



**Newport News  
Shipbuilding**

A Division of Huntington Ingalls Industries

# NNS Supply Chain Management

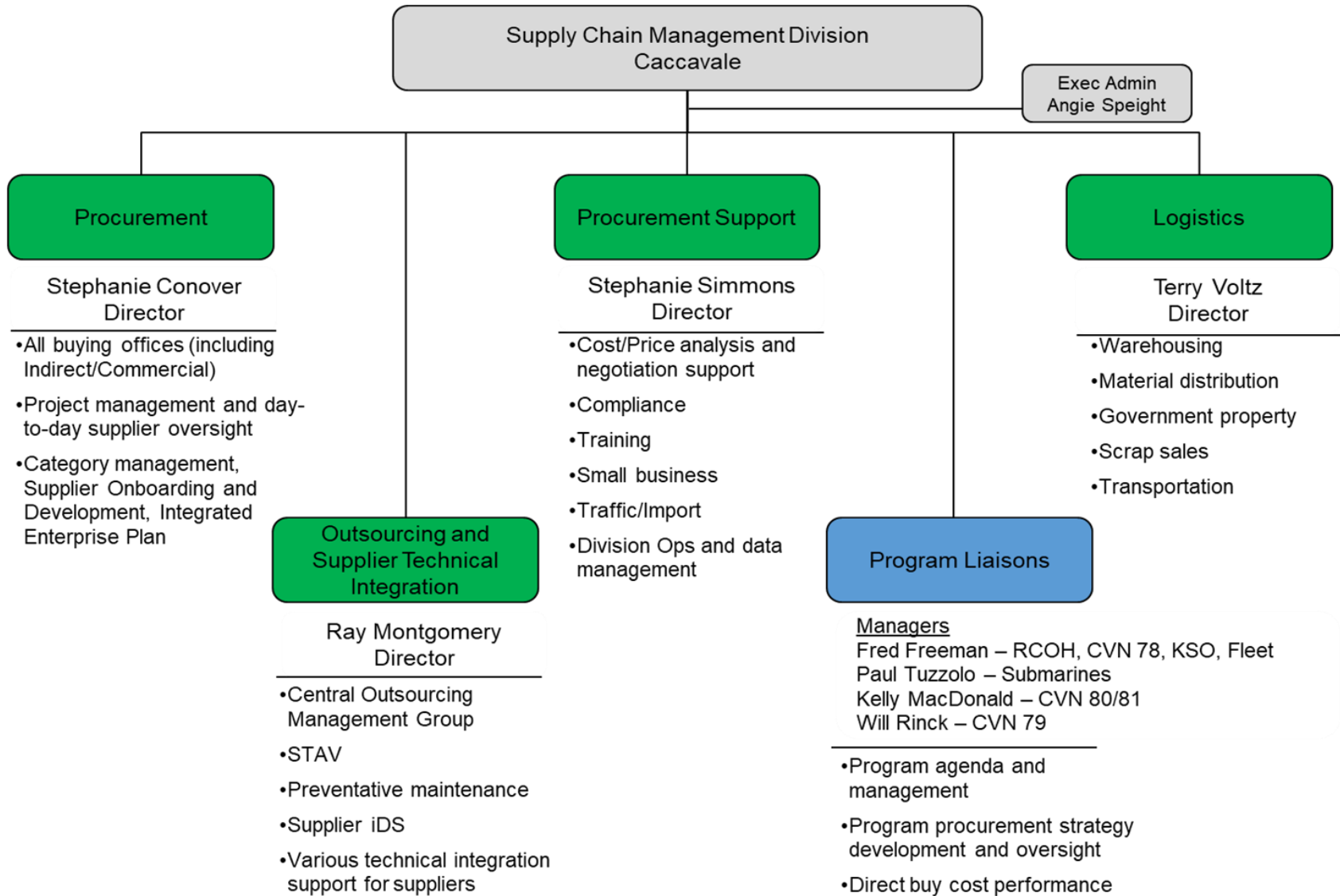
ACIBC

March 27, 2019

- NNS Supply Chain Management Organization
  - Overview of each “direct” buying office
- Program Updates
  - CVN 79
  - CVN 80/81
  - Carrier Overhaul / Fleet Support
  - Virginia Class / Columbia Class
  - Submarine Fleet Support
  - 2019 Key Schedule Program Commitments
- 2019-2020 Forecasted Purchases
- Accounts Payable Transition
- Message to Suppliers / Wrap up



# Organizational Chart



- Office A Leadership
- **Joseph White** – Manager Supply Chain Procurement 3
  - **Kathy Johnson** – Manager Supply Chain Procurement 2
    - Cable, Electrical Components, Pipe
  - **Holly Milteer** – Manager Supply Chain Procurement 2
    - Paint, Chemicals, Adhesives, Fasteners, Insulation, Hose/Hose Fittings, Grit, Welding Studs
  - **Tim Moore** – Manager Supply Chain Procurement 2
    - Outline Agreement Cell
  - **Gil Titsch**– Manager Supply Chain Procurement 2
    - Steel, Ferrous/Non-Ferrous Shapes, Lead Products, Rigging Supplies, Rubber/Gaskets, Safety Items, Plastics, Hardware, Lumber, Bearings, Tools, Bearings



