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DLA SUPPORT

in a

Global Materiel Enterprise



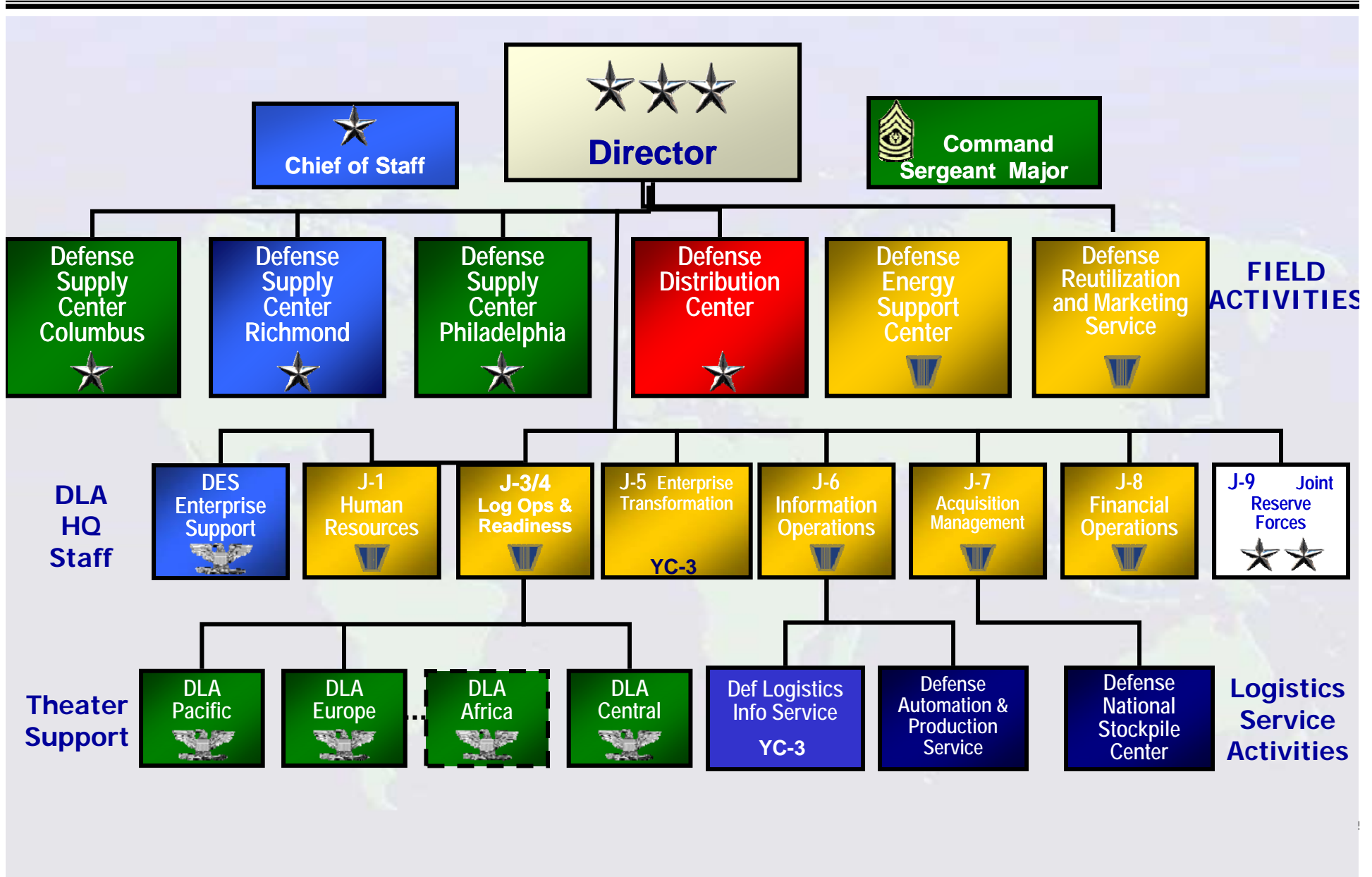
BG Patricia E. McQuiston
Commander, Defense Supply Center Columbus
Land and Maritime Demand and Supply Chains

Association of the United States Army
ILW Army Logistics Symposium & Exposition
17 June 2009



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DLA Organization





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Scope of Combat Support

- Provides 100% of Services'
 - Subsistence
 - Fuels
 - Medical supplies
 - Clothing & textiles
 - Construction & barrier materiel
- 95% of Services' repair parts
- Performs federal cataloging
- Supports new systems provisioning
- **Manages 3.8 million items via 8 supply chains**
 - 54,000 requisitions/day
 - 8,200 contracts/day
 - 25M annual receipts and issues
 - 133M barrels of fuel sold
 - \$14.6B annual in reuse/ disposals

#64 Fortune 500 - above Walt Disney
#3 in Top 50 Distribution Networks
*** 26 Distribution Depots**

worldwide





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DLA Business Model



The operating environment shapes warfighting and sustainment

Connected To Warfighter Demand

- BRAC
- DLA Forward
- Demand Planning and
- Collaboration

Single Point of Accountability

- DLA Commands
- 

Standard Processes & Systems

-  **EBS**
Enterprise Business System

Customized Solutions

- Performance Based Logistics
- Prime Vendor
- Wholesale-Retail Integration

Low Cost - Best Value

- Cost Reductions
- Reduce Rate



US TRANSPORTATION COMMAND



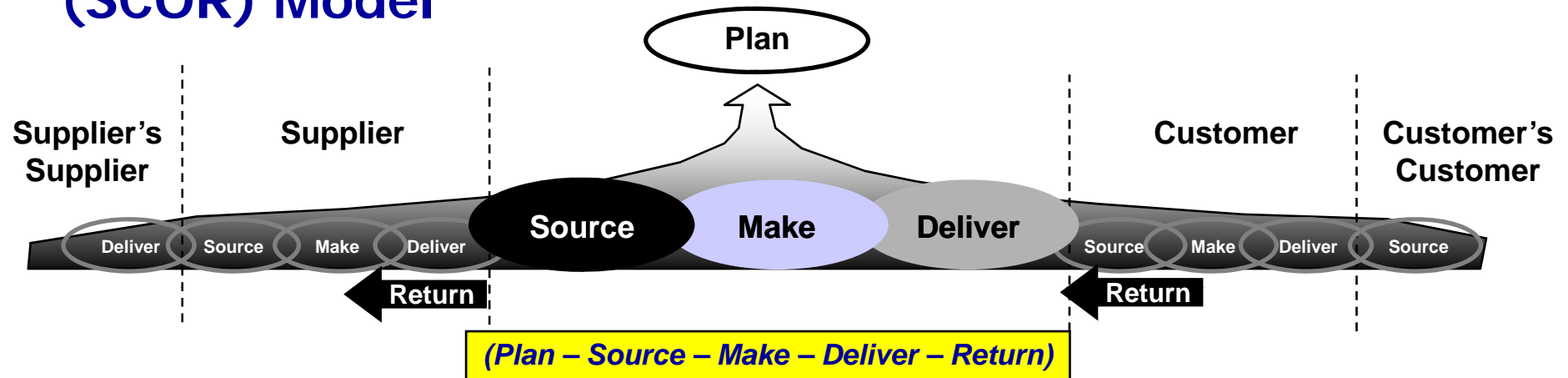
CONTRACTOR PARTNERS



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Supply Chain Operations Reference

(SCOR) Model



DLA Enterprise

- Perfect Order Fulfillment
- Demand Plan Accuracy
- Attainment to Plan
- Cost Performance

Service Needs

- USN/USMC: CASREPs
- USA: AOG, Reset, CCIR
- USAF: AAIP, MICAPs
- Material Avail, Unfilled Orders

Goal Congruence in a Global Materiel Enterprise



DLA Fusion Center Portal

James Stansbury

Home
Procurement
Orders / UFOs
Weapon Systems
Integrated Data Sheet
BRAC Map
Demand Planning Accuracy*
JRRIMM*
OEM Reps
Requisition
Procurement Scorecard*

Weapon Systems
Select Filter
Level: (All)
Service: Air Force
Leaf Center: (All)

Orders : SF - CFM

Customer Outcomes Tab

- Customer Targeted Outcome (CTO) metrics programmed into the Fusion Center Portal
 - Access to detailed status information and analysis by Service and weapon system
 - Links outcomes to each Supply Chain partner's contribution to those results

