

Army
Total Ownership Cost
(TOC) Program

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ASA (ALT) TOC Program Directorate
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Definition

- ✓ TOC: The sum of all costs to research, develop, acquire, own, operate and dispose of weapon and support systems, other equipment and real property.

Army TOC Program

TOC DIRECTORATE:

- ✓ Creates a central Army TOC integration point
- ✓ Fosters TOC awareness across the total Army
- ✓ Identifies needed changes/improvements of process and procedures
- ✓ Develops funding for TOC issues and work with the PPBS
- ✓ Encourages development/submission of TOC initiatives Army wide
- ✓ Ensures wide dispersion of Army TOC initiatives

Army TOC Program

- ✓ **Goal:** Reduce Army total ownership costs. This directly increases availability of funds to modernize and improve the entire Army!
- ✓ **Program Overview:** TOC Program was chartered by the Vice Chief of Staff Army (VCSA), and the Under Secretary of the Army to fully execute the Congressionally mandated TOC effort.
- ✓ TOC Program Directorate is the Army's primary interface to the Defense Systems Affordability Council (DSAC).

Army TOC Program

- ✓ **Process: TOC PO reviews cost saving initiatives of all Army activities.**
 - ✓ Assists in development of initiatives with economic analysis/tools, processes and funding methods to:
 - ✓ Reduce Costs and Promote Efficiencies
 - ✓ Improve Reliability and Increase Sustainability
 - ✓ Improve Readiness and Boost Morale
 - ✓ Submitted/defined initiatives are reviewed, prioritized and supported for funding through the cross-Army Working Integrated Product Team (WIPT) and Senior Steering Group (SSG). These teams are comprised of GS14/15 and SES as well as LTC/COL and Major General Level personnel.

Army TOC Program

Current Focus Areas:

✓ **TOC Initiatives**

- ✓ Continuous open solicitation on TOC web
www.sbcweb.calibresys.com/toct

✓ **Recapitalization**

- ✓ **Tracking/Measurement**
- ✓ **Technology Insertion Opportunities**
- ✓ **Depot Loading Implications**

✓ **Revolution in Business Affairs**

- ✓ **LCM**
- ✓ **Product Support Reengineering**
- ✓ **912/816 Pilot programs**

Army TOC Program Initiatives

- ✓ **Continuous Application Submissions**
 - ✓ Semi-annual data calls by TOC office on behalf of VCOSA
 - ✓ Initiate submission via ASA (ALT) WebPage
 - ✓ Additional update/submissions anytime (Open Enrollment) via WebPage
 - ✓ Easy to use formatted online submission
 - ✓ Major submission dates (FY, Mid Year)

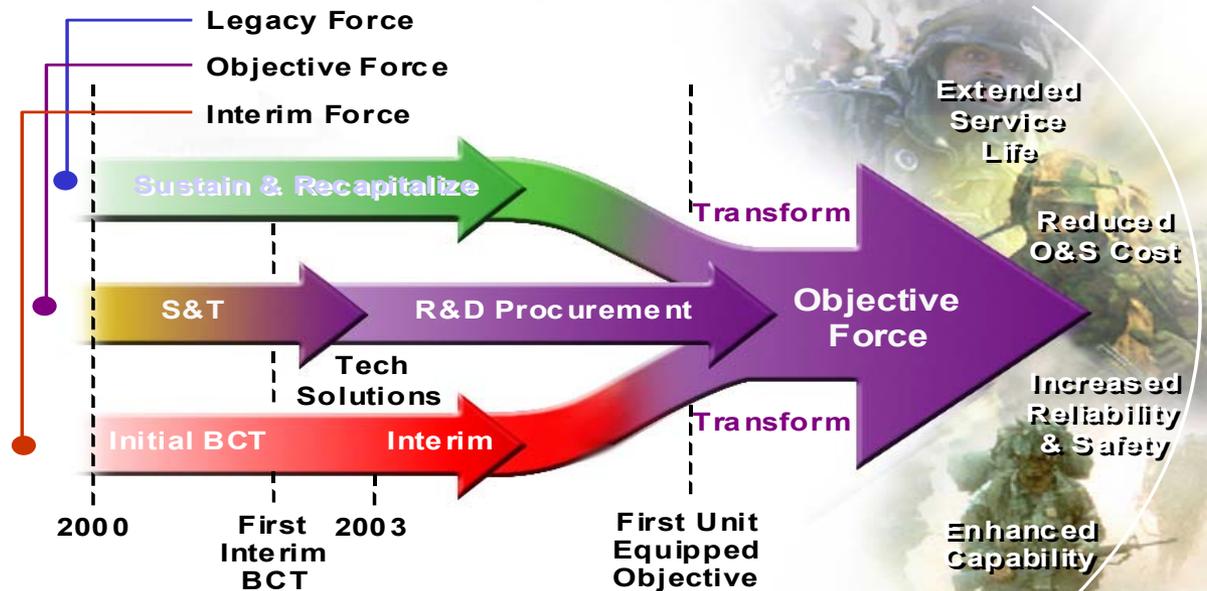
Army TOC Program Recapitalization

Half-Life Metric is the Measure of Success

Recapitalization--

"The maintenance and systemic upgrade of currently fielded systems to ensure operational readiness and a zero time/zero mile system. Our objectives include:

- (1) Extend service life,
- (2) Reduce operating and support costs,
- (3) Improve system reliability, maintainability, safety, and efficiency, and
- (4) Enhance capability."



