

**Presentation to the  
National Defense Industrial Association  
22nd Annual National Logistics Conference & Exhibition**



**Major General Loren Reno, USAF  
Vice Director, Defense Logistics Agency**



# Defense Logistics Agency Today

- The Defense Logistics Agency:
  - World-wide, world-class organization designed to support the warfighters' logistics needs from factory to foxhole, and back.
  - DLA is owner-operator of several of our **National Treasures**
    - Defense Distribution System
    - Procurement infrastructure for 95% of DoD requirements
    - Defense fuels infrastructure
    - DLA workforce
  - Industry is a key partner in bringing best value to the warfighter
  - BRAC and the logic in the QDR are refining the approach to how DLA provides logistics to the joint force



# DLA-Joint Led and Focused

## CORPORATE STAFF

**DIRECTOR**  
**VICE DIRECTOR**  
**COMMAND SERGEANT MAJOR**



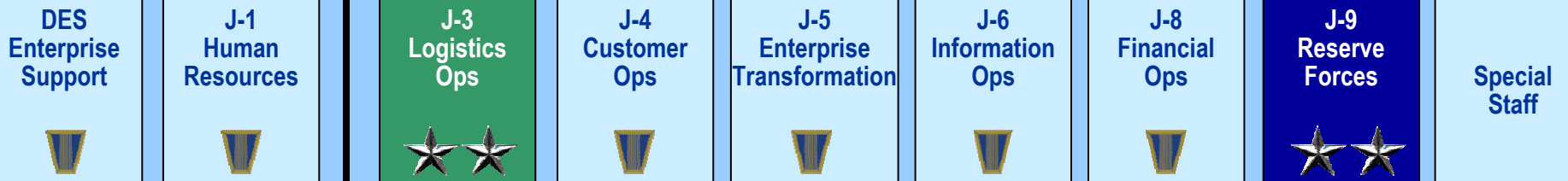
**DLA Director**  
Vice Admiral  
Keith W. Lippert  
Supply Corps,  
United States Navy



**Vice Director**  
Major General  
Loren Reno  
United States  
Air Force



**CSM**  
Command  
Sergeant Major  
David Roman  
United States  
Army



## BUSINESS UNITS



## SERVICE ACTIVITIES





# Improving Value to Customers

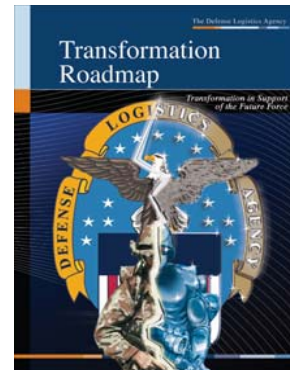
- We maintain an end-to-end view of the DoD supply chain,
- We optimize the path from factory to foxhole and back
- Strategic inventory and stock positioning programs are on track
- Cost Recovery Rate best ever, DLA personnel levels lowest ever





# Changing With Customer Needs

- DLA J-4 (Customer Operations) is a recent creation/evolution
- Customer linkage improves forecast...and satisfaction
- Positioned Customer Service Reps and Liaison Officers at key force junctures for effective communications.
- Road Map and Strategic Plan-in place and operating
  - Pace change, track progress
  - Tied to balanced scorecard





