



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



DLA Troop Support Subsistence Supply Chain

WARFIGHTER SUPPORT ENHANCEMENT

STEWARDSHIP EXCELLENCE

WORKFORCE DEVELOPMENT



Agenda

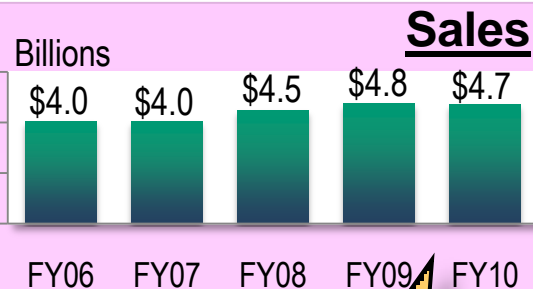
- Subsistence business overview
- Operational Rations / equipment
- Produce...fresh fruits & vegetables (FF&V)
- Market Fresh...bread / dairy / soda
- Garrison Feeding (dining facilities (DFAC))
- Quality controls
- Business opportunities
- Wrap up and questions



Subsistence

Customers / Items

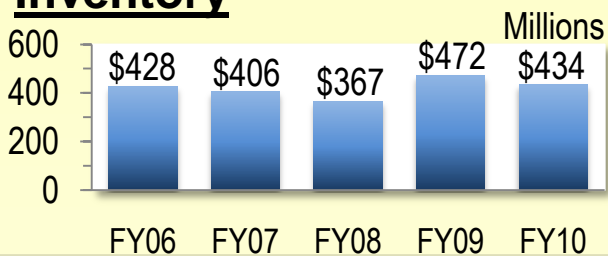
Customers: 12,000
 Orders: 13M annually
 Items: 65,000



The Big Picture

**FY11 Forecast
\$4.199B**

Inventory



Personnel / Vendors

Employees (auth): 330 civilian
 + 14 military

Suppliers: 405

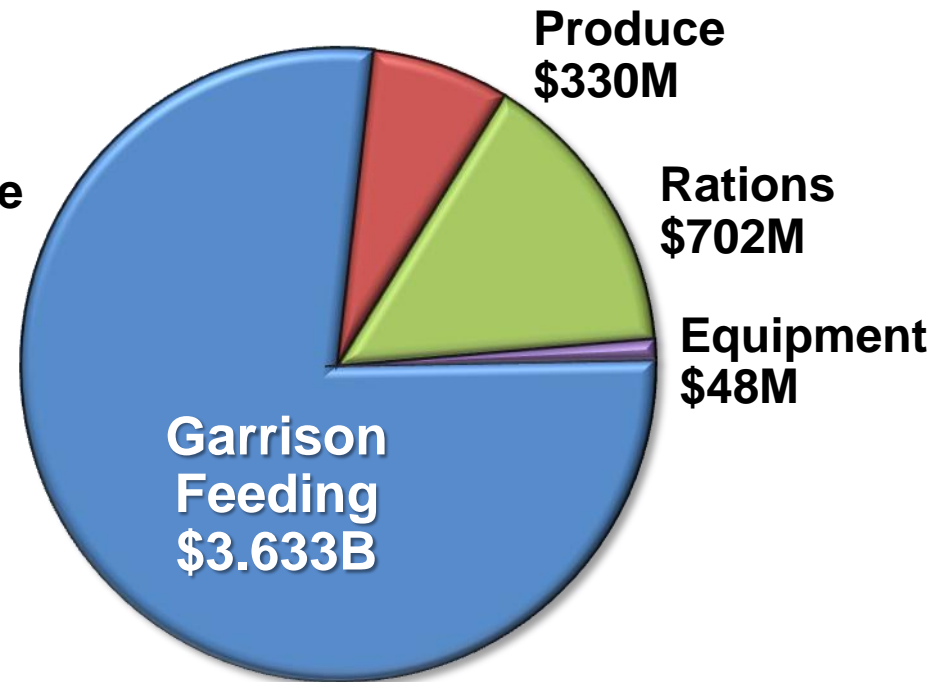
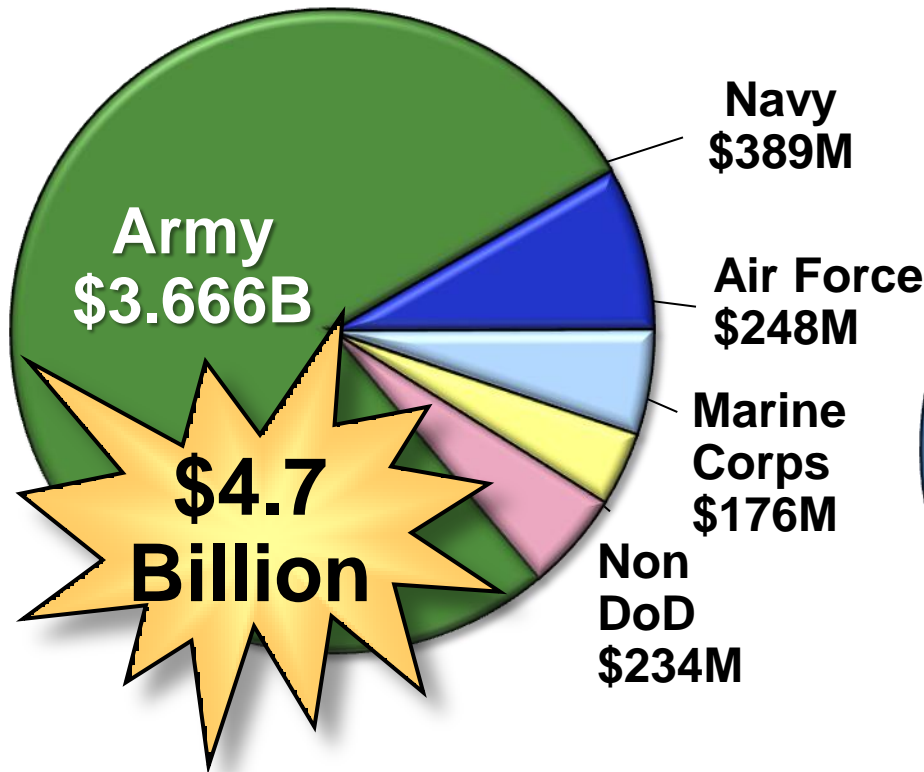


