



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



DLA Troop Support Medical Supply Chain

WARFIGHTER SUPPORT ENHANCEMENT

STEWARDSHIP EXCELLENCE

WORKFORCE DEVELOPMENT



Agenda

- Defense Supply Center Philadelphia - Medical
 - Landscape, Mission & Business Operations
- Medical/Surgical Distribution & Pricing Agreements (DAPAs)
- Electronic Catalog (ECAT) Opportunities
- Readiness Contingency Contracting Opportunities
- Subcontracting Opportunities
- Summary
 - What We Want To Leave You With



Federal Medical Landscape

- DLA purchases ~\$4.5B of Medical Materiel each year for DoD & other Federal Agencies... We expect future purchases to grow
- Federal, DoD & DLA Acquisition Regulations & Policies require a “fair & reasonable” determination on the prices for all items we purchase
- DLA’s mission environment is becoming more cost constrained... requiring us to be more efficient
- Opportunities to do business with DLA
 - Distribution & Pricing Agreements supporting Prime Vendor Program
 - Electronic Catalog (ECAT)
 - Readiness Contingency Contracts
 - Subcontracting



Our Focus

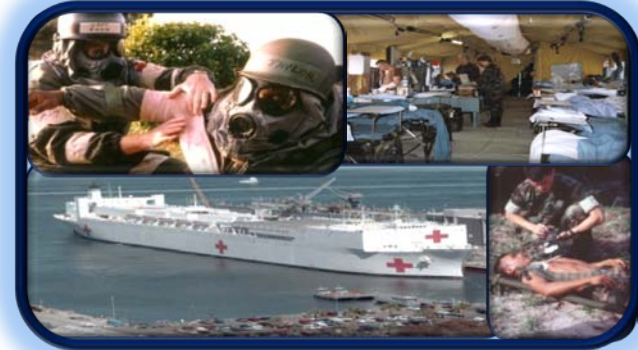
Institutional (Peacetime)



Every Day

- Brick & Mortar Hospitals
 - Department of Defense
 - Federally Funded Hospitals
- Clinics
- Mail Order Pharmacies
- Veterans Administration
- Foreign Military Sales
- Indian Health Service

Operational (Readiness)



Every Crisis

- Deployed & Deployable Units
 - Southwest Asia
 - Afghanistan
 - Iraq
 - Europe
 - Korea
 - Central America
 - Africa
 - United States

Mission: *Provide Medical Materiel Support to the Department of Defense Every Day and in Every Crisis*