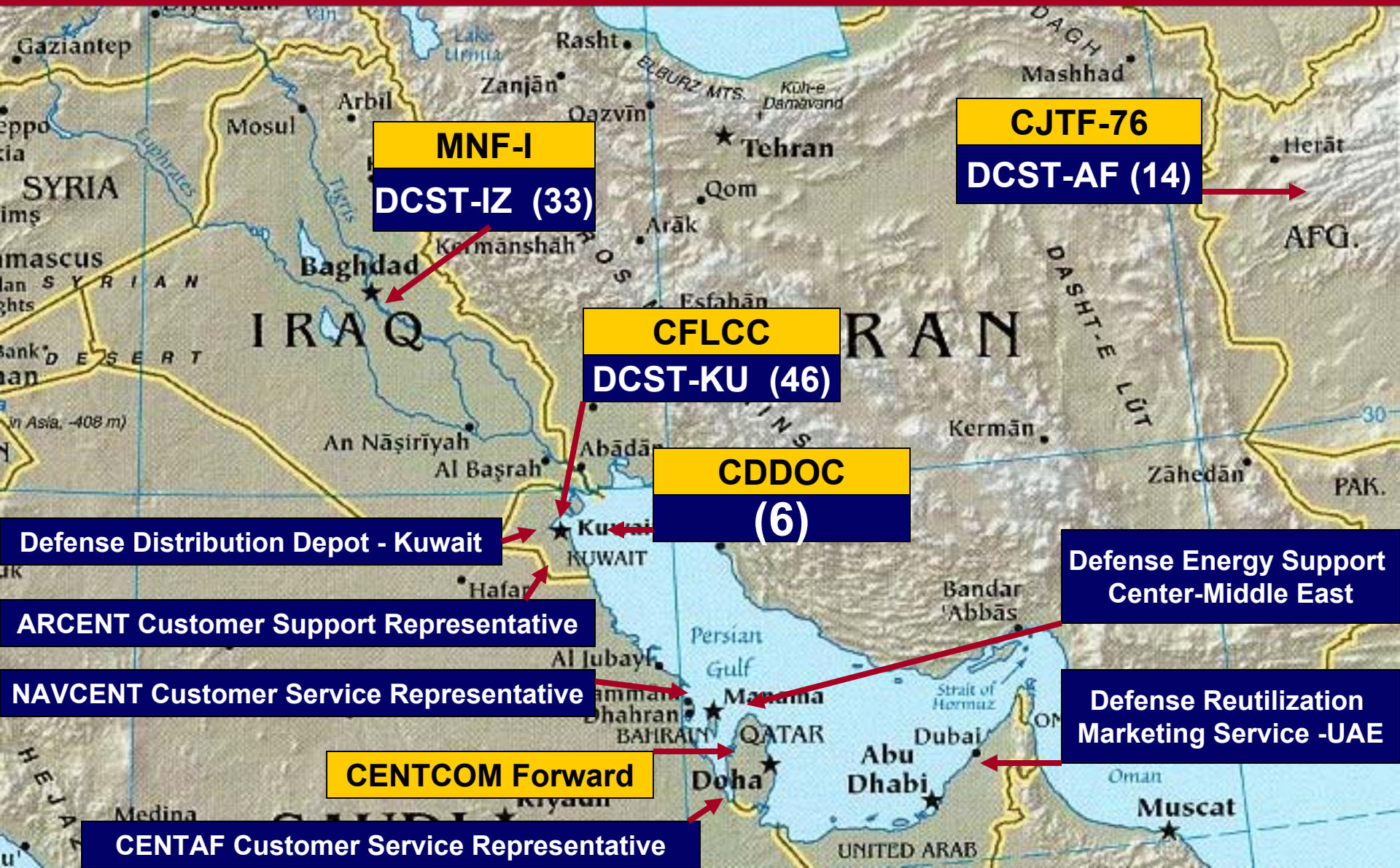
## Flexible Supporting Deployed Forces

- Established DDKS: In-Theater Distribution Depot
- Adapting Fuel GLOCs to changes in theater
- Standing up in-theater OEF/OIF Retrograde capacity





# OEF & OIF Support





# BRAC Adding Efficiency

- Defense Distribution System improvements
  - 4 Strategic Distribution Platform (SDP)/Multiple Forward Distribution Point (FDP) plan
  - Supply support in Services' depot maintenance activities transferring to DLA
- Consolidating supply chain procurement where feasible
  - Depot-level reparable
  - Most consumable items
  - Privatizing of commodities





