



MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
U.S. ARMY JOINT MUNITIONS COMMAND,
U.S. ARMY RESEARCH, DEVELOPMENT AND ENGINEERING
CENTER
AND
U.S. ARMY PROGRAM EXECUTIVE OFFICE AMMUNITION
22 JUNE 2004

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I. Purpose: This Memorandum of Understanding (MOU) captures the overarching ammunition enterprise operational principles and agreements between the Joint Munitions Command (JMC), the Armaments, Research, Development and Engineering Center (ARDEC) and PEO Ammunition (PEO Ammo). It establishes the business climate of cooperation for the path forward. These enterprise operational principles and agreements will be further delineated for implementation by each PM as an annex to this MOU. The goal of the Ammunition Enterprise is to integrate the people, organizations, infrastructure and processes for effective life-cycle management of conventional ammunition for the warfighter and other customers (e.g. Foreign Military Sales). Accomplishment of this goal requires the near seamless integration of PEO Ammo and JMC with life cycle engineering support and services from the ARDEC.

Note: The industrial base relationships will be identified under an Industrial Base Support Agreement (IBSA) in accordance with AR 700-90 and included as an Annex to this MOU.

II. References: Refer to Annex A for a list of applicable references.

III. Enterprise Responsibilities:

a. Mission functions: Figure 1 below outlines lead and support responsibilities between JMC, ARDEC and PEO Ammo for the ammunition enterprise mission functions and is consistent with DoDI 5160.68. PEO Ammo is the lead with JMC and ARDEC in the supporting role for all the acquisition mission functions. For the Industrial Base mission function, PEO Ammo and JMC are co-leads with ARDEC support. ARDEC is the lead for Technology Development with support from PEO Ammo and JMC. JMC is the lead for all the logistics/sustainment mission functions with the exception of demilitarization and disposal led by PEO Ammo's Product Manager for Demilitarization.

MISSION	LEAD	SUPPORT
ACQUISITION		
Technology Development	ARDEC	PEO/JMC
Manufacturing Science Development	PEO/ARDEC	JMC
System Development	PEO-AMMO	JMC/ARDEC
Acquisition Strategy	PEO-AMMO	JMC/ARDEC
Hardware Production	PEO-AMMO	JMC/ARDEC
Components for Renovation (Maint Spt)	PEO-AMMO	JMC/ARDEC
APE (Maint Spt)	PEO-AMMO	JMC/ARDEC
PAA Program / Budget / Receive Funding	PEO-AMMO	JMC/ARDEC
Industrial Base	PEO-AMMO/JMC	ARDEC
LOGISTICS / SUSTAINMENT		
Receipt / Issue	JMC	PEO-AMMO/ARDEC
Storage / Distribution Management	JMC	PEO-AMMO/ARDEC
Inventory / Accountability	JMC	PEO-AMMO/ARDEC
Safety / Security	JMC	PEO-AMMO/ARDEC
Quality Assurance (ASRP / Surveillance)	JMC	PEO-AMMO/ARDEC
Maintenance	JMC	PEO-AMMO/ARDEC
Demilitarization/ Disposal	PEO AMMO	JMC/ARDEC
Transportation	JMC	PEO-AMMO/ARDEC
OMA Program / Budget / Receive Funding	JMC	PEO-AMMO/ARDEC
KEY TO ENTERPRISE: INTEGRATION AND SYNCHRONIZATION		

Figure 1. Ammunition Enterprise Responsibilities

b. Definitions:

i. Ammunition Enterprise. The Ammunition Enterprise is the integration of people, infrastructure and processes required for ammunition life cycle management to support the warfighter and FMS customers.

ii. Single Manager for Conventional Ammunition (SMCA) Executor: PEO Ammo has been designated the SMCA Executor by the ASAALT. The SMCA Executor is responsible for the fifteen SMCA mission functions outlined in DoDI 5160.68 (Para 5.3.2 DoDD 5160.65). These mission functions are 1) RDT&E, 2) Production Base, 3) Acquisition, 4) Supply, 5) Maintenance, 6) Demil and Disposal, 7) Quality Assurance, 8) Technical data and Configuration Management and Control, 9) Transportation and Handling, 10) Safety, 11) Security, 12) Financial Management and Planning, Programming, Budgeting and Execution, 13) Implementing Regulations and Assessments, 14) Personnel and Unit Training and 15) Security Assistance. The SMCA Executor will integrate and execute these SMCA mission functions as outlined in the (Draft) SMCA Charter.

iii. SMCA Field Operating Agency (FOA). The SMCA Charter designates the JMC the principal Field Operating Agency with responsibilities for supporting the SMCA Executor and the Military Services in accomplishing the duties and responsibilities prescribed in DoDD 5160.65 and DoDI 5160.68. JMC is the principal operational agency for executing SMCA mission functions.