Summary Service Readiness Targeted Outcomes

Service Level Tickets Met by Priority

Month: Dec-07 Service: Air Force

System Type	Total	Green	Red
Aircraft	14	9	5
Engines	13	12	1

Customer Cell

Cell	Orders	MA	BB UFOs
Air Force FMS	14,304	77.41%	18,312
Ogden ALC	29,176	75.72%	24,385
Oklahoma City ALC	29,168	77.93%	19,653
Warner Robins ALC	19,892	81.84%	13,536
AF Operations	55,288	82.15%	30,540
AF/Civil Aviation	21,530	95.10%	3,218

Demand Planning (\$M)

Chain	Total Dmds	Total Fcst	Over Fcst	Under Fcst
Aviation	\$163	\$232	\$102	\$33
Land	\$9.2	\$14	\$6.5	\$1.7
Maritime	\$60	\$66	\$38	\$12
C & E	\$054	\$1	\$07	\$32
Total	\$232.254	\$322.1	\$146.57	\$47

Supply Chain Partner

Chain	Orders	MA	BB UFOs	BB IPG 1	BB > 100
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Service Summary Page

F-15 Summary

Weapons Systems Summary Page

F-15 - Mountain Home FB4847

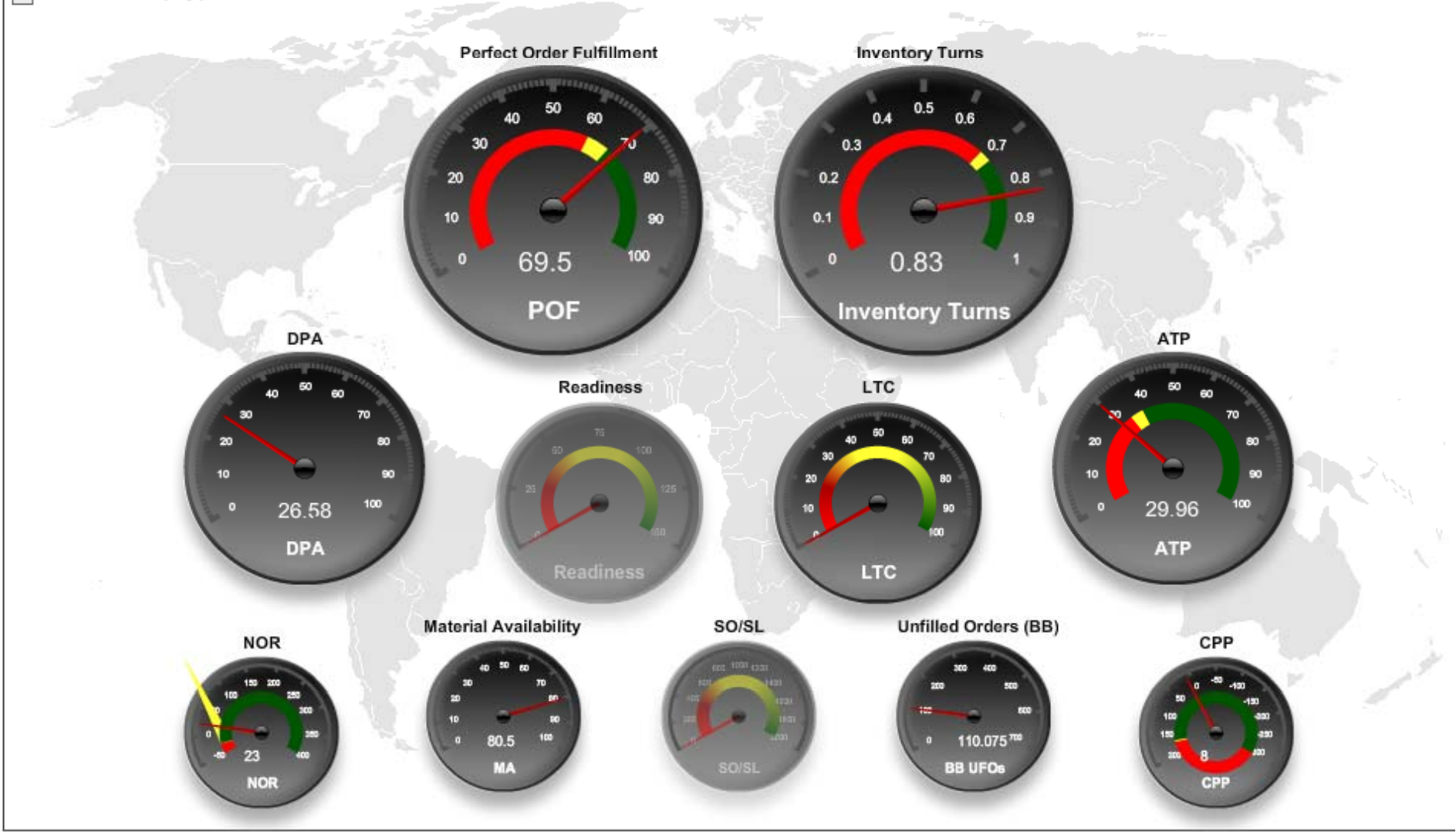
MICAP Period Hours

Unit Drill Down Summary Page

Fusion Center Dashboard

Enterprise Performance Review - Reporting Month: Apr-09









Click here to display previous month values





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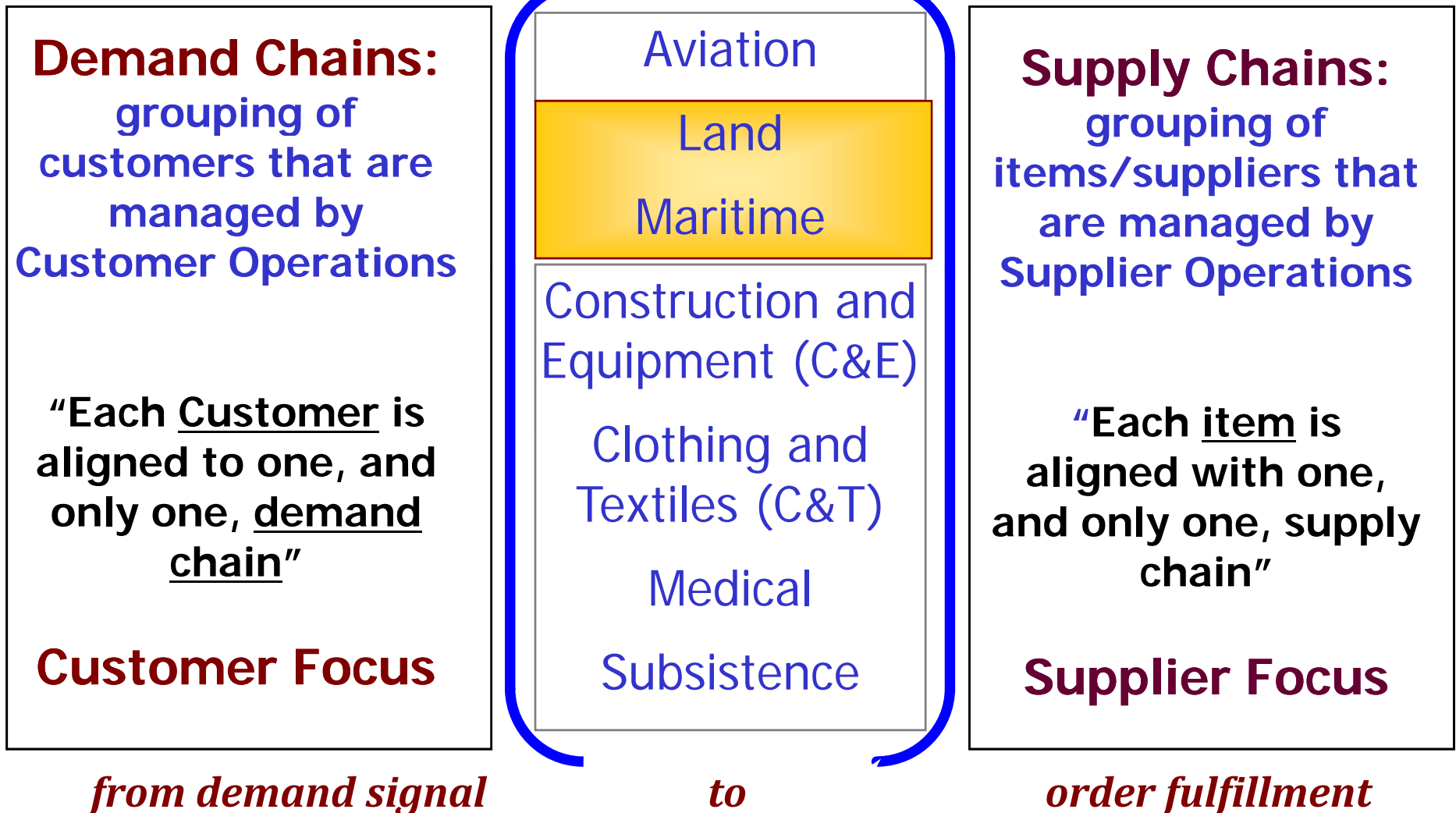
DLA Demand and Supply Chains

