2009 Defense Supply Center Columbus’ Land and Maritime Supply Chains Business Conference and Exhibition

“Connecting Suppliers To Warfighters....”

Columbus, OH

17 - 19 August 2009

Agenda

Tuesday, 18 August, 2009

“CONNECTING SUPPLIERS TO WARFIGHTERS...”

- VADM Alan S. Thompson, SC, USN, Director, Defense Logistics Agency

STATE OF THE CENTER ADDRESS; “CONNECTING SUPPLIERS TO WARFIGHTERS...”

- Mr. James M. McClaugherty, SES, Deputy Commander, Defense Supply Center Columbus

ACQUISITION; “CONNECTING SUPPLIERS TO WARFIGHTERS...”

- Mr. Milton Lewis, Executive Director, Defense Supply Center Columbus

Wednesday, 19 August, 2009

MORNING GUEST SPEAKER

- Mr. Jeff Dretzka, Vice President of Sales and Marketing, Underground Pipline, Inc. (UPI)

BREAKOUT SESSIONS AUGUST 18-19, 2009

1. Land Supply Chain, Denise Pennington, Tactical Vehicle Support; LTC Eva McElroy, Supplier Support; Linda Johnson, Combat Vehicle Support and Marty Sass, SMSG
2. Maritime Supply Chain
3. Procurement Systems and Supplier Interfaces, Ken Rumbaugh, DSCC Systems and Procedures Division
4. Value Engineering, Dwayne Porter, Castings and Forgings; Steve Gomez, Value Engineering Proposals
5. DFAS Your Financial Partner At Work
   a. AP Vendor Pay, Samantha Rohrbacher, DFAS, Accounts Payable
   b. Wide Area Workflow (WAWF) Overview, eSolutions Office, DFAS
   c. Contract Pay (MOCAS) Operations Overview, Joe Spring, Accounts Payable Acquisition Directorate
   d. Top Ten Reasons for Delayed Payment
6. Surge and Industrial Base Initiatives, Jim Buchanan & Steve Roadfeldt, Industrial Capability & Warstopper Program; Ronnie Favors, Defense National Stockpile Center (DNSC)
7. DLR — Depot Level Reparable
   a. BRAC 2005 Supply and Storage Decisions
   b. BRAC - Mechanicsburg Overview
   c. DLA - Warren Overview and Opportunities, Ellen Dennis
8. Maritime Federal Supply Class Supply Chain Partnership, Kreston Harris, Matthew Woolstenhulme
9. Procurement Opportunities For Small Business, Rebecca Parks
10. Product Verification Program
    a. Product Verification Program - Assuring Quality of Our Stock, Doug Fosnaught, Chief, Product Verification Division
    b. DLA Product Test Centers (PTC)
11. Pricing and Contracting Strategies
a. Adequate Proposal Packages & TINA Requirements, Ray York, Chief, Pricing Division, Procurement Process Support
b. Preparing Proposals

12. Radio Frequency Identification (RFID) and Packaging and Marking
   a. AIT and Passive RFID, Mark Lieberman
   b. Packaging, Deborah Thompson, DSCC-VSP Packaging Office
“Connecting Suppliers To WARFIGHTERS...”
Welcome! Thank you for your participation in the 2009 Defense Supply Center Columbus’ Land and Maritime Supply Chains Business Conference and Exhibition. Once again, we are pleased to work with the National Defense Industrial Association (NDIA) who sponsors this special event. The NDIA and DSCC staffs have worked very hard to make this a meaningful event for our industry partners.

DSCC leads and manages DLA’s Land and Maritime supply chains to provide the best possible support to America’s Armed Forces. You play essential roles in helping DSCC accomplish this demanding and dynamic mission.

This year’s conference theme, “Connecting Suppliers to Warfighters,” is symbolic of our ongoing mission at DSCC. We are committed to relentlessly pursuing satisfaction for our customers and meeting their requirements through enhanced relationships with you, our valued suppliers.

The transformation of DLA from a wholesale-focused organization to end-to-end Supply Chain Management has taken shape. Those fundamental mission changes, along with new Supply, Storage and Distribution and Depot Level Reparable missions from BRAC 2005 have led us to look for new opportunities with suppliers. These include the search for innovative procurement methods and practices to improve warfighter support, gain better effectiveness, and drive increased efficiency.

We took your suggestions from previous years to provide forums and presentations to help understand some new focus areas within DSCC and throughout DLA. We look forward to the networking opportunities this conference provides, and to working closely with our suppliers to forge relationships and cooperative agreements that support our Armed Forces. I hope you find this year’s conference to be very beneficial, and as always, we welcome your feedback on how we can serve you better in the future. I look forward to meeting you.

THOMAS J. RICHARDSON
Brigadier General, USA
Commanding
On behalf of DSCC and the Land and Maritime Demand/Supply Chains, welcome to the 2009 Defense Supply Center Columbus Land and Maritime Supply Chains Business Conference and Exhibition. I am excited that you are here (hopefully again!) and expect this year to build on the successes of the past.

This is our seventh conference and once again we have an excellent host here at the Greater Columbus Convention Center. In addition, I am also grateful to have the talents of the National Defense Industrial Association (NDIA) helping us make the conference as productive as possible.

We strive annually to make each year’s event a meaningful opportunity for all who participate — our collective goals should be to develop new ideas, share success stories, learn of best practices, and meet colleagues from across the country and around the world.

This year’s theme, “Connecting Suppliers to Warfighters,” emphasizes the ultimate objective of this conference, which is to enhance support of our warfighters by developing new and sustainable relationships with you — our suppliers — who are the lifeblood of our business. I trust you will find this theme resonating throughout the Conference, from the plenary sessions to the break out groups to the socials.

We look forward to your input on how we can continue to maintain the highest levels of support to our customers – the Soldiers, Sailors, Airmen, Coast Guardsmen and Marines stationed around the globe. They are counting on us and they deserve the best support that we can provide.

Again, welcome and thank you for your participation

JAMES MCCLAUGHERTY, SES
DSCC Deputy Commander
FROM THE EXECUTIVE DIRECTOR, DSCC

Welcome to the 2009 Defense Supply Center Columbus Land and Maritime Supply Chains Business Conference and Exhibition. I am delighted you are joining us and truly excited at the opportunity this type of forum presents. I believe the partnerships between suppliers, customers and DSCC creates a bond that inspires understanding and respect.

This year’s conference theme, “Connecting Suppliers to Warfighters,” reflects our commitment to link our supply chain customers with our suppliers through initiatives designed to cultivate responsive, meaningful, and measured collaborative relationships.

I look forward to networking and exchanging information with each of you; along with discussing the latest news on topics, programs, and initiatives of interest for companies pursuing Government business.

On behalf of the men and women of the Armed Forces who defend our freedom around the world, please accept my thanks for your support. Suppliers are vital to the success of our support to the warfighter. By being informed and maintaining an awareness of the needs of the warfighter, we can work together to ensure that Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen have the right item at the right time and at the right place.

MILTON LEWIS, SES
DSCC Executive Director,
Contracting and Acquisition
To DSCC's Dedicated Suppliers

As I depart DSCC, I wanted to thank each of you for your tremendous support to the men and women of our Armed Forces who so diligently guard our freedoms.

It was an honor to command the part of the DLA Enterprise responsible for Land & Maritime systems readiness. I'm proud of what this command does through hard work, innovation, and true partnering with our customers and our valued suppliers.

The theme of this conference — Connecting Suppliers to Warfighters — is a recognition of exceptional performance and a call-to-arms to continue to excel in the future.

I thank each of you for your commitment, and I look forward to being on the “demand” side again — knowing I can depend on the very best support!

— Patricia M. McKeever
BG, US Army
**TABLE OF CONTENTS**

From the DSCC Commander................................................................. 2
From the DSCC Deputy Commander....................................................... 3
From the DSCC Executive Director.......................................................... 4
A Message From Our Former Commander................................................. 5
Table of Contents...................................................................................... 6
About DSCC.............................................................................................. 7
Conference Theme and Objective............................................................. 8-9
Conference Agenda................................................................................ 10-13
Breakout Workshop Descriptions............................................................ 14-16
2008 Recognition for Excellence Awards.................................................. 17
Exhibitor List and Floor Plan..................................................................... 18
Columbus Convention Center Meeting Space Floor Plan........................... 19
Speaker Biographies............................................................................... 20-27
General Information............................................................................... 28
Promotional Partner................................................................................. 29-31
Throughout the world, the Defense Supply Center Columbus is known to more than 24,000 military and civilian customers and 10,000 contractors as one of the largest suppliers of spare parts. DSCC is a field activity of the Defense Logistics Agency which has its headquarters in Ft. Belvoir, Va.

Today, DSCC’s state-of-the-art supply chain system connects business processes from the supplier to the customer through the Land and Maritime supply chains. Managing two of DLA’s eight supply chains, DSCC buys and supplies more than 2 million items within those supply chains with a partnering agreement with two other DLA defense supply centers. DSCC accounts for more than $3 billion in annual sales.

The DSCC Commanding General is Army Brigadier General Thomas J. Richardson. The Deputy Commander is James M. Mc Claugherty, and the Executive Director, Contracting and Acquisition Management is Milton K. Lewis. The Chief of Staff is Air Force Col. Daniel K. Hicks.

DLA’s vision and mission are the foundation statements for DSCC’s commitment to the Nation’s Armed Forces. DSCC’s corporate identifier, The DSCC Way, illustrates the principle components of DSCC’s culture and business interpersonal ethics. The identifier defines the Center’s expectations about customer support and the values it promote among its associates.

This Center, now called the Defense Supply Center Columbus, has served in every major military engagement since World War I. In 1917, America’s production effort in World War I reached a dilemma when supply lines to ports of embarkation for troops and material became filled to capacity. This site, originally a combination of swamp land and farmland, filled the need for a logistics center because it afforded immediate access to three important railroad lines and was centrally located amongst U.S. manufacturing centers. In April 1918, the U.S. Army Quartermaster Corps purchased 281 acres of land on which to construct the government military installation now known as DSCC. Warehouse construction began in May of that year, and by August, six warehouses were receiving material for storage. Those warehouses were still in use before being demolished at the turn of the millennium.

The lull between WWI and WWII reduced Center operations to mostly reconditioning and sales of wartime stockpiles, and in the 1930s, the Center became a regional headquarters for the Civilian Conservation Corps.

During WWII the Center became the largest military supply installation in the world. In December 1942, an additional 295 acres were purchased. With more than 10,000 civilian employees, it played a large part in the overall war effort. Near the end of the war, some of the warehouses were turned into secured barracks to house hundreds of prisoners of war.

Amidst the wars, the conflicts and humanitarian relief efforts, the installation has continuously worked to establish direct and fast moving supply lines to support U.S. troops in all parts of the world.

The installation’s operational activities were assigned to the U.S. Army Supply and Maintenance Command in July 1962. The following year, it became the Defense Construction Supply Center under what is presently known as the DLA.

DSCC was formed from the 1993 Base Realignment and Closure Commission-ordered merger of the former Defense Construction Supply Center and the former Defense Electronics Supply Center in Dayton, Ohio. The merger provided the installation with its 14th name change, thus becoming the Defense Supply Center Columbus in January 1996.

The Base Realignment and Closure (BRAC) decisions of 2005 further extended DSCC’s mission to directly support customers, transferring mission and personnel in Mechanicsburg, PA supporting the Navy, and in Warren, MI supporting the Army. These organizations focus on leveraging DLA’s huge buying power while procuring Depot Level Repairable (DLR) assemblies. DSCC is also poised to receive units to perform Supply, Storage and Distribution (SS&D) services to industrial depot customers of the Army, Navy and Marine Corps over the next two years.
“CONNECTING SUPPLIERS TO WARFIGHTERS...”

The Land and Maritime Supply Chains Business Conference theme conveys the Defense Logistics Agency and the military organizations’ focus at linking with commercial supply chains and creating seamless, an extended enterprise in support of the warfighter.

Defense Logistics Agency is proceeding in an effort to standardize its information technology systems, simplify and streamline its processes, and develop and deploy tools that will allow supply to be seamlessly linked with demand. DLA faces the additional challenge of adapting its systems to the expanded mission, which proceeded from the Base Realignment and Closure (BRAC) process.

DLA’s quest started in 1999 when the agency decided to replace its decades-old legacy systems through an initiative called Business Systems Modernization, or BSM. BSM replaced the old COBOL-based systems with an SAP ERP system, plus added on integrated planning and forecasting capabilities from Manugistics. In 2007, DLA embarked on a program called Enterprise Business Systems in an effort to enhance its supply chain and logistics processes in response to its new BRAC missions.

The DLA enterprise is huge, spending $38 billion per year to manage 95 percent of the repair parts procurement for all of the armed services as well as 100 percent of the food, fuel, medical supplies, clothing and construction equipment across the Department of Defense. DLA activities reach 126 nations with 520,000 shipments annually and 54,000 requisitions in any one day. It manages over 5 million items in eight supply chains across 26 distribution depots. If DLA were a private concern, it would be the third largest distribution and warehousing organization in the world.

The purpose of DLA’s BSM strategy was to enable processes that would integrate its supply management and logistics. The agency moved to ERP with the objectives of reducing inventory cycle times, improving customer service, and implementing uniform processes, procedures and performance metrics. EBS is providing additional refinement to those processes.

DLAs new performance measures include metrics like demand and planning accuracy. DLA placed heavy reliance on obtaining the best possible forecast by collaborating with our customers, primarily the major armed services repair organizations, generating a demand plan and then scheduling procurement and positioning stock to the right places. On the supplier side, DLA sought to improve supplier availability to promise and reduce lead times.

The biggest challenge to face DLA in recent years has been to implement provisions of the 2005 BRAC Supply, Storage and Distribution (SS&D) Management Reconfiguration legislation. The BRAC legislation made DLA the effective supply department for repair parts for 13 maintenance depots - including Air Logistic Centers, Fleet Readiness Centers, Naval Shipyards and Army Industrial Depots - and, in a departure from its earlier mission, gave DLA responsibility for retail, as well as wholesale, operations.

DLA is now responsible, not only for ordering and stocking parts, but for delivering those parts to the mechanics who need them. The Inventory Management and Stock Positioning (IMSP) project was launched in response to the 2005 BRAC requirements. IMSP is designed to enhance EBS functionality to help DLA fulfill its new BRAC mission. IMSP will deliver the SAP and Manugistics inventory management functionality required to extend DLA’s support of industrial depot maintenance customers.

IMSP will be delivered to those locations in three development spirals, first to air logistics centers and later to Navy/Marine Corps and Army sites. As part of IMSP, several tools have been developed within the Manugistics software package that will permit an improvement to DLA’s inventory posture through increased visibility of customer demands at the consumer level.

One such offering is a Web-based collaboration tool that allows DLA customers to convey their supply plans to the agency. DLA aggregates the data generated by individual customers
and passes that along to suppliers, allowing them to plan production. Planning horizon timelines are up to five years, which is required for major systems such as ships and aircraft.

Another new tool being used by DLA is a forecasting tool deployed as part of the Manugistics suite. This tool can use several different statistical models to make a forecast. The system actually chooses which model to use for any given situation. This tool is especially useful for situations where past experience is not an effective predictor of future demand. DLA's legacy system included only one forecasting model.

On the supplier side, DLA is in the process of configuring a portal within SAP, which will allow vendors to view two-year forecasts for individual products. One of the objects of this tool is to reduce the procurement and production lead times required for products that DLA orders, thereby also streamlining processes and reducing costs. DLA plans on rolling out that portal in 2010.

Matching up supply and demand is not merely a question of technology. Closer and more collaborative relationships among the DLA and its customers and suppliers have also proved to be key to the changes DLA is seeking.

On the customer side, DLA has sought to conclude joint collaboration agreements with 50 of its largest customers in an effort to get the best possible data for its forecasts. It starts by getting good data. By getting granular data from documents such as bills of materials and repair schedules, DLA is better able to meet the needs of the service repair facility.

DLA has also established strategic supplier alliances with 31 vendors. By partnering with these vendors, DLA is able to improve the processes that underlie the relationship. DLA can get process improvements, reduction in lead times, and work on whatever other mutual objectives DLA may have. In order to make this program as effective as possible, DLA focused on 20 percent of its suppliers that provide 80 percent of its products.

DLA has also sought to streamline its deliveries by acquiring end-to-end commercial supply chain services through its prime vendor program. DLA has contracted with food, fuel and medical suppliers to manage these supply chains and deliver commodities directly to warfighters. The government is not involved in the manufacture or distribution of the products. It is the responsibility of the prime vendor to acquire the product. DLA prime vendors even deliver to Iraq and Afghanistan, where warfighters benefit by enjoying the same brand-name food and consuming the same medicines they are used to back home.

DLA's strategic relationships have dramatically reduced lead time from an average of 79 days for regularly sourced materials to an average of 29 days for DLA's strategically sourced counterparts. Some product lead times have been reduced from 60 days to two days. The response of DLA's vendors has been excellent. They are interested in responding to warfighter requirements. There are certainly areas DLA needs to improve upon. Downward pressure on pricing will continue to be at the forefront of these alliances.

Improving supply chain visibility is a continuing and ongoing process that will always inch forward toward, but may not actually achieve, full demand and supply synchronicity. This continuous improvement is important, especially as DLA takes on its new, BRAC induced retail role.

DLAs feeling is that the demand signal is a little distorted because DLA is not seeing consumer demand but increased visibly of consumption should lead to better planning. The result should be better stock positioning, and a reduction in the footprint and cash outlays of the supply centers run by the armed services.

We have several keynote speakers from the military service and industry who will provide updates on our customers' operational requirements, business initiatives, and many opportunities to obtain the latest news on topics, programs and initiatives of importance to companies interested in doing business with DLA. We look forward to having you join us to exchange information with Land and Maritime Supply Chains' leadership and personnel.
MONDAY  AUGUST 17  2009

8:00 am - 6:30 pm — ONSITE REGISTRATION OPEN

12:00 pm — DEFENSE SUPPLY CENTER COLUMBUS FACILITY TOUR
Buses will depart from the Columbus Convention Center for DSCC. Schedule includes a DSCC State of the Center Briefing, tour of the Command Suite, Test Lab, Ohio Army National Guard Facility, Small Business Office and DSCC History Gallery. A maximum of 150 participants can attend. Registration is separate from conference registration.

4:00 pm — RETURN TO THE COLUMBUS CONVENTION CENTER

5:00 pm — EXHIBIT HALL OPENS

5:00 pm - 6:30 pm — OPENING RECEPTION IN EXHIBIT HALL C

6:30 pm — CONFERENCE ADJOINS FOR THE DAY; EXHIBIT HALL CLOSES FOR THE DAY

TUESDAY  AUGUST 18  2009

6:45 am - 6:30 pm — ONSITE REGISTRATION OPEN

6:45 am - 7:45 am — CONTINENTAL BREAKFAST........................................................................................................Ballroom Foyer

7:45 am — WELCOME/ADMINISTRATIVE REMARKS....................................................................................................Ballrooms 1-3
LCDR James Strauss, SC, USN, Defense Supply Center Columbus

7:55 am — POSTING OF COLORS
Multi-Service Color Guard

8:00 am — NATIONAL ANTHEM
National Anthem, The American Belles
Patriotic Song, The American Belles

8:05 am — OPENING REMARKS
BG Thomas J. Richardson, USA, Commander, Defense Supply Center Columbus

8:15 am — “CONNECTING SUPPLIERS TO WARFIGHTERS...”
VADM Alan S. Thompson, SC, USN, Director, Defense Logistics Agency

8:45 am — DSCC RECOGNITION FOR EXCELLENCE AWARD CEREMONY

9:30 am — STATE OF THE CENTER ADDRESS: “CONNECTING SUPPLIERS TO WARFIGHTERS...”
Mr. James M. McClaugherty, SES, Deputy Commander, Defense Supply Center Columbus

10:00 am — ACQUISITION: “CONNECTING SUPPLIERS TO WARFIGHTERS...”
Mr. Milton Lewis, Executive Director, Defense Supply Center Columbus

10:30 am — EXHIBIT HALL OPENS
### TUESDAY AUGUST 18 2009

**10:00 am - 12:00 pm — CAPABILITY ASSESSMENT BRIEFING**

DSCC’s Office of Small Business Programs is hosting a series of capability briefings during the Land & Maritime Supply Chains Business Conference & Exhibition. The manufacturers will present an overview of their capabilities, quality systems, and competencies and explain the types of parts they produce. You will receive a copy of the manufacturers Capability Statement. The Capability Statements provides additional information on their commodity focus, processes, machinery and material capabilities as well as their quality systems. The audience will be DSCC personnel such as Buyers and Contracting Officers, Technical and Quality Specialists, Industrial Specialists, Engineers and Small Business Specialists. Each briefing will be fifteen minutes with five minutes for questions and answers.

**10:30 am — BREAK IN EXHIBIT HALL C**

**10:30 am - 4:30 pm — DSCC NETWORKING**

A networking room will be available Tuesday from 10:30 am to 12:00 pm, 2:00 pm to 4:30 pm and Wednesday, from 7:45 am to 12:00 pm and 2:00 pm to 4:30 pm by appointment only for suppliers to network with DSCC buyers, administrators, product specialists, supply planners, etc.

**10:45 am - 12:00 pm — BREAKOUT SESSION 1**

1. Land Supply Chain
2. Maritime Supply Chain
3. Procurement Systems and Supplier Interfaces
4. Pricing and Contracting Strategies
5. Value Engineering
6. Radio Frequency Identification (RFID) and Packaging and Marking
7. Product Verification Program
8. Maritime Federal Supply Class Supply Chain Partnership

**12:00 pm - 1:45 pm — LUNCH WITH SPEAKER**

Mr. Shay Assad, _Director, Defense Procurement, Acquisition Policy and Strategic Sourcing_

**1:45 pm - 3:00 pm — BREAKOUT SESSION 2**

1. Land Supply Chain
2. Maritime Supply Chain
3. Procurement Systems and Supplier Interfaces
4. DFAS Your Financial Partner At Work
5. Surge and Industrial Base Initiatives
6. DLR — Depot Level Reparable
7. Procurement Opportunities For Small Business
8. Radio Frequency Identification (RFID) and Packaging and Marking
TUESDAY AUGUST 18 2009

1:45 pm - 4:30 pm — CAPABILITY ASSESSMENT BRIEFING............................................................................................C123

3:00 pm — BREAK IN EXHIBIT HALL C

3:15 pm - 4:30 pm — BREAKOUT SESSION 3
1. Procurement Systems and Supplier Interfaces.........................................................................................................C112
2. Pricing and Contracting Strategies..........................................................................................................................C114
3. Value Engineering...................................................................................................................................................C115
4. DFAS Your Financial Partner At Work....................................................................................................................C120
5. Radio Frequency Identification (RFID) and Packaging and Marking......................................................................C121
6. Surge and Industrial Base Initiatives.......................................................................................................................C110
7. DLR — Depot Level Reparable..............................................................................................................................C111
8. Maritime Federal Supply Class Supply Chain Partnership.......................................................................................C113

4:30 pm - 5:00 pm — THE AMERICAN BELLES PERFORM IN EXHIBIT HALL
“A Special Tribute to The Warfighter and Ice Sculpture Presentation...”

5:00 pm - 6:30 pm — RECEPTION IN EXHIBIT HALL C

6:30 pm — CONFERENCE ADJOURNS FOR THE DAY; EXHIBIT HALL CLOSES FOR THE DAY

WEDNESDAY AUGUST 19 2009

6:45 am - 2:00 pm — ONSITE REGISTRATION OPEN

6:45 am - 7:45 am — CONTINENTAL BREAKFAST

7:45 am - 4:00 pm — DSCC NETWORKING................................................................................................................C122

7:45 am — ADMINISTRATIVE REMARKS
........................................................................................................Ballrooms 1-3
Lcdr James Strauss, SC, USN, Defense Supply Center Columbus

8:00 am - 8:45 am — MORNING GUEST SPEAKER
Mr. Jeff Dretzka, Vice President of Sales and Marketing, Underground Pipline, Inc. (UPI)

8:30 am - 12:00 pm — CAPABILITY ASSESSMENT BRIEFING..........................................................................................C123

9:00 am - 10:15 am — BREAKOUT SESSION 1
1. Land Supply Chain.................................................................................................................................................C110
2. Maritime Supply Chain..........................................................................................................................................C111
3. Procurement Systems and Supplier Interfaces.........................................................................................................C112
4. Value Engineering...................................................................................................................................................C115
5. DFAS Your Financial Partner At Work....................................................................................................................C120
6. Surge and Industrial Base Initiatives.......................................................................................................................C114
7. DLR — Depot Level Reparable..............................................................................................................................C113
8. Product Verification Program..................................................................................................................................C121
WEDNESDAY  AUGUST 19  2009

10:15 am — BREAK IN EXHIBIT HALL C

10:45 am - 12:00 pm — BREAKOUT SESSION 2
1. Land Supply Chain.................................................................................................................................C110
2. Maritime Supply Chain..........................................................................................................................C111
3. Pricing and Contracting Strategies........................................................................................................C112
4. Value Engineering....................................................................................................................................C115
5. DFAS Your Financial Partner At Work....................................................................................................C120
6. Radio Frequency Identification (RFID) and Packaging and Marking......................................................C112
7. Maritime Federal Supply Class Supply Chain Partnership......................................................................C113
8. Procurement Opportunities For Small Business....................................................................................C121

12:00 pm — EXHIBIT HALL CLOSES

12:10 pm - 1:10 pm — LUNCH.....................................................................................................................Ballrooms 1-3

1:10 pm - 1:30 pm — REMARKS
BG Thomas J. Richardson, USA, Commander, Defense Supply Center Columbus

1:35 pm - 2:00 pm — “ASK THE LEADERS”
DSCC Senior Leadership will be available in room C120 to address questions, issues and concerns.

2:00 pm — CONFERENCE ENDS
LAND SUPPLY CHAIN

The Defense Supply Center Columbus Land-Based Weapon Systems Group will provide an overview on the Vision, Mission & Functions of the Land Supply Chain & Detachments, Strategic Supply Chain Relationships and an emphasis on Contract Award & Contract Administration. Time is allotted for questions and answers.

MARITIME SUPPLY CHAIN

The Defense Supply Center Maritime Weapon Systems Group will provide an overview on the Vision, Mission & Functions of the Maritime Supply Chain & Detachments, Strategic Supply Chain Relationships and an emphasis on Contract Award & Contract Administration. Time is allotted for questions and answers.

PROCUREMENT SYSTEMS AND SUPPLIER INTERFACES

The Procurement Business Process Support Team from the Defense Supply Center Columbus (DSCC) will provide an overview of the Enterprise Business Systems Procurement tools. The presentation covers electronic initiatives including the DLA Internet Bid Board System (DIBBS), which includes Supplier Requirements Visibility Applications (SRVA), cFolders, DoD EMALL and the Automated Best Value System.

VALUE ENGINEERING

The Value Management Office at Defense Supply Center Columbus (DSCC) strives to be a premier provider of support and services to the Warfighter by continually seeking to improve the materials and technology available and providing it at the lowest possible cost. This briefing will present all of DSCC’s Value Management programs: Source Approval Requests (SARs), Price Challenges, Reverse Engineering, Value Engineering Projects, Castings and Forgings, Value Engineering Change Proposals, Replenishment Parts Purchase or Borrow, Organic Manufacturing, and Sustaining Engineering. Information provided on each program includes purpose, benefits, processes/procedures used, how contractors/customers initiate projects, examples of completed projects and Points of Contact. Various members of the Value Management Office will be available after the brief for further discussions.

DFAS: YOUR FINANCIAL PARTNER AT WORK

The staff of the Defense Finance and Accounting Service of Columbus, Ohio, HQ Defense Contract Management Agency, HQ Defense Logistics Agency, and Defense Supply Center Columbus (DSCC) Policy Office will present a briefing on current strategic initiatives designed to streamline the processing and completion of contract payments. Where used, Wide Area Work Flow (WAWF) virtually eliminates late payments and interest penalties. Vendors save time associated with mailing and processing documents through the Defense Finance and Accounting Service.

SURGE AND INDUSTRIAL BASE INITIATIVES

The Defense Supply Center Columbus (DSCC) Industrial Capability staff and the Defense National Stockpile Center will present the latest updates to the Surge program and electronic Capability Assessment Plan, Warstopper Program for industrial investments and material readiness initiatives. New this year is the DLA material readiness initiatives. The staff will present information on two readiness initiatives: Strategic Material Buffer Pilot and Strategic Material Security Program. DLA has established its first material readiness contract to provide materials directly to suppliers through vendor-to-vendor transactions. Procedures for obtaining material releases and requesting assistance will be part of this presentation.
DLR — DEPOT LEVEL REPARABLE
The 2005 Base Realignment and Closure (BRAC) Commission approved the Secretary of Defense recommendation to consolidate the Depot Level Reparable (DLR) procurement management and other related support functions from the Military Service components to the Defense Logistics Agency (DLA). The planning and implementation recommendations have been developed by a Joint Service DLR Working Group comprised of senior DoD procurement officials and senior logisticians from all military components. The myriad tasks associated with DLR procurement management that were developed by this group are as follows: workload planning and transition based on an incremental tiered approach, DLR procurement governance opportunities, establishment of financial Information Systems, Human Capital, and Performance Management plans. The BRAC DLR transition began in FY 2008 and will be completed in FY 2011. DLA Mechanicsburg was the first detachment established in November 2008 followed closely by DLA Warren in February, 2009. At this conference, the two Chief Contracting Officers from these new detachments will be discussing the weapon systems their teams support, the products they procure, and the customers they support.

PROCUREMENT OPPORTUNITIES FOR SMALL BUSINESS
Defense Supply Center Columbus (DSCC) Office of Small Business Programs will present a briefing on the types of socio-economic programs set-asides most commonly used at DSCC. Did you know that each fiscal year there are socio-economic goals in place and utilizing socio-economic program set-asides assists in reaching those goals? Find out if your small business is eligible to participate in these set aside opportunities. You will have an opportunity to meet the socio-economic program managers. Come join us for a lively and informative session.

MARITIME FEDERAL SUPPLY CLASS SUPPLY CHAIN PARTNERSHIP (FSC-SCP)
Defense Supply Center Columbus (DSCC) Office of Small Business Programs will provide an overview of the Federal Supply Class Supply Chain Partnership (FSC-SCP) initiative which seeks to place approximately 56,200 National Stock Numbers (NSNs) from Federal Supply Classes (FSCs) 4710, 4720, 4730, 4820, 5330, 5331, 5930, 5935, 5961, 5962 and 6145 on long-term contract. The Request For Proposal (RFP) contains 16 groupings of NSNs which will be awarded separately, of which eight are total small business set-asides and eight are unrestricted. The primary method of support is customer direct shipments in accordance with time definite delivery standards to support CONUS, OCONUS, and FMS demands. The FCS-SCP requires contractors to perform functions such as individual spare part support, supply chain and inventory management, purchasing, distribution, warehousing, transportation, and material forecasting.
PRODUCT VERIFICATION PROGRAM

The Defense Supply Center Columbus Product Verification Office and DLA Product Test Centers will present an overview of the Product Verification Program and Product Testing Center laboratory capabilities. This combined effort focuses on ensuring that DLA receives supplies which conform to contract requirements in support of the warfighter. The Product Verification Office currently administers eight different test programs, requiring an interface with DLA’s Product Test Centers. The Product Test Centers provide testing, engineering and calibration services. Detailed services include electrical, chemical, physical and mechanical testing and evaluations on parts, components and end item assemblies. Choosing a testing service can be difficult, but it doesn’t have to be. If you’re looking for reliable, cost-effective, timely testing, why not consider the Defense Logistics Agency’s Product Testing Center? This presentation is designed to provide the audience with an insight and understanding of DLA’s efforts to ensure DLA purchases, stores and delivers products that fully meet our customer requirements. The session will also highlight the capabilities of each of the PTC facilities.

PRICING AND CONTRACTING STRATEGIES

The Defense Supply Center Columbus (DSCC) Pricing Office will present an overview of Pricing and Contracting Strategies. Do you wonder what contracting strategies are available to suppliers or what the Government considers adequate proposal packages? Well you definitely need to attend this breakout session. In order to meet the growing and changing demands of the Department of Defense (DoD) customers, the acquisition community continues to develop innovative techniques in contracting. In this breakout session, you will gain insight on adequate proposal packages, the Truth in Negotiations Act.

RADIO FREQUENCY IDENTIFICATION (RFID) AND PACKAGING AND MARKING

The Defense Supply Center Columbus Policy Office and the Defense Supply Center Columbus Packaging Office will provide information on military packaging and marking requirements for DLA shipments including the latest requirements for heat treatment of wood packing materials (pallets) and Radio Frequency Identification Technology (RFID).

CAPABILITY BRIEFING

DSCC’s Office of Small Business Programs is hosting a series of capability briefings during the Land & Maritime Supply Chains Business Conference & Exhibition. The audience will be DSCC personnel such as Buyers and Contracting Officers, Technical and Quality Specialists, Industrial Specialists, Engineers and Small Business Specialists. Each briefing will be fifteen minutes with five minutes for questions and answers. These briefings are open to all conference attendees, however space is limited.
The Automated Best Value System (ABVS) is a computerized system, which collects a vendor’s past performance data and translates it into a numeric score.

ABVS scores range from zero to a perfect score of 100. The Contracting Officer uses these scores as an additional evaluation factor when making best value award decisions.

The DSCC Center Score from the January 5, 2008 monthly update to the January 5, 2009 monthly update was used for selecting the DSCC 2008 Recognition for Excellence Awards. The criteria for this year’s selections were:

<table>
<thead>
<tr>
<th>Level</th>
<th>Contract Lines</th>
<th>Center Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>50+</td>
<td>100</td>
</tr>
<tr>
<td>Silver</td>
<td>50+</td>
<td>99.0 – 99.9</td>
</tr>
<tr>
<td>Bronze</td>
<td>50+</td>
<td>98.0 – 98.9</td>
</tr>
</tbody>
</table>

Vendors listed on the following pages are being recognized as Recognition for Excellence Award winners due to their exceptional performance.

**GOLD AWARD WINNERS**
AFM Hardware, Inc.
AGM Container Controls, Inc.*
Allied Marine Services Inc.*
Centroid Inc.*
COMSACO Inc.*
Dare Electronics, Inc.*
Essex Cryogenics of Mo., Inc.*
Greenlees Filter LLC*
Hensley Technologies, Inc.*
Imperial Wire & Cable Co., Inc.*
L and M Welding Supply, Inc.*
Lee Air Company, Inc.*
Milton Industries, Inc.*
Northrop Grumman Corporation, Strike and Surveillance Systems Division, F/A-18 Program*
Ontario Knife Company*
Phaasotron Instrument & Electronic Co., Inc.*
Pima Valve, Inc.*
Rich Industries*
Surplus Electrical Innovations, Inc.*
Technology Research Corporation*
UCOM Inc.*
UPI Manufacturing*
VACCIO Industries*
Williams Aerospace & Manufacturing, Inc.*

**SILVER AWARD WINNER**
Aerospace Optics, Inc.*
All Rite Distributing Co., Inc.*
Aviation Devices and Electronic Components, LLC*
Central Ohio Metal Stamping
CNH America LLC
Columbus Industries, LLC
Detroit Switch, Inc.*
Dimo Corp.*
Dixie Air Parts Supply*
Eichenerauer Services, Inc.*
F N Manufacturing, LLC
Highland Engineering, Inc.
Iris Electronics Co., Inc.*
Jemtec Electronics Corp.
KWAT Enterprises Corp.*
Lechmotronen US, Inc.*
LPD Enterprises
Meggitt Airdynamics*
Michelin Aircraft Tire Company, Inc.*
MTU Detroit Diesel, Inc.
Nobles Manufacturing, Inc.*
Right Find, Inc.*
Sayco Enterprises, Inc.
Spartan Motors Chassis Incorporated
State Electronics Parts Corporation*
Tiem Engineering Corp.*

**BRONZE AWARD WINNERS**
Blackmer/A Dover Company*
Brown Helicopter, Inc.*
Concord Components, Inc.
Moog Flo-Tork*
Gichner Systems Group, Inc.
Gigli Enterprises, Inc.*
Herndon Specialty Products LLC
Johnson & Towers
Kidde Aerospace*
Komatsu America Corp.*
LBC Aquisitions LLC
Marco Supply Company*
Michelin North America, Inc.*
MinnTech Electronics, Inc.
Moog Inc. Salt Lake Operations*
NGH Retail, LLC*
OECO, LLC
OHMCO, LLC
Parasense Inc.
PDI Ground Support System, Inc.*
Sargent Controls & Aerospace*
Science Applications International Corporation (SAIC)
Seacoast Electric Company*
Shield Technologies Corporation*
Smith Eastern Corporation*
Spectrum Industries, Inc.
Steed Electronics, Inc.
TRAC Regulator Co., Inc.*
Trevose Industrial Products, Inc.*
TRU Corporation*
Wamco, Inc.*
Wire Cloth Filter Manufacturing Company*
Yaro Supply Company*

* Previous Award Winners
VADM ALAN S. THOMPSON, USN  
Director, Defense Logistics Agency

Vice Admiral Alan S. Thompson became Director of the Defense Logistics Agency in November 2008. As such he is responsible for providing the Army, Navy, Air Force, Marine Corps and other federal agencies with a variety of logistics, acquisition and technical services in peace and war. These services include logistics information, materiel management, procurement, warehousing and distribution of spare parts, food, clothing, medical supplies and fuel, reutilization of surplus military materiel and document automation and production. This worldwide mission is performed by approximately 23,000 civilian and military personnel.

