

25 May 2004 v3

**Industrial Base Support Agreement (IBSA) Between
the Program Executive Office (PEO) Ammunition
and the Joint Munitions Command (JMC)**

1. References:

- a. Memo, ASA(ALT) 12 May 03, subject: Army Production Industrial Base Responsibilities, Revision to Army Regulation (AR) 700-90.
- b. Memo, AMC, 30 June 03, subject: AR 700-90, Army Industrial Base Process.
- c. AR 700-90, Army Industrial Base Process, April 2004.
- d. Memo, AMC/SAALT, 12 Feb 04, subject: Industrial Base Support Agreements (IBSAs).
- e. DOD Directive 5160.65, Single Manager for Conventional Ammunition, 14 Apr 04.
- f. DOD Instruction 5160.68, Single Manager for Conventional Ammunition, 22 Dec 03.
- g. DOD 5000.1, The Defense Acquisition System and DODI 5000.2, Operation of the Defense Acquisition System.

2. Purpose: This IBSA defines the responsibilities of the PEO Ammunition Industrial Base Office and JMC for industrial base planning support.

3. Applicability: This IBSA applies to the PEO Ammunition and JMC industrial base responsibilities:

- a. PAA, Budget Activity 2, Production Base Support (PBS) program.
- b. For the purposes of this IBSA, the PBS program comprises the following Budget Line Items: (1) Industrial Facilities, (2) Maintenance of Laidaway Industrial Facilities, (3) Layaway of Industrial Facilities, and (4) Armament Retooling and Manufacturing Support (ARMS) programs.

c. Industrial base planning and management activities, per AR700-90, DOD 5160.65, and DOD 5160.68 as summarized in Appendix A-1 to this IBSA.

4. General:

a. 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.

b. 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.

c. Industrial base management is a joint effort between the PEO Ammunition and the JMC. Performance measures will be jointly developed and implemented to gauge IBSA performance. Industrial base planning and management responsibilities will be implemented in accordance with DOD 5160.65, DOD5160.68, AR 700-90 and this support agreement.

d. The PEO Ammunition and JMC Memorandum of Understanding (MOU) dated 26 January 2004 further delineates collaboration between the two organizations.

e. PEO Ammunition Industrial Base Office will provide performance appraisal input to JMC personnel providing matrix support to this IBSA. JMC will provide performance appraisal input to the PEO Ammunition Industrial Base Office.

f. This IBSA is subject to supplementation by additional standard operating procedures (SOPs) and internal systems, as

necessary, to ensure efficient and effective program management and execution. Nothing in these supplemental SOPs or internal systems shall supersede this document.

g. The SMCA Industrial Base Management responsibility includes production and logistics mission areas. The predominance of this IBSA currently focuses on the production mission. Efforts to include the logistics mission is ongoing and will be incorporated in a future revision to this document.

5. Requirements, Roles and Responsibilities:

PEO Ammunition, Industrial Base Office Responsibilities:

In addition to Appendix A-1 responsibilities, the PEO Ammunition Industrial Base Office will:

- a. Plan and lead SMCA Industrial Base Strategic Planning Integrated Product Team activities.
- b. Coordinate with JMC on external and internal industrial base activities.
- c. Provide support to ensure industrial base preparedness and planning are considered in acquisition matters.
- d. Provide guidance and approve the ammunition Production Base Plan in accordance with AR 700-90. The Production Base Plan will be represented by the web based Single Manager for Conventional Ammunition (SMCA) Industrial Base Assessment Tool (IBAT).
- e. Develop, maintain and implement the SMCA Industrial Base Strategic Plan.
- f. Serve as lead/sponsor for industrial base actions/coordination on industrial base matters.
- g. Implement Section 806, Public Law 105-261, Procurement of Conventional Ammunition, of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999.
- h. Publish an Annual Conventional Ammunition End Items/Component at-risk list and furnish a bi-annual Section 806 report IAW ASA(ALT) Section 806 implementing guidance.

