

# **Defense Logistics Agency**

## **Fiscal Year 2020 Historical Report**



**The Nation's Combat Logistics Support Agency**

**DLA History Program**

# Defense Logistics Agency

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# Defense Logistics Agency

## Message from the Director Fiscal Year 2020 Historical Report

I don't often use the word 'unprecedented,' but for the Defense Logistics Agency, the word certainly applies to Fiscal Year 2020. DLA's role in the nation's COVID-19 response was indeed unprecedented and included support to the military services, the combatant commands, and our longstanding whole of government partners. In America's time of need, the DLA team responded with world-class professionalism!

DLA continued to excel at its core business, warfighter support. The agency ended the year with a 96% spare parts availability, far above our historical average. DLA's role as the North American warehouse and distributor for F-35 Lightning II parts will improve support to three services and partner nations. DLA Distribution's Warehouse Management System will produce new efficiencies for the command and make it almost immediately auditable. DLA will always focus its efforts and refine its processes to provide the best possible service to the warfighter.

Specific to the COVID-19 response, DLA obligated more than \$2 billion across 21,000 contracts for lifesaving medical supplies, including test kits, ventilators, pharmaceutical drugs, and personal protective equipment to meet customer demand and to support the Strategic National Stockpile. Along with medical supplies, DLA also procured food, clothing, fuel, construction materials, and repair parts for DoD and federal government partners.

The agency's existing relationships and standing agreements with the services and other federal agencies were vital to the success to the nation's initial COVID response. DLA deployed personnel to US NORTHCOM, FEMA, HHS, the White House Supply Chain Task Force and others to integrate into COVID response teams. These personnel provided reach-back to DLA's vast resources, while communicating requirements and ensuring alignment across the enterprise.

DLA also leveraged its extensive communications network with industry, which enabled us to rapidly address demand spikes for COVID-related goods and services. We initiated weekly conference calls with key suppliers to share vital information and discuss critical issues created by the pandemic. These relationships and actions were fundamental to the resilience of the industrial base.

DLA's investments in IT updates and infrastructure over the years paid off during this pandemic, as we quickly moved a large portion of eligible employees seamlessly to maximum telework. For those whose work required onsite presence, we expanded shifts, reconfigured worksites and provided PPE to keep the workforce as safe as possible.

These are just a few highlights in a year that can only be described as...unprecedented. To conclude, I'd like to thank my immediate predecessor, Lt. Gen. Darrell K. Williams, for his counsel and for helping me make a smooth transition as the 20<sup>th</sup> director of the nation's combat logistics support agency.

Warfighter always!



# Defense Logistics Agency

## Agency Historians

### Fiscal Year 2020 Historical Report

DLA Historian	Dr. Colin Williams
DLA Troop Support	Mr. Christian DeLuca
DLA Land and Maritime	Ms. Kristin Molinaro
DLA Aviation	Mr. Leon Moore
DLA Energy	Ms. Irene Smith
DLA Disposition Services	Mr. Jake Joy
DLA Distribution	Ms. Brianne Binder
J1	Ms. Kathy Rhem
J3	Mr. Jacob Boyer
J6	Ms. Sonya Rose
J7	Mr. Bob Bednarcik, Ms. Kim Villarreal
J8	Ms. Carol O’Leary, Ms. Maryann Gaudio
J9	Dr. Joseph Davenport
DLA Inspector General	Mr. Andrew “Dutch” Duszynski
DLA Small Business Programs	Mr. Christopher Hall
DLA General Counsel	Ms. Michele Pavlak
DLA Intelligence	Ms. Linda Uehling
DLA Legislative Affairs	Dr. Cordell Francis
DLA Installation Management	Mr. Shawn Carpenter
DLA Equal Employment Opportunity	Dr. Angela Curtis
DLA Public Affairs	Dr. Colin Williams
DLA Transformation	Mr. Thomas Doyle

# Defense Logistics Agency

## Executive Summary

### Fiscal Year 2020 Historical Report

The measure of an agency is not how it survives but how it responds to change. In Fiscal Year 2020, the Defense Logistics Agency faced, overcame, and grew from three types of change. The Defense Wide Review represented programmed change. A reform led by Defense Secretary Mark T. Esper, it could have significantly altered our mission and organization. COVID-19 was unexpected change. It placed massive and immediate demands on material while highlighting the agency's acquisition capabilities to the entire nation. Finally, DLA instituted its own changes. Charged with providing logistical support in the most effective and economical manner possible, the agency initiated efforts to modernize DLA Distribution, one of its major subordinate commands. The ability to grow and prosper from all three changes allowed DLA to end the year in a strong position, albeit with enough challenges to promise continued excitement in FY 2021.

The fiscal year began with Defense Wide Review dominating discussions. The review examined defense agencies to identify savings that could be reinvested in the Services. It had two consequences for DLA. First, to prove the agency efficiency-minded, DLA Director Army Lt. Gen. Darrell K. Williams entered his meeting with Pentagon leadership promising to reduce people, operating expenses, and the agency's cost recovery rate. Measures to achieve these reductions will affect every command and staff. The second consequence was organizational. Losses included DLA Logistics Operations deactivating its Joint Contingency Acquisition Support Office, DLA Distribution transferring 181 people to the U.S. Navy, and DLA Small Business Programs moving its 92 Procurement Technical Assistance Program sites to the Office of the Under Secretary of Defense for Acquisition and Sustainment. A decision as to whether DLA Installation Management will sign properties over to U.S. Army Installation Command is expected in FY 2021. Gains included three warehouses from the Defense Security Cooperation Agency and more supply, storage, and distribution responsibilities from the Services.

Other reforms demanded time and attention. With the rest of the Defense Department, the agency continued its financial audit. Commands and staffs corrected deficiencies and reported progress to the Audit Task Force, part of DLA Finance. Lt. Gen. Williams initiated a second reform in December. Looking to show the agency's commitment to efficiency, he directed DLA Troop Support's Industrial Hardware be divided between DLA Land & Maritime and DLA Aviation.

The Industrial Hardware decision affected employees and agency identity. Nonetheless, it conformed to changes in wholesale military logistics over the years. Whereas once supply chains were organized by items bought and stored, today they are customer-focused. Thus, Industrial Hardware, which manages consumable repair parts such as nuts and bolts, had once merited its own inventory control point, the Defense Industrial Supply Center. A 1993 Base Realignment

and Closure decision subordinated the supply chain to the Defense Personnel Support Center, which assumed the Defense Industrial Support Center's headquarters in northeast Philadelphia. This arrangement saved money and prevented employees from having to move but was logistically unsound. Williams's decision will increase procurement efficiencies and reduce the DLA components with which customers have to engage. Industrial Hardware will cease being a separate supply chain in FY 2021.

While Lt. Gen. Williams was making his Industrial Hardware decision, Mr. Brad Bunn, director of DLA Human Resources, led a team negotiating a new Master Labor Agreement with Council 169 of the American Federation of Government Employees. The negotiation process is leadership- and time-intensive. It is also important, with the potential to amend working conditions throughout the enterprise. The two parties ended the fiscal with 14 of 50-plus issues still in dispute. Resolution is expected in FY 2021.

Not all negotiations during the First Quarter were labor-related. In acquisition, the agency continued to increase the efficiency of its massive procurement system. One notable achievement was automated indefinite delivery contracts, agreements with companies for low-demand items. Fielded in November 2019, they have a ceiling of \$250,000 or one-year duration. DLA Land & Maritime has benefitted most from this vehicle. To date, it has awarded more than 5,300 contracts under the program, one third of which required no buyer intervention and two thirds only limited intervention.

Also negotiated were DLA's responsibility for the F-35 Lightning II, the military's joint strike fighter. After discussions with the aircraft's program executive office and manufacturers, DLA Logistics Operations and DLA Distribution prepared the agency to become the North American warehouse for parts and, with U.S. Transportation Command, their distributor. These assignments are noteworthy not only because of the size and breadth of the program – the most expensive in history – but also because they help solidify the agency's relationship with TRANSCOM, an important logistics partner.

Unexpected change brought project development to a complete stop in Second Quarter. The coronavirus, first diagnosed in China on the last day of 2019, spread throughout the world in January. DLA responded by reporting on-hand personal protective equipment and researching how to lodge Americans returning from China. By the end of February, the agency was following Secretary Esper's guidance to protect the workforce, defend the country, and support efforts to defeat the virus.

Those efforts accelerated in early March when U.S. Forces Korea sent a distress call for PPE and other pandemic-related supplies. DLA Troop Support responded through multiple means. In the following days, the World Health Organization declared the coronavirus a pandemic, DLA bought PPE with money from the Coronavirus Preparedness and Response Supplemental Appropriations Act, Congress passed the Families First Coronavirus Response Act, and President Donald J. Trump prioritized COVID-19 purchases by invoking the Defense Production Act.



March also brought unprecedented change to the workforce. By mid-month, employees who were not designated mission-essential-on-site were authorized to telework full time. Nearly overnight, two-thirds of the agency began working from home. DLA Human Resources wrote policy for this change and teamed up with DLA Public Affairs to purvey information on an oft-visited website. For their part, DLA's "blue collar" employees had to learn how to social distance at work and abide by strict safety measures.

Meanwhile, developments occurred in rapid succession. In early March, Saudi Arabian and Russian oil ministers disagreed on production cuts, dropping the price of crude oil. DLA Energy refined product cost and subsequently reflected those cost reductions. Then the Army deployed three combat hospitals and the Navy two hospital ships to American cities devastated by the pandemic. DLA Troop Support supplied medicine and DLA Land & Maritime repair parts. DLA Troop Support also provided PPE to workers constructing temporary medical facilities for the U.S. Army Corps of Engineers and pharmaceuticals to medical professionals taking care of patients in them.

DLA Troop Support assumed the lead in other actions as well. It ordered 8,000 ventilators for the Services and Federal Emergency Management Agency. The command also responded to FEMA requests for human remains pouches and other items. In addition, it helped the Navy prevent the virus from spreading aboard the USS Theodore Roosevelt, an aircraft carrier in the Pacific. DLA Troop Support provided test kits for the vessel and supported two other carriers in the region as they went into pre-deployment lockdowns.

Demand exceeded supply during Third Quarter. Five processes allowed DLA to continue fulfilling orders. Perhaps most important was the Warstopper program, measures and procedures developed after the First Gulf War to ensure access to critical items. The program provides readiness solutions for all supply chains but its contribution to the COVID-19 response focused on medical material, to include N95 respirators – medical facemasks that help prevent the transmission of respiratory diseases. Second in importance was other-transaction authorities, a vehicle that allowed DLA to contract with companies that do not normally do business with the government but can provide access to emerging technology. DLA Research and Development used other-transaction authorities to produce face shields by additive manufacturing and develop a substitute for the N95 respirator that was more comfortable, less expensive, and sourced entirely from American materials.

Supply chain management sparked two additional processes. Despite being the executive agent for items needed to control the coronavirus, DLA had no way of identifying on-hand quantities across the Defense Department, much less the federal government. Without this information, the White House Supply Chain Stabilization Task Force could not make informed decisions. The DLA Metrics Branch and the DLA Program Executive Office resolved the problem by developing, automating, and deploying the Federal Medical Material Common Operating Picture.

Initially, the Defense Department did not have a decision-making body comparable to the White House Supply Chain Stabilization Task Force. Since the agency could not make allocation decisions, the DLA's Troop Support commander consulted with the Defense Health Agency and

Joint Staff Surgeon to raise the idea of converting the Joint Materiel Priorities and Allocation Board into a medical material decision-making body. Lt. Gen. Williams presented the idea to Air Force Lt. Gen. Giovanni K. Tuck, director of logistics for the Joint Staff. Tuck, a former DLA Energy commander, formed the Defense Medical Logistics Enterprise Working Group in response.

The fifth process allowing the agency to operate in a resource-constrained environment. DLA Disposition Services collected PPE and ventilators from military units with excess. More than showcasing the agency's stewardship, reverse logistics provided material that helped save lives.

Third Quarter also showed DLA exercising its purchasing power to help vulnerable Americans. The elderly were most in need of protection: as of early April, almost half of coronavirus deaths in the U.S. were occurring in assisted living facilities. To slow this trend, the White House Task Force announced a plan to provide two-weeks of PPE to more than 15,000 nursing homes. DLA Troop Support wrote the contracts for this provision. Since national and state governments had depleted their PPE reserves early in the crisis, the agency started refilling stockpiles. Despite its military focus, DLA was the only purchasing agent capable of obtaining large quantities of scarce material at a reasonable price. Another massive project dependent upon DLA was Operation WARP SPEED, the federal government's effort to deploy a vaccine. The agency provided the PPE needed to test 30,000 people for each of eight vaccine possibilities.

DLA Troop Support continued its coronavirus-related provision in the Fourth Quarter by fulfilling requests for test kits. One was for a surge planned by the Department of Health and Human Services. A second was initially intended for schools across the country. The contract ultimately supported nursing homes, a higher priority according to the White House Supply Chain Task Force.

Just as the new school year forced students, teachers, and parents to conduct normal activities in an abnormal environment, DLA spent the Fourth Quarter pursuing non-coronavirus change in a COVID-19 environment. Many of these changes affected DLA Distribution. In addition to transferring personnel to the Navy, receiving warehouses from Defense Security Cooperation Agency, and increasing its role in supply, storage, and distribution, the command continued to develop the Trans-Arabian Network and adjusted to two automations. One automation was the Transportation Management System, a U.S. Transportation Command program promising increased in-transit visibility. It is currently undergoing a 24-month trial at DLA Distribution San Joaquin.

The second management system was the result of agency-driven change. As part of its quest to perfect business practices, DLA started replacing its legacy Defense Distribution System with the Warehouse Management System. The Warehouse Management System will be cloud-based and run off the same platform as DLA's Enterprise Business System. Like its predecessor, it will automate the receipt, storage, and issuing of materiel. Unlike the Defense Distribution System, the Warehouse Management System will make DLA Distribution immediately auditable. Implementing this new system will be the responsibility of a new commander, Marine Corps Brig. Gen. Keith D. Reventlow.



Like DLA Distribution, the entire agency received a new leader in late summer. Lt. Gen. Williams retired in July at the end of a 38-year career and Navy Vice Adm. Michelle C. Skubic replaced him a month later. FY 2021 will be shaped by her leadership.

The challenges Vice Adm. Skubic face are serious but not beyond the capabilities of her workforce. As indicated by the nomination packets for nine DLA Hall of Fame inductees, the agency has emerged stronger and more connected to customers after each event, reform, and new mission. In December 2019, Secretary Esper recognized this success with a Joint Meritorious Unit Award. Among the many achievements cited in the award's justification were responses to natural disasters, efforts to prevent the spread of Ebola, establishing the Nuclear Enterprise Support Office, and realizing over \$150 million in savings for the Defense Health Agency.

DLA's past provides momentum for the future. Change resulting from the government's COVID-19 response belongs to the unexpected category for now. Other change is programed. Besides helping U.S. Transportation Command implement the Transportation Management System, DLA is working with the combatant command on a bulk liquid fuel pilot and F-35 projects. In addition, DLA continues to support the command with human resources, improving its time-to-hire and other readiness measurements.

In the future, DLA will need to change to address four known challenges. Two are environmentally related. The destruction of per- and polyfluoroalkyl substances (PFAS) has environmental groups concerned and refurbishing a navy fuel storage facility in Hawaii will help prevent accidental spills. Another significant challenge is DLA Joint Reserve Force's lack of a joint manning document. Without such a document, the agency cannot predict labor availability during crises.

Finally, forecasting material requirements is a challenge whose remediation has the potential to alter how DLA conducts business. Forecasting is problematic because it affects multiple business areas, from military service support, to order management, to the Defense Wide Working Capital Fund. The working capital fund is itself a complex instrument, shared with the Defense Finance and Accounting Service and Defense Information Systems Agency and existing in a relationship with on-hand cash. Despite being hard to explain during audits, a positive balance in this fund represents readiness, the only profit in which the agency is interested.

To maintain readiness, DLA must accept, incorporate, and grow from change. It did so superbly in FY 2020. To keep the nation ready for armed conflict, natural disasters, pandemics, and other national emergencies, it will continue to do so in FY 2021.

# Defense Logistics Agency

## DLA Troop Support Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
TROOP SUPPORT  
700 ROBBINS AVENUE  
PHILADELPHIA, PENNSYLVANIA 19111-5092

OCT 22 2020

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY, ATTN: DP


SUBJECT: Submission of DLA Troop Support FY20 Annual History Input

FY20 has brought significant challenges to the way we conduct business. The COVID-19 global pandemic created obstacles within our supply chains, moved the workforce from the office to the home and tested the strength and resiliency of our organization.

I am proud to say that our employees have stepped up to the challenge and continue to provide optimal, global supply chain solutions to enable ready, lethal Warfighters and our other valued customers. This is evident in the outstanding performance of our workforce, matching our highest sales ever of \$19.1 billion. With five (5) distinct supply chains, all successful in their own right, it shows the depth and breadth of our support to America's military and Whole of Government partners.

As we move forward in FY21, we will continue to support and enable the accomplishments of the DLA Strategic Plan and align with DLA's three major themes of Continued Warfighter Readiness, Support to Defense Reform, and Audit Advancement.

I am confident that the DLA Troop Support workforce is capable, ready and willing to overcome any obstacles that may arise, and we will continue our legacy of providing outstanding customer support.

  
GAVIN A. LAWRENCE  
Brigadier General, USA  
Commander

## **1. Introduction**

The Defense Logistics Agency (DLA) Troop Support Annual History outlines actions taken by DLA Troop Support's five supply chains – Subsistence, Clothing & Textiles, Construction & Equipment, Medical, and Industrial Hardware – as well as the Product Test Center Analytical during FY20 to support our customers around the globe.

DLA Troop Support collaborates with military services, combatant commanders, and industry partners to balance Service requirements with industry capability in order to meet warfighter demand.

In addition to direct customer support, DLA Troop Support actively supports agency goals of reducing inventory, decreasing operating costs, decreasing material costs, improving customer service, and achieving audit readiness.

### **a. Mission**

DLA Troop Support delivers optimal, global supply chain solutions to enable ready, lethal Warfighters and our other valued partners.

### **b. Vision**

A world-class organization and trusted industry partner that provides innovative, responsive, and fiscally sustainable supply chain solutions to our nation's Warfighters and WoG teammates.

### **c. Values**

Leadership, Professionalism, and Technical Knowledge through Dedication to Duty, Integrity, Ethics, Honor, Courage and Loyalty.

## **2. Organization and Total Personnel**

DLA Troop Support is one of six DLA major subordinate commands and operates five distinct supply chains: Subsistence, Clothing & Textiles, Construction & Equipment, Medical, and Industrial Hardware. Sales for FY20 totaled \$19.1 billion. Staffing includes 2,255 civilians, 69 active duty military personnel, and 42 reservists.

DLA Troop Support provides a variety of essential items to members of the armed forces, including utility and dress uniforms, headgear, footwear, personal protective equipment, heraldics, tents, shelters, operational rations, fresh foods, force protection items, diving gear, safety and rescue equipment, fire and emergency equipment, storage, HVAC, plumbing, heavy equipment, metals, lumber, targets for training, pharmaceuticals, medical surgical and medical equipment items, medical capital equipment, and consumable repair parts.

Using long-term contracts, tailored logistics, prime vendor relationships, and traditional contracts, DLA Troop Support procures products needed to meet the requirements of our warfighters serving around the globe. The Philadelphia-based field activity also oversees two forward-based commands, DLA Troop Support Europe & Africa and DLA Troop Support Pacific, headquartered in Germany and Hawaii, as well as forward-based offices throughout the continental United States. Through this forward presence, DLA Troop Support embeds employees in the continental U.S. and overseas with customers and key industry partners to personally ensure we meet or exceed the needs of our service members.

### 3. Key Personnel

#### a. The DLA Troop Support Command leadership team includes:

- (1) Brig. Gen. Gavin Lawrence, USA, Commander: June 2019-present
- (2) Mr. Richard A. Ellis, Deputy Commander: July 2010-present
- (3) Mr. William J. Kenny, Executive Director, Contracting & Acquisition Management: August 2010-present
- (4) Mr. Robert A. Ratner, Chief of Staff: July 2010-present

#### b. Supply Chains

##### (1) Subsistence

COL Eric McKoy	Director: June 2019-present
Rich Faso	Deputy Director: April 2016-Present
Lourdes Valentin	Supplier Operations Director: November 2018-Present
John Sheehan	Customer Operations Director: July 2016-Present

##### (2) Construction & Equipment

CAPT Jacqueline Meyer	Director: June 2019-present
Thomas Grace	Deputy Director: April 2016-Present
Marko Graham	Supplier Operations Director: July 2018-Present
Howard Page	Customer Operations Director: July 2016-Present

##### (3) Clothing & Textiles

Lt Col Justin Swartzmiller	Director: April 2020-present
Roy Dillard	Deputy Director: August 2016-Present
Steven Merch	Supplier Operations Director: August 2016-Present
Richard Miller	Customer Operations Director (Acting): December
2018-Present	
Lisa Raucheisen	Plans & Integrations Director: August 2015-Present

(4) Industrial Hardware

COL Adrian Crowley	Director: September 2013-present
Tina Piotrowski	Deputy Director: September 2017-present
Gary Shifton	Supplier Operations Director: February 2014-present

(5) Medical

COL Matthew Voyles	Director, Medical: June 2018-present
David Johns	Deputy Director: February 2016-present
Nora Steigerwalt	Customer Operations Director: August 2016-present
Dan Keefe	Supplier Operations Director: May 2016-present

c. Key Staff Elements

(1) Procurement Process Support

CAPT James Gayton, USN	Director: July 2018-present
Jeffrey Horton	Deputy Director: May 2016-present

(2) J3/J5 Operations and Plans

CAPT Timothy Griffin, USN	Director: June 2019-present
Patrick Owens	Deputy Director: December 2018-present

(3) Product Test Center Analytical

Jamie Hieber	Director: July 2014-present
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d. Key Personnel Changes

(1) Army Lt. Col. Tracy Yates assumed command of DLA Troop Support Europe & Africa from Lt. Col. Sherdrick Rankin on June 5, 2020. Rankin, commander from July 12, 2018, will attend the Air War College at Maxwell Airforce Base, Alabama.