IV. Enterprise Map: The ammunition enterprise map has been jointly developed and its associated processes identified through the Six Sigma/Lean process. Continual improvement of the enterprise will be coordinated and executed through the Black Belt Executive Steering Committee comprised of senior leaders from the ammunition enterprise organizations. The Level I Enterprise Map is documented in Annex B of the MOU. Changes to enterprise responsibilities, processes and procedures will be continually updated in the Annex.

V. Ammunition Enterprise Management Concept: The Enterprise Management strategic concept is outlined in Figure 2. This is a bottom-up approach that establishes Integrated Product Teams (IPTs) as the organizational structure for execution of the Ammunition lifecycle management functions. IPTs should include representatives from JMC, ARDEC and PM communities, regardless of the contracting site.

a. The Project Manager is responsible for integrating life-cycle management of items or families of items. The JMC, ARDEC and PEO responsibilities are depicted in Figure 1. The JMC Staff and Commodity Teams and ARDEC provide matrix support to the PMs for Acquisition functions.

b. The JMC Commodity Team, which includes AFSC Contracting, will be the JMC focal point for over-arching communications with the PM and ARDEC. Item specific issues will continue to be worked via the IPTs. This arrangement does not constrain the working activities of the IPT/IPT lead.

c. JMC, ARDEC and the PEO agree to continuously review organizational structures and processes to ensure alignment with current enterprise objectives and remain focused on decentralized execution at PM/Commodity Team level.

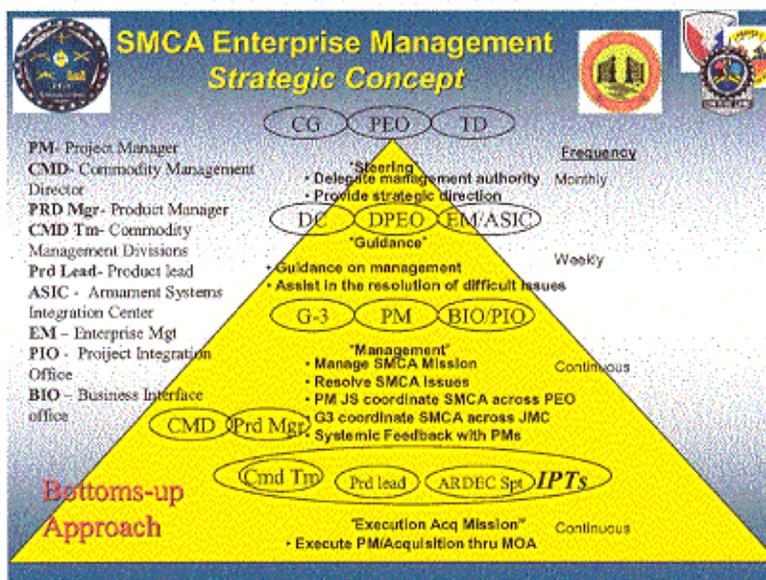


Figure 2. SMCA Enterprise Management Strategic Concept

d. The IPT, with ARDEC Lead for Technology Development, PM Lead for acquisition and JMC lead for logistics/sustainment, is the mechanism for creating a single voice to DA, OSD, Combatant Commanders, MACOMs, field activities and the Services. The goal is to share information, agreements and decisions real time to ensure coordinated responses support the “one voice” outside the Ammunition Enterprise. This requires continuous dialog between members to develop and coordinate the single voice. To achieve this, Commodity Teams and PMs must have a common understanding of the areas of responsibility and the internal rules of engagement.

e. JMC, ARDEC and the PEO agree upon the following dispute resolution process. The first level includes members of each PMO and corresponding Commodity Team establishing a dispute resolution process that begins with team member dialog and ends with Project Manager, G-3 and ARDEC BIO (strategy and customer relations issues) or PIO (programmatics) resolution. If resolution cannot be achieved, the issue would be addressed at the second level between the DPEO, JMC Deputy Commander and ARDEC EM Senior Technical Executive (strategy and customer relations issues) or ASIC Senior Technical Executive (programmatics). The final enterprise level is the CG JMC, ARDEC Director and the PEO. If the conflict cannot be resolved there, it would be referred to the Office of ASAALT and the Office of the CG AMC. Resolution of issues that involves the other Military Services will be in accordance with the SMCA Charter.

f. The Munitions Readiness Report (MRR) represents the enterprise’s common picture of the requirements and stockpile condition.

g. The PEO Ammo Industrial Base Strategic Plan represents the Enterprise’s common picture of the foundation for modernization of the Industrial Base.