- i. Promulgate DOD and DA industrial base policy and guidance to ensure consistency with AR 700-90, the Industrial Base Strategic Plan, and applicable laws and legislation.
- j. Establish IPT for reviewing and providing concurrence on GOCO AAP Facility Use Statements of Work and product pricing schemes involving PBS activities and PAA funding.
- k. Review, approve, and manage the overall PBS program insuring consistency with DOD policy, DA policy and SMCA Industrial Base Strategic Plan.
 - l. Review and approve PAA Budget Activity 2 POM submissions. Ensure Budget Call letter is rapidly disseminated to JMC.
 - m. Provide priorities for application of ARMS tenant revenue received generated at GOCO AAPs.
 - n. In line with the intent of the above actions, corresponding functions/actions will also be performed for the GOGO installations as applicable.

JMC Responsibilities:

In addition to Appendix A-1 responsibilities, the JMC will:

- a. Develop, plan, and coordinate PBS efforts, ensuring that they are technically sound, comprehensive, beneficial to the Government and consistent with the SMCA Industrial Base Strategic Plan.
- b. Develop contract statements of work to accomplish PBS efforts. Review contract pricing proposals, participate in negotiations, and resolve technical problems and issues.
- c. Execute current and prior year PBS projects.
- d. Participate in ammunition industrial base strategic planning activities.
- e. Establish and maintain a web based SMCA IBAT for conventional ammunition.
- f. Maintain knowledge of producers' capabilities and capacities for conventional ammunition. This includes providing an annual assessment plan and schedule to PEO Ammunition.

g. Maintain accurate and complete data within the SMCA IBAT and ensure maintenance of required Information Technology.

h. Perform industrial base studies and respond to inquiries to ensure/determine proper industrial base management.

i. Provide Industrial Capability Analysis to support Section 806 determinations and review Section 806 determination requests.

j. Keep PEO Ammunition informed on JMC industrial base matters and serve as a ready source for PEO Ammunition for industrial base studies/assessments and inquiries.

k. Perform ARMS execution management within the limits of the ARMS legislation and other applicable laws and regulations.

l. Develop and provide an annual ARMS project plan and GOCO AAP tenant revenue plans. Execution of plans will be IAW PEO Ammunition program guidance and the published SMCA industrial base strategic plan. Develop and maintain a project selection and prioritization process following 6 Sigma and Lean disciplines.

m. Provide Weekly Significant Activity Reports of relevant progress and/or issues.

n. Develop GOCO AAP Security Guard Force Protection plan with supporting rationale.

o. Communications: Ensure PEO Ammunition coordination on JMC external responses to Industrial Base, PBS and AAP related matters.

p. Provide an annual listing of Army owned equipment at COCO manufacturing facilities.

q. Provide an annual listing and assessment of condition of Army owned ammunition manufacturing equipment at GOCO AAPs and GOGO AAPs.

r. Coordinate GOCO AAP Facility Use contract Statements of Work with PEO Ammunition for concurrence.

- s. In line with the intent of the above actions, corresponding functions/action will also be performed for the GOGO installations as applicable.
- t. For Command and Control statements of work that impact PAA funding, JMC will coordinate with the PEO Ammunition Industrial Base Office.

6. Funding and Manpower:

- a. Funding for the PBS programs shall be obtained via the congressional appropriation process on a Program Objective Memorandum developed by the AFSC/JMC and reviewed and approved by the PEO for Ammunition. Funding shall flow through the PEO Ammunition to JMC for approved PBS funded programs.
- b. PEO Ammunition will authorize and issue PAA Budget Activity 2 funding.
- c. The ARMS management and administrative support will be funded from PAA Activity 2 program funds IAW PL 102-484 and the PEO Ammunition approved ARMS execution plan. The ARMS funding for management and administrative support will be funded on a calendar year basis. JMC will provide funding for ARMS contracting and legal support effective 1 Oct 04.
- d. The JMC will provide funded Operations and Maintenance, Army work years to assure staffing and cover other operating expenses necessary to fulfill all other JMC responsibilities outlined within this IBSA. Manpower will include:
 - 1. Minimum of 15 workyears for industrial assessments.
 - 2. Minimum of an action officer assigned to each AAP supporting PBS project planning and execution. One action officer may be assigned more than one installation.
 - 3. Will provided necessary contracting and legal support executing PBS program and facility use contracting.
 - 4. Minimum two resource management personnel for PBS execution.
 - 5. Minimum two resource management personnel for PBS POM planning.