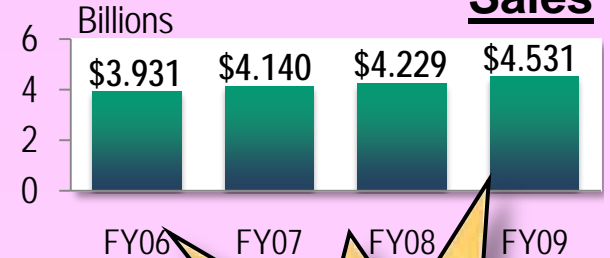


Medical

Customers / Items

Customers: 8900+
Orders: 75,000 annually
Items: PV 370,000
ECAT 1M

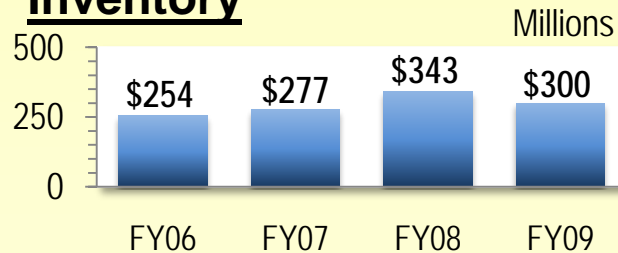
Sales



The Big Picture

FY10 sales forecast
\$4.618B

Inventory



Personnel / Vendors

Employees (auth): 315 civilian
15 military

Suppliers: 1,200



FY09 Medical Sales by Major Program Total = \$4.531Billion



Capital Equipment
\$437M*
10%

**Traditional
Medical/Surgical**
\$356M
8%



Web-based Catalog
\$124M
3%

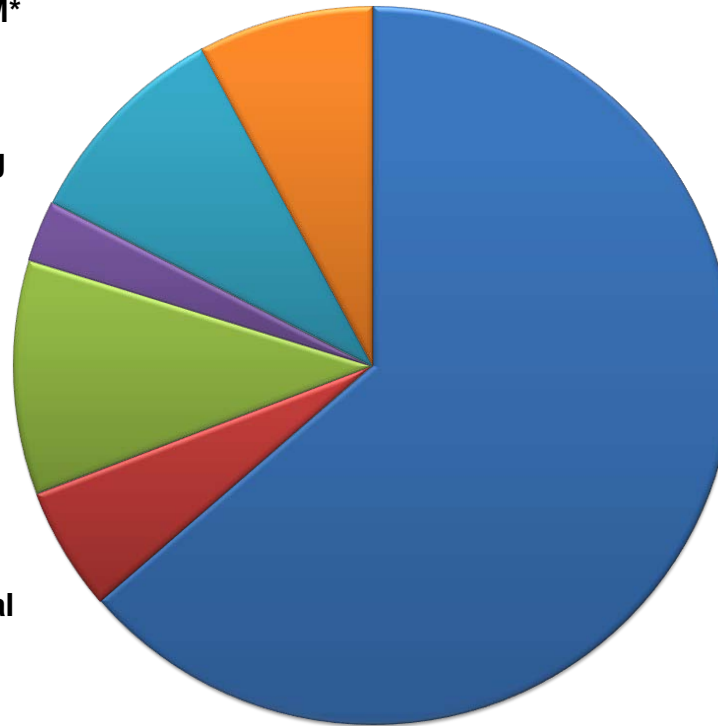


**Pharmaceutical
Prime Vendor**
\$2.8B
64%



**Medical/Surgical
Prime Vendor**
\$477M
10%

**Traditional
Pharmaceutical**
\$252M
5%



*Includes ~\$96M In Sales VIA ECAT



Top Customers By Service

FY10

Top Army

USAMMA	\$142M
Brooke AMC	\$40M
Madigan AMC	\$36M
W Reed	\$35M
Womack AMC	\$30M
Darnell AMC	\$27M
Ft. Belvoir	\$25M
Tripler AMC	\$22M
Ft Detrick	\$22M
Ft Bliss	\$21M
Ft Gordan	\$19M
3rd HQ HHC	\$18M
Ft Campbell	\$17M
Ft Benning	\$16M

Total Army Sales
\$781M

Top Air Force

Lackland AFB	\$53M
Wright Patterson AFB	\$35M
Travis AFB-Grant MC	\$24M
AFMLO	\$23M
KELLYUSA	\$22M
USAF Academy	\$19M
Scott AFB	\$19M
Keesler AFB	\$18M
Eglin AFB	\$16M
MacDill AFB	\$15M
Nellis AFB	\$13M
Langley AFB	\$11M
Patrick AFB	\$9M
Elmendorf AFB	\$8M
Luke AFB	\$8M
Maxwell AFB	\$7M

Total AF Sales
\$461M

Top Navy

Portsmouth NMC	\$52M
San Diego NMC	\$47M
Bethesda Nat'l NMC	\$30M
NAVMEDLOGCOM	\$21M
Camp Pendleton NH	\$15M
Pensacola NH	\$14M
Camp Lejeune NH	\$13M
Nav Med Log Com	\$11M
Bremerton NH	\$10M
Great Lakes NHC	\$10M
Okinawa NH	\$9M
Jacksonville NH	\$9M

Total Navy Sales
\$333M

Top DoD Other

Express Scripts	\$526M
St. John Hospital	\$10M
Martins Point HC	\$7M
Wyman Park HC	\$7M
Total DoD Other	\$609M

Top Non-DoD

HHS NIH Pharm	\$17M
HHS NIH Matl Mgmt	\$2M
VA Medical Center	\$2M
Total NonDoD	\$34M

Marines
\$41M

Quantico	\$11M
Camp Lejeune	\$9M

Coast Guard
\$5M



Performing a Critical Mission

Humanitarian Missions



- Pacific Partnership 2010
 - Planning stage for support to Pacific Rim
- USNS Comfort – Continuing Promise '09
 - Patients treated: 100,049
 - Surgeries: 1,657
 - Prescriptions: 135,000
 - Dental Patients 15,003

Haiti Earthquake Relief



- Response To Haiti Earthquake
 - Over 5,800 orders
 - Over \$14.5M in Medical materiel