VI. SMCA Transition Definition: Transition will be in accordance with DoDI 5160.68. SMCA items already assigned to PEO Ammo are considered transitioned, as PEO Ammo is the SMCA Executor.

a. In executing the SMCA mission, PEO Ammo and PMs agree to leverage the JMC, the principal SMCA FOA, to the maximum extent practical taking advantage of

core competencies. The procurement location will be identified annually during the PEO Engineering in Support of Items in Production (ESIP) preparation process.

b. PMs will no longer, beyond current agreements, charge the Services for program management of SMCA items procured at Picatinny Arsenal.

c. For SMCA Army type classified items where there is no Army requirement, or in support of a non-Army type classified item, program management costs will be funded by OMA. PEO Ammo will identify the OMA requirement annually.

VII. Communication Protocol: PEO and JMC and ARDEC will utilize IPTs to execute the lifecycle mission of ammunition. Regardless of whether a technology development, acquisition or logistics issue, coordination will be through the IPT as shown in Figure 3. Establishing effective communications requires regularly (hourly, daily, weekly as needed) scheduled contact and communications that includes all levels of the Enterprise. The goal is to share information, agreements and decisions real time to ensure coordinated responses support the “one voice” outside the Ammunition Enterprise.

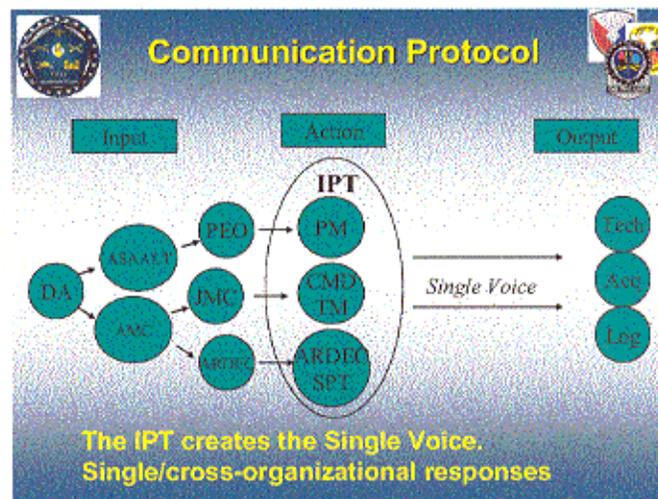


Figure 3. Communication Protocol

VIII. The Ammunition Enterprise Portal: The PEO Ammo, ARDEC and the JMC will work in partnership with the Acquisition Logistics Technology Enterprise Systems and Services (ALTESS) to establish an Ammunition Enterprise IT infrastructure that will enable full interoperability and integration across the ammunition community and is consistent with DOD operational, architecture and security requirements. The Ammunition Enterprise will enable data access through a single sign-on, web based portal linked to the AKO for Army personnel and to other services by direct “purple” portal access. The PEO Ammo, ARDEC and JMC will establish a direct relationship with the ALTESS to develop an Ammunition Enterprise solution that will help us reduce and consolidate the number of stovepipe applications/systems, by using data-centric methodologies and standard applications/systems development involving commercial off-the-shelf (COTS) tools. The PEO Ammo, ARDEC and the JMC will establish an Ammunition Enterprise Portal IPT to ensure all applications/systems are linked, integrated, or interfaced into the Ammunition Enterprise Portal. No PM, ARDEC element or JMC element shall develop any new IT applications/systems without coordination with the IPT and approval by the PEO Ammo and ARDEC CIO’s and the

JMC's Systems Officer. The PEO Ammo and JMC corporate goal is to have all new systems/applications developed in the Ammunition Enterprise portal and also ensure that our legacy systems have a specific plan to migrate into the enterprise environment. Annex C will document the Ammunition Enterprise Portal.

