

# Collaborating for Mission Success



**Michael Scott,  
Deputy Director,  
Logistics Operations,  
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# DEFENSE LOGISTICS AGENCY

THE NATION'S COMBAT LOGISTICS SUPPORT AGENCY



**Collaborating for  
Mission Success**

**Mr Michael Scott**  
**Deputy Director, DLA Logistics  
Operations**  
**Oct. 18, 2018**



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# America's Combat Support Agency

## DLA BY THE NUMBERS

- **\$35.3B** in Revenue
- Over **\$10B** in Small Business
- **\$4.2B** in support to **40+** Federal Agencies
- **\$1.4B** in Foreign Military Sales
- **~100%** DOD Services' Consumables
- More than **12K** Suppliers
- **9K** Awards per day
- Manage **5.2M** line items
- **\$272B** Active Contracts Managed
- **27K** Workforce, **2K** Located Forward
- Presence in **46** States & **28** Countries
- **766 sites** co-located with customer

## END-TO-END GLOBAL SUPPLY CHAIN MANAGEMENT (9 Supply Chains)

TROOP SUPPORT	LAND AND MARITIME	AVIATION	ENERGY	DISTRIBUTION	DISPOSITION SERVICES
PHILADELPHIA, PA	COLUMBUS, OH	RICHMOND, VA	FORT BELVOIR, VA	NEW CUMBERLAND, PA	BATTLE CREEK, MI
 <p>Global Supply Chains: Subsistence, Medical, Clothing &amp; Textiles, Construction &amp; Equipment, and Industrial Hardware</p> <ul style="list-style-type: none"> <li>• \$15.6B Revenue</li> <li>• 51K+ Customers</li> <li>• 3 Locations</li> </ul>	 <p>Repair parts for ground-based and maritime systems</p> <ul style="list-style-type: none"> <li>• \$3.5B Revenue</li> <li>• 13K+ Customers</li> <li>• 2K weapon systems</li> <li>• 8 Locations</li> </ul>	 <p>Repair parts for aviation systems, nuclear systems, maps &amp; Industrial Plant Equipment</p> <ul style="list-style-type: none"> <li>• \$4.6B Revenue</li> <li>• 13K+ Customers</li> <li>• 2K weapon systems</li> <li>• 19 Locations</li> </ul>	 <p>Global fuel and comprehensive energy solutions</p> <ul style="list-style-type: none"> <li>• \$9.8B Revenue</li> <li>• 4K+ Customers</li> <li>• 602 Fuel Locations</li> </ul>	 <p>Global storage and distribution solutions</p> <ul style="list-style-type: none"> <li>• \$745M in Revenue</li> <li>• 243K+ Customers</li> <li>• \$105B in Inventory</li> <li>• 43 Locations</li> </ul>	 <p>Global solutions for disposal of excess property</p> <ul style="list-style-type: none"> <li>• \$323M Revenue</li> <li>• 31K+ Customers</li> <li>• Reutilization: \$2.5B</li> <li>• 89 Locations</li> </ul>
BUY			DISTRIBUTE		DISPOSE

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# Worldwide Support

People, Products & Services Positioned Around the World to Remain Ready and Responsive to the Warfighter & Our Customers



## RESPONSIVE NETWORKS

- Robust Liaison Network
- Suppliers: 12K+ vendors
- Fuel: 662 Contracts in 51 Countries
- Acquisition & Cross-Servicing/International Agreements: 155

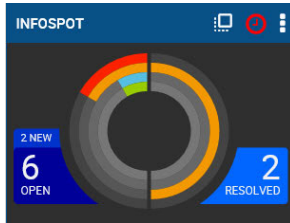
## DEPLOYABLE CAPABILITIES

- Distribution Depot (Deployed)
- Rapid Deployment Teams
- DLA Support Teams
- Mission Support Teams
- Disposal Support Units

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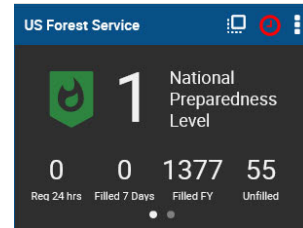
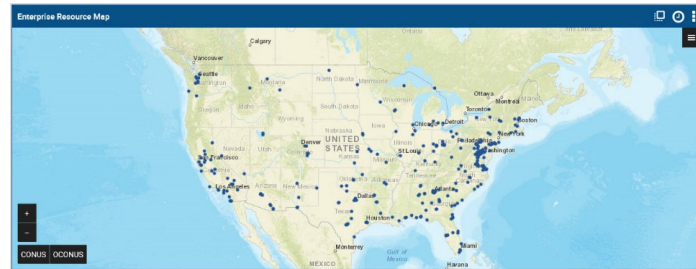