Aviation	Land	Maritime	C&T	Medical	Subsistence	C&E	Energy
<i>Richmond</i>	<i>Columbus</i>		<i>Philadelphia</i>			<i>Ft. Belvoir</i>	
<ul style="list-style-type: none"> • Aviation Original Equipment Manufacturer (OEM) Items • Engines & Airframes • Aviation Supply Chain Commodities 	<ul style="list-style-type: none"> • Gun Parts • Automotive Parts • Batteries • Nuts & Washers • Converters 	<ul style="list-style-type: none"> • Valves/Hardware • Fluid Handling - Pipes/Tubing - Compressors - Pumps • Electronics • Motors • Packing/Gaskets • Wire & Cable • Electrical Connectors 	<ul style="list-style-type: none"> • Recruit Clothing • Organizational Clothing Equipment 	<ul style="list-style-type: none"> • Pharmaceutical • Medical/Surgical Equipment 	<ul style="list-style-type: none"> • Institutional Feeding • Operations Rations • Produce 	<ul style="list-style-type: none"> • Construction • Equipment 	
Enterprise Business System (EBS)							FAS



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Demand and Supply Chains



the magic happens in the middle




DSCC Leadership Team



 **Deputy Commander**
Mr. James McClaugherty, SES



 **Commander**
Patricia E. McQuiston, BG



 **Executive Director, Contracting & Acquisition Management**
Mr. Milton K Lewis, SES

Currently deployed as the DLA Support Team Commander at Camp Victory, Iraq



Chief of Staff
Col Daniel K. Hicks, USAF
Mr. Griff Warren, Deputy



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DSCC Leadership Team



Land Customer Ops
COL Carl D. Bird, USA
Mr. Eugene Williams, Deputy



Land Supplier Ops
LTC(P) Ryan B. Kivett, USA
Mr. Ben Roberts, Deputy



Maritime Customer Ops
CAPT James Patton, USN
Ms. Deborah Haven, Deputy



Maritime Supplier Ops
CAPT Roland G. Wadge, USN
Ms. Patricia A. Shields
CDR David Peters, Deputies

Land Supply Chain

Maritime Supply Chain



DLA Warren
Ms. Ellen Dennis

DLRs



DSCC Philadelphia
Mr. Roger Dixon



DLA Mechanicsburg
Mr. Doug Nevins

DLRs



DLA Norfolk
CDR Bill Nash

Supply Storage & Distribution



Puget Team
CDR Chris Anderson



DSCC Business Profile

Our People

- 2,147 Civilians; 64 Active Duty; 43 Reservists; 168 Contractors; 212 Interns

Scope of Business

- 6.7M requisitions
- 707K contracts/year
- 1,900 contracts at \$7.8M/day
- 2.1M NSNs
- 1,400+ weapon systems
- 145,000+ customers
- 7,000+ suppliers

Sales Trend

- FY06: \$2.9B; FY07: \$3.2B; FY08: \$3.5B

Sales by Supply Chain

- Land: \$1.8B; Maritime: \$1.7B
- Foreign Military Sales: 90 nations; \$280M in sales

FY09 Depot Level Reparables

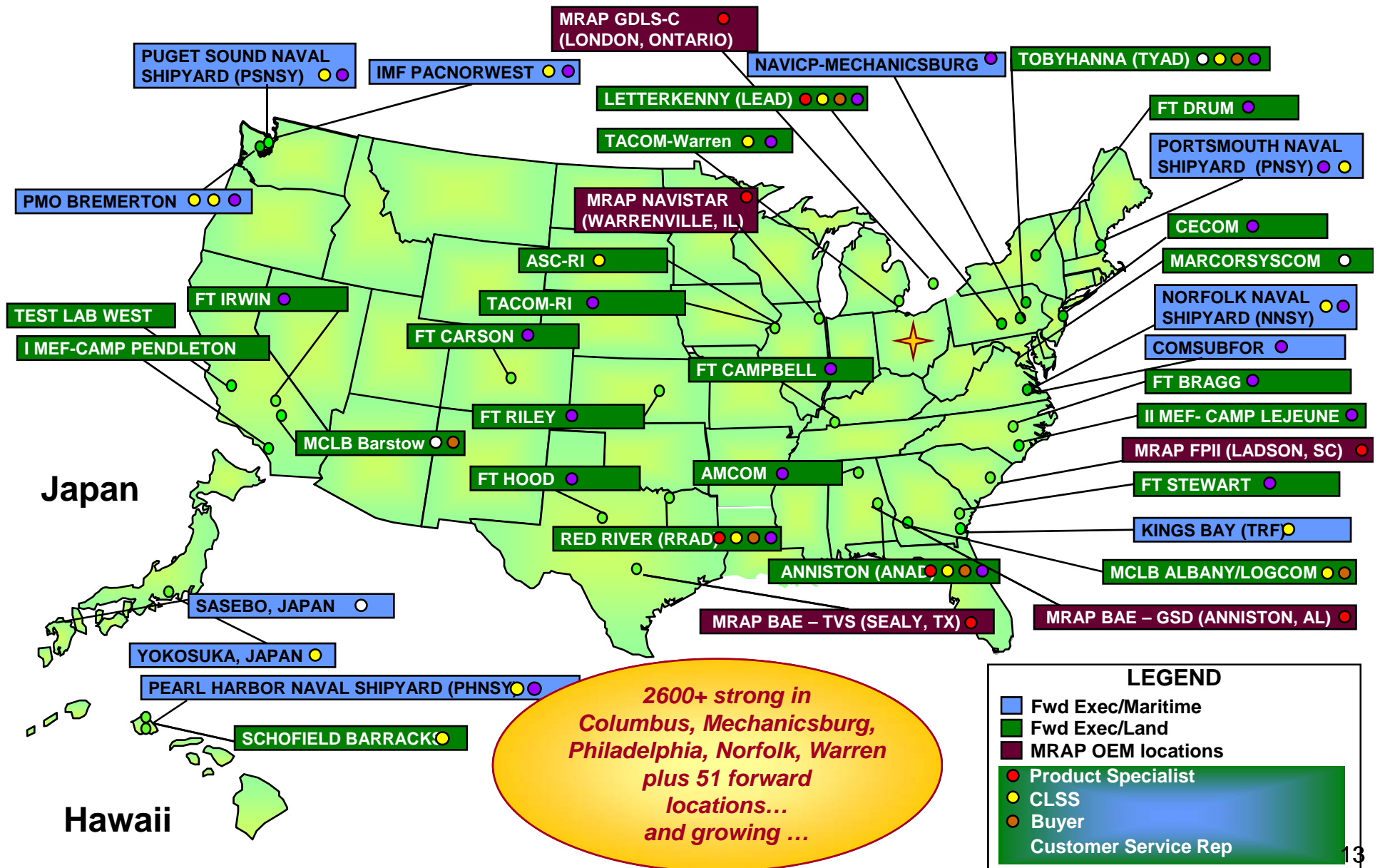
DLA-Mechanicsburg: 7,400
contracts valued at \$240M
supporting NAVICP