IX. Metrics: The lead metric for the enterprise is the MRR. Additionally, JMC and the PEO support the on-going PEO/JMC/EDCA initiative to define and develop metrics that measure SMCA performance. These metrics will be annually reviewed for updates and changes. Definitized and agreed to metrics will be listed in Annex D.

X. Customer Interfaces: The "one voice", single message to our customers is through the IPTs. Every effort will be made to identify Service customers and invite participation on the IPTs. The Ammunition Enterprise will keep customers apprised of performance via Service participation on IPTs, access to Weekly Significant Activity Reports (WSAR), product reviews and quarterly Review and Analysis. This does not exclude the need to provide real time information to Service customers when critical events occur.

XI. Enterprise Leadership Initiatives: The Enterprise endorses the initiatives as outlined in this document and promotes the common vision and mission of the ammunition enterprise. The enterprise will seek continual improvement through disciplined tools like Six Sigma and Lean, periodic off-sites and continuous leadership communication sessions.

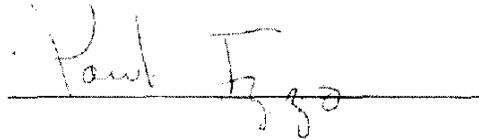
XII. Enterprise Business Processes: The Enterprise will continually seek opportunities to improve enterprise business processes. The Enterprise Six Sigma Executive Council will approve all Enterprise wide process improvement actions. Business Processes will be documented in Annex E.

XIII. PM MOU Structure: Each PM will prepare an annex (Annexes F through I) that adequately addresses and implements this MOU. It should include JMC Commodity Team integration into the PM Organization through the use of Organization Charts and performance feedback.

XIV. Security Assistance: The JMC SA office is the lead for coordinating and processing Foreign Military Sales requirements. The JMC SA will forward requirements to the respective PM for acquisition and JMC for logistics and sustainment. Details are found in Annex J.

XV. Effective Date: This MOU is effective upon signature date of all approving officials and will remain in effect until modified or superseded by the approving officials.

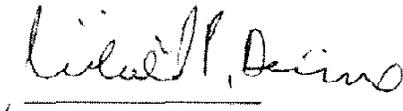
XVI. Approval:

Handwritten signature of Paul S. Izzo in black ink, written over a horizontal line.

Paul S. Izzo
Brigadier General, USA
Program Executive Officer, Ammunition

Handwritten signature of James W. Rafferty in black ink, written over a horizontal line.

James W. Rafferty
Brigadier General, USA
Acting Commander,
Joint Munitions Command