Medical/Surgical Prime Vendor Distribution & Pricing Agreements



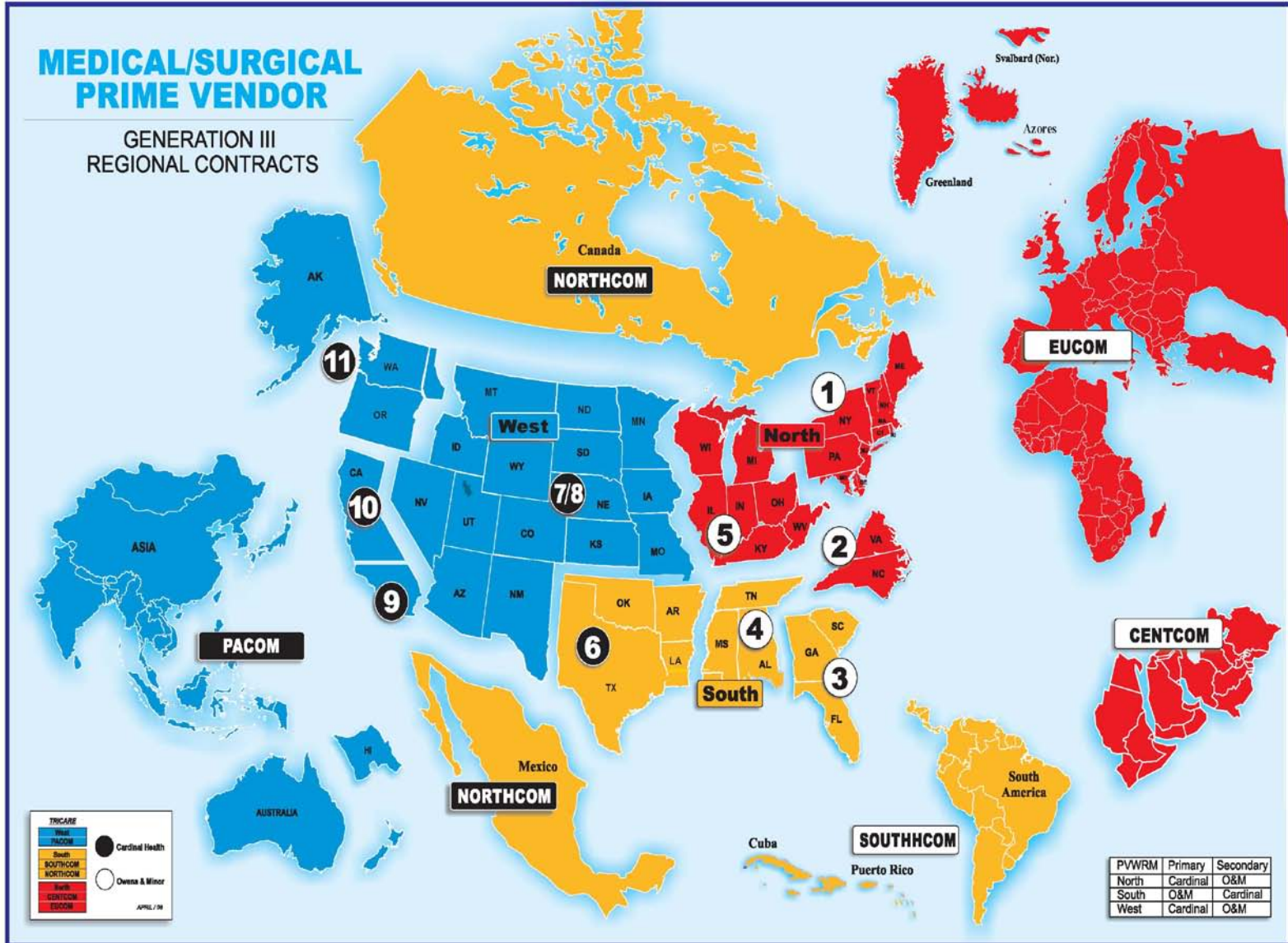


Medical Surgical Prime Vendor Contract Facts

- Two primary and two back-up prime vendor contracts per global region
- Primary prime vendors
 - Cardinal Health
 - Owens & Minor (O&M)
- Back-up prime vendors
 - American Medical Depot (AMD)
 - Midwest Medical Supply (MMS)
 - Cardinal
 - O&M



Medical/Surgical Prime Vendor Regions





Pricing Agreements (DAPAs & RIAs)

- Two types of Pricing Agreements support the Medical/Surgical Prime Vendor (MSPV) Program
 - DAPAs (Distribution and Pricing Agreements)... manufacturer/supplier national or regional government pricing (covers majority of MSPV sales)
 - RIAs (Regional Incentive Agreements)... discounted pricing based on committed volume resulting from tri-care regional standardization process

Customer Price = DAPA or RIA Price + PV Distribution Fee + DLA Cost Recovery Rate