Vice Adm. Thompson graduated with a Bachelor of Arts in economics from UCLA, where he received his commission through the Naval ROTC program in 1976. He also earned a Master of Business Administration from the University of Florida and completed the Columbia University Graduate School of Business Senior Executive Program.

Vice Adm. Thompson has served in a variety of key leadership positions afloat and ashore. At sea, he served as Assistant Supply Officer, USS David R. Ray (DD 971); Supply Officer, USS Chandler (DDG 996); and as Supply Officer, USS Dwight D. Eisenhower (CVN 69).

Ashore, he has served at the Naval Supply Systems Command, the former Naval Aviation Supply Office, Philadelphia; Commander, Naval Air Force, U.S. Pacific Fleet; Naval Air Station, Miramar; and the Office of the Chief of Naval Operations (CNO). He was the Commanding Officer, Fleet and Industrial Supply Center Norfolk and a CNO Fellow on the CNO Strategic Studies Group. Vice Adm. Thompson’s Flag assignments included duty as Commander, Defense Supply Center Columbus, Defense Logistics Agency, Director, Supply, Ordnance, and Logistics Operations Division (N41), Office of the CNO, and as Commander, Naval Supply Systems Command and Chief of Supply Corps.

Vice Adm. Thompson’s personal awards include the Distinguished Service Medal, Defense Superior Service Medal, three Legions of Merit, four Meritorious Service Medals, two Navy Commendation Medals, the Navy Achievement Medal, and a number of unit and campaign awards. He is a qualified Naval Aviation Supply Officer and Surface Warfare Supply Corps Officer. Vice Adm. Thompson is also a member of the Department of the Navy Acquisition Corps.
Mr. Shay Assad assumed the role of director on April 3, 2006. As the Director of the Defense Procurement Acquisition Policy and Strategic Sourcing (DPAP), he is responsible for all acquisition and procurement policy matters in the Department of Defense (DoD). He serves as the principal advisor to the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L) and the Defense Acquisition Board on acquisition & procurement strategies for all major weapon systems programs, major automated information systems programs, and services acquisitions. He is responsible for procurement/sourcing functional business process requirements in the Department's Business Enterprise Architecture (BEA). Mr. Assad is DoD's advisor for competition, source selection, multiyear contracting, warranties, leasing and all international contracting matters. He is the functional leader for the Contracting workforce within the Department of Defense, and he is also responsible for overseeing all Strategic Sourcing activities within the Department of Defense. Before assuming this position, Mr. Assad was the Assistant Deputy Commandant, Installations and Logistics (Contracts), Headquarters, Marine Corps, Washington, D.C. He had held the position as the Marine Corps' senior civilian contracting official since June 2004.

Upon graduating with distinction from the U.S. Naval Academy in 1972, he served two tours of duty aboard U.S. Navy destroyers and won recognition as the Outstanding Junior Officer, Fifth Naval District. He then served as a Naval Procurement Officer at the Naval Sea Systems Command. In 1978, Mr. Assad began working for the Raytheon Company. He was promoted to Vice President – Director of Contracts for Raytheon in 1994, and was subsequently promoted to Senior Vice President, Contracts in 1997. As such, he was responsible for the contract negotiation and administration activities ($20 Billion) in all of Raytheon's businesses – both government and commercial. In addition to his contracting duties, Mr. Assad was given numerous program and business management special assignments by Raytheon's Executive Office. These assignments spanned participation in all three of Raytheon's major operating businesses (Government, Aviation, and Engineering and Construction). In 1998, he was promoted to Executive Vice President and served as the Chief Operating Officer and subsequently, as the Chairman and Chief Executive Officer of Raytheon's Engineering and Construction (RE&C) business with eleven offices worldwide, revenue of $2.7B and 15,000 employees. He retired from Raytheon in July 2000.

He has received numerous Federal Service awards to include: 1) the Secretary of Defense medal for exceptional civilian service; 2) the Secretary of Defense medal for meritorious service; 3) the Department of Defense Inspector General Joseph H. Sherick Award (the highest honor given to non-IG employees); 4) the 24th Annual Gilbert A. Cuneo Lecturer, and 5) the inaugural recipient of the 2008 Osborne A. “Oz” Day Award as the Federal executive who has done the most to increase the awareness of Ability One employment opportunities for those who are blind or severely disabled.
Jeffrey D. Dretzka is Vice President of UPI Manufacturing in Eagle, WI, a growing contract manufacturing company, specializing in armored vehicle components. Born December 1977 in Wisconsin; Jeff is the youngest of 2 children. Jeff’s ambitious business world journey began at the young age of 14, where he started swinging a shovel and operating heavy construction equipment along side his father, Jeffrey J Dretzka at Underground Pipeline, Inc. Working outdoors for twelve years, in Wisconsin weather-above and below ground—has given Jeff his problem solving ability. He maintains, “I don’t have problems…I have solutions!”

In October of 2003, Jeff and his father began UPI Manufacturing, adopting the motto: “Deeds not Words”. Their passion to protect our brave War Fighters has driven UPI Manufacturing to become a reliable, world class manufacturing company. With the priority of supporting our troops in winning the Global War on Terror, UPI is committed to providing high quality parts and delivering them on time.

Under Jeff’s leadership, UPI’s operations have increased by over 400% since moving into its new manufacturing facility two years ago. The progressive leadership that Jeff brings has led UPI to being honored with the following achievement awards: 2006, 2007 DSCC Supplier Excellence Gold award, 2007 Wisconsin Minority Small Business Person of the Year award, and 2005, 2008 DLA Innovative Business Performer of the Year Award.
Brigadier General Thomas J. Richardson, USA, assumed Command of Defense Supply Center Columbus on Aug. 6, 2009.

As DSCC’s Commander, General Richardson directs the efforts of more than 3,000 associates, at 53 locations worldwide, who perform the functions of purchasing materiel, monitoring inventory levels, maintaining technical data, and assuring quality conformance of more than 2 million spare and repair parts used by more than 24,000 military units and civilian federal agencies. In 2009, DSCC projects sales of $3.7 billion for FY09 with procurements of $2.7 billion.

Prior to coming to DSCC, General Richardson was director for Logistics, Engineering and Security Assistance, Headquarters, United States Pacific Command, Camp H.M. Smith, Hawaii.

Brigadier General Richardson began his Army career with a commission in the Quartermaster Corps upon graduation from Stephen F. Austin University, Texas in 1980. He is a graduate of the Army Quartermaster Basic and Advanced courses, Combined Arms and Services Staff School, Army Command and General Staff College, and the Industrial College of the Armed Forces. He holds a bachelor’s degree in Business Administration and master’s degrees in Military Science and Strategic Resource Management.

General Richardson has served in command and staff positions throughout his career. These include Commander, Alpha Company, 64th Forward Support Battalion, Fort Carson, Colo.; Commander, 296th Forward Support Battalion, 3rd Brigade, 2nd Infantry Division, Fort Lewis, Wash.; Commander, 64th Corps Support Group, Iraq, and Executive Officer to the Deputy Commanding General, Army Materiel Command, Fort Belvoir, Va.

His awards include the Defense Superior Service Medal (1st Oak Leaf Cluster), Legion of Merit (1st Oak Leaf Cluster), Bronze Star Medal, Meritorious Service Medal (3rd Oak Leaf Cluster), Army Commendation Medal (2nd Oak Leaf Cluster), Army Achievement Medal, and the Parachutist Badge.
James M. McClaugherty is the Deputy Commander of the Defense Supply Center Columbus. As the deputy, he is co-responsible for the operation of the one-square-mile military supply center. This includes the professional activities of DSCC’s more than 2,600 associates. He is directly responsible for supply chain functions to include management of more than 2 million spare and repair parts and operating budget of $2.6 billion. In 2008, the inventory control point's sales were $3.4 billion and its procurements were in excess of $2.6 billion. He became Deputy Commander in April 2003.

Born in Charleston W. Va., Mr. McClaugherty grew up in Delaware and Connecticut, and now resides in Westerville, Ohio. A retired Air Force Colonel with 30 years of military service, Mr. McClaugherty earned a bachelor's degree in History from Trinity College, in Hartford, Conn. in 1970, and a master’s degree in Logistics Management from the Air Force Institute of Technology at Wright-Patterson AFB, Ohio, in 1979.

His 30-year career included an Air Staff tour in the Pentagon from 1983-1988 and the command of Johnston Atoll in the Pacific Ocean from 1989-1990. At the Air Force Logistics Center, Kelly Air Force Base, San Antonio, Texas, Mr. McClaugherty was the Engine Division Chief from 1990 to 1992, the Director of Commodities from 1992 to 1993, the Director of Propulsion from 1993 to 1994 and the Single Manager for Propulsion from 1994 to 1995. He became the DSCC Director of Readiness and Business Operations from 1995 until his military retirement in 2000. For eight months in 1998 he was the acting Deputy Commander of DSCC.

After his retirement from the Air Force, Mr. McClaugherty accepted the civilian position of deputy director of DSCC’s Readiness and Business Operations Office, and in July 2002 became the office's civilian director. In this position, he was the principal staff advisor to the DSCC Commander and Deputy Commander on all aspects of inventory control point plans and operations. He was delegated authority to monitor, oversee, evaluate, and direct the efforts of principal staff elements and five major inventory control point directorates. He held this position until being named DSCC Deputy Commander in April 2003.


His awards include two Defense Superior Service Medals, the Legion of Merit and the Airman’s Medal for peacetime heroism as well as the Meritorious Civilian Service Award, the Exceptional Civilian Service Award, and the DLA Director’s Award for Organizational Excellence.
Executive Director, DSCC

Mr. Milton K. Lewis
Executive Director, DSCC

Milton K. Lewis is the Executive Director, Contracting and Acquisition Management at the Defense Supply Center Columbus, Defense Logistics Agency in Columbus, Ohio. DSCC procures in excess of $2.6 billion annually in spares and other components for the Land and Maritime Supply Chains. Mr. Lewis assumed this position in May 2008.

Mr. Lewis was born in LaGrange, Ga. He is a retired Army colonel with over 29 years of military service. He received his commission as a distinguished military graduate from the Georgia Institute of Technology ROTC program. He holds a Bachelor of Science degree in Chemistry from Morehouse College, Atlanta, and a Master of Science degree in Systems Management from the Florida Institute of Technology, Melbourne, Fla.

Mr. Lewis held a variety of command and staff assignments during his military career. In his final military assignment, he was the Director, Land-Based Weapon System Group with DSCC. Other assignments include: Commander, DCMA Southern Europe, Wiesbaden, Germany; Commander, DCMA Lockheed Martin Vought Systems, Dallas, Texas; Chief, Land-based Weapons System Acquisition Unit, DSCC, Columbus, Ohio; Commander, Logistics Support Activity, Roedelheim, Frankfurt, Germany; Materiel Officer, 32nd Army Air Defense Command, Darmstadt, Germany; and Chief, Contracts Branch, Boeing Field Office, U.S. Army Strategic Defense Command, Seattle, Wa.

Prior to assuming his current position with DSCC, Mr. Lewis was an Acquisition and Logistics Management Consultant for Booz Allen Hamilton, Atlanta. In this position, he was responsible for conducting analysis and developing acquisition, logistics and supply chain management solutions for both government and commercial client organizations. His clients included the U.S. Army Aviation and Missile Command, the United Arab Emirates Armed Forces, the New York Metropolitan Transportation Authority, AgustaWestlandBell, the Defense Logistics Agency, and Bayer MaterialScience.

Mr. Lewis is a graduate of the U.S. Army War College, the U.S. Army Command and General Staff College, and numerous military acquisition and logistics courses, to include the Defense Systems Management College’s Program Manager’s Course.

His awards and decorations include: the Defense Superior Service Medal (two), the Defense Meritorious Service Medal (two), the Meritorious Service Medal (five), the Army Commendation Medal (two), the Joint Service Achievement Medal, and the NATO Medal.
Colonel Daniel K. Hicks is currently the Chief of Staff of Defense Supply Center Columbus.

As Chief of Staff, Colonel Hicks serves as Principle Advisor to the DSCC Commander and Deputy Commander on daily operations and logistics readiness matters. He is also the primary advisor on Defense Logistics Agency (DLA) Land and Maritime Supply Chain Integration plans, policies, practices and procedures. He serves as Chief Operating Officer, with responsibility to monitor, coordinate, and evaluate the direction of all staff elements, directorates, and associate detachments in logistical support of the warfighter. He also conducts liaison with higher and adjacent commands, other DLA elements, and military service counterparts on operational and logistical readiness matters that impact DLA Land and Maritime Demand and Supply Chains.

He leads approximately 2,500 multi-Service military and civilians, O-6/YC-03 and below, including associates in the major functional disciplines involving Supply and Demand Planning, Procurement, Product Assurance, Order Fulfillment, Financial Management, and Analysis.

Colonel Hicks became Chief of Staff in July 2007 upon completion of SDE at Air War College (JPME II), Maxwell Air Force Base, AL. Before that he served as Deputy Commander of the 314th Mission Support Group, 314th Airlift Wing, at Little Rock Air Force Base, AR. Also in 2005, Colonel Hicks served as Commander, of the 376th Expeditionary Logistics Readiness Squadron, 376th Air Expeditionary Wing, at Manas Air Base, Bishkek, Kyrgyzstan. Prior to that he was Commander of the 314th Logistics Readiness Squadron, 314th Airlift Wing, Little Rock Air Force Base, AR.

Colonel Hicks’ military education includes Squadron Officer School by correspondence (1987) and in residence (1988); Marine Corps Command and Staff College in residence (1998) and the Marine Corps School of Advanced Warfighting in residence (1999). Col Hicks also completed Air Command and Staff College by seminar in 2000. He is a graduate of the Air War College (correspondence, 2004 and residence, 2007). His civilian education includes earning a bachelor’s degree in biology from Cedarville College, Cedarville, Ohio. He earned a Master of Science degree in Logistics Management from the Air Force Institute of Technology and a Master of Strategic Studies from Air University, Maxwell AFB, AL.

His military decorations include the Meritorious Service Medal with five oak leaf clusters.
Mr. Griffin L. Warren
Deputy Director, DSCC

Griffin L. Warren is the Deputy Director of Business Operations and Readiness and the Deputy Chief of Staff at the Defense Supply Center Columbus in Columbus, Ohio. In this position he is co-responsible for the monitoring, oversight, evaluation and direction of all line and staff functions delivering approximately $3 billion worth of spare and repair parts to America’s warfighters annually. He is a key staff advisor to the center Commander and Deputy Commander regarding the end-to-end management and integration of the agency’s Land and Maritime Supply Chains.

Mr. Warren was born and raised in New Jersey. He is a retired Navy captain, with more than 28 years of active service having received his commission in 1980 from the Navy Officer Candidate School in Newport, R. I. Mr. Warren earned a bachelor’s degree in Business Administration from the University of Connecticut in 1980. He is a Distinguished Graduate of the U. S. Naval War College earning a master’s degree in International Relations and Strategic Studies in 1994.

During his military career, Mr. Warren served sea tours aboard the USS Dale (CG-19), USS Frank Cable (AS-40), USS Talbot (FFG-4) and USS Luce (DDG-38). His shore tours included assignments to Naval Supply Center, Jacksonville, Fla.; Naval Air Station South Weymouth, Mass.; Navy Supply Systems Command Headquarters, Washington, D.C.; Marine Corps Base, Kaneohe Bay, Hawaii; Navy Supply Information Systems Activity, Mechanicsburg, Pa. and the Headquarters of the U. S. Special Operations Command, Tampa, Fla.

Mr. Warren’s Navy career culminated in an assignment as the Director of Supplier Operations for the Maritime Supply Chain at the Defense Supply Center Columbus. In a prior assignment between 1994 and 1997 he was assigned to a number of other line and staff positions at the center. Upon his retirement from the Navy in January 2009, Mr. Warren accepted his current civilian position.

His military awards and decorations include the Legion of Merit, the Defense Meritorious Service Medal (three awards), Navy Meritorious Service Medal (two awards), Navy Commendation Medal (two awards) and Navy Achievement Medal (two awards) in addition to a number of unit and campaign ribbons.

Mr. Warren is married to the former Cindy Moore of Westport, Conn. They are the parents of Thomas and Elsa Warren and make their home in Baltimore, Ohio.
CONFERENCE ATTIRE
Civilian Attendees: Business
Military Attendees: Uniform of the day

*CONFERENCE BADGES MUST BE WORN AT ALL TIMES THROUGHOUT THE CONFERENCE AND IN THE EXHIBIT HALL*

CONFERENCE MANAGEMENT - NDIA
Mr. Sam Campagna, Director, Operations
Ms. Kelly Seymour, Meeting Planner
Taryn Crowder, Meeting Planner
Ms. Luellen Hoffman, Director, Exhibits
Mr. Dennis Tharp, Exhibits Manager

CONFERENCE MANAGEMENT - DSCC
Mr. Stephen E. Rodocker, Director, Procurement Process Support Directorate
Ms. Julie Van Schaik, Deputy Director, Procurement Process Support Directorate
Mr. Michael D. Fauris, Sr., Chief, AcquisitionSupport/Special Programs Division & DSCC Privacy Act Officer
Ms. Regina B. Westbrook, Supervisor of Integrated Supplier Team
Ms. Shelly M. Jenkins, Customer Account Specialist
Mr. Michael J. Morouse, Supervisor of Integrated Supplier Team
Mr. David J. Devine, Supervisor of Integrated Supplier Team
Ms. Pat A. McCreay, Procurement Analyst
Ms. Debra J. Brown, Procurement Analyst
Ms. Laura McLaughlin, Contract Specialist
Mr. Daniel L. Bell, Business And Multimedia Service Manager
Ms. Debra B. Perry, Supervisory Public Affairs Specialist
Ms. Sarah L. Dornon, Management Analyst
Mr. Richard N. Martin, Lead Police Officer
Headquartered in Alexandria, Virginia, Agility Defense & Government Services (DGS) is Agility’s public sector arm, providing end-to-end supply chain solutions to meet defense and government customers’ needs and quickly move supplies worldwide to remote locations. With access to more than 550 offices in 100 countries, Agility DGS combines a vast network of warehousing facilities with proven risk-tolerant global land, sea and air transportation capabilities.


For more information about Agility Defense & Government Services, visit www.agilitylogistics.com.

Headquartered in Bethesda, MD, Lockheed Martin employs about 140,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services.

We deliver global sustainment solutions designed to enhance customer performance, increase system life span and reduce risks, operational costs and logistics response times in military, civil government and commercial programs. Our innovative logistics capabilities are tailored to each organization, ranging from end-to-end logistics to performance based logistics to global supply chain management, including fielded solutions such as SCM+™ (Supply Chain Management Plus) for supply chain management, SILC™ for integrated logistics visibility, I-GUIDES™ for UID compliancy and Adaptive Logistics linking point of effect to the source of supply.

Lockheed Martin has been providing Performance Based Logistics services for many years and understands the unique demands of the military. SCM+™ is the foundation of the performance-based supply chain that successfully delivers aviation tires for both the U.S. Navy and U.S. Air Force. SCM+™ provides integrated, customized supply chain management service. SCM+™ incorporates our expertise with state-of-the-practice software, hardware, and technology and delivers:

- Increased productivity
- Reduced cycle times
- Reduced work-in-process inventory
- Reduced transportation costs
- Optimized inventory levels
- Online collaboration with customers and suppliers
- End-to-end asset visibility

Delivering performance through innovation is critical to Lockheed Martin’s commitment to our customers. We deliver mission success for our customers because: We never forget who we’re working for*. Please visit with us at Booth 515 to learn more about our commitment to partnering for performance in global sustainment.

For additional information, visit our websites:
http://www.lockheedmartin.com
http://www.scmplus.com
Rockwell Collins is a $4.8 billion business with nearly 20,000 employees in 27 countries with an equal balance between government and commercial business. For 75 years, Rockwell Collins has served the United States military as a provider and maintainer of sophisticated, rugged and reliable electronics equipment, worldwide communications, logistics and training services. Our products and services are used in a wide range of applications including space vehicles, aircraft, ground vehicles, and soldier solutions. Rockwell Collins’ equipment continues to win trust each day from customers whose lives depend on reliable performance and the support of our equipment.

Rockwell Collins provides customized support solutions ranging from Depot Maintenance Support, material management and simulation training solutions to Integrated Logistics Support (ILS) and worldwide Field Service Engineering (FSE). We provide support that minimizes lifecycle support costs while providing guaranteed performance. Our 60 worldwide locations employ 2,000 dedicated and skilled staff with OEM quality service and field support.

**Material Management**

Rockwell Collins expertise in inventory planning and forecasting provides 24x7x365 support for orders, quote, parts inquiries, publications, software, tailored spares pools, rental exchange, distribution centers and aftermarket equipment including other OEM hardware. Rockwell Collins leverages its worldwide support network spanning the globe.

**Maintenance Services**

Rockwell Collins provides AS9100 compliant repair services for through our U.S. and International Service Centers and Bases with extensive capabilities in the areas of calibration services, maintenance and repair. Lean and Six Sigma execution drives excellence through continuous improvement in the repair chain.

**Global Logistics Support**

FSE and ILS personnel are employed globally. Customer on-site FSEs perform routine maintenance, conduct user training, install new hardware, upgrade software and other functions. ILS personnel provide the 10 elements of logistics developing, planning and integrating both short and long term support considerations to include: maintenance planning, design interface, support equipment analysis, lifecycle cost analysis, provisioning, and PHS&T.

**Simulation and Training**

Rockwell Collins provides military and commercial customers advanced simulation and training solutions ranging from industry leading visual systems to full fight simulators. Rockwell Collins also offers a full range of technical information services, from traditional technical publications to Interactive Electronic Technical Manuals (IETMs).
Thank You to Our Promotional Partners!

IHS

Agility

Lockheed Martin

Dayton T. Brown

Rockwell Collins
DLA’s 3 Focus Areas

- Warfighter Support
- Stewardship Excellence
- Workforce Development
Land Supply Chain
Breakout Session

TUESDAY
Denise Pennington
Tactical Vehicle Support
Division Chief

Linda K. Johnson
Combat Vehicle Support
Division Chief

WEDNESDAY
LTC Eva McElroy
Supplier Support
Division Chief

Marty Sass
SMSG
Division Chief

August 18-19, 2009
To provide acquisition, focused supply and logistics support to America’s Armed Forces in peace and war, around the clock, around the world...with emphasis on the readiness of the Land-Based Weapon Systems.

The six multi-functional divisions within DSCC-FL are responsible for integrated logistics operations to include contracting, engineering and technical analysis, contract administration and management support.

Land Supplier Operations provides supply chain management for land-based weapon systems to the full range of military customers. DSCC professionals perform a variety of supply chain processes, including supply planning, product assurance, and procurement. Each year, Land Supplier Operations has $1.8 billion in sales, executes over 400,000 contract award actions to 5,000 suppliers, and fulfills approximately 3 million customer orders.

Our organizational structure is composed of six divisions and one detachment (Land Philly)
Tactical Vehicle Support Division

Mission:
- Responsible for all integrated logistics support for tactical wheeled vehicles

Focus Areas:
- Vehicle Maintenance/Service Kits
- Cadillac Gage Textron sole source items
- Caterpillar sole source items
- MRAP Unique items

FLB
Denise Pennington
Division Chief

FLBB
Vehicle Support Team I IST
Ken Abrams

FLBC
Vehicle Support Team II IST
Janice Harrell

FLBD
MRAP IST
Sherry Wellmer
Tactical Vehicle Support Team I

- FSCs: 100+
- Major FSC assignments include: 2510, 2520, 2530, 2540, 2590, 2940
- Workforce: 37 professionals
- NSN’s Managed: 32,159
- Purchase Requests: approx. 1700
- Customer Sales Orders: 220K per yr
- Annual Sales: $200M+

Mission:
- Responsible for all integrated logistics support for tactical wheeled and support vehicles

Focus Areas:
- Vehicle Maintenance/Service Kits
- MRAP Common items
- Vehicle Cab Body Frame Structural Components
- Vehicle Power Transmission Components
- Vehicle Brake Steering Axle Wheel Components
Tactical Vehicle Support Team II

Mission:
- Responsible for all integrated logistics support for tactical wheeled and support vehicles

Focus Areas:
- Vehicle Maintenance/Service Kits
- Cadillac Gage Textron sole source items
- Caterpillar sole source items
- Vehicle Components including Cab, Body, Frame, Structural, Transmission, Brake, Steering Axle, Wheel, Furniture and Accessories

- FSCs: 150+
- Major FSC assignments include: 2510, 2520, 2530, 2590, 2940
- Workforce: 37 professionals
- NSN’s Managed: 37,720
- Purchase Requests: approx. 1900
- Customer Sales Orders: 199.8K per yr
- Annual Sales: $98.4M

FLBC
Vehicle Support Team II IST
Janice Harrell

FLBC
Vehicle Support Team II
Lead Product Assurance
Cyd Parks

FLBC
Vehicle Support Team II IST
Lead Inventory
Donna Clark

FLBC
Vehicle Support Team II IST
Lead Acquisition
Kathi Morouse
Mine Resistant Ambush Protective (MRAP)

- FSCs: 164+
- Major FSC assignments include: 2510, 2520, 2530, 2540, 2590, 2940
- Workforce: 79 professionals
- NSN’s Managed: 12,500
- Purchase Requests: 5,700
- Customer Sales Orders: 200K per yr
- Annual Sales: $200M

Mission:
- Responsible for all integrated logistics support for MRAP unique items and Route Clearance Vehicles (RCV)

Focus Areas:
- Sole source MRAP unique items
- Fire suppression
- Suspension
- Air Conditioning parts
Batteries/Tires
Division

Mission:
- Responsible for all integrated logistics support for all DLA managed tires, tire products, and various batteries used in multiple weapons systems

Focus Areas:
- Execute best value decisions related to procurement actions and actively engage with supplier base to reduce logistics response time and backorders.
- Proactive efforts are underway to assess high demand items for adequate long-term contract coverage
Batteries

- FSC’s Managed: 6135, 6140, 6160, 6650
- NSN’s Managed: 7,667
- Purchase Requests: 1,302
- # Suppliers: 368
- Orders received: 108K per yr
- Annual Sales: $215.5M

Mission:
- Acquisition Support
- Engineering Support
- Site Technical Support

Transfer of Batteries from DSCR to DSCC:
- Transition occurred 13 Apr 09
- DSCC/Services Meeting held 11 Feb 09
- Coordination with the ESAs
- MOAs
- Seamless Transition
- Continuity of Operations
Tires
Integrated Support Team

- FSC’s Managed: 2510, 2520, 2530, 2540, 2590, 2620, 4910
- NSN’s Managed: 1,007
- Purchase Requests: 65
- # Suppliers: 64
- Orders received: 51K+ per yr
- Annual Sales: $200.4M

Mission:
- Responsible for all integrated logistics support for all DLA managed tires (aircraft and land), tire associated products (valves, inner tubes, etc) and spare parts (rims, runflats, etc) associated with land vehicle wheel assemblies
  - Supports high priority weapon systems including F-16, C130, MRAP, HMMWV, FMTV, HEMTT, etc.
  - Includes administration of two contracts that completely privatize the supply chain for Tires as per BRAC 2005

Focus Areas:
- Partner with the Privatization contractor, Michelin North America, and Military Customers to gather and utilize information to aid the privatization contractor in the effective forecasting and demand planning of tires and ultimately timely support to the Warfighter

FLCB
Tires Team Chief
Phillip Ludwig

FLCB
Tire Integrated Supply Team
Lori Archibald
Combat Vehicle Support Division

• Maintain spare parts support for a wide variety of tactical wheeled vehicles
  – Includes the HMMWV, FMTV, HEMTT and MRAP
  – Included in this population are 6,452 items that are mapped to SCA’s for Oshkosh, AMG, BAE and Detroit Diesel

• Customer Pay/Integrated Logistics Partnership
  – HMMWV RECAP/RESET lines at RRAD, LEAD, and MMA

• Individual and Crew Served weapons support
  – Includes the M2, M240, Howitzers, and Grenade Launchers

• Combat Vehicle & Armament spare parts support for tracked vehicles
  – Includes M1 Abrams tank, M2/M3 Bradley tanks and the M88 recovery vehicle

• Responsible for engine support

• Partner with Land Customer Operations, Army customer support representatives and industry to coordinate proper forecasting to ensure procurement actions support depot programs and military operational requirements
Wheeled Vehicles

- FSCs: 2510, 2590
- NSN’s Managed: 30,050
  - Stocked: 10,050  Customer Direct: 19,725
- Purchase Requests: 4,871
  - Large purchases: 107  Small purchases: 4,764
- Customer orders received: 555K per yr
- Annual Sales: $411.2M
- Suppliers: 602

Mission/Focus Areas:
- Primary point of contact for Customer Pay/Integrated Logistics Partnership items. Resolves issues and take preventative measures for the 715 items

Current CP initiatives:
- Pending induction of the UAH M1151 Model into the RECAP lines
- Mapping of all CP processes both internal and external

Challenges:
- Conversion of RECAP lines at depots to M1151 (UAH) variant.
- Supporting new ILP customer at Barstow
**Combat Vehicle/Armament**

- Small Arms FSCs: 1005, 1095, 1010
- Combat Vehicles FSCs: 2510, 2520, 2530, 2540, 2590, 3040, 4720,
- NSN’s Managed: 37,231
  - Stocked: 9,809  Customer Direct: 27,422
- Purchase Requests: 2,442
  - Large: 100  Small : 2,342
- Orders received: 150K per year
- Annual Sales: $145.5M
- Suppliers: 687

**Mission/Focus Areas:**
- Focused on improving overall product quality and contract performance on combat vehicle and small arms procurements.
  - Includes improved and current Technical Data Packages, Product Verification Testing, and adherence to MIL-STD-16232

**Challenges:**
- M2 Kit Management
- Process changes
- Significant Product, Technical, Quality and Inspection/Acceptance Requirements
Engines

- FSCs: 1045, 1075, 1090, 2520, 2805, 2815, 2910, 2920, 2930, 2990, 3030
- NSNs Managed: 72,760
  - Stocked: 16,605  Customer Direct: 56,155
- Purchase Requests: 2,235
  - Large: 61  Small: 2,174
- Orders received: 164K per yr
- Annual Sales: $108.1M
- Suppliers: 705

Mission/Focus Area
- The mission of the Engines IST is the management of Class IX engine components and accessories

Challenges:
- The major challenge facing the Engines IST is the procurement of parts for vehicles that are no longer in production or have exceeded their anticipated service dates
Strategic Material Sourcing Group (SMSG)

- Execute all Tailored Support Initiatives (FASI, Tires Successor, IPV, EMALL, etc.)
- Formulate multiple NSNs into Family Groupings to award on Long Term Contract (SMS, MRAP, etc.)
- Coordinate and award Supply Chain corporate contracts
- Perform all Basic Contract Administration for the Land Directorate LTCs
FY10 SMSG Strategy

Objective: Key business drivers on long-term contract
Prioritized approach to project selection

Target Population:

- FSC 1005 – Small Arms
- FSCs 2540, 2590 Vehicle Components
- Batteries
- Tire Products
- Weapon Systems
- MRAP- FSS NSNs, AC Parts, Suspension Parts, Sole Source NSNs
- FASI-G and IPV Add-Ons (Subcontract Opportunities)
- SRM Contractors – Sole Source Adds
- Various Sole Source and Competitive NSNs
- NEW EMALL Solicitation

Building strategies that are directly linked to customer requirements
FY10 SMSG Strategy

Additional Long Term Contract (LTC) Action

NEW EMALL Solicitation:
- Multiple Award Schedules
- Off-The-Shelf, Finished Goods From The Commercial Marketplace
- DLA Assigned Item Classes Only
- Solicitation Target - Mid-Oct 2009

Building strategies that are directly linked to customer requirements
Step 1 – Ongoing
• Sources Sought/Broad Agency Announcement to Solicit Breakout Suppliers – Re-Issued 3 Times - See Value Eng Booth
• Receive Results of Various OEM Provisioning Conferences
• Assigned Technical Personnel to Review Responses, Coordinate with Army/Marine Corps and Update Federal Catalog

Step 2 – ECD Dec 2009
• Award New and Add-On MRAP LTC Projects – ECD Dec 2009
• Special Assignment Buyer Resources to Work

Step 3 – Ongoing
• Upon Award of New LTCs - Identify and Execute NSN Add-On Actions
• Analyze MRAP NSN Population for New LTC Potential
Supply Relationship Management

Mission:
- The SMSG SRM procurement Team in FLG and SRM Contract Admin Team in FLS support the Land SC SRM mission by singling up Basic Contract Admin (LTCs) and Contract Administration personnel for the 20 companies with SRM focus.

Current Alliances:
- SSAs
  - AM General
  - Oshkosh Truck
  - BAE Systems Land & Armament
  - GDLS-Canada

SCAs
- BAE-Fairfield (Armor Holdings)
- BAE-Sealy
- Badger Truck
- SAIC
- Caterpillar
- Cummins Engine
- GDLS
- FN Manufacturing
- Systems Land & Armament
- GDLS-Canada
- Wheler Brothers
- BTMC

FLGE
Tiffany Givens-Barnett
Division Chief

FLGE
Supply Relationship Manager
Julie Miller

FLGE
Supply Relationship Manager
Maggie Mickey

FLGE
Supply Relationship Manager
Pauline Buck
Supply Relationship Management

Priorities/Projects:
- Alliances with Strategic or High Volume Suppliers
  - 4 Strategic Supplier Alliances with OEMs
  - 16 Supply Chain Alliances – Strategic Suppliers or High Volume Dealers/Distributors
- Key Improvement Opportunities specific to each company:
  - Increase LTCs coverage
  - Reduce PLT, ALT, Pricing
  - Demand Planning/Future Forecast Collaboration
  - Backorder Reduction

Ancillary Projects:
- DLR/BRAC Coordination for Service Items on Key Suppliers

Stakeholder Interactions:
- Regular Communication/Problem-Solving via Working Groups/Improvement Teams
- Monthly Open Order Reports – Line of Balance for Priorities
- Shared Communications with Customers (TACOM), ISTs, WSSMs, Land DCO
- Monthly Performance Metrics – ALT, PLT, LTC Obs, Line Fill Rate, Qty Fill Rate, Unfilled Orders
- Improved Customer and Weapons System Support
- Incorporation of MRAP into Supplier LTCs

Challenges:
- Coordinated prioritization of GWOT support while dealing with surging demands and supplier capacity constraints
Supplier Support Division

Mission:
- Support Emergency Procurement Requirements
- Supports Army Industrial sites with procurement and quality requirement (Forward and Customer Pay/ILP)

Focus Areas:
- Emergency Buying Team (E-Buy)
- Forward Presence
- Engineering Support
- Non-NSN
- Post Award Contract Management

FLS
LTC Eva McElroy
Division Chief

FLSA
Shared Services IST
Tanya Merritt

FLSE
Post Award Contract Administration IST
Heath Berkshire
Shared Services

- Emergency Buy, Non-NSN, and Forward Execution Acquisition
  - Supporting customers in theater and stateside with procurements of Non-NSN and NSN items
  - Forward Execution Team is integrated with customers located at RRAD, TYAD, LEAD, MCLB, MCLA, ANAD
  - Forward Execution Team has captured $6,671,495 in sales since inception in July 2008
- Non-NSN Team
  - Purchase Requests: 1319
  - Annual Sales: $69.7M
  - Orders received: 82K+ per year
  - Suppliers: 250
- Engineering Support
  - Liaison between DSCC product specialists and ESA including technical reviews, development of new sources
- Forward Presence Product Specialists
  - Assist with technical reviews at forward locations, clear PQDRs, liaison with product specialists of record

FLSA
Shared Services IST
Tanya Merritt

FLSAB
Supervisory Contract Specialist (Pre-Award)
Linda Allensworth

FLSAC
Supervisory Contract Specialist (Pre-Award)
Mechelle Vandermolen

FLSAD
IST Product Specialist Supervisor
Don Robinette
Post Award Contract Administration

- Open Orders: 32,000
- Suppliers: 1700+

Mission:
- Performs contract administration for the Land Directorate of Supplier Operations

Objectives:
- Prioritize Open Orders for contractors (i.e. any order not fully received)
  - Reduce and prevent backorders
  - Assure contractor focus is aligned with customer needs
  - Streamline contractor and government communication
  - Reduce delinquencies

FLSE
Post Award Contract Administration IST
Heath Berkshire

FLSEA
Post Award Team I
Acting Supervisory Contract Specialist
Julie Searcy

FLSEC
Post Award Team II
Supervisory Contract Specialist
Jackie Maurer

FLSEB
Supervisory Contract Specialist SRM (Post-Award)
Gerald Roush
Maritime Supplier Operations
Break-Out Session

August 18-19, 2009
Agenda

- Maritime Supply Chain Overview
- Post Award Overview
- Emergency Buy Team Overview
- Supplier Relationship Management
- Open Dialogue
Maritime Supplier Ops
At a Glance

**What**

1.75M Items
$1.3B Sales
- Mechanical
  Pumps, Compressors
  Valves, Hose & Tube,
  Fittings, Bearings,
  Packing & Gaskets
- Electrical
  Wire & cable, switches,
  relays, transformers,
  antennas, resistors,
  microcircuits

**From**

5,014 Suppliers
- Manufacturers
  Marotta (Valves)
  York (Compressors)
  Raytheon (Electronics)
  Amphenol (Connectors)
- Dealers
  Large Dealer Network

**By**

223K Contract Actions Worth $1.5B
- 825~ Employees
- 19 Integrated Supplier Teams
- 2 Sites
Maritime Supplier Ops Organization

DSSC
BG Patricia E. McQuistion, USA, Commander
Mr. James McClaugherty, Deputy Commander
Mr. Milton Lewis, Executive Director, Contracting and Acquisition Management

Maritime Detachment
Philadelphia
Roger Dixon, Director

Maritime Supplier Operations
CAPT Roland Wadge, Director
Ms. Pat Shields, Deputy Director
CDR David Peters, Deputy Director

ISTs
SMSG

Supplier Support Division

ISTs
SMSG
Integrated Supplier Team (IST) … Basic Organizational Unit

- Product Specialists: What to buy?
- Supply Planners: How many and when to buy?
- Pre Award Acquisition Specialists: Execute the buy and assure delivery!