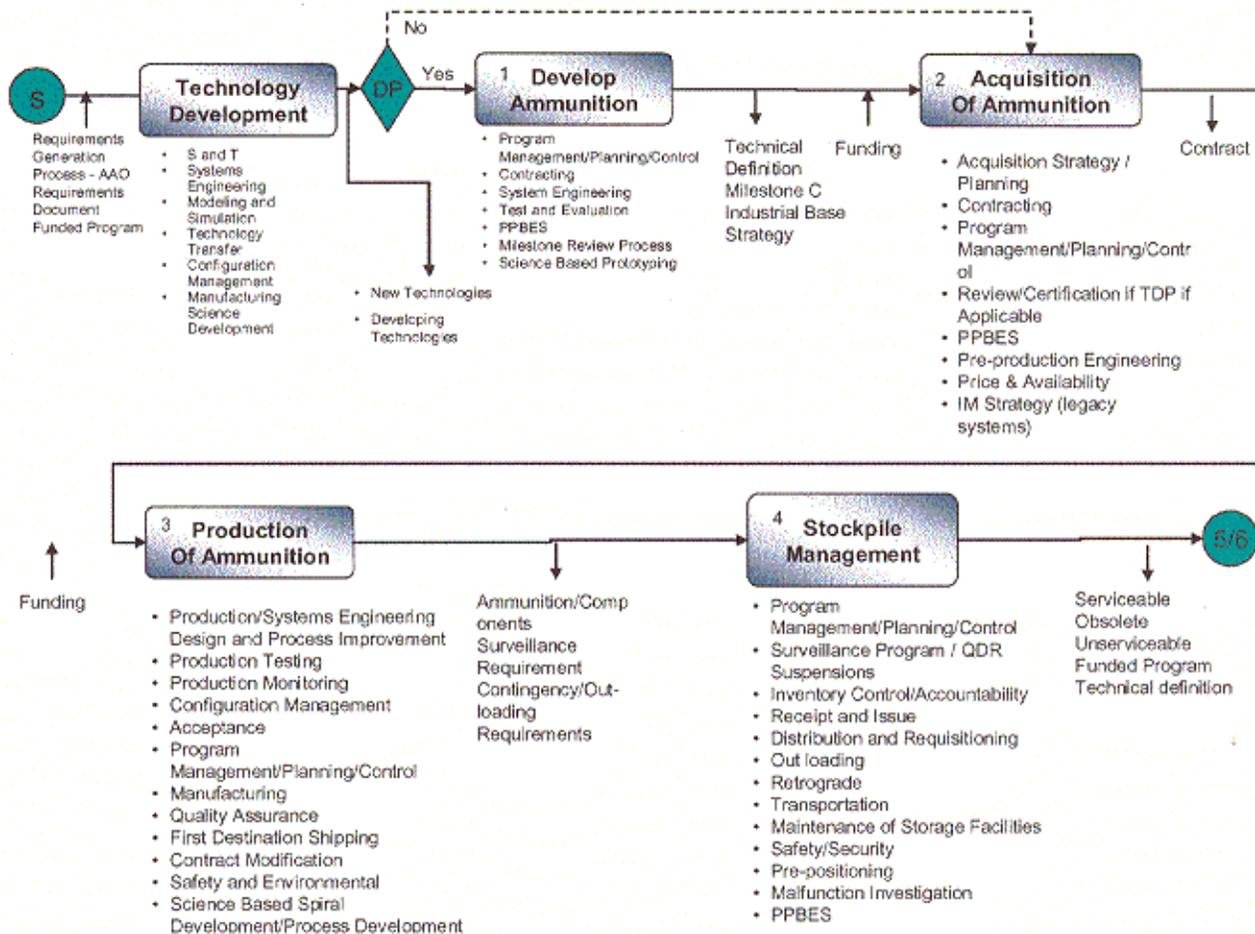
Handwritten signature of Michael Devine in black ink, written over a horizontal line.