# BRAC Adding Efficiency



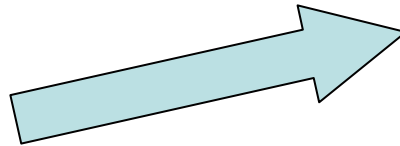


# BRAC Adding Efficiency



**Increased Support and Surge Capability**

CCP X 2



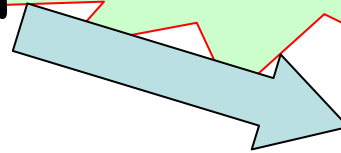
CCP X 4



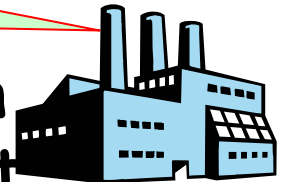
**Decreased Inventory and Warehousing**

51.2 Million  
Square Feet

-15.1 M sqft Warehouse Space  
-23.3 M Item Cube

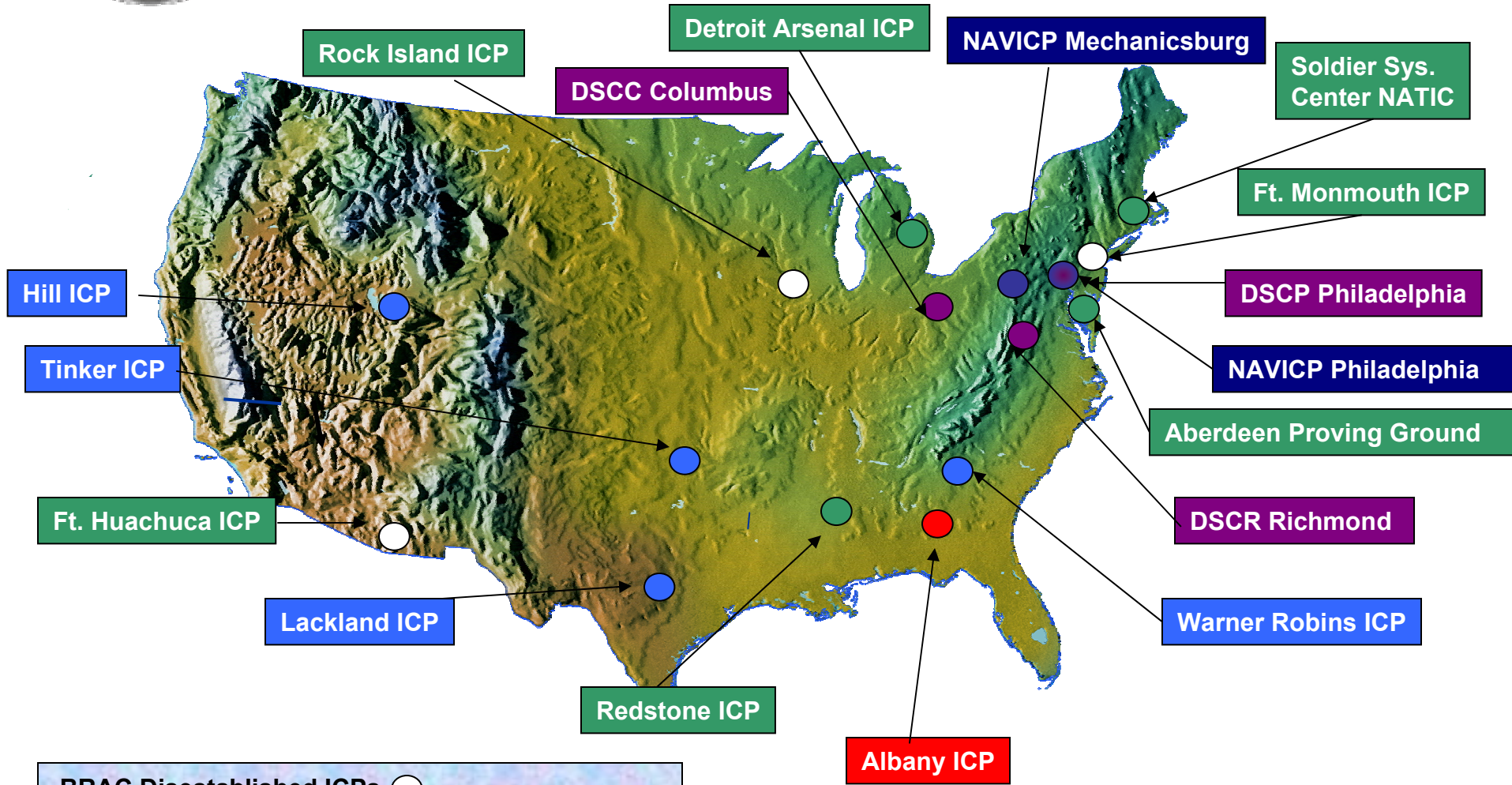


36.1 Million  
Square Feet





# DLR Procurement Management Consolidation



BRAC Disestablished ICPs ○

All ICPs except Lackland transfer DLR procurement and almost all consumable management to DLA



# Transformational Change

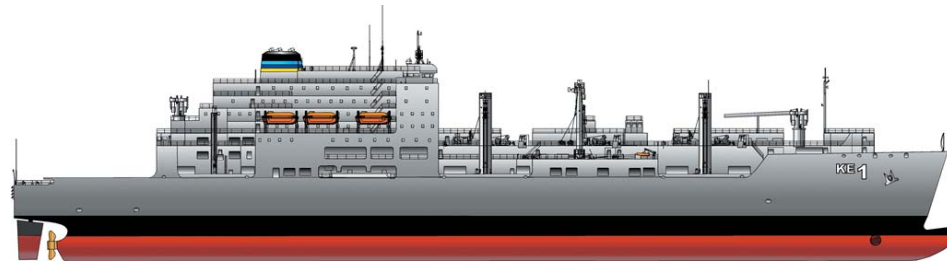
## Consolidate Procurement of DLRs

- Disestablishes 3 Service ICPs through consolidation
  - FT Monmouth, Ft Huachuca, Rock Island
  - Establishes Aberdeen as a new ICP site
- Transfers essentially all consumable item management to DLA
- Keeps engineering functions with Services
- Realigns procurement management responsibility of Class IX Depot-level reparables (DLRs) to DLA
- Achieves savings through
  - reduced inventory investment
  - leveraging larger purchases
  - increased use of Performance Based Agreements (PBA)



