

EAMIP PROJECT NUMBER MR12

TITLE: Materiel Management System Feasibility Study

RESPONSIBILITY: Client for consulting study: MCB
Project Coordinator: EAMIP Coordinator

PRESENT SITUATION:

In 1979, an overall organization and management study was commissioned by the Department. One of the observations of this study was that the materiel management activities of procurement, warehousing and export shipping were segmented into several divisions within headquarters. In some cases these organizational arrangements were causing uneconomical use of resources including the inefficient use of specialized management personnel to address these activities.

As a result of this study the USSEA commissioned the Management Services Division to undertake a more detailed study of departmental materiel management activities. This study was completed in January 1980. Although some of the recommendations of the study were acted upon, it did not gain widespread support within the Department. A more recent factor contributing to the materiel management concerns has been the consolidation of foreign operations from other Departments with those of the Department of External Affairs. This has caused a significant increase in the workload of materiel management. There are also problems in the materiel inventory area. Procurement alone involves over \$15 million of expenditures annually, while warehousing and export shipping account for approximately another \$15 million. Although these are the two largest activities, there are also others.

In view of the previous concerns expressed about materiel management, the additional responsibilities resulting from consolidation, and the significant resource levels involved with this activity, a project to investigate the feasibility of improving the existing materiel management system is deemed to be warranted. The Department feels that there may well be an opportunity for specific savings as a result of this study. Personnel to undertake this study must have demonstrated specialist expertise in the materiel management field.

OBJECTIVE:

The clear, concise and comprehensive enunciation of materiel management activities and responsibilities within the department to allow maximum support for delivery of the departmental program, while complying with all rules and regulations governing materiel management.

GOAL:

The goal of this project is to:

1. Document the existing materiel management system within the Department. This includes review of existing documents, interviews in the department and comparisons with other materiel management systems;
2. Identify improvements which might be made to the existing system;
3. Recommend courses of action to implement these improvements with estimated cost and time requirements.