



Diminishing Manufacturing Sources and Material Shortages

Management Plan Guidance

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Foreword

With a global supply chain that is constantly changing to meet market demands and with the ever-lengthening lifecycle of our systems, Diminishing Manufacturing Sources and Material Shortages (DMSMS) pose increasing risks to our system readiness and reliability.

In order to manage this risk, the Department of the Navy (DON) requires a proactive, forward looking DMSMS management process to provide cost effective solutions for parts and material that may not be available for the life of the system. The United States Congress has recognized the risks of DMSMS and has imposed requirements for management of DMSMS in Public Law 113-66, Section 803. Prior to that issuance, the DON required program managers to implement a process to manage DMSMS risk and document that approach in a plan, as identified in the DMSMS Management Guidance memo dated 27 January, 2005 and has been codified in SECNAVINST 5000.2.

In keeping with Better Buying Power initiatives and Department of Defense efforts to streamline key documents such as the Life Cycle Sustainment Plan, this DMSMS Guide identifies key items that should be included in a DMSMS Management plan. The DMSMS Guide is applicable to all DON programs that are required to develop a DMSMS Management Plan. This plan is a living document that is updated as the design matures and systems are produced, fielded, and sustained. The DMSMS Management plan should stimulate critical thinking and concisely document the key tenets of a program's DMSMS management decisions and supporting rationale. This guide serves as a tool that should not only assist the program manager in reducing a program's DMSMS risk exposure, but also in reducing the cost for development of the plan itself.

A handwritten signature in dark ink, appearing to read 'T. Dee', with a horizontal line extending to the right.

Thomas Dee
Deputy Assistant Secretary of the Navy
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INTRODUCTION

Objective: The objective of this document is to provide guidance for creating and maintaining Diminishing Manufacturing Sources and Material Shortages (DMSMS) Management Plans where required by policy. This provides an update to the Assistant Secretary of the Navy (Research, Development and Acquisition) DMSMS Management Plan Guidance dated April 2005. This guide streamlines the process for creating a plan by providing a series of topics that should be addressed concisely in a DMSMS Management Plan.

Background: The DMSMS Management Plan is a program's primary tool to document and implement the DMSMS management process. The purpose of a DMSMS Management plan is to document the results of DMSMS processes and a program's approach for managing DMSMS. It is not intended to be a DMSMS process or analysis guide. That information is contained in Department of Defense (DoD) SD-22, "DMSMS." Public Law 113-66, Section 803 requires that a process be developed for the expedited identification and replacement of obsolete electronic parts. SECNAVINST 5000.2 and ASN(RD&A) Memorandum dated 27 January 2005, "DMSMS Management Guidance," requires the DMSMS Management Plan be developed no later than Milestone B and maintained current. The DMSMS Management Plan should be an active management tool that is used throughout the life cycle of the system, starting in development and continuing through system retirement. The DMSMS Management Plan is a Government program plan, and its development should not be outsourced to an activity that is not an integral part of the Government DMSMS Management Team (DMT).

Applicability: This guidance is applicable to all Department of the Navy (DON) programs and program phases (i.e., development through sustainment), including non-traditional acquisitions when the item will remain in DoD inventory. The intent of this guidance is to help the Program Manager or Product Support Manager document the key components of their DMSMS Management processes, and leave out any extraneous information that is not specific to the individual program in question. Since programs vary in complexity and scope, this guidance does not require a standard template or specific format; rather, it delineates requirements to be addressed when implementing a DMSMS program.

DMSMS MANAGEMENT PLAN TOPICS

1. Purpose/Scope/Applicability

Include a brief introduction, purpose, and scope as applicable. This section should:

- Identify why the plan is being developed. It should reference the source requirement for the plan, including SECNAVINST 5000.2; ASN(RD&A) Memorandum, DMSMS Management Guidance, 27 Jan 2005; P.L. 113-66 Section 803, any applicable Program Executive Office (PEO) or Systems Command (SYSCOM) directives. Additionally, include applicable guidance such as SD-22, "DMSMS - A Guidebook of Best Practices for Implementing a Robust DMSMS Management Program."
- Identify the program, including its applicability to a class, platform, system, Foreign Military Sales (FMS), etc. The plan should also include a brief description of the program such as its acquisition designation, milestone or life cycle phase, quantities, and information necessary to understand the program from a DMSMS context.
Note: An overarching DMSMS Management Plan may be developed for multiple programs within a program office. Separate annexes should be used to document the specific DMSMS processes for each.
- Identify and address Service specific requirements for Joint or Cross Service programs, or FMS as applicable.

This paragraph should Not:

- Define what DMSMS is or provide a discussion/tutorial on the importance of DMSMS management to DoD systems. This information is already well documented in DoD guidance.
- Restate the information in the SD-22 or other reference documents. If a tutorial is required, there are several Defense Acquisition University courses available on the subject.
- Give a detailed system description. A system description and its concept of operations are already defined in various documents such as the Capability Documents, Systems Engineering Plan (SEP), Acquisition Strategy, Life Cycle Sustainment Plan, etc.

