



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



DEFENSE LOGISTICS AGENCY Energy

Mr. Patrick J. Dulin
Deputy Commander

June 28, 2011



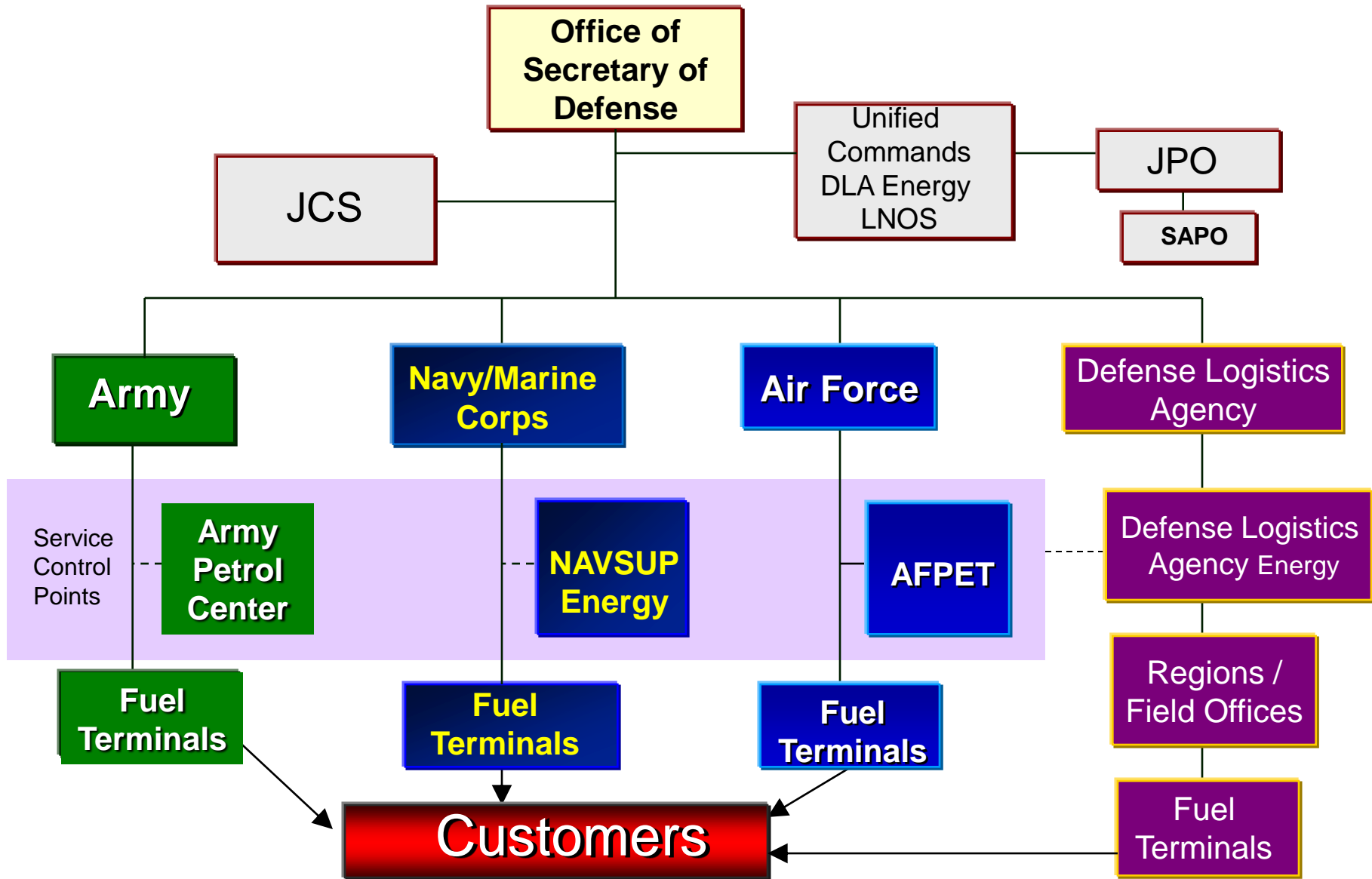
Agenda

- Global Organization/Support
- How We Do Business
- How We Support The Warfighter
 - DLA Energy Operations
 - DLA Energy Regional Offices
- Summary



Global Organization/Support

DoD Petroleum Structure





Global Organization/Support

Defense Logistics Agency



Chief of Staff
Mr. Fred Baillie



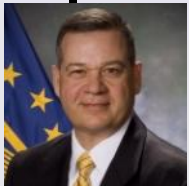
Vice Director
Ms. Mae DeVincentis



Director
Vice Admiral
Alan S. Thompson
United States Navy



Senior Enlisted Leader
Command Sergeant Major
Otis Cuffee
United States Army



DLA Troop Support



DLA Aviation



DLA Land and
Maritime



DLA Distribution



DLA Energy



DLA Disposition
Services

COMMANDERS
& DIRECTORS

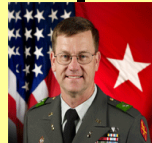
CORPORATE
STAFF



DLA Installation
Support



DLA Human
Resources



DLA Logistics
Operations



DLA Strategic
Plans and Policy
GS-15



DLA Information
Operations



DLA
Acquisition



DLA Finance



DLA Joint
Reserve Force



SERVICE
ACTIVITIES

DLA
Pacific



DLA
Europe & Africa



DLA
Central



DLA Logistics
Information
Service
GS-15

DLA
Document
Services
GS-15

DLA
Transaction
Services
GS-15

DLA
Strategic
Materials
GS-15

Joint Contingency
Acquisition Support
Office





Defense Logistics Agency Energy

Commander ★

DLA Counsel - Energy

Deputy Commander ▽

Executive Director ▽

Chief of Staff 🦅

Regions:
Americas,
Europe & Africa,
Pacific,
Middle East

Acquisition Policy & Oversight

Auditability Office

Public Affairs Office

Small Business Office

Internal Review Office

Operations 🦅

Operations Support 🦅

Plans & Operations Center

Quality Tech Support Office

DLA Information Operations

Business Process Support

Plans Division

Operations Division

DLA Installation Support

DLA Finance Energy

Command Admin Support

Manpower & Workforce Analysis

Energy Plans & Programs

Mobility Fuels 🦅

Installation Energy/Enterprise 🦅

Research & Development

Executive Agent

Government Fuel Card PMO

DFSP Management

Business Development

Direct Delivery Fuels

Aerospace Energy

Installation Energy

Energy Enterprise

Bulk Petroleum



DLA Energy Mission, Vision and Values

Mission

To provide the Department of Defense and other government agencies with comprehensive energy solutions in the most effective and efficient manner possible.

