

**Office, Assistant Secretary of the Army (ALT)  
SUMMARY OF ACTION**

TO: VCSA  
THRU: AAE  
THRU: MILDEP

**ACTION OFFICER:** LTC Dwayne Morton  
**OFFICE SYMBOL:** SAAL-SCS  
**PHONE NO:** 604-7255  
**DATE/TIME:** 05-19-03/ 1000

**SUSPENSE DATE:**  
**CONTROL NO.**  
NA

**30600915**

**SUBJECT:** Heavy Expanded Mobility Tactical Truck (HEMTT) Recapitalization Program Baseline

**RECOMMENDATION:** Army Acquisition Executive (AAE)/ Vice Chief of Staff, Army (VCSA) approve and sign the RPB.

**SUMMARY OF ACTION:** The Recapitalization Program Baseline (RPB) describes cost, schedule and performance objectives for the decision made by the AAE/VCSA on 22 Oct 01. The 7 Nov 01 letter from LTG Caldwell tasked PEO to comply with the RPB guidance and obtain the required coordination from the Major Subordinate Command along with the Army Cost and Economic Analysis Center (CEAC). PEO Combat Support/Combat Service Support (CS/CSS) conducted a decision review of the HEMTT Recapitalization Programs and approved it pending final approval of the RPB by the AAE and VCSA.

- TAB A - AAE/VCSA approval letter
- TAB B - RPB
- TAB C - MIL DEP Recapitalization Guidance Letter/ [REDACTED]
- TAB D - MIL DEP CEAC validation letter
- TAB E - POM FY04-09 System Adjustment Information Paper

MILITARY DEPUTY ACTION	ASA (ALT) ACTION
<input type="checkbox"/> [Approved] <input type="checkbox"/> [Recommend Approval] <input type="checkbox"/> [Disapproved] <input type="checkbox"/> [Recommended Disapproval] <input type="checkbox"/> PSM <input type="checkbox"/> Noted	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved <input type="checkbox"/> PSM <input type="checkbox"/> Noted
Comments :	Comments:

COORDINATION					APPROVALS			
CC	NCC	OFFICE	NAME	PHONE	APPR	DISAPPR	INITIAL	DATE
X		SAAL-RI	LTC Shoop <i>[Signature]</i>	614-3753	DEP			
X		SAFM-EUI	L'sula Owens	614-8063	ASST DEP			
X		PEO CS/CSS	Mary Quin	586-574-5675	DEP XO			
X		SAAL S	Paul Barry	614-4540	DIR			
X		SAAL-ZI	Don Lull	614-7554	DIR (SCS)			
X		DAFR-FDL	Rob Sipe	604-2998				
X		G6-PAE	MAJ Kathy Cpphite	693-3321				

CC = Concur      NCC = Nonconcurr      APPR = Approved      DISAPP = Disapproved

MS Word SAAL FORM 5      Developed by Sonal Patel

Version Dated 20 February 2003

DEPARTMENT OF THE ARMY  
Executive Communications and Control

26 August 2003

<u>3</u>	VCSA	3 SEP 2003
<u>2</u>	DASU-200603	
<u>1</u>	Dir, ECC	26/08
<u>4</u>	LTC E. Turner, 695-7922	4x 26/08

W/T  
S. Younger

**SUBJECT:** Heavy Expanded Mobility Tactical Truck (HEMTT) Recapitalization Program Baseline (RPB) Approval

1. **TYPE ACTION:** SIGNATURE                      **ACTION AGENCY:** ASA(ALT)

2. **DISCUSSION:** ASA(ALT) MILDEP forwards (Next Under) a memorandum already signed by the ASA(ALT) for VCSA's signature (Tab E) approving the HEMTT RPB (Tab A).

- PEO Combat Support & Combat Service Support (PEO CS & CSS) conducted a Decision Review of the HEMTT Recapitalization Program and validated it pending final approval of the RPB by the Army Acquisition Executive (AAE) & VCSA.

- The HEMTT RPB is submitted for review and approval. The November 7, 2001 memo (Tab B) from the ASA(ALT) MILDEP tasked the PEO to comply w/RPB guidance. The March 7, 2003 memo (Tab C) from the Cost and Economic Analysis Center (CEAC) validates the methodology used for Recapitalization cost estimate.