**RESPONSIVE, DEPLOYABLE, AGILE, VERSITILE,
LETHAL, SURVIVABLE, SUSTAINABLE**

Army TOC Program Life-Cycle Management

Cost = Life-Cycle Cost

**Advanced Field Artillery
Tactical Data System**



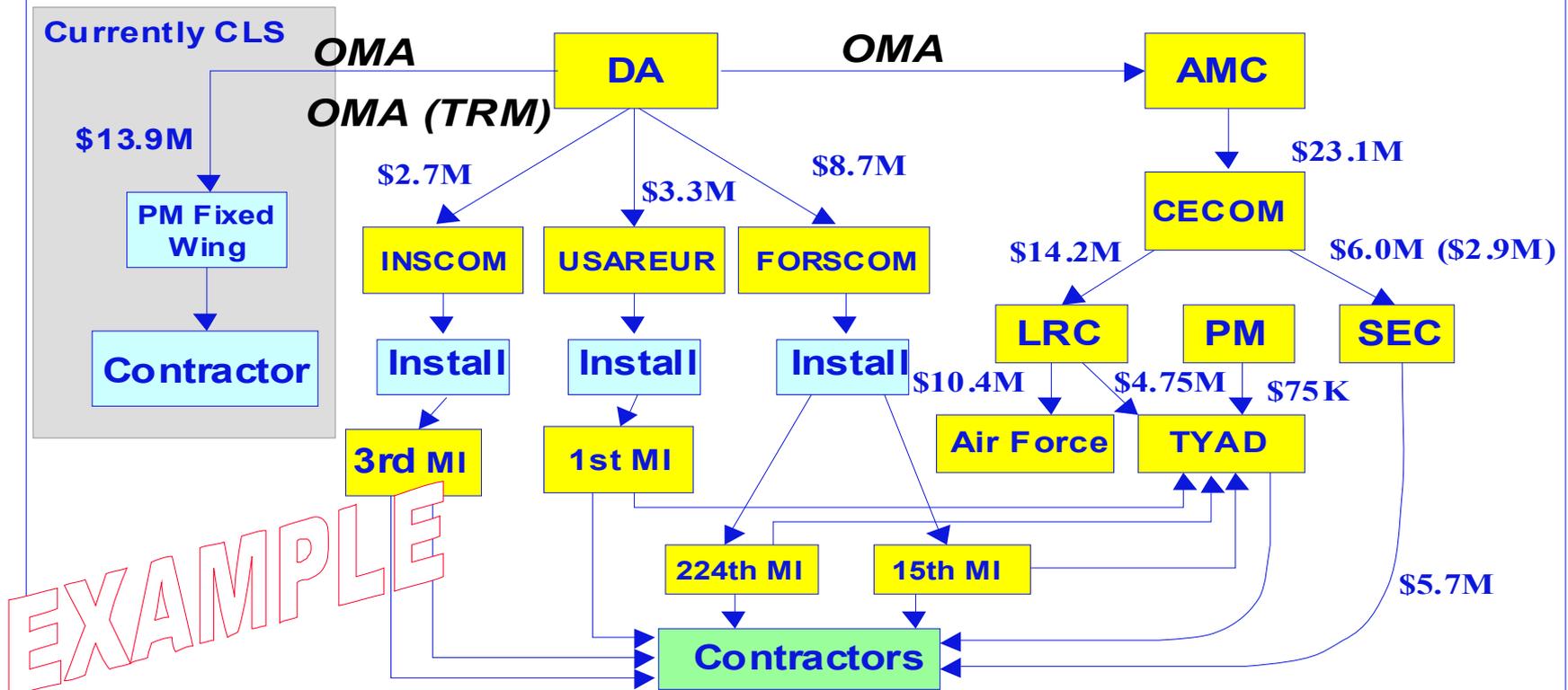
**GUARDRAIL/
Common
Sensor**

Army TOC Program

UNCLASSIFIED

GUARDRAIL/Common Sensor

Funds Flow



Source: AMSAA Study, Dated 3/99

Life Cycle Management not Centralized!

Army TOC Program Pilot Programs

Definition:

- ✓ Pilot Programs are the primary test beds for implementing product support reengineering initiatives envisioned for the Service logistics transformation.

Army TOC Program

Pilot Programs

Objectives:

- ✓ **Accelerate the adoption of best practices to transform weapon system support processes to meet the warfighter's needs by:**
 - ✓ **Improving operational agility**
 - ✓ **Improving customer service**
 - ✓ **Integrating logistics chains**
 - ✓ **Achieving a 20% cost reduction while improving support**

Army TOC Programs

Expectations

- ✓ **Improved Readiness**
- ✓ **Modernization**
- ✓ **System Cost Reduction**
- ✓ **Improved Morale**
- ✓ **Technology Upgrades**
- ✓ **No negative impact on Services**