Vision

Our customer's first choice for energy solutions.

Values

- Warfighter needs guide us
- Integrity defines us
- Diversity strengthens us
- Excellence inspires us



DLA Energy Enterprise

Military Fuel FY10

Inventory	59.9M barrels*
Storage Locations	630
Barrels Sold	130.5M
Fuel Cards	\$699.7M
Aerospace Energy Sales	\$69.6M

Petroleum Sales: All Customers

FY06 Net Sales	133.9M barrels	\$12.7B
FY07 Net Sales	132.4M barrels	\$12.6B
FY08 Net Sales	132.5M barrels	\$17.5B
FY09 Net Sales	129.0M barrels	\$12.2B
FY10 Estimate	130.5M barrels	\$15.3B
FY11 Estimate	125.5M barrels	\$18.0B

Foreign Military Sales FY10

Net Sales	3.54M barrels - \$340.5M
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* 42 Gallons = 1 Barrel

Expanding Energy Solutions FY10

Natural Gas Business	\$492M
<i>Electricity Business</i>	\$36.5M
<i>Coal Contract Business</i>	\$31.8M
Renewables	\$1M
Energy Savings Performance	\$33.5M
<i>Estimated U.P. Awards</i>	\$616M

multi year awards

Forward Presence FY10

Co-located: 3 Service Control Points
4 Geographic Regions: approx. 283 personnel

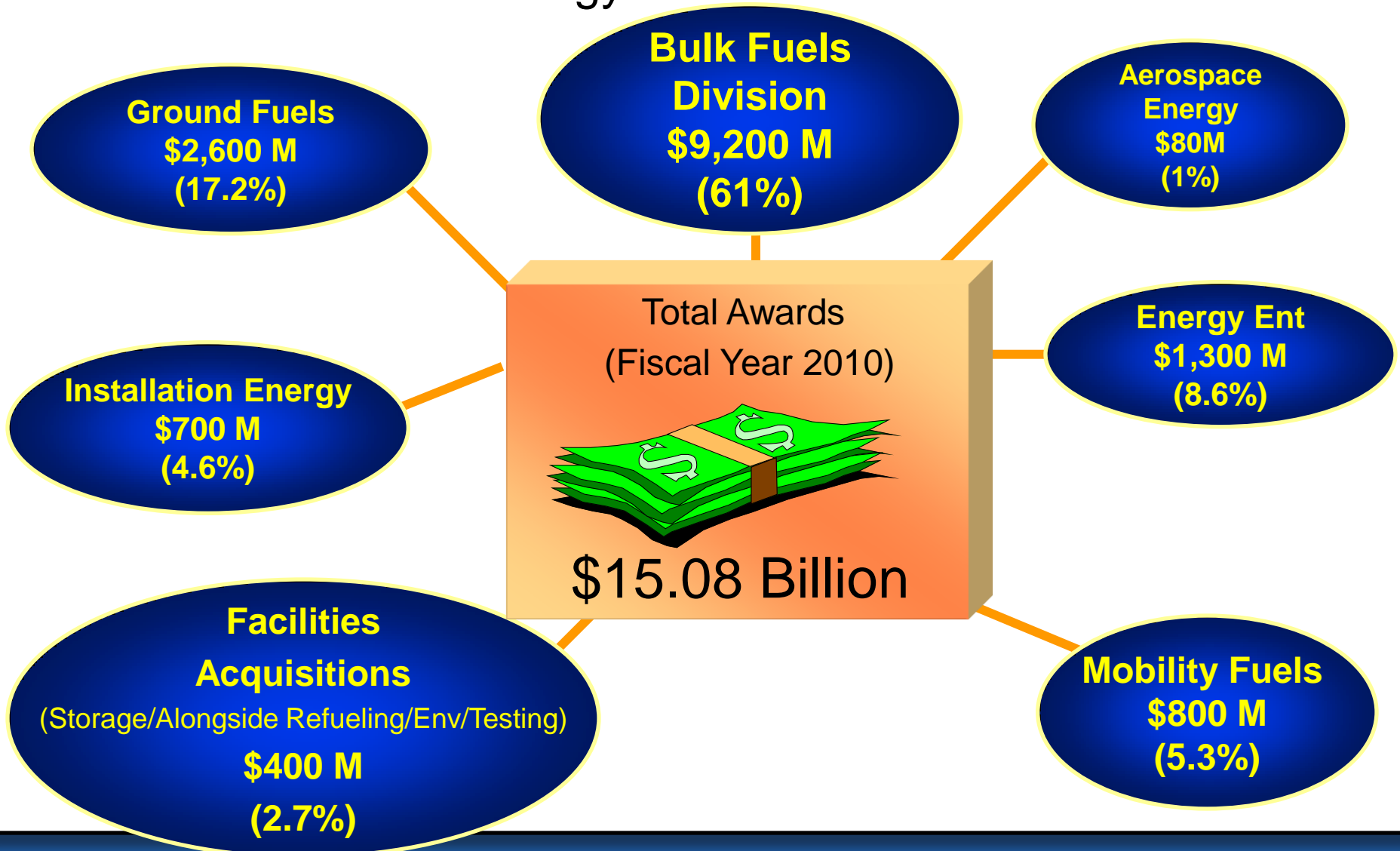
Personnel On Board FY10

Civilians	1148
Military	63



How We Do Business

DLA Energy FY10 Contract Awards

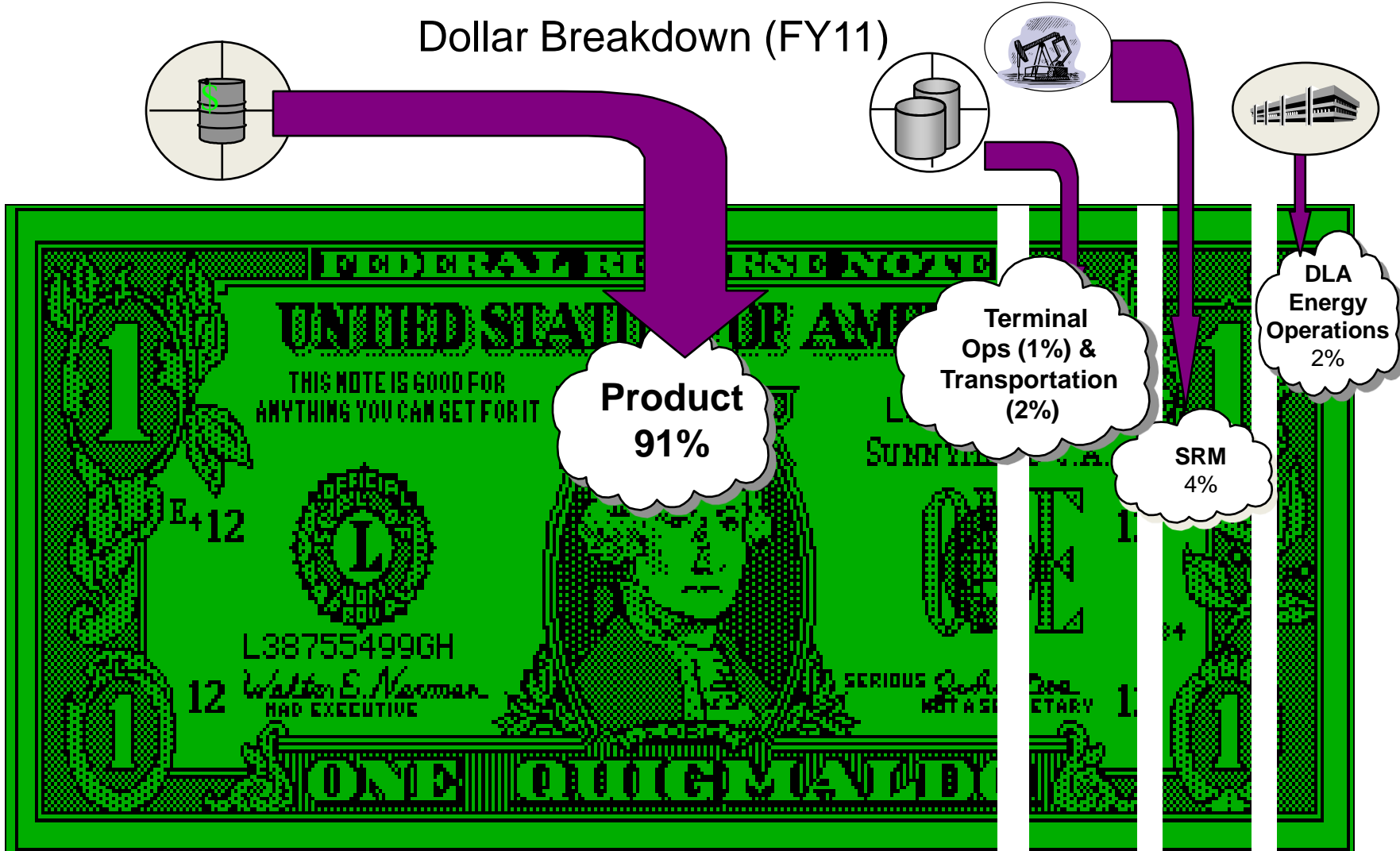




How We Do Business

DLA Energy Costs

Dollar Breakdown (FY11)

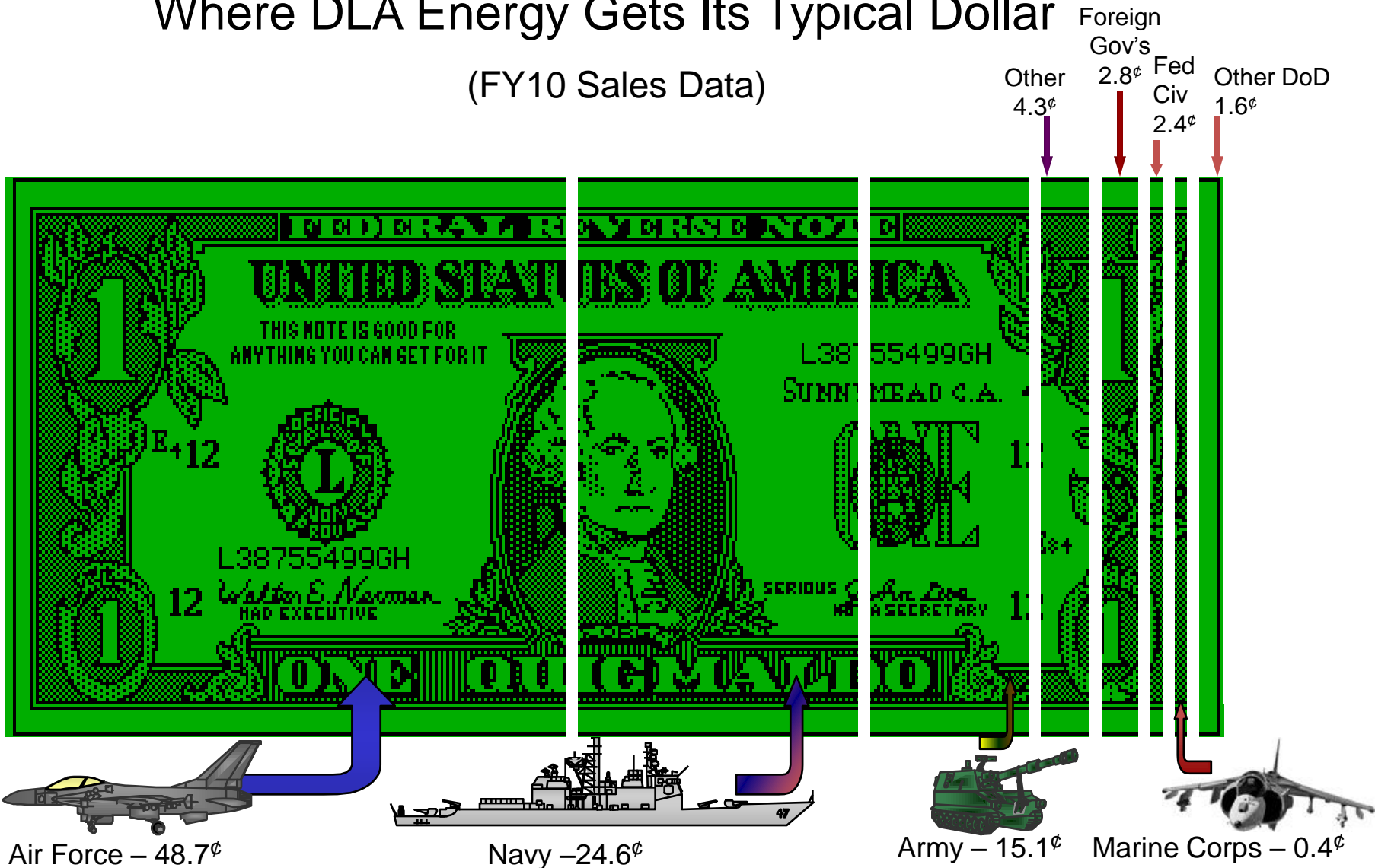




How We Do Business

Where DLA Energy Gets Its Typical Dollar

(FY10 Sales Data)