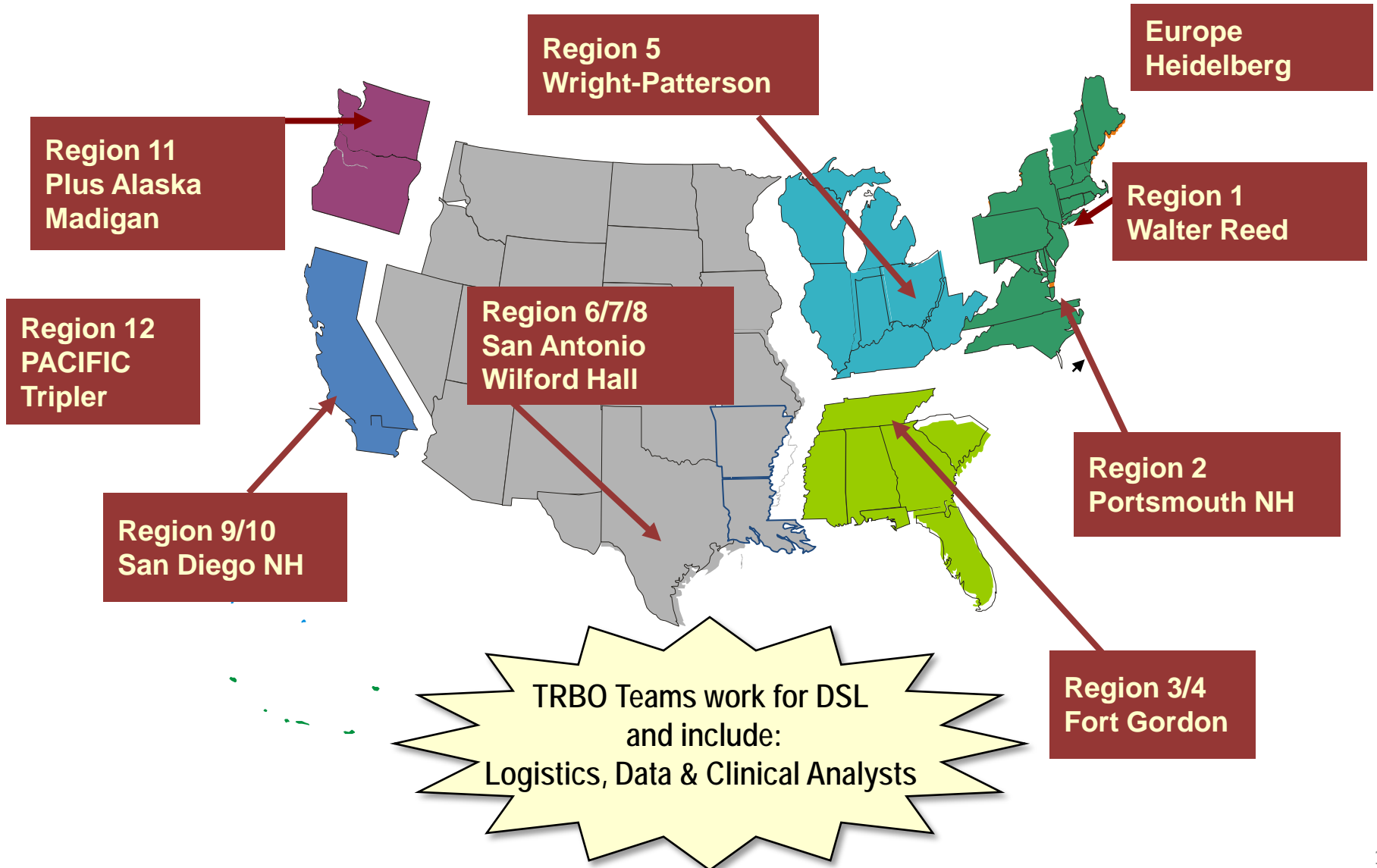


Distribution and Pricing Agreements (DAPAs)

- Separately negotiated product prices from manufacturers & suppliers honored by our prime vendors to supply material
- DAPA and RIA prices are loaded into the DAPA Management System (DMS) monthly
- Currently 1,200+ DAPA holders supplying thousands of MSPV items



RIAs for Tri-Service Regional Business Offices





Tri-Care Regional Standardization Program Opportunities

- Solicitation notices for open RIA competitions are advertised in FedBizOps by the TRBOs
- DSCP MSPV Standardization Team reviews and approves TRBO (Tri-Care Regional Business Office) Team Acquisition Process Plans (APPs) and Best Value Decision Documents (BVDDs)
- These lead to product standardization and Regional Incentive Agreements (RIAs) between the Tri-care regions and our medical/surgical suppliers
- The DSCP MSPV Standardization Team provides assistance to the regions
- The standardization process is complex with literally months of planning, coordination and product & price evaluation
- The standardization program has improved product pricing and saved millions through cost avoidance