DLA-Warren: 800 contracts
valued at \$195M
supporting TACOM



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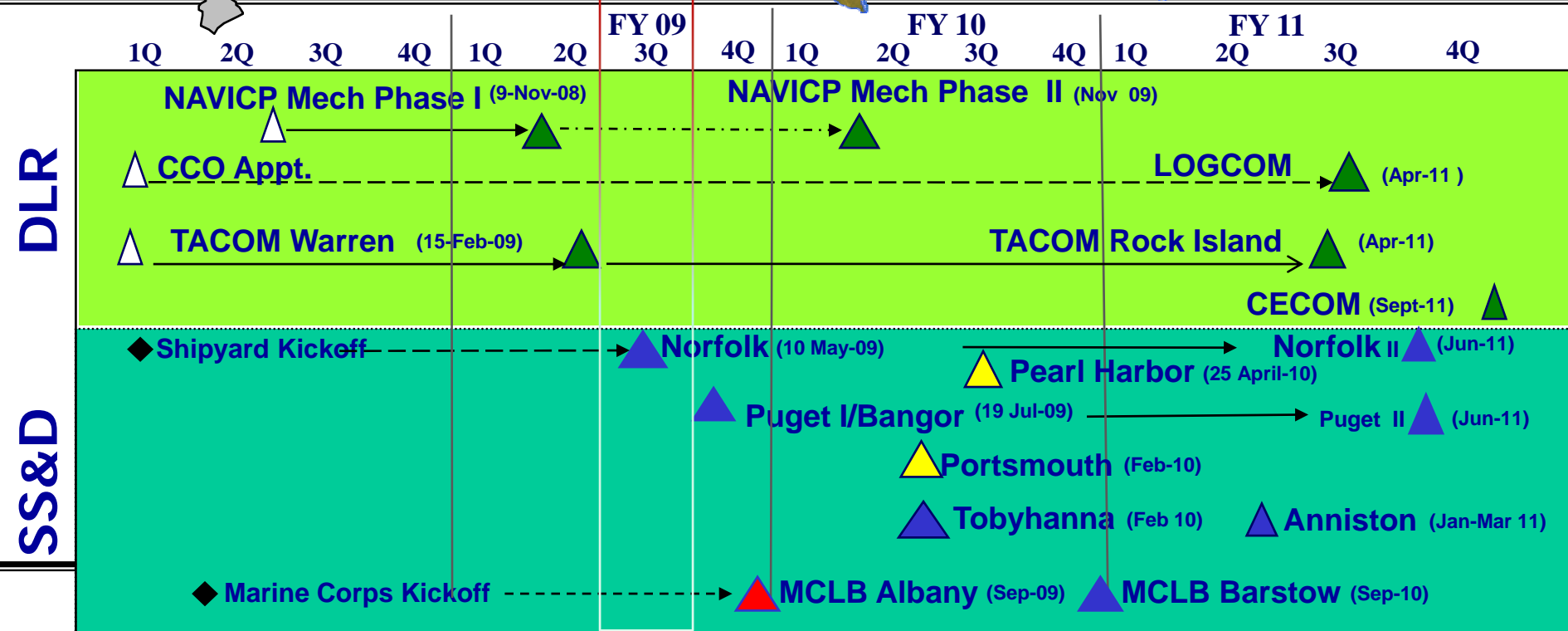
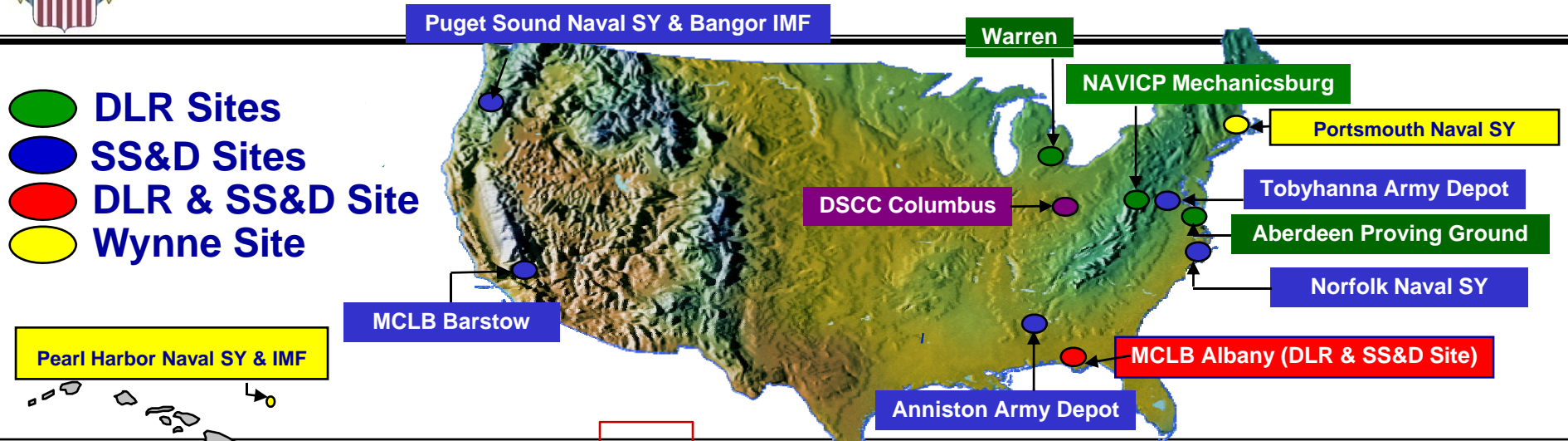
Forward Execution





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DSCC BRAC/Wynne Sites





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Supporting Rapid Acquisition

Four Procurement Avenues of Approach

1. Acquire whole supply chains

- Privatization: Tires, Gases, POL, Subsistence Prime Vendor
- **Microelectronics**
- **Batteries**

2. Where an end-to-end supply chain does not exist, acquire and integrate supplies and services

- PBL arrangements, Integrated Logistics Partnerships, Industrial Product Support Vendors

3. Where integration services are not required, acquire strategic material with flexible response

- Long-term contracts with performance requirements, strategic supplier alliances

4. For non-strategic material: transactional buys



1. Acquire whole supply chains

Tire Privatization

Providers: Michelin North America, Inc. & Michelin Aircraft Tire Company
5 year contracts (currently at the beginning of year 3)
Fixed price per tire supplied
Annual increase based on economic price adjustment (10% CAP)

Contract Requirements:

- Worldwide Supply Chain/Inventory Management
- Inventory drawdown/elimination
- Obsolescence Management
- **Industrial Base Maintenance**
- Customer Support
- Time Definite Delivery
- Service Tailored Support
 - Land/Army
 - Aircraft/AF and Army
 - Landing Cost Index Program
 - Retread
 - Scrap Disposal

Time Definite Delivery Standards			
CAT**	CONUS	OCONUS	Conflict Support
1	2	8	3*
2	5	12	6*
3	10	30	12*
Expedited	2*	5*	

...next efforts are microelectronics and batteries...



Integrated Logistics Partnerships

2. Acquire & integrate supplies and services

aka Customer Pay



Demand forecasting and problem prevention was poor – daily “war room” to fix issues

Multiple parts missing on vehicles

“G” Coded vehicles expensive to fix

Depot challenges:

- Uncoordinated, and multiple sources of supply
- Had to resource buyers and expeditors
- Took many depot resources to order, receive, store, fabricate, and move stock to the production line



2. Acquire & integrate supplies and services

After Customer Pay

Defense AT&L Article – Jan-Feb 2009

“ Before Customer Pay, we went for about three months without producing a single vehicle that had 100 percent parts. Today, we go about three months without a single vehicle missing a single part.”

--Dr. John Gray

Sales Data	DLA	AMG	TOTAL
MARCH	\$13.7 M	\$6.6M	\$20.3M
APRIL	\$13M	\$5.5M	\$18.5M
MAY	\$11M	\$7M	\$18M

MAY 09

Availability: 99.99999%

**Cost Savings: RRAD \$1,582,000
LEAD \$1,102,722**

...next efforts are USMC and other TACOM fleets...



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Fleet Automotive Support Initiatives (FASI)

2. Acquire & integrate supplies and services

- **FASI-Regional**

- **Program Benefits**

- Customer-focused contracts by region for Army and USMC CONUS bases
 - Shared DLA and contractor management of supplies
 - Supply chain management, parts acquisition, forecasting, obsolescence management, quality assurance and customer service reps
 - Reduced government inventory investment, customer costs, and administrative lead time

Inventory holding costs avoided \$37.8M

- **FASI-Global**

- **Program Benefits**

- 100% contractor management of supplies
 - Reduces DLA inventory investment and customer costs
 - Improved end-to-end supply chain visibility
 - Supply chain management, parts acquisition, forecasting, obsolescence management, quality assurance, and customer service reps
 - **Shared Savings Clause**

Savings Due to Improved Pricing: \$37.7M Annually



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Industrial Product Support

2. Acquire & integrate supplies and services

Integrated logistics solution for **line-side bench stock** at:

Anniston Army Depot
Red River Army Depot
Tobyhanna
and Letterkenny Army Depots

Program Goals:

- Improved reliability and responsiveness
- Supply Chain Management, Parts Acquisition, Bin Management,
- Forecasting, Obsolescence Management, Customer Service Reps, Kitting, and Quality Assurance
- Single point accountability
- **99.85% Bin Fill Rate**

...next efforts are umbrella contract to implement more rapidly at other locations...