How We Do Business

Small Business Office

Current FAR Policy (FAR Part 19.201 (a))

“It is the policy of the Government to provide maximum practicable opportunities in its acquisitions to small business, Veteran-owned Small Business, Service Disabled Veteran-owned Small Business, HUBZone small business, small disadvantaged business and woman-owned small business concerns. Such concerns shall also have the maximum practicable opportunity to participate as subcontractors in the contracts awarded by any executive agency, consistent with efficient contract performance.”



How We Support the Warfighter

DLA Energy Operations



Bulk Petroleum

Program Overview

- Bulk Fuels Contracting
 - \$9.2B in awards FY10
- Services and Storage Contracting
 - \$446M in awards FY10
- International Agreements
 - 42 Agreements in Place/\$492M in IA support FY10

Major Accomplishments

- Continued OIF/OEF Support
- Increased Storage in Afghanistan
- Optimization awards
- Alongside Aircraft Refueling for Navy
- AETC Fuel Operations Contracts
- COCO Storage in Singapore
- Continued support of bulk fuel programs
- Signed Fuel Exchange Agreement with UAE

Current Initiatives

- Peer Review process for fuel programs
- DoE Heating Oil Reserve Storage
- Arabian Gulf/Multiple COCO Storage efforts
- Cape Canaveral Optimization
- Global Strike/Space/AETC Fuel Operations
- Navy Green Fleet Hydrotreated Renewables

Future Initiatives

- Co-mingled Storage
- Commercial Jet Fuel purchasing
- Process Improvements
- International Agreement Budget SOP
- Nineteen Additional Agreements in the Pipeline
- SOPs/Desk Guides
- Al Dhafra bulk fuel support



Direct Delivery Fuel

Program Overview

- Posts, Camps & Stations (PC&S)
 - Commercial ground fuel products worldwide
 - Diesel Fuel, Gasoline, Heating Oil, Alternative Fuels
- Into-Plane
 - Aviation fuels at commercial airports worldwide
 - Often DoD's first line of logistics on foreign soil
- Ships Bunkers
 - Ship propulsion fuels at commercial seaports worldwide

Current Initiatives

- Major Acquisitions
 - PC&S – FEMA, Alaska, Columbia, Germany, Italy, Djibouti, Kyrgyzstan (MTC), Iraq (State Department), Afghanistan (NDN, Pakistan & Bagram pipeline)
 - Ships Bunkers – Domestic, Central & South America, Pacific (125 locations)
 - AFRICOM Support
- SEA Card Ordering Management System (SCOMS)
Open Market Program



Major Accomplishments

- OEF/OIF Support
 - Afghanistan – multiple supply chains; increased reserve storage capability
 - Iraq – Uninterrupted fuel support to the Warfighter; products sourced from Turkey
- FEMA Contingency Support
 - Proof-of-Concept Drill
 - Successfully supported Hurricanes Gustav & Ike, Kentucky ice storms, Alabama tornadoes

Future Initiatives

- LEAN events
- Pricing for Non-DoD Customers
- Swipe Sea Card Open Market Pilot Program





DFSP Management

Program Overview

- Oversight of 630 DFSPs with major programs in the following:
 - Inventory Accountability
 - Inventory & Dist Mgmt
 - Terminal Ops
 - SRM
 - Privatization
 - BSM-E Systems Support and Training

Major Accomplishments

- Increased Warfighter Stockage/CENTCOM Support
- Army Korea GOCO contract (10 locations)
- Funded 108 installation level engineering surveys
- Increased SRM staffing by 43%
- 98% of FMD deployments complete/completed FMD 8 baseline configuration
- Completed Secondary Sale Interim Guidance
- Inventory Management intranet tool deployed
- Completed first round of Staff Assist Visits

Current Initiatives

- Jet-A Demonstration/DFSP Charleston Conversion
- Assuming AF contracts-AETC/AFSPC/AFGSC
- PACOM Study Implementation
- Global Inventory Reduction Study (DORRA)
- EBS Implementation – external portal
- Align FMD Configuration with EBS convergence
- Expansion of Inventory Metrics
- DWCF loss reduction aboard Navy vessels

Future Initiatives

- Assumption of AFMC Contracts
- Wake Island Optimization Study
- Development/Execution of FY12 SRM Master Plan
- Compliance Inspection Program
- BCA on quantity determination



Fuel Card Program

Program Overview

- DoD-level program office for AIR Card®, DoD Fleet Card and SEA Card® programs
 - Policies, procedures, program support
- FY10 Stats:
 - AIR Card®: \$561M, 212K transactions
 - DoD Fleet: \$54M, 676K transactions
 - SEA Card®: \$199M, 1450 transactions

Major Accomplishments

- Major policy development – DoD Manual, 4140.25
- 24/7, 365 global warfighter support
- DoD Fleet Card Program successful transition to Wright Express
- FY10 Fleet Rebates \$719K
- Budgeting tool - Strategic Sourcing Report
- Development of Contract & Open Market SEA Card® Order Management System (DoD-SCOMS®)

Current Initiatives

- Expand DoD-SCOMS® Open Market sales
- Swipe SEA Card® Pilot
- Expansion of AIR Card® website
- Develop PWS for AIR/SEA Card® Contract



Future Initiatives

- WAWF – AIR Card® program - Army rollout
- WAWF – DoD Fleet Card Program
- LSS – Two Enhancement Initiatives
- Program Management Reviews