- Office B Leadership
- **Lori Johnson** – Manager Supply Chain Procurement 3
  - **Jeff Moger** – Manager Supply Chain Procurement 2
    - Valves, Filters, Actuators, Strainers
  - **Nathan Muchmore** – Manager Supply Chain Procurement 2
    - Valves, Filters, Actuators, Strainers
  - **DaWanda DeValda** – Manager Supply Chain Procurement 2
    - Fittings, Valves



- Office C/E Leadership
- **Julie Menna** – Manager Supply Chain Procurement 3
  - **Carrie Clark**– Manager Supply Chain Procurement 2
    - Air Conditioning Plants, Generators, Array Systems, Turbine Generators, Main Reduction Gears, Air Turbine Pump, A-ILPE, Retractable Bow Planes
  - **Mike Deverse**– Manager Supply Chain Procurement 2
    - Waveguide, Controllers, Cathodic Protection, Network Communication Systems, Arc Fault, Transformers, Heaters, Salinity Systems
  - **Greg Hartman** – Manager Supply Chain Procurement 2
    - Plasma Arc Waste Disposal, Oxygen Plant & Air Purification Systems, Cooling Coils, Oily Waste System, Galley/Dental/Medical/Refrigeration, Hydraulic Valves, Power Transfer Valves, Motors
  - **Kathie Haughwout** – Manager Supply Chain Procurement 2
    - Frequency Converters, Switchgear, Propulsion Plant Monitoring and Control, Advanced Degaussing, Shore Power Connection
  - **Curstin Zydron** – Manager Supply Chain Procurement 2
    - Main Condensers, Aircraft & Weapons Elevators, Pumps, Bio-Fouling Control System, Actuators, Main Engine Guard Valve, Reverse Osmosis



- Office H Leadership
- **Michele Cook** – Manager Supply Chain Procurement 3
  - **Mark Bunting** – Manager Supply Chain Procurement 2
    - Complex Procurement, Castings
  - **Betty Zambrano** – Manager Supply Chain Procurement 2
    - Overhaul, In-Service and KSO
  - **Tyler Bowman** – Manager Supply Chain Procurement 2
    - Outsourcing, Subcontracting, iDS Pilot Projects & Make/Buy



- Office W Leadership
- **Jay Lendi** – Manager Supply Chain Procurement 3
  - **Jack Lemmon** – Manager Supply Chain Procurement 2
    - Subcontracting – Shipboard Services, San Diego Private Sector Maintenance (PSM), Engineering Services
  - **Maria Williams** – Manager Supply Chain Procurement 2
    - Technical Solutions, Leased labor, Consulting, Business Services





- High Level Ship Schedule

- Award, June 2015
- Launch, November 2019
- Crew Move Aboard, October 2021
- Delivery, June 2022

- Remaining Procurements:

- Approximately \$250M left to procure and receive
- Predominately Electrical, Outside Machining, Valves, Paint and Raw Materials

- Supplier Keys to Success

- Ensure key suppliers maintain a list of actively badged personnel for planned and emergent field service support
- **EARLY and OFTEN updates to buyers on risks or changes to Estimated Delivery Dates (EDDs)**
  - Work load planning is based off of your material EDDs; last minute slips are very disruptive



Hull Erect is nearing completion, moving into Hull Blast & Coat

- CVN80/81 Contract Awarded & Funded January 31, 2019
- Procurement Strategy for CVN80/81:
  - Procurements approach will be “approach once, buy two shipsets”
  - Focus will be on cost and manufacturing efficiencies
  - Long-range agreements established for commodity areas
- Contracting for CVN80/81:
  - Procurements will be driven by the Material Ordering Schedule for CVN80
  - When CVN80 Material is required, material for both CVN80/81 will be addressed in the same negotiation
  - Negotiations will focus on capturing cost and manufacturing efficiencies
  - Long-range agreements established for commodity areas
  - Contracting activities for dual ship buys are underway