(2) Dan Keenaghan was the Process Compliance director from June 2018 to June 2020. He is currently the Executive Director of insurance Services at the Veteran's Benefits Administration. Rene King is the present acting Process Compliance director

#### **4. Command Accomplishments**

a. Awards and Recognitions

The Medical supply chain received a best-in-class acquisition award for its electronic catalog program. The program is an ecommerce platform where customers can browse, compare, and order medical items.

## (1) 2019 Troop Support Hall of Fame Inductees

Every November, former DLA Troop Support employees are nominated for induction in the DLA Troop Support Hall of Fame for significant long-term contributions, outstanding customer service, and exemplary work ethic.

(a) Donald Buchwald was the Director of Medical during Operation Iraqi Freedom. He was a strong leader who made tough decisions. As Medical Director, he fostered many innovations, to include the Medical Air Bridge and readiness contracts. During his tenure as director of customer operations, Mr. Buchwald led many contingency efforts to include for Hurricane Sandy and the Haiti Relief.

(b) Thomas Daley served as the Subsistence Deputy Director prior to retiring from DLA Troop Support, where he dedicated 34 years of exemplary service. Mr. Daley was committed to acquisition excellence and successful leadership in multiple supply chains. His expertise and influence had a positive impact on readiness, strategic planning and sustainment operations for forces deployed around the world. Mr. Daley's dedication and professional work ethic benefited not only the Defense Logistics Agency but our nation's heroes as well.

(c) Joan Hewes made an indelible impact on DLA's customer service practices and the type of support that our warfighters have grown accustomed. In her nearly 36-year long career, Joan knew the financial and operational impacts on customer support and could translate those impacts into "customer speak." In the early 1980's Joanie was an Inventory and Accounting Clerk in the Directorate of Subsistence.

## (2) Troop Support Innovation Award

During the December 2018 Troop Support Town Hall, the commander, Army Brig. Gen. Mark Simerly launched the inaugural Declaration of Innovation Award. The award will be presented quarterly to employees that make recommendations for changes or improvements within the organization. The award recipients by quarter were:

### (a) Quarter 1 Individual Award:

Miriam Tannenbaum, Europe and Africa Customer Facing division chief, was recognized for exploring new ways to move food and water in Africa, expanding support to Navy ships in the Red Sea, and working to reduce military food waste in Poland.

### (b) Quarter 1 Team Award:

The Procurement Office Hawaii (POH) team was recognized for achieving significant success despite being undermanned (down 3 personnel). The team quickly turned around critical nutritional supplement requests for Naval Special Warfare Operators, took on responsibilities outside of their purview to ensure vendors were provided passes, and efficiently and effectively managed many additional programs.



(c) Quarter 2 Individual Award:

Susan Hill, Industrial Hardware material and training branch chief was recognized for her work with IH's Pathways to Career Excellence (PaCE) Planning Branch. Hill created the foundation for the new planning training program, and established herself and her team as a force to be emulated across supply chains.

(d) Quarter 2 Team Award:

Clothing and Textile supply chain's Individual Equipment Procurement Team was recognized for its steadfast performance, efficient & expedient contract actions and its successful innovation in procuring critically needed ground troop body armor and loadbearing equipment.

(3) Public Affairs Community Relations

(a) Adopt-a-School program

DLA Troop Support started its Adopt-A-School program and planned and executed engagements at the Gilbert Spruance Elementary School. The team developed opportunities that not only met the school's needs but also had a meaningful impact on students.

Altogether, the team recruited 28 volunteers to support programs. It led the following events: Read Across America (March 8), with 10 military volunteers reading to 540 students; Career Day (May 9), with five employees discussing their careers and federal job opportunities; and a Veterans Day event (November 7), with 13 military and veteran volunteers who read to students and discussed their experiences in the military.

(b) Philadelphia School District Internship Program

DLA Troop Support partnered with the Philadelphia School District to create an internship program as part of a Community Relations initiative. The internship program was a paid experience for high school seniors to gain meaningful federal work experience before advancing to college. Five Northeast Philadelphia High School students were selected for the program. They worked in offices throughout the organization from January 2020 until March due to the COVID-19 pandemic.

## 5. Supply Chain Accomplishments



a. Subsistence

(1) Members of the Subsistence team met with the Army's Joint Center of Culinary Excellence and SYSCO at Fort Hood, Texas, to discuss training for the new Army Outpost food truck which arrived at the base in mid-December. A grand opening for the truck was held on 6 February.

(2) DLA Troop Support coordinated with the Charleston County School District for its January Harvest of the Month initiative. Senn Brothers, the fresh fruits and vegetables

vendor for South Carolina, procured hydroponic lettuce from Vertical Roots, a local South Carolina farmer. This lettuce is pesticide free, uses 98% less water to grow, is held to the highest food safety standards, and is grown using energy-conscious production systems.

(3) An indefinite delivery/quantity-type contract with a maximum value of \$7 million was awarded to US Foods San Francisco Division for customers in San Francisco and Sacramento, California, Reno, Nevada, and surrounding areas. The contract period is 250 days.

(4) A food truck bound for Kaiserslautern, Germany, was loaded onto a ship from New Jersey on 14 February. Subsistence awarded a contract to Custom Mobile Food Equipment in December 2019 for this food truck for \$200,000. DLA Troop Support purchased six food trucks for the Army in 2019. They went to six bases in the U.S.; the truck headed to Germany was the first to be sent.

(5) Navy Groton submitted a large subsistence order on 14 February for delivery two days later. Despite the short lead time and weekend delivery schedules, subsistence prime vendor Hartford Provisions fulfilled 100% of the order. This demonstrates Subsistence and the prime vendor's capacity to handle short fuse requirements when needed.

(6) A prime vendor contract for customers in Wisconsin was awarded to Sysco Baraboo. The maximum dollar value is \$7M and the term is 3 years.

(7) USMC Marine Corps Community Services has been set up as a new customer at Camp Mjuk Korea and will use DLA prime vendor Subsistence catalog to support its snack bar.

(8) A DLA Field Representative met with warehouse personnel from the Chickasaw Nation Native American tribe to discuss concerns with deliveries by the Oklahoma fresh fruits and vegetables vendor, Go Fresh. Pallets are now properly stacked with minimal quality issues. Indian Tribal Organization customers appreciated follow-up support and customer-facing time with DLA Troop Support Subsistence.

(9) DLA Troop Support and DLA Distribution worked together to get 48 hand-washing stations to Fort Leonard Wood, Missouri, in less than two days so service men and women could practice proper hygiene during the coronavirus. The Subsistence supply chain's food service equipment team worked with Fort Leonard Wood and to request the hand-washing stations on March 17 at 9:15 a.m. Thomas Henry, general supply specialist with DLA Distribution Headquarters, said he started working on the requests at 10 a.m. The hand-washing stations were packed and ready to be shipped by 5 p.m., arriving at Fort Leonard Wood the following day at 1 p.m.

(10) Subsistence received a ticket through the Fresh Fruit and Vegetable Order/Receipt System from Itawamba County, Mississippi, after 5 p.m. on Friday, March 20, seeking a produce delivery on Monday, March 23. The county had just learned it would be serving pre-made box lunches at its elementary school and needed produce to complete the meals. After working with the customer, the supply chain worked with the fresh fruit vendor for Mississippi, MS Fruit. The vendor confirmed the order over the weekend for delivery on Monday.

(11) Subsistence provided support for the hospital ships USNS Comfort and USNS Mercy out of Norfolk and San Diego. The USNS Comfort went to New York and was supported by the subsistence prime vendors Pocono Pro Foods and Market Fresh. The USNS Mercy went to Los Angeles and was supported by subsistence prime vendor US Foods La Mirada, Coast Citrus, and Alta Dena. Over \$1.3M in food items have been shipped to the hospital ships since mid-March.

(12) Due to COVID-19, \$4.7 million in school orders were cancelled through March. Subsistence continues to work with school districts that have been identified as a central box breakfast/lunch distribution point. The supply chain continues to order bulk and pre-pack produce items for pick-up meals. In addition, support to tribal locations has increased. The USDA was asked to maximize support to this customer group as participation in the USDA food package increases.

(13) With the help of subsistence prime vendor Reinhart Valdosta, the supply chain filled an order for 5,779 cases of shelf-stable meal kits to support contingency operations for COVID-19 at Fort Benning, Georgia. These meals typically require a 21 day ordering lead time but, due to the emergent situation, the SPV was able to expedite delivery with the first package arriving seven days after the order was received. The customer received the deliveries with enough separation so that storage capacity was not compromised.

(14) On April 1, Subsistence awarded contracts to Chef Minute Meals and GA Foods for almost 300,000 meals for FEMA support.

(15) A Market Fresh contract for customers at Ft. Benning, Ft. Gordon, Ft. Stewart, NSB Kings Bay, Moody AFB, and Robins AFB, GA was awarded to Royal Service. The maximum dollar value is \$90M and the contract term is five years.

(16) In June, DLA Troop Support received emergency requirements of 6,528 boxes of MREs on May 30 from the Minnesota Army National Guard. The MRE team worked with the customer and partners at DLA Distribution to process the order that evening. Materials were picked up, packed, and prepared for shipment the next day. The order was delivered on June 2.

(17) DLA Troop Support worked with food managers from the Army Sustainment Command, the 402nd Army Field Support Brigade, the Army's Joint Culinary Center of Excellence and prime vendors to establish a Culinary Outpost kiosk at Fort Wainwright, Alaska. A grand opening was held July 22.

(18) An indefinite delivery, indefinite quantity (IDIQ) contract for land customers located in the Norfolk region was awarded to US Foods Raleigh. The maximum dollar value is \$22 million and contract term is 128 days.

(19) The Food Service Equipment team awarded a \$412,000 contract to Custom Mobile Food Equipment for refurbishing three first-generation Culinary Outpost food trucks. The U.S. Army originally purchased these trucks for pilots at Fort Stewart, Georgia, and Fort Carson, Colorado. The refurbishment contract includes updating truck designs and equipment to increase operations and support new menus and nutritional equipment as per DA EXORD 252-15, "Improving Garrison Dining Operations."

(20) Pam Hamlett, Sharon Pollard, and Lauren Ginsberg, members of the Customer Operations Southeast Branch, attended the Virtual Food Service Board Meeting on August 12, hosted at Fort Bragg, North Carolina. The meeting was attended by the installation's food program manager, SSMO representatives, dining facility managers, preventative medicine, nutrition care, and the Subsistence Prime Vendor Sysco Raleigh. Agenda topics included Food Management Assistance Team preparation, COVID-19 feeding guidance, installation feeding financial status, and key dates for the feeding program.

(21) In early August, the US Navy contacted DLA to support feeding Basic Training Recruits at Fort McCoy during 14-day quarantines prior to their onward movement to Great Lakes training center. This COVID-19 mission began on August 24 with 200 support staff

and 900 recruits and increased to 3,600 recruits per month. The Navy utilized two DFACs for the recruits, who will be separate from the Ft McCoy population.

(22) Starting in July, DLA Troop Support provided prime vendor support for shipping frozen and dry containers to the port of Balboa in support of the Navy's Counter-Transnational Criminal Organizations mission in Panama. The shipments are expected to continue through the end of November.

(23) USDA Foreign Agriculture Service, along with USDA Food Safety and Inspection Service, received European Union Commission approval on an updated model Health Certificate for military transit and/or storage of CLI in the EU. This new model Health Certificate, posted to the USDA Export Library on July 22, will greatly reduce frustrated OPRAT cargo in the EU by streamlining both mixed and composite ingredients onto one health certificate. USDA FSIS, DLA Troop Support, and OPRAT vendors participated in an online training session to review the new model Health Certificate and transit documentation procedures on July 23.

(24) DLA Troop Support Subsistence worked closely with the U.S. Department of Agriculture to provide students and tribes access to fresh fruits and vegetables during the COVID-19 outbreak and throughout the summer. A total of \$352 million was spent through fresh produce contracts from July 2019 through June 2020. Twenty-three states utilized the Summer Feeding program, which had \$472,000 in funds allocated for the year. For the 2020-2021 school year, the program had \$366 million allocated. With most schools in a virtual learning environment, many meals will need to be pre-packaged and picked up at school.

(25) The USDA and DLA produce program saw growth with the addition of 28 tribes approved to receive shell eggs along with fresh fruits and vegetables starting on October 5. USDA and DLA representatives worked together with produce vendors from California to New York to offer the pre-pack shell eggs in dozen resale units for community feeding programs.

(26) An employee from the Operational Rations/Equipment Division, Contracting Office, successfully passed her DLA Troop Support Proficiency Assessment Part II - Contracting Officer Review Board Interview. She has been appointed to the Level V/Unlimited warrant status after previously receiving her DAWIA Level III certification in the contracting field.



#### b. Clothing & Textiles

(1) C&T provided more than 55K operational camouflage pattern utility uniforms to 15K Air Force recruits October 2019, with a 99.8% first time fill rate at recruit training center Joint Base San Antonio-Lackland.

(2) Propper International Inc. was awarded a contract for the Air Force Intermediate Weather Outer Layer (IWOL) Flame Resistant Trouser Sage and OCP. This is a new item introduction for DLA Troop Support. The contract is for five years with a maximum dollar value of \$35,904,653.25.

(3) Capps Shoe Co. was awarded a five year contract with maximum dollar value of \$60,403,500 for Men's and Women's Dress leather shoes. This item is a Navy and Coast Guard bag item, and also is used by the Navy Reserve Officer Training Corps and the Air Force Junior Reserve Officer Training Corps.

(4) A new contract for the 23/P Advanced Technology Anti-G Suit (ATAGS) was

awarded to Vinyl Technology, Inc., Monrovia, California. This is a fixed quantity contract for 450 suits, making them available in 11 sizes, and is estimated at approximately \$1.74M.

(5) A new contract for Overboots, Molded, Lightweight, Chemical/Biological Protective (MALO) was awarded to AirBoss Defense, Quebec, Canada. The maximum dollar value is \$26,754,000. This is the first award for the MALO, which is part of the JSLIST ensemble, and replaces Overboots, Lightweight, Chemical, Biological, Radiological, and Nuclear Alternative Footwear Solutions.

(6) A \$4.7M long term contract for the Army's newest version of the Modular Lightweight Loadbearing Equipment (MOLLE) Rifleman's Set, and the new extended 9mm magazine pouch to be used by all military services, was awarded to the Federal Prisons Industry (FPI), inclusive of a one year base ordering period, with two option years. A new \$1.4M long term contract for the Modular Lightweight Load-carrying Equipment M-4 three Magazine Pouch was awarded to The Resource Center (TRC), a Non-Profit Agency for Source America located in Jamestown, New York.

(7) The second of four planned contracts to support the Army's requirements for Modular Lightweight Load-carrying Equipment (MOLLE) Rifleman's Set was awarded to Patriot Industries, a Historically Underutilized Business (HUB) Zone Small Business, located in Monticello, Kentucky. This fixed quantity contract for 51K Rifleman's Sets has a total dollar value of \$51.7M. The Rifleman Set is the primary piece of load-carrying equipment within the MOLLE ensemble used by the infantry.

(8) Belleville Shoe Manufacturing Inc, in Belleville, Illinois, was awarded a contract for Air Force Men's and Women's Temperate Weather Coyote Boots. The contract contains a base year and three one-year option terms with an overall contractual maximum of \$43M. This contract will provide for continuity of deliveries of the newly introduced coyote boots required as part of the AF OCP rollout plan.

(9) A \$2M contract was awarded to Raven Aerostar in Madison, South Dakota, for the JP8 Fuel Handlers Coverall. The JP8 coverall is a critical weapon system coded item that provides protection against jet fuel for operators who work in and around aircraft fuel tanks and tanks with anti-explosive foams. The base year and each option year include a max ordering quantity of 1,230 coveralls (per term).

(10) December 2019 marked the final rollout of Athletic Footwear (AFW) to all services, with Marine Corps RTCs received the items. During this initial issue of athletic footwear 425 pairs of shoes were issued at MCRD Parris Island and 450 pairs were issued at MCSR San Diego. Three types of AFW were provided as part of the initial clothing bag: Type I Cushion, Type II Stability and Type III Motion Control. There are three manufacturers providing the AFW: New Balance, Proper International and San Antonio Shoe.

(11) A contract for the Men's and Women's Navy White Jumper was awarded to Bernard Cap LLC located in Hialeah, Florida. C&T was able to negotiate successfully with FPI, to allow DLA to set aside 50% of the requirement for Small Business. The Bernard contract is valued at \$14.5M for one base year, and four option years; the contract was awarded one month ahead of the Time to Award Goal. The split in the total requirement allows for ordering flexibility.

(12) C&T and the Air Force recently collaborated to add the AF as a user of the Army Female Advanced Combat Shirt. Contracts are in place to support the Army's requirement of 66,000 per year. The AF projected annual usage rate of 4,800 year will be incorporated in the current contract.



(13) A firm-fixed-price contract was awarded to Carter Industries, Inc. located in Olive Hill, KY with an 18-month base with two (2) one-year option periods for a total maximum contract dollar value of \$71,871,000. Several rounds of negotiations resulted in a savings of \$1,548,090.

(14) C&T flag makers unveiled the very first Space Force flag to U.S. Space Command and Space Force Commander Air Force Gen. John W. Raymond during a visit to the flag room March 6 in Philadelphia. During the visit Raymond signed the Space Force flag on base fabric that would be covered with stitches. He also laid the first batch of stitches for the Space Force emblem by starting the embroidery machine. The completed flag was delivered to Raymond March 16.

(15) A \$7M maximum contract, for a one-year ordering period, for the Men's Army White Short Sleeve Dress Shirt was awarded to Sawasawa LLC (Los Angeles, California). This accelerated acquisition was started when the current vendor for this shirt, Brigade Manufacturing, lost their financial backing. Sawasawa has experience as a subcontractor for DLA, but this is its first contract award as a Prime Contractor (dress shirts are a new product line for Sawasawa). A pre-award survey site visit was conducted by the C&T Industrial Planning team prior to award, and Sawasawa was determined to be low risk.

(16) On 24 March, a long term contract for Enhanced Small Arms Protective Inserts (ESAPI) valued at \$303M was awarded to Ceradyne, located in Irvine, California. The Ceradyne ESAPI award adds a third contractor for this critical safety item. This new award has a base ordering period of one year with two additional option years for monthly deliveries of ESAPI up to 15K per month. The Ceradyne award is a significant step in increasing DLA's support of the warfighter with this critical piece of Personal Protective Equipment.

(17) A new fixed quantity award for 58,039 each Improved Outer Tactical Vest (IOTV), Generation IV valued at \$33.8M was awarded to Carter Enterprises, a Historically Under-utilized Business (HUB) zone small business located in Brooklyn, New York. This award was based on urgency due to production delays in the Army's new Modular Scalable Vest coupled with the need for deploying soldiers to have the most modern body armor available.

(18) Clothing and Textiles awarded four contracts for surgical masks in support of the Strategic National Stockpile refit. Each contract period ends 12/31/2020, and respective deliveries are anticipated July 2020 through September 2020:

(a) A contract for a minimum quantity of 1,500,000 masks and maximum quantity of 3,080,100 masks was awarded to Hu-Friedy in Chicago, Illinois, for a maximum of \$924,030. Hu-Friedy will manufacture the surgical masks via subcontractor Crosstex in Hauppauge, New York.

(b) A contract for a minimum quantity of 5,519,967 masks and maximum quantity of 45,639,900 masks to Hilo Enterprises in McLean, Virginia, for a contract maximum \$13,235,571. Hilo Enterprises will manufacture the surgical masks via non-domestic subcontractors: Skypro Medical Products, Acme Filter Masks, and V&Q Manufacturing.

(b) A contract for a minimum quantity of 3,519,967 masks and maximum quantity of 45,639,900 masks to Big Apple Sign Corp in New York, New York, for a contract maximum \$14,604,768. Big Apple Sign Corp will manufacture the surgical masks via non-domestic subcontractor Winner Medical Co. Ltd.