FY10 Subsistence Business



Readiness Dividends

- Forward presence
- Surge & sustainment
- Joint strategy
- Information fusion
- Total asset visibility





Focus on the Customer

Agencies

- Army
- Navy
- Air Force
- Marine Corps
- Non DoD
 - Dept of Agriculture (USDA)
 - Federal Bureau of Prisons
 - Job Corps
 - Veterans' Homes
 - FEMA

People

- Installation food advisors
 - Military facilities CONUS and OCONUS
 - Navy ships
- Command food advisors
 - Theatre of Operations
- Commissary managers



Focus on Industry

Who They Are

- Full-line food distributors
- Food manufacturers
- Small business produce vendors
- Local dairies and bakeries
- Soda distributors
- Ration assemblers and component suppliers
- Food service equipment suppliers



Contract Highlights

- Tailored customer support contracts
 - Partnership between Gov't and industry
- Supports contingencies and troop surge
- Highest quality products
- Competitive with commercial prices
- Contract oversight
 - Compliance with contract performance metrics
 - Transparency of all costs and suppliers
 - On-site audits
- Streamlined evaluation factors
 - Fewer factors on best value trade-off method
 - Low Price Technically Acceptable (LPTA) method



Partnering with Customers & Industry

- Joint Subsistence Policy Board (JSPB)
- United States Dept of Agriculture (USDA)
- United States National Guard
- Natick Labs
- Research and Development Associates for Military Food and Packaging Systems, Inc. (R&DA)
- Prime Vendor Food Shows
- US Army Veterinary Command

**We are
ENGAGED!**
**Networking =
understanding
requirements &
capabilities**

**Supply
Planning**

**Demand
Planning**



Tailored Operational Rations

- Individual Field Feeding Program
 - Meal, Ready-to-Eat
 - Meal, Religious, Kosher/Halal
 - Meal, Cold Weather (MCW)
 - Food Packet, Long Range Patrol (LRP)
 - Tailored Operational Training Meal (TOTM)
 - Meal, Alternative Regionally Customized (MARC)
- Group Field Feeding Program
 - Unitized Group Ration (UGR-A and Heat & Serve options)
 - Unitized B Ration (USMC only)
 - UGR-Express (UGR-E)
- First Strike Ration (FSR)
- Survival Rations (Food Packet)
- Humanitarian Daily Ration (HDR)
- Health & Comfort Pack (HCP)



The right
product for the
mission!