- An info paper from the PM (Tab D) documents the decrement of \$298.7M to the program during the POM build for FY04-09. This cut is a direct result of the reduction of the Counter-Attack Corps from three and one third divisions to two and one third.

3. **COORDINATION:** OGC, PEO CS/CSS, SAFM-BUI, DAPR-FDL, & G8-PAE

4. **RECOMMENDATION:** VCSA sign memo at Tab E.

SIGNED APPROVED VCSA 3 SEP 2003

SEE NOTE: \_\_\_\_\_

# 30805275  
(30600915)  
SAC

501 - closed 4 Sep 03



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY  
ACQUISITION LOGISTICS AND TECHNOLOGY  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

11 AUG 2003



SAAL-SI

MEMORANDUM THRU ARMY ACQUISITION EXECUTIVE

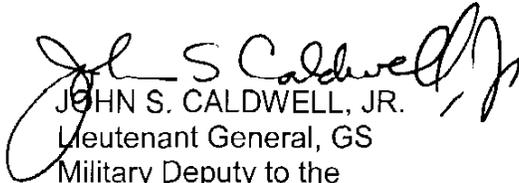
FOR VICE CHIEF OF STAFF, ARMY

SUBJECT: Heavy Expanded Mobility Tactical Truck (HEMTT) Recapitalization  
Program Baseline (RPB) Approval--ACTION MEMORANDUM

*Sir:*

The enclosed subject memorandum is provided for both the Army Acquisition Executive and the Vice Chief of Staff, Army signatures. The HEMTT RPB obtained the required documentation and coordination from the Army Staff.

The HEMTT program has a Program Objective Memorandum Fiscal Year 2004-2009 decrement culminating in the adjustment of the HEMTT Recapitalization program quantities.

  
JOHN S. CALDWELL, JR.  
Lieutenant General, GS  
Military Deputy to the  
Assistant Secretary of the  
Army (Acquisition, Logistics  
and Technology)

Enclosure



DEPARTMENT OF THE ARMY  
WASHINGTON, D.C. 20310

SEP 3 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Heavy Expanded Mobility Tactical Truck (HEMTT) Recapitalization Program Baseline (RPB) Approval

1. The Program Executive Officer (PEO) conducted a Decision Review of the HEMTT Recapitalization Program and validated it pending final approval of the RPB by the Army Acquisition Executive/Vice Chief of Staff, Army. The HEMTT RPB (Tab A) is submitted for review and approval by the Army Acquisition Executive/Vice Chief of Staff, Army. The November 7, 2001, memorandum (Tab B) from Military Deputy to the Assistant Secretary of the Army (Acquisition, Logistics and Technology) tasked the PEO to comply with the RPB guidance. The March 7, 2003 memorandum (Tab C) from the Cost and Economic Analysis Center validates the methodology used for the Recapitalization cost estimate. An information paper from the Project Manager (Tab D) documents the decrement of \$298.7 million to the HEMTT program during the Program Objective Memorandum (POM) build for Fiscal Year (FY) 2004-2009. This funding adjustment affects the program quantities in the years FY04-07. This cut is a direct result of the reduction in the Counter Attack Corps from three and one-third divisions to two and one-third.
2. In accordance with the Army Recapitalization Management Policy, HEMTT RPB, dated January 2002, is approved for implementation. The PEO and Project Manager will execute all rebuilds for the HEMTT in accordance with the funding and schedule baselines documented in the RPB. The RPB will provide the basis for sound management and historical record from which to measure success.
3. It is imperative that we work together and establish close partnerships at all levels to ensure success. Our warfighters depend on this recapitalization effort to maintain system readiness, sustainability, and combat overmatch as we transform the Army.
4. The point of contact for this matter is LTC Dwayne Morton, commercial 703-604-7255, DSN 664-7255, or e-mail: [dwayne.morton@saalt.army.mil](mailto:dwayne.morton@saalt.army.mil).