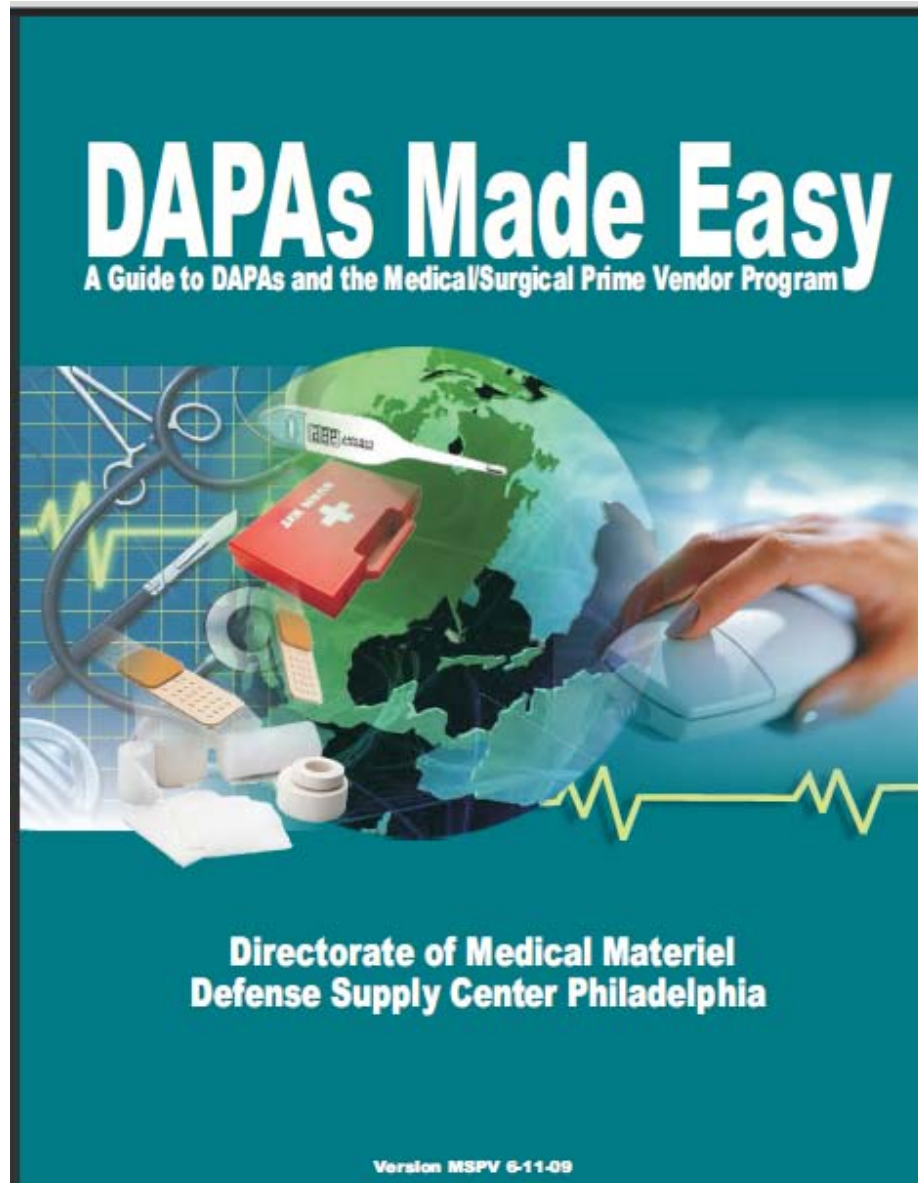


Medical Points Of Contact

- If you are interested in establishing a medical/surgical DAPA please visit <https://dmmonline.dscp.dla.mil/medsurg/DAPAsMadeEasy.pdf> to view our DAPA Guide Book for Med/Surg Prime Vendor
- Apply for access and DAPAs online
- For additional assistance on Med/Surg DAPAs contact
 - Celestine Lennox (215) 737-7124 celestine.lennox@dla.mil
 - Lou Jennings (215) 737-2125 louis.jennings@dla.mil
 - Joe Wasko (215) 737-8398 joseph.wasko@dla.mil
- For additional assistance on Durable Equipment DAPAs contact
 - Nikki Armstrong (215) 737-7232 nikki.armstrong@dla.mil
 - Rebecca Hicks (215) 737-5372 Rebecca.c.hicks@dla.mil
- For additional information on RIAs contact
 - Bill Woltjen (215) 737-2834 william.woltjen@dla.mil
 - Tara Perrien (215) 737-8307 taraperrien@dla.mil



DAPA Work Aids





DSCP Medical Website

DMMonline.com

Login/Registration - Microsoft Internet Explorer provided by DSCP

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Refresh Mail Print Run Taskbar

Address https://dmmonlinestaging.dscp.dla.mil/login/ct_logon.asp?CTAuthMode=BASIC&ct_orig_uri=%2Flogin%2Fct_logon.asp Go Links

DMMonline
Directorate of Medical Materiel

The Warfighter's Medical Logistics Portal

Pharm Med/Surg Equipment Readiness Order Products Customer Service Site Log In

Site Login - Register

Medical Login

- [New User Registration](#)
- Existing User Registration
- Modify User Profile
- Modify Password
- [Forgot Password?](#)
- [Forgot User ID?](#)

• [Problems Logging In?](#)

DMMonline Links

- [Quick Find](#)
- [External Links](#)
- [Visiting The DSCP](#)
- [Suggestion Box](#)
- [Customer Assistance](#)
- [DMMonline Documents](#)

To search our site, select here.

[Return to DMM Home](#)

Site Login for Single Signon (SSO) enabled applications

User ID: [Forgot User ID?](#)

Password: [Forgot Password?](#)

Login

Attention Users!!!

DoD Policies require that user accounts be deactivated after 90 days of inactivity. If your account has been deactivated, please [click here](#) to request that your account be reactivated.

DMMonline provides our customers and trading partners access to various e-Commerce and web based business applications.

In order to serve our customers better and to increase the security of our site, DMMonline has incorporated software that provides Single Sign On (SSO) access to the majority of our applications. After logging into this page, a user can easily see which applications in our suite of tools they are authorized to use. The following is a list of our applications that are currently SSO enabled:

Applications Requiring Registration

Applications Currently SSO enabled - (Use above login screen)

Biomedical Equipment Orders Best Pharmacy Report

Contingency Automation Application CDMIA Analyzer

<https://dmmonlinestaging.dscp.dla.mil/login/registernew.asp> Internet



New User Registration

New User Registration - Microsoft Internet Explorer provided by DSCP

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search Favorites Mail Print Address Book Favorites

Address <https://dmmonlinestaging.dscp.dla.mil/login/registernew.asp> Go Links

Site Login - Register

Medical Login


- New User Registration
- Existing User Registration
- Modify User Profile
- Modify Password
- Forgot Password?
- Forgot User ID?

• Problems Logging In?

DMMonline Links

- Quick Find
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- Suggestion Box
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- DMMonline Documents

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New User Registration

Starred (*) fields are required, but providing more information will speed up the approval process. DSCP users please supply your LAN ID (paa or hxx number). After this form is submitted, the appropriate administrator will be notified to grant access to the applications requested. Users will be notified by the administrator when their id has been updated.