Risks Must Be Identified and Communicated Early



- Refueling Complex Overhaul (RCOH)
  - USS GEORGE WASHINGTON (CVN-73)
    - Execution period August 2017- August 2021
    - Ship Arrival at NNS in August 2017
    - Direct buy material procurement targeted at \$420M (19<sup>th</sup> month of 48<sup>th</sup> month Execution)
  - USS JOHN C. STENNIS (CVN-74)
    - RCOH Advance Planning Contract July 2018 – January 2021
    - First and largest overlap of two RCOHs to date
    - Successful ship checks using Digital Scanning
    - Early Start work at NSN in 1st quarter 2020
    - RCOH Execution Start at NNS in January 2021
  - USS HARRY S. TRUMAN (CVN-75)
    - President's Budget for FY20 includes CVN 75 inactivation
    - HII and industry must work together to inform decision makers of impacts
    - More will come in ACIBC messaging
- Carrier Fleet Support
  - USS GERALD R. FORD (CVN 78)
    - Post Shakedown Availability (PSA) - execution period July 2018- July 2019
    - All material is being expedited to support completion of contracted work
    - PIA 1 September 2020 – March 2021
  - USS GEORGE H.W. BUSH (CVN 77)
    - Dry docking Planned Incremental Availability (DPIA)
    - LLTM items & in support of Material Vendor Services in partnership with NNSY
    - Execution period February 2019 – June 2021



- VCS Block IV
  - Awarded ten ships, April 2014
  - Most material has been procured
  - Remaining is shelf life, commodities, and services as required
- VCS Block V
  - AP2 and AP1 complete with over \$250M committed
  - Execution contract being negotiated for ten additional subs
  - Over \$750M to commit in 2019 with focus on multi-hull procurements for major components
- COLUMBIA
  - Advance Procurement Advance Construction (APAC) phase is under way in FY 2019 and 2020
  - Approximately \$200M to place over the next two years to include fixtures, castings, forgings, plate, commodities and specialty tooling



- Submarine Fleet Support
  - USS HELENA (SSN 725)
    - Execution period October 2017 – August 2019
    - Undocking April 2019; Complete Availability August
    - Completed rip-out phase, currently in reinstall phase of critical components, vendor services and testing
  - USS COLUMBUS (SSN 762)
    - Execution period December 2017 – July 2020
    - Undocking November 2019; Complete Availability July 2020
    - Completed rip-out phase. Focus on repair and return items, installing complex machinery and completing Vendor Services
  - USS BOISE (SSN 764)
    - Returned back to Naval Station Norfolk
    - Engineering overhaul to commence ~3rd quarter 2019



# 2019 Key Schedule Events

- √ CVN80/81 Contract Award - complete
- Helena Undock
- KSO S8G ROH (Start Refueling)
- CVN 73 RCOH Flood Dock
- Columbia Construction Start
- VCS Block V Contract
- CVN 78 PSA Re-Delivery
- SSN 791 Delivery
- CVN 73 RCOH Undock
- CVN 74 RCOH AP Award
- Helena Delivery
- SSN 794 PHC
- CVN79 Flood Dry Dock
- CVN 79 Early Launch
- Columbus Undock



# 2019-2020 Forecasted Purchases

## Raw Materials

- Steel Plates/ Shapes
- Pipe, Hoses and Fittings
- Electrical Cable
- Coaming and Foundations
- Shielding
  - Tungsten
  - Poly
- Ship Alt – 9600 (NICRMOCB Material)
  - Pipe
  - Elbow
- Valve and Actuators
- Manifolds, Strainers, Filters
- ALRE Long Lead Time Material

## Complex Components

- Circuit Breakers
- Pumps
- Electric Motor Overhauls
- Coolers
- Propulsion Plant Parts
- Turbine Generator Parts
- Refrigeration Units
- Galley Equipment
- Burners and Scrubbers
- Accumulators
- Air flasks
- Doors
- Shaft Work
- Communications Equipment



# Accounts Payable

- *New Automated Invoicing System – MarkView went into effect September 4, 2018*
- [https://supplier.huntingtongalls.com/sourcing/docs/Announcements/AP\\_Automation\\_02.pdf](https://supplier.huntingtongalls.com/sourcing/docs/Announcements/AP_Automation_02.pdf)

## Accounts Payable

*Please note invoices must be sent via mail; as emailed or faxed invoices are not accepted. Please note that payment terms begin when Accounts Payable receives a valid invoice or when the material is received, whichever date is later.*



Please click this image to learn about the new automated invoicing system available September 4, 2018.

- The **ten-digit purchase order number** must clearly be identified on the invoice
- The purchase order **line items and line amounts** must be clearly identified on the invoice and must correspond with the PO
- **Quantity and pricing** must match what is on the purchase order.
- Invoices must be submitted as a **PDF**.
- **Each PDF should contain 1 invoice** and its corresponding backup documents.
- Ensure all **backup documents are submitted with the invoice**
- The **remit address** should be clearly identified on the invoice.





# Takeaway Messages

- Suppliers must leverage unprecedented business base commitment to minimize cost and maximize value
- Quotes must be supported with clear Basis of Estimate (BOE) and supporting data
  - Delays in receipt of BOEs or Cost or Pricing information will delay contract awards
  - Negotiations will be data driven
- Critical to maintain schedules due to domino effects across multiple programs
  - Communicate early and often with buyers on risk and opportunities
  - Submit formal VIRs/VQs as necessary
- Critical path components will likely be assigned NNS' Project Management support during subcontract execution
  - Collectively manage checkpoints to maintain schedule/communicate risk
- Quality is paramount with schedule





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