# New Paths to Better Support

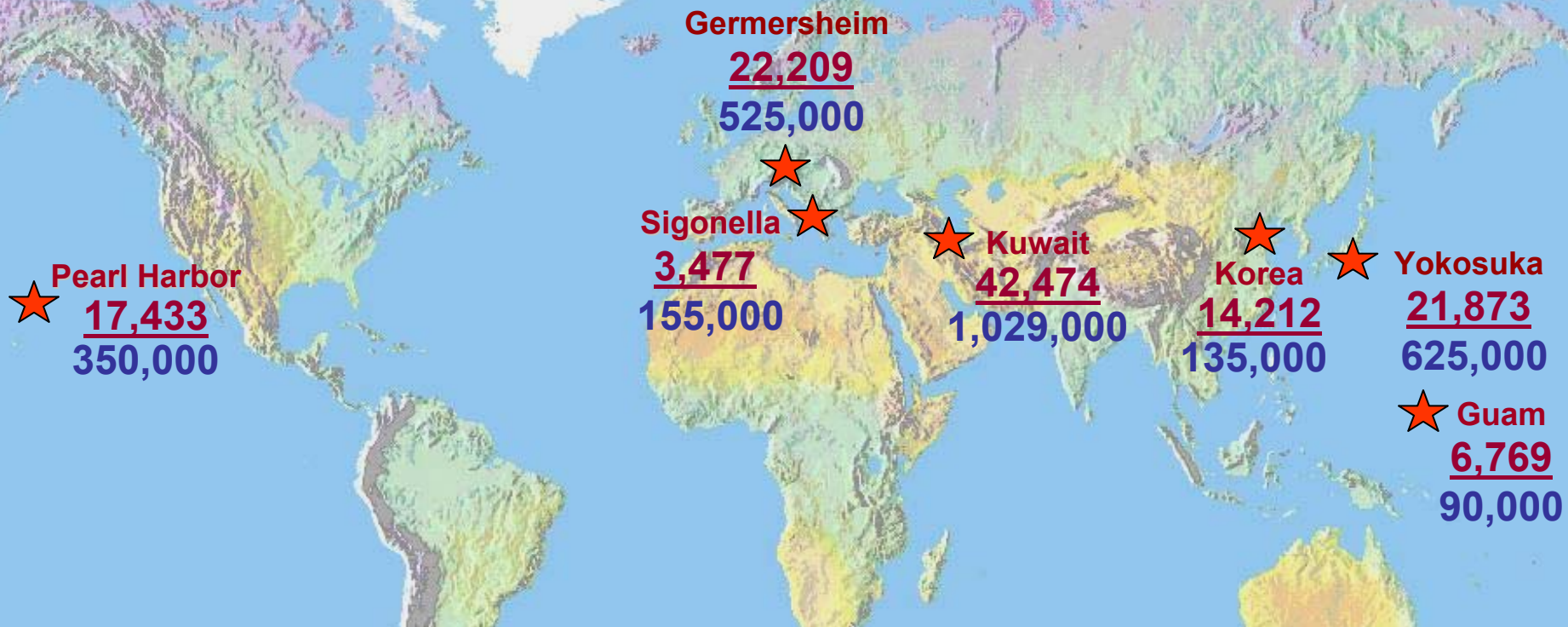
- Humanitarian Assistance
- Depot Afloat & Deployable Depot
- Prime Vendor
- Lean Six Sigma
- RFID and other investments in Technology
- Successful ERP in BSM 2.2





# Fixed Based Forward Stocking

**DDKS Cost Avoidance of \$364.5M through Feb 06**



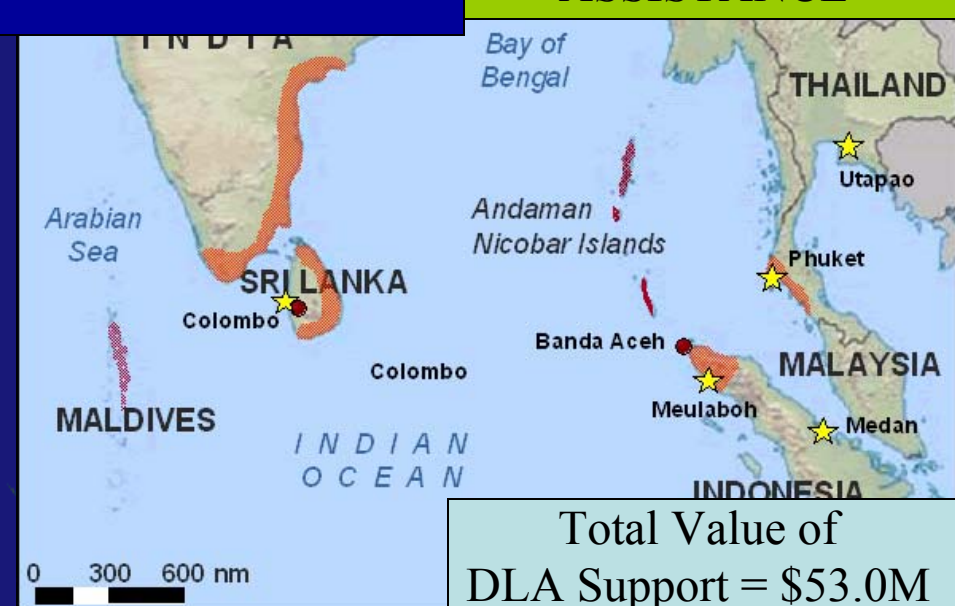
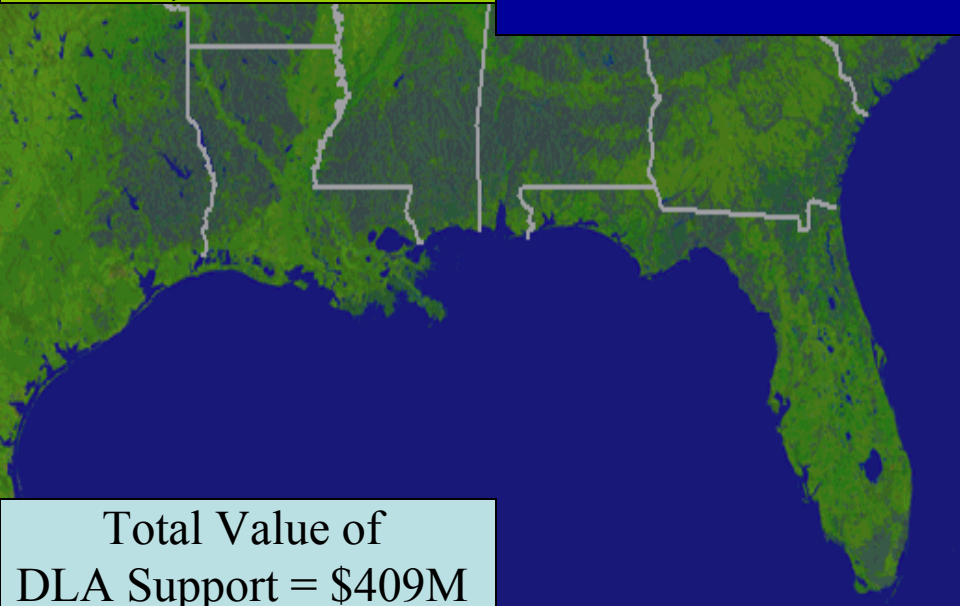
Line Items on Forward Stock List