CONOPS Feeding Plan Timeline (Condition Based)

Standard	Expeditionary < 6 Months					Temporary < 24 Months	
						Military	LOGCAP
Ration Cycle	M-M-M	U-M-M	U-M-U w/one UGR (A) meal every third day	U-M-U	U-M-U	U-M-U	21 Day CONOPS Menu
Theater Ration Mix	MRE 100%	UGR (H&S) 34%	UGR (H&S) 56%	UGR (H&S) 34%	UGR (H&S) 10%	UGR (H&S) 05%	Force Provider, LOGCAP or Direct Contract 90 % Supported by SPV Platform 10% Combination of MREs, UGRs Condition based
			MRE 33%	MRE 33%	MRE 20%	MRE 15%	
		MRE 66%	UGR (A) 11%	UGR (A) 33%	UGR (A)+ 70%	UGR (A)+ 80%	
Facilities		MKT, KCLFF, CK, Tents, Reefers			MKT, CK, Unit Tents, Force Provider, Reefers		Force Provider LOGCAP & SPV
Deployment Days D+	1-20 days	21-30	31-60	61-90	91-180	181 Days to 24 Months	
Notes: 1. Ration Legend: MRE-M, UGR (H&S) or UGR (A) – U, UGR (A) with Short Order Supplemental Menus – UGR (A)+ 2. Units deploying into developed areas may move directly into the temporary standard depending upon their mission and the theater logistical capabilities at that location.							



Equipment

Food Service Equipment

- Refrigerators, dishwashers, coffee makers, ice machines...
- Dining facilities, ships
- Commercial and modified commercial equipment

Field Feeding Equipment

- Modern Burner Unit (MBU), Tray Ration Heater (TRH), field kitchen spare parts & components...
- Troops in training and in the field
- Developed in coordination with Natick and Services for military use