(c) A contract for a minimum of 10,519,966 masks and maximum of 45,639,900 masks to New Market Veterans, located in Chicago, Illinois, for a contract maximum



\$15,061,167. New Market Veterans will manufacture the surgical masks via non-domestic subcontractor ZHANGJIAGANG ZHIYI MEDICAL HEALTH PRODUCTS CO., LTD.

(19) U.S. Air Force Lt. Col. Justin Swartzmiller took command as Director of the Clothing and Textiles supply chain, relieving former Director USAF Col. Joseph Elkins.

(20) A new long-term contract for the Army Combat Glove was awarded to Mechanix Wear in Valencia, California, with a total dollar value of \$30,772,250. Its subcontractor Pyramid, LLC will produce the gloves at its facility in Providence, Rhode Island. This is the first DLA sustainment contract for Army combat gloves in support of the service's requirements. This award is designed to provide continuous support for the next four years at a maximum monthly rate of 22,000 pairs.

(21) The Tentage and Shelters Team awarded a contract to Outdoor Venture Corp, a HubZone Small Business located in Stearns, Kentucky. This award provides for the manufacture of various Temper Tent configurations, as well as components requisitioned as spare parts. The award provides for a base year and four-term option periods, with an overall maximum dollar value of \$50,111,115.00. This long-term contract will enable DLA Troop Support to continue supporting Army, Air Force, and Navy requirements.

(22) A long-term contract for Enhanced Small Arms Protective Inserts (ESAPI) with a total dollar value of \$209 million was awarded to Point Blank Enterprises (PBE) in Pompano Beach, Florida. This indefinite quantity contract has a base ordering period of 18-months with two available option years that allow for monthly deliveries up to 9,600 ESAPI. PBE has been in continuous production of the ESAPI since 2017 and this new award will ensure its ESAPI manufacturing for years to come. In addition, PBE will accelerate deliveries. DLA's ability to provide ESAPI to the warfighter in the coming months will increase to 25,000 per month as a result of this new PBE award coupled with the ESAPI award to Ceradyne last month. The ESAPI is the primary hard body armor used by military services for torso protection against various armor piercing rifle rounds.

(23) A \$500,000 maximum dollar value contract for the Military District of Washington (MDW) Raincoat was awarded on 6 August to American Apparel located in Selma, Alabama. The MDW Raincoat was a difficult item to source due to the low demand. The coat is worn by the Old Guard who guard the Tomb of the Unknown Soldier and at Inaugurations during inclement weather.

(24) On August 10, Space Force requested the expediting of two 3-Star Space Force general officer flags for two high-visibility events where two Air Force Major Generals became the first Lieutenant Generals in the Space Force. The Flag Room went into full production, and flags were in USSF hands 13 August 13. During the ceremony, members of the Air Force Honor Guard simultaneously furled the Air Force major general flag and unfurled the first-ever Space Force lieutenant general flag, marking the first promotion of a general officer in the new service.

(25) The first long term contract for the Chemical Biological Radiological and Nuclear (CBRN) canteen cap with a value of \$6.7 million was awarded to Avon Protection System, a large business, in Cadillac, Michigan. The cap was developed for use on the Joint Services' General Purpose Mask (JSGPM) which warfighters use to protect against exposure to CBRN agents while hydrating. The Marines are the primary user of the CBRN canteen cap and this new award will provide three years of support with tiered pricing. The CBRN canteen cap transferred to DLA Troop Support from DLA Land and Maritime. Avon Protection System is the

sole source for the CBRN canteen cap.

(26) Clothing and Textiles provided more than 700 pairs of hot weather combat boots to the Army National Guard in support of firefighters mobilized to combat West Coast wildland fires.

(27) A new IDIQ contract for the improved sleeping mat valued at \$2.2 million was awarded to Pioneer Vocational/Industrial, a non-profit agency for Source America located in Danville, Kentucky. The improved sleeping mat is primarily used by the Marines with some demand from the Army and Navy.

(28) A new long-term IDIQ contract for the Marine Corps assault pack liner with a value of \$2.8 million was awarded to Vinyl Technology, a small business located in Monrovia, California. This IDIQ contract has an 18-month base ordering period with three 12-month option periods. The assault pack liner provides waterproof protection for extra clothing items.

(29) An urgent award for 850,000 protective coveralls to support the Federal Emergency Management Agency (FEMA) and Health and Human Services (HHS) efforts to combat the COVID-19 virus pandemic was awarded to DuPont Specialty Products for a value of \$5.3 million. This urgent award enabled FEMA to issue orders against existing FEMA Resource Request Forms (RRF) before the beginning of the flu season. The Tyvek 400 TY122 protective coveralls are to be made available to state COVID-19 test centers, laboratories, patient care facilities and other high risk operations with the addition of a Power Air Purifying Respirator (PAPR) or similar airborne respirator system and gloves. The contract completes all deliveries of DuPont's Tyvek 400 TY122 coveralls by October 25.

(30) A new long-term contract with a value of \$3.3 million for the Marine Corps main pack liner was awarded to High Noon Unlimited, a small business located in Holiday, Florida. There is a base ordering period of 18 months with three option years designed to support the Marine Corps need of the field pack waterproof protective liner for the next 5 years. The first article testing is due in December with the initial delivery due in May 2021, although acceleration shall be requested once the first article is approved for fill requisitions as quickly as possible.

(31) A new long-term contract with a total dollar value of \$5 million for the water bag five gallon suppression assembly system supporting the Forest Service Wildland Fire Service was awarded to the Fountainhead Group, a small business located in New York Mills, New York. This firefighting equipment is currently below the critical re-order point for the Forest Service. This award used tiered pricing in lieu of option years, designed to seamlessly support customer requirements for the next three years. The first article testing requirement was waived and acceleration of the initial delivery has been requested sooner than the January 2021 contractual requirement.

(32) C&T hit \$2 billion in sales for the first time since 2010; a tremendous achievement in light of the COVID-19 pandemic and all the associated challenges with the respective supply chain, vendors, etc.

(33) A new long-term contract for the extreme cold weather compression stuff sack with a total dollar value of \$36.5 million was awarded to Seattle Lighthouse for the Blind, located in Seattle, Washington, under the Ability One Program. The award represents the Ability One 50% portion of the total requirement for this item and provides a base ordering period with four option years. The extreme cold weather compression stuff sack is a key component to the three season sleep system.

(34) A new long-term contract for the Air Force 13B/P and Navy 15A/P Anti-G

Suit with a value of \$9.7 million was awarded to RFD Beauford, a large business located in Sharon Center, Ohio. This long-term contract has a one-year base ordering period with three option years. This Anti-G Suit is a critical safety item worn by Air Force and Navy pilots to keep from losing consciousness during high-gravitational flight maneuvers. This is the second long term contract for this Anti-G Suit awarded this fiscal year to ensure DLA maintains proper safety levels for this CSI, war readiness type item. First article testing was waived under the new award as RDF Beauford has successfully produced this item for DLA Troop Support under successive contracts. The first delivery under the new award is scheduled for April 2021.

(35) On 14 September the Department of Defense, on behalf of the Department of Health and Human Services (HHS), signed contracts with nine American businesses for the delivery of 73 million COVID-19 disposable isolation gowns at \$335M. The contracts will support the replenishment of the HHS-managed Strategic National Stockpile and deliver by January 2021, ensuring HHS is poised to meet the nation's medical needs. These contracts have a ceiling of \$1.2 billion for up to 275 million gowns.



### c. Construction & Equipment

(1) The DLA Troop Support Command received a letter of recognition from the Naval Surface Warfare Center, which recognized the C&E HVAC team for its support on composite deck drains. The HVAC team tracked open purchase orders, responded to numerous status requests, and continually updated technical requirements for these items that are used onboard Navy destroyer vessels.

(2) During a monthly meeting with Navy's Corrosion Control Working Group, Navy members noted that DLA's support for OCONUS Navy FSG80 supplies had improved over the last six months. This improvement is attributed to the C&E/DLA Distribution/Navy agreement to fulfill and ship Condition Code B FSG80 product from CONUS DLA depots, which was implemented in Spring 2019.

(3) C&E received HCA approval on the competitive range determination for the Special Operational Equipment Tailored Logistics Support Program Follow-on Acquisition at the HCA Acquisition Review Board on October 10. The SOE TLS Program is C&E's largest program, generating more than half of the supply chain's annual sales. The SOE TLS Follow-on Acquisition has a maximum dollar value of \$33 billion.

(4) Heavy Equipment Procurement Program (HEPP) IST awarded two delivery orders to Oshkosh Airport Products, LLC. The first order was for two 1,500-gallon Aircraft Rescue Fire Fighting (ARFF) vehicles with ultra high pressure (UHP) for \$1,339,558. The second order for 3,000-gallon ARFF vehicles with UHP for \$1,378,174. Delivery for both orders is 350 days.

(5) A customer operations liaison to CENTCOM visited MacDill Air Force Base in Tampa, Florida on December 4 to educate members of the Air Force Special Operations Command, Deployment Cell on DLA's MRO and Spec Ops and Equipment programs.

(6) FSG 80 IST personnel, in coordination with the DLA CRM cell at Tinker AFB, worked diligently to avert a work stoppage. Tinker AFB advised DLA of an expected shortage of Epoxy Primer Coating due to constraints on sourcing material with the required appropriate dry-time. Upon notification of potential stoppage, the Customer was advised to

submit a Customer Direct requisition for their total required quantity in order to execute a directed procurement of material where the dry-time met their required specification. The award was turned around in less than 10 days and needed material delivered January 24, 2020.

(7) Received message of appreciation from Naval Surface Warfare Center IHEODTD for the support received through SOE TLS program. The customer expressed how much they appreciated the hard work of the SOE team as they worked to extend quotes on their \$1.4M order and then expeditiously award once funding was received.

(8) Truck Country of Wisconsin, Inc., De Forest, Wisconsin, was added as an awardee to the multiple-award contract announced April 20, 2017.

(9) Atlantic Diving Supply, Virginia Beach, Virginia, was added as an awardee to the multiple-award contract announced May 31, 2017.

(10) Wright & Wright Machinery Co., Inc., Monticello, was added as an awardee to the multiple-award contract supplying John Bean Technologies (JBT) Corporation's commercial material handling equipment, announced November 8, 2016.

(11) On February 5, 2020, the Acquisition Planning Branch awarded a contract for 85 Skid Mounted Meter Assemblies, to Scott Industrial (22,841), a small business in Ohio. Total dollar value is \$1,131,605.00.

(12) Message of appreciation received from the 99th Security Forces Squadron. The customer indicated they had incidents downrange and the equipment procured through C&E helped accomplish the mission the mission.

(13) Kohler Company, Sheboygan, Wisconsin, was added as an awardee on March 18, 2020 to the multiple award HEPP contract (Portable Power Equipment Product Group) announced May 16, 2017. The items are portable generators. This is a five year IDIQ contract with an estimated value of \$69,513,262.00. The maximum not to exceeded value is \$118,172,545.00.

(14) Navistar Defense, LLC., Melrose Park, Illinois, was added under contract as an awardee on March 19, 2020 to the multiple award HEPP contract under for the (Trucks & Trailers Product Group) announced April 20, 2017. This is a five year IDIQ contract with an estimated value of \$82,340,643.00. The maximum not to exceeded value of the contract is \$139,979,093.00.

(15) The Heavy Equipment Procurement Program (HEPP) Integrated Supplier Team awarded a delivery order to Caterpillar, Inc. for 26 bulldozers with 2-years of spare parts for \$22,622,508 with delivery in 500 days in support of TACOM FMS Case QI-B-AEO for Iraq.

(16) A \$31 million military interdepartmental purchase request was submitted by Army AIDPMO, Scott Air Force Base. The RFQ closed on April 28. The Competitive Range Determination & PBM have been completed. Lot #1 was awarded on May 20 to W&K Containers. The value of the fixed-price contract is \$2,198,000 for 200 units with a CDD of February 22, 2021. The customer is located at United States Army Garrison, Wainwright, Alaska. Lot #2 was awarded on May 22, 2020 to Intrepid Eagle Logistics. The value of the fixed-price contract is \$2,104.136 for 276 units and delivery on February 23, 2021. There are three East Coast customers - Ft. Drum, New York, Letterkenny Munitions Depot, Chambersburg, Pennsylvania, and Ft. Bragg, North Carolina.

(17) On June 4, 2020, the SMSG Acquisition Branch awarded a long-term contract for aircraft tie down to Peck & Hale, a small business located in New York. This is a 5-year IDIQ with a contract maximum of \$7M.

(18) The Small Business Administration Procurement Center Representative

approved the Small Business Coordination Record for the Metals Tailored Logistics Support Program (TLSP) on June 3, 2020. The renewal represents the fourth generation of Metals Tailored Logistics Support. The maximum value of the five-year term contract is \$900,000,000. Construction & Equipment submitted the Acquisition Plan to Contract Review on June 30, 2020.

(19) CL IV Wood Team awarded East Region Wood Products Total Logistics Support Program (TLSP) renewal on June 4, 2020. Four competitive IDIQ contracts were awarded to Middle Atlantic Wholesale Lumber, Inc. (Maryland); Progressive Services Corp. (Oregon); S&S Forest Products (Texas) and Sylvan Forest Products, LLC (Oregon). All small businesses. This TLSP will satisfy wood product requirements for fifteen states along the East Coast including Puerto Rico and U.S. Virgin Islands. All requirements will be competed among awardees. Each contract has a two-year base with three one-year options. The performance metrics are 90% on time delivery & solicitation responses. The TLSP maximum value is \$42M.

(20) On Friday, 24 June, the U.S. Army Corps of Engineers (USACE) reached out to DLA on emergency basis regarding one of the district's Dams (Tionesta). A USACE contractor was doing work on a road parallel to the Tionesta Dam. The road collapsed during construction which compromised the embankment, making it vulnerable to flooding. USACE Pitt required an emergency order of roughly around 300 tons of aggregate within a week to fix this road/embankment. They requested an emergency order to be fulfilled within 24 hours to repair the breach. They also requested 16 Expeditionary Barrier Systems (EBS) to fortify the embankment and to prevent flooding. They had previously ordered 190 tons of aggregate via MRO. Immediately after notification (Friday, 19 June), C&E sent a WARNO to Noble and MRO Support Ops to stand by for an incoming emergency order. On Monday, 22 June, USACE submitted a request for 400 tons of AASHTO No. 57 Aggregate w/ delivery within 24 hours of order placement. On Tuesday, 23 June, Noble expedited quotes and C&E issued a delivery order for execution. Great effort between C&E MRO program and its vendor Noble Supply responding to an urgent requirement.

(21) C&E efforts responded to a \$140M FEMA mission assignment in support of a nursing homes. A contract was awarded on 27 April for a turnkey solution to Federal Resources (\$67M) to provide kitted PPE to over 14.9K nursing homes with deliveries to commence the first week of May and to continue through the end of June. Total requirement consists of 609K pair protective eyewear, 6.9M masks, 32.2M pairs nitrile gloves, and 6.39M gowns.

(22) C&E is supporting the HHS Strategic National Stockpile replenishment. C&E has several awards to date under 1.0 to include 118M gloves (\$14.2M), 6.7M goggles (\$17.5M), and 4.8M face shields (\$11.5M). Deliveries will commence July 2020 and continue through October 2020. Under 2.0, C&E has awarded contract for 45.3M boxes (100/box) valued at \$507.7M with delivery 90 days ARO.

(23) A large buy was awarded to Aqua Chem on 26 June 20 for core assembly fluid. Good coordination and mentoring provided by senior contracting office (KO) to the buyer. The delivery schedule was negotiated to meet the customer requirements. Negotiated price savings of \$33K, \$664K total award value.

(24) A Food Service Water Heater was urgently required in support of the USS Stennis. Quick action and good coordination among the C&E IST buyer, material planner, and post-award branch resulted in the customer receiving material almost two (2) months sooner than the contract delivery date.

(25) DLA Troop Support C&E Heavy Equipment Procurement Program (HEPP)



awarded a five-year indefinite delivery contract to JCB, Inc. in Pooler, Georgia, on August 27, 2020 under the Construction Equipment Product Group for an estimated value of \$390,343,554.00 and a contract maximum value of \$663,584,042.00. All delivery orders above the micro purchase threshold are competed amongst the current Construction & Equipment product group contract holders which will now include JCB, Inc.

(26) C&E is experiencing the end of fiscal year surge in the special operational equipment (SOE) and fire & emergency services equipment (F&ESE) tailored logistics support (TLS) programs with record numbers of orders. As of September 1, 2020, there are 1,748 active orders being worked in SOE, 395 active orders being worked in SOE Tents, and 392 active orders being worked in F&ESE.

(27) Through September 29, FY 20 sales were \$6,256,289,125, setting a new record high.

(28) On September 24, an LTC for aircraft mooring tie downs was awarded by the SMSG Acquisition Planning Branch to Peck & Hale, a small business in New York. This is a five-year IDIQ contract (1-year base period, four 1-year option periods) with a contract maximum of \$7M.



#### d. Medical

(1) On October 30, 2019, Medical awarded a five-year contract to Alliant Healthcare for medical/surgical supplies. The contract maximum is \$30 million.

(2) On November 5, 2019, Medical awarded a new IDIQ economic price agreement contract to Biomet 3I, LLC. The contract is for five years with a maximum dollar value of \$49 million. Biomet 3I, LLC manufactures and distributes dental products. The contract encompasses 2,200 items consisting of artificial teeth, dental implants and metals, alloys, amalgams, and other equipment. These items will be available for purchase by both CONUS and OCONUS customers to include customers in Alaska, Hawaii and Puerto Rico.

(3) Medical had awarded a contract to Valneva USA, Inc. for Japanese Encephalitis Vaccine on January 15, 2019. On November 14, 2019, DLA received 28,000 doses, bringing the total received at DDSP to 272,860. Recent deliveries and those scheduled for the coming months will ensure that DLA is able to support the Services' requirements.

(4) On November 26, 2019, Medical awarded an Electronic Catalog contract to Sustainment Technologies, LLC, a service disabled veteran-owned small business. The company distributes equipment such as scopes, treatment tables and ultrasonic cleaners manufactured by Midmark. A five-year contract with a maximum of \$32.5 million reflects discounts that range from 14.08% to 61.62% off the manufacturers' list price.

(5) In mid-February 2020, DLA Troop Support Medical initiated contingency medical logistics support actions in response to the COVID-19 pandemic. DLA Troop Support began using its contingency stocks and emergency acquisition actions to meet high-priority DoD and the Federal Emergency Management Agency requirements. In addition, DLA Troop Support began an extensive survey of the medical commercial marketplace to assess its ability to meet the extraordinary demand for personal protection equipment and medical supplies related to COVID-19. In addition, the command began using its supply chain purchasing power to increase the velocity of medical materiel flowing to customers.



(6) Between February 24–27, DLA Troop Support Medical personnel participated in an Army Medical Logistics Command medical maintenance tabletop exercise (TTX) at Fort Detrick, Maryland. The purpose of the TTX was to examine medical maintenance roles and responsibilities relative to deployed medical equipment, identify capability and process gaps, and provide recommendations for closing the gaps. The exercise generated numerous recommendations that will be briefed to the Army Materiel Command commanding general.

(7) On February 27, DLA Troop Support Medical awarded an electronic catalog contract to Marathon Medical Corporation, a small business. Marathon distributes the Ultramist System, an ultrasound generator and transducer. It is a five-year contract with a maximum value of \$12.6 million. The final pricing reflects a discount of 16.67% off the manufacturer's commercial list price. This contract will increase the availability of equipment and potentially attract new customers and business.

(8) On February 28, DLA Troop Support Medical awarded a contract to D-Scope Systems, a small business, to provide medical integrated video image sharing systems to DOD and Veteran Affairs customers five years. This contract was a joint effort of the Air Force, Army and VA to establish a long-term contract for this new technology. The IVISS will allow clinicians to acquire, display, report, and share video endoscopy studies, and will interface with the new DOD and VA electronic health records. Customer funding for the initial six systems will be drawn from joint DOD/VA incentive funds. The overall maximum value of the IDIQ contract is \$45 million.

(9) On March 5, DLA Troop Support Medical awarded an indefinite purchase order to SZY Holdings for gas measuring tubes used. The glass detector tubes are filled with an inert reagent carrier material (silica gel, aluminum oxide, or aluminum silicate) and then an indicating reagent. The reagent produces a colorimetric indication in the presence of a particular gas, vapor or aerosol. Concentrations can be read directly from the color change on the tube's printed scale. These products have a two-year shelf life and are used in various weapon systems platforms. The contract is for three years with a maximum of \$250,000. Delivery will be 30 days.

(10) DLA Troop Support Medical personnel coordinated with the Defense Health Agency medical logistics laboratory officer to identify requirements related to COVID-19 specimen collection and COVID-19 testing authorized under Food and Drug Administration emergency use authorization. We are also working to ensure the DLA Troop Support Medical Electronic Catalog Program has sourcing for these required supplies and testing items and requirements. DLA personnel are tracking these specimen collection supplies in the DLA common operating picture.