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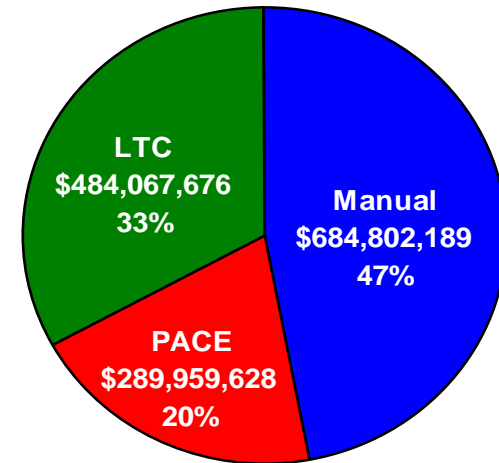
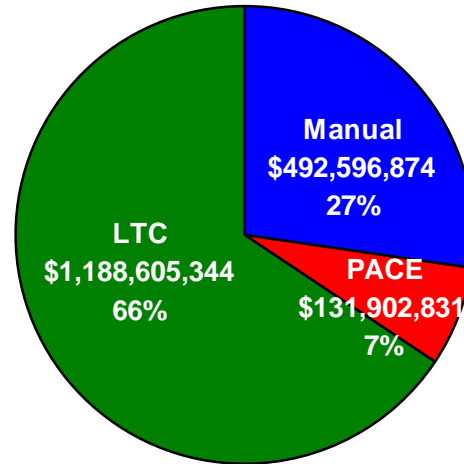
DSCC FY08 Contract

3. Establish long-term contracts

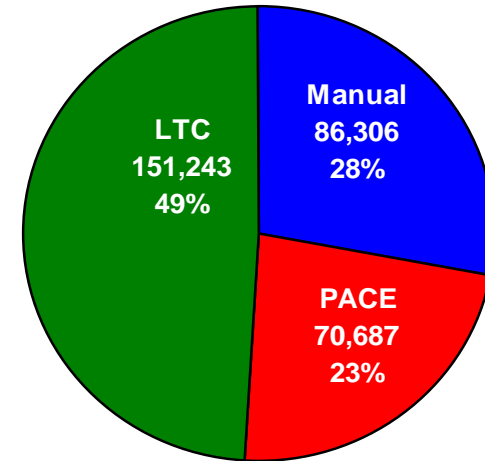
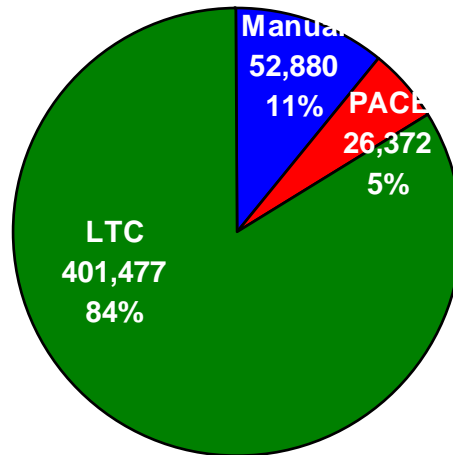
Land Suppliers

Maritime Suppliers

Dollars



Award Actions



LTC = Long Term Contracts

PACE = Procurement Automated Contracting Evaluation



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Top DLA & MILSVC Suppliers

3. Establish long-term contracts

Synergy across Military Services – opportunities to leverage DoD buying power

Military Service Top Vendors (2003-2005)

DLA Strategic Partners	Air Force	Army	Navy	Marine Corps
General Electric	General Electric	Goodyear	General Electric	Canadian Commercial Corp
Boeing	United Technologies	AM General	Bell Boeing Joint Project Office	Raytheon
Textron	Dynamic Gunver Technologies	Boeing	Boeing	Ronal Industries
Oshkosh	GKN Aerospace	Lockheed Martin	Sikorsky	Rodelco Electronics
Honeywell	Rolls Royce	Oshkosh	All Tools Inc	Mantech Systems Engineering
Rolls Royce	Parker Hannifin	Purdy Corp	Raytheon	Lockheed Martin
AM General	Kaiser Electronics	Honeywell	Lockheed Martin	L-3 Communications
Goodrich Corp	Northrop Grumman	General Electric	Bell Helicopter/Textron	Northrop Grumman
Parker Hannifin	Raytheon	Bell Helicopter/Textron	Hamilton Sundstrand	Centron Industries
Sikorsky	Goodrich Corp	DRS Electronics	Rolls Royce	Wendon Company
Hamilton Sundstrand	Hamilton Sundstrand	General Dynamics	Canadian Commercial Corp.	Carleton Life Support Systems
Dresser Rand	CFM International	Raytheon	Northrop Grumman	Harris Corp
Eaton Corp	BAE Systems	Pacific Harness and Cable	BAE Systems	Detroit Diesel
Canadian Commercial Corp	Honeywell	Sikorsky	United Technologies	Oshkosh
Pratt & Whitney	Boeing	CE Nehoff & Co	L-3 Communications	Aegis Power Systems
Northrop Grumman	AAR Parts Trading Inc	Fenn Manufacturing		Communications & Power Industries
Lockheed Martin	EFW Inc	Hutchinson Industries		Sensis Corp
General Dynamics		GTA Containers		System Technical Support Corp
BAE Systems		Cummins Inc		General Dynamics
Smiths Aerospace				
Raytheon				
Moog				
United Defense LP/BAE				
Alcoa Global Fasteners				
Aircraft Braking Systems				
Warren Pumps				
Avibank				
York				

Significant Overlap in Top Suppliers

- DLA Unique**
- Air Force Unique**
- Army Unique**
- Navy Unique**
- Marine Corps Unique**
- DLA/Military Service Common Supplier**



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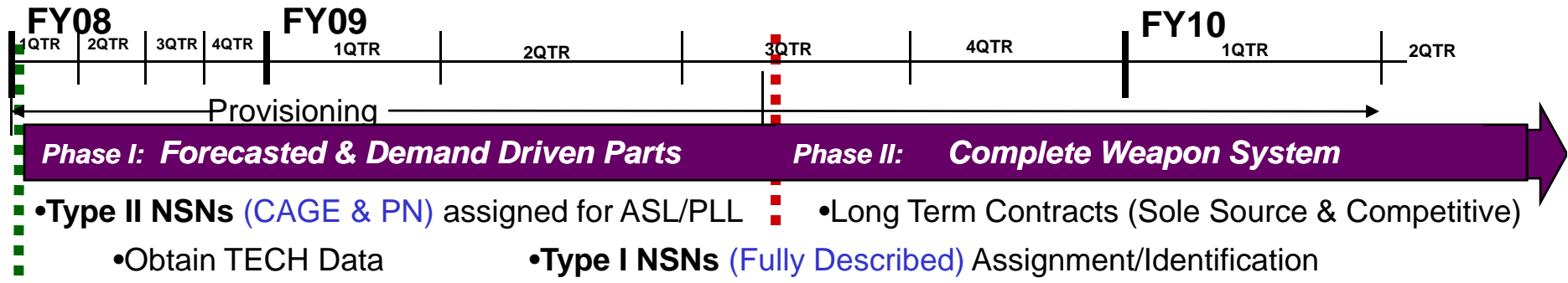
DLA Support to MRAP