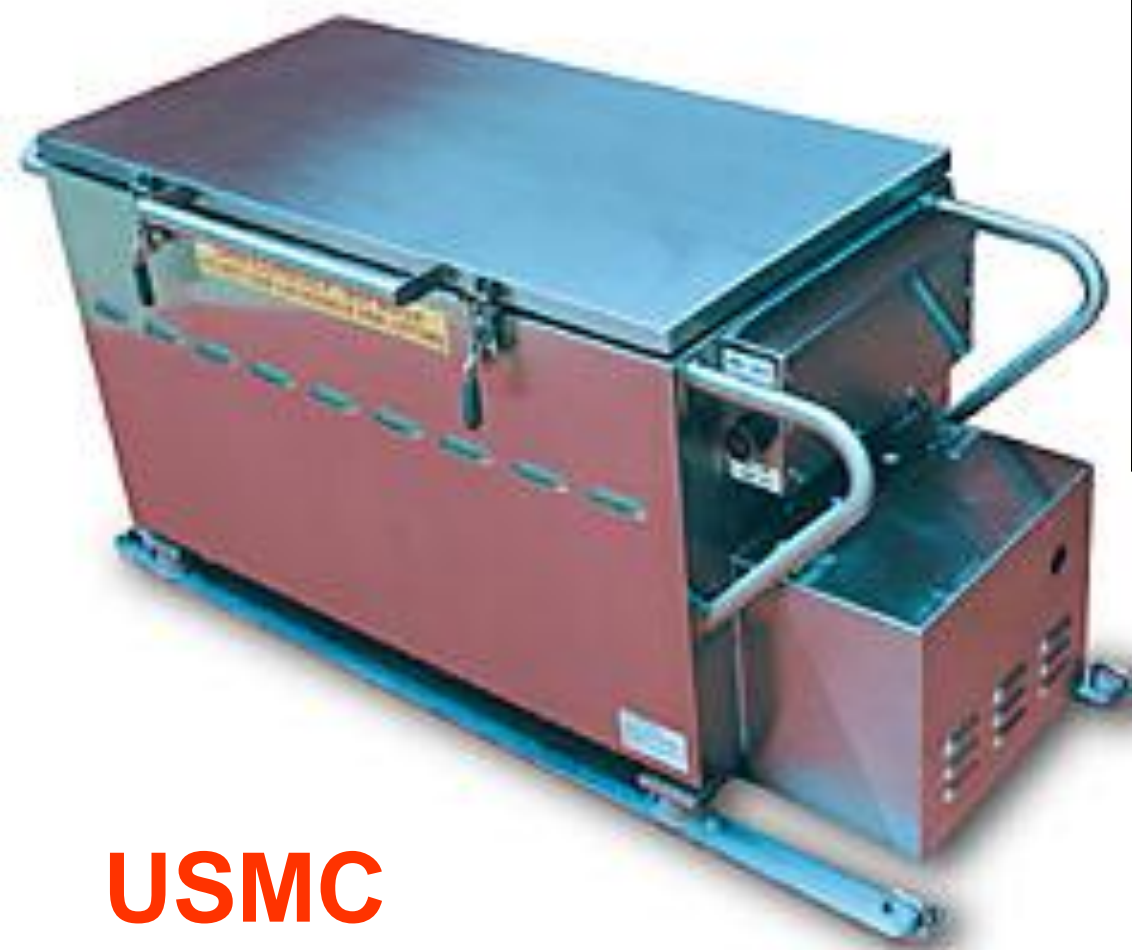


Mounted Kitchen Trailer (MKT)





Tray Ration Heating System (TRHS)

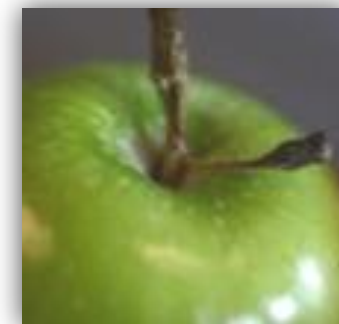


USMC



Produce Customer Segments

- Military troops, Navy vessels, ANG, Coast Guard
 - CONUS produce support provided under regional long-term produce contracts direct to dining facilities, piers
 - OCONUS produce support through local contracts, prime vendors, sealift/US airlift support
- US Dept of Agriculture - School Lunch/ Tribal Reservation Programs
 - Partnership with USDA since 1994
 - DLA Troop Support acts as acquisition and distribution agent
 - Support via regional long-term produce contracts
 - 47 states, approx 16,000 schools, 100 tribes
 - FY10 sales... \$83.8M





Produce Issues

- Transition to long term contracts from decentralized field offices about 90% complete
- Acquisition strategy to support small businesses to maximum extent
- Utilize commercial operations
 - Seasonal items, local grown items, pre-cut items are very popular
 - Produce vendors have responded well to surge requirements, navy vessel load-outs
- 22 Reps provide forward presence for all Subsistence customer service issues





Market Fresh Support

- Bread & Dairy
 - Unique market... regionally focused based on local bakeries and dairy plants
 - Many local businesses with limited EDI capabilities
 - 185 long term contracts
 - Bread support... \$20M annually
 - Dairy support... \$16M annually
- Soda
 - 3 long term contracts...Pepsi, Coke, Foremost (Guam)
 - 31 individual catalogs





How is Subsistence Prime Vendor Different?

Traditional Support

- Multiple order lead times
- New items twice a year
- Basic staple items
- Limited items in system
- Manage inventories
- Stock in/stock out
- Paper system

Prime Vendor Support

- 24 to 48 hour lead time
- New items weekly
- Tailored catalogs
- Refined no. of items
- Manage vendors
- Direct Vendor Delivery
- Electronic Commerce



Subsistence Prime Vendor (SPV)

CONUS

- 42 contracts
- 36 prime vendors
 - Sysco, US Food Service, etc.
 - Existing commercial full-line food service infrastructure
- 3rd generation contracts in place
- Supports Service Dining Facilities (DFACs), ships, Job Corps, Coast Guard, and other non-DoD
- \$541M annual estimate