Aerospace Energy

Program Overview

- DoD Integrated Material Mgr for space and space-related products and services
 - Liquid propellants
 - Chemicals/compressed gases
 - Cryogenics
- Multiple supply chains
 - 96% long term contracts
 - 76% direct vendor delivery
 - Robust transportation mission
 - Limited industrial bases



Major Accomplishments

- 16 launches in FY10 - 100% on time/on spec
- OIF/OEF bulk helium delivery
 - Developed in-country production of gaseous helium via 2 COCO Helium Transfill Facilities in AFG
 - Successfully supported surge of OEF Army Aerostats from 6 to 63
- Continuous Process Improvement (CPI) recognition
 - Back-to-back Packard Awards – 2006 & 2007
 - 2006 DLA Small Team Award
 - 2007 DLA Green Products and Services Award
 - 2008 SDDC Transporter of the Year

Current Initiatives

- Ongoing major acquisitions - open solicitations
 - CONUS Gaseous Helium
 - Gaseous Helium Trailers/ISO Containers
 - OCONUS Helium - Afghanistan
 - Gaseous Hydrogen and Gaseous Oxygen - Warner Robins AFB
 - Liquid Helium in DEWARS
 - Aviator's Breathing Oxygen - multiple Middle East locations
- Contact: Sharon.Murphy@dla.mil to receive copies of solicitations

Future Initiatives

- Anticipated increase in bulk helium demand
- Customer and supplier automation





Quality/Technical Support

Program Overview

- Quality and Technical acquisition Support for all Energy procurements
 - Quality Assurance and Surveillance
 - Standardization and Cataloging
 - Project Management of Test and Evaluation Programs
 - Evaluation of Energy Policy and Legislation

Major Accomplishments

- OEF/OIF Support
 - Development of NSNs and specifications
 - Review of waivers and exceptions
- Disposition Requests for off-spec product
- Rewrite of DoD QA/QS Standard for Fuels, Lubricants and related products
- Technical oversight for \$48M in R&D projects

Current Initiatives

- Support of the AF Jet A Conversion Program
- Approval program to increase the supplier base for JP-8 +100
- 1910 Quality Assurance Specialist DTC Intern Program
- Annual publication of the Petroleum Quality Information System Report

Future Initiatives

- Evaluation of fuel additives to reduce cost within the logistical supply chain
- Update overarching DLA Energy QA policy and training standards
- Quality Automation through Energy Convergence
- ICW CAAFI/FAA develop EISA 526 compliance policy



Energy Plans & Programs

Program Overview

- Acts as the lead agent across a multitude of functions associated with the Center's roles in bulk petroleum, alternative fuels and renewable energy
- Has management responsibilities for the following offices:
 - Executive Agent (EA) Office
 - Research and Development Program Office
 - Energy Business Development Office

Major Accomplishments

- Orchestrated center efforts to acquire over 760K USG of hydrotreated alternative jet & marine diesel
- Completed FY10 NDAA Section 334 Congressionally-mandated study
- Multiple alt fuel-related R&D contract awards
- Enabler for DLA Energy winning 2010 DLA Green Energy & Services Award

Current Initiatives

- Acquisition Manager for Green Initiative for Fuels Transition Pacific
- Multiple energy-related R&D projects
- Support of Executive Agent supply chain enhancement projects

Future Initiatives

- Orchestration of EA 2020 evolution
- Continual support of DoD alternative fuel and renewable energy initiatives
 - Strive towards supply chain integration of alternative fuels





Executive Agent

Program Overview

- Pursues initiatives related to improvement of the Class III Bulk Petroleum supply chain
 - Equipment
 - Training
 - End-to-End Distribution
 - Information Management
 - Quality

Major Accomplishments

- Revision of the Joint Publication 4-03 – Bulk Petroleum Doctrine – Dec 2010
- Consolidated All On-line Petroleum Supply Chain training to Defense Knowledge On-Line
- Assisted in Refining the Fully Burdened Cost of Energy Concept
- Standardized Specification for Collapsible Fuel Tanks

Current Initiatives

- Bulk Petroleum-Common Operating Picture (BP-COP) Deployment
- Automatic Identification Technology (AIT) Feasibility Study
- Temperature & API Correcting Meters (TACM) Feasibility Study
- Collapsible Fuel Tank Enhancement Evaluations

Future Initiatives

- EA2020 Long Range Strategy Implementation
- Class IIIB Energy Logistics Footprint Assessment
- Automotive Information Module 2 (AIM2)
- DFSP Management



Installation Energy

Program Overview

- Energy Commodities
 - Managing \$2.1B in natural gas, electricity, coal, renewable energy and ESPC contracts
 - Serving over 200 customers (DoD/Fed Civ)
- Energy Savings Performance Contracts (ESPC)
 - Partnering with DoE...ESPC ID/IQ contracts
 - Assist military Services with using ESPC contracts to reduce energy demand
- Renewable Energy – Serve as DoD contracting agent for purchasing renewable energy to meet mandated energy goals
- Electricity Demand Response Program
 - Assisting customers in enrollment to support grid reliability

Major Accomplishments

- Awarded over \$600M in natural gas, coal, electricity, renewable energy and ESPC contracts in FY10
- Achieved a 19% cost avoidance for natural gas customers in FY10 of approximately \$62M
- ESPC efforts are supporting energy reduction goals by saving 868B btu's/year
- Procured over 5.5M megawatt hours of renewable energy
- Issuance of multiple solicitations for large and small scale solar projects
- Participation in electricity demand response programs netted customers over \$4.6M in credits on their utility bill in FY10

Current Initiatives

- Working multiple ESPC efforts in support of Army, Regional Support Commands and other DoD agencies
- Supporting multiple renewable energy project efforts for Army
- Electricity procurement to support DoD and federal civilian customers in Northeast region
- Natural gas procurement supporting DoD and federal civilian customers in CA

Future Initiatives

- Become center of excellence for renewable energy
- Continued growth of ESPC program
- Expand implementation and execution of electricity demand response at federal facilities
- Support purchase of biomass pellets for customers with on-site biomass generation facilities



Energy Enterprise

Program Overview

- Many DoD utility systems are poorly maintained, resultantly, significant system deficiencies exist across DoD utility systems which degrade system reliability, threaten mission readiness, potentially compromise energy security and, in some cases, constitute a serious threat to life, health and safety
- Utilities privatization (UP) is DoD's preferred method for addressing utility infrastructure deficiencies by leveraging private sector financing and efficiencies

