

Strategic Objective: Deliver, position, and sustain forces from any point of origin to any point of employment.

OVERVIEW:

In FY 2015, the Department demonstrated progress in sustaining a ready force to meet the mission needs of the warfighter and continued implementing best practices. Specifically, DoD postured itself for removal of the inventory management aspect of supply chain management from GAO’s High Risk List. In response to section 328 of the National Defense Authorization Act for Fiscal Year 2010, the Department continued to follow the Comprehensive Inventory Management Improvement Plan to guide collective efforts to improve inventory management between 2010 and 2016. The Department is prudently reducing excess inventory and decreasing the potential for future excesses, without degrading materiel support to the customer.

The Department continues to refine the mobility and sustainability of prepositioned war reserve materiel (PWMR) policy in support of the National Military Strategy. In FY 2015, DoD intensified focus on global prepositioned materiel capabilities and the Combatant Command’s (COCOM’s) risk associated with PWMR stock levels. As a result, DoD is revising strategic policy on PWRM.

The Warfighter depends on DoD logistics to deliver the right materiel to the right place, at the right time, in the right quantities to sustain the force. FY 2015 performance results for this strategic objective are presented below:

Performance Indicator

DoD STRATEGIC GOAL #2: Sustain a Ready Force to Meet Mission Needs			
Performance Goals	Performance Measure Indicators	Prior Year Results	FY15 Results
Strategic Objective (SO) 2.2: Deliver, position, and sustain forces from any point of origin to any point of employment.			
PG 2.2.1: DoD will maintain the Army’s average customer wait time at or below 15 days. (USD (AT&L))	Army customer wait time	FY10 Actual: 16.6 FY11 Actual: 14.1 FY12 Actual: 13.7 FY13 Actual: 13.8 FY14 Actual: 14.9	FY15 Target: 15 FY15 Result: 15.7
PG 2.2.2: DoD will maintain the Navy’s average customer wait time at or below 15 days. (USD (AT&L))	Navy customer wait time	FY10 Actual: 12.7 FY11 Actual: 11.4 FY12 Actual: 12.6 FY13 Actual: 15.5 FY14 Actual: 15.4	FY15 Target: 15 FY15 Result: 16.6

PG 2.2.3: DoD will maintain the Air Force's average customer wait time at or below 7.5 days. (USD (AT&L))	Air Force customer wait time	FY10 Actual: 7.6 FY11 Actual: 5 FY12 Actual: 5.5 FY13 Actual: 5.6 FY14 Actual: 5.7	FY15 Target: 7.5 FY15 Result: 6.6
PG 2.2.4: By FY 2016, DoD will reduce and maintain the percentage of excess on-hand secondary inventory to eight percent of total on-hand secondary inventory. (USD (AT&L))	Percentage of excess on-hand secondary item inventory	FY10 Actual: 10.7 FY11 Actual: 9.2 FY12 Actual: 9.9 FY13 Actual: 7.2 FY14 Actual: 6.1	FY15 Target: 9 FY15 Result: 8.3
PG 2.2.5: By FY 2016, DoD will reduce and maintain the percentage of secondary item excess on-order inventory to four percent of total on-order secondary item inventory. (USD (AT&L))	Percentage of excess on-order secondary item inventory.	FY10 Actual: 5.5 FY11 Actual: 4.8 FY12 Actual: 5.8 FY13 Actual: 7.6 FY14 Actual: 5.6	FY15 Target: 5 FY15 Result: 3.2

Department of Defense's Data Completeness and Reliability Statement—Fiscal Year 2015 Annual Performance Report
Each Goal Owner has attested the performance results and narrative information included in this report is complete, accurate, and reliable; and that data validation and verification procedures are documented and available upon request.

Measuring our Progress

FY 2015 APR Progress Update:

The Office of the Assistant Secretary of Defense for Logistics and Materiel Readiness will conduct annual reviews of the goal against performance. Each DoD Logistics Component will review their performance in that process and adjust their goals appropriately. Army and Navy will revisit their Customer Wait Time (CWT) goals after the new systems are fully implemented and supply chain operations stabilize.

Global Combat Support System -Army (GCSS-A) is a new Army retail inventory management system. Wave I fields this system to Army's retail supply support activities (SSAs). As of November 2015, Army had fielded GCSS-A to 99% of their retail SSAs. Wave I will be completed by the end of CY15. Wave II involves replacement of Army's unit level supply and maintenance systems with GCSS-A. Currently, Army has fielded this system to 10% of those units. Wave II is expected to be completed at the end of CY17.

Areas of Significant Improvement:

In FY 2015, four of the six logistics support measures met their annual targets. The Air Force's cumulative CWTs performed better than the targeted goal (6.6 days against a goal of 7.5 days) throughout FY 2015. Army and Navy began implementing new supply chain management information systems which are providing significant improvements to analytical capabilities and root causes analysis. Percentage of excess on hand secondary item inventory was assessed at 8.3% of total inventory against a goal of 9.0% and percentage of excess on-order inventory was

assessed at 3.2% of total materiel on order against a goal of 5.0%. DoD reduced these two goals from 10% and 6%, respectively, from FY 2014 to FY 2015.

Areas of Challenge:

Army fielded the new supply chain management information system to 7% of unit level locations and will continue fielding throughout FY 2016. Measurement of CWT will be further impacted as more internal Army Customers and warehouses are converted to the new system. Army expects CWT to improve or return to normal after the new system is fully implemented at the end of CY 2016.

Navy is also experiencing challenges during implementation of a new supply chain management system. Backorders accumulated during the initial stages of implementation of their new system, impacting CWT performance until those orders are filled.

Mitigation:

The office of the Assistant Secretary of Defense for Logistics and Materiel Readiness will conduct annual reviews of the goal against performance. Each DoD Logistics Component will review their performance in that process and adjust their goals appropriately. Army and Navy will revisit their CWT goals after the new systems are fully implemented and supply chain operations stabilize.