Strategic Material Sourcing Group

- Long Term Contracting (LTC): Multi-NSNs & Corporate Contracts

Supplier Support Division

- “Emergency Buying Team” for our customers’ most urgent needs
- Manages PACE for all DSCC
- Centralized management of solicitation and award of Auto IDPOs
- Shared Services support for all of Maritime
Post-Award

• Supplier Support Division Chief – David Glasscoe
• Maritime Contract Administration Chiefs – Stephanie McCormick and Kelly Penwell
• Supervisor – Sue Coyer
• Supervisor – Myrtice Gray
• Supervisor – Hiram Maisonave
• Supervisor – Gary Meyer
• Supervisor – Temika Morris
• Supervisor – Jeff West
• Analyst – Chris Watson
• Each supervisor has a team consisting of approximately 14 contract administrators, purchasing agents and acquisition support technicians.
Post-Award

- Centralized Post-Award Branch for Contract Administration matters.
- Maritime Columbus Administrators organized by state and/or CAGE code.
- Special team of “expediters” working emergencies and backorder issues. They are also assigned specific states or CAGE codes.
- Dedicated group of Administrators for the Navy Nuclear Reactor Program (21N). Material Availability must be kept at 95% or above for this program. We need your help to accomplish this goal.
- Dedicated group working quality notifications for Maritime and Land.
- Emphasis on monitoring Key Item Drivers (KID) 1-4 and Delinquencies.
- Our Goal: Be reasonable but demanding customers on behalf of the American tax payers and provide exceptional support to the Warfighter.
Maritime Columbus Emergency Buy Team (EBT)

Partnering with You for Emergency Support

Team:

IST Chief – Ed Wingo

Core Team Supervisors – Tom Comeans and Paula Webb

General EBT Support – Tom Comeans

- Emergency Buyers: Keith Couser, Jim Donnelly, Rosa Poole, Jerry Quinn, Denny Wondal, Richard Bebel (Post-Award Administrator)
- Mission: Complete Emergency (Basic Definition Below) Customer-Direct Buys for items managed by Maritime Supplier Ops
  - All Customer Priority 01 Customer Direct Buys
  - Highest Priority Customer Priority 02 & 03 CD Buys (Proj Cd; RDD)

Dedicated/Premium EBT Support – Paula Webb

- Emergency Buyers: Marvin Horton, Henrietta Jones, Amanda Pontia, Lisa Thompson, Brian Walker, Kim Watson, Todd Manning
- Mission: Dedicated E-Buy Support to 3 Shipyards and the Navy PMO
What we do:

• Determine optimal contracting strategy for Maritime Supply Chain NSNs

• Award and manage multiple NSN long-term contracts to maximize long-term contract coverage of strategic material sourcing (SMS) NSNs

• Execute contracting actions in support of Strategic Supplier Alliances (SSAs) and Supply Chain Alliances (SCAs)

• Optimize relationships with key suppliers through SRM
Background: Fully integrated logistics support for Water Purification customers in support of ROWPU, TWPS and LWP 100% small business set aside.

Scope: Customer-Direct support ROWPU, TWPS and LWP NIINs/PNs

<table>
<thead>
<tr>
<th>NIINs</th>
<th>Est ADV</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,320</td>
<td>$19M</td>
</tr>
<tr>
<td>1,894 P/Ns</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

Status: The solicitation opened July 17th and closes on August 28th
Background: Contracting for Supply Chain Management of high demand and high value NSNs in the 4710, 4720, 4730, 4820, 5330, 5331, 5930, 5935, 5961, 5962, and 6145 FSCs. NSNs organized into sixteen groupings by FSC(s), 8 Set-Aside and 8 Unrestricted.

Scope: Primarily customer direct support within Time Definite Delivery standards.

<table>
<thead>
<tr>
<th>NIINs</th>
<th>Est ADV</th>
</tr>
</thead>
<tbody>
<tr>
<td>56,214</td>
<td>$413M</td>
</tr>
</tbody>
</table>

Status: Solicitation documents under review at DLA HQ.
Supplier Relationship Management Initiative

Depot Level Repairables (DLR)

Develop a Strategy to Partner with our DLR Attachments in facing similar suppliers

- Analyze service spend for DLR NIINs
- Match DLA spend with DLR forecast
- Where applicable explore joint solutions
HM&E Standardization

• Drive Standardization through commodity contracts available to commercial industry
• Collaborative effort NAVICP/DLA
• First Phase – Standard Navy Valves
  Release one – awarded gate valve 27 NSNs
  Release two – 460 standard valves, offers under evaluation
• Next Phase – Circuit breakers
Open Dialogue
Story Board Charts
Active Devices Division
(Division 2)

Division Chief: Ernie Reid

Integrated Supplier Team Chiefs

Electronic Assemblies and Transformers: Lisa Ohl
Microcircuits & Semiconductors DMS: Evan Baisden
Non-Powered Valves: Anthony Carrico

Top Federal Supply Classes

<table>
<thead>
<tr>
<th>FSC Nomenclature</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>4820 Valves, Non-Powered</td>
<td>$146,249,496</td>
</tr>
<tr>
<td>5998 Electrical and Electronic Assemblies</td>
<td>$40,282,147</td>
</tr>
<tr>
<td>5960 Electron Tubes and Associated Hardware</td>
<td>$31,037,709</td>
</tr>
</tbody>
</table>

Data is from a 12 month period: June 2008 through June 2009
Integrated Supply Team Chiefs

Connectors: Rocky Sunday

Relays, Wire, & Cable: Dave Devine

Switches & Raytheon: Regina Westbrook

Powered Valves, Marine Hardware, & Nuclear Reactors Program: Joey Smith

Top Federal Supply Classes

<table>
<thead>
<tr>
<th>FSC Nomenclature</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>5930 Switches</td>
<td>$105,487,543</td>
</tr>
<tr>
<td>5935 Connectors, Electric</td>
<td>$ 78,407,337</td>
</tr>
<tr>
<td>4810 Valves, Powered</td>
<td>$ 71,389,887</td>
</tr>
<tr>
<td>5945 Relays and Solenoids</td>
<td>$ 60,853,015</td>
</tr>
<tr>
<td>2040 Marine Hardware and Hulling</td>
<td>$ 15,062,634</td>
</tr>
</tbody>
</table>

Data is from a 12 month period: June 2008 through June 2009
Electronics, Pumps & Compressors Division  
(Division 5)  
Division Chief: CDR Aaron Potter

Integrated Supply Team Chiefs  
Antennas, Fuses, & Circuit Breakers: Kathy Brewster  
Fire Control & Fiber Optics: Tom Bunnell  
Pumps & Compressors: Latricia Wilson

### Top Federal Supply Classes

<table>
<thead>
<tr>
<th>FSC Nomenclature</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>5985 Antennas, Waveguides &amp; Related Equipment</td>
<td>$131,336,572</td>
</tr>
<tr>
<td>4320 Power and Hand Pumps</td>
<td>$71,225,585</td>
</tr>
<tr>
<td>4330 Centrifugal, Separators and Pressure &amp; Vacuum Filters</td>
<td>$45,742,725</td>
</tr>
</tbody>
</table>

Data is from a 12 month period: June 2008 through June 2009
Fluid Handling Division
(Division 1)

Division Chief: Linda McCarty

Integrated Supply Team Chiefs

Fittings: David McGraw

Flexible Hoses & Tubing: Anita Luich (Deployed)  LCDR Jim Strauss (Acting)

Pipes & Tubing: Debbie Robinson

Top Federal Supply Classes

<table>
<thead>
<tr>
<th>FSC Nomenclature</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>4730 Fitting and Adaptors</td>
<td>$130,674,685</td>
</tr>
<tr>
<td>4720 Hose and Flexible Tubing</td>
<td>$101,818,988</td>
</tr>
<tr>
<td>4710 Pipes and Tubing</td>
<td>$ 71,874,293</td>
</tr>
</tbody>
</table>

Data is from a 12 month period: June 2008 through June 2009
Power Transmission & Hardware/Electrical
(Division 4)

Division Chief: Diane Circle

Integrated Supply Team Chiefs

Motors & Mechanical Components: Mike Rush
Power Transmission Equipment: Chrissy Schall
Hardware/Electrical: Karen Kramer

Top Federal Supply Classes

<table>
<thead>
<tr>
<th>FSC Nomenclature</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>6105/3010 Motors &amp; Mechanical Components</td>
<td>$ 40,348,327/ 23,326,913</td>
</tr>
<tr>
<td>3040 Power Transmission Equipment</td>
<td>$122,150,175</td>
</tr>
<tr>
<td>5950 Hardware/Electrical</td>
<td>$ 27,267,709</td>
</tr>
</tbody>
</table>

Data is from a 12 month period: June 2008 through June 2009
Strategic Material Sourcing Group

Chief: Kelly Vingle

Mission: Strategic Material Sourcing

Function:
• Determine optimal contracting strategy for Maritime Supply Chain NSNs
• Award long-term contracts including corporate and prime vendor contracts
• Maximize long-term contract coverage of strategic material sourcing (SMS) NSNs
• Execute contracting actions in support of SSAs and SCAs
• Optimize relationships with key suppliers through SRM

Strategic Sourcing Branch Chiefs: Kreston Harris, Nicole Hammond-Mann, Jeff Dixius

Supplier Relationship Management Branch: Bruce Shively, Lead SRM
    Donna Ramsey, SRM
Strategic Sourcing Branches
Branch Chiefs: Kreston Harris & Nicole Hammond-Mann
Award multiple NSN long-term and corporate contracts
Branch Chief: Jeff Dixius
Determine groupings of NSNs for long-term contracts; review technical and quality data; perform contract administration on multi-NSN long-term contracts

Supplier Relationship Management Branch
Lead SRM: Bruce Shively
SRM: Donna Ramsey
Manage relationships with key suppliers via Strategic Supplier Alliances (SSAs) and Supply Chain Alliances (SCAs); coordinate with ISTs to develop solutions to process issues that may impact customer support
Supplier Support Division

Division Chief: David Glasscoe

Mission: Support for Maritime Supplier Operations

Function: Oversee Automated Indefinite Delivery Purchase Orders (AutoIDPOs), emergency buys, automated contracting, shared services, quality notification resolution and contract administration

Branch Chiefs:

AutoIDPOs, Emergency Buy Team (EBT), Procurement Automated Contracting Evaluation (PACE): Ed Wingo

Contract Administration: Stephanie McCormick and Kelly Penwell

Shared Services: David Anders

Contract Quality Management: Rick Lennon
Emergency Buy, PACE, & AutoIDPO Branch
Branch Chief: Ed Wingo

Emergency Buy Team Supervisor – Tom Comeans and Paula Webb

Customer-Direct Buys for our customers’ most urgent requirements

PACE & AutoIDPO Team Supervisor – Susan Knisley

Procurement Automated Contracting Evaluation (PACE):
Manage PACE automated solicitations and awards up to $100,000

Automated Indefinite Delivery Purchase Orders (AutoIDPOs):
• AutoIDPOs are valid for up to two years or $100,000.
• Manage solicitation and award of all AutoIDPO instruments
Contract Administration Branch
Branch Chief: Stephanie McCormick and Kelly Penwell

Post Award Supervisors - Sue Coyer, Myrtice Gray, Gary Meyer, Jeff West, Temika Morris and Hiram Maisonave

- Responsible for all post award issues related to existing contracts assigned to Maritime Supplier Operations. Proactively work delinquency, backorder and special project reports.
- The workload is assigned by state or cage code. SSA/SCA suppliers are assigned to specific administrators.
- Coordinate with supply planners, product specialists, resolution specialists, legal, DFAS, and DCMA to resolve issues.
Procurement Systems and Supplier Interfaces

Ken Rumbaugh
DSCC Systems and Procedures Division
Agenda

• Enterprise Business Systems (EBS) Overview:
  Ken Rumbaugh

• DLA Internet Bid Board System (DIBBS):
  Alan Searfoss & Patrice Francis

• Automated Indefinite Delivery Purchase Orders (AIDPO):
  Tammy Solt

• cFolders: Ken Adkins

• DOD EMALL: Tony Griffin

• Automated Best Value System (ABVS) & Past Performance Information Retrieval System (PPIRS):
  Pat McCreay
Enterprise Business Systems

Ken Rumbaugh
DSCC Systems and Procedures Division
EBS IT Components

EBS Program
Primary Components

SAP
• Order
• Fulfillment
• Procurement
• Financial Management
• Tech Quality

DPACS Suite
• Solicit
• Award
• Report

manugistics
• Demand Planning
• Supply Planning
• Collaborate

BI Reports

SAP

DPACS

DIBBS/PACE
Information Resources

- DLA BSM Website: www.dla.mil/j-6/bsm
- BSM Supplier Information Resource Center: www.dla.mil/j-6/bsm/sirc
DLA Internet Bid Board System (DIBBS)

Alan Searfoss / Patrice Francis
DSCC Systems and Procedures Division
All DLA solicitations and awards are available on one web site:

DLA EBS DI BBS

https://www.dibbs.bsm.dla.mil/
DI BBS Functionality

- View RFQs and submit quotes
- View RFPs – Includes Long-Term Contracts, manual IDPOs & EMALL opportunities
- Access award information (includes Fast PACE)
- View provisions & clauses
- Link to technical data (cFolders)
- Link to the Automated Best Value System (ABVS) (Performance scores used in award decisions)
- Access to Acquisition Forecasts – Supplier Requirements Visibility Application (SRVA)
Supplier Requirements
Visibility Application (SRVA)

• Provides 24 months of sole source and competitive Projected Purchase Order (PPO) quantities

• Non DLA users access: https://www.dibbs.bsm.dla.mil/ - (User ID and Password required)

• Data refreshed by the second week of each month

• Easily search DLA PPO Quantity for up to 150 National Item Identification Numbers (NIINs) or by Federal Stock Class (FSC)
DI BBS Changes

Recent Changes

• Microsoft Office 2007

Future Changes

• EProcurement
• Password Changes FY10
Microsoft Office 2007

• Attachments to RFQs, RFPs Awards or Mods

• Microsoft Word Suffix .docx

• Microsoft Excel Suffix .xlsx

• Free patch if using Office 2000 or 2003

DEMO
Automated Indefinite Delivery
Purchase Order
(AutoID DPO)

Tammy Solt
DSCC Systems and Procedures Division
Indefinite quantity contract using simplified acquisition procedures

• $100,000 limit, potential 2 year contract

• First Delivery Order (DO) *anticipated* *approximately* 90 days after issuance of AutoID DPO solicitation (minimum obligation)
AutoID DPO solicitations are identified with a “U” and an “Alpha” in the 9th and 10th positions of the solicitation number.

- 90 day quote validity period
- Solicited on DIBBS for 21 days
- Closing time = 2pm EST
- Zone pricing (2 Zones)
- Government ranges and alternate ranges
Autol DPO Awards

• The Autol DPO agreement will be issued with a “D” in the ninth position, a “5,” “6” or “7” in the tenth position, and an alpha in the eleventh position of the PIIN

• The basic award and first DO will be posted to DI BBS simultaneously
AutoID DPO Final Thoughts

• Demo

• [https://www.dibbs.bsm.dla.mil/](https://www.dibbs.bsm.dla.mil/)

• Open up an AutoID DPO solicitation. If red quote button is available you can still quote - even if solicitation closing date is past.

• Future in EProcurement
Viewing and Downloading Solicitation Technical Data

cFolders

Ken Adkins
DSCC Logistics Support Office
cFolders

• Suppliers can access cFolders via a link within the solicitation in DIBBS or directly through the cFolders link: https://pcf1.bsm.dla.mil/cfolders/

• Some drawings are restricted and require supplier eligibility documentation.

• Suppliers have the ability to download license agreement application forms via a link on the cFolders Homepage
Welcome, Ken Adkins

DLA Solicitation Documentation
Filter for Solicitation Folders

<table>
<thead>
<tr>
<th>Solicitation Number</th>
<th>Status</th>
<th>Post Date</th>
<th>Close Date(*)</th>
<th>License Agreements</th>
<th>Export Control</th>
<th>Foreign Secure</th>
<th>Material Group</th>
<th>Material Number</th>
<th>Material Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPM7A408R0033</td>
<td>Open</td>
<td>06/14/2008</td>
<td>08/06/2008</td>
<td>14</td>
<td>Yes</td>
<td>No</td>
<td>3020</td>
<td>007633094</td>
<td>GEAR,SPUR</td>
</tr>
</tbody>
</table>

* - The solicitation close date has been amended
## Drawings

Current Path: SPM7MB09G0710 > Solicitation Data > 3040 004445557 > Drawings

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Download</th>
<th>CAGE Code</th>
<th>Document Data Code</th>
<th>Drawing Revision</th>
<th>Number of Sheets</th>
<th>Rights in Data</th>
<th>License Agreement</th>
<th>Distribution Statement</th>
<th>Export Control</th>
<th>For Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1M671</td>
<td>1M671</td>
<td>75301</td>
<td>DD</td>
<td>B</td>
<td>0001</td>
<td>U</td>
<td>A</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>P.S.15534</td>
<td>P.S.15534</td>
<td>75301</td>
<td>SS</td>
<td>D</td>
<td>0002</td>
<td>U</td>
<td>A</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>32-50166-5</td>
<td>32-50166-5</td>
<td>75301</td>
<td>DL</td>
<td>A</td>
<td>0002</td>
<td>U</td>
<td>A</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>32-50166-5</td>
<td>32-50166-5</td>
<td>75301</td>
<td>RE</td>
<td>A</td>
<td>0001</td>
<td>U</td>
<td>A</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>32-50166</td>
<td>32-50166</td>
<td>75301</td>
<td>DD</td>
<td>E</td>
<td>0004</td>
<td>U</td>
<td>A</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>32-90000</td>
<td>(Add'l Access Required)</td>
<td>75301</td>
<td>SS</td>
<td>M</td>
<td>0056</td>
<td>U</td>
<td>X</td>
<td>Y</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>P.S.20018</td>
<td>P.S.20018</td>
<td>75301</td>
<td>SS</td>
<td>F</td>
<td>0001</td>
<td>U</td>
<td>D</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>P.S.23041</td>
<td>P.S.23041</td>
<td>75301</td>
<td>SS</td>
<td>U</td>
<td>0001</td>
<td>U</td>
<td>C</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>P.S.16001</td>
<td>(Add'l Access Required)</td>
<td>75301</td>
<td>SS</td>
<td>BN</td>
<td>0001</td>
<td>U</td>
<td>D</td>
<td>Y</td>
<td>N</td>
<td></td>
</tr>
</tbody>
</table>
cFolders Help

• Access, Password or System Issues:
  
  cFolders Helpdesk
  (804) 279-4357

• Drawing Related Issues:
  
  L & M cFolders Admin Team
  Email: cddwgs@dlamil
DOD EMALL Contracting

Point, Click, Ship
One Stop Support for the Warfighter!

1st Choice Support for the Warfighter
Why DOD EMALL?

• The Department of Defense Electronic Mall (DOD EMALL) functions as a single entry point for DOD customers seeking to acquire off-the-shelf, finished goods from the commercial marketplace. DOD EMALL is an internet-based ordering service that allows DOD and other federal customers to “shop” for products from a variety of sources based on price, delivery, product description and vendor performance.
In the Aug/Sept time-frame, EMALL will issue a solicitation for a Multiple Award Schedule (MAS), Long-Term Indefinite Delivery/Indefinite Quantity (IDIQ) type contracts.

This solicitation is for DLA assigned Federal Supply Groups (FSGs) and Commercial Classifications that include the following categories of items (See Next Page):

The solicitation is for firm-fixed-price contracts with economic price adjustment for acquiring commercial off-the-shelf items. The contract ceiling price is $5,000,000 (five million dollars). The contract is for two basic years with options to extend the contract for eight additional years in two-year increments. All proposals must submit catalog data in an electronic media (Excel spreadsheet on CD preferred).
Commercial Item Categories

- Commercial Coatings; Adhesives/Sealants/Lubricants and Fuel Additives; Hardware Components; Telephone and Telegraph Equipment; Tools, Tool Kits and Tool Boxes; Industrial Machinery; Defense and Law Enforcement / Security and Safety Equipment Supplies; Commercial Military/Private Vehicle Components and Accessories; Cleaning Equipment; Apparel and Luggage/Personal Care Products; Distribution /Conditioning Systems /Equipment and Components; Material Handling/Conditioning and Storage Machinery and their Accessories and Supplies; Medical Equipment and Accessories and Supplies; Packing and Gasket Materials; Electrical/Systems/Lighting and Components/Accessories and Supplies; Electronic Components and Supplies; Clothing, Special Purpose; Airframe Structural Components; Aircraft Hydraulic, Vacuum and De-icing System Components; Aircraft Air Conditioning, Heat and Pressurizing Equipment; Miscellaneous Aircraft Accessories and Components.
Automated Best Value System/
Past Performance Information
Retrieval System

Pat McCreay
DSCC Systems and Procedures Division
Agenda

- History and explanation of ABVS
- Current status of ABVS/Enterprise Business System (EBS)
- Current status of ABVS/ Past Performance Information Retrieval System (PPIRS)
ABVS Background

- ABVS began in 1995

- Definition: a computerized system which collects contractors’ existing past performance data and translates it into numeric scores; contracting officers use these scores (historical performance) as an additional evaluation factor when making best value award decisions
ABVS Objectives

• Translate past performance (quality and delivery) into meaningful numeric scores
• Score all contractors based on past performance history
• Buyers make a comparative assessment of evaluated price, quoted delivery and past performance
• Promote Best Value Award decisions
  - Buy smarter
• Updates occur daily
• Vendor views his own negative performance data and scores on ABVS website which is password protected
• Vendor may only challenge data through the appropriate ABVS office
• Website:
  – Where you see: Click here to obtain your ABVS data, click on the word here
ABVS Current Status

- As daily shipping and/or receipt transactions post EBS performance data is refreshed and flows into ABVS
- Negative performance data is on the ABVS website, in a preview window for contractor review and challenge opportunity, prior to calculation in vendor score
- Data can still be challenged even if data has moved out of the preview and into the rating
Contractor Participation

Vendors are strongly encouraged to review their performance data and contact ABVS administrators to resolve:

- Ship dates not posting to contract line items
- Any quality or packaging deficiencies or
- Questions on scores
Transitioning from ABVS to PPIRS-SR

• The Department of Defense has endorsed the Past Performance Information System (PPIRS) as the single authorized system for the receipt and retrieval of contractor past performance data for DoD acquisitions.

• Full PPIRS-SR implementation will be in concert with the deployment of the EProcurement targeted for 2010.

• Given the scope of DLA’s impending EProcurement implementation, ABVS will be utilized as a proxy to PPIRS-SR.

• Additional past performance guidance is available in the Defense Logistics Agency Directive DLAD 52.215-9022 (JAN 2009)
• Contractors must be registered in the Central Contractor Registration (CCR) at http://www.ccr.gov and obtain a Marketing Partner Identification Number (MPIN) to gain access their PPI RS data.

• Details to establish a PPI RS-SR account can be found at http://www.ppirs.gov.
• PPI RS registration will enable vendors to access their delivery score and quality classification and any negative data, listed by the Federal Supply Class (FSC)

• PPI RS records maybe challenged, if data needs correction

• Your record challenge sends an email to the Government POC at the appropriate supply command; DSCC, DSCP or DSCR
ABVS Team

Administrators

• Patricia McCreay
  patricia.mccreay@dla.mil
  Team Leader

• Debra Brown
  debra.j.brown@dla.mil

• FAX
  614-692-4170

• We prefer challenges to be scanned to:  dsccabvs@dla.mil

Telephone #

• 614-692-3383
• 614-692-1381
• 614-692-4170
Points of Contact at DSCR and DSCP

- **DSCR**
  - Carolyn Harris  804-279-6431  phone
  - 804-279-5042  fax
  - email address:  dscrabvs@dla.mil

- **DSCP**
  - Tim Atwell  215-737-7844  phone
  - 215-737-7949  fax
  - email address:  dscpabvs@dla.mil
Questions???
Value Engineering Tools for Contractor Support

Dwayne Porter
Castings and Forgings
614-692-8857/DSN 850-8857

Steve Gomez
Value Engineering Proposals
614-692-7308/DSN 850-7308
Agenda

- Castings & Forgings Assistance Tools
- Value Engineering Change Proposals (VECP’s)
- Replenishment Parts Purchase or Borrow (RPPOB)
- Sustaining Engineering (SE)
- Additional VM Programs Managed at DSCC
- New Initiatives
- Summary
- Value Engineering Program Points of Contact
DSCC Casting and Forging Assistance Tools
MetaL FACT

Maritime & Land Forging And Casting Team
DSCC’s MetaLFACT Team

• Provides casting & forging assistance
• MetaLFACT is comprised of Government and Industry representation
• MetaLFACT is a resource available to the following
  • DSCC Personnel: Product Specialists, Buyers, Planners
  • Engineering Support Activities (ESAs)
  • Contractors/Suppliers
    • With active DSCC contracts (w/Contracting Officers’ approval)
    • Bidding on open DSCC solicitations
• Tools to provide assistance
Cast Tooling Database

- Population
  - 120 companies
  - 18,600 tooling records
- Utilized by Supply Centers
- Assist defense contractors in finding tooling
  - 50% success rate of matching inquiries to patterns/suppliers
- Company notified each time gov’t buying parts for which they have tooling
- $1.5 million in orders directed to participants each month

www.defensetooling.com
Success Stories

Linking DLA Needs to Capable Metalcasters

- Detent Lever Bracket: Aluminum Sand Casting
- Previous Buy June 1985: Contractor no longer exists
- DLA Solicitation on May 2008: Qty. 161
- Contractor inquiry through Tooling Database Website
- Tooling located at foundry
- Contractor bid and awarded

Linking Defense Contractors to Foundries with Tooling

- Latch Bar Assembly: Sole Sourced
- Prior contract: 15,000 @ $47.49/ea.
- Foundry bids direct: 12,000 @ $37.50/ea.
- Contract award for 16,000: $159,840 in cost savings
Casting Suppliers Database

www.defensecastingsuppliers.com

- Online directory of metalcasters serving the defense industry
- Utilized by government and defense contractors
- 256 Registered Metalcasters
  - All Processes & Materials
- Casting bid solicitations matched to plant capabilities

Casting Processes

- Sand: 180
- Investment: 66
- Perm. Mold: 66
- Diecast: 79
- Other: 64

Casting Materials

- Aluminum: 209
- Copper-Based: 68
- Steel: 58
- Iron: 99
- Other NF: 109

- Secondary Operations: Assembly, Engineering & Design, Machining, Electrical & Marine, Fabrication, Machining, Milling, Injection Molding, Surface Treatments, Welding
- Supplier Materials & Alloys: Aluminum, Steel, Copper-Based, Iron, Other NF
Foundry Toolkit for Gov’t Business

www.defensecastingtoolkit.com

- Online source assists suppliers to
  - Learn DLA e-commerce processes
  - Establish required supplier accounts
    - View solicitations
    - Access tech data packages
    - Submit quotes
      - Understand procurement process
      - Locate pre- and post-award assistance
- Find Business Opportunities
Identifying Opportunities

Defensecastingtoolkit.com/partsearch.htm

- Part search database
- Online source assists foundries to:
  - Quickly identify casting NSN’s
  - Associate ‘prospect list’ with DIBBS user account
  - Determine anticipated demand
- Leverages CAST-IT, DSCR & DSCC databases
- 7,000+ casting NSN’s
- Routinely updated
National Forging Tooling Database (NFTD)

• Purpose
  - Rapidly locate forging dies for legacy weapon systems

• Benefits
  - Web base database
    • Locates forging dies and suppliers
    • Widely accessible through Haystack Gold
  - Reduces ALT and PLT
  - Avoids costs of designing/building new dies
    • Huge benefit for small order sizes
  - Sustainable beyond the life of the FAST Program
Navigating NFTD

- Log into Haystack Gold
- Search for part on main screen by NIIN
- If tooling exists, select the NFTD link
Navigating NFTD

- Alternate Method: Log into Haystack Gold
- Select the Database drop-down menu
- Select “Other Databases”, then “Forging/Tooling”
Navigating NFTD

- Search by Part Number or NSN
Navigating NFTD

- Click on “Details”
Navigating NFTD

- Screen shows last known location of tooling
- Contact company to verify the existence, condition, and availability of the tooling.
Forging Industry Association
Website
http://www.forging.org

- Locate Forge Shops
- Submit Request for Quotes (RFQs)
Find a Forging Source Using FIA Website

- Search for a forge based on process, location, or type of metal being procured
Submit RFQ Through FIA Website

- Fill out all required fields and submit.
- RFQ will notify 118 FIA members.
Value Engineering Change Proposals

VECPs
Value Engineering Change Proposals

• Contractual method to share savings
  • Improve DoD supplies and/or equipment
  • Savings shared between Contractor and DoD
  • Described in FAR Clause 52.248.1

• Improvements include any price savings
  • Processes
  • Materials
  • Manufacturing techniques
  • Other
Rules and Tools

• VECP clause in all DSCC contracts > $25K
• Clause can be added by modification
• VECP can only be received on an instant contract
• Typical share ratio: 50/50
• Collateral lifecycle savings may be negotiated
Replenishment Parts Purchase or Borrow Program

RPPOB
Why RPPOB

- Statutory Requirement
  - Defense Procurement Reform Act of 1984
    - Public Law 98-525, Section 1216(a)
    - Codified at Title 10 U.S.C. 2320(B)

- Promote full and open competition

- Develop new sources
  - Sole Source
  - Limited Competition Items
RPPOB Methods

• Direct Purchase
  • Contractor buys at Standard Unit Price (SUP)
  • Item is not returned

• Bailment
  • Item loaned at SUP
  • SUP held in Trust by DFAS
  • SUP monies returned
    • If item is returned in “A” condition

• View of Part
  • Contractors may inspect part in a designated area
RPPOB – What it is Not

• Not intended to proof their manufacturing

• Not available on solicitations/contracts when:
  – In accordance with a specification
  – In accordance with a drawing

• Not to test a competitor’s part

Purpose: Develop New Sources
RPPOB Process

• Contractor request received
• Item reviewed as an RPPOB candidate
• Contact with ESA for approval to bail out
• Contractor provides monies and signs the agreement
• Item directly sent to Contractor
• Contractor provides alternate offer data package
• Data package sent to ESA for final approval
• System updated with approval
Benefits of RPPOB

- Break Sole Source
  - Average 30-40% in procurement savings
- Provide additional sources on limited source items
- Provide source for obsolete items
- Reduce cost through enhanced competition
- Potential for Unlimited Rights Technical Data Packages (TDPs)

Increased Competition = Lower Cost to Taxpayers
Sustaining Engineering Program

SE
Sustaining Engineering

- Improve/upgrade DLA-managed items
  - New technology
  - Quality/reliability improvements
  - Ease of maintenance improvements
  - Improve logistics footprint
- Save money!!
- Relatively new program at DSCC
  - Initiated in Jan 04
  - Focus on Land and Maritime items
Sustaining Engineering

- Proposals solicited from all services
- Proposals evaluated by DSCC team
  - Value Management Team lead
  - Weapon System Support Manager (WSSM)
  - Cognizant Maritime/Land Application Team
    - Engineer/technical
    - Product Assurance
    - Buyer
- Selections funded/implemented in order of
  - Date of receipt
  - Weapon system support impact
  - Overall best value to customer
- Accepted proposals funded by DSCC
  - Coordinated with ESA
  - Funds available FY09: $5M
Project Selection Criteria

- DLA/DSCC managed item
- Minimum ROI of 10:1
  - Lifecycle savings
- Make positive impact
  - Operational readiness
  - ALT/PLT
  - Item demand
  - Unit price
- Reduce field maintenance actions
- Improve competitive position
  - Availability of tech data
  - Increase sources of supply
Aviation Ground Power
Unit (AGPU) Exhaust

NSN 2990-01-325-1868

• AGPU used by Army Aviation
• Redesign AGPU exhaust to eliminate heat traps and improve fuel consumption.
• Benefits include:
  • Increased turbine life cycle
  • Reduced maintenance actions
  • Lower fuel costs
  • Gov’t owned Technical Data Package
  • Reduced field demands
• Project proposed and managed by Aerospace Ground Support Equipment Directorate at Redstone Arsenal

Investment: $736K
ROI: 23:1
Project Savings: $16.8M
M224 Mortar

NSN 1005-00-903-0933

- Revise drawings/TDP’s for 28 DSCC managed NSN’s used in M224
  - All approved ECP’s
  - Current tolerancing/dimensioning conventions (ANSI Y14.5)
  - Current process specifications for materials, platings, and coatings
- Benefits include:
  - Complete gov’t owned TDP’s
  - Improved competition
  - Reduced deviation/waiver requests
  - Reduced procurement support costs/lead times
- Project proposed and managed by Benet Laboratory, the design control activity for M224

Investment: $92K
ROI: 31:1
Project Savings: $1.2M
Additional Value
Management Programs
Managed at DSCC
Additional VM Programs

**Price Challenge Program**

- Responsive to customer suspicion of overpricing
- Determine value using tech data, buy history, and similar items
- Provide recommendation when overpricing is discovered
- Corrective action taken to improve pricing or recover funds

**Should Cost Program**

- Engineering Intrinsic Value Cost Estimate
  - Materials and labor
  - Testing
  - Packaging
  - Manufacturing Charges
  - Overhead and Profit
- Assists Contracting Officers during procurement negotiations
Additional VM Programs

Reverse Engineering

- Performed using Gov’t resources
- Items ordered from Gov’t stock
- Identifies physical, material, mechanical, and environmental properties
- Test requirements identified/determined
- Technical Data Package developed for use in full and open competitive acquisition

Organic Manufacturing

- Utilize manufacturing capacity of government labs/arsenals when private industry cannot meet our needs
- **Public** (organic) and **Private** sources cannot compete against each other for awards!
  - Exceptions:
    - **Price**: quoted price is formally determined to be unacceptable
    - **Delivery**: quoted delivery time frame does not meet our requirements.
New Initiatives
NI ST Pilot Program

- National Institute of Standards (NI ST)
  - Nationwide network of not-for-profit companies
  - Provide technical consultants to small business
    - Solve manufacturing/material problems
    - Lean Six Sigma
- Wants to expand to include business opportunities
  - Match opportunities to companies in network
- Goal: Use NI ST to develop new sources
  - Hard to buy items
  - Sole source items
- DSCC will provide
  - Training on doing business with DLA
  - Samples, tech data, and/or photos
  - Funding for reverse engineering efforts
Component Optimization for Ground Systems (COGS)

• Pilot Program funded by TARDEC at TACOM
  - Congressional add money
• What is COGS?
  - Identifies all component and material requirements
  - Develops design and manufacturing alternatives
  • Utilize most cost effective processes
• TARDEC requested DSCC participation
  - DSCC provides NSNs for evaluation
  • DSCC managed NSNs with TACOM as ESA
  • Focus on high dollar and hard to buy NSNs
  - DSCC participates in technical evaluation
• Benefits
  - Gov’t owned TDP
  - Approval process short since ESA is team member
MRAP Support

• Focused support to Land Supply Chain
  – Eliminating duplicate NSNs
  – Reviewing/correcting technical data
• Current focus on “Sources Sought” synopsis
  – Seeking actual MRAP parts manufacturers
  – Synopsis for each MRAP OEM
• Copies available at Sourcing Booth (#841)
Summary

- DSCC’s Value Management Office provides support
  - Government
  - Customers
  - Suppliers
- Our focus
  - Provide solutions on problem parts
  - Reduce acquisition and support costs
- For further information
  - Contact attached P.O.C.’s
  - Visit our booths: #841, #842, and #941

Overall Goal: Support the Warfighter
Points of Contact

**VM Program Manager:** Dave Szczublewski  
614-692-8854 / DSN 850-8854 / david.szczublewski@dla.mil

**VEB Team Chief:** Dan Krist  
614-692-3320 / DSN 850-3320 / daniel.krist@dla.mil

**VEE Team Chief & VECP:** Don Howell  
614-692-8837 / DSN 850-8837 / donald.howell@dla.mil

**Castings & Forgings:** Dwayne Porter  
614-692-8857 / DSN 850-8857 / dwayne.porter@dla.mil

**RPPOB:** Daniel Bonner  
614-692-4203 / DSN 850-4203 / daniel.bonner@dla.mil

**Sustainment Engineering & VECP:** Mark Cutler  
614-692-4939 / DSN 850-4939 / mark.cutler@dla.mil

**Organic Manufacturing:** Jeff Culbertson  
614-692-8833 / DSN 850-8833 / jeffery.culbertson@dla.mil

**Price Challenge & Should Cost Teams:** Andy Utz  
614-692-8758 / DSN 850-8758 / andrew.utz@dla.mil
Agenda

- Organization Structure
- Entitlement Processing Branch
- Certification and Audit Branch
- Funds Requirement Branch
- Accounts Payable Maintenance Branch
- IPAC
- Entitlement System Overview
- Magnitude of Operations
- Payment Process
- Invoicing Requirements
Entitlement Processing Branch

Functions:

- Review contracts, invoices, and receiving reports for propriety IAW regulatory requirements.
- Match contract, invoice, and receiving report to initiate proper payment.
- Verify vendor CCR registration and remittance data
- Perform entitlement/computation actions necessary to generate payments to vendors and individuals for services performed and/or goods/materials received.
- Process payments into the applicable entitlement system (Systems vary depending on customer)

<table>
<thead>
<tr>
<th>Entitlement Systems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AVEDS</td>
<td>FABS</td>
</tr>
<tr>
<td>CAPS-W</td>
<td>FAS</td>
</tr>
<tr>
<td>EBS</td>
<td>SAVES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Systems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CCR/BEIS</td>
<td>Powertrack</td>
</tr>
<tr>
<td>EDA</td>
<td>SRD-1</td>
</tr>
<tr>
<td>EDI</td>
<td>WAWF</td>
</tr>
<tr>
<td>EDM</td>
<td></td>
</tr>
</tbody>
</table>
Functions:

- Ensure obligations are recorded prior to disbursement of funds.
- Research and correct prevalidation reports generated each night.
- Resolve prevalidation issues referred by Entitlement Section personnel as outlined by the DoDFMR.
Certification Audit Branch

Entitlement Systems

<table>
<thead>
<tr>
<th>Entitlement Systems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AVEDS</td>
<td>FABS</td>
</tr>
<tr>
<td>CAPS-W</td>
<td>FAS</td>
</tr>
<tr>
<td>EBS</td>
<td>SAVES</td>
</tr>
</tbody>
</table>

Supporting Systems

<table>
<thead>
<tr>
<th>Supporting Systems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ACL</td>
<td>EDM</td>
</tr>
<tr>
<td>CCR/BEIS</td>
<td>Powertrack</td>
</tr>
<tr>
<td>EDA</td>
<td>SRD-1</td>
</tr>
<tr>
<td>EDI</td>
<td>WAWF</td>
</tr>
</tbody>
</table>

Functions:

- **Payment Certification:**
  - Duly Appointed Certifying Officials.
  - Ensure accuracy of entitlement prior to disbursement.
  - Ensure entitlement is legal, proper, and correct.