# Service Readiness Dashboard



### Service Readiness

USA	USMC	USN Air	USN Maritime	USAF	USCG
Air: 3	Ground: 18	Air: 21	CSG/ARG: 17 NE/SSN/Ship: 7	Air: 38 Missile: 2	Air: 0 Surface: 0



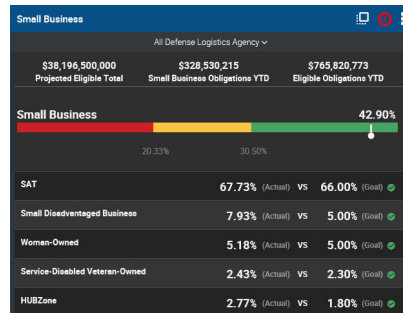
### Key Business Highlights | DSS

#### Distribution

Hi-Pri Issue	1.49 (-)
Routine Issue	7.11 ↑
Denial Rate	0.31% ↓
New Proc. Induction	21.13 ↑
New Proc. Stow	3.20 ↑

#### Disposition Services

Production Receipts	95,156 ↓
Backlog of Receipts	6.9 ↑



### Financial Health | Monthly

Operating Result Status: G

Material Obligation Authority Status: G

Current as of 10 OCT 2018

### Nuclear Support

EDW Weapon System Supply			Orders/MA			
Weapon Systems	Orders Airforce	Orders CFM	MA Airforce	MA CFM	Total BOs Airforce	Total BOs CFM

### Significant Weather Events

#### CONUS

Hurricane Michael is located 197NM W of Jacksonville, FL, moving NNE at 14KTS, with max winds 110G135KTS, and max waves 18FT. Michael is expected quickly deteriorate overnight into a Tropical Storm as it moves across central Georgia followed by the Carolinas on 11 Oct. Michael is expected to then move into the Atlantic off the coast of the Mid-Atlantic States by 12 Oct as a Tropical Storm before continuing NE over open waters. Central Georgia, the Carolinas, and Virginia can expect up to 4-6" of rainfall.

Source: Pentagon Weather

#### OCONUS

Hurricane Sergio is located 952NM SSW of San Diego, moving ENE at 13KTS, with max winds 55G70KTS, and max waves 20FT. Sergio is forecast to weaken before making landfall as a Tropical Storm on Baja California Sur on 12 Oct. Tropical Cyclone Luban (05A) is located 295NM ESE of Salalah, Oman, moving WNW at 2KTS, with max winds 75G90KTS, and max waves 30FT. Luban is forecast to slowly weaken as it continues W toward Yemen, before finally diminishing to Tropical Storm strength as it impacts E Yemen on 14 Oct.

NOTIONAL RENDITION

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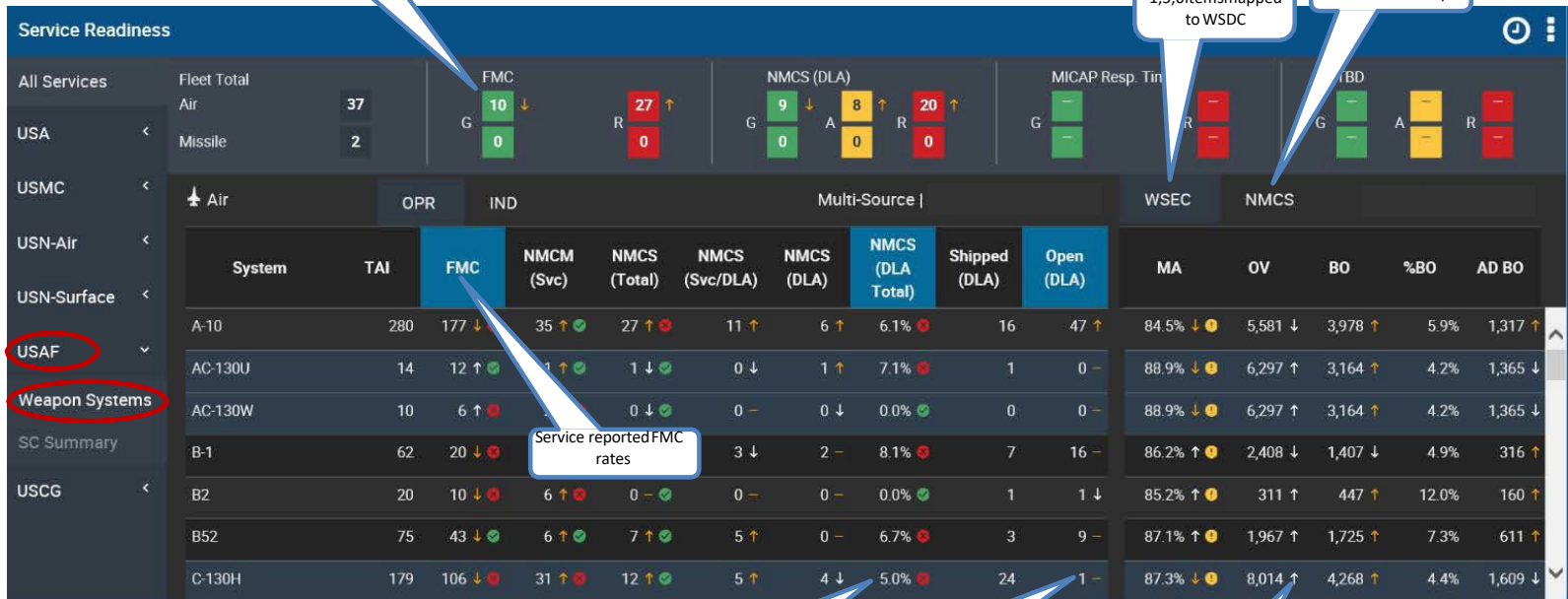
# Air Force Weapon Systems