***** If you already have a user id and password for single sign on (sso) enabled applications, please login in and use the Existing User Registration Link. *****

Basic User Information:

Rank/Title:

*First Name:

*Last Name:

Duty/Position Title

Address 1:

Address 2:

City:

State:

Zip Code:

*Phone:

DSN:

*User Type: >> Select

Contractor Company:

*Organization:

Military Installation:

*Email:

Internet



Electronic Catalog (ECAT)

- An Internet solution that uses the latest electronic commerce technology for ordering, receiving, management and bill payment of medical devices and supplies
- Covers commodities not covered by pharmaceutical and med/surg prime vendors
- Emulates best commercial business practices
- Web-based ordering
- Interfaces with DoD retail systems... DMLSS and TEWLS



Electronic Catalog (ECAT) <http://www.DMMonline.com>

DEFENSE LOGISTICS AGENCY
Extending the Enterprise Forward to the Point of the Spear
DEFENSE SUPPLY CENTER PHILADELPHIA

DMMonline
Directorate of Medical Materiel

Pharm | Med/Surg | Equipment | Readiness | ECAT | Order Products | Customer Service | Site Log In
Thomas Rosenthal | [Log out](#)

Site Login - Register

Medical Login

- Existing User Registration
- Modify User Profile
- Update CAC Info

DMMonline Links

- Site Map/Quick Find
- External Links
- Visiting The DSCP
- Suggestion Box
- Customer Assistance

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Site Login for Single Signon (SSO) enabled applications

User Name: Thomas Rosenthal
Email Address: Thomas.Rosenthal@dla.mil
If this is not your current Email Address, please update today.

Applications you currently have access to:

Contingency Automation Application	ECAT
Medical Acquisition Timeline	Medical Supplier Directory

DMMonline provides our customers and trading partners access to various e-Commerce and web based business applications.

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Applications Requiring Registration

ACPOP Reporting	Access Manager (Cleartrust) Admin Tool
CDMA National Contracts Compliance	Best Pharmacy Report
Contingency Automation Application	CDMA Pricing Management
Contract and Customer Maintenance	Contract and Customer Information
DAPA Manufacturers Application	Controlled Substance Report
DML Enterprise Architecture	Data Synchronization
DoD Medical Catalog Administration	DMLIS Application
ECAT	DoD YA Medical Catalog formerly MECA
Historical Price Lookup Tool	EDI Visibility
Medical Acquisition Timeline	IPSYS
Medical Reconciliation Application	Medical Air Bridge
MedSurg Fill Rate	Medical Supplier Directory
Prime Vendor Autoload	MedSurg Fleet Prime Vendor Reports
Regional Standardization	Readiness Management Application
VA Data Management Application	Service Level Election Function (SLEF)



Electronic Catalog (ECAT)



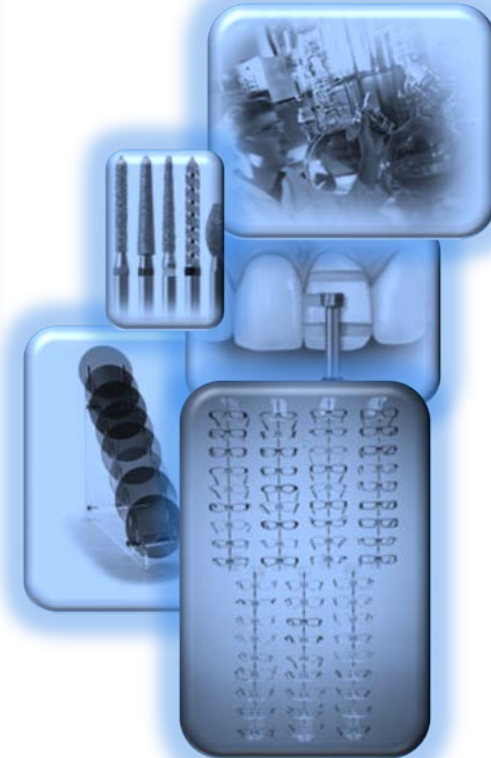
The screenshot shows the ECAT Order Products web application interface. At the top, it says "ECAT Order Products 1.1.0.0" and "Logged In As- Joe Authorizer". The main section is titled "Search Our Product Catalogs" and contains four search methods:

- 1 By Product Number:** Includes a "Part Number" dropdown menu, an "Enter Number" text field, and a "Search" button.
- 2 By Product Name:** Includes an "Enter Keywords" text field, a "Narrow Further By Manuf. Name" dropdown menu, an "And / Or Supplier Name" dropdown menu, and a "Search" button.
- 3 By Item ID:** Includes three dropdown menus labeled "First, select a supplier", "Second, select a catalog", and "Third, select an item", each with a "Search" button.
- 4 By Category:** Includes three dropdown menus labeled "First, select a Product Category", "Second, select a Product Line", and "Third, select a Subcategory", each with a "Search" button.

Below the search section is an "Order Look Up" section with a dropdown menu for "View Orders and Requisitions for: Joe Authorizer". It contains three columns of order status counts:

- View Your Delivery Orders:** Cancelled By Authorizer (0), Forwarded To Supplier (25), Accepted By Supplier (16), Rejected By Supplier (0), Purchase Authorized (4), Purchase Authorization Requested (0), Consignment Purchase (0), Order Received (5).
- View Your Carts:** New Cart (0), Parked Cart (0), Scheduled Cart (0), Checked Out (43), Awaiting Authorization (0), Authorizer Rejected (0), Returned By Authorizer (0), Deleted By Originator (12), Cart Recalled By Originator (0), Consignment Cart (0), Authorizer Review (0).
- View Your Requisitions Submitted To Supplier (82):** Forwarded To Authorizer (0), Accepted With Changes (0), Quantity Adjusted (0), Cancelled By Requisitioner (0), Item Procured (0), Rejected (8).