- Perform pre-pay & post pay audits.

- Manage EFT reject process.
Accounts Payable Maintenance Branch

Functions:

- Responsible for expenditure processing, clearing undistributed transactions, intransits, researching and clearing problem disbursements.

- Research and monitor travel advances, research and post refund receivables.

- Accrue for and recognize liabilities, establish payables, reconcile and post payrolls.

- Participate in joint reviews with customers.

- Accounts Payable/Eliminations Entries.

Supporting Systems

<table>
<thead>
<tr>
<th>Supporting Systems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DBMS</td>
<td>EBS</td>
</tr>
<tr>
<td>DFAMS</td>
<td>FAMIS</td>
</tr>
<tr>
<td>DO22D</td>
<td>FAS</td>
</tr>
<tr>
<td>DWAS</td>
<td>WAAS</td>
</tr>
</tbody>
</table>
Intragovernmental Payment and Collection (IPAC)

Functions:
- Transfer funds from government to government consolidating this process for both incoming and outgoing transactions.

<table>
<thead>
<tr>
<th>Supporting Systems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DBMS</td>
<td>IAPS</td>
</tr>
<tr>
<td>DFAMS</td>
<td>IPAC</td>
</tr>
<tr>
<td>DIFMS</td>
<td>SABRS</td>
</tr>
<tr>
<td>DWAS</td>
<td>STARS</td>
</tr>
<tr>
<td>EBS</td>
<td>WAAS</td>
</tr>
<tr>
<td>FAS</td>
<td></td>
</tr>
</tbody>
</table>
AP Systems – Defense Agencies/USMC

Columbus

AVEDS/FAS

FABS

SAVES

CAPS-W

EBS
Vendor Pay Magnitude of Operations

- **Vendor Pay Network**
  - 5 Vendor Pay Sites
  - 150,000 Contractors / Vendors
  - 13.6 Million Total Invoices Paid in FY08
  - $126.0 Billion PPA $ Disbursed in FY08
  - 4.8 Million Total Invoices Paid in FYTD Jan09
  - $42.0 Billion PPA $ Disbursed in FYTD Jan09

FY09 Paid Invoices

- DLA, 68%
- Navy, 7%
- Army, 7%
- Air Force, 5%
- OSMC, 1%
- DA, 12%
Magnitude of Operations
COLUMBUS CENTER Vendor Pay, FY07-FYTD09

Interest $ Per Million

FY07: $232
FY08: $179
FY09: $126

Prompt Pay Act $ Disbursed

FY07: $45.7
FY08: $64.8
FY09: $36.3

Interest Paid

FY07: $10.6
FY08: $11.6
FY09: $4.5

Overage Invoice Percentage

FY07: 1.02%
FY08: 0.26%
FY09: 1.29%

FY09 Goal: $224

FY09 Goal: 2%

FY09 Data as of EOM Jan 09, unless otherwise noted.
Accounts Payable Process

DoD

Vendor

WAWF

DFAS Entitlement Systems

Disbursing Station

Accounting System

Reports/Analysis & Trial Balance

Check/EFT

Invoice (hard copy)

Invoice

Contract & Hard Copy Receipt

Receiving report

Contract

Goods & Services

Contract & Hard Copy Receipt

Validate Entitlement
Prevalidate Disbursement

Preval

Pymt File

Disbursements Data

WAWF

MyInvoice

Integrity - Service - Innovation
Prompt Payment Terms

- **Net 30 Days = Normal Payment Terms**

- **Net 7 Days**
  - Meat, Meat Food Products, including Poultry, Fresh Eggs, Seafood or Shellfish

- **Net 10 Days**
  - Perishable Agricultural commodities, Fresh Bakes Goods, Dairy Products, Fats and Oils

- **Net 14 Days**
  - Construction Contracts

- **Fast Pay 15 Days**
  - Early Payment based upon the receipt of a valid invoice
  - FAR Clause 52.213-1
A proper invoice must have the following:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>√ Invoice Date</td>
<td></td>
</tr>
<tr>
<td>√ Name and Address of the vendor</td>
<td></td>
</tr>
<tr>
<td>√ Invoice number, Account number, and/or any other identifying number</td>
<td>agreed to by contract</td>
</tr>
<tr>
<td>√ Contract Number or other authorization for delivery</td>
<td></td>
</tr>
<tr>
<td>√ Description, Price and Quantity</td>
<td></td>
</tr>
<tr>
<td>√ Shipping, Payment, and Discount Terms</td>
<td></td>
</tr>
<tr>
<td>√ Taxpayer Identifying Number (TIN), unless agency procedures provide</td>
<td>otherwise</td>
</tr>
<tr>
<td>√ Contact Name (where practicable) of person to be notified in event of a</td>
<td>defective invoice</td>
</tr>
<tr>
<td>√ Banking information, unless agency procedures provide otherwise, or</td>
<td>except in situations where the EFT requirement is waived under 31 CFR</td>
</tr>
<tr>
<td>√ Other substantiating documentation or information required by the contract</td>
<td>208.4</td>
</tr>
</tbody>
</table>
Proper Invoice

<table>
<thead>
<tr>
<th>Common Problems with Invoices</th>
</tr>
</thead>
<tbody>
<tr>
<td>√ Wrong or incomplete contract (PO) number</td>
</tr>
<tr>
<td>√ Missing call/delivery order number</td>
</tr>
<tr>
<td>√ Vendor sends statements and not invoice</td>
</tr>
<tr>
<td>√ Billing for past due amounts on current charges instead of submitting original invoice where balance is due</td>
</tr>
<tr>
<td>√ Missing invoice number and date</td>
</tr>
<tr>
<td>√ Billing description is incomplete or incorrect</td>
</tr>
<tr>
<td>√ Failure to mark DD250 as an original invoice</td>
</tr>
<tr>
<td>√ Invoice is submitted by a vendor (sub contractor) other than the vendor named on the contract</td>
</tr>
</tbody>
</table>
Returning Invoices

An invoice is returned under the following conditions:

- An invoice is received prior to a service period.
- There is no contract number provided.
- The invoice is not a proper invoice.

An invoice will not be returned when:

- The invoice is not a proper invoice.
- There is no contract number provided.
- An invoice is received prior to a service period.
- There is a destination acceptance and no receiving report.
- An incorrect line of accounting data.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACL</td>
<td>Application Control Language</td>
</tr>
<tr>
<td>AVEDS</td>
<td>Automated Voucher Examination &amp; Disbursing System</td>
</tr>
<tr>
<td>BEIS</td>
<td>Business Enterprise Information Services</td>
</tr>
<tr>
<td>BOSS</td>
<td>Base Operating Support System</td>
</tr>
<tr>
<td>CAPS-W</td>
<td>Computerized Accounts Payable System-Windows</td>
</tr>
<tr>
<td>CCR</td>
<td>Central Contractor Registration</td>
</tr>
<tr>
<td>DBMS</td>
<td>Defense Business Management System</td>
</tr>
<tr>
<td>DFAMS</td>
<td>Defense Fuels Automated Management System</td>
</tr>
<tr>
<td>DIFMS</td>
<td>Defense Industrial Fund Management System</td>
</tr>
<tr>
<td>DOD22D</td>
<td>Missile Fuels Accounting System</td>
</tr>
<tr>
<td>DWAS</td>
<td>Defense Working Capital Accounting System</td>
</tr>
<tr>
<td>EBS</td>
<td>Enterprise Business System</td>
</tr>
<tr>
<td>EDA</td>
<td>Electronic Data (Document) Access</td>
</tr>
</tbody>
</table>
### Acronyms from Pages 4-9

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDI</td>
<td>Electronic Data (Document) Interchange</td>
</tr>
<tr>
<td>EDM</td>
<td>Electronic Data (Document) Management</td>
</tr>
<tr>
<td>FABS</td>
<td>Financial Accounting &amp; Budget System</td>
</tr>
<tr>
<td>FAMIS</td>
<td>Financial Accounting Management Information System</td>
</tr>
<tr>
<td>FAS</td>
<td>Fuels Automated System</td>
</tr>
<tr>
<td>IAPS</td>
<td>Integrated Accounts Payable System</td>
</tr>
<tr>
<td>IPAC</td>
<td>Intra-Governmental Payment and Collection</td>
</tr>
<tr>
<td>SABRS</td>
<td>Standard Accounting Budget Reporting System</td>
</tr>
<tr>
<td>SAVES</td>
<td>Standard Automated Voucher Examination System</td>
</tr>
<tr>
<td>SRD-1</td>
<td>Standard Finance System Redesign, Sub System-1</td>
</tr>
<tr>
<td>STARS</td>
<td>Standard Accounting and Reporting System (Navy)</td>
</tr>
<tr>
<td>WAAS</td>
<td>Washington Headquarters Services Allotment Acctg System</td>
</tr>
<tr>
<td>WAWF</td>
<td>Wide Area Workflow</td>
</tr>
</tbody>
</table>
Questions?

Making Every Day Count
Electronic Commerce & Wide Area Workflow Overview

Presented by:

eSolutions Office
Defense Finance and Accounting Service
Topics

- DFAS EC Tools Overview

- What is WAWF
  - Definition
  - FAR Clause
  - User Benefits
  - User Roles

- How WAWF Works
  - Document Routing
  - Email Notification
  - High Level Process
  - Document Flow (Combo & 2-in-1)
  - UID & RFID

- Tools and References
DFAS EC Tools Overview

1. Vendor registers in CCR, remittance data transmitted to EC systems/CEFT

2. Contracts/mods, vouchers are posted to EDA

3. Vendor enters invoice and shipment data into WAWF, or transmits invoices via WINS or EDI. Government performs acceptance of goods and services in WAWF transmitted to entitlement/accounting systems.

4. Vendor monitors invoice status and views AOP in MyInvoice.

5. Vendor receives payment via electronic funds transfer (EFT) and uses myInvoice to track their payment.
What is WAWF?

Purpose – FAR Clause - Benefits - Roles
WAWF stands for Wide Area Workflow

Department of Defense initiated WAWF to eliminate paper transactions from the acquisition process

An interactive web-based application that allows Vendors to electronically submit invoices and receiving reports, and the Government to inspect, accept, receive and pay electronically.
…and Enables Users to Access and to Process Documents Electronically

• **Users can be:**
  - ✓ Vendors
  - ✓ Government Officials

• **Documents include:**
  - ✓ Contracts
  - ✓ Invoices
  - ✓ Receiving Reports

• **Documents are used to generate payments for goods and services**
Why WAWF for Electronic Invoicing?

- Contractors must submit invoices electronically.

- It’s the Law

- It’s being enforced!
  - DFAS updated to include requirement for electronic invoicing, effective for contracts issued after Feb 28, 2003.

- DFARS Clause 252.232-7003 (DFARS 232.7004)
  - Requires electronic invoicing.
  - Requires electronic supporting documentation.
  - One of the three acceptable electronic forms for transmission of invoices (WIns, WAWF and EDI).

WAWF Exceptions (DFARS 232.7002 Policy)

1. Purchases paid for with a government credit card
2. Awards made to foreign vendors for work performed outside of the United States
3. Classified contracts
4. Contracts awarded by deployed contracting officers
5. Purchases to support unusual or compelling needs in FAR 6.302-2
6. Undue burden by either the vendor or DoD, (See specifics under the DFAR clause)
The WAWF Benefits

- Ability to submit documents electronically in compliance with public law
- Global Accessibility
- Eliminates Lost or Misplaced Documents
- Accuracy of Documents
- Secure & Auditable Transactions
- Enables DoD to take Maximum Benefit of Discounts
- Enables Timely & Accurate Payments
- Decreases Interest Penalties
- Enables Capture of Unique Identifier (UID) and Radio Frequency Identifier (RFID) Data
- Track movement of Government Furnished Property (GFP)/Government Furnished Equipment (GFE)
Who is Using WAWF?

Specific DoD Components and other government offices using DoD WAWF include:

- DoD Vendors
- Air Force (USAF)
- Army (USA)
- Defense Finance and Accounting Service (DFAS)
- Defense Information Systems Agency (DISA)
- Defense Contract Audit Agency (DCAA)
- Defense Contract Management Agency (DCMA)
- Defense Logistics Agency (DLA)
- Marine Corps (USMC)
- Navy (USN)
- Other Defense Agencies
DFAS Payment Systems that link directly to WAWF

- **MOCAS** (Mechanization of Contract Administration Services); used by the Defense Contract Management Agency
- **One Pay**; used by the Navy
- **EBS** (Enterprise Business System) formerly called BSM
- **CAPS** (Computerized Accounts Payable System); used by the Army
- **IAPS-E** (Integrated Accounts Payable System - Electronic); used by the Air Force.
User Roles at a Glance

- **Vendor**
  - Contractor or Supplier

- **Inspector & Acceptor**
  - Requiring Activity, Contracting Officer Representative (COR), Quality Assurance Reviewer (QAR)

- **Local Processing Office (LPO)**
  - role used in situations where documents must be certified by a local office before forwarding to DFAS

- **Cost Voucher Reviewer/Approver**
  - DCAA

- **Pay Official**
  - DFAS Paying Office

- **Group Administration (GAM)**
  - role is used by an individual selected at the organization/location level, that is charged with the responsibility of maintaining the users of his/her assigned organizations. (Gate Keeper)

- **View Only**
  - roles are used by supervisors and administrators
WAWF Can Be Used to Create & Process a Number of Documents Electronically...

- Stand Alone Invoice - FAR 32.905
- Fast Pay Invoice - FAR 52.213-1
- Invoice 2-IN-1 - FAR 32.905
- Commercial Item Financing - FAR 32.202-1(b); FAR 52.232-29 & -30
- Performance Based Payment - FAR 32.1003; FAR 52.232-32
- Progress Payment - FAR 32.5; FAR 52.232-16
- Stand Alone Receiving Report - DFAR Appendix F, DFAS 52.246-7000
- Invoice and Receiving Report (Combo) - FAR 32.905; DFAR Appendix F
- Cost Voucher – FAR 52.216-7, -13, & -14; FAR 52.323-7
- Miscellaneous Payment
How does WAWF work?

Document Routing – Email Notification – Document Flow
Documents are Routed Through WAWF According to DoDAACs Entered by Vendor
WAWF Allows Users to Send Multiple E-mail Notifications

- WAWF uses a unique e-mail system for notifying the various users within the workflow of actions to be taken and document status.

- Users have the ability to send notifications to additional e-mail addresses following an action.

- E-mail addresses are saved for future use after submitted.

Initiator Email Distribution

Use the fields below to include additional e-mail addresses. Please add only one address per field.

[Fields for adding e-mail addresses]

[Submit, Return, Reset, Page Help buttons]
**Sample Email Notification**

<table>
<thead>
<tr>
<th>From:</th>
<th><a href="mailto:cscassig@csd.disa.mil">cscassig@csd.disa.mil</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>To:</td>
<td></td>
</tr>
<tr>
<td>Cc:</td>
<td>GS23F0185K\HQ042305F0020\OBMB0\C2\N1\0028\59217\HQ0359\Submitted</td>
</tr>
</tbody>
</table>

**Action DoDAAC\Ext: HQ0359**

**Document Type: Invoice 2-in-1 (Services Only)**

**Status: Submitted**

**Acceptance Date:**

**Processed Date: 2007/02/20**

**Contract Number: GS23F0185K**

**Delivery Order Number: HQ042305F0020**

**Contract Issue Date: 2004/10/21**

**Vendor CAGE\Ext: OBMB0**

**Shipment Number: 0028**

**Shipment Date: 2007/02/02**

**Invoice Number: 59217**

**Invoice Date: 2007/02/02**

Has been Submitted by on 2007/02/20. Status is Submitted.

*THIS IS A SYSTEM GENERATED EMAIL MESSAGE, PLEASE DO NOT RESPOND TO THIS EMAIL.*
1. **Vendor**  
   Creates/submits invoice and/or receiving report.

2. **Govt. Inspector**  
   Receives email notification of awaiting actions. Accepts or rejects using WAWF.

3. **Govt. Acceptor**  
   Receives email notification of awaiting actions. Accepts or rejects using WAWF.

4. **Local Processing Office**  
   Receives email notification of awaiting actions. Accepts or rejects using WAWF.

5. **DFAS Payment Office**  
   Receives email notification of awaiting actions. Researches any suspended transactions or rejects document to the initiator.

6. **Bank**  
   EFT

**WAWF**  
Receives email notification of awaiting actions. Accepts or rejects using WAWF.

**WAWF External Interfaces**  
CCR  
DAASC  
EDA

**DoD Pay Systems**  
DFAS entitlement system processes payments that match on invoice, receiving report, and contract. Authorizes transfer of funds via EFT to Vendors bank.

**WAWF transmits payment actions EDI 810C, 856, & 861 via GEX to DoD pay systems.**
Invoice 2-in-1 Workflow

Contractor

Inspector (Optional)

Acceptor

LPO Local Processing Official (Optional)

Pay Office

Invoice and Receiving Report Travel as One Document
Invoice 2-in-1 Demonstration

Select Create a 2-in-1 (from the EC End Users Tool Box) - This is a large file and will start playing automatically.

To access this tutorial on your own, go directly to:
http://www.dfas.mil/contractorpay/electroniccommerce/ECToolBox/2n1Create.swf
Combo (Invoice/RR) Workflow

Vendor

Inspector (Optional)

Acceptor

LPO Local Processing Official (Optional)

Pay Office

Invoice and Receiving Report Travel as 2 Separate Documents
Select Create a Commercial Invoice & Receiving Report (Combo) - This self-guided tutorial explains how to create a combo.

To access this tutorial on your own, go directly to:

http://www.dfas.mil/contractorpay/electroniccommerce/ECToolBox/CreateCIRR.swf
Unique Identification (UID) is a system of distinguishing one object from another, allowing DoD to track identical objects separately.

WAWF is the single entry point for UID/RFID information on DoD procurement actions.

To date UID and RFID are not fully deployed throughout the DoD, projected to be completed by the end of 2007.

For additional information go to the DFAS EC End User’s Tool Box and click on the Unique Identification (UID) web site link.

UID is the combination of:

- Enterprise ID: 370521
- Serial Number: 786950
- Original Part Number: 1234
- Current Part Number: 5678
Radio Frequency Identification (RFID)

- RFID technology is a means of identifying a unique object or a person using a radio frequency transmission.

- DFARS Clause 252.211-7006 The Contractor shall electronically submit advance shipment notice(s) with the RFID tag identification (specified in paragraph (d) of this clause) in advance of the shipment in accordance with the procedures at:

- WAWF is the current acceptable method for advanced shipment notice (ASN) submission.

- The ASN is not a new process/transaction. It is the same existing Material Inspection Receiving Report (MIRR) transaction being sent to WAWF with additional data (RFID data elements) added to the transaction.

- For additional information go to the DFAS EC End User’s Tool Box and click on the Radio Frequency Identification (RFID) link.
Where Do I Go from Here?

Tools & References
<table>
<thead>
<tr>
<th>System Messages:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(13 Feb 07)</strong> If you are experiencing difficulties displaying documents using admin view only roles, a cage code and the 30 day create day date range, perform the following actions: Clear all cookies, delete temporary internet files and clear your history from your browser. Close the browser and reopen another instance and attempt a search again.</td>
</tr>
<tr>
<td><strong>(12 Feb 07)</strong> If you are experiencing difficulties pulling up a document after typing the contract number in the search criteria screen in lower case, perform the following actions: Clear all cookies, delete temporary internet files and clear your history from your browser. Close the browser and reopen another instance and attempt a search again. For further guidance, go to <a href="https://support.wawf.eb.mil">How and why to clear your cache</a>.</td>
</tr>
<tr>
<td><strong>(11 Feb 07)</strong> Internet Explorer 7.0 (IE7.0) running on Windows Vista operating system is not supported for use with Wide Area Workflow. Windows Vista is under test and evaluation for compatibility with the application, please do not use it with WAWF until further notice. For guidance on how to set up IE7.0 running on Windows XP SP2, please go to <a href="https://support.wawf.eb.mil">setup instructions for IE7.0</a>.</td>
</tr>
</tbody>
</table>

If you are experiencing slow response times or system "hangs" and are using Internet Explorer 6.0 SP1, a patch (Q618506) may help to decrease your response time. To download the patch, go to the web site below and follow the instructions:


**Attention:**

Attention all DoD contractors - When shipping material to a DLA Distribution Depot, Shipment Number data must be annotated on the Shipping Documentation that accompanies your shipments. Failure to provide Shipment Number data on the Shipment Documentation could cause a delay in payment. For Shipping Documentation details see ESM website [http://www.dla.mil](http://www.dla.mil).

Please check out the new enhanced Web Based Training (WBT) course covering all the new features of WAWF 3.0.11 and more. The WBT is now available for your use at [http://www.wawftraining.com](http://www.wawftraining.com).

This system is unavailable during the following times to conduct Database system maintenance:

Oracle Cold Backup – SUN 0100 MT0300 ET - 0400 MT0600 ET

Login to WAWF (Registered user only) **Self-Register to use WAWF (New users)**

Help with registration for access to WAWF
EC End Users Tool Box

- Located on the DFAS public web-site

- Contents include:
  - WAWF Vendor “Getting Started” Guide
  - Interactive system demonstrations
  - Step-by-step user guides
  - Links to additional learning tools

http://www.dfas.mil/contractorpay/electroniccommerce/ECToolBox.html
WAWF Training Opportunities

- **WAWF Web-Based Training Site** - Go here to learn how to use WAWF via self paced, online training. This training is an excellent place to begin learning about WAWF. [http://www.wawftraining.com](http://www.wawftraining.com)

- **WAWF Vendor Classroom Training** - Go here to register for upcoming WAWF classroom training provided by DFAS. [http://www.dfas.mil/contractorpay/electroniccommerce.html](http://www.dfas.mil/contractorpay/electroniccommerce.html)

- **WAWF Training Practice Web Site** - Go here to practice using the WAWF application. [https://wawftraining.eb.mil](https://wawftraining.eb.mil)
For More Information…

- **AWWF production web-site** [https://wawf.eb.mil](https://wawf.eb.mil)
- **AWWF Customer Support**
  
  DISA WESTHEM – Area Command Ogden
  
  Customer Service Center
  
  CONUS ONLY: 1-866-618-5988
  
  COMMERCIAL: 801-605-7095
  
  DSN: 388-7095
  
  FAX COMMERCIAL: 801-605-7453
  
  FAX DSN: 388-7453
  
  CSCASSIG@CSD.DISA.MIL

- **DFAS eCommerce web site** [http://www.dfas.mil/contractorpay/electroniccommerce.html](http://www.dfas.mil/contractorpay/electroniccommerce.html)
- **DFAS Customer Service**: 1-800-756-4571
- **myInvoice** [https://myinvoice.csd.disa.mil//index.html](https://myinvoice.csd.disa.mil/index.html)
- **EDA web site** [http://eda.ogden.disa.mil/](http://eda.ogden.disa.mil/)
- **Federal Acquisition Regulation Web Site** [http://farsite.hill.af.mil](http://farsite.hill.af.mil)
Thank You!
Contract Pay (MOCAS) Operations Overview

Joe M. Spring
Accounts Payable Acquisition Directorate
August 2009
Agenda

• MOCAS Organizational Structure
• What is MOCAS?
• MOCAS Magnitude of Operations
• MOCAS Operations at a Glance
• Accounts Payable Process
• Payment Process
• Contract Reconciliation
• Contract Close-Out
• Electronic Document Receipt
• MOCAS Areas of Emphasis
Accounts Payable Operations
MOCAS Division
Debby Yates
(JAIQC)

MOCAS Contract Input Branch
Patrick Tiu
(JAIQCA)

MOCAS Entitlement Branch
John McGee
(JAIQCB)

Contract Reconciliation Branch
Lillian Gray
(JAIQCC)

Special Programs Branch
Sadie Jackson
(JAIQCD)

Contract Input Section
Shirley Benton
(JAIQCAA)

Entitlement Section
Vacant
(JAIQCBA)

Reconciliation - IAPS/CAPS
Brian Ziklo
(JAIQCCA)

Vacant
(JAIQCAR)

Vacant
(JAIQCAB)

Entitlement Section
Joe Spring
(JAIQCBB)

Reconciliation – MOCAS*
Jeannette Spencer
(JAIQCCB)

Vacant
(JAIQCCB)

Vacant
(JAIQCCD)

Entitlement Section
Sonya Harris-Williams
(JAIQCBC)

Reconciliation – MOCAS*
Patricia Dickerson
(JAIQCCC)

Vacant
(JAIQCCD)

Entitlement Section
Xandra Wilson
(JAIQCBB)

Entitlement Section
Dennis Rowley
(JAIQCBE)

Reconciliation – MOCAS
Vacant
(JAIQCCF)

Contract Input Section
Vacant
(JAIQCAD)

Vacant
(JAIQCAD)

Special Programs Branch
Sadie Jackson
(JAIQCD)

Special Programs Section
Vacant
(JAIQCBF)
What is MOCAS?

M ECHANIZATION OF C ONTRACT A DMINISTRATION S ERVICES

- Integrated system supporting post award contract administration
- Used by:
  - DCMA Contract Administration Offices
  - DFAS Contract Pay
  - Procurement Offices
  - Funding Stations (Prevalidation Business Partners)
- Pays More Complex Contracts
  - High Dollar
  - Multiyear Contracts
  - Multiple Deliverables
- Makes Financing Payments
MOCAS Magnitude of Operations

• MOCAS – FYTD 09
  (As of June 09)
  ✓ 336,819 Active Contracts
  ✓ 18,792 Active Contractors
  ✓ 792,840 Invoices Processed
  ✓ $144.8 Billion Disbursed

• MOCAS – FY 08
  ✓ 339,296 Active Contracts
  ✓ 17,893 Active Contractors
  ✓ 1,057,061 Invoices Processed
  ✓ $180 Billion Disbursed
MOCAS Operations at a Glance

Interest $ Per Million

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Interest $ Per Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 06</td>
<td>$52</td>
</tr>
<tr>
<td>FY 07</td>
<td>$51</td>
</tr>
<tr>
<td>FY 08</td>
<td>$56</td>
</tr>
<tr>
<td>FY 09</td>
<td>$73</td>
</tr>
</tbody>
</table>

Prompt Pay Act $ Disbursed

In Billions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Prompt Pay Act $ Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 06</td>
<td>$148</td>
</tr>
<tr>
<td>FY 07</td>
<td>$158</td>
</tr>
<tr>
<td>FY 08</td>
<td>$180</td>
</tr>
<tr>
<td>FY 09</td>
<td>$94</td>
</tr>
</tbody>
</table>

Interest Paid

In Millions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Interest Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 06</td>
<td>$7.64</td>
</tr>
<tr>
<td>FY 07</td>
<td>$7.99</td>
</tr>
<tr>
<td>FY 08</td>
<td>$9.17</td>
</tr>
<tr>
<td>FY 09</td>
<td>$6.80</td>
</tr>
</tbody>
</table>

Overage Invoice Percentage

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Overage Invoice Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 06</td>
<td>0.98%</td>
</tr>
<tr>
<td>FY 07</td>
<td>1.19%</td>
</tr>
<tr>
<td>FY 08</td>
<td>2.01%</td>
</tr>
<tr>
<td>FY 09</td>
<td>2.13%</td>
</tr>
</tbody>
</table>
Accounts Payable Process - 3 Way Match

1. **Legal Agreement** for purchase of good or services.
2. **Vendor Invoice** submitted when goods are shipped or services rendered.
3. **Receipt document completed** by government official when goods or services are received.
4. **Disbursement voucher created**; Electronic Funds transfer to bank account.
Payment Process: Contract Management

EDA

Contract Award

EDI

EDM Contract Input

Establish Contract in MOCAS

Problems?

Hard Copy

Contract Discrepancy (DD 1716)
Payment Process: Invoice Entitlement

Contract

Electronic Invoice
Commercial DD250 Financing Cost Vouchers

Acceptance (WAWF)

Valid Payment Request

Entitlement
CLR, Provision File, Master Invoice, Accounts Payable

Prevalidation

Disbursement

Notification to Accounting Station

EFT Payment to Contractor

Payment Initiated
Research & Reconciliation

Verify Obligation

MOCAS System

9/9/2009
Integrity - Service - Innovation
Payment Process: Current Prevalidation Thresholds

- **Thresholds**
  - Nov 1, 2006 reduced to $5000
  - Anticipated drop to $2500 in FY 09
  - FY05 and future contract disbursements $0
  - Vendor Pay is currently at $0

- **Five Calendar Day Standard**

---

**Accounting**

**Disbursing**

- PREVALIDATION
  - 7 Initial Request
  - 8 Response
  - 9 Disbursement
Contract Closeout

Contract Ready for Close-out

Part A
- Over $100K
- Some Firm-Fixed Price
- Cost Contracts

Part B
- Firm-Fixed Price Contracts
- Under $100K

CAR Sect. 2
Interim PK9

Final (Z) Shipment

Final Disbursement

Not Balanced?

CAR Section 5
Final PK9

Balanced

Contract Close-out
& Reconciliation
Group

ACO

DFAS
Overall EC Receipts

Average Invoice API Rate:
Overall: 41.95%

<table>
<thead>
<tr>
<th></th>
<th>Contracts</th>
<th>Modifications</th>
<th>Invoices</th>
<th>Receiving Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>48%</td>
<td>33%</td>
<td>98%</td>
<td>81%</td>
</tr>
</tbody>
</table>
Making Every Day Count
Land & Maritime Supply Chains
Business Conference 2009
• Payment is made based on receipt of invoice and Government acceptance (unless fast payment procedures are authorized)
• Acceptance is based on:
  – Material
  – Quantity
  – Price
  – Receipt Location
  – Shipping, Packaging, Marking Requirements
  – Receiving Documents
#10 – Shipment does not meet packaging requirements

#9 – Incorrect Item received.

#8 – Non-conformance to heat treatment requirement for wood packing materials (including pallets). Since 2007, all wood packing material require a stamp certifying Heat treatment. (DLAD clause 52.247-9012)
Top Ten Reasons for Delayed Payment

#7 – Material not received in an acceptable condition – (damaged, non-compliant to shelf-life requirements, other quality issues)

#6 – Quantities on shipping documents or invoice are more or less than in the shipment.

#5 – Improper Markings – shipments must be compliant to Mil-Std-129P marking requirements.
Top Ten Reasons for Delayed Payment

#4 – No documentation received with the shipment
** MIL-Std-129P requires a copy of the receiving report be sent with the shipment unless otherwise noted in the contract.

#3 – Wrong Clin number on shipping documents or invoice

#2 - Incorrect data on invoice (Delivery order number omitted or incorrect, unit of issue incorrect, etc) Invoice must match contract data.
Top 10 Reasons for Delayed Payment

And the #1 Reason why Payments are delayed . . .

Materials shipped to the wrong location . . . All contract line items shipped to one location.
Resolution of Errors

- Contact your Contract Administrator
- Make sure your point-of-contact information is up-to-date in the Central Contractor Registry (CCR)
- Retain and make available Proof of Delivery (Carrier tracking) information
Additional Resources


• www.dodrfid.org – information on DoD’s Radio Frequency Identification marking requirements

• www.wawftraining.com – online training for Wide Area Workflow
Industrial Capability & Material Readiness

Jim Buchanan & Steve Roadfeldt
Industrial Capability & Warstopper Program

Ronnie Favors
Defense National Stockpile Center (DNSC)
Agenda

- **Industrial Capability Readiness**
  - The Surge and Sustainment (S&S) Process
  - Electronic Capability Assessment Plan
  - Warstopper Program
  - Execution – Warfighter Support

- **Strategic Material Readiness Initiatives**
  - Strategic Metal Buffer
  - Defense National Stockpile Center
Industrial Capability & Material Readiness

INDUSTRIAL CAPABILITY
Surge and Sustainment

MILITARY SERVICES

Go-to-War Needs

DEFENSE LOGISTICS AGENCY

Capability & Capacity

DEFENSE INDUSTRY

GO-TO-WAR PLANNING

INVENTORY & PROCUREMENT (MATCHING)

PRODUCTION

WARFIGHTING CAPABILITY SUSTAINMENT
Electronic Capability Assessment Plan

- System Login
- Select solicitation
- CAP data collection process – report:
  - Capability to deliver Services’ go-to-war requirements
  - Production constraints preventing requirement delivery
  - Opportunities and costs to mitigate constraints
- Summarize data
  - Review
  - Print
  - Submit
eCAP - Login

- Self register or Login
- First user – Super User
- eCAP tool access
eCAP – Select Solicitation

1. START CAP

Select Solicitation

SOLICITATION, OFFER AND AWARD
2. CONTRACT NO.
3. SOLICITATION NO.

SPM7LX-08-R-0011

Prepare CAP
eCAP – Identify Capability

Start Capability Assessment

Begin the process by checking the offered box of the NSIs that you are including in your proposal response. Please check the solicitation to verify surge is part of the evaluation criteria. If an offer for surge will be made, please click save and continue. If a group is provided for, then all items within the group must be fully covered.

Offer Full Quantity

Yes

No

Constraints

CAP Report
### eCAP – Constraints

#### Solution Available

#### Proposed Solution

#### CAP Report
eCAP – Proposed Solution
eCAP - Summary

CAP Summary

Company Name: BearingPoint
CAGE: 54321
Date Completed: 3/18/2009
Completed by: Joe Vendor

 Solicitation Number: SP000000R9999
(Formerly PIIN)

Part 1 - S&S Coverage Capability

Additional quantities of an item that must be shipped to DLA for each 30-day period, assuming you receive the order up to the full quantity at the beginning of each period.

<table>
<thead>
<tr>
<th>NINS GROUP</th>
<th>Type</th>
<th>Req</th>
<th>DOD</th>
<th>Diff Date</th>
<th>Diff Amount</th>
<th>Diff Item</th>
<th>Diff Item</th>
<th>Diff In</th>
<th>Diff Out</th>
<th>Diff Item</th>
<th>Diff Item</th>
<th>Diff Item</th>
<th>Diff Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000-0000-0000-0000</td>
<td>TA</td>
<td>40</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Internal, Supplies, Inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0000-0000-0000-0000</td>
<td>TA</td>
<td>70</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0000-0000-0000-0000</td>
<td>TA</td>
<td>12</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Inventory, LABS, DOCS,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0000-0000-0000-0000</td>
<td>TA</td>
<td>42</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>Sedation, Saline Supplies,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part 2 - Description of Constraints

The Offeror certifies that the constraint is factual.

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Constraint Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material &amp; Labor</td>
<td>Production is impaired by this constraint</td>
</tr>
</tbody>
</table>

Part 3 - Proposed Solutions & Government Investments Required to Obtain S&S Coverage Capability

Part 3.1 - Coverage to be Gained

The Offeror certifies that they cannot deliver the stated quantities according to the surge delivery schedule without implementing the proposed solution. The Offeror also certifies that the solution offered is the most efficient method to resolve the S&S capability shortfall. If a government investment is required it is indicated in Section 3.2.

Part 3.2 - Funding Requirement to Obtain S&S Coverage

Costs applicable to coverage gained on items in Part 3.1.