*Claude M. Bolton, Jr.*  
Claude M. Bolton, Jr.  
Army Acquisition Executive

*John M. Keane*  
JOHN M. KEANE  
General, United States Army  
Vice Chief of Staff

Enclosures

SUBJECT: Heavy Expanded Mobility Tactical Truck (HEMTT) Recapitalization  
Program Baseline (RPB) Approval

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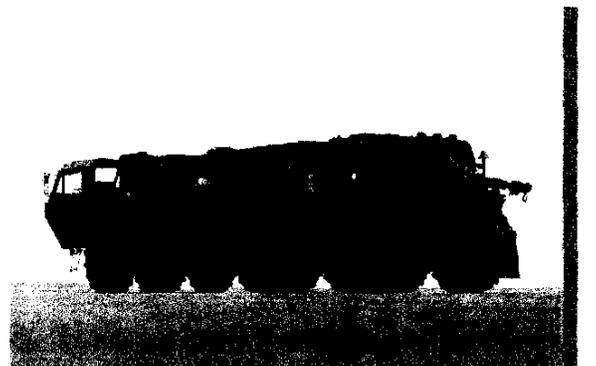
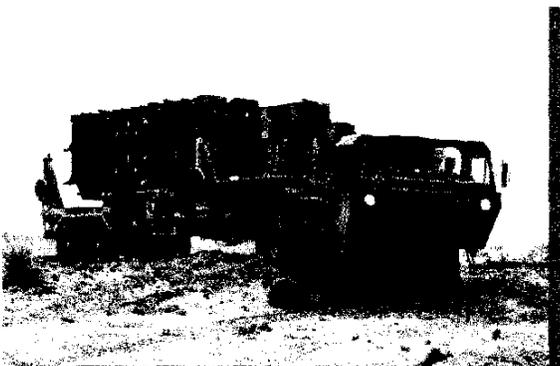
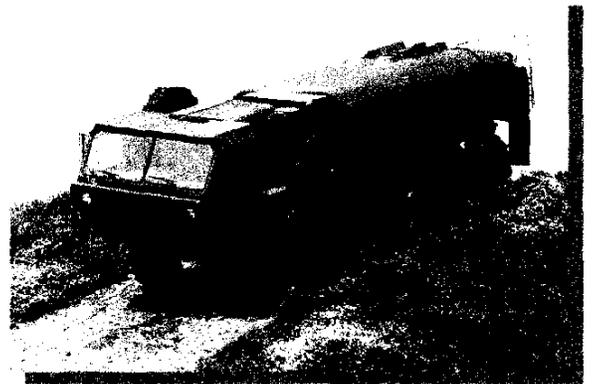
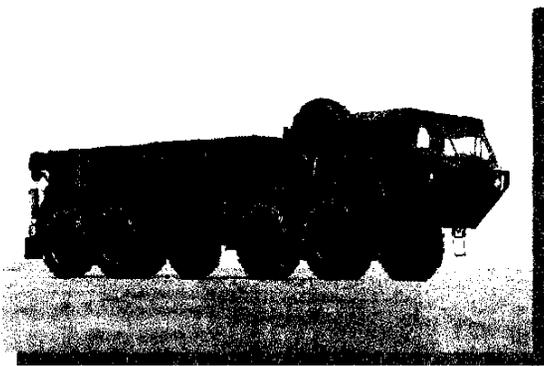
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PROGRAM EXECUTIVE OFFICER, COMBAT SUPPORT/COMBAT SERVICE  
SUPPORT, ATTN: SFAE-CSS

# HEAVY EXPANDED MOBILITY TACTICAL TRUCK

RECAPITALIZATION PROGRAM BASELINE  
January 2002



## **HEMTT Recapitalization Program Baseline Contents**

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**RECAPITALIZATION PROGRAM BASELINE AGREEMENT**  
**HEAVY EXPANDED MOBILITY TACTICAL TRUCK SYSTEM**

With the objective of enhancing program stability and controlling cost growth, we, the undersigned, approve this HEMTT baseline document pending validation by the Cost Analysis and Economic Analysis Center (CEAC). Our intent is that the program be managed within the programmatic, scheduling, and financial constraints identified herein. We agree to support the required funding in the Planning, Programming and Budgeting System (PPBS).

This baseline is a summary and does not provide detailed program requirements or contents. It does, however, contain the important performance, schedule, and cost parameters that are the basis for satisfying an identified mission need.

### **III-1. Recapitalization Program Baseline Description**

The HEMTT is a series of 10-ton, eight wheel drive vehicles designed to provide transport capabilities for re-supply of combat vehicles and weapon systems. Basic variants include cargo, tanker, wrecker, tractor, and load handling system.