Michael Devine
Director
ARDEC

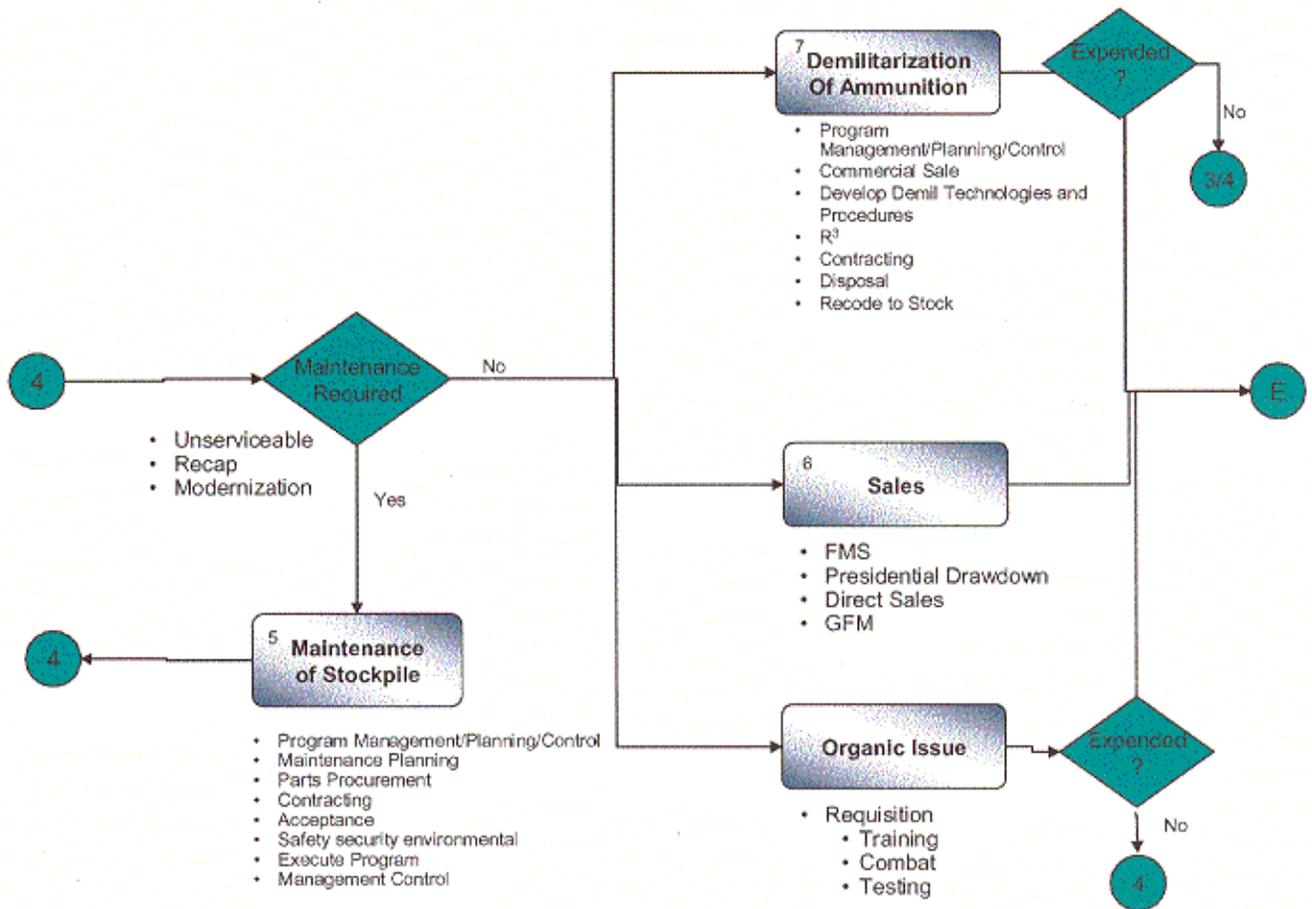
ANNEX A List Of Applicable References

- A. DOD Directive 5160.65 Single Manager for Conventional Ammunition (SMCA), dated (UR)
- B. DOD Instruction 5160.68 Single Manager for Conventional Ammunition (SMCA): Responsibilities of the SMCA and the Military Services, dated 22 December 2003
- C. Single Manager for Conventional Ammunition (SMCA) Charter
- D. Secretary of the Army Memorandum for Assistant Secretary of the Army (Acquisition, Logistics and Technology), SUBJECT: Delegation of Authority as Single Manager for Conventional Ammunition (SMCA) and Section 806 Authority Under the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (FY99), dated 28 January 03
- E. Assistant Secretary of the Army (Acquisition, Logistics and Technology) Memorandum SUBJECT: Delegation of Authority for the Single Manager for Conventional Ammunition (SMCA) Executor and Section 806, Authority Under the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, dated 16 April 03

ANNEX B Enterprise Map



ANNEX B Enterprise Map (Continued)



ANNEX C Ammunition Enterprise Portal

ANNEX D Metrics

ANNEX E Business Processes

ANNEX F PM Combat Ammo Systems (CAS)

ANNEX G PM Close Combat Systems (CCS)

ANNEX H PM Joint Services (JS)

ANNEX I PM Maneuver Ammo System (MAS)

ANNEX J Security Assistance

Security Assistance: The JMC SA office is the lead for coordinating and processing Foreign Military Sales requirements. The JMC SA will forward requirements to the respective PM for acquisition and JMC for logistics and sustainment.

a. For FMS and Coproduction cases, the JMC SA, representing the FMS country customer, will be responsible for all aspects of case development implementation, execution and closure, to include financial management and compliance with all statutory and regulatory requirements. These responsibilities will be carried out in accordance with direction and guidance from the Army Executive Agent for SA. The JMC SA will also serve as the Army's Primary Office for Non-Standard Ammunition required by the FMS customers.

b. The JMC SA will coordinate FMS support through the established IPTs and ensure the IPT provides input to the FMS/LOA process for acquisition and logistical support. The JMC SA will annually provide funding to the JMC matrix support offices and PEO organizations on a fee-for-service basis for all work requested to be accomplished.

c. Due to multiple items and item families, which may be requested on a single FMS case, SA communications will be coordinated with the responsible IPTs.

d. The JMC SA will be the "one-voice" for all FMS customers. The Commodity IPTs will be relied upon for technical and mission expertise for their items and item families.

ANNEX K Industrial Base

ANNEX L Center for Manufacturing Science and Technology Transfer

ANNEX M Transfer of Functions - ARDEC to PEO Ammo