(11) On March 19, DLA Troop Support Medical awarded an indefinite purchase order to Andwin Corp. for disk, filtering, microporous. These filters are one of the most widely used membranes in analytical research. They are designed to monitor air and fluids in the laboratory. The contract is for three years with a maximum of \$250,000. The vendor will deliver the material in ten days.

(12) On March 19, DLA Troop Support Medical received a request to expedite purchase requests for the USNS MERCY and USNS COMFORT. The ships were being deployed in response to COVID- 19. In less than a week, 87% of the purchase requests were expedited.

(13) Medical also closely coordinated with the Defense Health Agency medical logistics laboratory officer to identify requirements related to COVID-19 test and specimen collection supplies authorized under Food and Drug Administration emergency use authorization

and utilizing the Medical Electronic Catalog team for sourcing identified items and requirements. Identified specimen collection supplies are being tracked on the DLA common operating picture. The supply chain also assisted The United States Army Medical Research Institute of Infectious Diseases with expediting catalog orders for COVID-19 tests and testing products.

(14) DLA Troop Support Medical researched and coordinated with the Food and Drug Administration on guidance for face shields in response to a donation of 3D printed face masks from Ford Motor Company.

(15) The national prime vendor program that services the Defense Health Agency's pharmaceutical home delivery operation saved an additional \$15.0M. The Global Pharmaceutical Prime Vendor program, which services all CONUS and OCONUS, military treatment facilities, and other DOD customers, saved \$17.2M. These contributions bring the total pharmaceutical prime vendor savings to \$175.8M in FY 2020 and \$1.874B since inception of the programs.

(16) On 17 April 2020, DLA Troop Support Medical awarded a contract to Philips Healthcare for provide a 3.0T magnetic resonance imaging (MRI) system to the Evans Army Community Hospital, Fort Carson, Colorado. The value of the contract is \$2.3M.

(17) On 21 April 2020, DLA Troop Support Medical received a request to expedite a purchase request for the USNS Mercy and USNS Comfort. The requisition, for a dialysis machine for each ship, was awarded the same day the order was received. The vendor delivered the machines in five days.

(18) DLA Troop Support Medical reduced the costs of sixty drugs through its national contracts program in March 2020, saving \$25.7M. This reduction adds to a total of \$140.3M in FY20, and \$1.2B since the program began in August 2013.

(19) On May 1, 2020, DLA Troop Support Medical awarded a contract to Del Medical under the Radiology and Imaging Systems program for its complete commercial product line of radiology systems including digital radiographic and mobile x-ray systems. The contract has a five-year base period with one five-year option. The maximum value of the indefinite delivery indefinite quantity contract is \$100M. This is a joint contract with the Veterans Administration.

(20) On May 6, 2020, DLA Troop Support Medical awarded a contract to Intuitive Surgical under the Medical Equipment program for its complete commercial product line of daVinci Robotic Surgery Systems. The contract has a five-year term with a maximum value of \$420M.

(21) DLA Troop Support Medical has been partnering with a new customer, the U.S Secret Service. We provided Electronic Catalog (ECAT) and FEDMALL training, which enabled the Secret Service to place two orders for protective protection equipment, including large quantities of both hand sanitizer and face masks. This material will be used by the Secret Service details protecting the president and vice president.

(22) On May 7, 2020, DLA Troop Support Medical awarded a contract to Inficon, Inc. for 63 medical instrumentation and critical sensor technology items, which are used in part for chemical analysis in clinical and emergency response. The contracting action is for \$45M over five years with no options.

(23) On May 18, 2020, DLA Troop Support Medical awarded a contract to Metrex Research LLC DBA Orasoptic, a large business. Metrex manufactures surgeons' eye loupes and accessories. The contract period is five-years, with a maximum value of \$45M. The final pricing reflects a discount of 10% off the commercial list price for all offered items.

(24) On May 28, 2020, DLA Troop Support Medical personnel awarded a contract to Interior Fusion, LLC with a maximum value of \$45M. This is an IDIQ contract for five years with no options. Interior Fusion, LLC is a service-disabled veteran owned small business offering 1,399 medical healthcare specific hospital beds and miscellaneous parts. The contract prices are 29% - 41% off the manufacturer commercial list price. These items have lead times that range between 1-60 days.

(25) On June 11, 2020, the DLA Troop Support Medical clinical liaison accompanied personnel from DLA Troop Support Construction & Equipment on a trip to Federal Resources Supply Company in Stevensville, MD to examine the facility and discuss the face masks, gloves, and medical and non-medical isolation gowns the vendor is providing in support of COVID-19 requirements.

(26) DLA Troop Support Medical personnel secured a volume-based discount on a key pharmaceutical required for recruit training centers across all Military Services. The Customer Pharmacy Operations Center collaborated with the seven military treatment facilities that support this readiness requirement, assisting with identifying their requirements, and securing committed volumes to support the highest volume based discount from five sites that opted into the offer. This effort resulted in a \$9M prime vendor procurement and \$1.86M, or 21%, in savings for military recruits.

(27) The director of supplier operations, working in conjunction with the Joint Acquisition Task Force (JATF) and the White House Supply Chain Advisory Group (SCAG), held engagements with companies on opportunities for supporting DoD and WoG customers. Discussion topics included their capabilities and how to do business with DLA.

(28) On July 7, 2020, DLA Troop Support Medical selected the Mobile C-Arm Systems, provided by Ziehm Imaging, to be the standard for all DoD deployable medical hospitals. We awarded a contract to Ziehm Imaging for two Deployable C-Arm Systems for the Army, which will be sent for first-article testing. The value of the order is \$429K and the maximum value of the standardization contract over ten years is \$18.8M.

(29) On July 22, 2020, DLA Troop Support Medical personnel awarded a first-generation contract to Red One Medical under the Electronic Catalog Medical Surgical small business program. This contract is a five-year IDIQ with no options and a maximum value of \$12.6M. Red One primarily provides implantable surgical devices, and more specifically, the Orthofix Spinal implant product line.

(30) On July 24, 2020, DLA Troop Support Medical received a request to procure 254,232 bottles of 8 oz hand sanitizer for delivery to the depot at New Cumberland, Pennsylvania. Medical established a national stock number for this item, created a purchase request and, on July 28, 2020, awarded a purchase order to Assure Global LLC, doing business as We Shield. The contract is for 254,232 bottles at a total price of \$749.9k.

(31) On August 19, 2020, the Office of Management and Budget notified the principals on the Federal Category Management Leadership Council that DLA's electronic catalog (ECAT) program is designated Best-In-Class. DLA Troop Support Medical personnel have been working for over nine months with the Joint Medical Category Management Team to detail the cost benefits of ECAT and justify the designation. This designation will increase DLA's Tier 3 Spend Under Management by ~\$1 billion/year.

(32) DLA Troop Support Medical supplied expeditionary medical supply packs to the Disaster Assistance Relief Team of the Jamaica Defense Force (JDF). The effort was coordinated by U.S. Southern Command and the JDF Office of Disaster Preparedness

Emergency Management. Funding was provided by Defense Security Cooperation Agency for Overseas Humanitarian, Disaster and Civic Aid.

(33) On August 7, 2020, DLA Troop Support Medical awarded a purchase order for \$82.4k for 1,557 4.8-volt rechargeable batteries to be shipped to the depot. These batteries are used in the C420 Plus powered air-purifying respirator, which are used by first responders.

(34) DLA Troop Support Medical personnel are currently supporting two separate Overseas Humanitarian, Disaster and Civic Aid (OHDACA) made-to-order kitting projects for United States Central Command in an effort to provide emergency medical supplies to civilians in Syria.

(35) DLA Troop Support Medical personnel awarded Benco Dental Company a medical/surgical corporate exigency contract with an effective date of September 11, 2020. There are currently 884 product line items on contract, with a contract maximum of \$32.8M.

(36) The DLA ECAT acquisition program reached a new milestone with confirmed Fiscal Year 2020 sales of \$1,041,830,942. This is the first time in the program's history that annual sales exceeded \$1 billion.

(37) Since March 1, 2020, DLA Troop Support Medical personnel have filled 2,989 high-priority orders, valued at \$22.6M, for personnel protective equipment using stock from readiness contracts in support of COVID-19 relief efforts. Included are 12 orders for 36M 1870+ Bulk N95 Respirators valued at \$20.4M.



#### e. Industrial Hardware

(1) Expanded support to the Corpus Christ Army Depot (CCAD) through enhanced IPV support. The Boeing Request for Equitable Adjustment proposal for a new kitting requirement was received on October 21, 2019 reviewed by DLA contracting officers. It received customer concurrence on November 25, 2019. Kits were added due to an increase in CCAD demand. The contracting team has maintained ongoing communication with the customer to ensure the analysis of the requirement is accurate further aligning IPV support for kitting operations.

(2) On February 12, 2020, IH awarded "spot buy" contracts to resolve a critical parts shortage for Navy H-53 helicopter "main gear box bolts." The supply chain responded to a critical parts failure, researched to find a manufacturing defect with an assist from lab material analysis and found an acceptable source to replace the item ensuring a steady supply of critical weapons system components.

(3) Provided support to Army Tank-Automotive Command through provision of 775 "MANUAL HANDLE" items to clear 106 backorders directly related to 16/21 Bradley Fighting Vehicles' non-mission capable status (NMCS) on November 22, 2019. Innovative collaboration with Industry partners and contracting personnel facilitated a 225 day (85%) reduction in projected time to delivery.

(6) Successful vendor engagements with industry partners such as James Ippolito Co., W&G Machine, LOC, JKOZ Engineering, SPS Technologies, Avibank, and Boeing in O'Fallon, Missouri; strengthened communications and improved on-time delivery resulting in

resolution of the Army H-60 door track delivery on track to meet forecast demands after previously posing issues to Army readiness.

(7) IH SMSG awarded the Skookum/SourceAmerica Loop Clamp renewal project. The project is comprised 20 items in FSC 5340 for an estimated total contract value of \$1,066,234.26.

(8) Created novel Personnel Accountability Report (PAR) online tool in response to mass telework caused by COVID-19. Tool provides online accountability, saving employee, supervisory, and senior leader time. Shared for use across the agency.

(9) On March 4, 2020, DLA Troop Support Commander Army Brig. Gen. Gavin Lawrence and IH Director Air Force Col. Adrian Crowley announced the DLA Class IX Supply Chain Realignment. This initiative will divest the Class IX mission from DLA Troop Support and assign it to DLA Aviation and DLA Land & Maritime to increase efficiencies and effectiveness of Class IX support and realize \$4-7B in Agency growth over the three-year transition. The decision will decrease the agency cost recovery rate and have no negative impact on the DLA Troop Support Philadelphia workforce.

(a) Between April and June of 2020, IH transferred 90,716 items to DLA Aviation and DLA Land and Maritime with a burn down of purchase requests and corresponding technical and supply actions to minimize associated tasks with these items.

(b) During the transfer, 26 IH employees supported other supply chains' COVID-19 related surge requirements while maintaining warfighter support with 90.8% materiel availability (over 95% for nuclear enterprise items) and 13,000 backorders reduced.

(c) 49 employees have been placed in positions to support other areas in DLA to support existing and growing missions.

(11) Supported USAF critical requirement for the "ram lock nut" associated with a 10,000 lb. aircraft jack whose failure had caused 75% of the 1,877 jacks in the USAF inventory to be inoperable. With failures potentially due to a technical drawing update, IH coordinated with the customer and industry to ensure conforming parts were available, solicited and awarded additional sources, and provided the requisite materiel on a prioritized schedule ensure safety and operational success.

(12) During COVID-19 vendor shutdowns, IH received 170 COVID-19 related Post Award Requests (PARS). To date, 126 have been closed and 44 remain open. By utilizing questions to ascertain vendors' operating status and focusing on a targeted list of PARS to provide closure on payment issues, IH maintained relationships while supporting both customers and the industry base. Since March 15, 2020 Post Award received 554 Payment Issue PARS and, as of June 23, 2020, 411 have been closed. The remainder are being worked by post award.

(13) Executed three-year extension of Corpus Christi Army Depot contract in July 2020, with a base value of \$4.05 million for continued support to the Army's only aviation depot maintenance facility. The contract runs through July 2023.

f. Product Test Center Analytical

<b>Quarters</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>FY 20 Total</b>
<b>Total Reports Received</b>	2794	3563	2654	2210	11221
Shade	1812	1736	1825	1455	6826
Verification	53	60	60	22	195
Source	902	1709	713	725	4049
Other	1	7	2	2	12
Proficiency	2	1	2	0	5
Certifications	14	29	44	4	91
Source Untested	8	2	1	1	12

<b>Total Reports Completed</b>	2586	3616	2643	2222	11067
Shade	1811	1711	1824	1466	6812
Verification	47	53	61	27	188
Source	707	1821	713	711	3952
Other	1	5	1	1	8
Proficiency	0	2	1	0	3
Certifications	14	25	36	15	90
Source Untested	5	4	1	2	12

g. FY 20 Sales Breakdown

DLA Troop Support sales for FY20 totaled \$19.1 billion. Sales by supply chain breakdown as follows:

- (1) Subsistence: \$2.9 billion
- (2) Clothing & Textiles: \$2 billion
- (3) Construction & Equipment: \$6.2 billion Medical: \$7.4 billion
- (4) Industrial Hardware: \$496 million



#### h. Process Compliance Directorate: Continuous Process Improvement (CPI)

Over Fiscal Year (FY) 2020, Process Compliance led DLA Troop Support to increase audit knowledge of end to end processes, implemented and developed project management training across the workforce, fostered innovation through development of blockchain technology opportunities, and improved processes, policies, and controls to improve readiness and accountability.

<b>CPI Projects</b>
<p>Conducted project support for Enterprise Projects:</p> <ul style="list-style-type: none"> <li>- OCONUS MRE Rotation and Storage (Subsistence)</li> <li>- Enterprise Risk Management (ERM)</li> <li>- Troop Support + L&amp;M Blockchain</li> <li>- OCONUS Class IV Material Distribution – C&amp;E/Distribution</li> <li>- Logistics Supportability Analysis (LSA) – DLA Wide</li> </ul> <p>Local in process project support:</p> <ul style="list-style-type: none"> <li>- 5 HR Onboarding projects TS 3.3.2</li> <li>+ 1 formerly Enterprise HR project</li> <li>- Blockchain Tactical Action 4.1.4</li> <li>- Project Management TA 4.4.2,</li> <li>- Sit to Stand Desk process support</li> <li>- 2 Market Fresh projects in process</li> <li>- Joint Customer Engagement Strategy Travel Expense Reduction</li> <li>- vetted &amp; socialized 11+ project ideas across Troop Support organizations</li> <li>- Pursuing 5 post project validations. 1 completed.</li> <li>+ 2 FSG-80 project validations in process.</li> </ul> <p>Audit Readiness Support</p> <ul style="list-style-type: none"> <li>- Inventory team member, providing mapping for Inventory Kitting PCM</li> <li>- IH PCM process mapping</li> <li>- Medical PCM AMMA process mapping</li> </ul>

<b>Personnel Trained</b>	<b>Observations and Findings</b>	<b>New item roll-out</b>
Supply Chains: Planning virtual Audit Readiness training	FY20: Six (6) observations 023 through 028 issued initially, one (1) observation 023 closed by auditor. Four (4) concur (025-028), one non-concur (024) observations remain. One new NFR pending for observation	Centralized Library Orientation Training

AR Teams: Audit and analysis courses via LMS and other training resources	024. Reissued NFRs FIN-2020-WCF-008 apply to observations 027 and 028; FIN-2020-WCF-037 applies to observation 026; and FIN-2020-WCF-208 applies to observation 025.	
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<b>Personnel Trained</b>	<b>Green Belt Certification</b>	<b>Coached Belts</b>
25 OCT 2019, 22 students trained - LSS Green Belt Course	1 certification in routing 2 completed	16 belts

i. Process Compliance Directorate: Audit Readiness (AR)

The Audit Readiness (AR) team increased progress towards DLA achieving a positive audit opinion, demonstrating that DLA Troop Support is accountable and auditable. Our collaboration with the external auditor, led to successful outcomes in FY20 for Troop Support including closure of one of six observations from DLA Troop Support and successful closure of 67 of 73 observations associated with the command. Support was also provided for closure of observations associated with DLA J-code office processes and areas of responsibility. DLA Troop Support Audit teams have seamlessly transitioned from on-site to virtual audits and continue to perform audit functions, IPT involvement, and supply chain support.

Audit teams accomplished deliberate audit rehearsals in advance of the independent auditor walk-throughs. Follow up site visits were supported and additional audit information provided. AR helped develop the DLA Troop Support commander's audit memorandum of instruction and ensured committed access to audit documentation across the command. Outstanding responsiveness for completion of sample transactions identified by the auditor contributed to the command's audit readiness.

To prepare for the external auditor visit, AR educated four DLA Troop Support supply chains on what to expect, including how to work with auditors, via town halls, videos, a pamphlet, and a roadshow. Medical Supply Chain audit walkthroughs were cancelled until next year due to COVID-19. AR performed mock audits on the areas listed for audit and the team reviewed the newly created risk control matrices. After executed end to end audit walkthroughs with the supply chains, AR integrated with the other MSCs and supported J-code offices to ensure Enterprise audit alignment. Audit teams met with external auditors for one week of engagements in Philadelphia. These engagements covered DLA direct sales, customer direct sales, foreign military sales, manual sales, inventory management, and third-party inventory management. Troop Support Audit success was demonstrated by other DLA MSCs requesting the tools the command developed for their own audit visits.

Outside the audit visits, AR has established a centralized library to hold reference documentation for processes within each supply chain. The Centralized Knowledge Management Library was announced July 15, 2020 to supply chain leaders and shared with the workforce.

Audit continues to create instructions and training documentation to support the new knowledge management tool.

AR updated and mapped the 11 unique DLA Troop Support process cycles and appointed assessable and sub assessable unit manager responsibilities. AR is also working to update or assist in the update of any controls that may be identified for improvement during the testing of risk control matrices.

AR submitted deliverables for the statements of assurance (SOA) and appendices for financial reporting. In support of accurate starting balances, DLA Troop Support achieved a 100% inventory count for FY 20, and adjusted variances that occur on a monthly basis as part of system inventory reviews. The team initiated and improved corrective action plans (CAPs) as DLA received Notices of Findings and Recommendations (NFRs) and completed closure of each finding.

<b>AR Projects</b>	<b>Audit</b>
Developed 11 unique risk and control matrices along with updating 15 flowcharts and associated procedures.	Troop Support hosted and provide process walkthroughs for the DoD OIG and the external auditor from 20 MAY-20 JUN 2019.

<b>Personnel Trained</b>	<b>Audit Readiness Training</b>	<b>New item roll out</b>
Supply Chains: Planning virtual Audit Readiness training  AR Teams: Audit and analysis courses via LMS and other training resources	FY20: Six (6) observations 023 through 028 issued initially, one (1) observation 023 closed by auditor. Four (4) concur (025-028), one non-concur (024) observations remain. One new NFR pending for observation 024. Reissued NFRs FIN-2020-WCF-008 apply to observations 027 and 028; FIN-2020-WCF-037 applies to observation 026; and FIN-2020-WCF-208 applies to observation 025.	Centralized Library Orientation Training

#### j. Support to Small Business

(1) Overall awards to small businesses exceeded \$9.2 billion, including \$447 million awarded to small businesses located in Historically Underutilized Business Zones (HUBZones).

(2) Awards to small disadvantaged and small women owned business concerns totaled more than \$1.6 billion.

(3) Awards to veteran-owned small business concerns totaled more than \$853 million.

(4) Other related socioeconomic programs included contracts to non-profit agencies such as those under the AbilityOne Program – National Industries for the Blind and SourceAmerica which employ individuals who are blind or have other severe disabilities. DLA Troop Support continued to be a major supporter to these organizations in FY 2020, awarding over \$324 million to AbilityOne entities. DLA Troop Support is also a strong supporter Federal Prison Industries with over \$87 million awarded to UNICOR facilities through June.

(5) Of the \$477 million total DLA small business COVID-19 support, DLA Troop Support represents \$468 million or 98%.

(6) In particular, during COVID-19, there has been strong small business support in C&E (\$355 million – 74% of total DLA small business COVID-19 support) and Medical (\$86 million -- 18% of total DLA small business COVID-19 support).

(7) In 2020, small business concerns as well as AbilityOne partners continued to be a vital part of DLA Troop Support's robust industrial base across its five supply chains.