One of the main goals of the HEMTT Recapitalization Program is to reduce the total ownership cost of the fleet. Due to the roadiness issues with the HEMTT fleet, Project Manager, Heavy Tactical Vehicles (PM-HTV) began the analysis of HEMTT performance, deficiencies and potential new technologies in conjunction with Cost As an Independent Variable (CAIV). PM-HTV worked closely with CASCOM to develop the selected package of technology insertions that would go into the HEMTT RECAP program.

On 22 Oct 2001 the AAE/VCSA approved the Recapitalization Plan for the HEMTT Program. The Recapitalization Program will recapitalize HEMTT vehicles to the Extended Service Program (ESP) configuration consisting of bumper-to-bumper rebuild of the entire truck with the following technology enhancements: electronic engine, electronic transmission, air ride seats, four point seatbelts, air ride seats, bolt together wheels, increased corrosion protection and an enhanced electrical package.

PM HTV provided a plan that proposed to achieve Army recapitalization objectives and attempt to reach the Army Acquisition Objective (AAO), and which contained an initial schedule of quantities of vehicles to be recapitalized or sourced from new production. The VCSA decision approved the HEMTT Recap concept and provided total annual funding limits, within which PM HTV could adjust actual annual vehicle quantities in response to stakeholder demand.

All HEMTT recapitalization after FY 02 will be under the ESP, which is also the first of three initiatives of the R-TOC (Total Operating Cost Reduction) Pilot Program. This initiative has two primary goals: insertion of new technologies to improve vehicle performance, and reduction of O&S costs through replacement of high failure rate items. Potential replacement parts for components identified in an initial AMSAA analysis as high failure rate items have been investigated. Within the second initiative, Continuous Support Improvements, the Defense Logistics Agency measures and reports cost recovery rate reductions that result in user savings at the battalion level. Initiative Three involves the capture of Interactive Electronic Technical Manual (IETM) data in support of efforts to manage high failure rate items.

#### **Cost Drivers and Parts Issues**

##### ***Execution Strategy***

With all post-FY 02 RECAP under ESP (rebuild plus selected upgrades), significant considerations are:

- Oshkosh Truck Corporation (OTC) technical knowledge of ESP configuration; awarded 5-year family contract in Mar 01

- TACOM/OTC Oct 01 MOA designating ESP as OTC workload
- OTC sole licensing agreement to produce the Load Handling System variant

Red River Army Depot (RRAD) is developing National Maintenance Work Requirements (NMWRs) for overhaul of major components:

- Four powertrain NMWRs under development / review; Mar 02 completion with projected publication in the third quarter of 2002.
- Nine NMWRs subcontracted by RRAD to O'Neil (OTC pubs subcontractor); Oct 02 completion and publication projected in the second quarter of 2003.

Parts Explosion has run against current overhaul program at RRAD (13 tractors, 2 GMTs)

OMA rebuild schedule for FY02 began Feb 02 after completion of FY 01 program.

***Depot Impact***

After FY 02, the RRAD HEMTT workload is limited to functions proven to be cost effective / competitive as subcontractor to OTC under the heavy family contract, if determined to be competitive and selected. No Army (OPS-29) funded rebuild will occur after FY 02.

***Industry Impact***

Current RECAP execution will have minimal impact on DLA. Original source for many parts were OTC under corporate contract. OTC will continue to supply RECAP parts requirements in conjunction with new vehicle production.

***Life Cycle Management***

The Life Cycle Management effort includes tracking costs of the cost drivers provided in Enclosure (1) for the older variants against the ESP or new production variant. AMSAA sample data is used to track the performance of non-ESP versus ESP vehicles until future implementation of the IETM program. IETMs will have the capability to capture maintenance data for the Predictive Maintenance Module (PMM) database that will be maintained by LOGSA.

***Table 1, HEMTT Recapitalization Cost Drivers***

Provided as Enclosure (1).

### III-2. Recapitalization Program Baseline Funding

The recapitalization funding profile was approved by the AAE/VCSA on 22 Oct 2001. Actual funding may vary due to routine budgetary actions, such as zero sums and PBDs.