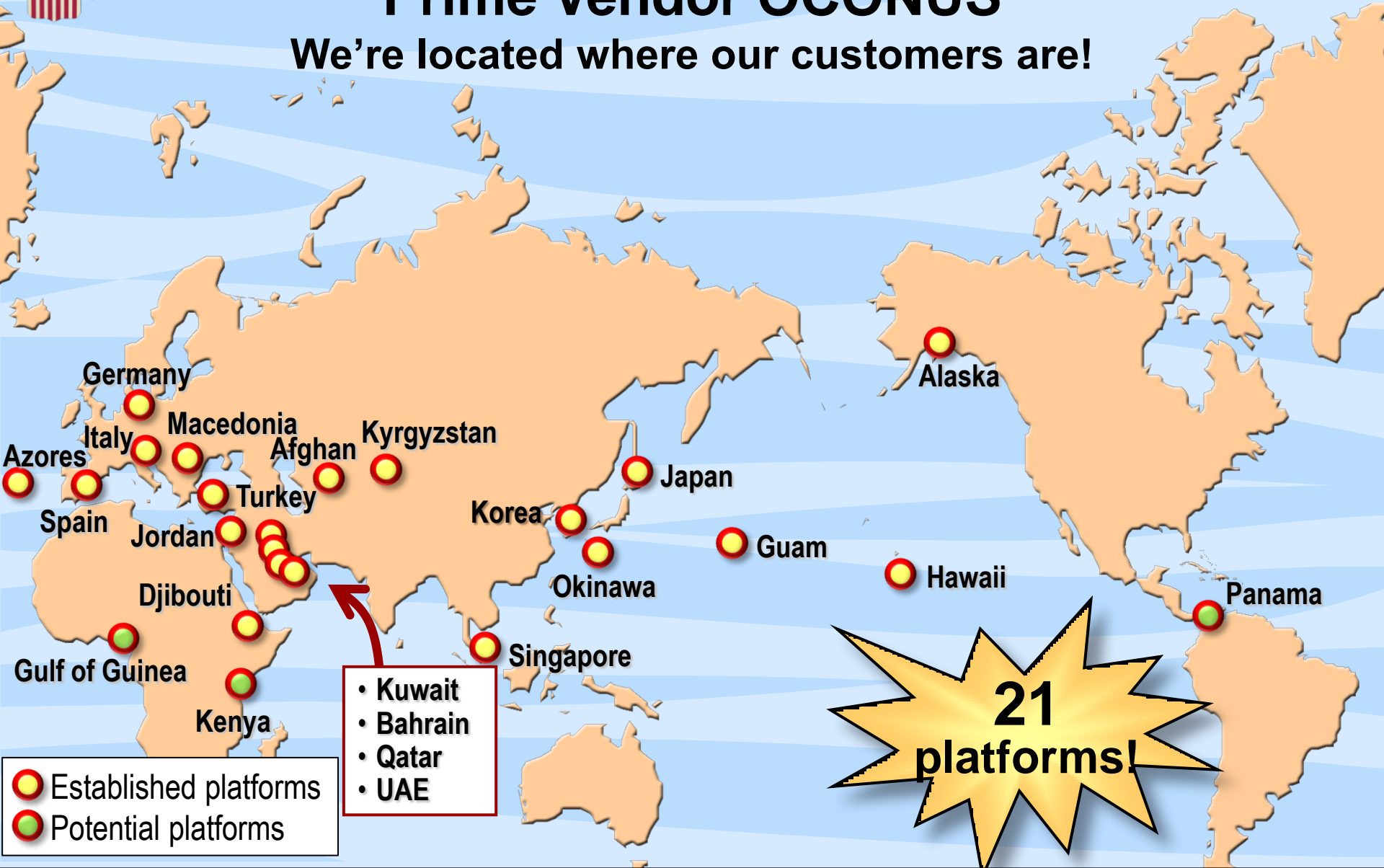
OCONUS

- Existing infrastructure did not exist
- 13 contracts
- 11 prime vendors
 - Anham, Supreme, Ebrex, TWI, etc.
 - Third Party Logistics (3PL) companies developed food prime vendor infrastructure
- Supports DFACs, Forward Operating Bases (FOBs), Mobile Field Kitchens (MKTs), GFM storage and distribution (e.g. MRE)
- \$3.1B annual estimate