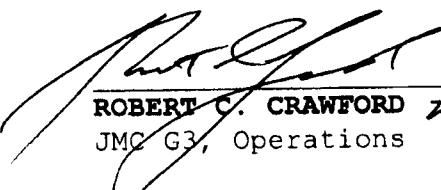
e. The JMC will provide resources to ensure JMC matrix personnel in support of this IBSA are trained in 6 Sigma and Lean disciplines.

f. The PEO Ammunition will provide the necessary funding to support internal PEO Ammunition efforts required to successfully implement this IBSA.

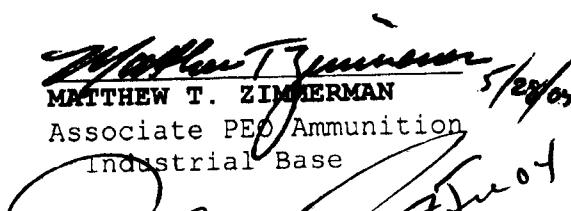
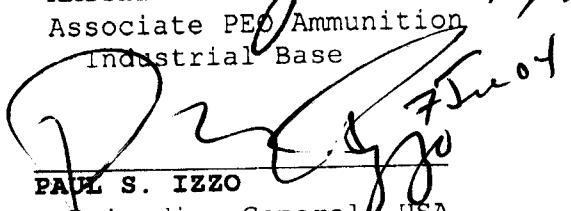
7. Modification Procedures: Changes to this IBSA can be initiated by any principal to this agreement or his representative. Any agreed upon changes must be documented and signed by the principals.

8. Conflict Resolution Procedures: Issues are normally resolved at the PEO and JMC. If issues are not resolved, the conflict will be elevated to the CG AMC and ASA(ALT) for resolution.

9. Effective Date, Periodic Review, and Termination: This IBSA is effective upon signature by all parties and shall remain in effect unless revised, superseded, or terminated.


ROBERT C. CRAWFORD 28 May 2004
JMC G3, Operations


JAMES V. RAFFERTY 8 June 04
Brigadier General, USA
Acting Commander,
Joint Munitions Command


MATTHEW T. ZIMMERMAN 5/22/04
Associate PEO Ammunition
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PAUL S. IZZO 7/2/04
Brigadier General USA
Program Executive Officer
Ammunition