Investment Cost Details

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Quantity</th>
<th>Description</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 1</td>
<td>50</td>
<td>Sedation,</td>
<td>30 Days</td>
</tr>
<tr>
<td>Item 2</td>
<td>30</td>
<td>Saline</td>
<td>30 Days</td>
</tr>
</tbody>
</table>

Part 4 - Group Item Details

Here is a breakdown of which items are incorporated into the groups mentioned above.

<table>
<thead>
<tr>
<th>Group Name</th>
<th>Subgroup</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td></td>
</tr>
</tbody>
</table>

Part 5 - Uploaded Files

Source Selection Information—See FAR 2.101 and 3.104.
Warstopper Investment Examples

- Provide incentives for lean manufacturing initiatives
- Provide industrial equipment
- Stage raw material and subcomponents
- Industrial base maintenance contracts to maintain domestic industry
- Supplement vendor’s inventory to guarantee access to commercial inventory
EXECUTION – WARFIGHTER SUPPORT

- Critical transmission part for the Bradley Fighting Vehicle (BFVS) – requires special steel
- BFVS transmission cited as number 2 of top 5 Army readiness drivers
- Pre-positioned raw material and material rotation reduced the lead time for 571 to 77 days
- Reduced backorders

Wartime Demand Surged 1300% above peacetime levels
EXECUTION – WARFIGHTER SUPPORT

- 84 different, low peacetime demand hydraulic tubes
- Tubes share similar components and manufacturing processes
- Contractor increased raw material safety stock at no cost
- Reduced Production Lead Time from 508 to 129 days and 75 days in Wartime

Aircraft Hydraulic Tubing

Surged 1000% above peacetime levels
EXECUTION – WARFIGHTER SUPPORT

- Cesium lamp defeats Infrared (IR) missiles
- Low peacetime demand/High Wartime demand
- Staged raw materials & subassemblies at BAE
- Reduced Production Lead Time from 360 to 30 days (*Sapphire crystal has 4-month lead time to “grow” in lab*

Reduced backorders in ½ over 6-months
EXECUTION – WARFIGHTER SUPPORT

- Critical valve system used on Reverse Osmosis Water Purification Unit (ROWPU)
- Sole source manufacturers’ plant was destroyed by Hurricane Katrina – lost item production ~ 1 year
- Urgent request from Iraq for help with this part to keep systems running
- Surge & Sustainment coverage kept 24 ROWPUs operating

Continuity in water supply for troops in theater
EXECUTION – WARFIGHTER SUPPORT

- Reduced production lead time – 200 to 63 days
- Reduced delivery times by four months

Nut, clip-on

Geotextile
Steel
Industrial Capability & Material Readiness

STRATEGIC MATERIAL READINESS INITIATIVES
# Strategic Material Readiness Initiatives

<table>
<thead>
<tr>
<th>AREA</th>
<th>WARSTOPPER Strategic Material Project</th>
<th>DNSC Strategic Material Security Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Wartime Surge &amp; Sustainment</td>
<td>Peacetime &amp; Wartime</td>
</tr>
<tr>
<td>Level</td>
<td>Sustainment</td>
<td>• Weapon System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sustainment</td>
</tr>
<tr>
<td>Scope</td>
<td>DLA Procured Items</td>
<td>• DOD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Essential Civilian</td>
</tr>
<tr>
<td>Primary Method</td>
<td>Vendor-to-Vendor</td>
<td>• Vendor-to-vendor managed inventory</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Right to recover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Government Furnished Property</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Right to buy</td>
</tr>
<tr>
<td>Expertise</td>
<td>• Procurement</td>
<td>• Procurement</td>
</tr>
<tr>
<td></td>
<td>• Finished product supply chains</td>
<td>• Material Supply Chains</td>
</tr>
</tbody>
</table>
Strategic Material Project

- **Strategic Metals (Steel Grade 300M & M50)**

- **NOMEX® Fibers**
  - **Fibers (DuPont)**
    - Spinning (3 vendors)
    - Vertical Spinning, Weaving & Finishing (2 vendors)
    - Max capacity: 268K garments/mth
  - **Weaving & Finishing**
    - (9 vendors)
    - Max capacity 100K garments/mth
  - **Printing**
    - (1 vendor)
  - **Assembler**
    - (2 vendors)
    - Max capacity: Greater than 100K garments/mth

- **Investment Points**
  - Lead-time Reduction (e.g., five months instead of 12 months)
  - Increased Flexibility (e.g., 100K units/year)
  - Reduced Investment Cost (e.g., labor, rent, utilities)

- **Reduced Lead-time**
- **Vendor-to-vendor**
- **Pedigree & Warranties**
- **Government Release**
- **Price**
Strategic Material Project – Execution

- Interim procedures established –
- Material ready for GBM approved release as vendor-to-vendor sale
- Developing pilot execution test plan

<table>
<thead>
<tr>
<th>Material Type</th>
<th>Maximum Lead-time</th>
<th>Applications</th>
<th>Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>300M Billets</td>
<td>10 - weeks</td>
<td>Landing Gear</td>
<td>AMS 6257, AMS 6417, AMS 6419, BMS 7-26, C05-1190, CE-0896, CPS 4911, DMS 1935, GM 1012, IGQ 41-11, LAT 1.9042, MIL-S-83135, MIL-S-8844, MTL 1201, S155, ZFNL 9207</td>
</tr>
<tr>
<td>300M (Round bar – BAE added testing)</td>
<td>18 - weeks</td>
<td>Torsion Bars</td>
<td></td>
</tr>
<tr>
<td>M50 (2.76 - 8” Diameter)</td>
<td>14 - weeks</td>
<td>Bearings</td>
<td>AMS 6491, CFR 5200, CPW 378, D1198, DMD 119-20, EMS 52491, GE C50TF56, KBM250, MSRR 6083, PWA 725, PWA 793 and others</td>
</tr>
<tr>
<td>M50 (0.5 -2.75” Diameter)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
National Defense Stockpile - History

- Shortages of WWI - War Industries Board recommends setting aside critical materials
- National Defense Stockpile (NDS) Program – 1939
- Executive Order 12626 – designated the Secretary of Defense as the “Stockpile Manager”
- Fiscal Year (FY) 1994, Congress authorized the sale of excess NDS inventory
  - Since 1994, commodity sales have totaled approx $7B
  - Market value of remaining NDS inventory is approx $1.6B
- 2006, concerns raised about DOD’s ability to supply material for defense programs given current market conditions & increasing reliance on foreign sources of supply
In 2006, House Armed Services Committee (HASC) asked for review of DOD policy to dispose of NDS materials

In 2007, Independent Study conducted by National Materials Advisory Board (National Academy of Sciences)

In 2008, Senate Appropriations Committee (SAC) asked DoD to:

\- Describe materials critical to strategic defense interests
\- Describe domestic suppliers and their reliance on foreign sources of production
\- Describe foreign countries’ efforts to stockpile critical material
\- Describe steps to ensure availability during protracted conflict

In 2008, USD (AT&L) established a Working Group (WG) to review NAS report findings and address issues raised by Congress

Conclusion: Establish Strategic Material Security Program (SMSP)
SMSP Status

- Report sent to Congress – April 2009
- Briefed House Arms Services Committee (HASC), subcommittee on Readiness
  - Received positive/favorable response
SMSP Program Concept

- Integrated, interagency approach to strategic materials management
- Military material needs in scenarios ranging from non-conflict to full mobilization
- Essential civilian requirements
- Ability to quickly adapt to global market conditions to ensure material availability

Wide variety of risk mitigation strategies
Develop risk-based value propositions
Programmatic flexibility to efficiently and effectively acquire the right materials
SMSP Process

- Dynamic list of material needs:
  - Military weapon platforms
  - Military services
  - Industry

- Constant surveillance of global marketplace and assess against ever-changing material needs
- Country reliability - Willingness and/or ability to sell to US

A List of Strategic Materials is Developed

- Identify materials
  - Defense strategic and critical materials
  - Essential Civilian

List of Materials is “Filtered” for Supply Chain Risks

- Risk Assessment
  - Military conflict scenarios
  - Peacetime scenarios

Mitigation Strategies are Selected and Applied

Traditional Stockpile Inventory

Strategic Sourcing

Virtual Vendor Managed Inventory

Buffer Stock Vendor-to-Vendor Transactions

Increased Capacity

Partnering with Friendly Nations (e.g., JOGMEC)
Risk Assessment Factors and Conditions

Factors:

- Changes in global market conditions
- Economic changes
- Geo-political issues
- Competition for scarce/limited resources
- Changes in U.S. industrial base
- Loss of access due to natural/man-made disasters

Conditions:

- National security emergency scenarios, and
- Peacetime supply disruptions scenarios
DNSC Services

• Material expertise and acquisition support
• Material risk assessments
• Provide/implement mitigation strategies
  – Ensure availability of materials
  – Lead-time reduction
  – Cost Reductions/Avoidance
• Buying agent; drawing on leveraging quantities to benefit DoD by consolidating requirements
DNSC Benefits to Military Services

• Recognized as *material experts*
  — with global market understanding and ability to maneuver in markets without undue disruption

• Act as your *buying agent*
  — can support military services by ensuring timely availability of materials needed to satisfy defense contracts
  — Predictable price
  — Provide “Right-to-recover” opportunities

• Perform role of logistics *facilitator*
  — Ensuring the release of materials to DoD contractors, shielding the defense contracts from surging market prices and ensuring the integrity of the materials certifications
SMSP Execution

- DNSC issued solicitation to procure titanium:
  - Navy Requirement: 50,400 to 268,800 lbs over 4 years
  - Army Requirement: 10,000 to 100,000 lbs annually; provided 10,000 lbs of offal material as feedstock

- Solicitation incorporated:
  - Army receive a “credit” for the offal material provided as feedstock
  - “Right to recover” opportunity included

- Small scale procurement for Army resulted in approximately $1M cost avoidance

- Collaborating with Army to expand the procurement to a much larger scale
Readiness Initiatives - Next Steps

• Outreach to Military Services and industry to learn about material needs and issues
  – Attendance at DoD sponsored conferences (e.g., DMC)
• Establish a process to compile “live” data on materials used in weapon systems
• Phase 1 of Strategic Material Management System (S2SM) to support Strategic Material Project (SMP)
S2MS Phase 1

- Management tool for strategic materials
- Collect part to material mapping (requirements)
  - Defense material requirements
  - Identify material for risk assessment
  - Impacts of MERIT & REACH
- Catalog of available materials (risk mitigation strategies)
- Coordinate material release requests (execution)

<table>
<thead>
<tr>
<th>Part Number</th>
<th>Part Name</th>
<th>Material Grade</th>
<th>Specification</th>
<th>Form</th>
<th>Available</th>
<th>Source</th>
<th>Request Release</th>
<th>Request Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>Torsion Bar Left</td>
<td>300M</td>
<td>BMS 7-25</td>
<td>Bar, Round</td>
<td>Yes</td>
<td>Smith Steel</td>
<td>☑</td>
<td></td>
</tr>
<tr>
<td>201</td>
<td>Torsion Bar Right</td>
<td>M50</td>
<td>PWA 725</td>
<td>Bar, Round</td>
<td>Yes</td>
<td>Davey Jones Locker</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
BRAC 2005 – Why?
Why BRAC 2005?

BRAC 2005 allowed DOD the opportunity to assess its installation infrastructure to ensure it is best sized and positioned to support emerging mission requirements for our national security needs.
Strategic Principles

- Maximize warfighting capability efficiently
- Realign our infrastructure to meet the future defense strategy
- Capitalize on opportunities for joint activity
- Eliminate excess capacity to maximize operational capability
BRAC 2005 – What?
What is BRAC 2005?

The Office of the Secretary of Defense (OSD) outlined three Supply and Storage decisions as part of BRAC 2005:

- Commodity Management Privatization
- Depot-Level Reparable (DLR) Procurement Management Consolidation, including Consumable Item Transfer (CIT)
- Supply, Storage, and Distribution (SS&D) Management Reconfiguration
BRAC legislation…

**DLR**
- Transfers the procurement management of all new military service DLRs to DLA

**SS&D**
- Consolidates the supply, storage, and distribution functions and associated inventories at the current DLA Defense Distribution Depots with the military services’ maintenance activities to support operations, maintenance, and production
- Creates four CONUS support regions, each having one Strategic Distribution Platform (SDP) and one or more Forward Distribution Points (FDP)
Depot-Level Reparable (DLR) Procurement Management Consolidation
What is...a DLR?
Depot-Level Reparable
The Decision

…realigns or relocates the procurement management and related support functions for the procurement of depot-level reparables (DLR) to the Defense Logistics Agency….

Saves DOD $ by leveraging all procurement buys and managing them within a single agency!
A single, integrated new DLR procurement management provider supporting all Service requirements by FY 11:

- A single face to industry for all new DLR procurement
- DoD fully leveraging its DLR buying power
- Reduced inventory
- Commercial partners maintaining a single procurement management strategic partnership
- Four military Service Inventory Control Points close
### DLA Strategic Partners & Top MILSVC Suppliers

**Synergy Across Military Services – Opportunities to Leverage DoD Buying Power**

<table>
<thead>
<tr>
<th>DLA Strategic Partners</th>
<th>Air Force</th>
<th>Army</th>
<th>Navy</th>
<th>Marine Corps</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Electric</td>
<td>General Electric</td>
<td>Goodyear</td>
<td>General Electric</td>
<td>Canadian Commercial Corp</td>
</tr>
<tr>
<td>Boeing</td>
<td>United Technologies</td>
<td>AM General</td>
<td>Bell Boeing Joint Project Office</td>
<td>Raytheon</td>
</tr>
<tr>
<td>Textron</td>
<td>Dynamic Gunver Technologies</td>
<td>Boeing</td>
<td>Boeing</td>
<td>Rorial Industries</td>
</tr>
<tr>
<td>Oshkosh</td>
<td>GKN Aerospace</td>
<td>Lockheed Martin</td>
<td>Sikorsky</td>
<td>Rodelco Electronics</td>
</tr>
<tr>
<td>Honeywell</td>
<td>Rolls Royce</td>
<td>Oshkosh</td>
<td>All Tools Inc</td>
<td>Mantech Systems Engineering</td>
</tr>
<tr>
<td>Rolls Royce</td>
<td>Parker Hannifin</td>
<td>Purdy Corp</td>
<td>Raytheon</td>
<td>Lockheed Martin</td>
</tr>
<tr>
<td>AM General</td>
<td>Kaiser Electronics</td>
<td>Honeywell</td>
<td>Lockheed Martin</td>
<td>L-3 Communications</td>
</tr>
<tr>
<td>Goodrich Corp</td>
<td>Northrop Grumman</td>
<td>General Electric</td>
<td>Bell Helicopter/Textron</td>
<td>Northrop Grumman</td>
</tr>
<tr>
<td>Parker Hannifin</td>
<td>Raytheon</td>
<td>Bell Helicopter/Textron</td>
<td>Centron Industries</td>
<td>Wendy Company</td>
</tr>
<tr>
<td>Sikorsky</td>
<td>Goodrich Corp</td>
<td>DRS Optronics</td>
<td>Rolls Royce</td>
<td>Carleton Life Support Systems</td>
</tr>
<tr>
<td>Hamilton Sundstrand</td>
<td>Hamilton Sundstrand</td>
<td>General Dynamics</td>
<td>Canadian Commercial Corp.</td>
<td>Harris Corp</td>
</tr>
<tr>
<td>Dresser Rand</td>
<td>CFM International</td>
<td>Raytheon</td>
<td>BAE Systems</td>
<td>Detroit Diesel</td>
</tr>
<tr>
<td>Eaton Corp</td>
<td>BAE Systems</td>
<td>Pacific Harness and Cable</td>
<td>United Technologies</td>
<td>Oshkosh</td>
</tr>
<tr>
<td>Canadian Commercial Corp</td>
<td>Honeywell</td>
<td>Sikorsky</td>
<td>L-3 Communications</td>
<td>Aegis Power Systems</td>
</tr>
<tr>
<td>Pratt &amp; Whitney</td>
<td>Boeing</td>
<td>CE Niehoff &amp; Co</td>
<td>Communications &amp; Power Industries</td>
<td></td>
</tr>
<tr>
<td>Northrop Grumman</td>
<td>AAR Parts Trading Inc</td>
<td>Fenn Manufacturing</td>
<td>Sensis Corp</td>
<td></td>
</tr>
<tr>
<td>Lockheed Martin</td>
<td>EFW Inc</td>
<td>Hutchinson Industries</td>
<td>System Technical Support Corp</td>
<td></td>
</tr>
<tr>
<td>General Dynamics</td>
<td></td>
<td>GTA Containers</td>
<td>General Dynamics</td>
<td></td>
</tr>
<tr>
<td>BAE Systems</td>
<td></td>
<td>Cummins Inc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smiths Aerospace</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moog</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Defense LP/BAE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcoa Global Fasteners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aircraft Braking Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warren Pumps</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avibank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>York</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# DLA Strategic Partners & Top MILSVC Suppliers

Synergy Across Military Services – Opportunities to Leverage DoD Buying Power

<table>
<thead>
<tr>
<th>DLA Strategic Partners</th>
<th>Air Force</th>
<th>Army</th>
<th>Navy</th>
<th>Marine Corps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing</td>
<td>General Electric</td>
<td>Goodyear</td>
<td>General Electric</td>
<td>Canadian Commercial Corp</td>
</tr>
<tr>
<td>Textron</td>
<td>United Technologies</td>
<td>AM General</td>
<td>Boeing</td>
<td>Bell Boeing Joint Project Office</td>
</tr>
<tr>
<td>Oshkosh</td>
<td>Dynamic Gunver Technologies</td>
<td>Boeing</td>
<td>Sikorsky</td>
<td>Raytheon</td>
</tr>
<tr>
<td>Honeywell</td>
<td>GKN Aerospace</td>
<td>Lockheed Martin</td>
<td>Oshkosh</td>
<td>All Tools Inc</td>
</tr>
<tr>
<td>Rolls Royce</td>
<td>Rolls Royce</td>
<td>Purdy Corp</td>
<td>Raytheon</td>
<td>Lockheed Martin</td>
</tr>
<tr>
<td>AM General</td>
<td>Parker Hannifin</td>
<td>Honeywell</td>
<td>Lockheed Martin</td>
<td>L-3 Communications</td>
</tr>
<tr>
<td>Goodrich Corp</td>
<td>Northrop Grumman</td>
<td>General Electric</td>
<td>Bell Helicopter/Textron</td>
<td>Northrop Grumman</td>
</tr>
<tr>
<td>Parker Hannifin</td>
<td>Raytheon</td>
<td>Bell Helicopter/Textron</td>
<td>Hamilton Sundstrand</td>
<td>Centron Industries</td>
</tr>
<tr>
<td>Sikorsky</td>
<td>Goodrich Corp</td>
<td>General Dynamics</td>
<td>Rolls Royce</td>
<td>Wendon Company</td>
</tr>
<tr>
<td>Hamilton Sundstrand</td>
<td>Hamilton Sundstrand</td>
<td>Raytheon</td>
<td>Canadian Commercial Corp</td>
<td>Carleton Life Support Systems</td>
</tr>
<tr>
<td>Dresser Rand</td>
<td>CFM International</td>
<td>Pacific Harness and Cable</td>
<td>Northrop Grumman</td>
<td>Harris Corp</td>
</tr>
<tr>
<td>Eaton Corp</td>
<td>BAE Systems</td>
<td>BAE Systems</td>
<td>BAE Systems</td>
<td>Detroit Diesel</td>
</tr>
<tr>
<td>Canadian Commercial Corp</td>
<td>Honeywell</td>
<td>Sikorsky</td>
<td>United Technologies</td>
<td>Oshkosh</td>
</tr>
<tr>
<td>Pratt &amp; Whitney</td>
<td>Boeing</td>
<td>CE Neff &amp; Co</td>
<td>L-3 Communications</td>
<td>Aegis Power Systems</td>
</tr>
<tr>
<td>Northrop Grumman</td>
<td>AAR Parts Trading Inc</td>
<td>Fenn Manufacturing</td>
<td>Communications &amp; Power Industries</td>
<td>Sensis Corp</td>
</tr>
<tr>
<td>Lockheed Martin</td>
<td>EFW Inc</td>
<td>Hutchinson Industries</td>
<td>System Technical Support Corp</td>
<td>General Dynamics</td>
</tr>
<tr>
<td>General Dynamics</td>
<td></td>
<td>GTA Containers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAE Systems</td>
<td></td>
<td>Cummins Inc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smiths Aerospace</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Significant Overlap in Top Suppliers

- General Electric
- Boeing
- Airbus Northrop Grumman
- Goodrich
- Parker Hannifin
- Honeywell
- Sikorsky
- Hamilton Sundstrand
- Dresser Rand
- Eaton Corp
- Canadian Commercial Corp
- Pratt & Whitney
- Northrop Grumman
- Lockheed Martin
- General Dynamics
- BAE Systems
- Smiths Aerospace
- Raytheon

## DLA Unique
- Air Force Unique
- Army Unique
- Navy Unique
- Marine Corps Unique

## DLA/Military Service Common Supplier
BRAC 2005

Implementation
Columbus BRAC Team

Don Schulze, Chief of Columbus BRAC Office
Responsible for the successful implementation of all BRAC 2005 Decisions.

Natalie Alter, DLR Lead
Responsible for project management of LOGCOM, Rock Island and CECOM.

Joel Peck, Transformation Manager
Responsible for working closely with each DLR Chief of Contracting Officer and each SS&D Site Commander to ensure the transition from the services to DLA is smooth.
DSCC’s
DLR BRAC Locations
Chief of Contracting Officers
DSCC Detachments

Mr. Doug Nevins
DLA Mechanicsburg

Ms. Ellen Dennis
DLA Warren
DLA Mechanicsburg
An Overview

Presented at the
DSCC Business Conference
18/19 August 2009
• Our Organization
• Our Customer
• Our Supplier Partners
• Business Opportunities
We contract for Navy Depot Level Reparables

Spend ~ $250M per year
Award ~ 8000 Contracts

Director
Doug Nevins

HM&E Department
Jim Komaromy

Communications & Surv. Dept
Jim Hartman

Combat Systems Department
Tony Abate
Customer-centric + Supplier Overlay

Chief of Contracting
Director: Doug Nevins
Secretary: Denise Palmer

41 FTE
+ 1 SB/CA
+ 1 Legal

ZIA – HM&E
Jim Komaromy – x2854

Robert Petrie
ZIA1 – x7308

Becky Lohr
ZIA3 – x6159

Deb Paules
ZIA5 – x2719

Karen Stoyanoff
ZIA7 – x2299

Emily Bear
ZIA9 – x5885

James Stuart
ZIA11 - x6472

Jeff Taylor
ZIA2 - x3093

Tonya Nearhood
ZIA4 - x6042

Jan Seitz
ZIA6 – x8475

Caroline Marconi
ZIA8 – x4324

Randy Kebaugh
ZIA10x7301

ZIB – Comm./Surv.
Jim Hartman – x4253

Rick Callahan
ZIB1 - x6081

Sandy Jones
ZIB4 - x6166

Melanie Pepperman
ZIB9 - x3056

Mark Mahey
ZIB5 - x6352

Scott Lesh
(ZIB6 – x7316)

Joaanne Miller
Resource Mgt
ZIBPA - x1303

Lori Brulo
Metrics Analyst
ZIBPM - x4238

Jody Hair
Proc Support
ZIBPT – x3355

ZIC – Combat Systems
Tony Abate – x2016

Amy Puchalsky
ZIB2 - x6436

David E. Snyder
ZIB3 – x2367

Bernadette Varner
ZIB10 - x3934

Craig Hertzog
ZIB8 - x3459

ZIC – Combat Systems
Tony Abate – x2016

Tammy Adams
ZIC1 - x5909

Doug Messner
ZIC3 - x5856

Rick Zmuda
ZIC5 - x1703

Jim Diehl
ZIC6 - x7310

Lori Brulo
Metrics Analyst
ZIBPM - x4238

Jody Hair
Proc Support
ZIBPT – x3355

ZIC – Combat Systems
Tony Abate – x2016

Jennifer Bell
ZIC2 - x1551

Doug Messner
ZIC3 - x5856

Rick Zmuda
ZIC5 - x1703

Jim Diehl
ZIC6 - x7310

Sue Middleton
ZIC11 - x2802

Michael Allerdicy
ZIC6 – x4436

NSPS (5)

Trainee (3)

Staff (3)

All Volunteers

All have Warrants
(except Trainees)
DLA Mechanicsburg...
Our Customer - NAVICP

Since 1995 ... One Command Two Sites

110 mi on PA Turnpike
DLA Mechanicsburg...
Who we Support for NAVICP

**AFLOAT**
- Carrier Aircraft
- Marine Corps Aviation
- Submarines
- Helo Detachments

**ASHORE**
- Naval Air Stations
- Marine Corps Air Stations
- Other Services and Gov't Agencies
- Coast Guard
- Program Managers

**FOREIGN MILITARY SALES**
- Over 80 Countries
- 2,249 Aircraft
- 11 Carriers
- 70 Submarines
- 205 Surface Ships
- 104 Nuclear Reactor Plants

**MAINTENANCE**
- Over 80 Countries
- 2,249 Aircraft
- 652 Ships
- Navy Depots
- Other Service Depots
- Contractor Depots
DLA Mechanicsburg…
Our Supplier Partners

- Lockheed Martin – 2%
- Raytheon – 3%
- General Electric 4%
- Northrop Grumman – 6%
- All Others – 85%

FY08 Spend $245M to 1,284 Vendors – “Dispersed Spend”
50 CAGES over $1M – 363 CAGES over $100K
Navy Web-Site (used by DLA Mechanicsburg)

- Synopses & open solicitations are posted for public viewing
- Vendors view/download solicitations with link to order or view drawings for a solicitation
- Vendors may submit “quotes” electronically
- Vendors may register for automatic notice of Navy business opportunities by Navy Activity (SPRMM1) by Federal Supply Class
- Vendors may register for automatic email notice of Award – Contact PCO
DLA-Warren
Overview and Opportunities

18-19 August 2009
Presented by: Ellen Dennis
What is DLA-Warren?

BRAC 2005 Decision:

- Class IX items (DLR parts) transfer from Services to DLA
- “As is / Where is” Philosophy
- 9 Detachments planned throughout U.S.
- DLA Warren reports to DSCC
- Virtually no difference except Solicitation and Award numbers changed from “W56HZV” to “SPRDL1”
Weapon Systems:
- MRAP
- HEMTT
- HMMWV
- ABRAMS
- BRADLEY
- CRANES
- LOADERS
- TRUCKS
- PALADIN/FAASV
- TRAILERS
- M113 FOV

Support Items:
- Transmissions
- Engines
- Pistons
- Crankshafts
- Valves
- Wiring Harnesses
- Pumps
- Cylinder
- Assemblies
- Track
- Winches
- Radiators
- Hydraulics
- Containers
- Compressors
- Tool Kits
- Tool Sets
- Generators
- Axle Assemblies
- Road wheels
- Nozzles
- Fuel Tank
- Wheel & Tire Assemblies
- Bodies
- Brake Parts

Customers:
- TACOM LCMC ILSC
- MRAP PM
WEAPON SYSTEMS WE SUPPORT

ABRAMS TANK

IHMEE LOADER

JLG CRANE

M113 FOV

M915 HEAVY TRUCK

M1095 5 TON TRAILER
WEAPON SYSTEMS WE SUPPORT

BRADLEY FIGHTING VEHICLE

MRAP

OSHKOSH HEMTT

PALADIN
DLA Warren

Industry Supporting the Soldier
What are the types of parts we buy? Here is a sample...

...Accelerometer, Armor, Bearings, Brackets, Cables, Cylinders, Display, Drive Unit, Electronic Assembly, Engine, Feeder, Fixture, Gage, Gearbox, Harness, Hose, Illuminator, Indicator, Keyboard, Kit, Laser, Launcher, Manifold, Microcircuit, Navigation, Neck assy, Optics, Panels, Plates, Range Finder, Regulator, Semiconductor, Sensor, Thermal Imaging, Tool Kit, Utility Box, Valve, Window, Wiring Harness, Yoke...
We are still part of the TACOM Community!

DLA WRN uses TACOM PROCNET to post opportunities:

http://contracting.tacom.army.mil

Again, no difference to vendors when bidding on TACOM or DLA-WRN solicitations
Finding Opportunities Across Gov’t. Agencies
Welcome to FBO.gov, the U.S. Government's one-stop virtual marketplace. Through this single point-of-entry, commercial vendors and government buyers are invited to post, search, monitor, and retrieve opportunities solicited by the entire Federal contracting community.

Find Opportunities
NO REGISTRATION REQUIRED
Advanced Search ➤ View By Agency ➤

Buyers / Engineers
Government users may post, manage, and award opportunities.

Username
Password
Login ➤ View Opportunities ➤ Register Now ➤ Password Reminder ➤ Recovery FAQs

Vendors / Citizens
Vendors and citizens may search, monitor, and retrieve opportunities.

Username
Password
Login ➤ Find Opportunities ➤ Register Now ➤ Password Reminder ➤ Recovery FAQs

FBO now contains Recovery and Reinvestment Act actions.
Search Recovery Opportunities ➤ Search Recovery Awards

Demonstration Videos
Training videos are now available to familiarize users with the features and functionality of the new FBO.
Watch the Videos ➤

FBO Bid Module Launched
This new feature allows for the electronic submission and review of vendor responses to a notice. For more details, please review the updated user guidelines below.
Army Single Face to Industry (ASFI) Acquisition Business Web Site

"Serving the U.S. Army Acquisition Community"

The ASFI web site will be down for maintenance
Friday, April 10 at 1700 (Central) until Sunday, April 12.
Thank you, The ASFI Team

Effective immediately, the ASFI support email address has changed to ASFI@conus.army.mil.

Please visit the What’s New (.doc) section at ASFI to see recent additions to our website.
Top - quick links to Acquisition Information.

Scroll down - to see Business Opportunity links.
Major areas where business
Opportunities are found

14


You can narrow your search by using these fields.
1. Enter search criteria

2. Click on “Begin Search”
<table>
<thead>
<tr>
<th>Solicitation/Amendments</th>
<th>Buyer / Buyer Phone</th>
<th>NSN / Noun / CAGE (FSCM)</th>
<th>SIC</th>
<th>NAICS</th>
<th>Issued</th>
<th>Closing</th>
<th>Attachments</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPR01L009R00024</td>
<td>WENDY JACQUES 586-786-733-2476</td>
<td>291001320321148 FUEL TANK, LOWER 19207</td>
<td></td>
<td></td>
<td>2009/04/28</td>
<td>2009/05/26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W56HZV09R046601</td>
<td>SHIRLEY GHEAR CGZLO 500-574-7103</td>
<td>414000147976998 MOD KIT/WVF 19207</td>
<td></td>
<td></td>
<td>2009/04/28</td>
<td>2009/05/26</td>
<td></td>
<td>Suit Of</td>
</tr>
<tr>
<td>SPR01L009R00025</td>
<td>TERRY ZELINSKI 586-545-5053</td>
<td>2520015642093 TRANSFER TRANSMISSION 45152</td>
<td></td>
<td></td>
<td>2009/04/27</td>
<td>2009/05/27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPR01L009R0039</td>
<td>ROBERT HARRISON 586-574-4141</td>
<td>28150015680408 ENGINE, DIESEL 19207</td>
<td></td>
<td></td>
<td>2009/04/27</td>
<td>2009/05/29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPR01L009R00084</td>
<td>CHARLES CROWTON 586-574-5990</td>
<td>25100153259161 DOOR, VEHICULAR 19207</td>
<td></td>
<td></td>
<td>2009/04/27</td>
<td>2009/05/27</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Click on the solicitation number to view.
Click on the link to access the TDP

If link does not work, copy and paste URL to your browser.
Click on each topic for technical data on this item

1. MANUFACTURE AND ACCEPTANCE INSPECTION OF THE ABOVE MATERIAL SHALL BE IN ACCORDANCE WITH ALL DRAWINGS, SPECIFICATIONS AND OTHER TECHNICAL DATA LISTED IN THIS TDP.

2. THIS TDP IS COMPRISED OF THE FOLLOWING SECTIONS WHICH SHOW PRODUCT STRUCTURE AND LIST THE DRAWINGS AND ASSOCIATED DOCUMENTS (WITH THEIR REVISION AND AMENDMENT LEVELS) REQUIRED TO PRODUCE AND INSPECT THE MATERIAL BEING PRODUCED.

- PRODUCT STRUCTURE
- PRODUCT DRAWINGS
- QUALITY ASSURANCE DOCUMENTS
- APPLICABLE SPECIFICATIONS AND STANDARDS
- REPLACED SPECIFICATIONS AND STANDARDS
- APPROVED ENGINEERING CHANGES OUTSTANDING

3. THE SPECIFICATIONS AND STANDARDS SECTION OF THE TDP IS A COMPILED COMPLIANCE OF ALL SPECIFICATIONS AND STANDARDS WHICH ARE ESSENTIAL FOR BID AND MANUFACTURING PURPOSES. THE ABSENCE OF ANY SPECIFICATION OR STANDARD FROM THE LISTING WHICH IS OTHERWISE REFERRED TO IN ANY SPECIFICATION OR STANDARD LISTED THEREIN OR IS CALLED OUT ON A PRODUCT, PACKAGING OR INSPECTION DRAWING IS NOT TO BE CONSTRUED AS CONSTITUTING RELIEF FROM REQUIREMENTS OF THE SPECIFICATIONS. THE AMENDMENT OR REVISION LEVEL FOR SUCH UNLISTED SPECIFICATIONS AND STANDARDS SHALL BE AS SPECIFIED IN THE LATEST ISSUE OF DO/D INDEX OF SPECIFICATIONS AND STANDARDS IN EFFECT AS OF THE DATE OF THIS TDP.
Click here for new on-line bid submission.
Notice Regarding Change to Method for Electronic Submission of Offers

All responses to TACOM-Warren solicitations must be submitted in an electronic format. Paper copy responses are not accepted. Currently, you are able to submit your offers through one of three methods: E-mail, Data Fax, and submission on 3 ½ inch diskette or CD-ROM. Within the next few weeks we will be enabling a Web-based option – submission through the Army Single Face to Industry’s (ASFI) Bid Response System (BRS). Initially use of the ASFI BRS will be optional. However, we will stop accepting offers via E-mail, Data Fax and on diskette or CD-ROM after a 4 – 6 month transition period.

New Requirements for On-line Submission:

1. You must be registered in the Central Contractor Registry (CCR) and have a CCR Marketing Partner Identification Number (MPIN) and CAGE Code.

2. If you initially view the solicitation on ProcNet (TACOM’s contracting Web site) you will be provided a link to a Start Bid Page within the ASFI BRS. If you found the solicitation by searching on ASFI you will be able to start the on-line bidding process by using the Start Bid button on the ASFI Solicitation View page.

3. Once in the BRS you will be asked to enter basic information and will then be directed to upload one or more files containing your offer and information required by the solicitation.

We will be providing more information about this change through our Vendor Notification System and on the ProcNet Business Opportunities Web page. If you are not familiar with the ASFI Bid Response System, we suggest that you visit the ASFI Web site and review the Vendor Bid Response System Users Guide at https://acquisition.army.mil/asfi/BRS_guide.doc

This change will apply to TACOM-Warren only.

Please submit any questions to DAMI_AcquisitionCenterWebPage@conus.army.mil.
Procurement Technical Assistance Centers (PTACs)

What are PTACs???

Government funded local resources available across the country providing assistance in marketing your products and services to Federal, state and local governments

PTAC Goals:

• Help small businesses be competitive
• Explain the complexities of Government procurement
• Encourage economic development through job retention and creation
• Build strong contractors through targeted training and one-on-one assistance

www.aptac-us.org
CONTACT INFO FOR DLA-WARREN:

Mary Lou McCullough
Chief, Acquisition Division
PH: 586.574.7653
mary.l.mccullough@us.army.mil

Scott Rybicki
DLA-Warren Small Business Specialist
PH: 586.753.2794
scott.rybicki@dla.mil
Maritime Federal Supply Class Supply Chain Partnership (FSC-SCP) Initiative

2009 Land & Maritime Supply Chains Business Conference and Exhibition Maritime FSC-SCP Breakout Session

Kreston Harris
Matthew Woolstenhulme
Agenda

• Highlights of the FSC-SCP Solicitation
  – Section A, General Information
  – Section B, Schedule of Supplies
  – Section C, Performance Work Statement
  – Section F, Deliveries or Performance
  – Section I, Contract Clause Continuations
  – Section L, Instructions to Offerors
  – Section M, Evaluation – Commercial Items

• Questions, Comments, Feedback
General Information

• FAR Part 12
• Primarily Customer Direct (CD) with TDD
  – Allows for DLA Direct (stock) orders
  – All shipments will be to CONUS locations
  – FOB Destination
• 16 FSC Groupings of NSNs
  – 8 Total Small Business Set-Asides
  – 8 Unrestricted
• Contractor functions will include forecasting, owning/managing inventory, warehousing, and distributing supplies
• Fixed Price with EPA and Incentives
• 3-year base period with two 1-year options
General Information

- **Market Basket Approach**
  - Core NSNs priced prior to award
  - Non-core NSNs priced after award

- **Pricing**
  - CLIN 1: Material, packaging, and inbound freight for CD orders
  - CLIN 2: % for supply chain management cost by NSN
  - CLIN 3: % adjustment for stock orders

- **Four Phases**
  - Four FSC Groupings in each phase
  - Pricing for Core NSNs due per the schedule
  - A Technical Proposal must be submitted 30 days after solicitation issued if offering on any phase. Updates can be made at later phases.

