

B. This area should receive increased emphasis in fiscal year 1968. Although the total DOD goal for fiscal year 1967 was exceeded by approximately 28 percent, the Army goal was not achieved. Also, the fiscal year 1967 goals for Navy and Air Force were of a minimum nature. In view of the total dollars expended on equipment maintenance throughout the DOD each year, it appears that more substantive objectives should be established for fiscal year 1968.

III. Examples

Many hundreds of individual actions were reported in this area during fiscal year 1967. Several produced significant savings. Most actions, however, produced savings of less than \$100,000 each. A few examples follow:

A. *Improved methods procedures and work flow.*—Many improvements and reductions in costs are being achieved at Army depots, naval air rework facilities, and Air Force depots through changes resulting from the defense integrated management engineering system (DIMES). Costs of individual jobs are reduced in practically every instance when realistic engineered standards are established. In addition, bottlenecks are eliminated, smoother workflow is achieved, and improved parts supply is accomplished through the DIMES program. However, until more uniform measurement, documentation, and reporting techniques are prescribed for the DIMES program, a large portion of the resultant savings will be lost to cost reduction program. More than \$3 million was saved during fiscal year 1967 at two Navy activities.

B. *B-58 aircraft pods.*—The Air Force saved over \$0.9 million in fiscal year 1967 by a change in the method of contracting for overhaul of B-58 aircraft pods. The pods were previously overhauled (at a cost of \$8,000 each) by the contractor performing the IRAN (inspect and repair as necessary) of the B-58 weapons systems. Based upon a special study, the Air Force concluded that the IRAN of pods could possibly be performed by a different contractor. The breakout was accomplished and a contract awarded for the IRAN of pods separate from the IRAN of the B-58 aircraft. The average cost of the pod IRAN was \$1,955 each under the new contract.

C. *Maintenance of rigid and air-supported radomes.*—For the past several years the maintenance and overhaul of all radomes has been contracted for by general categories of work such as refurbishing of air-supported radomes, reconditioning of rigid radomes, etc. In fiscal year 1967, the Air Force requested price quotations by size within each general category of work to be accomplished. As a result of this breakout by size, the Air Force reduced costs by \$144,000 in fiscal year 1967.

D. *Maintenance of O-1 aircraft.*—The Air Force saved about \$2 million in fiscal year 1967 by a change in maintenance concept for the O-1 aircraft. Previously each airbase was manned to be self-sufficient in organization/field maintenance for all O-1 aircraft operating from each base. Early in fiscal year 1967 a delayed operating concept was implemented. Under this method, maintenance support was provided from central support locations.