Appendix A-1

Ref Doc/Par	Responsibility	Organization
AR700-90/2-10.a	Assess the ability of the industrial base to support the life cycle requirements for assigned programs. Rely on the private sector to the maximum extent possible unless Army-owned factories are more economical. Consider the NTIB in the development and implementation of acquisition plans for each major defense acquisition program (10 USC 2440)	PEO Ammo
AR700-90/2-10.b	Identify end items and components needing monitoring or actions to ensure sufficient capacity is sustained to satisfy life cycle requirements. The aggregate of these end items and components is published by AMC in the Army's IPPL.	PEO Ammo
AR700-90/2-10.c	Monitor the health of critical elements of the industrial base supporting their programs and elevate industrial base deficiencies and/or problems to the ASA(ALT) and CG, AMC staffs when problems have a potential impact on other DOD programs.	PEO Ammo
AR700-90/2-10.d	Plan, program, and budget research, development, test and evaluation (RDT&E) and procurement appropriations (PA) subject to normal HQDA review and approval. Manage Production Base Support Program for assigned programs. Review AMC's budget requests for IPO and IMC funded activities to confirm the planning is needed and the production requirement being protected is valid.	PEO Ammo
AR700-90/2-10.e	Make or buy analysis under authority of 10 USC 4532: Prepare analysis for PEO/PM managed items in coordination with AMC early in acquisition life cycle so as not to disrupt program milestones. The AMC will furnish "make" estimates. Review "make or buy" analyses for AMC managed items that are part of the PEO's/PM's life cycle managed responsibility. Submit analyses to ASA(ALT) for a decision when PEO/PM and AMC disagree.	PEO Ammo
AR700-90/2-10.f	Develop and implement a strategy to provide incentive to industry to compete, invest, and collaborate with AMC according to support agreements.	PEO Ammo
AR700-90/2-10.g	Assist ASA(ALT) in assessing the impact of proposed mergers and acquisitions.	PEO Ammo
AR700-90/2-10.h	Develop and implement a phase-down of ownership plan, modernization plan, and justification for continued ownership of Army-owned equipment at contractor-owned, contractor-operated (COCO) factories that exists to manufacture materiel assigned to the PEO/PM. Based on acquisition strategy for assigned programs, identify Army GOGO or GOCO phase down of ownership candidates to AMC for action (DODD 4275.5).	PEO Ammo
AR700-90/2-10.i	Integrate industrial base considerations into the acquisition process in accordance with Appendix C of AR700-90.	PEO Ammo

Appendix A-1

Ref Doc/Par	Responsibility	Organization
AR700-90/2-10.j	Support ASA(ALT) in developing metrics. Report performance of assigned programs against the metrics.	PEO Ammo
AR700-90/2-10.k	Support AMC on GIDEP, Defense Priorities and Allocations System (DPAS), and DMSMS matters. Plan and budget RDT&E and PA funds for corrective actions related to assigned programs.	PEO Ammo
AR700-90/2-10.l	Develop and maintain a production base plan (PBP). The plan identifies capacity weaknesses for a program, proposed actions to solve problems, and the status of those actions.	PEO Ammo
DODI 5160.68/E2.2.1.1	Lead in the development and publication of an overarching conventional ammunition industrial base strategic plan that supports the Military Services' conventional ammunition requirements.	PEO Ammo
DODI 5160.68/E2.2.1.2	Manage and invest in a production base that supports SMCAs-assigned conventional ammunition and components to:	PEO Ammo
DODI 5160.68/E2.2.1.2.1	Ensure an adequate production base to meet the Military Services' conventional ammunition requirements.	PEO Ammo
DODI 5160.68/E2.2.1.2.2	Identify and incorporate new and more efficient production technologies.	PEO Ammo
DODI 5160.68/E2.2.1.2.3	Conduct industrial preparedness planning and biannually report production base information and results to the Military Services.	PEO Ammo
DODI 5160.68/E2.2.1.2.4	Coordinate with the Military Services on the status of the production base as significant changes are planned or occur.	PEO Ammo
DODI 5160.68/E2.2.1.2.5	Maintain an industry advisory panel with the Federal Advisory Committee Act, consisting of conventional ammunition producers and the Military Services.	PEO Ammo
DODI 5160.68/E2.2.1.2.6	Serve as the technical advisor to the Joint Materiel Priorities and Allocation Board on matters related to assigned conventional ammunition.	PEO Ammo