Required	FY02	FY03	FY04	FY05	FY06	FY07	FY03-07	EPP	Total FY03-EPP
RDTE									
<b>PA</b>	<b>77000</b>	<b>214700</b>	<b>172446</b>	<b>148400</b>	<b>187550</b>	<b>329200</b>	<b>1052296</b>	<b>743000</b>	<b>1795296</b>
New Production	39935	97053	48966	47820	48392	146000	<b>388231</b>		
ESP	37065	117647	123480	100580	139158	183200	<b>664065</b>	<b>743000</b>	<b>1407065</b>
Initial Spares	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>		<b>0.0</b>
STS									
<b>OMA</b>	<b>5100</b>	<b>1000</b>	<b>900</b>	<b>900</b>	<b>700</b>	<b>600</b>	<b>4100</b>		<b>4100</b>
Rebuild (OPS-29)	5000	0	0	0	0	0	<b>0</b>		
SDT	100	1000	900	900	700	600	<b>4100</b>		
SSTS									
Spares									
Trainer CLS									
COSIS									
SDO									
PPSS									
MWO									
ASIOE/COEI*									
USF Cost									
<b>Other Funded</b>									
Training									
Manning									
Munitions									
Installation Spt.									
<b>Total</b>	<b>82100</b>	<b>215700</b>	<b>173346</b>	<b>149300</b>	<b>188250</b>	<b>329800</b>	<b>1056396</b>	<b>743000</b>	<b>1799396</b>
<b>Variant Name</b>	<b>FY02 Program Acquisitions Unit Cost</b>			<b>FY03 Program Acquisitions Unit Cost</b>					
ESP WRECKER				\$206.2					
ESP LHS	\$175.8			\$170.1					
ESP TANKER				\$200.4					
ESP CARGO	\$190.6			\$185.2					
ESP TRACTOR				\$150.9					
ESP GMT				\$191.9					

**TABLE 2 – HEMTT Recapitalization Funding Table**

*Methodology:* The particular allocation and annual distribution of the HEMTT variants is designed to support Army priorities to replace older vehicles in the Patriot brigades, Stryker brigades (SBCTs), and the Counter Attack Corps from FY 03 through FY 12. Given the constraints of (1) the Army's plan to replace legacy HEMTTs in the priority units, (2) funding limitations, and (3) Oshkosh Truck's need to balance the production process, the model mixes sequenced throughout the POM and EPP are optimized within the above parameters. This approach meets the VCSA's requirements and thus supports approval to execute the HEMTT Recap Program.

### III-3. Recapitalization Schedule

Table 3.1 presents the HEMTT Recapitalization Program schedule. Vehicle recapitalization is grouped by variant with end state quantities annotated in the far right column. Quantities reflected in the table are deliveries, which are offset from the current funded quantity profile by prescribed administrative and production lead times.

System Name	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Total
ESP WRECKER		30	69	92	50	120	182	182	182	182	182			1271
ESP LHS	135	150	56	44	174	0								559
ESP TANKER		50	100	76	105	259	429	391	374	376	360			2520
ESP CARGO	39	154	140	140	150	400								1023
ESP TRACTOR		45	45	45	45	45								225
ESP GMT		5	5	5	5	5								25
	174	434	415	402	529	829	611	573	556	558	542	0	0	5623

**TABLE 3.1 – HEMTT Recapitalization Schedule Table**

Table 3.2 presents the schedule of fielding to the IBCT, Patriot units, and the Counter Attack Corps.

Fielding	FY02	FY03	FY04	FY05	FY06
IBCT		87	87	87	87
Patriot		78	78	78	78
3ID		42	118		
1CD	42	118			

**TABLE 3.2 – HEMTT Recapitalization Fielding**

### III-4. Recapitalization Performance

As an Army Total Operating Cost Reduction (TOCR) Pilot Program participant, the PM-HTV monitors efforts to reduce O&S costs by 20% by FY 08. HEMTT Recapitalization is the primary effort to reduce O&S costs in the TOCR initiative. The key element in the calculation of cost reduction is Cost Per Mile, obtained from the OSMIS database.