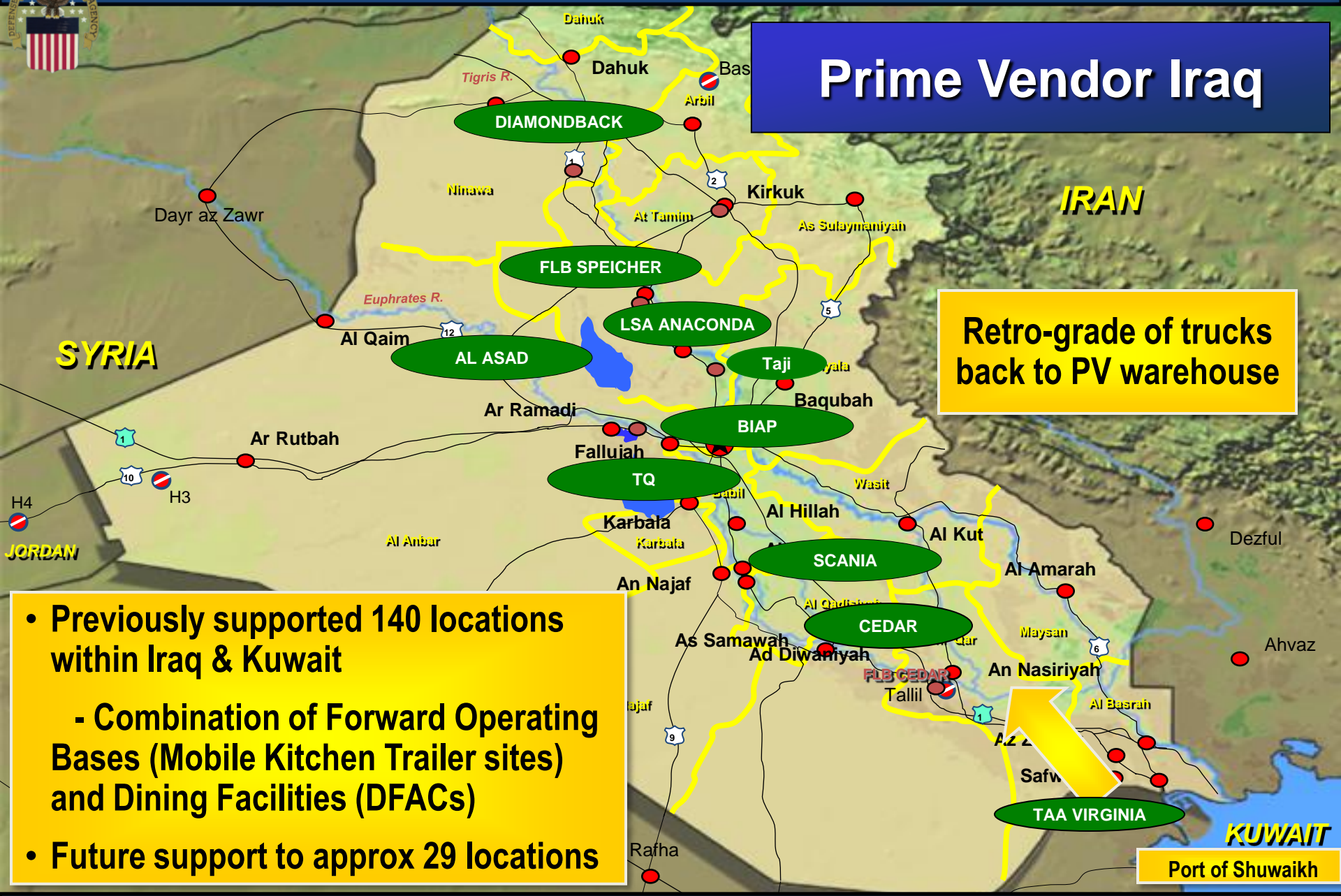
Prime Vendor OCONUS

We're located where our customers are!