#### k. Pricing Division (BPA)

##### (1) Pricing

(a) Processed in excess of 440 pricing cases in FY20

(b) Subsistence – 35% C&E and Medical - 29%, IH and C&T – 39%

##### (2) CompAd

(a) Processed over 131 J&As in FY20

(b) Med, C&E and Sub = approx. 85% of actions

(c) Bridge contracts- Currently 52 active – C&E – 24, Sub - 28

#### l. Compliance Division (BPB)

(1) Performed Internal Procurement Management Reviews (IPMRs) and the new Internal Agency Management Reviews (AMRs) of supply chains, DLA Troop Support Europe & Africa, and DLA Troop Support Pacific

(2) Performed Special Interest IPMRs on command-directed topics

(3) Performed acquisition & pricing reviews on a representative sample of the work of each DLA Troop Support contracting officers

(4) Conducted as needed training based on reviews and findings

Program Metric (plan per year)	Est Actions/Reviews
Contract Quality Reviews	500 per year FY20 Goal

	Completed 501 to date.
Price Challenges	120 per year
Biennial Warrant Reviews	460 KOs over 2yrs.
IPMRs/IAMRs (Reports)	6-7 each over 2yrs.

m. Special Projects Team

(1) Procurement Process Support, DLA Troop Support Supply Chains, DLA Troop Support Office of Counsel, DLA J7 and DLA HQ Office of Counsel worked together to obtain approval from LTG Williams for several DNADs during the 4th Quarter to assist in the procurement of critical safety equipment in response to the COVID-19 global pandemic.

(2) Procurement coordinated with the Supply Chains to provide DLA Troop Support Command and J7 with a report on vendor shut down/impact information by state. The report has been a joint effort with the Command, Supply Chains and Procurement to ensure the status of all vendors is current and any issues are immediately addressed.

(3) At the direction of DLA HQ, Procurement leadership coordinated a KO Advisory Team to assist C&T Gown teams with proposals removed from consideration for non-compliance/lateness, due to the complexity & visibility of these acquisitions. KO Advisory Team was comprised of reps from CRD, C&T, TS Counsel, J7, HQ Counsel & OSD w/ final concurrence from Ms. Banks. Twenty emails were sent to the team requesting.

(4) ULO (Unliquidated orders) (As of August 31)

(a) 209,025 Lines and \$821,333,278.68

(b) 142,356 Lines and \$536,182,526.62 marked for manual cleanse

(c) 66,669 Lines and \$285,150.752.06 held in a valid status code

(5) Government Purchase Card (GPC)

(a) 26 Billing/Alternate Billing Officials - 24 Cardholders (2 CHs pending termination)

(b) All training is up to date for BO/CH

(c) Monthly Compliance:

DLA TROOP SUPPORT	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20
<b>Compliance Conformance Rating:</b>	<b>92%</b>	<b>89%</b>	<b>86%</b>	<b>90%</b>	<b>89%</b>	<b>86%</b>	<b>94%</b>	<b>80%</b>	<b>91%</b>	<b>88%</b>	<b>100%</b>
Total Transactions	38	64	67	60	78	70	46	34	52	26	36
Number of Sample Transactions Reviewed	13	18	21	20	19	21	16	10	11	8	8
Number of Compliant Transactions	12	16	18	18	17	18	15	8	10	7	8

n. Contract Review Division (BPP)

(1) Review high dollar value complex Acquisition Plans, Solicitations, Pre-Negotiation Objectives, Competitive Range Determinations, Price Negotiation Memos, and Source Selection Decisions

(2) Number of cases reviewed by Supply Chain:

Supply Chain/Region	Cases Reviewed
Medical	23
Subsistence	21
Construction and Equipment	4
Clothing and Textiles	13
Europe and Africa	6
Industrial Hardware	1
<b>TOTAL</b>	<b>68</b>

o. Systems & Procedures Division (BPS)

(1) 250 hours of specific topic training related to Policy/ECC/EProcurement/External Systems

(2) Customer Service – 9000+ email and phone requests

(3) Policy Guidance issued to the Procurement Community

(a) 15 Contracting Broadcast News (CBNs)

(b) 3 Contract Policy Memorandums (CP Memos)

(c) 8 Clause Change Notices (CCNs)

(d) 18 Procurement Letter Summaries (summaries represent a policy analysts review of a new PROCLTR, a short synopsis for the acquisition workforce along with a description of how the PROCLTR is likely to impact buyers and what changes will be needed to implement the PROCLTR)



# Defense Logistics Agency

## DLA Land and Maritime Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
LAND AND MARITIME  
P.O. BOX 3990  
COLUMBUS, OHIO 43218-3990

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Land and Maritime FY 20 Annual History Submission

Land and Maritime dedicated Fiscal Year 2020 operations to re-engineering its logistics procurement processes to sustain operations during the COVID-19 health emergency. The determination and resiliency of our workforce enabled us to fulfill our Warfighter support mission, while simultaneously assisting in numerous U.S. and global humanitarian operations.

We have leveraged several innovative procurement strategies that have improved our operational performance and significantly contributed to elevating America's military readiness metrics. Our nation's military is better equipped and better trained today because of DLA's mission focus.

In recognition of our world class workforce and their commitment to superior service, I am proud to include a summary of the notable operational achievements chronicled in our DLA Land and Maritime FY 2020 History submission.

FABRY.KRISTEN.B  
ETH.1094753801  
KRISTEN B. FABRY  
RDML, SC, USN  
Commander

Digitally signed by  
FABRY.KRISTEN.B.ETH.1094753801  
01  
Date: 2020.10.29 17:58:00  
+0400

Attachment:  
2020 Land and Maritime History Submission

## **1. Introduction:**

Logistics demands change rapidly whether responding to real world operational requirements or supporting humanitarian assistance resulting from natural disasters. DLA Land and Maritime's mission is to fulfill those needs by efficiently and effectively providing worldwide logistical support to whomever our customer is. DLA Land and Maritime primarily supports U.S. military service customers through dedicated customer relations, while working with numerous suppliers to fulfill requirements for assigned stock classes across the Department of Defense (DOD). Additionally, we provide logistical services directly to Navy shipyards and Army and Marine Corps industrial sites. Successful accomplishment of the Land and Maritime mission requires a well-trained, diverse workforce and a professional culture that supports high expectations.

### **a. DLA Mission**

Sustain warfighter readiness and lethality by delivering proactive global logistics in peace and war.

### **b. DLA Vision**

We are the Nation's Combat Logistics Support Agency ... Global, Agile, and Innovative; Focused on the Warfighter Always!

### **c. DLA Why**

To serve the Warfighter and our Nation!

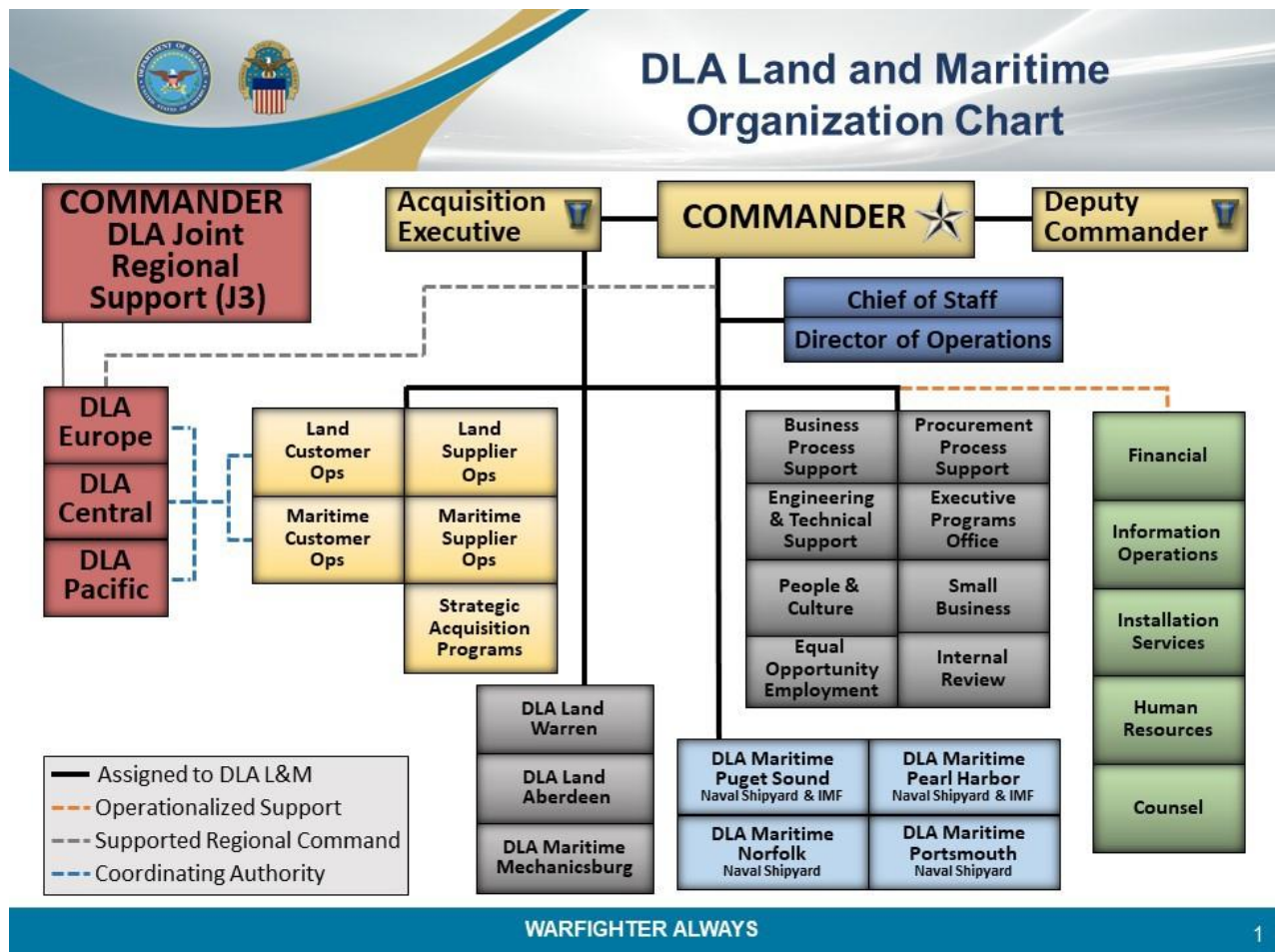
### **d. Core Values**

Leadership, Professionalism, and Technical Knowledge through Dedication to Duty, Integrity, Ethics, Honor, Courage, and Loyalty.

### **e. The DLA Land and Maritime Way**

We provide Warfighter Logistics Excellence through Accountability, Teamwork, Urgency, Agility and Innovation built upon a Commitment to Integrity, Diversity, and Mutual Trust and Respect.

## 2. Organization:



### 3. Key Personnel:



## Organizational Orientation Leadership Team



**Deputy Commander**  
**Mr. Kenneth Watson, SES**  
October 2019 - Present



**Commander**  
**RDML Kristen Fabry, SC, USN**  
July 2020 - Present



**Acquisition Executive**  
**Mr. Mark Brown, SES**  
March 2018 - Present



June 2020 - Present



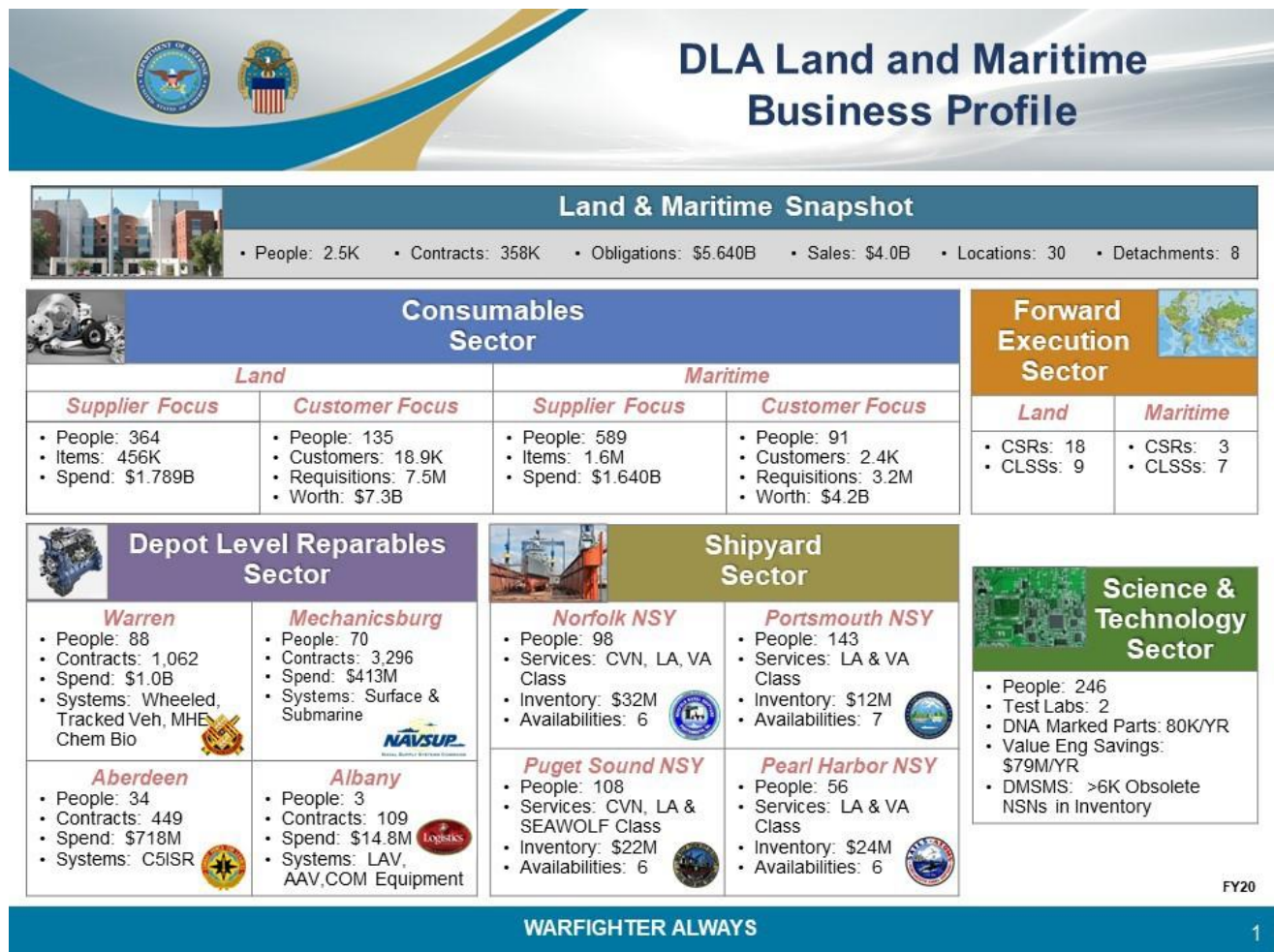
May 2018 - Present

**Chief of Staff**  
**Col Samuel Payne, USAF**  
**Mr. Griff Warren, Director of Operations**

WARFIGHTER ALWAYS

1

#### 4. Total Personnel:



#### 5. Historical narrative:

##### a. Warfighter Always

One of the most significant components of a high performing organization is stable and visionary leadership. In July 2020, command transitioned in Columbus, Ohio, as Navy Rear Adm. Kristen B. Fabry replaced Navy Rear Adm. John T. Palmer. Fabry also assumed command of the Defense Supply Center Columbus as a dual command responsibility. The event was held in a pavilion area on the Defense Supply Center Columbus. Acting DLA Director Mr. Michael D. Scott officiated the ceremony virtually from DLA Headquarters in Fort Belvoir, Virginia.

DLA Land and Maritime's procurement activities are driven by customer demands, primarily from our military customers but also include DOD agencies and other governmental entities. Our focus is to leverage efficient and creative processes and initiatives that enable us to meet those rapidly changing demands. Reinforcing military readiness as the prime objective, one example of our numerous successful procurement actions involved the inclusion of multi-award, multi-year contracts involving seven companies totaling more than \$808 million. The contracts provided interconnection equipment to the Department of Defense. The interconnection



equipment contracts secure interconnection parts, including wiring harnesses, cables, connectors, accessories, and installation kits for DOD organizations worldwide.

Specifically, the IECs cover 150,000 DLA-managed and 6,000 Army-managed items used by DOD in a variety of applications from weapon systems to radios. The long-term contracts are designed to improve quick-turn support, surge response and cycle time by offering rapid acquisition capability, advance planning, and greater collaboration between the Defense Department and industry partners.

Supplemental Warfighter support initiatives have required Land and Maritime and Aviation to begin the initial phase of absorbing operational responsibilities for DLA's Industrial Hardware logistics function: a move that will reorganize operations and increase procurement efficiencies. The two main components to the workload transition involve the comprehensive acquisition and management of IH items from cradle to grave. The transition involves the movement and division of the IH mission, currently managed by DLA Troop Support. Land and Maritime is working towards full integration of the new IH supply chain function into its daily operations.

Over the course of Fiscal Years 2020-22, Land and Maritime will add approximately 450,000 national stock numbers to its managing inventory. Our team continues to show great progress in assimilating its share of the IH mission, with more than 171,000 NIINs transitioned thus far. DLA has been actively working on the transition plan for months as it works towards full mission integration.

#### b. Global Posture

DLA's worldwide combat logistics support mission places challenging demands on its procurement capabilities. The nation's military services, and other DOD customers have critical missions that often involve life threatening situations. These requirements demand rapid responses that include efficient and reliable equipment delivery. Land and Maritime's logistics operations achieved an all-time high material availability of 90.61% in January 2020. That one-month record enabled Maritime to post a 12-month cumulative MA exceeding 90%, an historical first.

Logistics support performance that impressive translated into across-the-board readiness improvements for our national defense customers. Maritime's power projection activities include superb management of the DOD's Nuclear Reactor Program. Always a dependable resource for the nation's vital nuclear deterrent, Land and Maritime operations sustained material availability for the Nuclear Reactors Program above the required 95% for an unprecedented 122 consecutive months.

Logistics support successes like these are representative of Land and Maritime's commitment to fiscal responsibility as an integral component to its warfighter support. Although readiness investments in prior years limited our financial flexibility, Land and Maritime strategically prioritized demand requirements to support service readiness.

Key logistics support initiatives like these enable the world's most lethal and efficient military to protect America's interests during this era of global power competition.

#### c. Strong Partnerships

DLA Land and Maritime leverages additional logistics capabilities through collaboration



with its industry partnerships. These efforts require Land and Maritime and our industrial partners to exercise creativity in developing procurement procedures and processes to support the nation's military services. These partnerships has proven beneficial for both, producing results that invigorate the nation's industrial base while measurably improving operational efficiency.

Improved cooperation with DLA Land and Maritime's leadership, industry and military decision makers generated strategic activities that helped America's warfighters realize readiness improvements. One such collaboration involved the Naval Surface Warfare Center Indian Head Explosive Ordnance Disposal Technology Division (NSWC IHEODTD). Senior logisticians from NSWC IHEODTD Guns Team visited Land and Maritime to discuss support for several guns used by the nation's military, to include the MK38, MK45, MK46, MK50, and the MK110. Maritime Customer Operations staff led a detailed, multi-functional tutorial highlighting DLA's business processes, and evaluating opportunities to engage in formal discussions aimed at improving support for these and other critical Maritime weapon systems.

Additionally, Land and Maritime held regular collaborative working group meetings with members from all service branches. The Army, Navy, Air Force and Marines participated as part of this inclusive approach to strengthening planning and execution of logistics procurement support strategies in response to changing mission demands. Land and Maritime, with representatives from DLA Aviation and DLA Troop Support, met with all five Army Combat Capabilities Development Command Engineering Support Activities in Columbus in a collective effort to achieve procurement cost reductions.

#### d. Always Accountable

As focused stewards of the financial support provided by American taxpayers, DLA Land and Maritime employed results-driven fiscal practices that demonstrated a commitment to resource management. Skillfully managing taxpayer resources helps promote national readiness. Employing efficient procurement enhances the readiness of our military services, allowing them to demonstrate superior lethality.

Land and Maritime incorporated DLA's Automated Indefinite Delivery Contract (Auto IDC) tool during the beginning of FY 20 as an additional cost reduction initiative; its usage produced two-fold results because it also strengthened industry procurement partnerships and improved military readiness. Incorporating Auto IDC into logistics operations, Land and Maritime experienced an initial 30% increase in auto award rates, with another 25% awarded with minimal buyer assist. The remaining awards were evaluated manually or re-solicited as Small Business Set Asides. Once awarded, these items are covered by long term contracts for up to one year. Processing more automated procurement activities reduces logistics support costs while improving daily operations – a win-win situation.

Positively impacting Naval operations, Land and Maritime dedicated a new \$17 million, 29,000 square foot Navy submarine support facility that will increase the ability of DLA and the Navy to receive, inspect and distribute submarine components supporting worldwide fleet operations. The new facility completes the consolidation and modernization of a local submarine component processing facility and includes a new automated material handling system, taking full advantage of the new building's capacity. With projected completion in January 2021, the facility will provide a more effective and safe use of space, while enabling a more efficient logistics process.

e. Whole of Government

DLA Land and Maritime purposed its Maritime supply chain to furnish vital logistics support to U.S. Navy ships USNS Comfort and USNS Mercy deployed in response to the worldwide COVID-19 health emergency. Maritime's operations ensured the delivery of maintenance parts during both ships' operations. Achieving such surety demanded Land and Maritime logisticians meticulously track each ship's high priority repair parts for availability and delivery.