Major Accomplishments

- DLA Energy's UP program supports OSD's UP initiative
- DLA Energy is the UP contracting support provider of support for the Army and Air Force
- Private vs. DoD ownership = service via modern systems
- Awards for 90 systems at 42 installations
- Award value: \$9.56B, \$2.04B less than estimated cost if DoD retained ownership and properly maintained systems
- Administer 34 contracts for 29 installations (Army and Air Force) and 60 systems

Current Initiatives

- Contract admin function continues to grow – forming partnership with Army for administration of its contracts
- Planned FY11 awards for 21 systems at 10 installations
- MOA with Air Force to administer UP contracts

Future Initiatives

- Energy Enterprise intends, where practicable, to leverage UP contractors (Utility Energy Services Contracts)
 - Authority exists to contract with utilities for energy services
 - These contracts can be used to help installations meet energy conservation and renewable energy goals



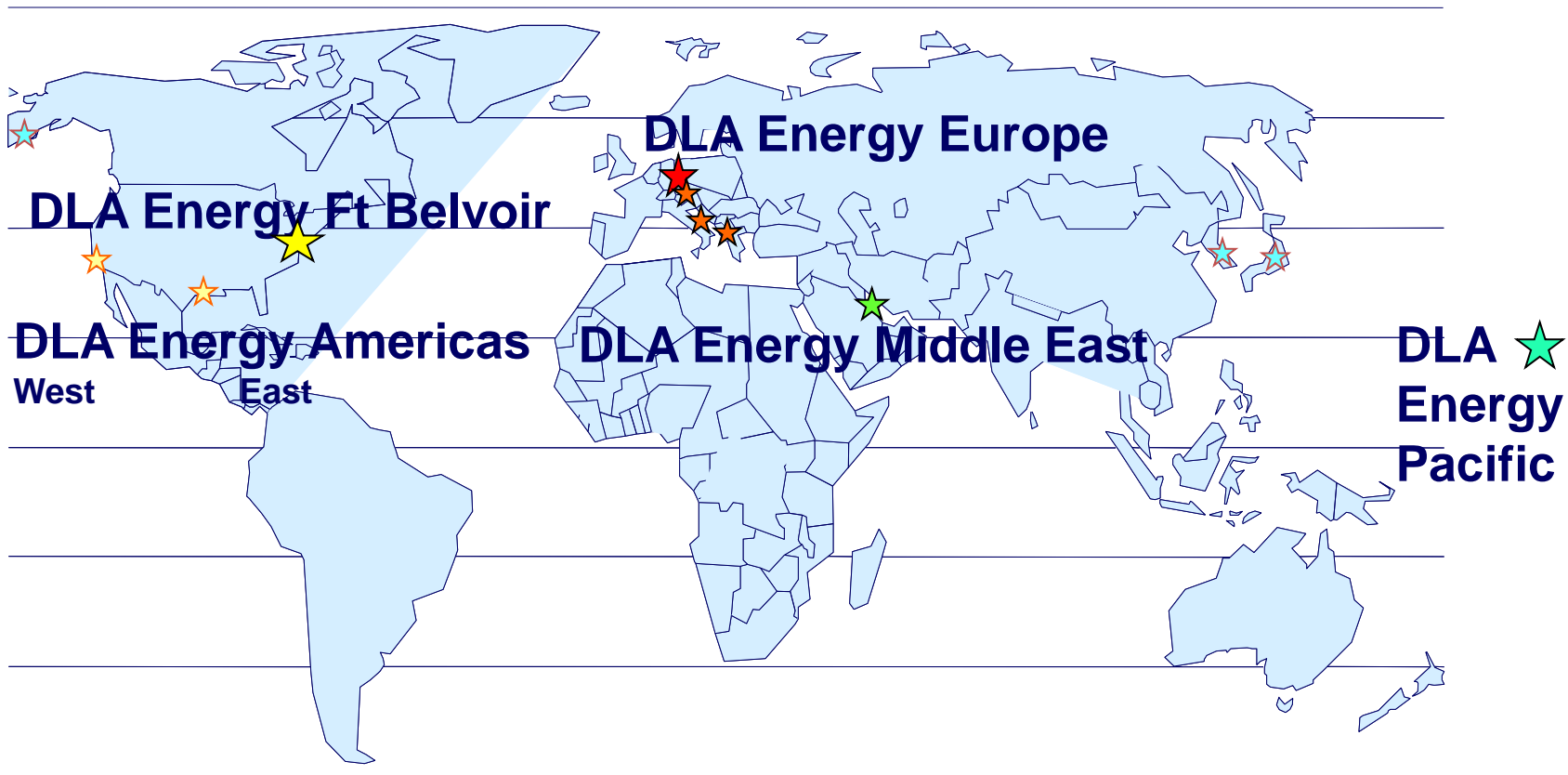
How We Support the Warfighter

DLA Energy Regional Offices



How We Support the Warfighter

DLA Energy Regions



Approximately 1100 military and civilians worldwide



How We Support the Warfighter

DLA Energy Region Functions



- Forward Customer Support
- Ordering Fuel
- Arranging Transportation
- Quality Surveillance & Assurance
- Contractor Terminal Support
 - Facility
 - Contracting Officers Representative (COR)