Appendix A-1

Ref Doc/Par	Responsibility	Organization
AR700-90/2-7.a	Provide matrix support to PEOs and product/program/project managers (PMs). Relationships and responsibilities between AMC and PEOs or PMs will be established by support agreements. Agreements will address all aspects of industrial base planning and support.	JMC
AR700-90/2-7.b	Conduct ICAs for assigned commodities.	JMC
AR700-90/2-7.c	Conduct “selected assessments” of industrial base capacity based on tasking from ASA(ALT) using IPO funds. Coordinate with other Services, Defense Logistics Agency (DLA), Department of Commerce, other agencies and industry to gather information required for evaluating the ability of the industrial base to respond to military materiel needs as well as requirements for homeland defense.	JMC
AR700-90/2-7.d(1)	Manage Army Government-owned, Government-operated (GOGO) production installations consistent with PEO/PM industrial base support agreements. This includes-Developing and implementing a strategy, in collaboration with affected PEOs, to assure facilities are modernized, as necessary to enhance operational effectiveness and efficiencies. Capital investment policy is in chapter 5, and if direct funding is justified, chapter 6 has guidance for programming Production Base Support Program (PBSP) or production funds. Execute PBSP projects. Coordinate with U.S. Army Corps of Engineers (USACE) on construction projects in accordance with AR 415-15, as appropriate.	JMC
AR700-90/2-7.d(2)	Planning, programming, and budgeting activities for IPO and IMC funding. Coordinate appropriate program elements of IPO and IMC with PEOs and PMs that benefit from the industrial base planning and production capacity.	AMC/JMC
AR700-90/2-7.d(3)	Matching materiel requirements from all customers and foreign military sales (FMS) to installation capacity.	JMC
AR700-90/2-7.d(4)	Analyzing whether to make or buy under authority of 10 USC 4532; Prepare analysis for AMC managed items and coordinate with applicable PEO/PM with life cycle responsibility. For PEO/PM managed items, “make” estimate for Army materiel and/or its component that is potentially more economically manufactured at an arsenal. Provide to the applicable PEO/PM early in the acquisition life cycle to avoid disruption of program milestones.	JMC
AR700-90/2-7.e	Exercise command and control over Army GOCO production installations. This includes-	JMC

Appendix A-1

Ref Doc/Par	Responsibility	Organization
AR700-90/2-7.e(1)	Performing contracting functions for materiel development, production missions, and installation functions; executing PBSP projects, in accordance with industrial base support agreements with individual PEOs; and ensuring contracts are compatible with program acquisition strategies, capital investment policy in chapter 5, and paragraphs 2-10d and f.	JMC
AR700-90/2-7.e(2)	Implementing Armament Retooling and Manufacturing (ARMS) program at GOCO ammunition plants in accordance with PEO/PM support agreements. (10 USC 4551, 10 USC 4552, 10 USC 4553, 10 USC 4554, and 10 USC 4555)	JMC
AR700-90/2-7.f	Develop and implement a phase down of ownership plan for Army-owned production installations in coordination with applicable PEOs/PMs. The phase down of ownership plan will be consistent with acquisition plans for affected programs. Prepare justifications for continued ownership when recertification is requested by ASA(ALT). (DODD 4275.5) Prepare reports of excess (ROE) for real estate and submit ROE to ACSIM for action.	JMC
AR700-90/2-7.g	Manage automated information systems to support the Army Industrial Base Program.	AMC/JMC
AR700-90/2-7.h	Assist ASA(ALT) in assessing the impact of proposed defense mergers and acquisitions.	AMC/JMC
AR700-90/2-7.i	Exercise HQDA responsibility in coordination with PEOs/PMs for sections 2071 to 2078, Title 50, United States Code (The Defense Production Act (DPA)), (50 USC 2071-2078, 50 USC 2091-2099 and Diminishing Manufacturing Sources and Material Shortage (DMSMS)).	AMC/JMC
AR700-90/2-7.j	Serve as the proponent for management and administration of the Government-Industry Data Exchange Program (GIDEP) within the Army.	AMC/JMC
AR700-90/2-7.k	Aggregate and publish an Army industrial preparedness planning list (IPPL) comprised of items and components identified by PEOs as necessary to either monitor or take action to ensure sufficient capacity for operational, combat and contingency requirements.	JMC
AR700-90/2-7.l	Manage the Army's industrial base Web site, which contains industrial base procedures as guides for field activities.	AMC
AR700-90/2-7.m	Support ASA(ALT) in developing metrics and measure performance against metrics applicable to AMC's mission.	AMC/JMC