Though the ships were dispatched to opposite regions of the country, DLA scaled up its logistics support during their deployment, sustaining an operational material availability of 98% for the USNS Comfort, while maintaining 97% MA for the USNS Mercy.

Equally impressive during FY 20 was DLA Land and Maritime's expansion and management of its Global Tire Program procurement. The program's objective is to fulfill all military service tire requirements that could impact readiness during mobilization and sustainment of deployed forces. DLA Land and Maritime was tasked by the 2005 Base Realignment and Closure (BRAC) statute to decentralize the DOD's wholesale supply, storage and distribution functions for tires. The GTP is a Performance Based Logistics (PBL) contract for the complete management of tires for the Air Force, Army, Coast Guard, Marine Corps, Navy, and Foreign Military Sales (FMS). The GTP contract has a potential performance period of ten years and succeeds the Tire Successor Initiative (TSI) contract.

Support for Navy aircraft tires transferred to GTP August 1, expanding global supply and support to all military customers. The GTP leverages a contracted supply-chain integrator model that uses DLA long-term contracts with tire manufacturers and dealers. The integrator, Science Applications International Corporation (SAIC), maintains warehouse and storage locations globally with material procured directly from manufacturers and dealers. GTP is a \$2.1 billion program that supports 373 national stock numbered tires and supplies an average of 146,000 tires across the globe each year. As part of the tires program, SAIC has delivered more than 1.5 million tires at a remarkable 97 % fill rate.

# Defense Logistics Agency

## DLA Aviation

### Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
AVIATION  
8000 JEFFERSON DAVIS HIGHWAY  
RICHMOND, VIRGINIA 23297-5002

October 15, 2020

MEMORANDUM FOR DLA HEADQUARTERS, ATTN – Historian

SUBJECT: Submission of DLA Aviation FY20 Annual History Input

DLA Aviation, like the entire DoD was presented with unique challenges during FY20 due to COVID-19.

In April, Aviation Commander Air Force Brig. Gen. David Sanford was appointed to serve as the Deputy Director of the COVID-19 Supply Chain Task Force with the Federal Emergency Management Agency Headquarters in D.C. He began that tour Apr. 11 and is due to return to Richmond Nov. 1.

During his absence, the Aviation team remained resilient and steadfast in achieving continuous and dynamic Warfighter support. We cultivated strong partnerships with our defense industrial base, generated innovative and efficient solutions and maintained a secure and robust supply chain. We continued to build on our strong, established relationships with industry partners to deliver cost-effective, innovative solutions.

I would like to recognize and share the great things our entire Aviation team is doing for the Warfighter. From the day-to-day business issues, to updating our business practices, to seeking constant process improvements, I see how our Aviation team is generating readiness and making remarkable strides to expanding and improving logistical support for the security of our armed services ability to support our interests globally.

LILLI, CHARLES, MICHAEL  
HAIL 1035084246

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Date: 2020.10.07 09:41:24 -0400

Charles M. Lilli  
Senior Executive Service  
Deputy Commander,  
DLA Aviation & Defense Supply Center Richmond

Attachment:  
1-Annual History Input

## **1. Introduction**

Defense Logistics Agency Aviation is the nation's combat logistics and supply chain manager for aviation and nuclear assets.

DLA Aviation is headquartered in Richmond, Virginia, and operates at 18 sites across the U.S. Its team of 4,000 civilian and military personnel supports 1,800 weapon systems, serves as the integrated material manager for 1.2 million national stock number items, and acquires industrial retail and depot-level reparable parts worth over \$5.3 billion in annual sales.

Positioned alongside its military customers, DLA Aviation manages industrial support activities at Robins Air Force Base in Georgia, Tinker Air Force Base in Oklahoma, Hill Air Force Base in Utah, Marine Corps Air Station Cherry Point in North Carolina, Naval Air Station North Island in California, and Naval Air Station Jacksonville in Florida. DLA Aviation supplies six major industrial maintenance, repair and overhaul facilities and oversees storage operations at three.

## 2. Organization



## 3. Key Personnel and Organizational Changes

a. DLA Aviation Commander Air Force Brig. Gen. David Sanford was appointed April 11 to serve as deputy director of the COVID-19 Supply Chain Task Force in D.C. He is scheduled to return to Defense Supply Center Richmond November 1, 2020.

b. Navy Commander Curtis Ceaser assumed command of DLA Aviation - Jacksonville June 15. He replaced Navy Commander Monica Frey.

c. Navy Commander Maxine Gardner assumed command of DLA Aviation - San Diego May 27. She replaced Navy Captain Ernan Obellos.

d. Navy Commander Isaac May assumed command of DLA Aviation - Cherry Point May 28. He replaced Navy Commander Keith Klemm.

e. Air Force Lt. Col. Christopher Carmichael assumed command of DLA Aviation at Ogden June 8. He replaced Air Force Colonel Gabriel Lopez.

f. Dave Carns retired as Director, Aviation Engineering, in October 2019.

g. Floyd Moore returned from his rotational assignment with the Office of the Secretary of Defense January 15 and assumed the role of Director, Aviation Engineering.

h. Emergency Contract Support Branch moved from the Supplier Operations Commodities Directorate to the Customer Operations Directorate.

#### **4. Total Personnel**

DLA Aviation total workforce – 3,994 (includes 68 military, 181 contractors).

a. Aviation Richmond – 2,147 (includes 56 military, 85 contractors)

b. Aviation at other sites – 1,847 (includes 12 military, 96 contractors)

#### **5. Historical Narrative**

a. Warfighter First

(1) Nuclear Enterprise:

(a) Supported 100% of parts needed to conduct depot maintenance on 12 B-1B Lancers.

(b) Maintained robust collaboration across the B-2 enterprise to support the B-2 System Program Office aircraft availability goal of 47.3% and DLA Director material availability goal of 95%; highest material availability to-date was 97.1% in July 2020.

(c) Strong B-52 engagements ensured no programmed depot maintenance stoppages; three B-52s were returned to the warfighter, a 6.5% increase in aircraft availability. In addition, aggressive collaboration with Air Force Global Strike Command, System Program Office, and the 735th Supply Chain Operations Group enabled the simultaneous support of four B-52 deployments totaling 24 aircraft, or 31% of the fleet.

(d) Engaged the B-52 and Long Range Stand Off Program Office on options to procure bolts from DLA. Obtained approval from the Air Launch Cruise Missile Program Office to buy from SPS Technologies. The company shipped the bolts directly to Boeing.

(e) The future of B-21 sustainment is on track with involvement with the Supply Support Integrated Process Team and Depot Maintenance Activation Working Group.

(f) A collaborative effort between Air Force Engineering and the DLA Small Business resolved obsolescence issues for the Intercontinental Ballistic Missile. To date, there are 64 ICBM projects with the most critical being the radio frequency cable used to communicate with command authorities at launch control centers.

(g) We remain zeroed in on operational and depot level issues affecting air-launched cruise missiles. The team has worked diligently to streamline efforts. For example, a critical air duct hose used on a rotary launcher was catalogued in one day and the purchase request released immediately. Engineering publicized the solicitation immediately.

(h) Nuclear Command, Control, and Communications and Military Satellite Communications maintained a material availability of above 96%. NC3 is an evolving architecture of 59 systems, to include Global Aircrew Strategic network terminals, Family of Advanced Beyond Line-of-Sight terminals, and the Advanced Extreme High Frequency terminals.

(i) Nuclear Enterprise Support Office's Customer Relationship Management Cell aggressively monitored orders for seven operational units, reducing unfilled orders by 45% and aged-unfilled orders by 58%.



## (2) MC-80 Readiness

(a) The current F-16 mission capable rate is 74.0% against a target of 80% (slightly down from FY 19 rate of 75%). Although the Secretary of Defense MC 80 initiative has concluded, DLA's previous work continues to pay off with material availability for the F-16 at 91.9% as of August 18, 2020.

(b) The F-22 mission capable rate increased from FY 19 (50.57%) to FY 20 (52.14%) against an FY 20 standard of 75%. The non-mission capable rate for supply fell from FY 19 (13.91%) to FY 20 (11.54%) against a standard of 9%. DLA material availability for July was 95.2%, or 5.2% above the goal of 90%.

(c) The Air Force Division engaged the aviation enterprise to achieve readiness goals while tackling critical issues such as KC-46 depot standup at Oklahoma City Air Logistics Complex, KC-135 readiness, increased organic support for the F-35, and unmanned aerial vehicles such as the RQ-4. KC-135 readiness was especially important given KC-46 mission restrictions.

(d) Material availability for the F/A-18 E/F (Super Hornet) increased from 86.8% in September 2018 to 92.2% in July 2020. F/A-18 E/F non-mission capable backorders decreased from 1,303 in September 2018 to 811 at the end of July 2020, a 38% reduction.

(e) Material availability for the EA-18G (Growler) increased from 83.4% in September 2018 to 90.6% in July 2020. EA-18G non-mission capable backorders decreased from 199 in September 2018 to 122 at the end of July 2020, a 39% reduction.

(f) Material availability for the F/A-18 A/D (Hornet) increased from 90.0% in September 2018 to 92.9% in July 2020. F/A-18 A/D non-mission capable backorders decreased from 1,158 in September 2018 to 655 at the end of July 2020, a 43% reduction.

## (3) Air Force and Navy Industrial Support Performance and Accomplishments

(a) Order response times at the Air Logistics Centers were within tolerance 91.83% of the time from July 1, 2019 to June 30, 2020, or 1.83% above the FY 20 performance-based agreement of 90%. The rolling six-month order response time average is 91.9%, or 1.9% above the threshold of 90%.

(b) The DLA Shop Service Center fill rate between July 1, 2019 and June 30, 2020 has risen to 73% against a goal of 75%. The six-month rolling average was 73.2%.

(c) Total material availability for all DLA1 items across the three fleet readiness centers averaged 92.1% from July 19 to July 20, varying from a low of 91.1% in July 19 to a high of 93.3% in July 20.

(d) The gross demand plan fill rate averaged 93.4%, reaching a high of 94.5% in July 2020.

(e) Material delay requisitions at the three fleet readiness centers declined 30.2% while the total number of components in delay status decreased 30%.

(f) End of month unfilled orders declined 35.2% with aged backorders decreasing 24.8%.

(g) Having helped the Navy achieve the Secretary of Defense goal of 80% mission capability and the Air Boss goal of 341 mission capable aircraft, our focus shifted

to improving fully mission capable status and lethality. DLA material availability is well above 90% for systems targeted for attention.

b. Global Posture

DLA Aviation deployed personnel all over the world.

(1) DLA Deployment Support Team: 16 people to locations in Kuwait, Afghanistan, Poland and Romania.

(2) Global Response Force Rapid Deployment Team: DLA RDT Blue members participated in Turbo Distribution 20 in support of the Port Opening Operation at Ft Stewart, GA. RDT Blue Team was deployed from February 5 – 12.

c. Strong Partnerships

DLA Aviation works with industry to ensure a capable defense industrial base, generate innovative and efficient solutions, and maintain a secure and resilient supply chain. We continue building on relationships with industry partners to seek improvement. Through effective supply chain practices, open and frequent communication with suppliers and industry associations, and market intelligence, we continue to assess our industrial capabilities, develop responses to vulnerabilities, reduce single points of failure, and implement best practices.

(1) The Supplier Operations Commodities Directorate developed a SharePoint site for industrial support activities to identify, discuss and resolve problem items. The directorate also redesigned its post award team to make decisions promptly yet effectively.

(2) DLA Aviation canceled Supplier Industry Days due to the pandemic.

d. Whole of Government:

(1) DLA Aviation Commander Air Force Brig. Gen. David Sanford served as deputy director of the COVID-19 Supply Chain Task Force from April 11 to November 1.

(2) Chris Davis, director of Strategic Acquisition Programs, returned to DLA Aviation June 5 after a 60-day assignment with the COVID-19 Supply Chain Task Force.

(3) DLA Aviation Joint Contingency Acquisition Support Office Blue Team member Efrain Yamil Santiago Acevedo supported U.S. Army North's COVID-19 mission at Joint Base San Antonio-Fort Sam Houston, TX. Mr. Acevedo deployed as the DLA contracting liaison officer with the 4th Expeditionary Sustainment Command from April 4 to May 21.

e. Always Accountable

(1) The Supplier Operations Commodities Directorate created management tools for preaward, post-award, and technical workload. These tools allowed employees and management to measure performance by DoD Performance Management and Appraisal Program standards.

(2) DLA Aviation Engineering and North Carolina State University's Center for Additive Manufacturing and Logistics signed a memorandum of understanding for metal

additive manufacturing. The partnership allows the center and DLA Aviation to create proofs of concept, design workforce training, and collaborate on research projects.

(3) In response to the 2019 congressional inquiry into TransDigm overpricing, DLA Aviation Engineering began reverse engineering sole-source parts to develop government-owned Technical Data Packages. The team evaluated 1,488 TransDigm (or subsidiary) National Item Identification Numbers and chose 833 as potential candidates. To date, the directorate has received engineering support activity approval to move forward on 291 NIINs, which are now in queue for development.

(4) In Spring 2020, DLA Aviation Engineering collaborated with Procurement Process Support to review should-cost policy and utilization. Initiatives included clarifying instructions on the Acquisition Policy and the Should Cost web application, utilizing engineering resources more efficiently, and reducing response times.

(5) Engineering developed WIZBANG robotic process automation for transmitting Product Deficiency Quality Reports to the DLA Aviation product specialists. In addition to reducing errors, WIZBANG is projected to decrease product workload by 6,536 man-hours per year.

(6) DLA Aviation Engineering reviewed more than 72,592 national stock numbers for 76 Captains of Industry projects and long-term contracts.

#### f. People and Culture

##### (1) The Wheel

(a) DLA Aviation created the Wheel in FY 19 to serve as the junior leadership consortium. It continued in FY 20. Consortium members realized that new supervisors rarely had exposure to processes outside of their area of expertise and were not aware of how their area influenced others.

(b) During the two-week program, supervisors gained a better understanding of their functions, the internal organization, and how different organizations in the agency support the DLA Strategic Plan.

(c) For Week One, attendees received human resources training such as EAGLE timekeeping, daily supervisory tasks, DoD Performance Management System, union agreements, and the agency's hiring and promotion process.

(d) Normally during Week Two, new supervisors receive an overview of DLA Aviation's industrial support activity at the Oklahoma Air Logistics Complex. COVID-19 travel restrictions prevented this from happening during the reporting period.

(e) The Wheel is offered on a quarterly basis and participants travel to a different DLA Aviation industrial support activity for each offering. The goal is to show new supervisors how disciplines (the spokes) attached to the strategic plan (the hub) are supported by Command Support, Business and Procurement Process Support Directorates, and Human Resources (the tires).

##### (2) Flash Mentoring and Job Shadowing

(a) The DLA Aviation Flash Mentoring Program was established to offer employees developmental opportunities and guidance.

(b) No flash mentoring or job shadowing sessions took place during FY 20 due to the coronavirus pandemic.

(c) Flash mentoring is designed so mentees have initial 10-minute discussions with several possible mentors in a round-robin table setting, enabling them to choose someone with whom they can build a relationship.

### (3) Tier and Executive Mentoring Programs

(a) The DLA Aviation Tier II Mentoring Program allowed employees to find their niche in the organization, build strategic relationships, and gain a broader perspective. It is centered on sharing ideas and experiences; mentors help employees enhance their careers.

(b) The DLA Aviation Executive Mentoring Programs for Tier II (GS-11/12) and Tier III (GS-13/14) developed leadership. Even though programs are mentee-driven, they create an environment where individuals learn to collaborate effectively. Mentors benefit just as much as mentees. Due to the coronavirus pandemic, no mentees graduated from Tier II in FY 20. Currently, there are 39 mentees in both programs.

(c) Participants agreed the program facilitated professional growth. As the program progressed, several mentees were promoted or given new responsibilities. Most believed program strengths to be networking opportunities and organizational support. Participants have reported that the program has given them exposure within DLA, putting them in touch with people they would not have otherwise met.

### (4) Equal Employment Opportunity and Diversity (EEOD)

(a) DLA Aviation's EEOD usually offers several 8-week Sign Language courses each year. Currently, classes are being moved to a virtual environment due to the COVID-19 pandemic. These five minute/weekly video shorts will be offered on the EEOD SharePoint webpage for any DLA employee to watch at his or her convenience. Projected rollout is anticipated for fall/winter 2020.

(b) The Silent Lunch Table, which supports interactions between deaf and hearing employees has been discontinued due to the pandemic.

(c) The EEOD provided bi-annual EEO Training to one activity. This mandated instructor-led training focused on the EEO complaint process and prevention of sexual harassment and sexual assault.

(d) The World Cafe Team hosted a café session on February 6 in the Lott's Center. Discussions resulted in participants placing increased value on team members' perspectives. The World Cafe is a grass-root initiative designed for stakeholders to converse, listen, share ideas and insights, and develop solutions.

(e) The EEOD conducted training designed by ELI Company for two activities. ELI training puts employees through vignettes in which they are asked to take responsibility for a positive work culture. Topics included bullying, discrimination, a respectful workplace, and retaliation.

(f) The EEOD conducted DLA Pathways to Career Excellence Program orientations, observed PACER interview panels, and conduct new employee orientation.

#### (5) Training and Recruitment

DLA Aviation's commitment to its future workforce was evident in FY 20. DLA Aviation budgeted \$2.2 million for career enhancement, college tuition, professional development, and an internal rotational program. In FY 20, DLA Aviation trained more than 140 Defense Logistic Agency's Pathways to Career Excellence Program pacers, accepted seven employees into the annual DLA Aviation rotation program, and hired 35 college interns.

# Defense Logistics Agency

## DLA Energy

### Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
ENERGY  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6222

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Submission of DLA Energy FY20 Annual History Input

Defense Logistics Agency Energy, known then as the Army-Navy Petroleum Board, was founded to provide critical petroleum requirements during World War II. In 2020, DLA Energy honored its historical achievements and service to the Warfighter when we marked our 75<sup>th</sup> anniversary of procuring and handling energy products to meet warfighter needs.

From World War II to today's COVID-19, new challenges will continue to arise to test and challenge the Warfighter. We must be ready for the next high-end fight. Thanks to our dedicated employees, DLA Energy is focused on mission readiness by providing globally resilient energy solutions to the Warfighter and Whole of Government. Our vision is to be the trusted leader in innovative energy solutions aligned with the speed of change.

As the 40th Commander of DLA Energy, it is a privilege and honor to be a part of this great organization. Professionals from more than 30 locations around the world selflessly support our Warfighters and other important customers. I am honored to be a part of this great organization who serve with excellence and a willingness to go beyond expectations to satisfy our customers across the Nation and around the world.

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R.1172381827

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Date: 2020.11.04 16:13:18 -0500

JIMMY R. CANLAS  
Brigadier General, USAF  
Commander

Attachment:  
1-Annual History Input



## 1. Introduction

Transition and change defined 2020 as Defense Logistics Agency Energy adjusted to the realities of Coronavirus Disease 2019 (COVID-19) and a maximum telework posture. Despite significant obstacles, DLA Energy personnel exhibited dedication, flexibility, and teamwork in supporting the Warfighter during this unprecedented global crisis. The accomplishments below reflect the hard work, commitment, and indefatigable spirit of the DLA Energy workforce.

## 2. Organization



## 3. Key Personnel

- a. Commander: Brig Gen Jimmy R. Canlas, USAF
- b. Deputy Commander: Mr. Eric Smith
- c. Chief of Staff: COL Robert R. Rochon, USA
- d. Director, Business Process Support: Mr. Tom Turets
- e. Director, Procurement Process Support: Mr. Bruce Blank
- f. Director, Strategic Programs & Initiatives: Ms. Regina Gray
- g. Director, Customer Operations: Col James McClellan
- h. Director, Supplier Operations: Ms. Gabriella Earhardt
- i. Commander, DLA Energy Americas: COL Raphael Heflin, USA
- j. Commander, DLA Energy Middle East: Lt Col Jennifer Neris, USAF
- k. Commander, DLA Energy Europe & Africa: LTC Donna Welch, USA
- l. Commander, DLA Energy South-West Pacific: CDR Angela Watson, USN
- m. Commander, DLA Energy Hawaii: CDR Eric Lockhart, USN

- n. Commander, DLA Energy Japan: Maj Charles Coffman, USAF
- n. Commander, DLA Energy Korea: LTC Jose Medina, USA
- o. Commander, DLA Energy Okinawa: Maj Tracy Gilmore, USAF

#### **4. Total Personnel**

As of 30 September 2020, DLA Energy had 1,152 employees (1,085 Civilian and 67 Military).

#### **5. Historical Narrative**

##### **a. COVID-19 fuel support**

As missions across government agencies expanded to support the COVID-19, DLA Energy saw limited impacts to its readiness due to the pandemic. DLA Energy mitigated multiple border-crossing closures, stop movement restrictions, and curfews to continue fuel replenishment and deliveries.