At the bottom, there is a search bar with the text "Can't Find an Order? Search here for a Delivery Order or Requisition Number".





Product Lines

<u>Program</u>	<u>Suppliers</u>	<u>Items</u>
• Dental	15	69K
• Laboratory	7	400K
• Optical	12	8K
• Equipment	27	16K
• Med/Surg	2	50K
• Manufacturer Direct	2	7K
• Contingency	42	6K



ECAT Program Features

- Multiple catalog ordering
 - Online comparison shopping for best value
 - Customer selects product and vendor
 - Price
 - Delivery
 - Past performance
 - Physician's preference
- Suppliers deliver direct to customer
- Potential 5 year contracts
 - Base year with four 1-year options



ECAT Program Features, Continued

- Additional Features
 - Transmits orders 24/7
 - Vendor acknowledgment
 - DSCP pays vendor within 15 days after receipt or invoice
 - On-line status
 - Direct CONUS delivery
 - Direct OCONUS delivery on most

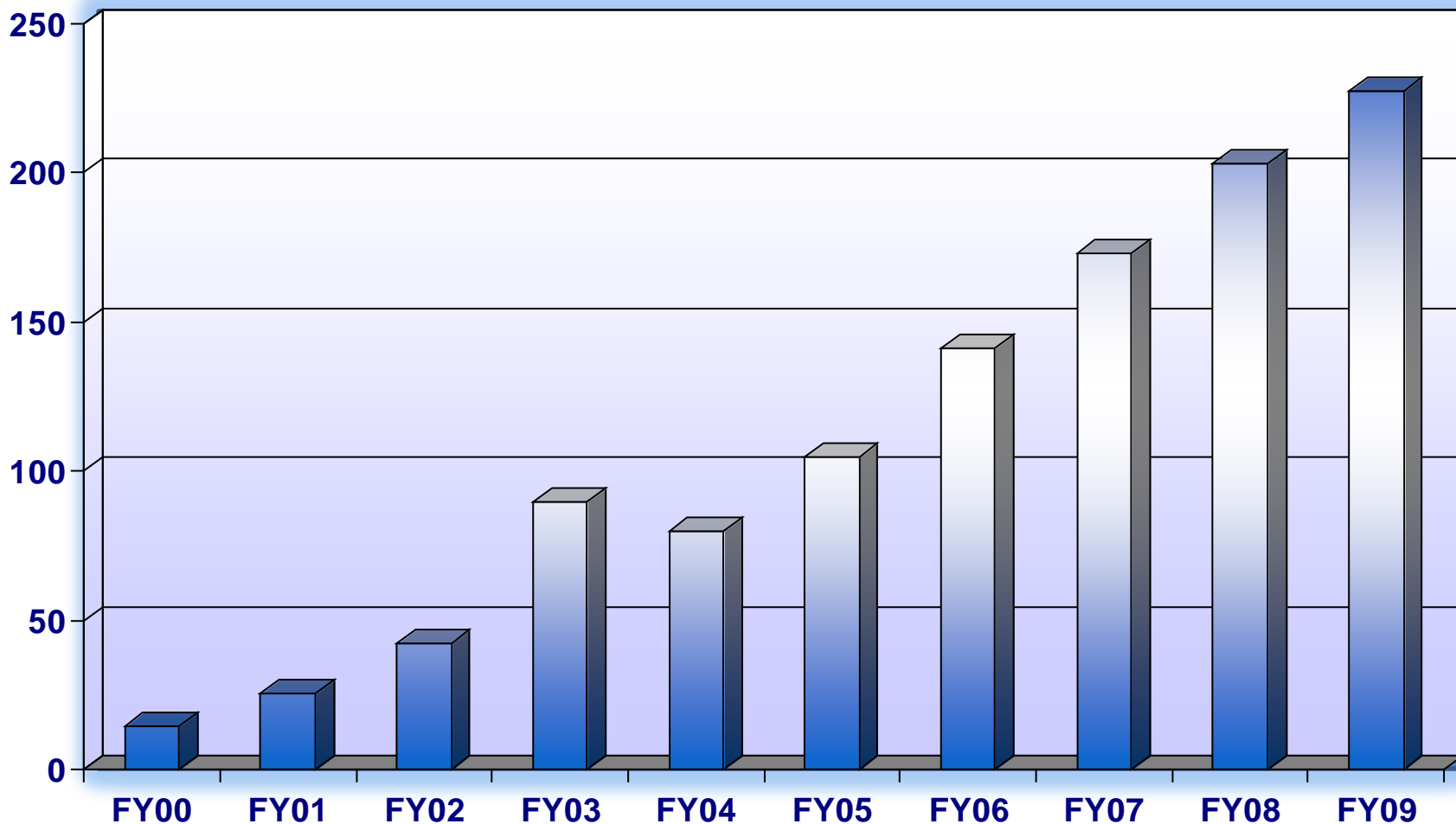


Customer & Supplier Benefits

- Customer benefits
 - Stable pricing for all customers based on usage
 - B2B e-Business operating system Interface
 - Customers pay as they consume product
 - Electronic commerce solution to local manual purchase activity
 - Robust search engines
- Supplier benefits
 - One focal point for contract administration
 - Paperless operation = reduced administrative costs
 - Electronic published catalog pricing
 - ECAT is available to all Federal Agencies worldwide (DoD, IHS, NIH etc.)
 - No fee to vendor to use ECAT