4. Transactional buys → LTCs

We broke the mold in provisioning and sustainment

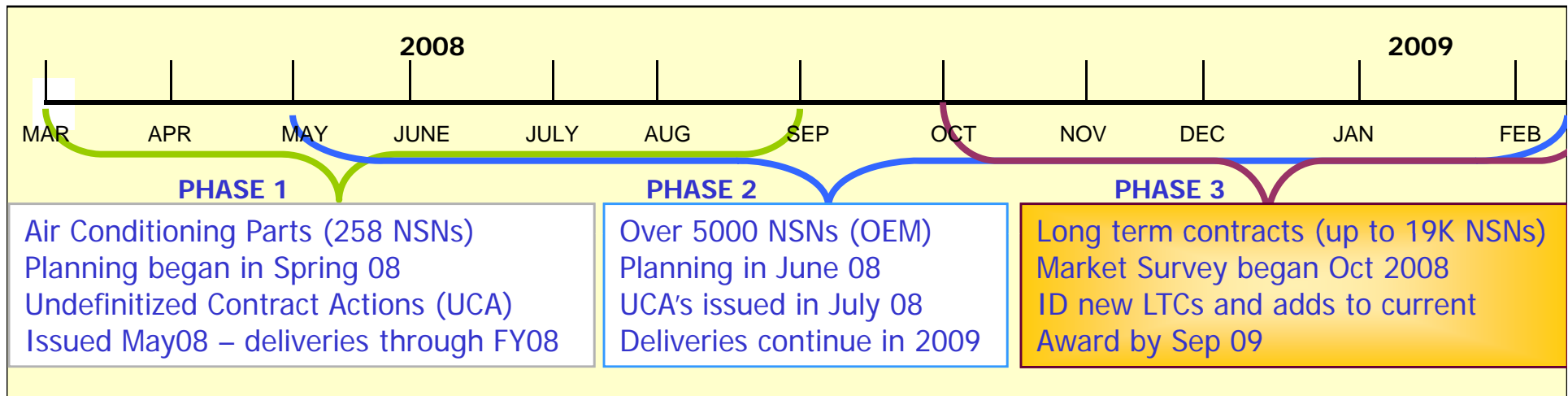
Parts Support Strategy: **Original Plan** vs **Actual**

Incremental CLS transition to organic, based on NSN assignment and theater requisitions



Army G4 direction: Enable units to order via NSN using tactical STAMIS

Organic Supply System (MILSTRIP) NSN Requisitions





DLA MRAP Team

156 dedicated to MRAP



Customer Side

- COL Carl Bird & Eugene Williams (Land DCO)
- LTC Joan Sweeny, Land Readiness Room
- (with team of 7)



MRAP Program Mgt.

- Dan Bohn, PM
- John Dreska, Dep PM
(with Team of 6)

Don DiGuardi (SCPOC)



DLIS Management

Team of 5



DDC/DDRT Support

Team of 5

DDC Troop

Team of 2



Deployed DLA Support Teams (DST)

- Iraq (OIF)
- Afghanistan (OEF)
- Kuwait



DLA FWD

Team of 2

Cherokee Buy Team

Team of 20



Matrixed Support

Team of 10

DLIS DST Spt

Team of 2

MRAP IST – Support Div

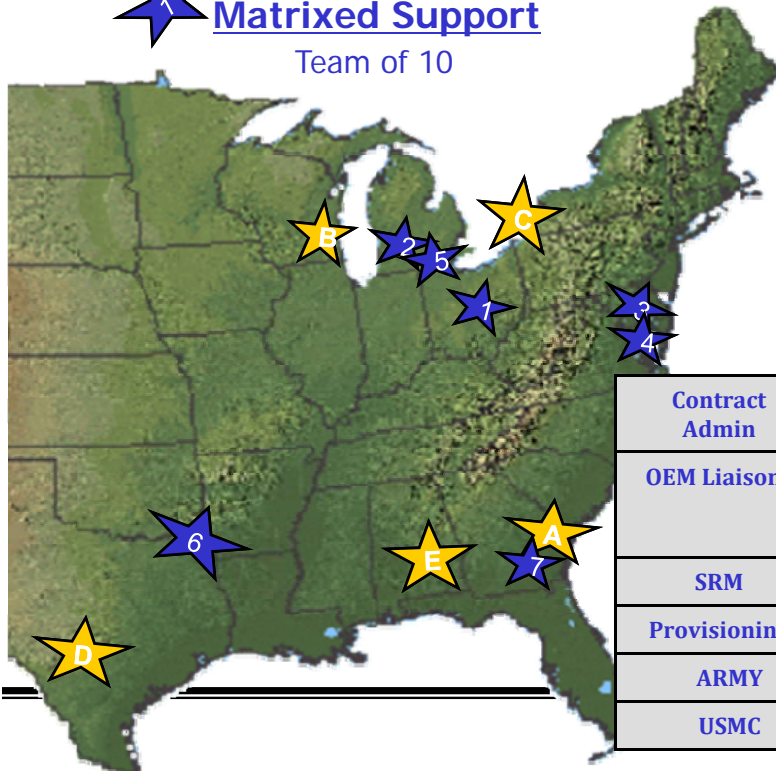
Team of 51

LTC Team

Team of 4

Contract Admin. Team

Team of 15



	FPII	Navistar	GDLS-C	BAE-TVS	BAE-GSD
Contract Admin	A Gina Robinson	B	C Shelia Robbins	D	E Linda Combs
OEM Liaisons	Darrell Kem	Cheryl Abercrombie-Beckett	MSGT Mike Luetkeman	TBD	Delores Gang
SRM	Pauline Buck	Pauline Buck	Pauline Buck	TBD	Pauline Buck
Provisioning	Tom Stoner	TBD	Ken Glidden	TBD	Rick Bailey
ARMY	Rob Osborn	Terry McArthur	Yvonne Bozek	Sue Pavlak	Marsha Christoph
USMC	Tom Stoner				

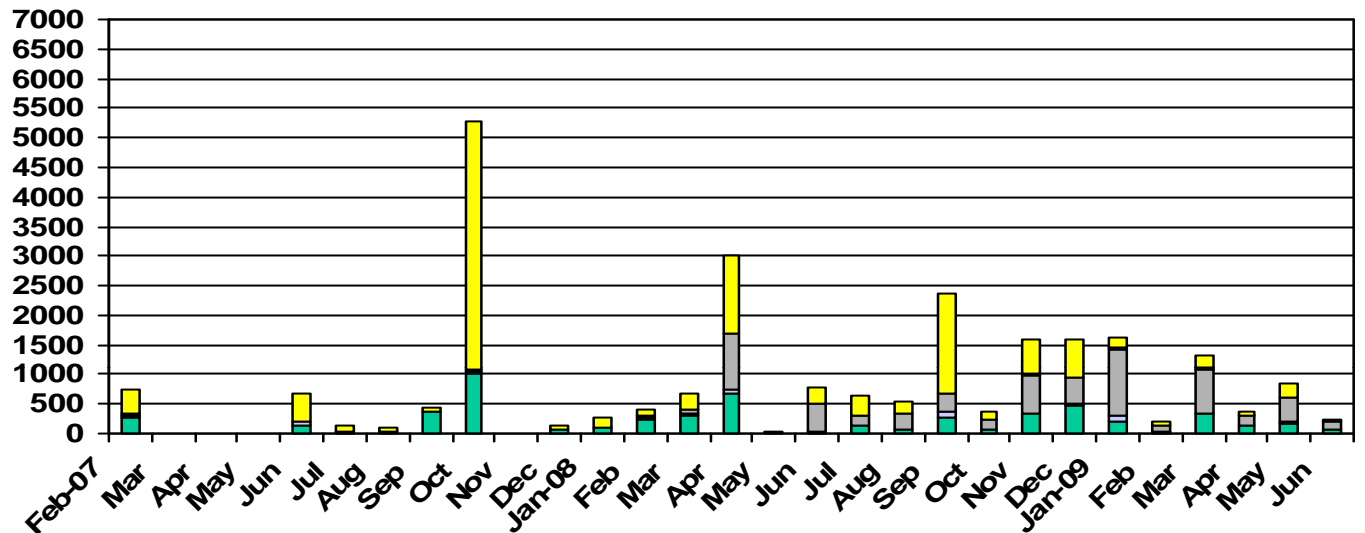


NSN's Identified as MRAP over time

Of the 23,649 MRAP NSN's

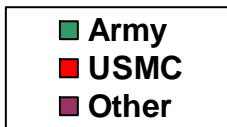
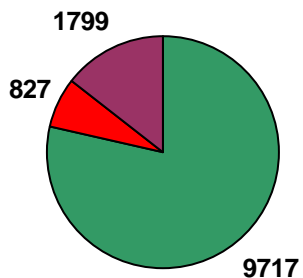
JUN09