In March 2020, DLA Energy's coronavirus response entered a new phase when U.S. Northern Command activated the hospital ships Mercy and Comfort. The hospital ship USNS Mercy (T- AH 19) took on marine diesel and aviation fuel from Military Sealift Command tanker USNS Matthew Perry (T-AKE 9) off the coast of California. In Norfolk, Virginia, the USNS Comfort accelerated preparation for her voyage to New York City by refueling from Defense Fuel Support Point Craney Island in Portsmouth, Virginia. DLA Energy quality assurance representatives were on hand to oversee the bulk fuel delivery. DLA Energy's support to the hospital ships USNS Mercy and Comfort totaled 975,000 gallons.

In response to the pandemic, DLA Energy activated a Continuity of Operations plan to test command and control operations on April 15, 2020. The COOP plan, as directed by Federal Continuity Directive 1, requires DLA Energy to train and exercise contingency operations in preparation for a catastrophic event that prevents employees from using the McNamara Headquarters Complex at Fort Belvoir, Virginia. It enables essential employees to relocate at a predetermined location to perform mission essential functions or support the mission remotely.

DLA Energy used its global network to fuel State Department aircraft delivering supplies to fight the coronavirus. On April 10, a U.S. State Department request to fuel four aircraft was met in 2.5 hours. The aircraft, located on Diego Garcia, needed DLA Energy-issued Defense Department identaplates to refuel at military bases. Identaplates resemble a credit card and are embossed with the customer's account and aircraft tail numbers. They typically take several days to issue.

DLA Energy authorized the sale of 31K gallons of aviation fuel to Health and Human Services-contracted airlift of Grand Princess Cruise passengers from Oakland, California, to Marine Corps Air Station Miramar, Lackland AFB, Dobbins AFB, and Volk AAF for quarantine.

DLA Energy supported the planning and execution of U.S. Transportation Command COVID-19 American citizen repatriation flights for 603 Americans from Myanmar and Bangladesh through Kadena AB, Okinawa. The flights required 60,708 gallons of fuel.

## b. Warfighter Always

### (1) Exercise Mobility Guardian Support

DLA Energy supplied 2.46M gallons of Jet A to Fairchild AFB to support the USAF Air Mobility Command Exercise Mobility Guardian 2019. MG19 is AMC's largest readiness exercise with more than 4,000 Service members participating.

### (2) DLA Energy Liaison Officers Receive Accolades for Outstanding Warfighter Support

The AFRICOM Director of Logistics sent accolades to DLA LNOs assigned to USAFRICOM for expediting support at Baledogle Military Airfield after an Al Shabaab attack on the base. Following the attack, forces in Somalia urgently needed a 20K gallon fuel bladder. "The team was incredibly helpful in assisting the CJTF-HOA logisticians in ordering the replacement bag and expediting delivery. Noting that the initial order sent by the component contained errors, which resulted in a canceled status, the DLA LNOs identified the problem and assisted with the re-order. They identified the only acceptable spare in the system and escalated the level of attention at DLA to ensure the order was processed quickly. The corrected order was pulled, packaged, and expeditiously shipped from New Cumberland, PA and in less than one week the 20K fuels bag was received onsite in BMA. Their efforts helped prevent a shortage of jet fuel which could have adversely impacted operations."

### (3) DLA Energy Europe and Africa Overcome Failed Pipeline

After a failed fuel pipeline at the Augusta Bay Defense Fuel Support Point (September 2019 – August 2020) in Sicily, Italy, DLA Energy Europe and Africa coordinated with multiple stakeholders to transport JP8 from a local refinery to Naval Air Station Sigonella via truck. DLA Energy's support enabled the Navy to maintain operations throughout the year.

### (4) DLA Energy Europe and Africa Tackles 144K USG Fuel Spill

Energy Europe and Africa supported CLDJ/Camp Lemonnier, Djibouti when a bladder ruptured into the secondary containment area and 144K USG of capitalized JP-8 spilled. DLA Energy Europe and Africa worked with stakeholders to account for the fuel and provide technical guidance.

### (5) DLA Energy Middle East Overcomes Refueling Challenges at Critical Site

On November 4, 2019, DLA Energy Middle East successfully collaborated with the Royal Jordanian Air Force on the delivery of 25K gallons of diesel fuel in Jordan. To accomplish this delivery, an escort program was implemented whereby delivery trucks met scheduled convoys for wrecker support, if needed. We also increased the capacity to decrease the frequency of deliveries. The additional storage capacity negated deliveries during the rainy season and improved readiness.

#### (6) DLA Energy Japan Concept of Support Test

In January 2020, DLA Energy Japan tested a concept of support using ISO containers instead of commercial fuel tank trucks. DLA Energy conducted joint market research to learn that ISO containers were readily available in Japan. DLA Energy personnel successfully tested the concept during USMC and Japan Ground Self Defense Force, Northern Army Bilateral Exercise NORTHERN VIPER, proving ISO containers are a viable substitute for fuel truck gaps in and around Japan.

#### (7) Logistics Civil Augmentation Program

DLA Energy Korea was incorporated into the 19th Expeditionary Sustainment Command's LOGCAP for non-armistice services. Under this \$166 million United States Forces Korea-funded contract, LOGCAP supports the 19th ESC's mission requirements for other-than-armistice conditions of Non-Combatant Evacuation Operations, Joint Reception, Staging, Onward Movement and Integration, and Theater Sustainment Operations.

#### (8) USTRANSCOM / DLA Energy Class III (B) Supply Chain Pilot

DLA Energy and USTRANSCOM met in March 2020 to lay the groundwork on current business practices in support of the pilot. The pilot is designed to examine the planning, governance, and execution of the Class III(B) supply chain in an effort to identify gaps or seams in current processes.

#### (9) Joint Logistics Enterprise (JLEnt) Digital Transformation Innovation Pilot Project

In August 2019, Assistant Secretary of Defense (Sustainment), and the Director Joint Staff J4, directed DLA Energy to assist the Center for Strategic Joint Logistics with its pilot project testing the capabilities of the Rhombus Guardian artificial intelligence system as part of the JLEnt Digital Transformation. DLA Energy educated CJSJL and Rhombus on our business practices and helped identify and fulfill initial data requirements. DLA Energy also looked into leveraging the Guardian capability to enhance our mission to support the Warfighter.

#### (10) General Order 7-20 Signed

The DLA vice director signed General Order No.7 on 28 Sep 20. The GO realigns 101 DLA Installation Management Energy positions under the command and control of the DLA Energy Commander and into DLA Energy Facility Sustainment Directorate as the Engineering, Environmental and Property Division. Since March 2020, the merging of fuels SRM project management and technical expertise under one C2 umbrella has resulted in significant efficiencies, yielding over \$790M in funding obligations in direct support of the Services' fueling missions. As the realigned organization evolves into full operating capability in FY21, the Facility Sustainment Directorate will continue to analyze workflow and business practices to address additional opportunities to improve the efficacy of the program, support the Services, and help other organizations within DLA Energy.

#### (11) Integrator for Indo-Pacific

The DLA Energy Indo-Pacific integrator is the senior DLA Energy representative in the Indo-Pacific Theater for the DLA Energy Commander, DLA Indo-Pacific Region Commander, and the Indo-Pacific Joint Petroleum Logistics Enterprise (USINDOPACOM, COMPACFLT, PACAF, USARPAC, MARFORPAC, USFK, USFJ and Energy region commanders). The integrator coordinates theaterwide energy solutions with Energy HQ and the Joint POL Enterprise and presents recommended actions to the DLA Energy commander and DLA Region Commander. The integrator leads DLA Energy's coordination and participation in theater-level exercises and plans. Finally, the integrator advises and directs DLA Energy region commanders on unity of effort initiatives.

#### (12) Class IIIB Supply Chain Alternate Release Procedures (ARP)

DLA Energy Europe and Africa quality assurance specialists continue to find new ways to ensure warfighter support during the COVID-19 pandemic. The implementation of ARP inspection procedures for Class III(B) tanker receipts ensures petroleum support for EUCOM, AFRICOM, and NATO partner customers in the region. Under the ARP process, QAS personnel have safely offloaded 28 virtual tanker load and discharge operations supporting approximately 3.1 million barrels of DWWCF product.

#### (13) USAREUR Mobile Lab Certification Support

DLA Energy Europe and Africa Base Laboratory facilitated lab certification for multiple U.S. Army mobile field labs. The certification process consisted of a correlation program for each of the Petroleum Quality Analysis System – Enhanced (PQAS-E) mobile laboratories in the USAREUR theatre. Serving as a referee lab, Energy tested numerous fuel samples from US Army PQAS-Es, provided specialized training support, and enabled the certification of multiple labs. This effort ensures the appropriate quality surveillance for fuel being used in mission support.

### c. Global Posture – Prepared for Immediate Action

#### (1) Exercise Vigilant Shield-20

From October 21-25, 2019, DLA Energy Americas enabled VS-20, a NORAD/USNORTHCOM exercise with Canada focusing on homeland defense. Energy personnel analyzed and responded to scenarios designed to stress the continent's supply chain. Participants in the exercise fostered creative solutions for delivering fuel across the battlespace and gained insight into possible impacts to the supply chain and potential mitigating actions. Americas North acted as the Sub-Area Petroleum Office for Alaskan Command J4.

#### (2) DLA Energy East Pacific

DLA Energy East Pacific executed requirements for 7.4M gallons valued at \$17.6M for the 2-week RIMPAC 2020 exercise. In all, 23 ships from ten nations were serviced.

The U.S. Navy utilized DLA Energy's fuel agreements to sell 7.8M gallons of F76, 41.4K gallons of JP5, and 3K gallons of lube oil to nine foreign navies. Due to COVID19, limited port calls required refueling at sea as the primary method of fuel support.

### (3) DLA Energy South West Pacific

Provided onsite quality support during exercises Cobra Gold and Hanuman Guardian in Thailand.

### (4) DLA Energy Japan

Supported international partners with 11M gallons/\$35M of fuel exchanges with the Japanese Maritime and Air Self Defense forces, and with direct support to six exercises ranging in scope from theater wide planning and contingency proof of concepts (Keen Edge/Pacific Sentry, Keen Sword, Pacific Fury) to localized bilateral trainings (Forest Light, Northern Viper).

### (5) DLA Energy Middle East

In FY20, DLA Energy Middle East sold 468,634,584 gallons of bulk petroleum products in 12 countries through defense fuel support points, direct delivery, bunkers, and into-plane contracts. Coordinated and synchronized 33 vessel discharges totaling 250M USG of product valued at nearly \$750M.

### (6) Sustainment, Restoration, and Modernization (SRM)

To improve on out-of-service fuel tank repairs and reduce costs, Defense Logistics Agency Energy is working with Naval Facilities Engineering Command, US Army Corps of Engineers and the Air Force Civil Engineer Center, to remove inefficiencies and better respond to customer needs. DLA Energy's Facility Sustainment Directorate is responsible for inspecting, repairing, and maintaining 75% of the Department of Defense's petroleum, oil, and lubricants infrastructure worldwide. Streamlining processes and "predictive repairs" has reduced repair time from two years to one.

FY 2020 was a record-breaking year for the newly realigned DLA Energy Facility Sustainment Directorate, which was placed under DLA Energy in April by the DLA director. The Program Management Division ended the year with \$797M obligated in direct support of the Services; an increase of \$144M from FY19. Globally, SRM obligations resulted in 1,440 preventive maintenance inspections completed; 5,734 minor repair service orders approved; 1,325 SRM projects funded; and 121 tanks cleaned, inspected, repaired and returned to the operator (Air Force – 67, Navy – 30, Army – 17, USMC – 7).

The Environmental Branch closed twenty-five clean-up sites. Fifteen sites will impact the DLA Environmental Liability Management sites identified on DLA's financial statement audited by our independent public accountant. The command also closed one general storm water permit reducing regulatory oversight.



#### (7) Bagram, Afghanistan: COVID-19 Border Closure Mitigations

In March 2020, DLA Energy Middle East Customer Operations team received several RFIs regarding the status of fuel movement through the Northern Distribution Network. DLA-contracted fuel vendors in Afghanistan confirmed that both rail tank cars and fuel trucks were being allowed to cross into Afghanistan. Our team was in regular contact with contracted vendors, USFOR-A, the Resolute Support Sustainment Brigade, Sub Area Petroleum Office, and Joint Petroleum Officer regarding border status.

#### (8) DLA Energy Award Inland/East/Gulf Coast/Offshore program

In February 2020, the DLA Energy Bulk Petroleum Division awarded eighteen contracts worth ~\$2.6B to supply 1.2M US gallons of JAA, JP5, JP8, and F76 to military services at locations within Inland/East/Gulf Coast/Offshore regions. This is DLA Energy's largest bulk purchase program with a contract performance period from April 1, 2020 through March 31, 2021, plus a 30-day carry-over period.

#### (9) Card Program Office Division

When the Navy destroyer USS Gridley (DDG 101) needed fuel in the northern Atlantic, it used DLA Energy Ships' bunkers easy acquisition, or SEA, Card online system. The SEA Card® program offers an efficient, easy-to-use, and secure Internet-based solution to procure bunker fuel. Fuel orders can be directly placed to DLA Energy bunker contracted suppliers or, if a port does not have a bunker contract in place, the vessel can order through a competitive quote open market 'spot buy.'"

#### (10) Installation Energy

During winter (November 2019 – March 2020), DLA Energy customers throughout the Mid-Atlantic and Southern regions were subjected to several natural gas service disruptions (i.e. curtailments) that threatened to impact the daily operations of twenty-six DoD and federal civilian customers. Through diligent and timely engagement with local utilities and customers, the energy management team worked closely with procurement personnel and industry partners to execute 26 spot purchases totaling over 900,000 dekatherms of natural gas to ensure continuity of operations. These short-fused, time sensitive actions saved customers approximately \$13M in back-up fuel costs. It also avoided a costly penalty in unauthorized supply charges that would have totaled millions of dollars.

#### d. Strong Partnerships

##### (1) Installation Energy Awards Energy Savings Performance Contract for Yokota Air Base

In November, DLA Installation Energy awarded a contract to Schneider Electric Buildings Americas, Inc. under the Department of Energy's Multiple Award Indefinite Quantity ESPC contract to modernize infrastructure, increase energy conservation, enhance demand

reduction, and improve energy resilience for Yokota Air Base, Japan. The contractor will implement 21 energy conservation measures for \$12,302,159 in annual cost savings. As an ESPC, the annual savings are used to pay the contractor for the scope of work, its debt service, and any performance expenses.

## (2) Partner & Allied Nation Support

DLA Energy opened the first-ever fuel Acquisition Cross-Servicing Agreement (ACSA) order with the Qatar Ministry of Defense. This ACSA order authorized the sale of DLA Energy owned fuel to the Qatar Emirati Air Force at Al Udeid AB and other U.S. DoD locations.

When fuel contractors in Jordan were unable to deliver, DLA Energy International Agreements established ACSA orders with the Royal Jordanian Air Force to ensure deliveries to five critical U.S. DoD locations continued.

With the Oman Fuel Support Agreement (FSA) expiration eminent, DLA Energy pursued and received authority from OSD for a one-year extension to ensure continuity of fuel support to U.S. DoD forces in Oman and negotiate and conclude a new replacement FSA.

## (3) Joint and Allied Class IIIB Fuel Planning

DLA Energy Europe and Africa LNOs facilitated development of EUCOM Class III Bulk requirements. Their participation in the Joint European Time-Phased Force Flow and Sustainment conference series, Central European Pipeline System conference series, and NATO Table-Top Exercise series ensured that U.S. and Allied Forces in Europe would continue to receive fuel in a contingency. The organization provided 1.1M gallons of fuel for Exercises DEFENDER EUROPE 20, NOBLE PARTNER 20, ATLANTIC RESOLVE 20 and SEA BREEZE 20 amidst COVID-19 restrictions, demonstrating commitment to the Warfighter and partners.

## (4) Space Supplier Engagement

Boosted with DLA Energy-provided liquid propellant, the U.S. Space Force launched its first mission from Cape Canaveral Air Force Station in Florida, March 26, 2020. The DLA Energy Aerospace team supplied RP1 fuel for the United Launch Alliance Atlas V rocket and hydrazine for both the Centaur upper stage of the rocket and for the Advanced Extremely High Frequency satellite.

## (5) Aerospace Energy

DLA Energy supported ten US Space Program launches with booster rocket fuel, cryogenic propellants, and hypergolic fuels generating over \$20M in revenue. Missions included the Advanced Extremely High Frequency and GPS III satellites, NASA's Solar Orbiter and Mars 2020 spacecraft, ISS resupply missions, and NRO classified payloads.

#### (6) Utility Services Expands to Support U.S. Navy

Naval Station Mayport, Florida is the newest military installation to begin utilities privatization for a wastewater and is the first joint effort between DLA Energy and Navy utilities. The initiative will save the Department of Defense \$2.3M between fiscal years 2019-2024. DLA Energy Utility Services helps military services coordinate and consolidate DoD privatization efforts including gas lines, electrical distribution systems, water and wastewater systems, and thermal systems. In the utility's privatization process, military installations shift from owner-operator to smart utility service customers.

#### (7) Joint Petroleum Seminar

In February 2020, DLA Energy and JS/J4 Joint Petroleum Office co-hosted the 2020 JPS. The objective of this annual "unclassified" seminar was to enhance DOD's ability to execute future joint petroleum operations. Highlights included a record attendance of over 180 and the keynote speaker, Director for Logistics (J4), Joint Staff, as well as an informative panel discussion with the Deputy Assistant Secretary of Defense Energy and DASD Facilities and Management.

#### (8) In-Residence Joint Petroleum Course

On March 13, 2020, DLA Energy and the U.S. Army Quartermaster School held a graduation ceremony for students who attended the pilot course at Fort Lee, Virginia. The two-week course was taught to 20 petroleum subject matter experts at various experience levels throughout the DoD Class IIIB supply chain. Each expert was required to: 1) participate and provide feedback on each training objective; 2) participate in various group scenarios; and 3) certify over 300 test questions to help finalize material for four more iterations of the course to be taught this Fiscal Year.

#### (9) DLA Energy Fuels THAAD Deployment to Romania

When a missile defense site in Romania went down for a systems update this summer, a DLA team worked to fuel the replacement system and help ensure the U.S. fulfilled its commitment to NATO's ballistic missile defense efforts. DLA has been supporting the Aegis Ashore with diesel fuel since 2016. However, the THAAD required JP8 fuel and there were no contracts in the area. While the THAAD was in place, the regional DLA Energy team coordinated nine deliveries of more than 55,000 gallons. The 32nd AAMDC redeployed with the THAAD when the Aegis Ashore system update was completed in August.

#### (10) French Service Des Essences Des Armees Officer Exchange:

DLA Energy headquarters hosted an officer from the French SEA February 18-21. France's SEA is the French Ministry of Defense's equivalent of DLA Energy.

(11) DLA Energy Americas Quartermaster Liquid Logistics Exercise Video

Debut:

DLA Energy Americas spearheaded a new training video in coordination with US Army Quartermaster School, Petroleum and Water Department to enhance preparation for the annual exercise. The video was filmed and edited by a DLA Headquarters video producer and was introduced at the QLLEX-2020 Mid-Planning Workshop in Nashville, Tennessee. The video will be a cost-saving measure that reduces the pre-inspections quality assurance representatives need to conduct and is being applied by all regions participating in QLLEX.

(12) Utilities Privatization Program Update:

In March 2020, DLA Energy Utility Services met with Headquarters Army Deputy Chief of Staff G-9, Installation Management Command, and Mission Installation Contracting Command personnel to discuss the transition of Army legacy utilities privatization contracts. DLA Energy will work with MICC to facilitate the transfer of contracting responsibility for up to 52 UP contracts from their current offices to DLA Energy.

(13) Quintilateral Logistics Forum Fuels Study:

DLA Energy is supporting the Joint Staff J4 joint petroleum officer to improve interoperability among Australia, Canada, New Zealand, the United Kingdom, and the U.S. The nations will identify opportunities and make recommendations with a final report due in December 2020.

(14) Aerospace Support:

Carrying equipment destined for Mars, a United Launch Alliance Atlas V rocket fueled by DLA Energy blasted off from Cape Canaveral Air Force Station in Florida, July 30, 2020. The rocket carried the \$2.7B NASA's Mars 2020 Perseverance rover on a 300M-mile voyage into space. The Atlas V first stage booster was fueled by liquid oxygen and rocket propellant. DLA Energy provided 26,000 gallons of RP-1 along with 300 pounds of high-purity hydrazine for the upper stage booster and 1,000 pounds of high-purity hydrazine for the spacecraft.

(15) National Defense University:

Due to COVID-19 health concerns, students at National Defense University's Eisenhower School learned about DLA Energy during a virtual presentation, April 6, 2020. The defense fuel management seminar was held online with the more than 20 senior-level military officers and civilians from the U.S. and four international partners – Czech Republic, Lebanon, Norway, and Poland.

e. Whole of Government – Support to the Nation

(1) Customer Relationship Management Division:

Managed 445 Whole of Government and U.S. Government contractor fuel purchase authorizations providing military and commercial specification fuels valued in excess of \$750M to Federal customer locations; U.S. military bases; and commercial airports, ports, and marinas.