Metric	Objective	Source of Data
Formula	Performance Measure	
1. Reduce O&S Costs	20% by FY 2008	OSMIS, Periodic Updates from DLA Partner, P-Form Data
Projected Savings % =	$\frac{\text{Projected Savings}}{(\$/\text{MI without POL})(\text{Veh Qty})(\text{Aging Factor}) / 1000000}$	Cost Per Mile, Cost Recovery Rate Reductions, ESP as % of Fleet
Legend: POL = Petroleum/Oil/Lubricants		

Metric	Objective	Source of Data
Formula	Performance Measure	
2. Increase Mean Miles Between Unscheduled Maintenance Actions	Establish baseline for Mean Miles Between Unscheduled Maintenance Actions, track metric	SDC
MMBUMA =	$\frac{\text{Exercise Miles}}{\text{Total Unscheduled Maintenance Actions}}$	Reliability

Metric	Objective	Source of Data
Formula	Performance Measure	
3. Reduce Maintenance Ratio	Establish baseline for Maintenance Ratio, track metric	SDC
Maintenance Ratio % =	$\frac{\text{Unscheduled Maintenance Manhours}}{\text{Exercise Miles}}$	Maintainability

Metric	Objective	Source of Data
Formula	Performance Measures	
4. Increase unscheduled MTBR for selected recapitalized components	20% increase. See performance measurement	OSMIS, SDC, & FEDC
$MTBR = \frac{\sum_{i=1}^n \left( \frac{MTBR(R)_i}{MTBR(B)_i} - 1 \right)}{N} \times 100\%$	The first calculation is made when the top 10 recapped components have 10 fleet wide failures each in the recap fleet. Intermediate calculations are made annually thereafter. Final measurement is made when all top 10 recapped components have 30 fleet wide failures each.	
Where: MTBR = Percentage Change of Unscheduled Mean Time Between Removal (%) MTBR(R) = Unscheduled Mean Time Between Removal - Recapped Component MTBR(B) = Unscheduled Mean Time Between Removal - Baseline Component N = Sum of Components		

**TABLE 4 – HEMTT Recapitalization Performance Table**

**III-5. Recapitalization Interfaces (Depot and Industry Partnerships, Test Community)**

The depot-industry partnership between OTC and RRAD to workshare OMA-funded rebuild of HEMTTs will conclude after FY02, based on the VCSA decision to pure fleet with production and ESP vehicles.

The partnership between the PM, HTV and the Defense Logistics Agency is a critical element of the TOCR Pilot Program.

<b>Depot/Industry Partnership</b>	<b>Agreements</b>	<b>Date of signature/ Implementation</b>	<b>Test Relationship (if required)</b>	<b>Recap Initiative</b>
<b>Industry-</b> Oshkosh Truck Corporation 50-50 Workload Sharing - Overhaul	MOU On HEMTT Recapitalization	Signed 18 OCT 2000		Overhaul its allocation of vehicles following its own processes and procedures Deliver finished vehicles to the field IAW TACOM direction Provide RRAD with technical support as RRAD may require
		Implemented		
<b>Depot-</b> Red River Army Depot 50-50 Workload Sharing - Overhaul	MOU On HEMTT Recapitalization	Signed 18 OCT 2000		Overhaul its allocation of vehicles following its own processes and procedures Deliver finished vehicles to the field IAW TACOM direction Depot level maintenance and repair
		Implemented		
<b>Other-</b> Defense Logistics Agency Reduce O&S Costs, Increase HEMTT Readiness	HEMTT Life Cycle Management Pilot	Signed 1999		Decrease lead times and minimize wholesale inventories. Identify parts that are candidates for competition or redesign and seek to exploit industrial advantages. Identify the top HEMTT readiness and supply degraders, develop an action plan and implement solutions to address systemic issues.
		Implemented		

**TABLE 5 – HEMTT Recapitalization Interfaces Table**

Table 1- HEMTT Recapitalization Cost Drivers

Component	Configuration						Stock Number	Status	NMWRS
	TNKR	WRRR	LWS	CUU	TKR	UM			
Engine and Container	X	X	X	X	X	X	2815-01-257-3879	Will be upgraded to DDEC IV electronic engine which provides diagnostics/ prognostics capabilities to identify failed components and failing components.	9-2815-224
Transmission and Cover	X	X	X	X	X	X	2520-01-257-3880	Will replace with "4560" electronic transmission which will have diagnostics/prognostics capabilities.	9-2520-540-1
Tire, Pneumatic	X	X	X	X	X	X	2610-01-126-1576	Replacement with higher load range more durable XZL or equivalent.	
Radiator, Engine Coolant	X	X	X	X	X	X	2930-01-132-0978	No changes known at this time.	
Transfer Case	X	X	X	X	X	X	2520-01-348-1332	No changes known at this time.	9-2520-540-2
Tank, Truck Mounted	X						4930-01-439-3045	Replacement with DOT 406 approved tank body.	
Inner Tube, Pneumatic	X	X	X	X	X	X	2610-01-165-0567	No longer required: wheel/tire upgrade is tubeless configuration.	
Filter Element, Fluid	X	X	X	X	X	X	2910-01-152-2376	Replaced with new design filter/water separator and elements.	
Brake Shoe	X	X	X	X	X	X	2530-01-287-2166	Replaced with longer life brake shoes/linings.	
Receiver-Transmitter, Crane		X		X			2520-01-188-5129	No changes known at this time.	

