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# Product Support Excellence in a Resource- Constrained Environment

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# Consolidate F-22 Depot Operations at Hill AFB?



## Significant Potential to Improve Performance/Value

### Baseline “As Is” Performance:

<u>Schedule/Throughput</u>	<u>Palmdale</u>	<u>Hill AFB</u>
• Execution flow (M-days) (plan/act):	126 / 198	115 / 135
• Calendar day flow (plan/act):	208 / 319	173 / 227
• Acft Produced FY12 (plan/act):	8 / 5	12 / 12
<u>Cost</u>		
• Avg labor hrs per acft (plan/act):	26K / 30.5K	22.5K / 27.1K
• Cost per touch labor hour (FY13):	\$196	\$158
• Cost per Tail (FY12)	\$4M	\$2.5M
<u>Capacity</u> —Manned / equipped WIP	6	6

### 22 Planned Aircraft Depot Deliveries a Year 2013 – 2018

- 12 aircraft through Hill / 10 through Palmdale



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# F-22 Depot Consolidation



## SPO & 3-Star “Quick Look” Recommendation to ILCM-EF Dec 12

### Relocate Palmdale Workload

- Immediately Capture Savings & Resolve Palmdale Issues

### Maximize Organic “Core” Capabilities at Hill AFB

- Consistent w/ 2004 SORA & 2007 SAS

### Obtain Approval to begin Detailed Planning

- Ensure No Harm to Fleet
- Reduce Overall WSS Costs
- In-depth Production Laydown Plan Req'd to Ensure “No Harm”



ILCM-EF Direction  
Create Executable Plan  
That Maximizes Hill  
Capacity While  
Reducing WSS Cost &  
Ensuring No Harm To  
Fleet For ILCM-EF  
Decision in Apr 13



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# F-22 Depot Consolidation

## \$300M+ Savings Over Raptor Life Cycle



### Accounting for Assumption Variances

#### BCA

- SLEP follows SRP II
- 16 WIP
- Based on FY13 Proposal
- Reversion at Ogden & Palmdale
- BY \$

#### F-22 Budget Position

- No SRP III/SLEP
- 12 WIP
- Based on FY12 Actuals
- Reversion at Ogden Only
- TY \$

Program Still Expects to Save \$16M/Yr due to Consolidation

Or a Minimum ~8.5% Mods/Heavy Maintenance Life Cycle Savings

\* BASED ON FY14 PB -- Does Not Include Sequestration Impacts

(TY\$M)	FY13	FY14	FY15	FY16	FY17	FY18	TC
WILL COST - Current BP11 Requirement	284	286	241	266	325	422	1,878
FY14 PB 3010 BP11 Budget*	<u>288</u>	<u>286</u>	<u>238</u>	<u>277</u>	<u>324</u>	<u>330</u>	<u>0</u>
<b>Delta</b>	<b>4</b>	<b>0</b>	<b>-3</b>	<b>11</b>	<b>-1</b>	<b>-92</b>	<b>-1,878</b>
Consolidation Ovhd Savings (+inflation)	-9	-2	10	18	19	19	258
<b>Adjusted Delta (Surplus/Disconnect)</b>	<b>-5</b>	<b>-2</b>	<b>7</b>	<b>29</b>	<b>18</b>	<b>-73</b>	<b>-1,620</b>
<i>SHOULD COST - Adjusted BP11 Requirement</i>	<i>293</i>	<i>288</i>	<i>231</i>	<i>248</i>	<i>306</i>	<i>403</i>	<i>1,620</i>

Minimum \$300M Life Cycle Cost Avoidance Expected

**Consolidation Efficiency Mitigates Current BP 11 Budget Disconnects**



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# Summary



- **Performed organic BCA based on rising contractor cost**
- **BCA recommended consolidation at OO-ALC**
- **ILCM-EF approved 24-month consolidation plan**
  - **Ongoing depot consolidation effort will add \$300M of savings**
- **Must actively create a culture of affordability**



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# Questions?



**Modernize and Sustain Raptor's Unrivaled Combat Advantage...  
On Time, On Cost, Affordable!**

*Take Care of Our Valued Teammates*

*Deliver Affordable Capability*

*Meet Commitments*

*Continuously Improve*

*One Team*



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**Air Force's Most Credible Acquisition Team Maintaining  
Our Nation's War Winning Combat Advantage...Fly, Fight, and Win!**