Prime Vendor Iraq



- Previously supported 140 locations within Iraq & Kuwait
 - Combination of Forward Operating Bases (Mobile Kitchen Trailer sites) and Dining Facilities (DFACs)
- Future support to approx 29 locations

Retro-grade of trucks back to PV warehouse

Port of Shuwaikh

Prime Vendor Afghanistan

Supports DFACs, Forward Operating Bases (FOBs), Provisional Reconstruction Teams (PRTs), and Class IV Storage

RC (W)

DFACs, FOB, PRTs: 13

RC (N)

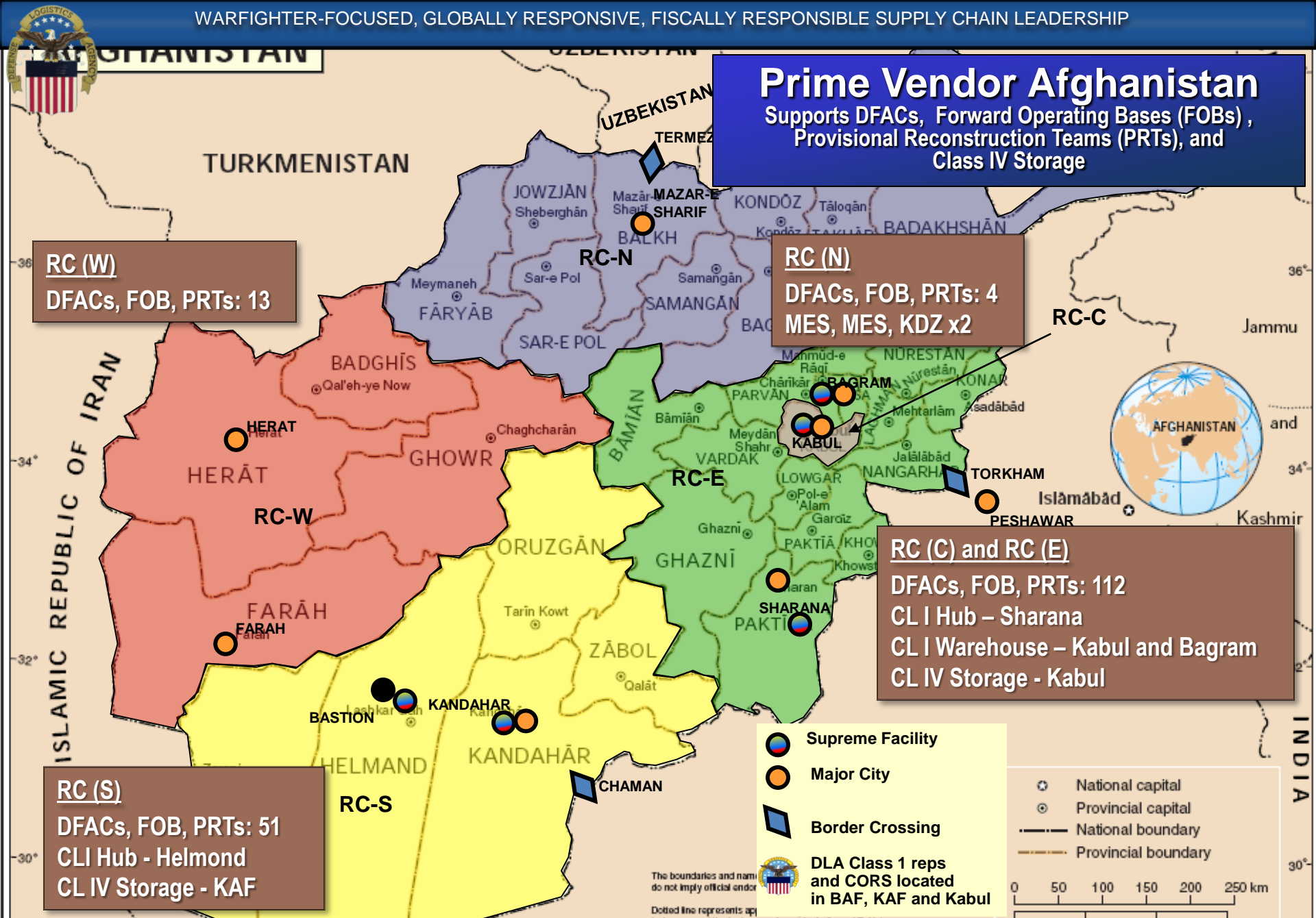
DFACs, FOB, PRTs: 4
MES, MES, KDZ x2

RC (C) and RC (E)

DFACs, FOB, PRTs: 112
CL I Hub – Sharana
CL I Warehouse – Kabul and Bagram
CL IV Storage - Kabul

RC (S)