- **Other than Cost and Pricing data may be required**
Schedule of Supplies

• Awards All or None per FSC Grouping
  – 16 Separate contracts
• Section B Spreadsheet
  – Must be completed and burned to a CD
  – Input sheet for offeror pricing
  – Input sheets for QPL proposed and FAT
  – PID, Packaging, and NSN specific data
  – Listing of the Non-core NSNs
• Surge Plan Required for NSNs with “MWR” quantities
Performance Work Statement

- Participation in an Supply Chain Alliance required
- Implementation Phase
  - Customer Direct orders (by NSN)
    - Based on PLT
    - DLA will draw down existing stock before orders issue
    - Data sharing
  - Stock orders
    - Contractors shall be ready to support stock order 45 days after the effective date
- Performance Metrics
  - On Time Delivery tracked by ELLIS via EDI transactions
- Performance Review Meetings
- Customer Support 24 / 7 / 365
- Small Business Goals for Unrestricted FSC Groupings
Performance Work Statement

- 100% Conforming material required
- QSLD or Traceability for 5961 and 5962
- Fast Pay authorized when applicable
- Contractor database and accessibility
  - Includes delivery performance, quality compliance, inventory levels, PLT, backorder data
- 21N Requirements
- Transition Year
  - Required inventory levels
  - Contractor must perform until required inventory levels depleted
  - Residual inventory buy back
    - Required inventory levels minus orders issued
Deliveries or Performance

- **TDD for Customer Direct Orders**
  - 4, 7, or 14 calendar days
  - Allowances for Federal holidays
- **PLT for DLA Direct Orders**
- **On Time Delivery (OTD) Metric Measured monthly**
- **Incentives/Disincentives**
  - Based on the OTD performance
  - Varies per FSC Groupings
  - Applied to the following contract year
  - 21N
    - Calculated separately
    - Higher performance requirements
Sections I, L, & M

- Contract Clause Continuations
  - PPI indexes applied to CLIN 1
  - Good faith effort for parts that become obsolete
  - Clause Applicability Table
- Instructions to Offerors
  - Proposal Format
  - Information to Include in the Technical Proposal
- Evaluation – Commercial Items
  - Best Value Trade-off details
    - Non-price factors when combined are significantly more important than price
    - Price is single most important factor
QUESTIONS
COMMENTS
FEEDBACK

EMAIL: DSCC.Maritime.FSC@dla.mil

Procurement Opportunities for Small Businesses

Rebecca Parks
614.692.3541
rebecca.parks@dla.mil
Agenda

• DLA Supply Chains
• DSCC Small Business Goals
• Small Business 101
• Socio-Economic Programs
  – Criteria for Certification
  – Requirements for Set-Asides
• Set-Aside Opportunities
• Help and POC’s
How do we do it?

Organized into 8 Demand/Supply Chains

<table>
<thead>
<tr>
<th>Aviation</th>
<th>Land</th>
<th>Maritime</th>
<th>C&amp;T</th>
<th>Medical</th>
<th>Subsistence</th>
<th>C&amp;E</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond</td>
<td>Columbus</td>
<td>Philadelphia</td>
<td>Ft. Belvoir</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Aviation Original Equipment Manufacturer (OEM) Items</td>
<td>• Wheeled Vehicles</td>
<td>• Valves/Hardware</td>
<td>• Recruit Clothing</td>
<td>• Pharmaceutical</td>
<td>• Institutional Feeding</td>
<td>• Construction</td>
<td></td>
</tr>
<tr>
<td>• Engines &amp; Airframes</td>
<td>• Tracked Vehicles</td>
<td>• Fluid Handling</td>
<td>• Organizational Clothing Equipment</td>
<td>• Medical/Surgical Equipment</td>
<td>• Operations Rations</td>
<td>• Equipment</td>
<td></td>
</tr>
<tr>
<td>• Aviation Supply Chain Commodities</td>
<td>• Active Devices</td>
<td>• Passive Devices</td>
<td>• Electronic Devices</td>
<td>• Produce</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### FY09 Land and Maritime Goals

<table>
<thead>
<tr>
<th></th>
<th>LAND</th>
<th>MARITIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>40.0%</td>
<td>65.0%</td>
</tr>
<tr>
<td>HUBZone</td>
<td>4.3%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Small Disadvantaged (SDB)</td>
<td>2.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Woman Owned</td>
<td>8.0%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Service Disabled</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>8(a)</td>
<td>0.14%</td>
<td>.07%</td>
</tr>
</tbody>
</table>

Approximately 55% of DSCC dollars are awarded to Small Businesses
Small Business 101
Review for Determining Small Business Set-Asides

- Under $3K – Micro-purchase
  No Set-Aside

- $3K - $25K – Reasonable expectation of offers from at least 2 small businesses offering the product of different large or small domestic manufacturers (multiple manufacturing sources large or small)
  Yes - Set-Aside  No - Dissolve Set-Aside

- $25K - $100K – Reasonable expectation of offers from at least 2 small businesses offering the product of the same or different small domestic manufacturers (multiple manufacturing sources - must have 1 small)
  Yes - Set-Aside  No - Dissolve Set-Aside

- $100K+ - Reasonable expectation of offers from at least 2 small business concerns offering the product of different small domestic manufacturers (multiple manufacturing sources - must have 2 small)
  Yes - Set-Aside  No - Dissolve Set-Aside
Socio-Economic Programs
Definition: Small Business Concern

FAR 19.001
A business entity organized for profit, including its affiliates, that is independently owned and operated, not dominant in the field in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR Part 121

(ref. FAR 19.102 & 19.303)
What determines whether a business is a Small Business Entity?

- Offeror’s representation (now contained in ORCA) Visit Business Partner Network: http://www.bpn.gov
Small Business Act
Policy and Purpose

• Promote small businesses: provide contract, financial, technical, & management assistance
• Provide “Maximum practicable opportunities” for:
  • Small business
  • Veteran-owned small business
  • Service-disabled veteran-owned small business
  • HUBZone small business
  • Small disadvantaged business
  • Women-owned small business
FAR 19.201 (a) and 19.501 (a):

To award certain acquisitions exclusively to small business concerns to meet the goal and policy of Government “to provide maximum practicable opportunities in federal acquisitions to small business.”
Small Business Set-Asides

- **Total Set-aside**
  - “Rule of Two” (reasonable expectation that offers will be obtained from at least two responsible small business concerns that are competitive in terms of market prices, quality and delivery)
  - Automatic Small Business reservation between $3K and $100K
- **Partial Set-aside** (severable into two or more lots and a reasonable expectation of offers from at least one responsible small business concern at a fair market price)
Small Business Set-Asides
Non-manufacturer Rule

- Non-manufacturer rule - a contractor under a small business or 8(a) set-aside shall provide its own product or that of a domestic small manufacturer
  - Exception - Large business product
    - Does not exceed $25,000
    - When using SAP
    - Manufactured in US
  - Waiver - Small, large or foreign product
    - Exceeds $25,000
    - SBA determines no small businesses are available for the specific product or class of products
Recap of the Non-manufacturers Rule

Exception: Small Business Set-aside acquisitions between $3,000 and $25,000

- Non-manufacturers may supply any domestically manufactured large or small business product

Waiver: SBA has determined there are no small business manufacturers participating in the Federal marketplace

- Non-manufacturer may supply any product
8(a) Business Development
Set-asides
8(a) Program
Set Aside Requirements

- Company must be a current 8(a) program participant (only one-9 year term)
- Capabilities must match the requirement
- Award price cannot exceed Government’s established “fair market price”
- SBA must accept the requirement for the 8(a) program (over $100,000 for DoD actions)
8(a) Set Aside
Performance Requirements

- The 8(a) contractor must perform certain percentages of work with its own employees.
- These percentages and the requirements relating to them are the same as those established for small business set-aside prime contractors (including non-manufacturers).
HUBZone Set-aside Program
HUBZone Program
Participation Requirements

• Must be a qualified HUBZone small business concern
  – To become certified by the SBA as a HUBZone small business concern:
    • Principle place of business must be located in a HUBZone
    • 35% of the employees must reside in a HUBZone
• Same as those for small business set-asides with the following exceptions
  – The agreement to perform the required percentages of work may be met solely by the qualified HUBZone small business concern or in combination with one or more other qualified HUBZone small business concerns.
  – A qualified HUBZone nonmanufacturer must furnish only end items manufactured or produced by HUBZone small business manufacturers
HUBZone Program

• Special Exceptions & Waivers to the Non-manufacturers Rule:
  – for HUBZone set aside contract actions between $3,000 and $25,000, a qualified HUBZone small business concern may supply the end item of any domestic manufacturer, including a large business
  – There is no provision for a waiver to the non-manufacturers rule for HUBZone Set-asides
Service Disabled Veteran Owned
Small Business Set-aside Program
SDVOSB Program
Participation Requirements

• Must be a domestic small business concern
• Must be owned by a service disabled veteran
  – At least 51% of the business must be owned and controlled by one or more service disabled veterans
SDVOSB Set Aside
Performance Requirements

• Same as those for small business set asides with the following exceptions:
  – The agreement to perform the required percentages of work may be met solely by the SDVOSB or in combination with one or more other service disabled veteran owned small business concerns
• Exception: SDVOSB Set-aside acquisitions between $3,000 and $25,000
  – Non-manufacturers may supply the product of any domestic large or small business
• Waiver: SBA has determined there are no SB Manufacturers participating in the Federal marketplace
  • On a SDVOSB set-aside acquisition a non-manufacturer may supply any product
Opportunities

- Small Business Set-Asides
- Partial Set-Asides
- Subcontracting with Primes
- Partnering Agreements
- Unique Opportunities on New Initiatives
  - Examples
    - FASI-G
    - IPV
    - FSC SCP
Where Do I Go For More Help and Information on Doing Business with DLA?
<table>
<thead>
<tr>
<th>Name</th>
<th>Email</th>
<th>Position</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eleanor Holland</td>
<td><a href="mailto:eleanor.holland@dla.mil">eleanor.holland@dla.mil</a></td>
<td>Director, DSCC Small Business Office</td>
<td>614-692-3735</td>
</tr>
<tr>
<td>Will Chavez</td>
<td><a href="mailto:william.chavez@dla.mil">william.chavez@dla.mil</a></td>
<td>Small Disadvantaged Business and 8(a)</td>
<td>614-692-1288</td>
</tr>
<tr>
<td>Vikki Hawthorne</td>
<td><a href="mailto:vikki.hawthorne@dla.mil">vikki.hawthorne@dla.mil</a></td>
<td>Outreach and Woman Owned Program</td>
<td>614-692-4864</td>
</tr>
<tr>
<td>Rebecca Parks</td>
<td><a href="mailto:rebecca.parks@dla.mil">rebecca.parks@dla.mil</a></td>
<td>HUBZone Program</td>
<td>614-692-3510</td>
</tr>
<tr>
<td>Tom Pfenning</td>
<td><a href="mailto:thomas.pfenning@dla.mil">thomas.pfenning@dla.mil</a></td>
<td>AbilityOne Workshops</td>
<td>614-692-1494</td>
</tr>
<tr>
<td>Dwight deWeaver</td>
<td><a href="mailto:dwight.deweaver@dla.mil">dwight.deweaver@dla.mil</a></td>
<td>Service Disabled Veteran Owned Program</td>
<td>614-692-7935</td>
</tr>
<tr>
<td>Charles Miller</td>
<td><a href="mailto:charles.miller@dla.mil">charles.miller@dla.mil</a></td>
<td>Opportunity Specialist</td>
<td>614-692-7624</td>
</tr>
<tr>
<td>Kevin Scoles</td>
<td><a href="mailto:kevin.scoles@dla.mil">kevin.scoles@dla.mil</a></td>
<td>Opportunity Specialist</td>
<td>614-692-3377</td>
</tr>
<tr>
<td>Scott Rybicki</td>
<td><a href="mailto:scott.rybicki@dla.mil">scott.rybicki@dla.mil</a></td>
<td>DLA-Warren Small Business Specialist (TACOM)</td>
<td>586-753-2794</td>
</tr>
<tr>
<td>Tim Danowski</td>
<td><a href="mailto:timothy.danowski@dla.mil">timothy.danowski@dla.mil</a></td>
<td>DLA-Mechanicsburg Small Business Specialist (NAVICP)</td>
<td>717-605-2989</td>
</tr>
<tr>
<td>NAME</td>
<td>FOCUS</td>
<td>PHONE</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------------------------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Michael McCall</td>
<td>Director, DSCP Small Business Office</td>
<td>215-737-2321</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:michael.mccall@dla.mil">michael.mccall@dla.mil</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Genevieve Venturo</td>
<td>Subsistence</td>
<td>215-737-5911</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:genevieve.venturo@dla.mil">genevieve.venturo@dla.mil</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joann Gatica</td>
<td>Clothing &amp; Textiles</td>
<td>215-737-5910</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:joann.gatica@dla.mil">joann.gatica@dla.mil</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul Rooney</td>
<td>Medical</td>
<td>215-737-4648</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:paul.rooney@dla.mil">paul.rooney@dla.mil</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arlene Ruble</td>
<td>Construction &amp; Equipment</td>
<td>215-737-5819</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:arlene.ruble@dla.mil">arlene.ruble@dla.mil</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert Baldino</td>
<td>Special Programs</td>
<td>215-737-5821</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:robert.baldino@dla.mil">robert.baldino@dla.mil</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------------------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>John Henley</td>
<td>Associate Director of Small Business</td>
<td>x6330</td>
<td></td>
</tr>
<tr>
<td>Crystal Ober</td>
<td>Deputy Director of Small Business &amp; AbilityOne</td>
<td>x3639</td>
<td></td>
</tr>
<tr>
<td>Harriett Redrick</td>
<td>8A Program Manager</td>
<td>x4132</td>
<td></td>
</tr>
<tr>
<td>Christopher Pierce</td>
<td>Service Disabled Veteran Program Manager</td>
<td>x2984</td>
<td></td>
</tr>
<tr>
<td>Connie McNeill</td>
<td>HUBZone Program Manager</td>
<td>x5290</td>
<td></td>
</tr>
<tr>
<td>Debra Williams</td>
<td>Management Analyst</td>
<td>x3287</td>
<td></td>
</tr>
<tr>
<td>Leticia Evans</td>
<td>Information Assistant - Web site, DIBBS, CCR</td>
<td>x4302</td>
<td></td>
</tr>
<tr>
<td>Jan Strickland</td>
<td>SARs, Post Award Ombudsman</td>
<td>x3557</td>
<td></td>
</tr>
<tr>
<td>Judy Sayers</td>
<td>SBA Procurement Center Representative</td>
<td>x3690</td>
<td></td>
</tr>
</tbody>
</table>
What are PTACs???

Government funded local resources available across the country providing assistance in marketing your products and services to Federal, state and local governments.

PTAC Goals:

• Help small businesses be competitive
• Explain the complexities of Government procurement
• Encourage economic development through job retention and creation
• Build strong contractors through targeted training and one-on-one assistance

http://www.dla.mil/db/procurem.htm
Free Vendor Training
Defense Supply Center Columbus

Doing Business with the Defense Logistics Agency:

- Getting Started: Selling to DLA
- Assistance in your area (PTACs)
- Small Business Programs
- Finding opportunities & quoting (DIBBS)
- Radio Frequency Identification (RFID)
- Alternate Offers – how to get approved
- Understanding quality requirements
- Packaging – what the government wants
- How to get Drawings and Specifications
- Payment Processing (Wide Area Workflow)
- And much more!

2009 Schedule:
September 15-16
October 20-21

Seating is limited – make reservation at:
http://www.dssc.dla.mil/News/events/tko/
Product Verification Program

ASSURING QUALITY OF OUR STOCK

Doug Fosnaught
Chief, Product Verification Division
614-692-1719
The PVP office supports the Land/Maritime Supply Chains by:

• **Ensuring the “Right Items” are provided to the War fighter**
  – The PVP office identifies product discrepancies through use of multiple test programs, material audits, and fraud investigations

• **Supporting the reduction of Administrative /Production Lead Times (ALT/PLT)**
  – The PVP office identifies problematic materials and contractors which results in a reduction in ALT/PLT

• **Reducing material management cost**
  – The data provided by the PVP office assists the Supply Chains in taking corrective actions associated with field failures, unnecessary procurements, depot screenings, and Quality Notifications

• **Increasing product reliability**
  – The data provided by the PVP office to the Supply Chains prevents reoccurrences of identified quality problems
# PVP Test Programs

## DLA HQ

| Critical Safety Item (CSI) | • DLA HQ mandated program  
|                          | • Measures level of product compliance  
|                          | • Confirms technical data accuracy on depot stocked materials |

| Targeted Sampling Model (TSM) | • Candidates are selected from Depot stock  
|                              | • Targets NSNs based on impact and risk associated with past product failures |

## DSCC PVP

| Special Investigations | • Monitor fraudulent contractor activity  
|                       | • Support Defense Criminal Investigative Services & DSCC Legal investigations  
|                       | • Provide justification for the recoupment of funds & contractor debarment |

| Vendor Test Program (VTP) | • Targeted selection based upon vendor & contract data  
|                          | • Focuses on new cages codes against material requirements |
# PVP Test Programs

## Customer (Supply Chain)

| Directed Test Program (DIRE) | • Assist the Supply Chains in investigating Quality Notifications  
| | • Use of Product Verification Testing (PVT) Clause  
| | • Special Project Requests  
| Customer Returns & Improvement Initiative (CRII) | • The CRII program properly classifies customer returns  
| | • Materials are added and removed based on quality history, material group, or special requests as directed by the Supply Chain  
| | • Database includes 7430 materials  

## Contract

| Government First Article Testing (GFAT) | • Monitors Government preproduction testing  
| | • Verifies contractor ability to manufacture “right item”  
| | • Coordinates funding allocations  
| Production Lot Testing (PLT) | • Contract driven, in-production, pre-acceptance  
| | • Verifies standardized manufacturing process  
| | • Ensures material conformance and unit consistency  

## PVP Customer Interfaces

<table>
<thead>
<tr>
<th>Internal Customers</th>
<th>External Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Specialists</td>
<td>Commercial Labs</td>
</tr>
<tr>
<td>Product Test Centers</td>
<td>Engineering Service Activity Labs</td>
</tr>
<tr>
<td>Resolution Specialists</td>
<td>DCIS Agents</td>
</tr>
<tr>
<td>DSCC Legal Office</td>
<td>DLA Depots</td>
</tr>
<tr>
<td>Contracting Officers</td>
<td>PVP Offices at the other profit centers</td>
</tr>
<tr>
<td>Sourcing &amp; Qualifications Office (VQ)</td>
<td>DLA Headquarters</td>
</tr>
<tr>
<td>Budget Analysts</td>
<td>U.S. Judicial System</td>
</tr>
<tr>
<td>Base Contracting</td>
<td>Defense Contract Management Agency</td>
</tr>
<tr>
<td>Customer Account Specialists</td>
<td>Manufacturers/Contractors</td>
</tr>
</tbody>
</table>
PVP Workflow Process

Test Requests Initiated By Another Office/Source (ie. Directed tests, FATs, PLTs, CRII testing)

Test Requests Initiated By PVP Office (ie; Targeted Sampling Model, Test For Cause)

PVP Office Generates Test Plan & Submits to Test Facility

DSCC Product Test Center (PTC)

ESA Service Lab

Commercial Lab

Test Report Received from Test Facility & Reviewed

Test Report Forwarded to Product Specialist (when required)
## PVP Test Methodology

<table>
<thead>
<tr>
<th>Selection Factors</th>
<th>Test Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality History</td>
<td>Visual (workmanship)</td>
</tr>
<tr>
<td>Criticality of Use</td>
<td>Fit &amp; Function</td>
</tr>
<tr>
<td>Demand History</td>
<td>Dimensional</td>
</tr>
<tr>
<td>Complexity</td>
<td>Packaging</td>
</tr>
<tr>
<td>Cost</td>
<td>Marking</td>
</tr>
<tr>
<td>Physical Characteristics</td>
<td>Plating/Coating</td>
</tr>
<tr>
<td>Stocked Population</td>
<td>Material Composition</td>
</tr>
<tr>
<td>Storage Requirements</td>
<td>Environmental</td>
</tr>
<tr>
<td>Past Performance</td>
<td>Chemical</td>
</tr>
<tr>
<td>Allegations</td>
<td>Electrical</td>
</tr>
</tbody>
</table>
PVP Test Metrics

Test Programs

<table>
<thead>
<tr>
<th>TSM</th>
<th>DIRE</th>
<th>SPEC</th>
<th>PLT</th>
<th>GFAT</th>
<th>CSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>18%</td>
<td>18%</td>
<td>6%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Top Ten Weapons Systems

1. 21N NUCLEAR Reactors Program
2. VUN Aircraft, Hornet F/A-18 (E/F)
3. Z9N Aircraft, FA-18, A-D, E/F, G (Growler)
4. EZN Ticonderoga Class CG (47)
5. 04F Aircraft, Stratofortress B-52
6. 02N Strategic Weapon Systems (Poseidon & Trident)
7. 19F Aircraft, Eagle F-15
8. 06F Aircraft, Hercules C-130
9. 05F Aircraft, Stratolifter C/KC-135
10. 75F Helicopter, HH-60

Top Ten Stock Classes

1. 5935 Connectors, Electrical
2. 5961 Semiconductor Devices
3. 1005 Guns, thru 30 mm
4. 5962 Microcircuits, Electronic
5. 3040 Miscellaneous Power Trans Equipment
6. 4730 Fittings and Specialties; Hose, Pipe and Tube
7. 5930 Switches
8. 5945 Relays, Solenoids
9. 5910 Capacitors
10. 5905 Resistors

Top five Failure Types

1. Packaging
2. Dimensional
3. Electrical
4. Material Analysis
5. Functional/Operational
PVP Summary

• Objective – Right Item, Reduce ALT/PLT, Reduce Cost, Increase Reliability
• Programs – Identify and document testing results based on selective criteria
• Interfaces – Communicating with Government and Industry
• Processes – Streamlined for efficiency and effectiveness
• Affiliations – Test Capability, Product Specialization, Knowledge Sharing
• Methodology – Match best value candidates with appropriate test conditions
• Metric – Statistical analysis/Cost vs. Benefit

Quality is never an accident; it is always the result of high intention, sincere effort, intelligent
direction and skillful execution; it represents the wise choice of many alternatives.

WILLIAM A. FOSTER, quoted in Igniting the Spirit at Work: Daily Reflections
DLA

Product Test Centers (PTC)

2009 Land and Maritime Supplier’s Conference
Why Use DLA’s PTC

- **Capable:** All sites are registered to ISO 9001
- **Timely:** 96% on time rate. Project time frames negotiated upfront
- **Responsive:** Customized test plans to meet war-fighter requirements
- **Economically Priced:** Competitive rates targeted to cover costs
  
  No change to hourly rates for FY10.
- **Technical Support:** Provided before, during, and after testing

Why Our Customers Typically Request Testing

- Identify unapproved sources and product substitutions
- Ensure product conformance through pre-acceptance tests (e.g., first article tests, product verification tests)
- Targeted stock sampling, customer complaints
- Other directed tests, such as shelf life evaluations, critical safety items, and customer returns
Analytical / Chemical Philadelphia

Capabilities
• Chemical Analysis (Wide Variety of Materials)
• Physical Testing of Textile Items
• Color Shading
• Ballistics
• Environmental
• Dimensional

Customers
• DSCP: 98% of workload
• Naval Air Lakehurst; Naval Air Warfare Center; PEO Soldier Rapid Fielding Initiative; Commercial labs; DSCC, DSCR: 2% of workload

Staff: 22 Associates
FY09 & FY10 Hourly Rate: $78.00
Average FY08 Test Cycle Times: Color shading 2 days; Other tests 6 days

Flame testing of camouflage 3D netting used to cover vehicles and heavy armament

Helmet strap retention test

• FY08 Projects completed: 9923
Capabilities
• Electrical/Electronic Testing
• Materials Analysis
• Destructive Physical Analysis
• Environmental Simulation Testing (Shock, Vibration, Salt Spray)
• Failure Analysis
• Reliability Testing

Customers
• DSCC, DSCR: 98% of workload
• DCIS, NAVAIR, Wright Patterson AFB, JEDIC, DoD Soldering Technology Working Group, and Private sector: 2% of workload

Staff: 24 Associates
FY09 & FY10 Hourly Rate: $95.86
Average FY08 Test Cycle Times: 17 Days

(x-ray/deliding reveals identical looking items containing different dies)
Capability to test and evaluate micro-circuit & semiconductor devices enhances DLA’s ability to detect fraudulent and non-conforming items

Salt Spray M2 Gun Parts

• FY08 projects completed: 1765
Capabilities
• Close Tolerance Dimensional Inspection
• Tensile Testing
• Pressure Test (hoses / fittings)
• Plating Thickness
• Direct Design of Drawings
• Non Destructive Testing (Mag Particle & Liquid Penetrant)
• Hardness Testing
• Calibration

Customers
• DSCC, DSCR: 98% of workload
• FAA, Dept. of Commerce, Ft. Polk, Anniston, DCIS, Edgewood Chemical and Biological Center, TACOM, ARDEC: 2% of workload

Staff: 12 Associates
FY09 & FY10 Hourly Rate: $102.70
Average FY08 Test Cycle Times: 16 days
Mechanical DDJC

Capabilities
• Close Tolerance Dimensional Inspection
• Tensile Testing
• Plating Thickness
• Non Destructive Testing & Training (all types)
• Radiography of large components
• Hardness Testing

Customers
• DSCC, DSCR: 97% of workload
• Brooks AFB; McAlester Army Ammunition Plant; Pine Bluff Arsenal; TACOM; NAVAIR; NAVSEA; Tinker AFB: 3% of workload

Staff: 9 Associates
FY09 & FY10 Hourly Rate: $102.70
Average FY08 Test Cycle Times: 40 days
Note that this is impacted by long term Radiography projects and NDT training performed by the lab.

FY08 Projects completed: 438
FY08 Average Lab Test Cost

FY08 Lab Average Test Cost Per Project or Test

Data source: DSCC Product Verification Program Office

*Crane: does not reflect a low and high rate.....$95 reflects hourly rate for battery testing only.

Note: There will be no increase to PTC hourly rates for FY10.
DLA Product Testing Center: Committed to continuously improving our support to America’s warfighters through cost effective, responsive, and quality test support.

PTC Website: http://www.dscc.dla.mil/offices/testcenter

<table>
<thead>
<tr>
<th>Role</th>
<th>Contact</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director (DSCC-T)</td>
<td>Keith Robinette</td>
<td>DSN 850-3589</td>
</tr>
<tr>
<td>Analytical/Chemical (DSCC-TC)</td>
<td>Paul Conrad</td>
<td>DSN 444-3240</td>
</tr>
<tr>
<td>Electronic (DSCC-TE)</td>
<td>John Elavsky</td>
<td>DSN 850-9857</td>
</tr>
<tr>
<td>Mechanical Columbus (DSCC-TM)</td>
<td>Stephen Finney</td>
<td>DSN 850-2354</td>
</tr>
<tr>
<td>Mechanical DDJC (DSCC-TW)</td>
<td>Lee Utegg</td>
<td>DSN 462-3701</td>
</tr>
</tbody>
</table>
Adequate Proposal Packages & TINA Requirements

Ray York
Chief, Pricing Division
Procurement Process Support Directorate
Adequate Proposal Packages & TINA Requirements

• TINA Requirements – Ray York, Chief, Pricing Branch, DLA Land and Maritime Supply Chain

• Adequate Proposal Packages - Chic Lurch, Defense Contract Audit Agency (DCAA), Financial Liaison Advisor (FLA)
TINA Requirements

• Certified Cost or Pricing Data shall be required if the sum of the maximum quantity dollar value for the base year and all options and Surge exceeds $650,000

• Note: The dollar value of all NSNs, in a multi-NSN procurement, must be considered together – not separately
Cost Data Requirements

• Contracting Officer (KO) must determine if the submitted Cost or Pricing Data is adequate:

  ➢ Data must be:
    • Factual
    • Verifiable

  ➢ Data must include, at a minimum:
    • The contractor's explanations regarding each element of their cost breakdown, and
    • All supporting data
Certificate Requirements

• Contractor **must** provide the certificate **after** the final, negotiated price is obtained
• Certificate **must** be dated on the date the final price was negotiated
• Contractor **must** certify that the data is accurate, complete, and current as of that date
• The Certificate should **not** be included as a part of the contractor's original offer
Exceptions

• Certified Cost or Pricing Data is **not** required if any of the following exceptions apply:

  ➢ Commercial Item is being acquired
  ➢ Adequate price competition exists
  ➢ Prices are set by law or regulation
  ➢ Waiver has been granted
Proposals/ Offers Exempt from Cost or Pricing Data (i.e., Commercial items)

• A copy of the item listed in a published Catalog or Price list
  ➢ Cover page, and
  ➢ Page item is listed on

• Some determination or sense that the item is reasonably expected to be purchased by the general or industrial public at the offered price
Proposals/ Offers Exempt from Cost or Pricing Data (i.e., Commercial items)

- Description of the items’ use in the commercial or industrial sector and the specific users
- Description of the exact differences between the item and its commercial equivalence
• Invoices from commercial sales of the same or similar item
  ➢ Quantities,
  ➢ Dates, and
  ➢ Prices
• Any discounts from the price list (i.e., most preferred customer information)
Questions?
• Vital Elements of A Proposal
• Common Proposal Deficiencies
• Proposal Examples, including
  ❖ G&A Rate Calculation
  ❖ Overhead Rate Calculation
  ❖ Unallowable Costs
• Preparing for An Audit
ELEMENTS OF A PROPOSAL

• Summary of Total Cost by Element

• Consolidated Priced Bill of Materials
  • Types, Quantities, Cost
  • FAR 15.408, Table 15-2 II.A.
  • Breakdown of Labor (FAR 15.408, Table 15-2 II.B.)
    • Hours
    • Rates, and Costs by Appropriate Category
VITAL ELEMENTS OF A PROPOSAL

• Details Supporting Indirect Rates:
  ✓ How Indirect Rates Are Computed
  ✓ How Indirect Rates Are Applied,
  ✓ Cost Breakdowns, Trends, and Budgetary Data (FAR 15.408, Table 15-2 II.C.)

• Identification of All Other Costs by Category and Basis for Pricing (FAR 15.408, Table 15-2 II.C.)

• Rationale for Proposed Profit
COMMON DEFICIENCIES

• Lack of A Consolidated Bill of Materials

• Lack of Data to Evaluate Indirect Rates

• Failure to:
  ✓ Conform to the Specifications-Buying Activity
  ✓ Identify Places or Periods of Performance
  ✓ Disclose Basis for Pricing Other Direct Costs (ODC)
COMMON DEFICIENCIES

(Con’t)

• Failure to:

✓ Provide the Basis for Proposed Material, Labor and Indirect Costs

✓ Comply with the Requirements Set Forth in FAR 15. 408, Table 15-2
Advanced Services Technologies  
Washington, DC  
Proposal Submitted in Response  
to RFP DAAH01-09-R-0001

<table>
<thead>
<tr>
<th>Element of Cost</th>
<th>Amount</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Labor</td>
<td>$452,151</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Manufacturing Labor</td>
<td>26,412</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Direct Labor Overhead @ 56.7%</td>
<td>271,345</td>
<td>Schedule 2</td>
</tr>
<tr>
<td>Material</td>
<td>113,175</td>
<td>Schedule 3</td>
</tr>
<tr>
<td>Material Handling Overhead @ 5.0%</td>
<td>5,659</td>
<td>Schedule 4</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$868,742</td>
<td></td>
</tr>
<tr>
<td>G&amp;A @ 8.0%</td>
<td>69,499</td>
<td>Schedule 5</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$938,241</td>
<td></td>
</tr>
<tr>
<td>Profit @ 10.0%</td>
<td>93,824*</td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td><strong>$1,032,065</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 215.404-4.*
Advanced Services Technologies  
Washington, DC

Proposal Submitted in Response  
to RFP DAAH01-09-R-0001

<table>
<thead>
<tr>
<th>Element of Cost</th>
<th>Amount</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Labor</td>
<td>$452,151</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Manufacturing Labor</td>
<td>26,412</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Direct Labor Overhead @ 56.7%</td>
<td>271,345</td>
<td>Schedule 2</td>
</tr>
<tr>
<td>Material</td>
<td>113,175</td>
<td>Schedule 3</td>
</tr>
<tr>
<td>Material Handling Overhead @ 5.0%</td>
<td>5,659</td>
<td>Schedule 4</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$868,742</td>
<td></td>
</tr>
<tr>
<td>G&amp;A @ 8.0%</td>
<td>69,499</td>
<td>Schedule 5</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$938,241</td>
<td></td>
</tr>
<tr>
<td>Profit @ 10.0%</td>
<td>93,824*</td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td><strong>$1,032,065</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 215.404-4.
Advanced Services Technologies  
Washington, DC  
Proposal Submitted in Response  
to RFP DAAH01-09-R-0001

Schedule 1

### Engineering Labor Cost

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Manager</td>
<td>$23,174</td>
<td>$27,079</td>
<td>$18,967</td>
<td>$69,220</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>31,668</td>
<td>24,939</td>
<td>20,370</td>
<td>76,977</td>
</tr>
<tr>
<td>Junior Engineer</td>
<td>39,816</td>
<td>34,845</td>
<td>21,951</td>
<td>96,612</td>
</tr>
<tr>
<td>Engineering Aide</td>
<td>26,100</td>
<td>8,377</td>
<td>800</td>
<td>35,277</td>
</tr>
<tr>
<td>Technical Writer</td>
<td>-</td>
<td>-</td>
<td>15,876</td>
<td>15,876</td>
</tr>
<tr>
<td>Metallurgist</td>
<td>35,815</td>
<td>23,748</td>
<td>14,546</td>
<td>74,109</td>
</tr>
<tr>
<td>Draftsman</td>
<td>41,690</td>
<td>29,850</td>
<td>12,540</td>
<td>84,080</td>
</tr>
<tr>
<td><strong>Total D/L – Eng</strong></td>
<td>$198,263</td>
<td>$148,838</td>
<td>$105,050</td>
<td>$452,151</td>
</tr>
</tbody>
</table>

(Sched 1A) (Sched 1B) (Sched 1C)

### Manufacturing Labor Cost

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fabrication</td>
<td>$4,340</td>
<td>$6,834</td>
<td>$7,176</td>
<td>$18,350</td>
</tr>
<tr>
<td>Assembly</td>
<td>-</td>
<td>1,942</td>
<td>6,120</td>
<td>8,062</td>
</tr>
<tr>
<td><strong>Total D/L – Mfg</strong></td>
<td>$4,340</td>
<td>$8,776</td>
<td>$13,296</td>
<td>$26,412</td>
</tr>
</tbody>
</table>

(Sched 1A) (Sched 1B) (Sched 1C)

Total Direct Labor   | $202,603 | $157,614 | $118,340 | $478,563  |
Advanced Services Technologies
Washington, DC

Proposal Submitted in Response
to RFP DAAH01-09-R-0001

Schedule 1A

2009 Engineering Labor Cost

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Rate/Hr</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Manager</td>
<td>$33.93</td>
<td>683</td>
<td>$23,174</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>26.39</td>
<td>1,200</td>
<td>31,668</td>
</tr>
<tr>
<td>Junior Engineer</td>
<td>22.12</td>
<td>1,800</td>
<td>39,816</td>
</tr>
<tr>
<td>Engineering Aide</td>
<td>14.50</td>
<td>1,800</td>
<td>26,100</td>
</tr>
<tr>
<td>Technical Writer</td>
<td>16.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Metallurgist</td>
<td>18.85</td>
<td>1,900</td>
<td>35,815</td>
</tr>
<tr>
<td>Draftsman</td>
<td>18.95</td>
<td>2,200</td>
<td>41,690</td>
</tr>
<tr>
<td><strong>Total D/L – Eng</strong></td>
<td></td>
<td>9,583</td>
<td>$198,263</td>
</tr>
</tbody>
</table>

2009 Manufacturing Labor Cost

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Rate/Hr</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fabrication</td>
<td>$10.85</td>
<td>400</td>
<td>$4,340</td>
</tr>
<tr>
<td>Assembly</td>
<td>9.25</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total D/Labor – Mfg</strong></td>
<td></td>
<td>400</td>
<td>$4,340</td>
</tr>
</tbody>
</table>

Total Direct Labor

$202,603

All hours proposed are based on historical costs, reference contract DAAH01-04-C-0001, account 9271.

The supporting data showing the historical hours and the development of the proposed hours are in file “DAAH01-09-R-0001, Hours” and is available immediately upon request.

