program dollar savings. To accomplish this mission, the organization uses the right tool — the Streamlined Automated Logistics Tool Set (SALTS).

<sup>1</sup> Carcass credits are savings that result from turning in unserviceable or obsolete parts for new parts. The full cost for the new parts minus the turn-in credit for unserviceable/obsolete parts is the dollar value saved for the program office, or carcass credits.

**(Above)** A Bell Helicopter Textron HC-5 UH-1N Huey from U.S. Naval Station Niagara Falls flies over USS *Kearsarge* (LHD-3) during a vertical replenishment. (U.S. Navy photo by Photographer's Mate 3rd Class Angel Roman-Otero)

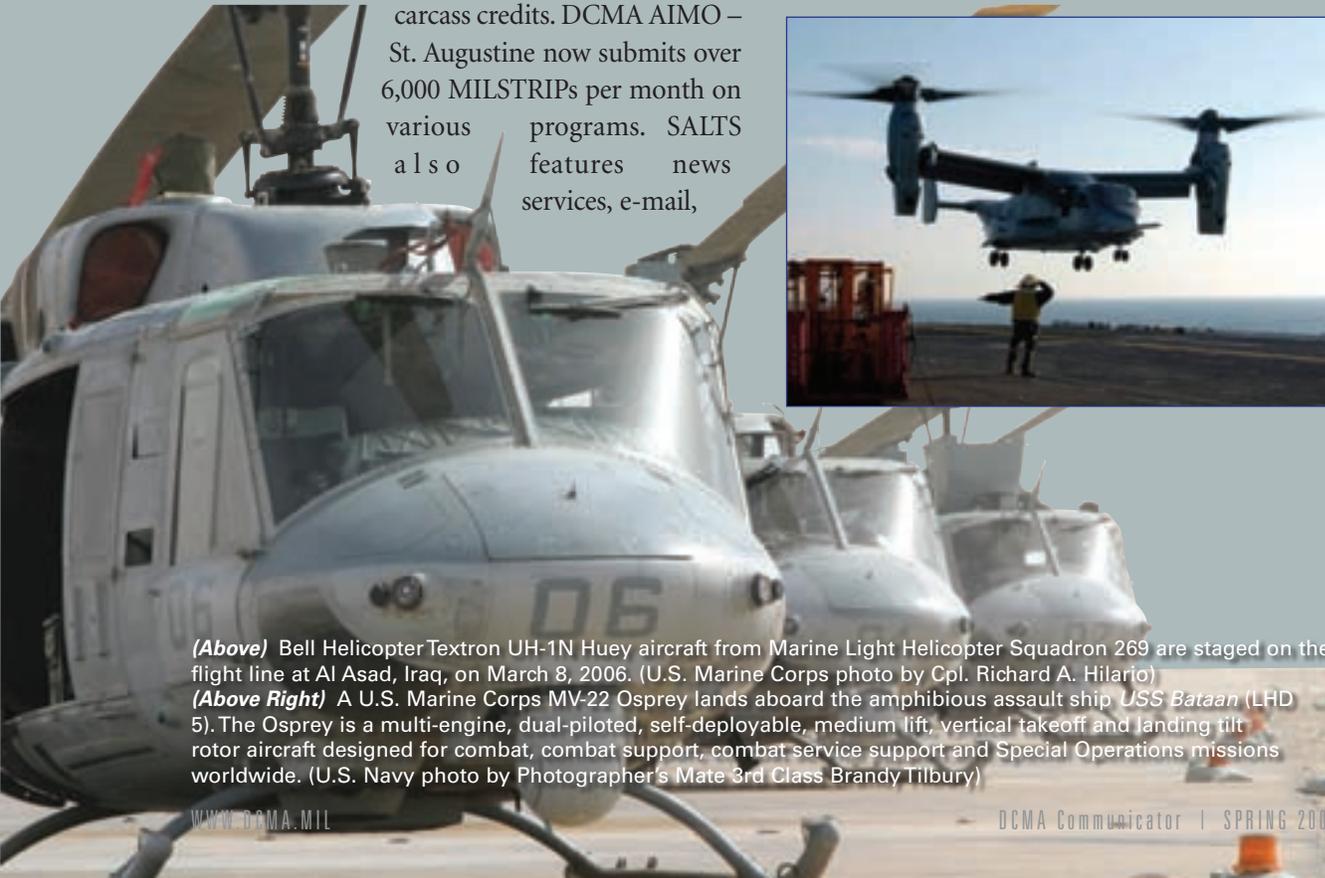
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SALTS is an application developed by Navy Reservists during Operations Desert Storm and Desert Shield to facilitate the transmission of unclassified and administrative data and messages between ships at sea or deployed Marine Air Groups to logistics networks in the continental U.S. The system is used by all Services, but DCMA Bell Helicopter Textron was the first contract administration office to use it. In addition to MILSTRIP requisitioning and carcass tracking, SALTS is also used for checking asset availability and credit card purchases, and it is available 24 hours a day with a 100 percent audit trail.

DCMA Bell Helicopter Textron purchased the fast, efficient and user-friendly SALTS system in 1994 for \$1,500, and there is a nominal yearly fee of \$250. MILSTRIPs that used to take 30 to 90 days are now received in three to 21 days, unless backordered. SALTS has been so effective that after a briefing from DCMA Bell Helicopter Textron, DCMA Aircraft Integrated Maintenance Operations (AIMO) – St. Augustine purchased the SALTS application and within the first two months received over \$2,000,000 in carcass credits. DCMA AIMO – St. Augustine now submits over 6,000 MILSTRIPs per month on various programs. SALTS also features news services, e-mail,

USO-Gram (non-emergency e-mail sent through a ship's satellite communications system), Defense Data Network Connectivity, Navy Purchase Card, PC Link, Product Quality Deficiency Reports and many other services.

DCMA Bell Helicopter Textron's proactive approach to supporting its customers and increasing weapon systems readiness represents the cutting edge for efficiency in operations and support for the entire acquisition life cycle phase. It is the first contract administration office of its kind to take on this challenge, and the organization has proven successful in accomplishing the mission of increasing efficiency in aircraft movement and delivery and weapon systems readiness, increasing program savings, reducing cycle time and program risks and managing GFE, all of which are enabling the warfighter to win. By serving as a direct continuous interface with all program management offices, DCMA Bell Helicopter Textron continuously provides technical support to customers needing advice, assistance or GFE expedite requests, while protecting the customer's assets.



**(Above)** Bell Helicopter Textron UH-1N Huey aircraft from Marine Light Helicopter Squadron 269 are staged on the flight line at Al Asad, Iraq, on March 8, 2006. (U.S. Marine Corps photo by Cpl. Richard A. Hilario)

**(Above Right)** A U.S. Marine Corps MV-22 Osprey lands aboard the amphibious assault ship *USS Bataan* (LHD 5). The Osprey is a multi-engine, dual-piloted, self-deployable, medium lift, vertical takeoff and landing tilt rotor aircraft designed for combat, combat support, combat service support and Special Operations missions worldwide. (U.S. Navy photo by Photographer's Mate 3rd Class Brandy Tilbury)