Can click Fleet Ratings to filter display by Green, Amber & Red

DLA MA & BO data shown for WSEC 1,5,6 items mapped to WSDC

Can filter to NMCS coded orders only



NOTIONAL DATA DISPLAYED

DLA focuses on NMCS system for DLA items & Open orders

Open orders reported in Service Readiness System

Trend arrows show 7-day change

Neg Pos NC 7-day/last update trend

### Air Force FMC Thresholds

< Acft Count Goal  
≥ Acft Count Goal

### NMCS DLA Thresholds

<1%  
1-4%  
>4%

Tile Sub-Section	Data Source	Refresh Freq	Source Data Freshness	Method of Delivery
Air Force	Logistics, Installations and Mission Support-Enterprise View (LIMS-EV)	Daily	Daily	Automatic
	Integrated Logistic System-Supply (ILS-S)	Daily	Daily	Automatic
	EDW	Daily	24-48 hours from real-time	Automatic



# Demand Planning Summit

- Inaugural event held in July
- Now establishing an *enduring* process to “corporately” align across Military Services, DLA, and TRANSCOM on expected future demand influences
- More than 80 “in-person” + “dial-in” participants

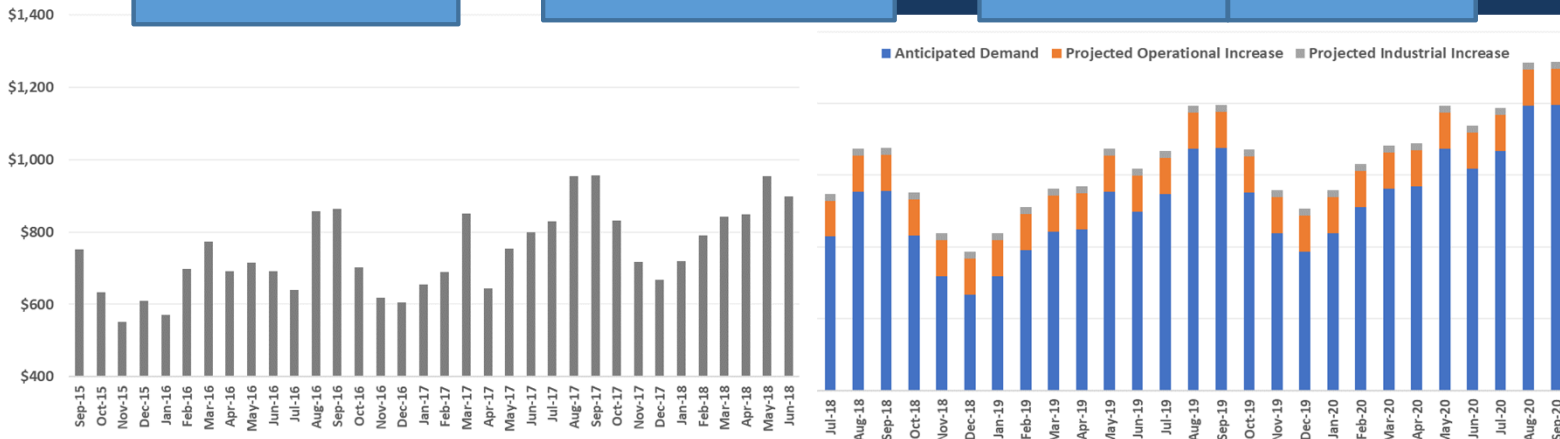
<b>Air Force</b> HAF – A4 USAF-HQAFMC	<b>Army</b> AMCOM, CECOM, TACOM, HQ AMC	<b>Marines</b> HMC I&L LP, MARCOLOGCOM, MARFOPAC G4, 1 <sup>st</sup> MLG	<b>Navy</b> COMFRC, OPNAV, NAVSEA, NAVSUP, USFF	<b>Other</b> OUSD-ATL TRANSCOM DLA MSCs
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- **Goal: Increase Demand Projection Accuracy by 10% to:**
  - Improve Warfighter readiness
  - Increase materiel availability
  - Decrease backorders
  - More efficiently utilize obligation authority
  - Enhance buying power