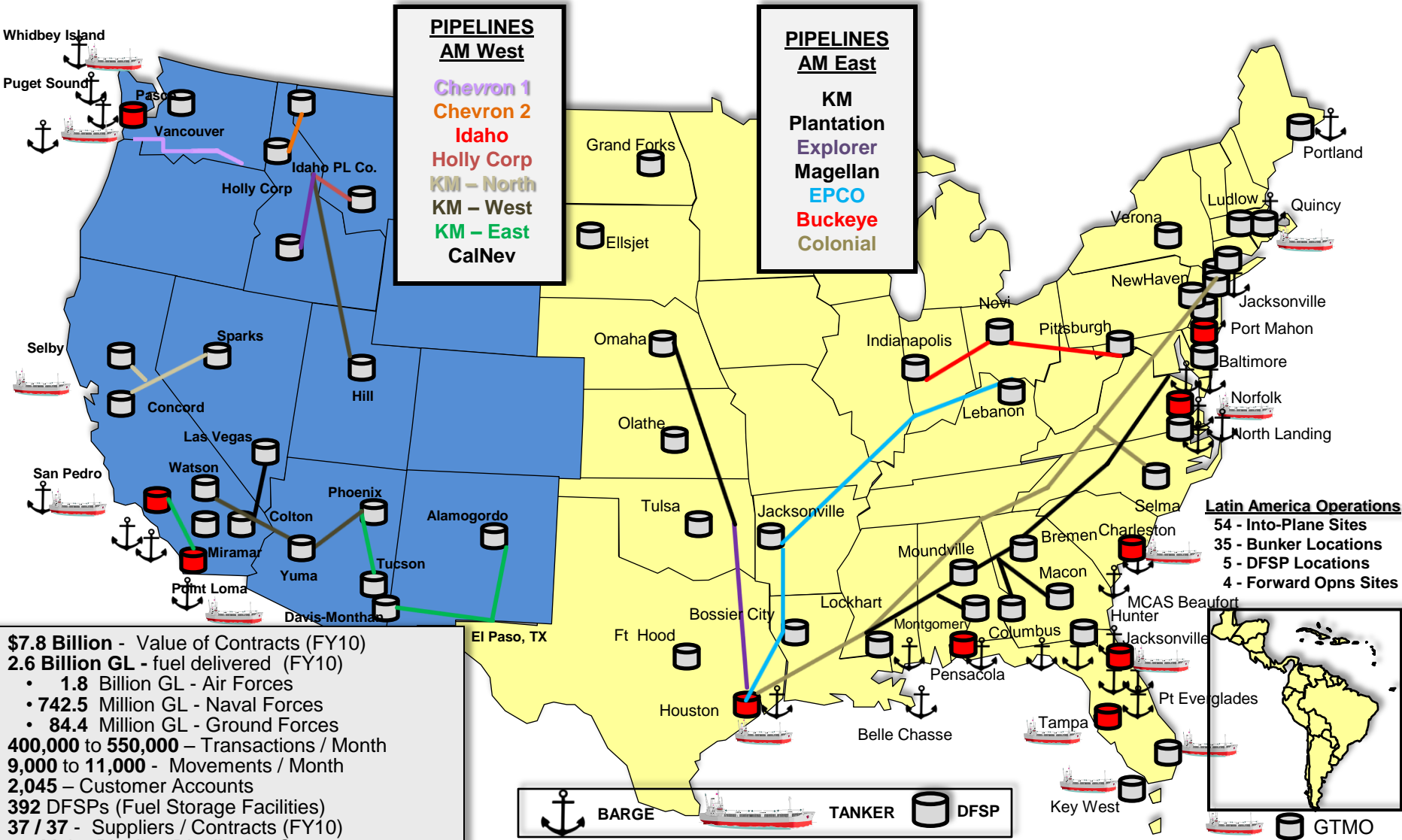
DLA Energy Americas Operations

PIPELINES AM West

- Chevron 1
- Chevron 2
- Idaho
- Holly Corp
- KM - North
- KM - West
- KM - East
- CalNev

PIPELINES AM East

- KM
- Plantation
- Explorer
- Magellan
- EPCO
- Buckeye
- Colonial



Latin America Operations

- 54 - Into-Plane Sites
- 35 - Bunker Locations
- 5 - DFSP Locations
- 4 - Forward Opns Sites



- \$7.8 Billion - Value of Contracts (FY10)
- 2.6 Billion GL - fuel delivered (FY10)
 - 1.8 Billion GL - Air Forces
 - 742.5 Million GL - Naval Forces
 - 84.4 Million GL - Ground Forces
- 400,000 to 550,000 - Transactions / Month
- 9,000 to 11,000 - Movements / Month
- 2,045 - Customer Accounts
- 392 DFSPs (Fuel Storage Facilities)
- 37 / 37 - Suppliers / Contracts (FY10)
- 14 Major Pipeline Distribution Systems
- 5 Time Zones (West Coast - Lesser Antilles)
- 4 COMBATANT Commands





DLA Energy – Europe/Africa EUCOM Operations

- EUCOM Operations
- EUCOM Exercises and Events
- EUCOM Daily Sustainment and DFSP Management
- EUCOM Into Plane Contracts
- EUCOM MGO Bunker Contracts
- USAF/USAFE Bulk Fuel Optimization
- USAREUR and IMCOM Fuel Facility Optimization





DLA Energy – Europe/AFRICA AFRICOM Operations

- AFRICOM Operations and Exercises
- DFSP Djibouti/Camp Lemonier
- AFRICOM Cooperative Security Locations (CSL)
- African Partnership Stations
- Maritime Interdiction Operations
- African Fuels Initiative
- Africa Into Plane Contracts
- Africa MGO Bunker Contracts





DLA Energy Middle East Operations

The CENTCOM AOR is . . .

The Middle East office is . . .

Complex

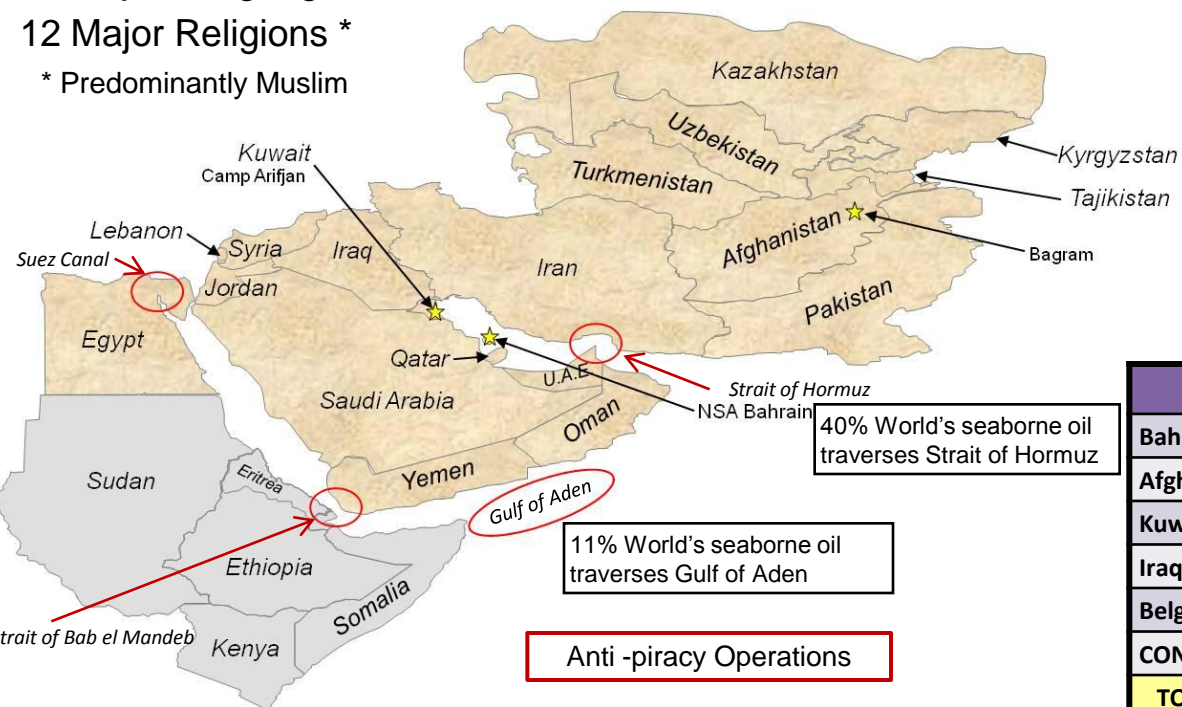
- 683M People
- 20 Countries
- 32 Major Ethnic Groups
- 7 Major Languages
- 12 Major Religions *
- * Predominantly Muslim

