



# A New Parts Management Paradigm: Context

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## DoD Parts Management: Definition

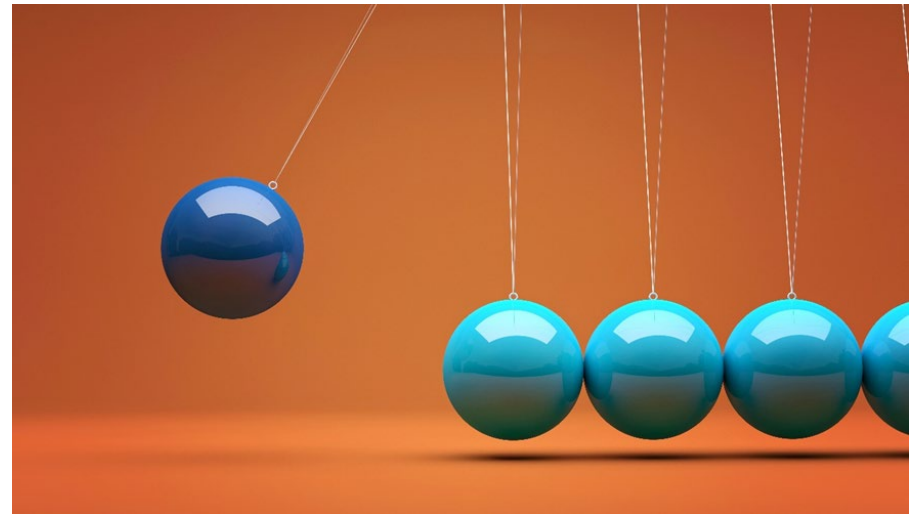
- Parts management is a *systems engineering discipline* for *selecting* parts, while accounting for the *materials and processes* used to manufacture them, throughout all phases of a system's (or equipment's) life cycle from initial design through disposal
- Parts management takes into account considerations that include:
  - The application
  - Standardization
  - Technology
  - Qualification
  - Producibility
  - Performance
  - Cost
  - DMSMS risk
  - Reliability
  - Maintainability
  - Supportability
  - Cyber weaknesses and vulnerabilities
  - Supply chain risk
  - Susceptibility to counterfeit and unauthorized tampering
  - Use of hazardous materials
  - Etc.

***From pre- to post-Acquisition Reform, the parts management pendulum swung from one extreme to the other***

## DoD Parts Management: Background

- Background
  - **Pre-Acquisition Reform**—large DLA staff for approving parts on weapons systems; Parts Management Control Boards for review and approval of parts
  - **Acquisition Reform**—approval of parts at this level of detail labeled non-value-added by the SECDEF; very burdensome to contractors and negatively impact schedule
  - **Since Acquisition Reform**—with some exceptions (principally associated with very demanding applications), most program offices conduct little to no parts management oversight; assurance of whether parts meet their allocated requirements entirely left in the hands of industry

*From pre- to post-Acquisition Reform, the parts management pendulum swung from one extreme to the other*



*The DoD's predominate laissez-faire approach to parts management poses increased risk in today's acquisition environment; amore rigorous oversight framework will reduce/ minimize risk*

## DoD Parts Management: A New Paradigm

- **Desired Outcome:** The more disciplined selection, procurement, and usage of parts on DoD systems to meet system requirements while balancing the costs and risks associated with the parts selection considerations
- **Procedures for government program offices:**
  - Make an initial assessment of risks associated with parts selection, procurement, and use on the system of interest
  - Determine the type and extent of oversight needed to reduce such risks
  - Secure sufficient subject matter expertise to conduct that oversight
  - Develop, approve, and implement a risk-based government Parts Management Plan that oversees—
    - Development of a contractor Parts Management Plan using MIL-STD-11991
    - Verification that contractor follows its Plan processes
    - Validation of parts selected
    - Recordkeeping
    - Selection of parts by a government entity, rather than a contractor
    - Mitigation of risk associated with changes to parts after selection

*Now let's turn to our panel to discuss how the pendulum should swing back toward the middle...*

## SD-19 Parts Management Guidance Panel Members



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