For DLA-managed Hardware and Construction & Equipment NIINs alone, improvements could equate to over \$1.3B ‘better spent’ obligation authority annually



# DLA Past & Projected Future Demand (\*DLA-Managed Items)



	FY 16	FY17	FY18 (with Q4 Projected)	FY19 (Projected)	FY20 (Projected)
Order Count (K)	10,750	11,087	12,168	13,838	15,353
% increase		3.1%	9.7%	13.7%	10.9%
Demand Value (\$M)	\$8,297	\$9,057	\$10,363	\$11,775	\$13,187

**24.6% Increase in Demand Captured Over the Next Two Years**





# DLA Industry Day

- Support SecDef's #1 Priority to Restore Military Readiness
- Achieve Service Supply Availability goals
- Communicate forecast & requirements to Industry
- Enhance the dialogue between DLA, the Services, CCMDs, Whole of Government, and the Commercial & Organic Industrial base
- Continue to grow DLA's relationship with Industry
- Provide tangible opportunities for business with DLA





# Asks to Industry



- **Strengthened Industry Partnerships**
- **Increased Communication and Responsiveness on Critical Requirements**
- **Faster Quotes on Solicitations**
- **Documentation, Packaging & Markings**
- **On-Time Delivery**





# Industry Asks to DLA

- Revive the Supplier Collaboration Tool
- Revise expectations about business costs  
(Price of raw materials is rising)
- Relief from high-cost certification requirements  
(Small Business concerns over DoD cyber restrictions/parameters)

***“Our Strong Partnership Equals Increased Warfighter Readiness and Better Support to the Whole of Government”***



# DLA as an Inter Agency Partner



**40+ Agencies; \$1.01B Sales**  
**~ 25 percent of DLA's non-energy revenue**



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# 2017 Hurricane Summary (Harvey, Irma, Maria)

22

DEPLOYED  
MILITARY

84

DEPLOYED  
CIVILIAN

3,474

TRAILERS  
RECEIVED

**\$1.27B**  
TOTAL SUPPORT & COSTS

**\$1.6B**  
ALL FEMA MAs

EQUIVALENT TO  
**37 MILES**



## SUPPORT HUBS



## COMMODITIES



738

LINES OF  
PHARMACEUTICALS



20K

HAND HELD  
RADIOS



41K

POWER  
POLES



344 K

1-5 GALLON



1265

GENERATORS



300K

GALLONS OF  
WATER



88.1M

MEALS



4.3M

GALLONS OF  
FUEL

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# 2018 Hurricane Summary (Florence, Michael)

as of 17 Oct

29

DEPLOYED  
MILITARY

\$105M

TOTAL SUPPORT & COSTS

86

DEPLOYED  
CIVILIAN

\$199.5M

ALL FEMA MAs

1,270

TRAILERS  
RECEIVED



## SUPPORT HUBS



## COMMODITIES



1296

FLOTATION  
DEVICES



\$738K

REUTILIZED  
EQUIPMENT



320

GENERATORS



262.5K

GALLONS OF  
WATER



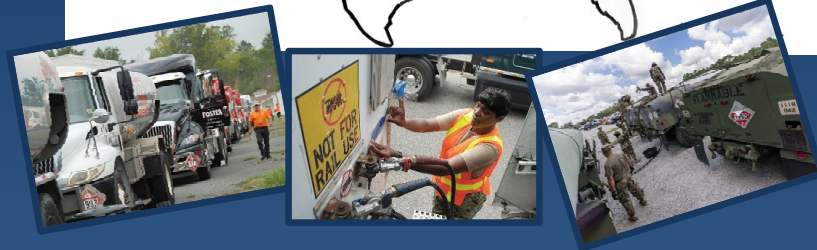
7.2 M

MEALS



335K

GALLONS OF  
FUEL



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## Other Collaboration Initiatives

- **Disposition Collaboration (GSA)**
- **Cost Summits (Services, DOD, etc.)**
- **Continuity of Operations (USTRANSCOM)**
- **Commodity Optimization (DOD Reform)**

