



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



DLA Industry Conference

**Breakout Session:
Partnering for Greater Efficiencies
and
Productivity in Defense Spending**



DLA Supporting DOD Efficiency Initiative

Dr. Carter memos dated 14 September 2010:

“Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending

“Implementation Directive for Better Buying Power – Restoring Affordability and Productivity in Defense Spending”





Scope of DLA's Initiative

Per the DLA Director:

DLA will pursue price reductions of as much as 10% in selected areas by providing greater focus on price reasonableness, incorporating price reduction factors in strategic sourcing opportunities and establishing more long-term contracts.



DLA Aviation

- Reducing Overhead Costs
 - Strategic Partners Role
 - Aviation Role
- Incentive Contracting
 - Appropriate Application
 - Alignment of Incentive to Metrics
- Strategic Post Award Pricing Review
 - Identification of Pricing Opportunities
 - Partnering with Value Engineering
- Value Engineering
 - Reverse Engineering
 - Value Management
 - Parts Breakout



DLA Energy

- DLA Energy Natural Gas
 - Business Process Improvement Effort with Industry
- DLA Energy Bulk Fuels
 - Review and evaluate supply chain efficiencies
- DLA Energy Duty Drawback Program
 - Refunds of US Custom & Border Protection duties paid for fuel



DLA Land and Maritime

- Continue to Submit Competitive Offers, with Lowest Prices Possible
- Participate in Reverse Auctions, as Applicable
- Reduce Overhead and Admin Costs - Pass on to DLA
- Provide Quantity Price Break Info/Pricing, if Available
- Participate in Alternate Offer or Breakout Efforts
- Always Identify Better Ways to Buy – Group PRs, Like Items, Long Term Contracts (LTCs)
- Identify Unnecessary Requirements – Qty Unit Pack (QUP), Packaging, Test and Quality Requirements



DLA Troop Support

- Lean Projects – Acquisition Efficiencies
- Acquisition Strategies
- Competition
- Leveraging Customer Requirements