DFACs, FOB, PRTs: 51
CLI Hub - Helmond
CL IV Storage - KAF





Manufacturer Pricing Agreements (MPA)

- Agreements with manufacturers to set pricing for products purchased by OCONUS SPVs
 - One price for all SPV contracts
- Prices determined fair and reasonable up-front
 - FOB origin (mfr facility) or FOB destination if nationally priced
- Monthly updates
- Replace non-MPA items with MPA items on all SPV catalogs
- MPA holders agree to be audited



FEMA Support

- DLA executed an Interagency Agreement with FEMA Mar 2006
- DLA provides logistics support and is a full partner in disaster planning and exercises
- DLA continues to build support on lessons learned from previous disaster support
- DLA has a flexible worldwide presence
 - Commodity support that includes In -Transit Visibility on all shipments
 - Defense Distribution Expeditionary Depot
 - Contingency Support Teams
 - DLA Liaison Officer
- DLA 2009 logistics support includes
 - Meals, Ready-to-Eat (MREs)
 - Commercial MREs
 - Commercial Shelf Stable Meals
 - Humanitarian Daily Rations (HDRs)



New Orleans, Oct 22, 2005



Quality Audits & Food Defense

- DLA Troop Support Food Defense Program
- Operational rations
 - Quality systems audit program
 - Quality Systems Management Visits (QSMV)
- Prime vendor / produce vendor audits and QSMVs
- ALLFOODACTS and recalls





Business Opportunities

- Recent awards
 - Japan SPV – Coastal Pacific
 - Okinawa SPV – Food Services Inc.
 - Poly Tray – Wornick and AmerQual
 - Meal, Cold Weather / Long Range Patrol Ration- Wornick



Business Opportunities

- Upcoming awards – under evaluation
 - Europe SPV
 - SWA SPV
 - Hawaii SPV
 - Various CONUS SPV zones
 - Meal, Alternative Regionally Customized (MARC)
 - Tailored Operational Training Meal (TOTM)
 - MRE components
 - Health & Comfort Pack
 - Modern Burner Unit (MBU)
 - Tray Ration Heating System



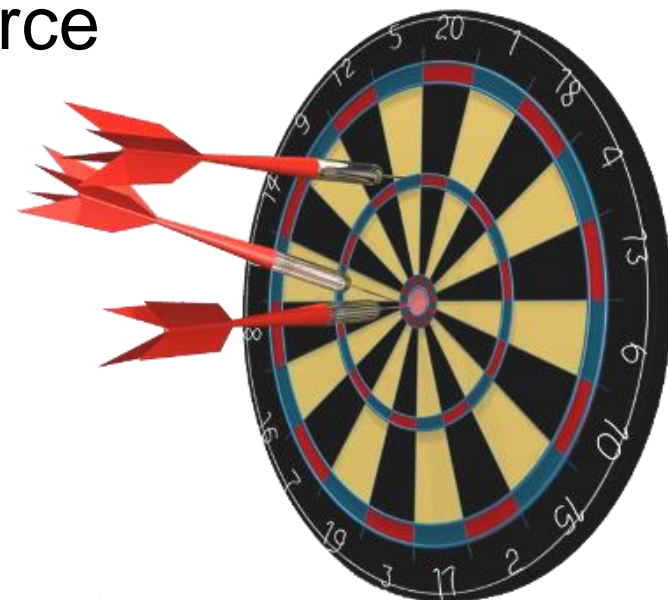
Business Opportunities

- New solicitations
 - OCONUS SPV – 2 (Afghanistan, Alaska)
 - CONUS SPV – 24 regional zones
 - Meal, Ready to Eat (MRE)
 - Meal, Religious, Kosher/Halal
 - First Strike Ration
 - UGR-A
 - UGR-E components
 - Various Produce and Market Ready long-term contract



What We Want to Leave You With

- Dedicated, experienced workforce
- Focus on processes and costs
- Contingency support & war reserve management
- Customer relationships
- Tried-and-true industrial base
- Working toward Service-wide systems and processes from planning to consumption



CLOTHING & TEXTILES

DEFENSE SUPPLY CENTER PHILADELPHIA

Supporting the Warfighter



MEDICAL

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CONSTRUCTION EQUIPMENT

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SUBSISTENCE

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