Enclosure (1)



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
ACQUISITION LOGISTICS AND TECHNOLOGY  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

07 NOV 2001

REPLY TO  
ATTENTION OF  
SAAL-SI

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Recapitalization Program Baseline

This memorandum sets forth guidance that should be followed to document and track the Army's Recapitalization effort. Enclosed is the template that will be used to develop and execute the individual systems Recapitalization Program Baseline. The Program/Project/Product Manager of the systems that have already been approved by the Army Acquisition Executive/Vice Chief of Staff, Army (AAE/VCSA) will be afforded 90 days from the date of this document to follow and complete the Recapitalization approval process laid out in this Recapitalization Program Baseline guidance. Future candidate systems that have not been seen by the AAE/VCSA will be afforded 60 days after an option is adopted, to complete the process of creating a baseline. All recapitalization systems will obtain validation, within afforded time frames, of the Baseline Cost Data, Cost Benefit Analysis and Trade Off Analysis from the Cost and Economic Analysis Center.

The point of contact for this matter is COL Jim Wells, DSN: 224-3993 or 703-614-3993.

A handwritten signature in black ink, appearing to read "John S. Caldwell, Jr.", written over a horizontal line.

JOHN S. CALDWELL, JR.  
Lieutenant General, GS  
Military Deputy to the  
Assistant Secretary of the  
Army (Acquisition, Logistics  
and Technology)

Enclosure

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**DEPARTMENT OF THE ARMY**  
PROGRAM EXECUTIVE OFFICE  
COMBAT SUPPORT & COMBAT SERVICE SUPPORT  
6501 E. 11 Mile Road  
WARREN, MICHIGAN 48397-5000

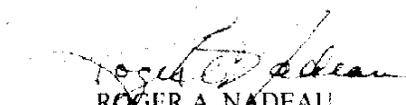
REPLY TO  
ATTENTION OF

SFAE-CSS

**DECISION MEMORANDUM**

**SUBJECT: HEMTT Recapitalization Program Baseline (RPB) and Recapitalization Decision Review**

1. In accordance with the direction dated 28 September 2001, the Vice Chief of Staff, Army (VCSA) approved the recapitalization program for the HEMTT vehicles in the Counter Attack Corps and other units. The HEMTT RPB guidance was developed and dated 21 August 2002. I have conducted a Decision Review of the HEMTT recapitalization program and approved same pending final approval of the RPB by the Army Acquisition Executive/VCSA.
2. On 28 September 2001, AAE/VCSA approved the General Officer Working Group recommended alternative 1d which procures 2783 full recapitalizations of the HEMTT from FY02-07 and 2840 in the EPP.
3. The original Acquisition Plan for the HEMTT was developed in the 1980s for original procurement of the HEMTT, and is not relevant to current HEMTT recap or HEMTT procurement. The HEMTT acquisition strategy was approved in April 2000.
4. In addition, I have reviewed and concurred with the following documents: 1) HEMTT RPB; 2) AAE/VCSA approved HEMTT Recapitalization Brief including the cost benefit and tradeoff analysis for the HEMTT recapitalization program; and the 3) Army Cost and Economic Analysis Center validation letter.

  
ROGER A. NADEAU  
Brigadier General, USA  
Program Executive Officer  
Combat Support & Combat Service Support



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
FINANCIAL MANAGEMENT AND COMPTROLLER  
109 ARMY PENTAGON  
WASHINGTON DC 20310-0109



REPLY TO  
ATTENTION:

07 MAR 2003

SAFM-CE

MEMORANDUM FOR THE PROGRAM EXECUTIVE OFFICER, COMBAT  
SUPPORT & COMBAT SERVICE SUPPORT (SSAE-CSS-HT), WARREN,  
MI 48397-5000

SUBJECT: Heavy Expanded Mobility Tactical Truck  
(HEMTT) Recapitalization Baseline Cost Sufficiency  
Review

We have reviewed the costs provided for the HEMTT Recapitalization Baseline (see attached table). We performed an Independent Cost Estimate to validate the HEMTT contract proposal since the methodology was not addressed. Transportation costs from the original locations to the plant were not included in the Baseline Cost Estimate. We estimated these transportation costs to be up to \$11.2 Million. ASA(ALT) needs to determine if these transportation costs have been funded. The submission provided a reasonable estimate of the total contract cost and was consistent with our independent cost estimate.