Critical

- 56.6% of World's Oil Reserve
- 47.1% of World's Natural Gas
- 4 x Strategic Choke points

Supporting the Warfighter:

Two combat theaters (OEF, OND), in addition to CONOPs planning and air and maritime CTFs.



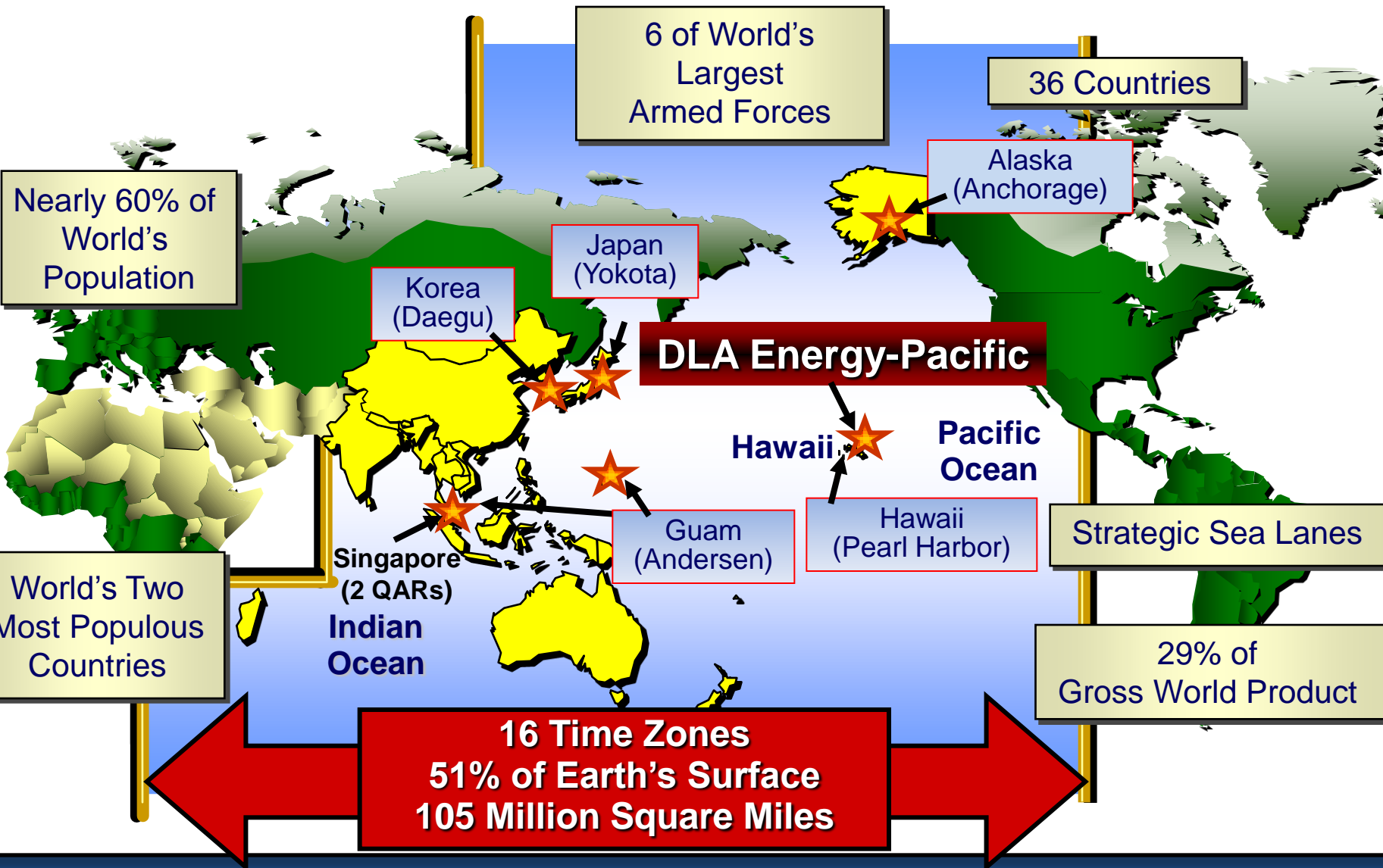
Supported	Fuel	Cost
OND	629.6M gallons	\$2,487.0M
OEF	429.4M gallons	\$1,696.1M
Air Forces	565.2M gallons	\$2,234.6M
Naval Forces	185.8M gallons	\$734.6M
TOTAL	1,810M gallons	\$7,152.3M

Forward postured in support of:

Country	Supported Effort	Personnel
Bahrain	CENTCOM	42
Afghanistan	Embassy; USFORA (OEF);	3
Kuwait	USF-I (OND)	3
Iraq	USF-I (OND)	1
Belgium	NATO (JFC-Brunsum)	1
CONUS (Tampa)	CENTCOM LNO; Region Office	7
TOTAL		57



DLA Energy Pacific Operations





Takeaways

- Global Organization
- Forward Thinking
- Primary Mission = Warfighter Support

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