**FY06 Receipts & Issues Workload Projection**

Hurricanes Katrina, Rita, and Wilma

# Disaster Relief

Operation UNIFIED ASSISTANCE



Total Value of DLA Support = \$409M

Total Value of DLA Support = \$53.0M

Pakistani Earthquake



Total Value of DLA Support = \$14.6M

## Summary:

**\$476.6M for disaster relief in 2005, \$409M for hurricane support**

- 83% Class I Subsistence
- 5% Class IV Construction
- 4% Class IIIB POL
- 4% DRMS
- 2% Class VIII Medical
- 1% Class IX Repair parts
- 1% Class II Individual Equip



# Summary

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- Takeaways
  - DLA is focused on improving service and value
  - BRAC has given us enormous opportunities
  - DLA is using/leading best practices
  - DLA is responding to new strategic environment
  
- Bottom Line: exciting/challenging moment...  
we need your help!





# Defense Logistics Agency Response to the New Strategic Environment

- Questions?



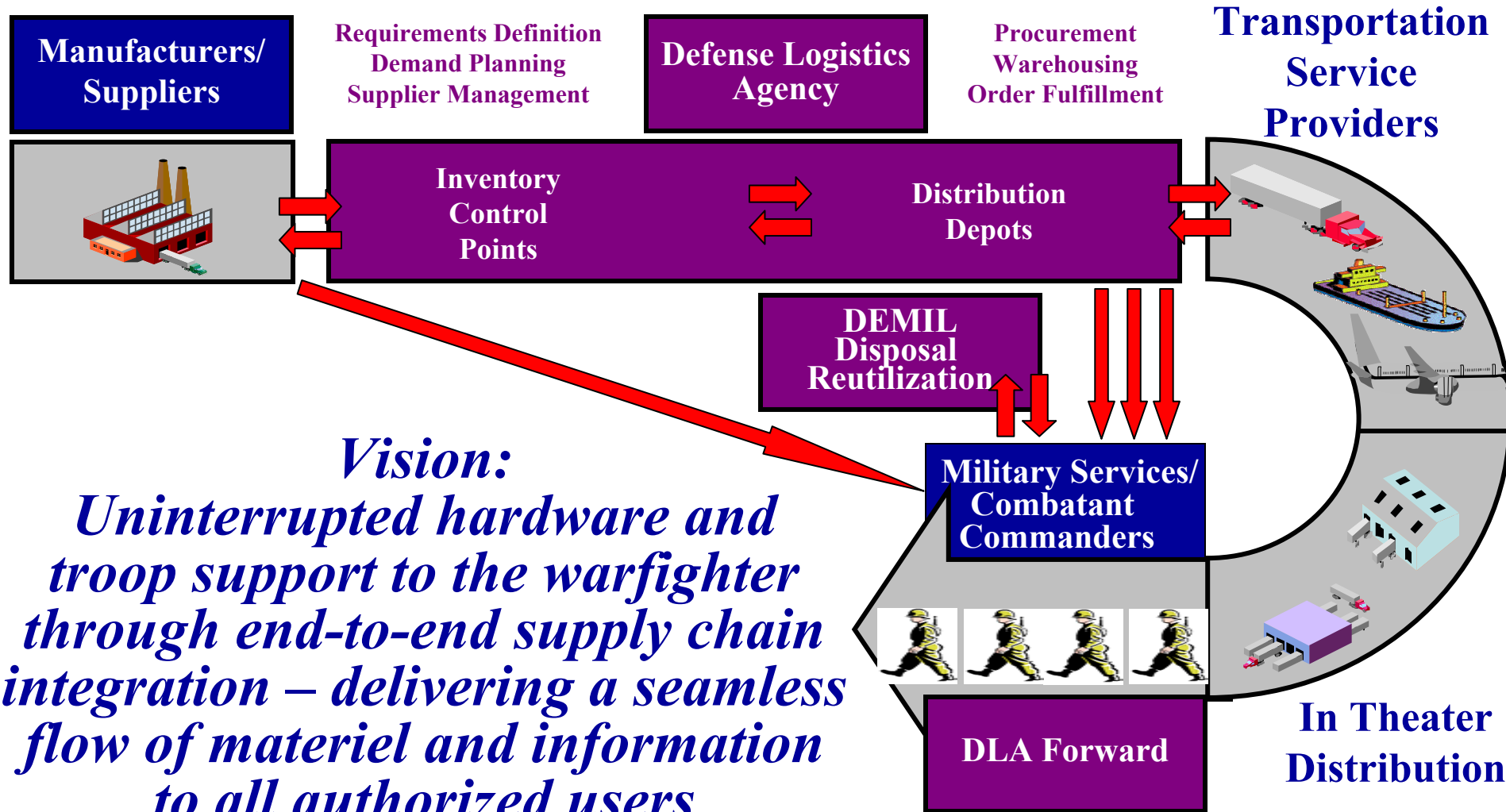
# Defense Logistics Agency Response to the New Strategic Environment