2. DMSMS Analysis

This paragraph(s) describes the method of DMSMS management that provides best-value to the program in respect to return on investment, especially when risk impact of DMSMS is low. This includes processes for forecasting and analyzing the health of the DMSMS program. The paragraph(s) should:

- Identify how DMSMS will be incorporated into the technology management strategy and Systems Engineering design process. Considerations include Open Systems Architecture, standardization and commonality to enable technology insertion/refreshment more easily than with design-specific approaches. If this information is contained in the SEP, identify the specific paragraph.
- Identify specifically the provider and/or tools used for forecasting, analysis, research, and case management.
 - If an organic provider and/or tool are used (e.g., Warfare Centers, PEO or SYSCOM DMSMS organizations), identify the organization tasked and tool(s) used.
 - If a commercial provider and/or tool are used, identify the organization tasked and tool(s) used.
 - Note: If a predictive tool from a contractor is being used, the program office/DMT must have access and/or visibility into that tool in order to have adequate oversight. If not, then the program office needs to employ a tool and/or service which provides that access. The program must also ensure required cyber security measures are in place.
- Identify when that service and/or tool(s) was (or will be) placed in service.
- Document the rationale used to determine the order of precedence that system and subsystem Bill of Materials (BOM) will be loaded using a risk based methodology similar to that described in SD-22.
- Identify when the applicable parts of the BOM will be loaded initially. Identify periodicity or events that would trigger an update, along with rationale if needed.
- Identify the rationale used to determine which parts will be handled reactively.
- Identify the process and periodicity for conducting market surveys for obsolescence (i.e., software, hardware, Commercial-Off-The Shelf).
- Identify the overall percentage of the systems and/or subsystems that will be monitored. This should include excluded systems or subsystems (if any), with a rationale

based on risk. For example, some subsystems may potentially be excluded due to low obsolescence risk. For portions of systems where the BOM should be monitored but is not available, identify how that risk is being mitigated.

- Identify where the technology roadmap and technology refresh/insertion plans are documented (e.g., the SEP) and how they are integrated with DMSMS management.
- Identify the periodicity for reporting notifications of obsolescence, including those from market surveys, and the results of health analyses.

This paragraph should Not:

- Provide a discussion on the benefits of different management approaches or philosophy on DMSMS Management.
- List all the tools/services (organic and commercial) that are available. If the program is not using them or does not plan to use them, they do not need to be discussed or identified in the plan.
- Include generic flow charts if they do not provide added value. If needed, flow charts can be included but need to be specific to the program and its DMSMS Management process.
- Provide a discussion on the benefits of technology refresh or technology insertion.

Additional resources:

- MIL-STD 3018: Parts Management
- SD-19: Parts Management Guide
- NAVSO P-3683: PDREP Manual (Data Sharing)

3. DMSMS Risk Management

Include information specific to the program's DMSMS risk. The paragraph(s) should:

- Identify the types of assemblies, components, parts, etc. in the system that are at highest risk for DMSMS, when the preliminary design is known.
- Identify the function of the DMT and its integration in the evaluation of new designs and Engineering Change Proposals for DMSMS Risk, including Systems Engineering Technical Reviews.
- Provide a list (preferably as an appendix if lengthy) of the assemblies/components/parts that are considered high risk from an obsolescence perspective.
- Identify where DMSMS case data, final resolutions, and metrics will be documented.

This paragraph should Not:

- Provide a discussion or tutorial on why DMSMS is a risk or risk management practices in general.

4. DMSMS Management Team

Include information on the composition of the DMT. The paragraph(s) should:

- Identify the Government team and structure (including any Joint Service, FMS, Cross Platform interactions, etc.) along with specific roles, responsibilities and authorities, reporting structure, and frequency of meetings.
- If contractors are part of the team, identify their roles and responsibilities.
- Identify other teams the DMT supports, is part of, or integrated with (e.g., Systems Engineering, Risk Management, Sustainment, Design Interface, Contracts, Financial, warehouse fees, etc.) and their role on those teams.

This paragraph should Not:

- Identify generic DMT best practices.
- Identify a generic team structure or flow chart.

5. Funding

Include information regarding budgeting and costs associated with DMSMS Management. The paragraph(s) should:

- Identify costs associated with DMSMS management (e.g., Team Operations, DMSMS Tools and services, etc.).
- Identify how the program plans to fund implementation of recommended DMSMS resolutions, including costs associated with required logistics updates.
- Document those costs in the Logistics Requirements and Funding Summary (LRFS) with supporting rationale.

6. Contract Requirements

Identify the DMSMS requirements that will be imposed on the contractor as identified in the contractual package. This paragraph(s) should:

- Summarize the key DMSMS requirements imposed on the prime contractor and subcontractors with reference to the related DMSMS paragraphs in the contractual package.
- Cite DMSMS related Contract Data Requirements Lists, Data Item Descriptions, and Data Requirements Lists to include

specific DMSMS performance assessment factors, incentives and penalties.

- Identify performance based logistics requirements (if applicable) correlating with the DMSMS Program.
- Identify DMSMS contract performance metrics
- Document the DMSMS exit strategy. For life cycle phase changes, contract transitions, etc., identify the data required for continuous DMSMS management and the strategy to ensure the system does not have end of life issues.

Additional resources:

- ASN(RD&A) Memo DMSMS Guidance for Developing Contracting Requirements, 12 May 2006
- DID DI-MGMT-81948: Management Plan
- DID DI-MGMT-81949: DMSMS Implementation Plan
- DI-PSSS-81656A: BOM Data
- DI-MGMT-81941: Obsolescence Alert Notice

7. Metrics

Include information regarding DMSMS metrics. Cost resolution data provides an input for determining out years funding requirements. The paragraph(s) should:

- Identify what metrics are tracked. Note: At a minimum, DON programs should use the DON DMSMS Metrics Worksheet <https://acc.dau.mil/CommunityBrowser.aspx?id=737558&lang=en-US>.

Note: Metrics that are not listed in the DON DMSMS Metrics Worksheet should include a definition of that metric, such as the calculation method so that metric can be understood.

- Identify the periodicity for reporting metrics and to whom.