ECAT Program Growth





Manufacturer Direct Program

Vision

- Provide Manufacturer Direct (MD) product lines through the DSCP Electronic Catalog (ECAT)

Goal

- Award contracts directly with manufacturers that do not distribute products through Medical/Surgical prime vendors... provide customers process savings and stable prices



Manufacturer Direct Program

Initial strategy

- Partner with industry to develop an e-Commerce solution to manual purchasing activity for manufacturer direct items
 - Customer benefits
 - Stable pricing for all customers based on usage
 - Customers pay as they consume product
 - Supplier benefits
 - Supply Chain management efficiencies
 - First-line visibility with customers
 - Direct payment
 - One contract

Long-term strategy

- Use information to gain business intelligence to get a true picture of product demand and areas for growth



Manufacturer Direct Program

- Product Lines
 - Orthopedic implants
 - Knees and hips
 - Clinical laboratory diagnostics
 - Reagents, controls, special tests
- Future products and services
 - Orthopedic implants and other devices
 - Newborn screening services
 - HPV, STD and other diagnostic reagent testing



Manufacturer Direct Program Concept of Operation

- Direct ordering
 - Orders will flow from customer DMLSS system through ECAT to vendor
 - Vendor confirms orders
 - Vendor ships product “direct vendor delivery”
- Post-post method
 - Customer creates “not-to-exceed” purchase order
 - Upon customer request, vendor ships product “just-in-time”
 - Customer issues delivery order for used product
 - Vendor confirms order



Electronic Catalog Points of Contact

If you are interested in submitting a proposal under the ECAT Program, please contact

- Roy Dillard (215) 737-2296 roy.dillard@dla.mil
- Eileen Motta (215) 737-2480 eileen.motta@dla.mil



Medical Readiness Programs





Medical Readiness Contract

- Long term contractual partnership
- Supplier guarantees a certain amount of product coverage to meet DoD's requirements
- Contract content and guarantees reside in DoD planning tool... "Readiness Management Application"
- Contract product availability is uploaded into the item source selection... Contingency Automation Application (ISS-CAA) (Readiness Sourcing Tool)
- Direct sales to suppliers are generated from the Readiness Electronic Catalog (ECAT)



Types of Medical Readiness Contracts

- Corporate Exigency Contracts (CEC)
 - Designed for manufacturers
 - DoD buys access to manufacturing capabilities for a fee
 - Multiple contract awards for the same line
 - Underwrites portion of manufactures' production capability
- Vendor Managed Inventory (VMI)
 - Designed for wholesalers
 - Buys access to inventory stocks for a fee
 - Underwrites portion of vendors' inventory safety level expenses



How Vendors Make Money

- Inventory management fee
- Inventory holding fee
- Sales... potential sales in support of military operations and humanitarian support efforts



Other Benefits to Participating Vendors

- Preferred contingency supplier
- Possible reduction in charge backs as a result of direct sales
- Improved supply chain managing
- Reduce administrative time receiving and processing orders
- Visibility of your contract product line in Services' planning and ordering applications/systems



Medical Readiness Sales Growth

Direct Sales



* Year to date



Readiness Points of Contact

If you are interested in participating in one of our readiness programs visit:

- Our WEB SITE for the Solicitations is...
<https://www.dibbs.bsm.dla.mil/RFP/>
- Pharmaceutical Vendor Managed Inventory solicitation no...
SPM2D0-10-R-0001
- Pharmaceutical Corporate Exigency Contract solicitation no...
SPM2D0-07-R-0005
- Medical Surgical Corporate Exigency Contract solicitation no...
SPM2D0-07-R-0006
- Then contact Michael Medora at (215)737-2117 or Michael Brywka at (215)737-5775 to arrange for a presentation and tailored Excel spreadsheet



Subcontracting Opportunities

- Contracts with Large Businesses valued at over \$550,000 require Small Business Subcontracting Plans
- Opportunities exist for the following categories of businesses:
 - Small business
 - Veteran-Owned
 - Service-Disabled Veteran Owned
 - Small Disadvantage
 - Small Women Owned
 - HUBZone Small Business
- For additional information on subcontracting opportunities contact the DSCP Small Business Office:

Michael McCall (215) 737-2323 michael.mccall@dla.mil

Paul Rooney (215) 737-4648 paul.rooney@dla.mil



Summary

What We Want To Leave You With

- Medical Materiel is big business in DLA with annual sales of ~\$4.5B
- There are many opportunities for you to do business with us
 - Prime Vendor via traditional DAPA
 - ECAT and Manufacturer Direct
 - Readiness Programs
 - Subcontracting
- Applications and assistance are available at our Medical website... DMMonline.com
- If you are interested contact us and we'll assist you



Questions?



USNS Mercy and USS Abraham Lincoln
Indian Ocean

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