The direct labor rates are based on actual average rates as of 31 October 2008. The supporting data and rate calculation are located in file “DAAH01-09-R-0001, Direct Labor Rates” and is available immediately upon request.
Advanced Services Technologies  
Washington, DC  
Proposal Submitted in Response  
to RFP DAAH01-09-R-0001  

Schedule 1B

### 2010 Engineering Labor Cost

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Rate/Hr</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Manager</td>
<td>$35.63</td>
<td>760</td>
<td>$27,079</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>27.71</td>
<td>900</td>
<td>24,939</td>
</tr>
<tr>
<td>Junior Engineer</td>
<td>23.23</td>
<td>1,500</td>
<td>34,845</td>
</tr>
<tr>
<td>Engineering Aide</td>
<td>15.23</td>
<td>550</td>
<td>8,377</td>
</tr>
<tr>
<td>Technical Writer</td>
<td>16.80</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Metallurgist</td>
<td>19.79</td>
<td>1,200</td>
<td>23,748</td>
</tr>
<tr>
<td>Draftsman</td>
<td>19.90</td>
<td>1,500</td>
<td>29,850</td>
</tr>
<tr>
<td><strong>Total D/L – Eng</strong></td>
<td></td>
<td><strong>6,410</strong></td>
<td><strong>$148,838</strong></td>
</tr>
</tbody>
</table>

### 2010 Manufacturing Labor Cost

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Rate/Hr</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fabrication</td>
<td>$11.39</td>
<td>600</td>
<td>$6,834</td>
</tr>
<tr>
<td>Assembly</td>
<td>9.71</td>
<td>200</td>
<td>1,942</td>
</tr>
<tr>
<td><strong>Total D/Labor – Mfg</strong></td>
<td></td>
<td><strong>800</strong></td>
<td><strong>$8,776</strong></td>
</tr>
</tbody>
</table>

Total Direct Labor  

$157,614

All hours proposed are based on historical costs, reference contract DAAH01-04-C-0001, account 9271.

The supporting data showing the historical hours and the development of the proposed hours are in file “DAAH01-09-R-0001, Hours” and is available immediately upon request.

The direct labor rates are based on actual average rates as of 31 October 2008 and escalated 5 percent each year. The supporting data and rate calculation are located in file “DAAH01-09-R-0001, Direct Labor Rates” and is available immediately upon request.
Advanced Services Technologies  
Washington, DC  
Proposal Submitted in Response  
to RFP DAAH01-09-R-0001  

Schedule 1C

**2011 Engineering Labor Cost**

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Rate/Hr</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Manager</td>
<td>$37.41</td>
<td>507</td>
<td>$18,967</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>29.10</td>
<td>700</td>
<td>20,370</td>
</tr>
<tr>
<td>Junior Engineer</td>
<td>24.39</td>
<td>900</td>
<td>21,951</td>
</tr>
<tr>
<td>Engineering Aide</td>
<td>15.99</td>
<td>50</td>
<td>800</td>
</tr>
<tr>
<td>Technical Writer</td>
<td>17.64</td>
<td>900</td>
<td>15,876</td>
</tr>
<tr>
<td>Metallurgist</td>
<td>20.78</td>
<td>700</td>
<td>14,546</td>
</tr>
<tr>
<td>Draftsman</td>
<td>20.90</td>
<td>600</td>
<td>12,540</td>
</tr>
<tr>
<td><strong>Total D/L – Eng</strong></td>
<td></td>
<td>4,357</td>
<td>$105,050</td>
</tr>
</tbody>
</table>

**2011 Manufacturing Labor Cost**

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Rate/Hr</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fabrication</td>
<td>$11.96</td>
<td>600</td>
<td>$7,176</td>
</tr>
<tr>
<td>Assembly</td>
<td>10.20</td>
<td>600</td>
<td>6,120</td>
</tr>
<tr>
<td><strong>Total D/Labor – Mfg</strong></td>
<td></td>
<td>1,200</td>
<td>$13,296</td>
</tr>
</tbody>
</table>

Total Direct Labor

$118,346

All hours proposed are based on historical costs, reference contract DAAH01-04-C-0001, account 9271.

The supporting data showing the historical hours and the development of the proposed hours are in file “DAAH01-09-R-0001, Hours” and is available immediately upon request.

The direct labor rates are based on actual average rates as of 31 October 2008 and escalated 5 percent each year. The supporting data and rate calculation are located in file “DAAH01-09-R-0001, Direct Labor Rates” and is available immediately upon request.
Advanced Services Technologies  
Washington, DC

Proposal Submitted in Response 
to RFP DAAH01-09-R-0001

<table>
<thead>
<tr>
<th>Element of Cost</th>
<th>Amount</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Labor</td>
<td>$452,151</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Manufacturing Labor</td>
<td>26,412</td>
<td>Schedule 1</td>
</tr>
<tr>
<td><strong>Direct Labor Overhead @ 56.7%</strong></td>
<td><strong>271,345</strong></td>
<td><strong>Schedule 2</strong></td>
</tr>
<tr>
<td>Material</td>
<td>113,175</td>
<td>Schedule 3</td>
</tr>
<tr>
<td>Material Handling Overhead @ 5.0%</td>
<td>5,659</td>
<td>Schedule 4</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$868,742</strong></td>
<td></td>
</tr>
<tr>
<td>G&amp;A @ 8.0%</td>
<td>69,499</td>
<td>Schedule 5</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$938,241</td>
<td></td>
</tr>
<tr>
<td>Profit @ 10.0%</td>
<td>93,824*</td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td><strong>$1,032,065</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 215.404-4.*
Advanced Services Technologies  
Washington, DC

Proposal Submitted in Response  
to RFP DAAH01-09-R-0001

### Schedule 2

<table>
<thead>
<tr>
<th>Cost Element</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>D/L – Engineering</td>
<td>$198,263</td>
<td>$148,838</td>
<td>$105,050</td>
<td>$452,151</td>
</tr>
<tr>
<td>D/L – Manufacturing</td>
<td>$4,340</td>
<td>$8,776</td>
<td>$13,296</td>
<td>$26,412</td>
</tr>
<tr>
<td>Total Direct Labor</td>
<td>$202,603</td>
<td>$157,614</td>
<td>$118,340</td>
<td>$478,563</td>
</tr>
</tbody>
</table>

(Sched 1A) (Sched 1B) (Sched 1C)

<table>
<thead>
<tr>
<th>D/L Overhead Rate</th>
<th>56.7%</th>
<th>56.7%</th>
<th>56.7%</th>
<th>56.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Schedule 2A)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct Labor O/H</th>
<th>$114,876</th>
<th>$89,367</th>
<th>$67,102</th>
<th>$271,345</th>
</tr>
</thead>
</table>

======       ====== ====== ======       |
## Schedule 2A

**Budget for FY 2009 Labor Overhead**  
Actual Overhead Expenses for FY 2006 - 2008

<table>
<thead>
<tr>
<th>(Note 2) Overhead Expenses</th>
<th>Budget 2002</th>
<th>Actual Expenses (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Payroll</td>
<td>$260,000</td>
<td>255,120</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>228,000</td>
<td>223,615</td>
</tr>
<tr>
<td>Vacation</td>
<td>120,000</td>
<td>117,692</td>
</tr>
<tr>
<td>Holiday</td>
<td>110,000</td>
<td>107,885</td>
</tr>
<tr>
<td>Sick Leave</td>
<td>50,000</td>
<td>49,038</td>
</tr>
<tr>
<td>Pensions</td>
<td>171,000</td>
<td>167,712</td>
</tr>
<tr>
<td>Employee Morale</td>
<td>5,000</td>
<td>4,530</td>
</tr>
<tr>
<td>Entertainment</td>
<td>50,000</td>
<td>45,820</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>7,000</td>
<td>3,251</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,000</td>
<td>5,125</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,500</td>
<td>1,485</td>
</tr>
<tr>
<td>Travel</td>
<td>22,000</td>
<td>25,352</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,000</td>
<td>2,421</td>
</tr>
<tr>
<td>Stationery</td>
<td>6,000</td>
<td>5,421</td>
</tr>
<tr>
<td>Reproduction</td>
<td>17,000</td>
<td>16,891</td>
</tr>
<tr>
<td>Maintenance</td>
<td>5,000</td>
<td>4,871</td>
</tr>
<tr>
<td>Rent</td>
<td>202,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>11,000</td>
<td>10,545</td>
</tr>
<tr>
<td>Insurance</td>
<td>102,000</td>
<td>98,500</td>
</tr>
<tr>
<td><strong>Total Pool</strong></td>
<td><strong>$1,374,500</strong></td>
<td><strong>$1,134,5274</strong></td>
</tr>
</tbody>
</table>

Less Unallowable Costs

| Entertainment             | 50,000      | 45,820        | 57,352        | 39,820        |

**Net Allowable Expenses**  
$1,324,500  
$1,299,454  
$1,382,627  
$1,174,527
### Budget for FY 2009 Labor Overhead

**Actual Overhead Expenses for FY 2006 - 2008**

<table>
<thead>
<tr>
<th>Overhead Expenses</th>
<th>Budget 2009</th>
<th>Actual Expenses (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Allowable Expenses</td>
<td>$1,324,500</td>
<td>$1,299,454 $1,382,627 $1,174,527</td>
</tr>
</tbody>
</table>

#### Allocation Base

<table>
<thead>
<tr>
<th>Allocation Base</th>
<th>Budget 2009</th>
<th>Actual Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Labor</td>
<td>$2,336,000</td>
<td>$2,221,289 $2,613,662 $2,147,216</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate</th>
<th>56.7%</th>
<th>58.5%</th>
<th>52.9%</th>
<th>54.7%</th>
</tr>
</thead>
</table>

---

**Explanatory Notes**

1. Provide the prior three years’ actual overhead expense and allocation base in the same format as the budget for 2009. For the year 2008, actuals to date are provided.
2. The projected overhead expenses are based on the company’s operating budget for 2009. The operating budget supporting data is located in file "DAAH01-09-R-0001, Overhead Operating Budget" and is immediately available upon request.
3. Includes Bid and Proposal Labor of $5,000
4. The same rate is estimated for fiscal years 2010 and 2011. We anticipate minimal inflation and a stable business base. The data and analysis supporting this assertion is located in file "DAAH01-09-R-0001, Overhead Forecast" and is immediately available upon request.
## Element of Cost

<table>
<thead>
<tr>
<th>Element of Cost</th>
<th>Amount</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Labor</td>
<td>$452,151</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Manufacturing Labor</td>
<td>26,412</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Direct Labor Overhead @ 56.7%</td>
<td>271,345</td>
<td>Schedule 2</td>
</tr>
<tr>
<td><strong>Material</strong></td>
<td><strong>113,175</strong></td>
<td><strong>Schedule 3</strong></td>
</tr>
<tr>
<td>Material Handling Overhead @ 5.0%</td>
<td>5,659</td>
<td>Schedule 4</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$868,742</td>
<td></td>
</tr>
<tr>
<td>G&amp;A @ 8.0%</td>
<td>69,499</td>
<td>Schedule 5</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$938,241</td>
<td></td>
</tr>
<tr>
<td>Profit @ 10.0%</td>
<td>93,824*</td>
<td></td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td><strong>$1,032,065</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 215.404-4.*
# Schedule 3

**Shock Absorber Bill of Material**

<table>
<thead>
<tr>
<th>Support</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Total</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheet Metal</td>
<td>1,600 sq. yd</td>
<td>$25.00</td>
<td>$40,000</td>
<td>(1)</td>
</tr>
<tr>
<td>Casings</td>
<td>750 pcs.</td>
<td>8.50</td>
<td>6,375</td>
<td>(2)</td>
</tr>
<tr>
<td>Plastic</td>
<td>7,500 pcs.</td>
<td>5.75</td>
<td>43,125</td>
<td>(1)</td>
</tr>
<tr>
<td>Springs</td>
<td>1,700 pcs.</td>
<td>4.00</td>
<td>6,800</td>
<td>(2)</td>
</tr>
<tr>
<td>Bolts</td>
<td>7,500 pcs.</td>
<td>2.25</td>
<td>16,875</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total Material</strong></td>
<td></td>
<td></td>
<td><strong>$113,175</strong></td>
<td></td>
</tr>
</tbody>
</table>

## Explanatory Notes

(1) These prices are supported by multiple vendor quotes. The proposed prices are those provided by the low bidder who was the ACME Corporation in their quotation dated October 21, 2008. The quotations are included in file "DAAH01-09-R-0001, Vendor Quotations" that are available immediately upon request.

(2) These prices are supported by the Halloween edition of the Springs R Us Catalog. This catalog is available for audit in the pricing office.

(3) The proposed quantities are from the engineering drawings for the shock absorber. This drawing is located in file "DAAH01-09-R-0001, Engineering Drawing" and is immediately available upon request.
Element of Cost          | Amount    | Reference  
----------------------------|-----------|------------
Engineering Labor           | $452,151  | Schedule 1 
Manufacturing Labor        | 26,412    | Schedule 1 
Direct Labor Overhead @ 56.7% | 271,345  | Schedule 2 
Material                  | 113,175   | Schedule 3 
Material Handling Overhead @ 5.0% | 5,659    | Schedule 4 
Subtotal                   | $868,742  |            
G&A @ 8.0%                 | 69,499    | Schedule 5 
Estimated Cost             | $938,241  |            
Profit @ 10.0%             | 93,824*   |            
Total Price                | $1,032,065|            

*Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 215.404-4.
## Advanced Services Technologies
### Washington, DC

Proposal Submitted in Response to RFP DAAH01-09-R-0001

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Labor</td>
<td>$452,151</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Manufacturing Labor</td>
<td>26,412</td>
<td>Schedule 1</td>
</tr>
<tr>
<td>Direct Labor Overhead @ 56.7%</td>
<td>271,345</td>
<td>Schedule 2</td>
</tr>
<tr>
<td>Material</td>
<td>113,175</td>
<td>Schedule 3</td>
</tr>
<tr>
<td>Material Handling Overhead @ 5.0%</td>
<td>5,659</td>
<td>Schedule 4</td>
</tr>
<tr>
<td><strong>Total Cost Input</strong></td>
<td><strong>$868,742</strong></td>
<td></td>
</tr>
<tr>
<td><strong>G&amp;A Rate</strong></td>
<td><strong>8.0%</strong></td>
<td>Schedule 5A</td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td><strong>$69,499</strong></td>
<td></td>
</tr>
</tbody>
</table>

========
## Advanced Services Technologies
### Washington, DC

Budget for FY 2009 G&A
Actual G&A Expenses for FY 2006 – 2008

<table>
<thead>
<tr>
<th>2009 Projected G&amp;A Expenses</th>
<th>Less Net Allow Expenses</th>
<th>Actual Expenses (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unallow</td>
<td>2008</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>$16,000</td>
<td>15,764</td>
</tr>
<tr>
<td>Officers’ Salaries</td>
<td>165,000</td>
<td>155,000</td>
</tr>
<tr>
<td>Indirect Salaries</td>
<td>21,000</td>
<td>20,152</td>
</tr>
<tr>
<td>Interest</td>
<td>14,000</td>
<td>-</td>
</tr>
<tr>
<td>Vacation</td>
<td>11,000</td>
<td>10,509</td>
</tr>
<tr>
<td>Holiday</td>
<td>9,000</td>
<td>8,758</td>
</tr>
<tr>
<td>Sick Leave</td>
<td>5,000</td>
<td>4,532</td>
</tr>
<tr>
<td>Contributions</td>
<td>8,000</td>
<td>8,500</td>
</tr>
<tr>
<td>Pensions</td>
<td>12,000</td>
<td>10,509</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>1,000</td>
<td>952</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,500</td>
<td>2,490</td>
</tr>
<tr>
<td>Travel</td>
<td>10,000</td>
<td>9,580</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,000</td>
<td>1,890</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>7,000</td>
<td>6,520</td>
</tr>
<tr>
<td>Accounting Fees</td>
<td>7,000</td>
<td>6,950</td>
</tr>
<tr>
<td>Computer</td>
<td>17,500</td>
<td>18,235</td>
</tr>
<tr>
<td>Rent</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>8,500</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,000</td>
<td>2,980</td>
</tr>
<tr>
<td>Insurance</td>
<td>7,000</td>
<td>6,500</td>
</tr>
<tr>
<td><strong>Total Pool</strong></td>
<td>$341,500</td>
<td>$311,000</td>
</tr>
<tr>
<td>B&amp;P (Note 3)</td>
<td>8,500</td>
<td>8,500</td>
</tr>
<tr>
<td><strong>Total G&amp;A and B&amp;P</strong></td>
<td>$350,000</td>
<td>$319,500</td>
</tr>
</tbody>
</table>
## Advanced Services Technologies
### Washington, DC

**Schedule 5A**

**Budget for FY 2009 G&A**
**Actual G&A Expenses for FY 2006 – 2008**

<table>
<thead>
<tr>
<th></th>
<th>2009 Projected G&amp;A Expenses</th>
<th>Less Unallow Expenses</th>
<th>Net Allow Expenses</th>
<th>Actual Expenses (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total G&amp;A and B&amp;P</strong></td>
<td>$350,000</td>
<td>$30,500</td>
<td>$319,500</td>
<td>$304,221</td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$301,286</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$274,999</td>
</tr>
</tbody>
</table>

### Allocation Base

<table>
<thead>
<tr>
<th></th>
<th>2008 ($2,331,000)</th>
<th>2007 ($2,216,789)</th>
<th>2006 ($2,141,816)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Overhead</strong></td>
<td>1,371,665</td>
<td>1,342,642</td>
<td>1,211,393</td>
</tr>
<tr>
<td><strong>Other Direct Costs</strong></td>
<td>29,000</td>
<td>28,523</td>
<td>22,525</td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td>250,000</td>
<td>225,700</td>
<td>185,000</td>
</tr>
<tr>
<td><strong>Material Overhead</strong></td>
<td>12,500</td>
<td>11,700</td>
<td>9,270</td>
</tr>
<tr>
<td><strong>Total Base</strong></td>
<td>$3,994,165</td>
<td>$3,825,354</td>
<td>$3,570,004</td>
</tr>
</tbody>
</table>

### G&A Rate (Note 5)

<table>
<thead>
<tr>
<th></th>
<th>8.0%</th>
<th>8.0%</th>
<th>6.8%</th>
<th>7.7%</th>
</tr>
</thead>
</table>

### Explanatory Notes

1. Provide the prior three years’ actual G&A expenses and the allocation base in the same format as the 2009 budget. For the year 2008, actuals are provided to date.
2. The projected G&A expenses are based on the company’s operating budget for 2002. The operating budget supporting data is located in file "DAAH01-09-R-0001, G&A Operating Budget" and is available immediately upon request.
3. Includes $665 B&P Travel ($5,000 + $2,835 + $665).
4. Total Pool, **including** unallowables, **excluding** $2,835 allocated to B&P Labor ($5,000 x .567) [$1,374,500 -- $2,835].
5. The same rate is estimated for fiscal years 2010 and 2011. We anticipate minimal inflation and a stable business base. The data and analysis supporting this assertion is included in file "DAAH01-02-R-0001, G&A" and is available immediately upon request.
PREPARING FOR AN AUDIT

• Personnel Familiar Readily Available

• An Adequate Accounting System

• Detailed Schedules Used Available
PREPARING FOR AN AUDIT

• Data Related to the Proposed Costs (Supporting Documentation) Readily Available

• Provide the Proposal and Supporting Data in Electronic Format

• Financial Statements of the Company
SUMMARY

• Vital Elements of A Proposal
• Common Deficiencies
• Proposal Examples
• Preparation for An Audit
http://www.dcaaa.mil/

At website go to “Publications” and click on “Information for Contractors”.

Navigate to Chapter 3 for guidance on Pricing Proposals.
QUESTIONS??????
Defense Logistics Agency

AIT and passive RFID

August 2009

Mark Lieberman
Agenda

• About RFID
• RFID in DoD
• WAWF
• Tagging
• RFID in DLA
• Benefits
• Resources
• Summary
How Does passive Radio Frequency Identification (RFID) Work?

- **Tags** emit radio signals
- Devices called **Readers** pick up the signal
How Does DoD Uses RFID

Active Freight Container (SEAVAN and 463L Pallet) Tag associated to a...

Passive Palletized Unit Load Tag associated to a...

Logistics systems receive the data from various RFID data collection points and create the nested associations

Active Freight Container Tag
• Palletized Unit Load Tag
• Exterior Container Tag
• UID Unit Pack Tag
• UID Item

Passive Exterior Container Tag associated to ...

8 UID Unit Pack Tags each with 1 associated UID item

Source: 8/2/05 Briefing by Mr. Alan Estevez
Assistant Deputy Under Secretary of Defense (Supply Chain Integration)
AIT Layers

Layer 0 UID – Product Item

Layer 1 – Package

Layer 2 – Transport Unit (cartons, boxes)

Layer 3 – Unit Load (Warehouse pallet, tri-wall packaging, commercial fiberboard)

Layer 4 – Freight Container (sea vans, 463L pallets with net)

Layer 5 – Movement Vehicle (truck, aircraft, ship, train)

2D Matrix
Linear Bar Code

Passive RFID
2D/Linear Bar Code

Passive RFID
2D/Linear Bar Code

Passive RFID
2D/Linear Bar Code

Active RFID License Plate 2D/Linear Bar Code

Baseline AIT
Primary
Back Up
Wide Area Work Flow

Wide Area Workflow (WAWF)

- Secure Web-based system for electronic invoicing, receipt and acceptance
- WAWF creates a virtual folder to combine the three documents required to pay a Vendor:
  - Contract
  - Invoice
  - Receiving Report.
- Supports paperless acquisition process.
- Public Key Infrastructure (PKI) digital signature security

Streamlines the process from Weeks to Days or Minutes.
When are pRFID tags required?

Passive RFID tags at the case and pallet levels when the following three factors are true:

1. Contract contains passive RFID DFARS clause (DFAR 252.211-7006), specific language requiring RFID tags.
2. Your equipment/commodity falls under the classes of supply required to be tagged as described in the passive RFID DFARS clause.
3. Your equipment/item is being shipped to one of the RFID-enabled/implemented locations listed in the passive DFARS clause or a location specified by the contracting officer in your contract.

The most recent version of the passive RFID DFARS clause is available at http://www.acq.osd.mil/dpap/dars/dfars/html/current/252211.htm#252.211-7006.
Tagging Options

**Automated Labeling**
- Applicators / RFID encoders can program and apply tags automatically on production lines.

**Print and Apply**
- Similar to standard printed labels, RFID-enabled printers can print human readable information (barcode, etc) as well as program embedded RFID tags.

**Pre-Programmed Labels**
- Tags are printed and programmed to comply with DoD
DoD Tag Construct

- Must encode an approved RFID tag data structure
- Suppliers that are EPCglobal subscribers and possess a GS1 company prefix may use any of the EPC Identifiers and encoding instructions described in the EPC™ Tag Data Standards document to encode tags.
- Suppliers who choose to employ the DoD construct will use their previously assigned Commercial and Government Entity (CAGE) code and encode the tags per the rules that follow.

<table>
<thead>
<tr>
<th>Header</th>
<th>Filter</th>
<th>Gov't Managed Identifier</th>
<th>Serial number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified DoD Construct</td>
<td>identifies the hierarchy represented using the following values:</td>
<td>Supplier CAGE Code</td>
<td>68+ Billion Unique</td>
</tr>
<tr>
<td>8-bits</td>
<td>4-bits</td>
<td>48-bits</td>
<td>36-bits</td>
</tr>
<tr>
<td>Hex</td>
<td>Binary</td>
<td>Desc</td>
<td>Hex</td>
</tr>
<tr>
<td>2F</td>
<td>00101111</td>
<td>DoD Construct</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>
RFID-enabled labels are to be applied to shipping containers or palletized unit loads, in accordance with the standards presented in MIL-STD-129.
Leverage Automatic Identification Technology in our logistics operations to better support the warfighter by reducing cost and improving service.

**Suppliers:** Leverage Tagging Today  
**Distribution:** Improve Operations  
**Customer:** Improve Service
Defense Distribution Centers

Distribution Depots receiving tagged RFID cases and pallets today

• CONUS: All Distribution Depots
• OCONUS: DDPH and DDGM
RFID Benefits

**Supplier Benefits**
- Improved planning
- Faster demand responses
- Reduced Bull Whip Effect
- Streamlined business processes
- Improved efficiency in the recall of defective items
- Increased ability to ensure that product(s) remain stocked on DoD’s shelves
- Faster receipt of payments for supplied goods

**DoD Benefits**
- Improved inventory management
- Improved labor productivity
- Elimination of duplicate orders
- Replacement of manual procedures
- Automated receipt and acceptance
- Improved inventory and shipment visibility and management
- Reduced shrinkage
- Enhanced business processes within the DoD
- Improved asset tracking
Resources

- WAWF: https://wawf.eb.mil/
- WAWF Training: http://www.wawftraining.com/
- epcGlobal: http://www.epcglobalinc.org/standards
- MIL Packaging Standards: http://assist.daps.dla.mil
Summary

• Passive RFID has benefits for DoD and its suppliers

• DoD Policy requires suppliers to tag cases and pallets for certain products into specific destinations

• By improving velocity and reliability, DLA will help make the defense supply chain a more effective weapon for use by the warfighter
Defense Logistics Agency

AIT and passive RFID

August 2009

Mark Lieberman
2009 LAND & MARITIME SUPPLY CHAINS BUSINESS CONFERENCE & EXHIBITION
17 – 19 August 2009, presented by Deborah Thompson on behalf of the DSCC-VSP Packaging Office, Columbus
• Military Packaging/Preservation & Marking

• MIL-STD-2073(D) (Packaging Codes Standard)

• ASTM D-3951 “Commercial Packaging”

• MIL-STD-129(P)(4) (Marking Standard)
MIL-STD-2073

• Coded Packaging data for items going into the Military distribution cycle

• Information contained on solicitations and awards specifying the packaging coded data required to protect item through life cycle (Section B, on solicitations & awards)

• Determined by item characteristics (fragility factors, destination considerations, etc.)
Example of Requirements

- Quantity Unit Pack (QUP) CODE 001
- Preservation Method CODE 41
- Cleaning and Drying Procedures CODE 1
- Preservative Material CODE 00
- Wrapping Material CODE CA
- Cushioning and Dunnage Material CODE JC
- Cushioning and Dunnage Thickness CODE X
MI L-STD-2073, Continued

- Unit Container CODE D3
- Optional Procedure Indicator CODE O
- Intermediate Container CODE EC
- Intermediate Container Quantity CODE 024
- FOR DLA STOCK: Pack CODE U
  (page 175 of standard 2073)
- FOR FMS Shipments: Pack CODE Q
  (page 173 of standard 2073)
Preservation Methods

• Method 10   Physical protection only
• Method 20   Preservative coating requirement
• Method 30   Waterproof protection
• Method 40   Watervapor proof protection
• Method 50   Watervapor proof with desiccant

• Examples found:
  http://www.dscc.dla.mil/Offices/Packaging/preservation.html
Table J.Ia, SPECIALIZED PRESERVATION CODES (MIL-STD-2073, pages 143-148)

Codes used for packaging procedures that cannot be conveniently or adequately described without amplification of the basic method and material symbols.

“AE” means seal/plug all openings & preserve Method 10

“BL” means seal/plug all openings & preserve Method 20

“GX” means preserve Method 41 with ESD & electromagnetic protection

“HM” means package and mark I/A/W applicable hazmat regulation
ASTM D-3951

• FOR NON-FMS AND NON-STOCK ORDERS FOR CONUS DELIVERY AND OCONUS PRIORITIES 1 THRU 8: MARKED AND PACKAGED STANDARD COMMERCIAL IAW ASTM D 3951 AND BAR CODED IAW AIM BC1.

• Document may be ordered from: http://www.astm.org/DIGITAL_LIBRARY/index.shtml
ASTM D-3951, Continued

- Items Intended for Immediate Use
- Items not for Mission Capable Supply
- Items Intended for Depot Operational Consumption
- Small Parcel Shipments (CONUS), Not for Stock
- Direct Vendor Deliveries (CONUS)
Common types of non-compliances:

- Heat treated wood requirements I/A/W DLA contract clause: 52.247-9012 REQUIREMENTS FOR TREATMENT OF WOOD PACKAGING MATERIAL (WPM) (FEB 2007) (P215)
- Marking problems, elements of MIL-STD-129 missing or incorrectly labeled
- Preservation and packing non-conformances
- Listing of all types of discrepancies: http://www.dscc.dla.mil/Offices/Packaging/TypicalPkgDisc.html
QUP vs UNIT OF ISSUE

• Quantity per Unit Pack & Intermediate Pack determination is specified on contract, (and criterion referenced on pages 65-68 in MIL-STD-2073)

• Unit of Issue considerations (example BX, PG, RL, FT, EA, etc.)

• Quantity and Unit of Issue. (5 EA, as an example) A non-definitive unit of issue shall be accompanied by a quantitative expression such as “1 RO (100 FT)”.
Quantity Per Unit Pack

MILITARY PACKAGING QUP & ICQ

- **QUP of ONE:**
  Repairables, Items $50 or more, Method 50 items, irregular, delicate or fragile items, pairs, sets and kits.

- **QUP more than ONE:**
  Formulas based upon item weight, dimensions, cost, and Method of Preservation

- **Intermediate Container Quantity**
  Maximum of 100 unit packs, 40 pounds or 1.5 cubic feet with at least two dimensions not exceeding 16 inches.
MIL-STD-129 Marking

- Page 176 in MIL-STD-2073 complete listing of all Special Marking Codes
- Mandatory for all locations both Conus (Continental United States) and OConus (Outside of Continental United States)
- Including MSL (Military Shipping Label) and RFID requirements
- Latest revision MIL-STD-129(P)(4) P Revision; 4 is change notice
Example of Markings

# 1 - IDENTIFICATION MARKINGS
- NATIONAL STOCK NUMBER
- CAGE CODE
- PART NUMBER
- QUANTITY AND UNIT OF ISSUE
- CONTRACT NUMBER & LOT NUMBER
- MILITARY METHOD & DATE OF UNIT PRESERVATION
- WEIGHT (LBS)
- SERIAL NUMBER(S)

# 2 - 2D (PDF417) Symbol Data with (Data Identifiers)
- NATIONAL STOCK NUMBER (N)
- CONTRACT NUMBER (9K)
- CAGE CODE (17V)
- CONTRACT LINE ITEM NUMBER (4K)
- CONTRACTOR SHIPMENT NUMBER (5K)
- SERIAL NUMBER(S) (S)
- UNIQUE ITEM IDENTIFIER (25S)

# 3 - ADDRESS MARKINGS
MILITARY SHIPMENT LABEL (MSL)

6623-01-248-9073
CAGE 19207
PN 622-7345-002
20 EA
F09603-07-M-0860
M10 - 11/07
WT 55
SERIAL NUMBER LIST INSIDE

ID DATA INCLUDES
UII(s)
The recommended size for the MSL is 4 inches by 6 inches.

Required Bar Coding

Code 39 (Linear)
- TCN
- Piece Number
- Ultimate Consignee

DODAAC PDF417 (2D)
- Shipment
- Line Item
- TCMD Data
Questions?

• If there is anything I have not covered in my presentation or something you want further clarification on….

• If not, the link below provides the ICP packaging Points of Contacts and their email address; Columbus is broken down by Federal Stock Class assignments:
  • http://www.dscc.dla.mil/Offices/packaging/DLApoc.html
Resources

• Thomas Register Search
• http://www.thomasnet.com/prodsearch.html?co
v=NA&which=prod&what=Military+Packaging+
houses&navsec=search
• DLA Packaging Website
• http://www.dscc.dla.mil/Offices/packaging/packf
aq.html
• Deborah.D.Thompson@dla.mil Packaging
Manager
Resources, Continued

• RFID Supplier Site
• A Supplier Guide that contains information that details requirements for compliance is located at www.dodrfid.org/supplierguide.htm
• (MIL-STD-2073 packaging code interpreter)
  http://www.palm.saic.com/code_lookup.nsf/codecheck
• ANSI Quick Search
  http://assist.daps.dla.mil/quicksearch
Immense Honor
Serving our War fighters
War Fighter
Not Just Another Customer
“Buy the Best and Only Cry Once”
A View From Above
EASY
WAIT
WAIT
WAIT
Sewer Lift Station
Deeds Not Words
Pope Glass
May God Protect Those Who Protect Us
Serve Those Serving
They Can Not Fail

Neither Can WE!
Land & Maritime Business Conference

Acquisition…Increasing Our Strategic Sourcing Focus

Mr. Milton K. Lewis, SES
Executive Director, Contract & Acquisition Management
Briefing Outline

• Recapping Our Spend Analysis
• Strategic Sourcing Strategies
  – *An Overview of Our Approach*
• Today’s Major Strategic Programs
• Tomorrow’s Challenges & Opportunities
• Questions
“If you don’t know where you are going, any road will get you there.”

- Lewis Carroll
Briefing Outline

• **Recapping Our Spend Analysis**
• **Strategic Sourcing Strategies**
  - *An Overview of Our Approach*
• **Today’s Major Strategic Programs**
• **Tomorrow’s Challenges & Opportunities**
• **Questions**
A Spend Analysis was conducted to derive the optimal population of NIIN candidates for long term procurement strategies over the next 5 year horizon.

There are 2.2 M items in Land and Maritime, representing $2.7B in annual demand value. Spend focused on business drivers that resulted in identifying 4% of these items which cover 72.5% of the ADV, and 70.5% of the annual actual obligation dollars.
Spend Analysis by Federal Supply Class (FSC)

Spend FSC by ADV AUG 09

31 FSCs hold 80 % of the Spend ADV and 78% of the actual Obs

Group 1: 2540, 2530, 5340, 6135, 2510 – Vehicle Parts, hardware, and batteries
Group 2: 6140, **4820, 5330**, 2610, 5985 - Batteries, Valves, Antennas, Batteries
Group 3: **4730**, 1005, 4720, **5930**, 3040 - Hoses, Fittings, Pipes, Guns
Group 4: **5935**, 2590, 2520, 4320, 4810 - Connectors, Vehicle Parts, Pumps, Valves
Group 5: 5945, **4710**, 2815, 2910, 2620 - Relays, Pipes, Tires, Engine Components
Briefing Outline

• Recapping Our Spend Analysis

• **Strategic Sourcing Strategies**
  - *An Overview of Our Approach*

• Today’s Major Strategic Programs

• Tomorrow’s Challenges & Opportunities

• Questions
Guiding Principles

• Protect the supply chain
  - *Deliver conforming material*

• Enhance warfighter readiness
  - *Ensure availability and responsiness to customer need*

• Efficient use of taxpayer dollars

• Leverage automation whenever possible

• Maximize small business participation
Four Procurement Avenues of Approach

1. Acquire whole supply chains or commodity groups
   - Tire Privatization Initiative
   - Maritime Supply Chain Partnership: Microelectronics, etc.
   - Batteries

2. Where appropriate to customer need, acquire and integrate supplies and services
   - PBL arrangements, Integrated Logistics Partnerships, Industrial Product Support

3. Where integration services are not required, acquire strategic material with flexible response
   - Long-term contracts with performance requirements, strategic supplier alliances

4. For non-strategic material: transactional buys...automate where possible
Strategic Sourcing Approaches

• Strategic
  - Supplier based: Corporate long-term contracts (LTCs) with OEMs with many NSNs crossing the DLA enterprise
  - Customer or Weapon System based: ILP (CP), IPV, ROWPU
  - Commodity based: Supply Chain Partnership Initiative

• Operational
  - Manual awards above or below the Simplified Acquisition Threshold (SAT)
  - Automated awards below the SAT (PACE)
  - Single or small NSN grouping Indefinite Quantity Contracts (IQCcs) and Automated Indefinite Delivery Purchase Orders (AIDPOs)
## Strategic Sourcing Spectrum

### Strategy Aligned by Commodity Group (FSC)

<table>
<thead>
<tr>
<th>FSC</th>
<th>Strategic</th>
<th>Operational</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commodity Based</td>
<td>LTC</td>
</tr>
<tr>
<td>Examples</td>
<td>Weapon System</td>
<td>Large/Small</td>
</tr>
<tr>
<td>SCP</td>
<td>Supplier</td>
<td>Manual</td>
</tr>
<tr>
<td>FASI-G</td>
<td>Customer Based</td>
<td>PACE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FSC 1XXX</th>
<th>SCP  50%</th>
<th>FASI-G 5%</th>
<th>Corporate Contract 20%</th>
<th>ILP 10%</th>
<th>LTC 0%</th>
<th>Large/Small Manual 10%</th>
<th>PACE 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC 2XXX</td>
<td>SCP 20%</td>
<td>FASI-G 25%</td>
<td>Corporate Contract 10%</td>
<td>ILP 5%</td>
<td>5%</td>
<td>Large/Small Manual 10%</td>
<td>25%</td>
</tr>
<tr>
<td>FSC 3XXX</td>
<td>SCP 30%</td>
<td>FASI-G 10%</td>
<td>Corporate Contract 15%</td>
<td>ILP 20%</td>
<td>15%</td>
<td>Large/Small Manual 0%</td>
<td>10%</td>
</tr>
<tr>
<td>FSC 4XXX</td>
<td>SCP 15%</td>
<td>FASI-G 20%</td>
<td>Corporate Contract 25%</td>
<td>ILP 15%</td>
<td>5%</td>
<td>Large/Small Manual 15%</td>
<td>5%</td>
</tr>
<tr>
<td>FSC 5XXX</td>
<td>SCP 5%</td>
<td>FASI-G 10%</td>
<td>Corporate Contract 15%</td>
<td>ILP 20%</td>
<td>20%</td>
<td>Large/Small Manual 25%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Notional Spend Distribution
Strategic Sourcing Spectrum

Strategies Aligned by Weapon System or Platform

<table>
<thead>
<tr>
<th>FSC</th>
<th>Strategic Long Term Contracts</th>
<th>Operational</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commodity Based</td>
<td>Weapon System</td>
</tr>
<tr>
<td></td>
<td>SCP</td>
<td>CVSI, ROWPU</td>
</tr>
<tr>
<td>MRAP</td>
<td>5%</td>
<td>0</td>
</tr>
<tr>
<td>M1 Abrams</td>
<td>20%</td>
<td>50%</td>
</tr>
<tr>
<td>HMMWV</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>ROWPU</td>
<td>15%</td>
<td>40%</td>
</tr>
<tr>
<td>Bridging Systems</td>
<td>15%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Notional Spend Distribution
Spend Distribution by Contract Type
(FY 08)

Land

- LTC: $1,188,605,344 (66%)
- Manual: $492,596,874 (27%)
- PACE: $131,902,831 (7%)

Maritime

- LTC: $484,067,676 (33%)
- Manual: $684,802,189 (47%)
- PACE: $289,959,628 (20%)

Manual

- Dollars

- Award Actions

LTC = Long Term Contracts  PACE = Procurement Automated Contracting Evaluation
Briefing Outline

• Recapping Our Spend Analysis
• Strategic Sourcing Strategies
  – An Overview of Our Approach
• Today’s Major Strategic Programs
• Tomorrow’s Challenges & Opportunities
• Questions
DLA Support to MRAP
We broke the mold in provisioning and sustainment

Parts Support Strategy: Original Plan vs Actual

Incremental CLS transition to organic, based on NSN assignment and theater requisitions

- Type II NSNs (CAGE & PN) assigned for ASL/PLL
- Long Term Contracts (Sole Source & Competitive)
- Type I NSNs (Fully Described) Assignment/Identification

Phase I: Forecasted & Demand Driven Parts
- Phase II: Complete Weapon System

Army G4 direction: Enable units to order via NSN using tactical STAMIS

Organic Supply System (MILSTRIP) NSN Requisitions

2008
- Air Conditioning Parts (258 NSNs)
  - Planning began in Spring 08
  - Undefinitized Contract Actions (UCA)
  - Issued May 08 – deliveries through FY08

2009
- Over 5000 NSNs (OEM)
  - Planning in June 08
  - UCA's issued in July 08
  - Deliveries continue in 2009
- Long term contracts (up to 19K NSNs)
  - Market Survey began Oct 2008
  - ID new LTCs and adds to current Award by Sep 09
Tire Privatization Initiative (TPI)

Program Requirements:

- Worldwide Supply Chain/Inventory Management
- Inventory drawdown/elimination
- Obsolescence Management
- Industrial Base Maintenance
- Customer Support
- Time Definite Delivery
- Service Tailored Support
  - Land/Army
  - Aircraft/AF and Army
    - Landing Cost Index Program
    - Retread
    - Scrap Disposal

<table>
<thead>
<tr>
<th>Ground tires</th>
<th>Aircraft tires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michelin North America, Inc.</td>
<td>Michelin Aircraft Tire Company</td>
</tr>
</tbody>
</table>

**Better than 95% On-time Delivery**

<table>
<thead>
<tr>
<th>Time Definite Delivery Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAT**</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>Expedited</td>
</tr>
</tbody>
</table>
Integrated Logistics Partnerships (ILP)

aka “Customer Pay”

Letterkenny Army Depot

Red River Army Depot

Linking Suppliers to Demand

- Jan 06 HMMWV RECAP at LEAD and RRAD; expanded to Maine Military Authority, Apr 06
- 23.8 M parts issued; 23,376 vehicles repaired
- 99.999% stock availability (6 Sigma results) 532 bin stock outs (compared to thousands pre-CP)
- Savings: $4520 per vehicle at RRAD / $3414 per vehicle at LEAD = 691 more vehicles produced
- Army, AMG, and DLA inventory levels = $26.4M, a 76% reduction in the pre-CP Army inventory
- Army inventory reduced by 93.4% to $7.3M
- RECAP PM decreased inventory investment by >95%
- Awarded follow-on contract 6 Nov 08 to AM General
  - Future expansion to Marine Corps

“Before Customer Pay, we went for about three months without producing a single vehicle that had 100 percent parts. Today, we go about three months without a single vehicle missing a single part.”