1.8K NIINs removed, 77% are Obsolete Parts

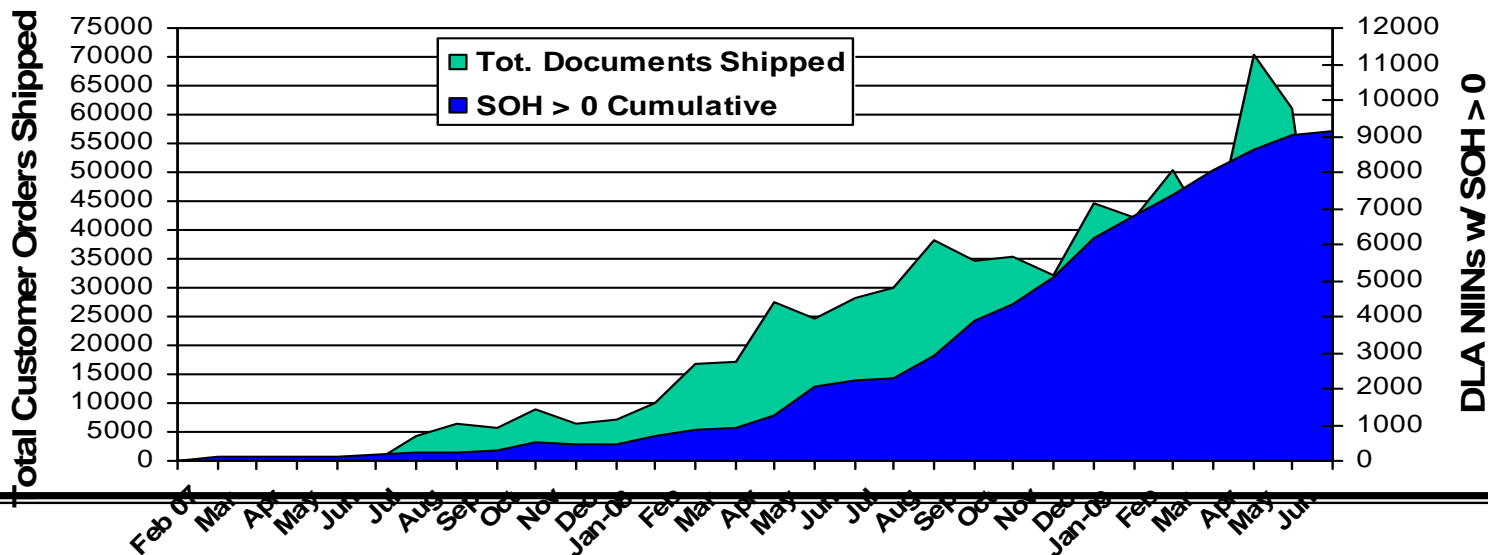


9,141 w/ SOH

Orders Shipped



Cumulative DLA Inventory Build Over time





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MRAP Readiness Tracker

(Internet Based Tool)

Benefits:

- Early Detection of NMC Drivers
- Facilitates E-Buy Management
- Detailed History of NMC Parts
- Collaboration Tool
- Performance Tracking

Weekly Inputs:

- MRAP 026 (OIF & OEF)
- MERIT USMC NMC DOCS

Users:

- Army, Navy, AF, & Marines
- DLA DSTs & DLA PM MRAP

Phase 2 Improvements:

- Feed of RFID Tracking Data

Part: Nomen: Dog Door Hatch (Example)

DEFENSE LOGISTICS AGENCY
Clothes - The Warfighters Logistics Combat Support Agency

Readiness Tracker - Search

[Home](#) | [Search](#) | [Import](#) | [Export](#) | [Help](#)

[New Requisition](#)

Quick Search by NIIN, Document, or Vehicle Serial Number

NIIN: Requisition: Serial Number:

Show Archived & Recon Dropped

Requisition	NIIN	RT Status	Date Added	Primary POC	Serial Number	OEM Project
W9117P83260061	015659312	Shipped	12/19/2008		9J061014	
W91TG191050392	015659312	Shipped	04/20/2009		8J672710	
W91XGF90360201	015659312	Shipped	02/18/2009		WEADR68J672535	
W91ZKW83282617	015659312	Shipped	12/01/2008		TWEAZR09J061099	
W91ZKW90880660	015659312	Shipped	04/06/2009		TWEAZR79J060743	
W91ZKW91220275	015659312	Shipped	05/18/2009		39J699807	
W9117P82760147	015659312	Recon Dropped	10/27/2008		DR68J699699	
W9117P82780032	015659312	Recon Dropped	10/27/2008		DR19J699773	

NIIN Data							
SOS	SMS	SOH Condition A	No Data	WSDC	UNIQUE	Total BO Lines	No Data
Supply Chain	Aviation	SOH All Other	No Data	Lean Forward Date	LEAN FWD 15OCT08R	Total BO Qty	No Data
ICP	Richmond	Supply Planner	6XD9211	WS Associations		Profit Center	0001011344
Item Name	DOG,DOOR/HATCH	AAC	D	KT DI	1107	PR DI	11943.80

Requisition Data						
Doc	Qty	Priority	RDD	Project Code	Status	Status Code
W91TG191050392	1	02	999	9GJ	Shipped Closed	SS

	Cage	PN	Category CD	Var CD	Vendor POC
Select	338X5	3113582C1L	3	2	NAVISTAR DEFENSE LLC
Select	SB320	5340000369-00	5	2	WATO PROGRESS K.K.

Promotes Fast Triage for DLA MRAP Critical Parts



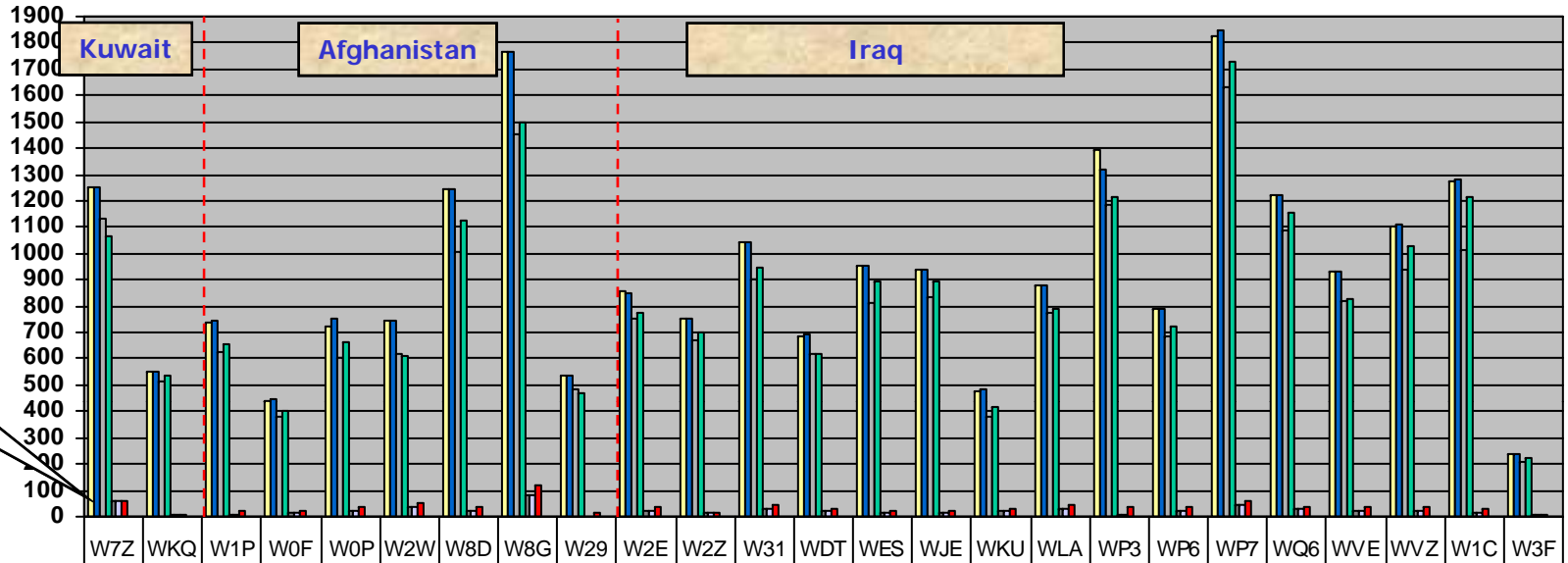
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MRAP Sustainment