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- Backup










# DLA Mission





# Global War Fighter Engagement

		NAMs	CAMs	CSRs	LNOs	Planners	DCST	Total
Army		1	2	38	1			42
Marines		1	2	6	1			10
Navy		1	2	26	1			30
Air Force		1	2	20	1			24
							<u>Teams/People</u>	
JCS/Combatant Commanders		3	3	2	14	13	5 / 66	101
Homeland Security		1						1
International Programs		1	3					4
<b>TOTALS</b>		<b>9</b>	<b>14</b>	<b>92</b>	<b>18</b>	<b>13</b>	<b>66</b>	<b>212</b>

CAMs – Customer Account Mangers  
 CSRs – Customer Support Representatives  
 DSCT – DLA Support Contingency Team  
 LNO – Liaison Officer  
 NAMs – National Account Mangers



# Sustaining OIF & OEF

## Total Requisitions

DSC	Cum Reqs	Cost (Bil)
DSCC	4,366,556	\$ 1.938
DSCP	7,023,222	\$ 9.720
DSCR	1,357,556	\$ 1.871
<b>Total</b>	<b>12,747,334</b>	<b>\$ 13.53</b>

## Reconstitution (Summary)

DSC	Cum Reqs	Cost (Mil)
DSCC	1,085,400	\$ 267.07
DSCP	1,424,452	\$ 495.44
DSCR	502,043	\$ 316.15
<b>Total</b>	<b>3,011,895</b>	<b>\$ 1,078.67</b>

Humanitarian:	Total
Wheat (mil/lbs):	3.48
HDRs (mil/meals):	5.77
Blankets:	45,467
Dates (lbs):	49,000

Distribution	Total	Recon Total
Matériel Release Orders	10,905,774	3,521,486
Short Tons:	1,117,314	125,523
Value (Billion):	\$ 62.03	\$ 3.27

(Includes movement of Service owned materiel)



## DLA Personnel Deployed

DCST-KU:	46
DCST-IZ:	33
DCST-AF:	14
Other:	57

## OIF & OEF Total

Troop Support:	Count	Cost (mil)
Cold Weather:	-	\$ 434.40
Cots:	1,078,040	\$ 76.60
GP Med Tent:	644	\$ 1.60
GP Large Tent:	919	\$ 3.46
Mod Tent System		
Green:	6,338	\$ 49.50
Tan:	2,653	\$ 22.70

CLASS III (Bulk)	Total
Bil of USG:	5.048

DRMS	Total
Line Items	43,035
Value (mil)	\$ 240.33

OPRATS:	Total
MRE's (mil/meals)	110.50
UGR H&S (mil/meal)	34.53
UGR A's (mil/meals)	91.85



# Unique Challenges in OEF

- **Russian Red Wheat**
  - **Requirements Challenge:** Refugees use wheat in local meals. Determining the type of wheat they would use was a challenge as there are hundreds of types of wheat including 7 different types of Russian Red, after much discussion any type of Russian Red Worked
  - They wanted 40lb burlap bags...industry only made 100lb bags. Settled on 60lb plastic bags
- **Horse Saddles**
  - Had to be English vice Western Style. We had to find a local source that made the type of style they preferred
- **Holiday Meals for Afghanistan Refugees**
  - In Preparation for a Religious Holiday we thought it would be a good idea to provide Dates. This simple offer became very difficult as we struggled with how the dates would be packaged, and what was acceptable. California Date growers wanted their logo on the packaging.
- **Color of Humanitarian Daily Rations**
  - Originally the rations were bright yellow, but had to be changed to Salmon so they would not be confused with the Anti-Personnel Cluster Bombs
- **Halal Meals**
  - Muslim Meals Originally Designed for Guantanamo Detainees, also used in Afghanistan



# Support to Hurricane Relief

**Final**  
**27 Feb 06**

**Total Value of DLA  
Support = \$409M**

## FEMA Requisitions

- 50K Cots
- 15K H&C Packs
- 60K Blankets

## Subsistence: \$324.5M

- FEMA MREs 25.24M Meals
- Military MREs 4.7M Meals
- Comm Meals 28.04M Meals

## Personnel Deployed: 22

- N-DDOC: 4
- JTF-Katrina 9
- JTF-Rita 1
- NORTHCOM 7
- FEMA 1

**CLASS IV: \$31.0M**

**DAPS: Forms, Flyers**  
**405K Copies**

**Distribution of Water:**  
**2.2M Units (~ 1.5M liters)**

**CLASS III Fuels: \$17.0M**

- DoD: 7,500 gals
- FEMA/Govt: 4.5M Gallons

**CLASS VIII Medical: \$8.9M**

- 2238 lines for USNS Comfort
- \$3.5M Materiel to McGee, MS

**CLASS IX Parts: \$5.5M**

- 16.1K Requisitions

**Reutilization: \$22.5M**

- Bedding: For 1100 People
- 34 Generators: \$1.7M
- 966 Requisitions:

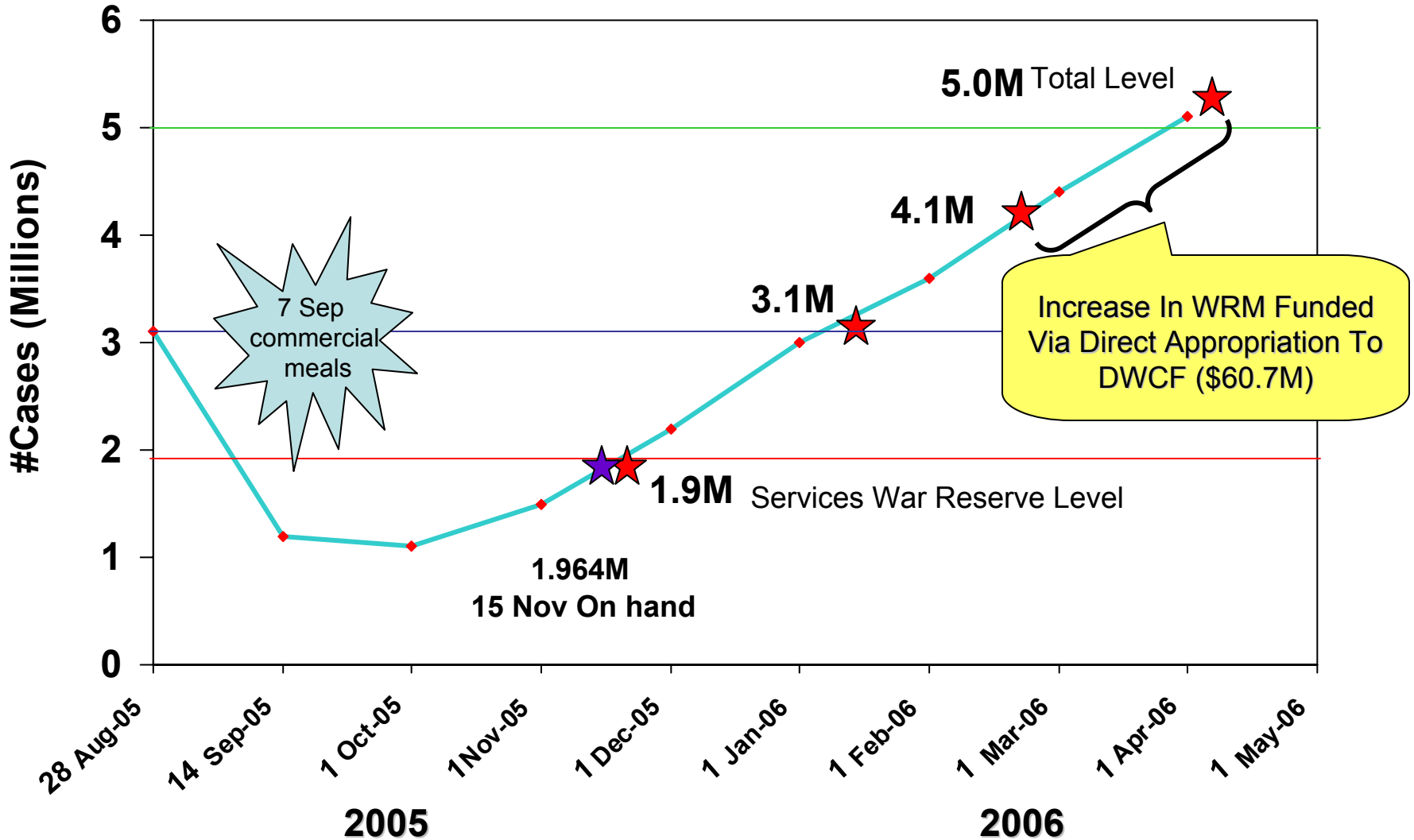
**DLA Distribution from:**

- 25 of 26 DLA Depots

**Maps: 56,906 Sheets**



# MRE Inventory Schedule





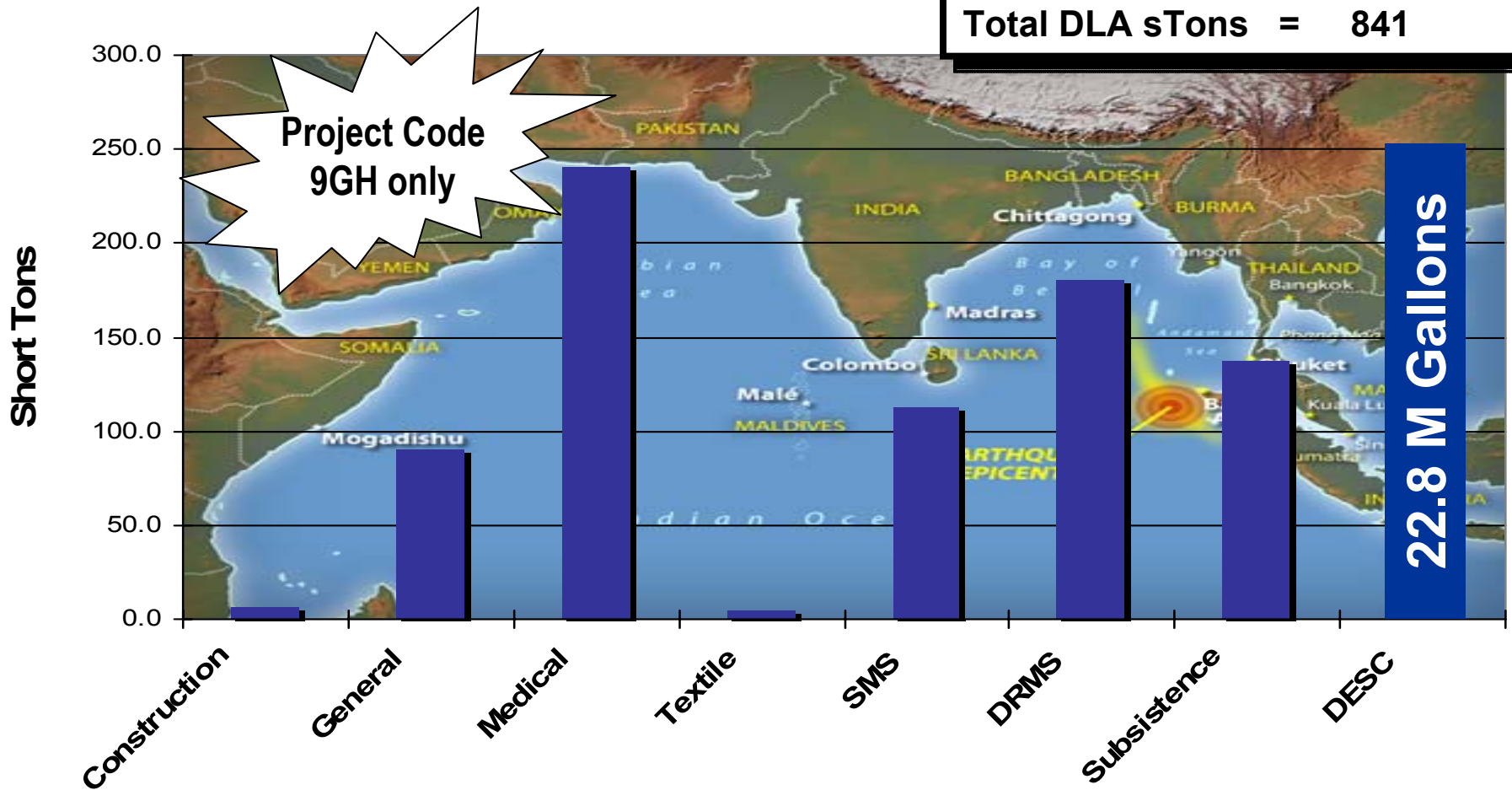


# DLA TSUNAMI Support

27 Dec 04 – 15 Feb 05

## Total Rollup in sTONS

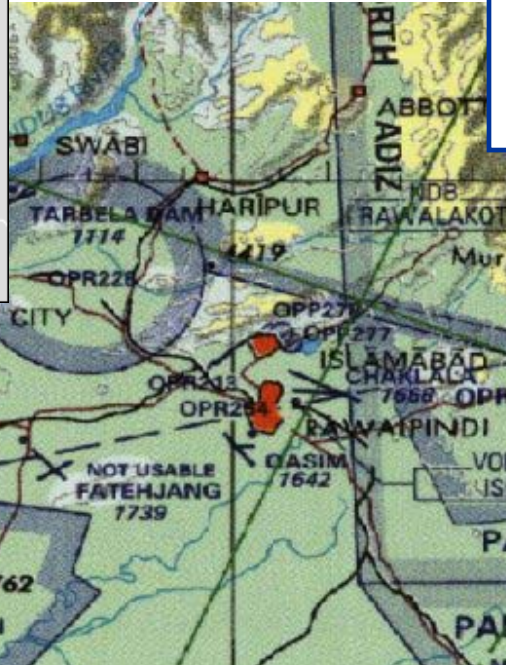
Total DLA Reqs	=	8,789
Total Dollar Value	=	\$53.0 M
Total DLA sTons	=	841





# Kashmir Earthquake Relief

## Chaklala PAF Islamabad, Pakistan



### CLASS II Clothing & Textiles:

- Insect Nets: Qty 300 - \$8.6K
- Bed nets: Qty 771 - \$58.4K
- Tents: Qty 60 - \$644.2K
- Clothing: 85 Docs - \$37.6K

### CLASS III Fuel:

- Bulk - DESC Into-plane Contracts in Pakistan
- Pkg POL: 7 NSNs - \$3.2K

### CLASS VIII Medical:

- 5 NSNs; 6 Docs; \$1.6K

### CLASS IX Parts:

- 130 Docs; \$71.9K

### DRMS Materiel: Value \$3,261K

- DSCA HAP - Blankets, Tents, Sleeping Bags, Medical Material
- CFLCC Blankets, Tents, Cots

### CLASS I Subsistence:

- Troop Support -- \$267.2K
- 3,072 Cases MREs
- 5,400 (1.5L) bottles water

### Personnel Deployed In the Vicinity:

- C-DDOC: 6 (1 in Pakistan)
- DCST-KU: 11
- DCST-AF: 9
- DLA-CENTRAL FWD: 2

### DSCA Requisition:

- Tents: Qty 1300 - \$3.8M
- Blankets: Qty 200K - \$6.05M
- Space Heaters: Qty 600 - \$355.3K