--Dr. John Gray, LEAD Dep Cmdr
Industrial Product Support (IPV)

- Integrated logistics solution for line-side bench stock at:
  - Anniston Army Depot
  - Red River Army Depot
  - Tobyhanna
  - and Letterkenny Army Depots

- Program Goals:
  - Improved reliability and responsiveness
  - Supply Chain Management, Parts Acquisition, Bin Management,
  - Forecasting, Obsolescence Management, ---
  - Customer Service Reps, Kitting, and Quality Assurance
  - Single point accountability
  - 99.85% Stock Availability at bin level

...next step is an umbrella contract to implement more rapidly at other locations...
Fleet Automotive Support Initiative (FASI) - Global

**Objectives**

- 100% contractor management of supplies
- Reduced DLA inventory investment and customer costs
- Improved end-to-end supply chain visibility

**Savings**

- Lower prices $16M/year
- Inventory reduction $200M

**Supply Chain Partners**

- Lockheed Martin
- SupplyCore
Briefing Outline

• Recapping Our Spend Analysis
• Strategic Sourcing Strategies
  – *An Overview of Our Approach*
• Today’s Major Strategic Programs
• **Tomorrow’s Challenges & Opportunities**
• Questions
M-ATV Vehicle Support

- Initial production delivery order to Oshkosh Defense to build MRAP-All Terrain Vehicles (M-ATV) for Afghanistan ops.
- 3 year contract with orders up to $3.3B for production, delivery, and associated support.
- First M-ATVs will be fielded by October.
- Produce 1,000 vehicles/month by Dec 2009.
- MRAP JPO is planning to procure limited initial spares and wants DLA to provide sustainment during fielding, as we are doing for rest of MRAP.
- DSCC/DLIS/ DLA are supporting early sustainment efforts.

"From an equipment standpoint, there's no higher priority than to get these vehicles in theater as rapidly as we can."

- ADM Mike Mullen, Chairman Joint Chiefs of Staff
# Tires Successor Initiative (TSI)

### Objectives
- 95% or better on-time delivery
- Address...
  - Industrial base concerns
  - OCONUS pricing

### Key Features
- Critical timeline
- Engagement strategy with stakeholders
- Cost reductions

### Timeline

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Legend:**
- RFP: Request for Proposal
- FOC: First Official Completion
**ANAD-RRAD IPV Successor**

**Objectives**
- A contract for continued support of the ANAD & RRAD maintenance lines.
- Provide worldwide support for customers using same items as depots. Eliminate dual support channels for DLA.
- Issue solicitation July/Aug 09. Award by May 2010.

**Key Features**
- Flexible contract scope to handle new items and inactivate others.
Maritime Supply Chain Partnership
Microcircuits and Semiconductors (FSC 5961/5962)

| Scope | • 95,000 NIINs  
|       | • 12,500 (13.1%) Active  
|       | • 68,000 orders for 447,000 units  
|       | • $27M in Sales annually  

| Environment | • Non-Conforming Material/ Counterfeit  
|            | • Obsolete/ Secondary Market  
|            | • Customer feedback  

| Actions | • 100% Traceability  
|         | • Qualified Suppliers List for Distributors  
|         | • Product Verification Testing  
|         | • ESA/ Obsolescence  

| Concerns | • Supportability and obsolescence  
|         | • Other commodities  

**Way Ahead**

<table>
<thead>
<tr>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Solicitation</td>
<td>Tech Proposals Due</td>
<td>Evaluations Complete</td>
<td>Negotiations Complete</td>
<td>Award</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4th Qtr FY09 | 1st Qtr FY10 | 2nd Qtr FY10 | 3rd Qtr FY10
### Strategic Program Roadmap

<table>
<thead>
<tr>
<th>Program</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Qtr FY 09</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Qtr FY 10</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Qtr FY 10</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Qtr FY 10</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Qtr FY 10</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Qtr FY 11</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Qtr FY 11</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Qtr FY 11</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Qtr FY 11</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Qtr FY 12</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Qtr FY 12</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Qtr FY 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2O Purification Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPV RRAD/ANAD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tires Successor Initiative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRAP LTC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Battery SCP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CVSI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Strategic Program Roadmap

<table>
<thead>
<tr>
<th>Program</th>
<th>4th Qtr FY 09</th>
<th>1st Qtr FY 10</th>
<th>2nd Qtr FY 10</th>
<th>3rd Qtr FY 10</th>
<th>4th Qtr FY 10</th>
<th>1st Qtr FY 11</th>
<th>2nd Qtr FY 11</th>
<th>3rd Qtr FY 11</th>
<th>4th Qtr FY 11</th>
<th>1st Qtr FY 12</th>
<th>2nd Qtr FY 12</th>
<th>3rd Qtr FY 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maritime FSC SCP</td>
<td>RFP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **RFP**
- **Projected Award**
Sourcing Trends – What you can expect

- Tailored requests for information (RFI)
- Reduced period of performance (including options)
  - 5 years or less
- Increased use of draft RFPs
- Increased use of oral presentations in the evaluation
- Use of incentives/disincentives provisions
- Aggressive small business participation goals
- Military Services participation in source selection
- Increasing emphasis on joint procurement opportunities
Joint Opportunities – The Way Ahead

Yesterday

2005

#175 Privatization
#176 Consumable Item Transfer
#176 Depot Level Reparables
#177 Supply, Storage & Distribution

2006

BRAC

2007

2008

2009

2010

2011

Today

Focused on business-related logistics economies

Tomorrow

Reconfigure DoD logistics to achieve economies, efficiencies and improve support to the future force

Traditional military logistics linear processes

Standardized force-focused logistics network

Jointness
Synergy
Redundancy

Logistics
Efficiencies

DLA
Army
Navy
USMC
Air Force
### DLA Strategic Partners &
Top MILSVC Suppliers

**Synergy Across Military Services – Opportunities to Leverage DoD Buying Power**

<table>
<thead>
<tr>
<th>DLA Strategic Partners</th>
<th>Air Force</th>
<th>Army</th>
<th>Navy</th>
<th>Marine Corps</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Electric</td>
<td>General Electric</td>
<td>Goodyear</td>
<td>General Electric</td>
<td>Canadian Commercial Corp</td>
</tr>
<tr>
<td>Boeing</td>
<td>United Technologies</td>
<td>AM General</td>
<td>Bell Boeing Joint Project Office</td>
<td></td>
</tr>
<tr>
<td>Textron</td>
<td>Dynamic Gunver Technologies</td>
<td>Boeing</td>
<td>Rona Industries</td>
<td></td>
</tr>
<tr>
<td>Oshkosh</td>
<td>GKN Aerospace</td>
<td>Lockheed Martin</td>
<td>Rodelco Electronics</td>
<td></td>
</tr>
<tr>
<td>Honeywell</td>
<td>Rolls Royce</td>
<td>Oshkosh</td>
<td>General Electric</td>
<td></td>
</tr>
<tr>
<td>Rolls Royce</td>
<td>Parker Hannfin</td>
<td>Purdy Corp</td>
<td>Lockheed Martin</td>
<td></td>
</tr>
<tr>
<td>AM General</td>
<td>Kaiser Electronics</td>
<td>Honeywell</td>
<td>Lockheed Martin</td>
<td></td>
</tr>
<tr>
<td>Goodrich Corp</td>
<td>Northrop Grumman</td>
<td>General Electric</td>
<td>Northrop Grumman</td>
<td></td>
</tr>
<tr>
<td>Parker Hannfin</td>
<td>Raytheon</td>
<td>Bell Helicopter/Textron</td>
<td>Eos Communications</td>
<td></td>
</tr>
<tr>
<td>Sikorsky</td>
<td>Goodrich Corp</td>
<td>DRS Corp</td>
<td>Raytheon</td>
<td></td>
</tr>
<tr>
<td>Hamilton Sundstrand</td>
<td>Hamilton Sundstrand</td>
<td>General Dynamics</td>
<td>United Technologies</td>
<td></td>
</tr>
<tr>
<td>Dresser Rand</td>
<td>CFM International</td>
<td>Pacific Harness and Cable</td>
<td>L-3 Communications</td>
<td></td>
</tr>
<tr>
<td>Eaton Corp</td>
<td>BAE Systems</td>
<td>Sikorsky</td>
<td>Oshkosh</td>
<td></td>
</tr>
<tr>
<td>Canadian Commercial Corp</td>
<td>Honeywell</td>
<td>Boeing</td>
<td>Aegis Power Systems</td>
<td></td>
</tr>
<tr>
<td>Pratt &amp; Whitney</td>
<td>Boeing</td>
<td>AAR Parts Trading Inc</td>
<td>Communications &amp; Power Industries</td>
<td></td>
</tr>
<tr>
<td>Northrop Grumman</td>
<td>BAE Systems</td>
<td>EFW Inc</td>
<td>Sensis Corp</td>
<td></td>
</tr>
<tr>
<td>Lockheed Martin</td>
<td>General Dynamics</td>
<td>GTA Containers</td>
<td>System Technical Support Corp</td>
<td></td>
</tr>
<tr>
<td>General Dynamics</td>
<td>BAE Systems</td>
<td>Cummins Inc</td>
<td>General Dynamics</td>
<td></td>
</tr>
<tr>
<td>BAE Systems</td>
<td>Smiths Aerospace</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td>Moog</td>
<td>United Defense LP/BAE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td>United Defense LP/BAE</td>
<td>Alcoa Global Fasteners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td>Alcoa Global Fasteners</td>
<td>Aircraft Braking Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td>Aircraft Braking Systems</td>
<td>Warren Pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td>Warren Pumps</td>
<td>Avibank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raytheon</td>
<td>Avibank</td>
<td>York</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Significant Overlap in Top Suppliers**

**DLA Unique**
- Air Force Unique
- Army Unique
- Navy Unique
- Marine Corps Unique
- DLA/Military Service Common Supplier
Maritime Joint Opportunities

Raytheon (DLA SSA Partner)

- DLR additions to the DSCC/Raytheon Corporate Contract
  - Commodity-based: 74 Mechanicsburg circuit cards, annual value ~$1.25M … awarded Mar 2009
  - CAGE-based (El Paso): 161 Mechanicsburg DLRs, annual value ~ $3.4M estimated award date in early FY10

- Long-Term Acquisition Strategy … convene Joint IPT in Aug with Service POCs and CCOs … SSAT feedback received from Navy & Air Force … annual SSAT projections $8M in Mech (997 items) & $267K in Phil (14 items) … determine best long-term vehicle/support strategy

Rockwell (DLA SCA Partner)

- DSCC & Air Force have existing long-term contracts
- Service DLRs a mix of commercial and non-commercial items

- Long-Term Acquisition Strategy … convene Joint IPT in Aug with Service PPOCs and CCOs … SSAT feedback received from Navy … annual SSAT projections $3.4M in Mech (43 items) & $273K in Phil (9 items)

IMO Pump

- Added Navy DLR pump to DLA LTC … demand projected at ~ $4.1M over FY09/ FY10 … awarded Jun 2009
Land Joint Opportunities

Joint projects
- Include Army CIT NSNs (two transfers in 09, one in 10)
- Assigning DLR and CIT NSNs to Buyers
- Coordinating with Marine Corps

Add-on projects underway
- Detroit Diesel, Oshkosh Corp (including M-ATV)
- Cummins Engine
- BAE Systems, Fairfield, OH - 106 NSNs
- AM General

Additional add-on projects in research
- General Dynamics Land Systems-Canada: 88 NSNs
- Cadillac Gage Textron Inc.: 47 NSNs
- BAE Systems, Sealy, TX: 12 NSNs
- General Dynamics Land Systems: 207 NSNs
- BAE Systems, Land & Armament, Anniston, AL: 5 NSNs

114 NSNs Total: 50 DLRs
64 consumables

359 NSNs Total: 70 DLRs
64 consumables
Strategic Programs Directorate

- MRAP
- SRM

Operations, Analysis & Planning
- Acquisition Execution I
- Acquisition Execution II
- Program Management

Matrixed Resources
- Procurement
- Small Business
- Legal

Implementation Timeline

- Aug-09 Phase I IOC, CONOPS
- Oct-09 Phase II Physical Move SMSG
- Mar-10 Phase III Program Mgmt Div
- Oct-10 Phase IV FOC
We can never be any better than the suppliers who support us.

Thank you for all you do!
Working together to bring them home safely!
Questions?
Defense Supply Center Columbus
Land & Maritime
Demand and Supply Chains

2009 Land & Maritime Supply Chain Business Conference

James M. McClaugherty, SES
Deputy Commander
Agenda

- Organization
- Warfighter Support
- Stewardship Excellence
- Workforce Development
The DLA Enterprise

• **Our People:**
  – 23,853 Civilians, 470 Active Duty Military, 733 Reserve Military
  – Located in 48 States/28 Countries

• **Support Warfighters the world over by:**
  – Making 111,000 Requisitions a day
  – Producing 11,200 Contract Actions a day
  – Resulting in 22.8M Receipts and Issues a year
  – Staffing 25 Distribution Depots Worldwide
  – Managing 3.8 Million NSNs via eight supply chains
  – Supporting nearly 1600 Weapon Systems
  – Providing ~95% of Services’ repair parts
  – Providing 100% of Services’ subsistence, fuels, medical, clothing & textile, construction & barrier material
• FY04 sales/services of $28B to FY09 projected sales/services of $36.8B make DLA:
  – #56 in the Fortune 100 (Above Lockheed Martin, Pepsico & Intel)
  – Third largest storage capacity of the top 50 Distribution Warehouses (Only FedEx and UPS have more)
  – 94.4M Barrels of Fuel sold already for FY09 and 132.53M in FY08
  – $20.3B Disposals & 1.4B Reutilizations for FY09

• Our reach extends far beyond DoD
  – Foreign Military Sales program supports 115 Nations
  – FY08 Foreign Military Sales of $2.07B
  – FY09 Projected Sales of $1.53 Billion
  – 570K shipments in FY09
DSCC Leadership Team

**Commander**
Thomas J. Richardson, BG

**Deputy Commander**
Mr. James McClaugherty, SES

**Chief of Staff**
Col. Daniel K. Hicks, USAF
Mr. Griff Warren, Deputy

**Executive Director, Contracting & Acquisition Management**
Mr. Milton K Lewis, SES

Currently deployed as the DLA Support Team Commander at Camp Victory, Iraq
Agenda

- Organization
- Warfighter Support
- Stewardship Excellence
- Workforce Development
## DLA Overview...
### Demand/Supply Chains

<table>
<thead>
<tr>
<th>Aviation</th>
<th>Land</th>
<th>Maritime</th>
<th>C&amp;T</th>
<th>Medical</th>
<th>Subsistence</th>
<th>C&amp;E</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richmond</td>
<td>Columbus</td>
<td>Philadelphia</td>
<td>Ft. Belvoir</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Aviation Original Equipment Manufacturer (OEM) Items</td>
<td>- Wheeled Vehicles</td>
<td>- Valves/Hardware</td>
<td>- Recruit Clothing</td>
<td>- Institutional Feeding</td>
<td>- Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Engines &amp; Airframes</td>
<td>- Tracked Vehicles</td>
<td>- Fluid Handling</td>
<td>- Organizational Clothing Equipment</td>
<td>- Medical/Surgical Equipment</td>
<td>- Operations Rations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Aviation Supply Chain Commodities</td>
<td>- Batteries</td>
<td>- Electronics</td>
<td>- Pharmaceuticals</td>
<td>- Produce</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Nuts &amp; Washers</td>
<td>- Bearings</td>
<td>- Motors</td>
<td>- Bearings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Converters</td>
<td>- Packing/Gaskets</td>
<td>- Motors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EBS**  | **FAS**
Demand and Supply Chains

Demand Chains: grouping of customers that are managed by Customer Operations

“Each Customer is aligned to one, and only one, demand chain”

Customer Focus

from demand signal to order fulfillment

the magic happens in the middle

Supply Chains: grouping of items/suppliers that are managed by Supplier Operations

“Each item is aligned with one, and only one, supply chain”

Supplier Focus

Aviation

Construction and Equipment (C&E)

Clothing and Textiles (C&T)

Medical

Subsistence

Land

Maritime
The Mission...Land Demand/Supply Chain

Industrial and Operating Forces Support...

Industrial Support Efforts
• IFSGs
• Collaboration
• Customer Pay
• Tailored Production Kitting

Operational Support Efforts
• MRAP
• Air Cond. Parts Support
• Land Readiness Room
• Armor/Suspension Kits
• Reset/Reconstitution
• Forward Deployed CAS’s

...and a Weapons Systems Focus...
The Mission...Maritime Demand/Supply Chain

Industrial and Operating Forces Support...

"...without a Respectable Navy, Alas America!"

John Paul Jones

Norfolk Naval Shipyard

Industrial Support Efforts

• Corporate Material Process Team
• Shipyard Value Stream Analysis
• Demand Collaboration
• Insulation Prime Vendor
• Forward Positioned Resources

Trident Refit Facility Kings Bay

Operational Support Efforts

• Nuclear Reactors Program
• New Ship Class/System Support
• Fleet Equipment Casualty Support
• Forward Positioned Resources

...and a Weapons Systems Focus...
Stakeholder On-Site Alignment

3000+ strong in Columbus, Mechanicsburg, Warren, Philadelphia, Norfolk, Puget Sound plus 51 forward locations... and growing ...

LEGEND
- Fwd Exec/Maritime
- Fwd Exec/Land
- MRAP OEM locations
- Product Specialist
- CLSS
- Buyer
- Customer Service Rep
Other Distributed Ops

Int’l Zone

Bagram

Speicher

Anaconda

Tallil

Arifjan

With DLA Support Teams (DSTs)
## Warfighter Support Programs and Initiatives

<table>
<thead>
<tr>
<th>Program / Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Alignment; Engagement at multiple levels and sites</td>
</tr>
<tr>
<td>Army Reset Support</td>
</tr>
<tr>
<td>Robust Development of Performance Based Agreements with Customers</td>
</tr>
<tr>
<td>Surface Warfare Partnerships and Fleet Engagement</td>
</tr>
<tr>
<td>Rapid Readiness Response for Maritime Customers</td>
</tr>
<tr>
<td>Tires Privatization Initial Contract - end to end supply chain</td>
</tr>
<tr>
<td>Transfer of Batteries Management to DSCC - seamless</td>
</tr>
<tr>
<td>Integrated Logistics Partnerships at organic repair facilities</td>
</tr>
<tr>
<td>Industrial Product Support Vendor Initiatives</td>
</tr>
<tr>
<td>Fleet Automotive Support Initiative - Regional and Global</td>
</tr>
<tr>
<td>MRAP Support -- a true DLA success story</td>
</tr>
<tr>
<td>Organic Manufacturing</td>
</tr>
<tr>
<td>Theater Provided Equipment Refurbishment Programs</td>
</tr>
<tr>
<td>Iraqi Security Forces M1114 Transfer Program</td>
</tr>
<tr>
<td>M2 Machine Gun Production Support</td>
</tr>
</tbody>
</table>
DLA Support to MRAP

We broke the mold in provisioning and sustainment

Parts Support Strategy: Original Plan vs Actual

Incremental CLS transition to organic, based on NSN assignment and theater requisitions

<table>
<thead>
<tr>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
</tr>
</thead>
<tbody>
<tr>
<td>4QTR</td>
<td>3QTR</td>
<td>2QTR</td>
</tr>
</tbody>
</table>

Provisioning

**Phase I: Forecasted & Demand Driven Parts**
- Type II NSNs (CAGE & PN) assigned for ASL/PLL
- Obtain TECH Data

**Phase II: Complete Weapon System**
- Long Term Contracts (Sole Source & Competitive)
- Type I NSNs (Fully Described) Assignment/Identification

**Army G4 direction: Enable units to order via NSN using tactical STAMIS**

**Organic Supply System (MILSTRIP) NSN Requisitions**

<table>
<thead>
<tr>
<th>Year</th>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>PHASE 1</td>
<td>Air Conditioning Parts (258 NSNs) Planning began in Spring 08 Undefinitized Contract Actions (UCA) Issued May08 – deliveries through FY08</td>
</tr>
<tr>
<td>2009</td>
<td>PHASE 2</td>
<td>Over 5000 NSNs (OEM) Planning in June 08 UCA's issued in July 08 Deliveries continue in 2009</td>
</tr>
<tr>
<td></td>
<td>PHASE 3</td>
<td>Long term contracts (up to 19K NSNs) Market Survey began Oct 2008 ID new LTCs and adds to current Award by Sep 09</td>
</tr>
</tbody>
</table>
M-ATV Vehicle Support

• Initial production delivery order to Oshkosh Defense to build MRAP-All Terrain Vehicles (M-ATV) for Afghanistan ops.
• 3 year contract with orders up to $3.3B for production, delivery, and associated support.
• First M-ATVs will be fielded by October.
• Produce 1,000 vehicles/month by Dec 2009.
• MRAP J PO is planning to procure limited initial spares and wants DLA to provide sustainment during fielding, as we are doing for rest of MRAP
• DSCC/DLIS/ DLA are supporting early sustainment efforts

"From an equipment standpoint, there's no higher priority than to get these vehicles in theater as rapidly as we can."
- ADM Mike Mullen, Chairman Joint Chiefs of Staff
Fleet Engagement

Seawolf & Virginia Class Support

Stock Redistribution
CVN 73
5th-6th FLT SSNs
PC/MCM
SSGNs

San Antonio Class

LHD 8 Interim Spares

CVN 71 Support

CG & DDG Modernization
Readiness Rapid Response

- USS PORT ROYAL GROUNDING
- BLACK OXIDE COATED BRASS THREADED FASTENERS
- USS GEORGE WASHINGTON GLOBE VALVE
- USS GEORGE WASHINGTON (CVN 73) FIRE

Support by Fleet & Infrastructure Relationships
Four Major BRAC Initiatives Affecting DSCC and Our Partners

Law says:
- Realign **DLR Procurement** management and related support to DLA

End state: **FY2011**
- Single face of all DLR/consumable procurement
- Single procurement management strategic partnership with vendors
- Leveraged DoD buying power

Law says:
- **Consolidate supply, storage and distribution** functions and inventories of local DD with local base support

End state: **FY2011**
- Single manager of inventory and infrastructure
- Single tailored investment strategy

Law says:
- **Privatize Management**, storage, distribution, and realign contracting functions for tires, packaged petroleum products, and compressed gases from services to DSCC and DSCR.

End state: **FY2011**
- Prime Vendor arrangements for supply, storage, distribution and disposal requirements.

Execution
- Contracts by ’07
- Storage by ’08

Law says:
- Most **Consumable Items** managed by the services will transition to DLA

End state: **FY2011**
- Cross Service Group identifying items
- Population considerably less than expected 350K
Agenda

- Organization
- Warfighter Support
- Stewardship Excellence
- Workforce Development
DSCC Business Profile

Scope of Business

- 2.1M NSNs
- 1,400+ weapon systems
- 145,000+ customers
- 6.7M requisitions
- 7,000+ suppliers
- 1,900 contracts at $7.8M/ day
- 707K contracts/ year

FY09 Depot Level Reparables

- DLA-Mechanicsburg:
  - 7,400 contracts
  - Valued at $240M
  - Supporting NAVICP
- DLA-Warren:
  - 800 contracts
  - Valued at $195M
  - Supporting TACOM

Sales Trend

- FY06 to FY08: $2.9B, $3.2B, $3.5B
- FY09: $2.9B
- FY09 Projection: $3.7B

Sales by Supply Chain

- Land: $1.8B
- Maritime: $1.7B
- Foreign Military Sales: $280M
DLA’s Business Strategy Within Supply Chains

End to End Supply Chain Integration

Common Processes/ Services Define Our Enterprise Supply Chains
Four Procurement Avenues of Approach

1. Acquire whole supply chains
   • Privatization: Tires
   • Microelectronics
   • Batteries

2. Where an end-to-end supply chain does not exist, acquire and integrate supplies and services
   • PBL arrangements, Integrated Logistics Partnerships, Industrial Product Support Vendors, Fleet Automotive Support Initiative-Global

3. Where integration services are not required, acquire strategic material with flexible response
   • Long-term contracts with performance requirements, strategic supplier alliances

4. For non-strategic material: transactional buys

Supporting Rapid Acquisition
Contracts Breakout

**Land Suppliers**

- LTC: $1,188,605,344 (66%)
- Manual: $492,596,874 (27%)
- PACE: $131,902,831 (7%)

**Maritime Suppliers**

- LTC: $484,067,676 (33%)
- Manual: $684,802,189 (47%)
- PACE: $289,959,628 (20%)

**Award Actions**

- LTC: 401,477 (84%)
- Manual: 52,880 (11%)
- PACE: 26,372 (5%)

- LTC: 151,243 (49%)
- Manual: 86,306 (28%)
- PACE: 70,687 (23%)

*LTC = Long Term Contracts  PACE = Procurement Automated Contracting Evaluation*
EProcurement Overview

EProcurement is a continuation of DLA’s EBS Transformation

The Plan

- **What:** Replacement of all current EBS procurement functionality plus inclusion of DPACS, ECF, PACE with DI BBS as a bolt on.

- **When:** Initial Operational Capability (IOC) (pilot) in April 2010; Full Operational Capability (FOC) in Sept 2012.

- **Where:** Stand-up of EProcurement functionality for current DLA Supply Chains, BRAC DLR sites, and 6 DLA sites with no previous EBS implementation (DDC, DRMS, DCSO, DAPS, DESC, DNSC).
FY10 Federal Budget

- Net Interest
- International
- National Defense
- Social Security
- Medicare
- Domestic
- Other Mandatory

FY11

DoD Budget Facing Downward Pressures

- Land & Maritime Business Driven by DoD Budget
  - Surge since FY01
  - Overall business volume peaked…but many pockets of strong demands…MRAP/M-ATV/Reset

Outlook
- FY09 on target with slight belt tightening
- FY10 on plan
- FY11 anticipated decreases
Continuous Process Improvement

CPI Profile

- **Personnel**
  - 4 certified Black Belts; 16 Certified Green Belts
  - 61 trained Green Belts

- **Training**
  - 3 GB classes at DSCC (Dec, Jan, Apr): 130 trained GB
  - 1 BB class at DSCC (Feb-Jun 2009): 12 trained BB
  - LSS Champion/Project Sponsor Tng: 40 trained
  - DAU On-Line training available

- **Active Projects**
  - DSCC: 11 RIEs, 4 LSS project; 1 TOC DBR project
  - DLA: 4 Enterprise projects (ESA and Dmd Plng)
  - Customers: Participating in 5 projects, many RIEs

Institutionalizing CPI

CPI projects aligned to identified risk areas (ERM) and NSPS goals

- Evaluate DFU models, establish management controls
- Evaluate pricing for TCS
- Streamline credit card process
- Evaluate T/Q process for onsite industrial customers
- Evaluate the customer complaint resolution process
- Improve Outline Agreement accuracy
- Evaluate use of tags in calculating PFE
- Evaluate forward T/Q requirements/approach

Our Journey Continues...

Supply Chain Operations Reference (SCOR) Model

DLA Enterprise
- Perfect Order Fulfillment
- Demand Plan Accuracy
- Attainment to Plan
- Cost Performance

Service Needs
- USN/USMC: CASREPs
- USA: AOG, Reset, CCIR
- USAF: AAIP, MICAPs
- Material Avail, Unfilled Orders

Being Bilingual -- Goal Congruence in a Global Materiel Enterprise
DLA Fusion Center Portal

- Customer Targeted Outcome (CTO) metrics programmed into the Fusion Center Portal
  - Access to detailed status information and analysis by Service and weapon system
  - Links outcomes to each Supply Chain partner’s contribution to those results
Agenda

- Organization
- Warfighter Support
- Stewardship Excellence
- Workforce Development
What Is Culture?

- **Beliefs** about what is really important
- Widely shared and strongly held **social expectations** about appropriate attitudes and behaviors
- When organizations stand for something of **universal value**, employee commitment is deeper and more enduring
Culture Survey

DSCC Response Rate 71.3% -- we’d like it higher

Adaptability... up 73 points
Mission... up 30 points
Involvement... up 77 points
Consistency... up 51 points
DSCC Diversity

Director’s “Equity” Initiative

Targeted Disabilities Goal 3% DLA Columbus 2.17%
Master Plan / Capital Improvements

- Reactivate Bldg 30 for DRMS (FY09) $900K
- Partial Demo. Bldg 27 (FY09) $2.5M
- Fitness Center (FY14) $10M
- Antiterrorism Enhancements (FY12) - $5.6M
- Demo. Bldgs 41/42 (FY09/10) $5M
- Armed Forces Reserve Center (Non-DLA BRAC MILCON) $29M (FY08)
- Ohio Army National Guard Projects (FY09) $65M
- Renovate Bldgs 11-12 for DFAS (FY09) $1.5M
- Expand Child Development Center (FY09) $5M

Green = Projects Under Construction / Blue = Future Projects
Commander’s Intent
Strength and Balance

Performance
Focus on Warfighters
Improved Operational Unit and Industrial Support

Transformation
Linking Suppliers to Warfighter Demand
EBS, BRAC, Forward Execution

Leadership and People

Culture
Enhance Associates’ Capabilities (Skill, Knowledge, Attributes)

Continuous Process Improvement underpins all efforts
DSCC Supplier Conference

August 18, 2009

Doing What is Right for the Armed Forces and DoD

Warfighter Support
Stewardship Improvements
Business Process Refinements
Workforce Development
Agenda

- DLA Mission and Organization
- Full Spectrum Support
- Scope of DLA Customer Support
- DoD’s Supply Chain Manager
- Support for Responsible Drawdown in Iraq
- Support to US Forces Increase in Afghanistan
- DSCC Warfighter Support
DLA’s Mission
Supporting the Warfighter

DLA is DoD’s combat logistics support agency. Our mission is to provide best value integrated logistics solutions to America’s Armed forces and other designated customer’s in peace and in war, around the clock, around the world.
Full Spectrum Global Support

Supply Chains
- Subsistence
- Fuel/Energy
- Land Systems
- Maritime Systems
- Aviation Systems
- Medical
- Clothing & Textile
- Construction & Equip

Distribution
- Defense Distribution Center
- 25 Distribution Centers

Stockpile
- Defense National Stockpile Center

Reutilization & Disposal
- Defense Reutilization & Marketing Service
- Reverse Logistics

Theater Support
- DLA Europe
- DLA Pacific
- DLA Central
- DLA Africa

DLA Services
- Document Automation & Production Service
- Defense Logistics Information Service
- Defense Automatic Addressing System Center

Defense Logistics Agency
Scope of DLA Customer Support

- A $36.8 Billion global enterprise
- Supports over 1,500 weapon systems
- Provides 95 percent of all Military Services’ repair parts
- Manages 3.8 Million national stock numbers (8 Supply Chains)
- Foreign Military Sales
  - Projected Sales Fiscal Year 2009: $1.53 Billion
  - Shipments: 570,000 per year
  - Supporting 115 Nations
- Provides 100 percent of:
  - Fuels
  - Food
  - Clothing and Medical Supplies
  - Construction Material
- Worldwide Presence:
  - More than 25,000 civilian, active duty, and reserve employees
  - 28 countries and 48 states (except Vermont and Iowa)
DoD’s Supply Chain Manager

- Integrated, End to End Supply Chain Manager
- Demand Forecasting with Services
- Strategic Material Sourcing
- Significant Presence at Military Industrial Sites
- Strong Partnership with Industrial Base

Vendor Distribution Activities

Leveraging distribution to complete the supply chain
Taking DLA to the Next Level

• Warfighter Support Enhancements
  – Supporting Responsible Drawdown in Iraq
  – Supporting US Forces Increase in Afghanistan

• Stewardship Improvements
  – Identifying Prudent Cost Reductions
  – Enterprise Risk Management

• Business Process Refinements
  – Assessing EBS Performance and Potential
  – Improving Demand/Supply Planning & Supply Chain Alignment

• Workforce Development
  – Enterprise-wide Employee Survey
  – Enhancing Support & Capabilities of Forward Support Personnel
Responsible Drawdown in Iraq

- **Supply & Distribution support**
  - Adjusting sustainment flow
  - Reviewing forwarding stocking requirements
  - Coordinating support for Reset

- **Streamlining the transfer process**

- **Multi-National Force Iraq support**

- **DRMO Support**
  - Process avg of 24M lbs/month
  - 80% haz material disposed thru Iraqi recycling contracts
  - 100M lbs scrap removed FY08; 52M lbs removed FY09 to date

- **Managing materiel reuse to Gov’t of Iraq**
  - Utilizing 4 step process
  - Base closure … scrap removal and DEMIL
  - Hazardous waste recycling and disposal
  - Sale of serviceable excess
US Forces Increase in Afghanistan

- Providing operating base materiel
  - Prepositioning supplies
  - Procurement and shipping of 17,000 housing units in progress
  - Providing generators, latrines, showers and associated material Force protection materials

- Posturing for the duration
  - Establishing DRMO in RC-S
  - M-ATV production

- Sustainment Support
  - Surging subsistence and fuel
  - Balancing sustainment flow with force flow

- Repair parts support
  - Procurement for critical weapon systems
  - Tailoring support for MARFOR unique assets

- Timely Support
  - Customized pure pallets
  - Theater First" supply logic
• Services deploy with initial requirements, DLA sustains

• Army Supply Support Activities stock inventory and re-order from DLA

• Almost 100% air shipments

• Dedicated and robust air channels essential

• DLA support from distribution centers

• CONUS Inter-theater flight managed by TRANSCOM
  • 20% US Military Aircraft
  • 80% Commercial aircraft
DSCC Warfighter Support

• MRAP Sustainment
• Tires Privatization
• Industrial Prime Vendor
• Battery Initiatives
• Water Purification Initiative
• Maritime FSC Supply Chain Partnerships (e.g. FSC5961/62 Microcircuits, etc.)
• Various Long Term Contracts for single or multiple NSNs
• Combat Vehicle Support Initiative

LAND:
• Parts for Ground Vehicles
• Various Military Equipment Components

MARITIME:
• Ship Parts
• Electronic Components

Industry Partners...A Vital Support Link