DLA MRAP NSNs & Army SSA Statistics

as of 11 Jun

SSA Supporting Scorpion Cascade



RO > 0 (DLA MRAP 01 Jun 09)	1249	553	739	439	725	744	1247	1763	535	858	749	1040	689	952	938	478	878	1394	792	1827	1219	932	1103	1272	237
RO > 0 (DLA MRAP 08 Jun 09)	1254	553	742	444	756	744	1245	1767	535	853	752	1044	691	951	936	484	879	1316	791	1851	1223	929	1108	1278	241
RO > 0 (DLA MRAP SOH > 0)	1133	517	629	380	602	619	1003	1456	484	754	672	900	620	815	838	380	777	1186	682	1629	1091	822	939	1013	211
RO > 0 (SSA Q_OH > 0)	1067	535	656	401	661	610	1124	1501	468	778	703	943	617	896	895	419	787	1216	726	1729	1153	829	1026	1216	224
RO > 0 ZBal w/Due Out	59	4	10	17	26	39	26	81	0	26	12	30	23	16	14	20	28	7	25	43	29	24	25	13	8
RO > 0 ZBal w/Due In	59	4	10	17	26	39	26	81	0	26	12	30	23	16	14	20	28	7	25	43	29	24	25	13	8
Where DLA SOH = 0	60	5	26	21	37	51	36	121	15	37	17	46	32	21	20	31	41	35	36	61	34	37	35	29	9
% ASL Zero Balance	15%	3%	12%	10%	13%	18%	10%	15%	13%	9%	7%	10%	11%	6%	4%	13%	10%	8%	8%	7%	6%	11%	7%	5%	7%
% ASL Zero Bal w/DO	5%	1%	1%	4%	3%	5%	2%	5%	0%	3%	2%	3%	3%	2%	1%	4%	3%	1%	3%	2%	2%	3%	2%	1%	3%

DA Standard is 8%

■ RO > 0 (DLA MRAP 01 Jun 09)
 ■ RO > 0 (DLA MRAP 08 Jun 09)
 ■ RO > 0 (DLA MRAP SOH > 0)
■ RO > 0 (SSA Q_OH > 0)
 ■ RO > 0 ZBal w/Due Out
 ■ RO > 0 ZBal w/Due In
■ Where DLA SOH = 0
 ■ % ASL Zero Balance
 ■ % ASL Zero Bal w/DO

280 SSA Zero Bal DLA MRAP NIIN's where SSA RO > 0

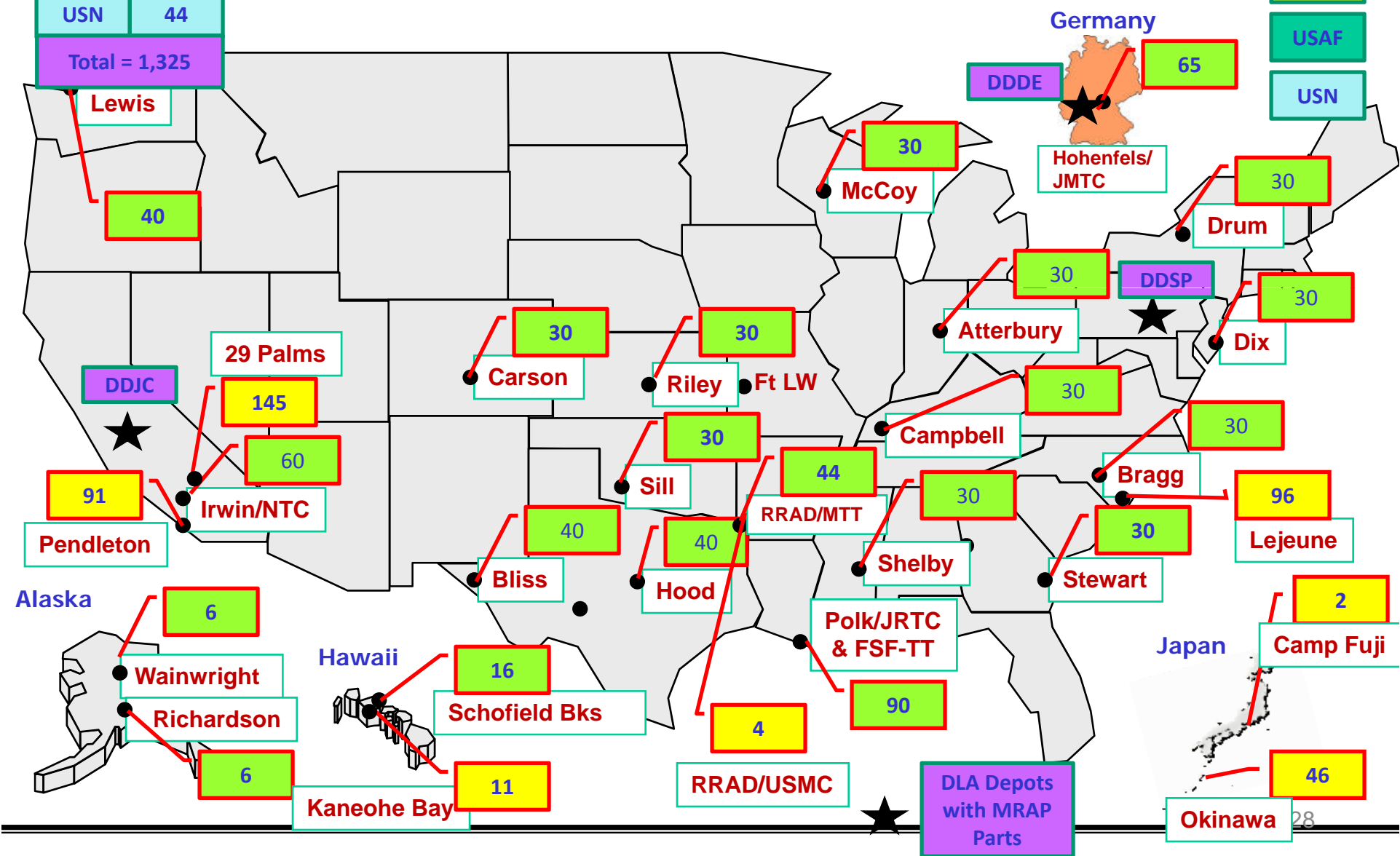
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Army/Marine Corps MRAP Home Station Training

KEY

USA	737
USMC	395
USAF	149
USN	44
Total = 1,325	

USA
USMC
USAF
USN





Organic Manufacturing

5. Organic sources

Why use Organic Manufacturing?

- Contractor Performance History
- No-source/No offers received
- Non-responsive
- Technically unacceptable
- Previously made by an organic
- Emergency Supply Operation Center
- Diminishing Manufacturing Source

Rules:

- Must have approved Organic source
- Public (organic) and Private sources can not compete against each other for awards!

Exceptions:

- Price: quoted price is formally determined to be unacceptable.
- Delivery: quoted delivery time frame does not meet customer requirements.

Army Industrial Sites Supported

Anniston Army Depot

Letterkenny Army Depot

Red River Army Depot

Tobyhanna Army Depot

Joint Manufacturing & Tech Center

.....

Army Organic Contracts FY08

JMTC: 23 Projects, \$6.5M

ARDEC: 1 Project, \$1.9M

Army Organic Sites FY09

JMTC: 11 Projects, \$2.6M

ARDEC: 5 Projects, \$72K

TYAD: 1 Project, \$7K

*Examples: M2 machine gun parts,
other small arms,
wiring harnesses and cables*

Intent: Use Organic Manufacturing capabilities to solve critical supply issues on troubled NSNs.



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Personal Lessons Learned

- **Early and continuous collaboration on requirements pays off**
- **Understanding supply chain roles and responsibilities is critical (e.g., engineering support, cataloging, provisioning)**
- **Aligning metrics among DLA, TRANSCOM, the Services, and Suppliers is the path to continuous improvement of the end-to-end supply chain**
- **Post award actions for privatization, ILP, and IPV-type contracts requires program management structure**
- **Stay inextricably linked with warfighting and industrial activities requirements and routinely translate those to Suppliers**

Supply Chain TTP = Trust, Transparency, and Partnering




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Opportunities in DLA



- **20,805 Civilians**
- **519 Active Duty Military**
- **754 Reserve Military**
- **Located in 48 States/28 Countries**



*We Support our Warfighters by Providing the Means
to Take the Fight to the Enemy and Win*

*Every DLA Employee, from
the Factory Floor to the Board Room. . .*

*. . . Provides the Difference to ensure
Mission Success*



DEFENSE LOGISTICS AGENCY

**SUPPORTING
MISSION SUCCESS**