Per our agreement Assistant Secretary of the Army Acquisition, Logistics and Technology ASA(ALT) will examine the potential savings of the program and any potential supportability issues in Phase II. These issues will need further review and validation through an established ASA(ALT) O&S working group.

Point of contact Ms. Joanna Chan, SAFM(CES) (703)  
692-7397 or DSN 222-7397.

Robert W. Young  
Deputy Assistant Secretary of the Army  
(Cost and Economics)

Enclosures

CF:  
PM-HEMTT  
ASA (ALT), ATTN: SAAL-SI

Item	FY02	FY03	FY04	FY05	FY06	FY07	FY02-07	EPP	Total
RDTE	0	0	0	0	0	0	0	0	0
PA	77,000	214,700	172,446	148,400	187,550	329,200	1,129,296	743,000	1,872,296
New Vehicle	39,935	97,053	48,966	47,820	48,392	146,000	428,166		428,166
ESP(Rebuild)	37,065	117,647	123,480	100,580	139,158	183,200	701,130	743,000	1,444,130
Initial Spares					0	0	0		
TS									
OMA	5,100	1,000	900	900	700	600	9,200	0	9,200
Rebuild (OPS-29)	5,000	0	0	0	0	0	5,000	0	5,000
SDT	100	1,000	900	900	700	600	4,200		4,200
SSTS		0	0	0	0	0	0		0
SDO									
Total	\$82,100	\$215,700	\$173,346	\$149,300	\$188,250	\$329,800	\$1,138,496	\$743,000	\$1,881,496

	FY02 Program Acquisition Unit Cost	FY03 Program Acquisition Unit Cost
ESP		
Wrecker		\$206.2
ESP LHS		\$170.1
ESP Tanker		\$200.4

## INFORMATION PAPER

21 May 2003

SUBJECT: HEMTT RECAPITALIZATION changes since AAE/VCSA approval

1. Purpose: To provide a summary of the changes to the Heavy Expanded Mobility Tactical Truck (HEMTT) Recapitalization program since the AAE/VCSA approved the program 22 October 2001.

2. Facts:

a. The HEMTT RECAP Program was cut \$298.7M in the Fiscal Year 2003 (FY03) President's Budget (PB) and the FY04-09 POM. With the current funding the CATK Corps ESP will start back up in FY06.

- (1) PF 2.5 Cut \$222M and 1006 trucks over FY04-07
- (2) BES 2.2 Cut \$50M and 226 trucks in FY07
- (3) PBD 750 Cut \$26.7M and 133 trucks in FY04

b. Impacts of those cuts:

- (1) A reduction of 1,365 trucks since PB 03
- (2) The RECAP period for III Corps troops has been pushed from FY04 to FY08
- (3) 3ID (487 trucks) and 3ACR (133 trucks) are no longer a high RECAP priority
- (4) Reduces RECAP quantities to other designated high priority units (XVIII ABN Corps, USAR and NGB = 541 trucks total)
- (5) Does not "fix" (RECAP) NTC's HEMTT PREPOSITIONED fleet (204 trucks)
- (6) Industrial Base: Oshkosh Truck Corporation will incur a 50 percent reduction in their 20<sup>th</sup> Street Teardown Facility workforce due to the FY04-05 program cuts

c. In FY06 approximately 739 vehicles remain to be RECAP'ed to complete the CATK RECAP.

d. Today's PB04 procures:

- (1) 3,275 trucks to fill unit requirements
- (2) Meets USF requirements for SBCTs and PATRIOT BNs
- (3) Completes 1CD, 4ID, III Corps Artillery, 13<sup>th</sup> COSCOM, and III Corps Slice
- (4) Provides 1,446 trucks for distribution to high priority units

LTC Dwayne Morton/SAAL-SCS/604-7255