(2) National Science Foundation Fuel Deliveries:

The Customer Relationship Management Division, in coordination with stakeholders, completed a five-year Interagency Agreement with National Science Foundation, Office of Polar Operations, for continued fuel support to McMurdo Station in Antarctica. DLA Energy procured ~7.63M USG of fuel valued at ~\$18.7M and delivered to Na NSF chartered tanker in Greece in December 2019. The NSF tanker arrived at the McMurdo Station on January 20, 2020.

(3) Airgas Nitrogen Services, LLC Amended Fuel Purchase Authorization (FPA):

The Customer Relationship Management Division developed, coordinated, and signed an amended FPA specifically for support of Airgas Nitrogen Services, LLC at Vandenberg AFB. The amended agreement was completed in five working days with the support of FEM, FENA, and DLA Energy Counsel. A DODAAC account was established and successfully tested through FMD and EBS in advance of the Airgas Nitrogen Services' requirements.

(4) Small Business:

DLA Energy awarded more than \$1.2B to small businesses, exceeding our goal for the 8th consecutive year.

(5) Puerto Rico Earthquake Support:

In response to the earthquake in Puerto Rico and subsequent Federal Emergency Management Agency warning order, DLA Energy Americas East established a four-person Task Force Americas Team in case of a mission assignment. In addition, the DLA Energy LNO to USNORTHCOM provided daily updates on Homeland Defense posture in response to global events.

(6) Hurricane Laura Response:

Within 18 hours of FEMA's request for fuel, DLA Energy activated the contingency fuels contract and pre-positioned resources at Incident Support Base Fort Hood, Texas, to support Hurricane Laura response efforts Aug 27, 20. DLA Energy Task Force Americas positioned 45 fuel trucks with 50,000 gallons of diesel and 20,000 gallons of gasoline at ISB Fort Hood to await mission assignments to relocate fuel throughout Louisiana. Ten

thousand gallons of diesel and 5,000 gallons of gasoline were sent to the Louisiana National Guard base at Camp Beauregard and to ISB Roseland, Louisiana. Additional fuel was sent to ISB Chennault Field, Louisiana. As the executive agent for petroleum, oil and lubricants, DLA Energy provides support to FEMA through its multipurpose fuel contingency contract with a designated fuel contractor. DLA Energy has provided ground fuel to FEMA in support of presidentially declared national emergencies and disasters since March 2006.

(7) Presidential Support:

Quality assurance representatives executed fuel inspections for more than 115 secure fuel missions, ensuring the safe and timely travel for the President of the United States.

f. Always Accountable

(1) DLA Energy Quality & Technical Directorate:

Developed a process flow map and implemented Alternate-Vessel inspection release procedures to enable contract quality assurance processes for Fuel procurements during COVID-19 travel restrictions.

(2) DLA Business Process Support Directorate:

Extended lock-out time from 30 to 60 days for enterprise external business portal users. This waiver enhanced the ability of Warfighters to collaborate on forecasted fuel requirements by providing a larger window that aligns better with demand planning collaboration weeks. It also gave Warfighters the flexibility to place fuel orders by eliminating the requirement to submit trouble tickets to unlock accounts inactive for 30 days.

(3) Virtual Technical and Quality EBS Formal Training:

In support of CDC safe practices, virtual training was developed to replace instructor-led EBS formal training. Course material is delivered via Skype. In addition, students can perform on-hands training utilizing EBS training environment. Three courses – EBS 201, TQ401 and TQ 402 – will be available to all quality assurance specialists, quality assurance representatives and chemists. FY2021 schedule has been released to all regional quality managers.

(4) BPSD-created Tracker Initiative:

For use by the Tanker Branch to capture actual Bunker Sales into a single location. This initiative allows for improved Bunker Sales tracking and reporting.

(5) BPSD New Initiatives Include:

(a) A demand planning master data dashboard to capture KPIs and identify Characteristic Value Combination and Stock Keeping Unit errors in Advanced Planning and



Optimization. Initial monthly target percentage goal of 15% was lowered to 1.5%. Error rates for the past several months has been below 0.28%.

(b) A new functionality for the generation of long-term contract procurement requests. This new capability allows the sorting of the LTC PR by several different options (state, material, location, etc.). Additionally, there is an option that automates the addition of service materials to Aerospace LTC PRs.

(c) An improved functionality for traders and schedulers workbench master data reporting and mass uploads. This functionality enables DLA Energy to download and upload TSW master data in addition to providing reports in real-time

(d) Developed an APO Supply Network Planning / Industry Solution – Oil Master Data Dashboard to capture master data inconsistencies and error rates. The dashboard with its built-in search and filter functionality enables Planning process stakeholders to identify and correct key master data elements quickly, ensuring the proper execution of DLA Energy Transactions.

#### (6) Strategic Policy and Programs Division:

Established first of its kind in-residence Class IIIB supply chain training at Fort Lee for the military services and civilians.

#### (7) Audit Update:

FY20 Audit Strategy – E2E Inventory Assessment - DLA Energy submitted the final package, approved by DLA Logistics Operations (flowcharts, business process narratives, risk control matrix, identified gaps in controls and TOD/TOE POAM) to ATF for review on September 28, 2020.

#### (8) DLA Energy End-to-End Inventory Initiative:

DLA Energy held an end-to-end inventory workshop on January 13-17, 2020 to begin drafting flowcharts aligning plan-to-stock sub-assessable units, to include receipting (start), distribution of inventory, inventory management and disposal (end). DLA Energy identified key areas of risk, implemented internal controls to address defined risks, IT systems, validation measures, and financial posting impacts. Upon drafting three tiers of flowcharts, DLA Energy will assemble a business process narrative to validate compliance, document business processes, and update the risk and control matrix for the corrective action plan.

#### (9) G-Invoicing Update:

DLA Energy has uploaded 49 out of 63 reimbursable agreements into G-Invoicing and 35 out of 44 non-reimbursable agreements into DLA SharePoint for the military services. Whole of Government uploads into G-Invoicing currently await agency location code resolution. DLA Energy trained 98.6% of its personnel requiring G-Invoicing training.

(10) Aerospace Mission Optimization:

Process mapping completed for EBS procedures; focused on public sector, oil and gas contract renewal, execution, and close out steps. CPI facilitators are now conducting one on one interviews with various stakeholders. Current DLA EBS tenet organizational structure caused silos to form between operations. CPI planning to brief optimal organizational structure to the DLA Energy commander o/a Nov 20, 2020.

e. People and Culture

(1) 2019 Culture Action Plan Goal:

In October 2019, DLA Energy hosted the Acquisition Workforce Honors Program and Pathways to Career Excellence (PaCE) Graduation Program. Over 90 acquisition professionals were recognized for completing training required for their DAWIA certifications, defense acquisition corps membership contracting officer warrant, and rotational assignments. The graduation honored 24 employees who completed the 2-year program for the DLA Energy, DLA Finance and DLA Information Operations PaCE programs.

For the third year in a row, DLA Energy employees were awarded *Federal Energy and Water Management Awards* for “exceptional energy and water cost savings,” October 29, 2019. Managed by the U.S. Department of Energy Office of Energy Efficiency and Renewable Energy's Federal Energy Management Program, these annual awards recognized individuals, groups, and agencies for their contributions in energy efficiency, water conservation, and the use of advanced and renewable energy technologies.

In November 2019, DLA Energy hosted its annual Hall of Fame induction ceremony. Ms. Kay Bushman, Lawrence Ervin (posthumous), COL Gregory Gibbons (USA, retired) and Ms. Kathy Williams joined the distinguished DLA Energy Hall of Fame inductees in a ceremony at McNamara Headquarters Complex, Fort Belvoir, Virginia, on November 13, 2019. This year's event celebrated the accomplishments of a lawyer, an economist, a Soldier, and a businesswoman all exemplified the selfless sacrifice, hard work, and leadership of the DLA Energy workforce. Please see our DLA Energy 2019 Hall of Fame video [https://www.youtube.com/watch?v=nAVddXiX5fo&feature=emb\\_title](https://www.youtube.com/watch?v=nAVddXiX5fo&feature=emb_title)

DLA Energy did exceptionally well in the 52nd Annual DLA Employee Recognition Awards, winning 13 award categories. This performance is a clear demonstration of the impact that DLA Energy has throughout the DLA Enterprise and the importance of the work DLA Energy personnel perform.

(2) Memorandum of Understanding with George Mason University:

A memorandum of understanding signing ceremony was held January 8, 2020 formalizing the already-existing partnership between DLA Energy and George Mason University's Career Services. The MOU will improve DLA Energy's outreach, provide a framework to identify mutual interests and concerns, and develop solutions. This is DLA Energy's first MOU with an academic institution.

(3) Logistics Education Advancement Program (LEAP) Professional Development:

From July 27 - September 11, 2020, a noncommissioned officer from the Plans & Operations Division performed LEAP training at the DLA Energy Command and Control Center. This training aids in honing unique skillsets. The four-year program focuses on upper-level petroleum supply chain management from an executive agent perspective while learning from functional experts across the spectrum of energy operations.

(4) DLA Energy Change of Commands:

DLA Energy bid farewell to Air Force Brig Gen Albert Miller during a virtual change of command ceremony June 23, 2020. The incoming commander, Air Force Brig Gen Jimmy Canlas, joined the organization after commanding the 618th Air Operations Center (Tanker Airlift Control Center) at Scott Air Force Base, Illinois.

Six change of commands took place within DLA Energy between June and August 2020. DLA Energy Americas welcomed Army COL Raphael S. Heflin June 29, 2020. DLA Energy Middle East welcomed Air Force Lt Col Jennifer Neris, during a virtual change of command July 13, 2020. DLA Energy Korea changed command in a virtual ceremony when Army LTC Craig Daniel relinquished command to Army LTC Jose Medina on July 15, 2020. DLA Energy Japan welcomed Air Force Maj Charles “Chuck” Coffman during a change of command ceremony on Yokota Air Base, July 14, 2020. Navy CDR Frank Kim assumed command of Defense Logistics Agency Energy Americas West during a virtual assumption of command in San Pedro, California, August 19, 2020.

(5) Virtual Town Hall:

DLA Energy commander Air Force Brig Gen Jimmy Canlas assumed command of DLA Energy June 23, 2020. In a video town hall recorded June 24, 2020, he introduced himself and discussed his leadership principles. Virtual ceremonies became standard practice when DLA personnel at the McNamara Headquarters Complex on Fort Belvoir, Virginia, were forced to work remotely after April 1 because of the coronavirus.

(6) 75th Birthday:

DLA Energy celebrated its 75th birthday in July: in July 1945, the command, then known as the Army-Navy Petroleum Board, was founded to provide petroleum during World War II. From helium, electricity, cryogenics, and exotic space fuels, to disaster response fuel support and modernization of fuel infrastructure, DLA Energy continues to be an integral part of the defense of our country.

(7) New Mission and Vision Statement:

DLA Energy conducted a virtual strategic offsite to relook the organizational strategy and chart the way forward September 8-9, 2020. Directors, commanders, special staff, and deputies gathered virtually from around the globe to develop a new mission and vision

statement. Efforts over the two-day offsite produced new mission and vision statements and a list of deliverables due over the next 60 days. The new mission statement is to enable mission readiness by providing globally resilient energy solutions to the Warfighter and Whole of Government. The new vision statement is to be the trusted leader in innovative energy solutions aligned with the speed of change.

# Defense Logistics Agency

## DLA Disposition Services Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
DISPOSITION SERVICES  
74 WASHINGTON AVENUE NORTH  
BATTLE CREEK, MICHIGAN 49037-3092

MEMORANDUM FOR DLA HEADQUARTERS, ATTN – Historian  
SUBJECT: Submission of DLA Disposition Services FY20 Annual History Input

As the DLA Disposition Services workforce embarked together on a new fiscal year, we knew that the dynamic, ever changing environment we operate in would present its usual challenges, and that individual and group resilience would be key to our collective ability to adapt and overcome.

Oh, how right we were.

The attached pages present some key highlights from among our organization's many successes that we accomplished despite and in defiance of a once-a-century pandemic that upended the very notion of how people work and interact. While facing a generational challenge, we continued to adapt and innovate to meet the always evolving requirements that make up the core of the Defense Logistics Agency's mission.

We never stopped considering warfighter support first, even while going to extraordinary lengths to protect the health and safety of our people. Our global workforce still took in roughly \$25 billion worth of used and excess property from its customers and took nearly 111,000 orders for more than two million items worth \$1.7 billion. Our public sales generated more than \$70 million. Our workforce continued with those vital functions of our military's reverse logistics process, demonstrating passionate support for the mission, even when faced with stringent rules on travel and interaction with colleagues and customers.

Our personnel and field location realignment initiatives remain ongoing, and our efficiency and responsiveness continue to improve. That responsiveness was demonstrated by support efforts like our ongoing support for targeted divestiture projects among the services, our contributions to major joint exercises, and our ongoing presence in Afghanistan and throughout the U.S. Central Command area of operations, and across the globe.

In these pages, we hope readers will see a command that remains ready, willing and able to do what it takes to reach and exceed the Defense Logistics Agency's strategic goals and demonstrates ongoing commitment to the maintenance and growth of a safe, motivated and effective workforce.

CANNON.MICHAEL  
EL.O.1165424812  
MICHAEL O. CANNON, SES, DoD  
Director, DLA Disposition Services

Digitally signed by  
CANNON.MICHAEL.O.11654248  
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Date: 2020.10.13 09:26:47 -0400

Attachment:  
1-Annual History Input

## **1. Introduction**

DLA Disposition Services serves warfighters from more than 100 locations throughout the world, supported by a leadership team in Battle Creek, Michigan. Field sites receive, classify, segregate, demilitarize, account for, and dispose of excess material from military units and other customers. By facilitating customers' reuse of serviceable excess, the command reduces their need to purchase new material.

In FY20, DLA Disposition Services received material with an estimated acquisition value of nearly \$25 billion. That stock included 111,000 requisitions for nearly 2.5 million usable items worth more than \$1.7 billion in original acquisition value. The items were offered to the military services for reuse, transferred to other federal agencies, or donated to state and local governments and eligible non-profit agencies.

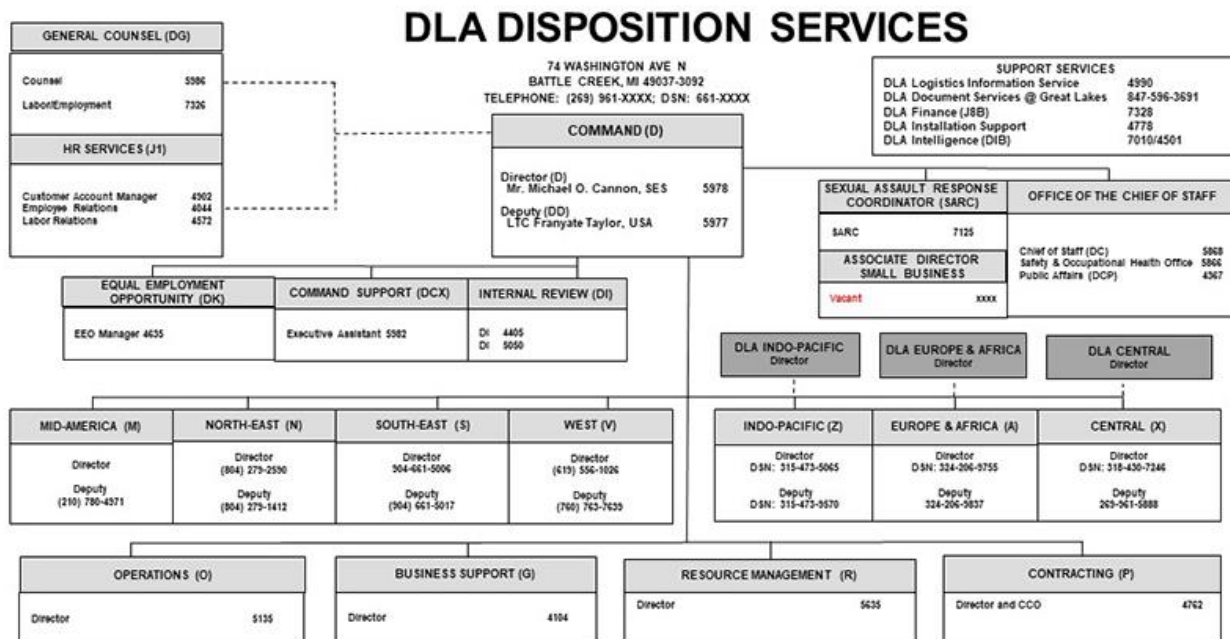
DLA Disposition Services also oversaw the demilitarization and disposal of property not reused, transferred, or donated. Public sales in FY20 generated more than \$70 million, which covered a significant portion of the military branches' service-level bills. Although challenged by aqueous film-forming foam, DLA Disposition Services processed over \$75 million of the services' hazardous waste.

The COVID-19 global pandemic presented challenges and opportunities for the DLA Disposition Services team. As in the past, the workforce overcame challenges and met its objectives through mission focus, resiliency, and outstanding teamwork. Specific to COVID-19, DLA Disposition Services provided over 2.9 million medical items worth \$28 million.



## 2. Organization

The command's organization continued to rely on a process-centric model adopted in 2019.



## 3. Key Personnel

FY20 saw the arrival or departure of key personnel that included:

- Army Col. Franyate Taylor replaced Army Col. Wayne Bondy as deputy director after Bondy's reassignment to DLA headquarters.
- Stacey Piling replaced Connie Nowicki as resource management director after Nowicki's retirement.
- Al Hight was named the new Equal Employment Opportunity office director.
- Omar Khalil replaced Kathy Atkins-Nunez as the South-East region director after her reassignment as Mid-America region director.
- Beth Ford departed as Norfolk area manager and replaced Ben Waller as North-East region director.
- Joe Arnold departed as Mid-America director to take a position with DLA Distribution.
- Lt. Col. Mark Logan replaced Lt. Col. Jeff Walz as Central region director.

## 4. Total Personnel

DLA Disposition Services is authorized 1,490 civilians, 13 active duty military, 120 local nationals and is augmented by six military reserve units – all led by one appointed Senior Executive Service member. These numbers do not include the 25 members of the Law Enforcement Support Office funded by the Defense Department.

## 5. Historical Narrative

### a. Warfighter Support

#### (1) Divestiture assistance

As the Army continues to rid itself of excess equipment, U.S. Army Forces Command kicked off an accelerated turn-in initiative in May. The initiative focused on property book excess at over 20 installations. In all, the requirement included more than 110,000 excess items. Since May, when pandemic restrictions started, U.S. Army Forces Command has completed 46,000 turn-ins, or 42% of its goal.

The Marine Corps initiated a “Force Design” plan to shape its future. The plan included activating and deactivating units and divesting legacy equipment platforms. It began during the second quarter with the deactivation of two active tank battalions and will continue until 2030. The Corps identified over 10,000 pieces to divest during the initial phase.

As part of the Force Design plan, Marine Depot Maintenance Command identified over 16,400 National Stock Numbers at DLA Distribution Albany requiring disposal before the end of the fiscal. These parts supported depot maintenance for legacy systems. This accelerated turn-in initiative began in June 2020. With transportation assistance from DLA Disposition Services, Marine Depot Marine Command conducted 5,671 transactions and had completed over 35% of the initiative at the time of reporting.

#### (2) Major exercise support

Combatant Command Planning provided two planners to support two joint exercises in INDO-PACOM (Keen Edge/Pacific Sentry). As the year unfolded, planners also supported Defender 20 in Europe, Defender 20 Pacific, and CONUS Operational Readiness Exercise 2020 (COREX) until the coronavirus pandemic ultimately cancelled the exercises. DLA Disposition Services remains engaged in the Joint Planning Process to support COCOMs FY21 training exercises. FY21 priority of effort resides in the INDO PACOM AOR, supporting Defender Pacific 21, Keen Sword 21, Pacific Fury 21, and Talisman Sabre.

#### (3) AFFF removal

DLA Disposition Services continued to provide hazardous waste contract support for disposing aqueous film-forming foam. The command further provided technical support to the DOD per- and poly-fluoroalkyl substances (PFAS) Task Force and Freedom of Information Act and litigation support to the DLA Legal team.

As DOD Disposal Policy for Materials Containing PFAS is in formal coordination, DLA Disposition Services has proactively worked with the hazardous waste treatment and disposal industry to support the services with policy-compliant contract mechanisms.

Emerging awareness of the hazards of PFAS in drinking water has led to public scrutiny and litigation over treatment and disposal technologies, as the Environmental Protection Agency accelerates efforts to issue regulatory guidance by the end of 2020. In the absence of current federal regulation pertaining to PFAS disposal, leaders in the disposal industry remain

perplexed as to how to manage these wastes. In anticipation of forthcoming regulations and policy, DLA Disposition Services continues to develop new contract disposal options and is modifying existing contracts to meet these challenges.

DLA does not require environmental support. Under EPA and DOD policy, and specifically Resource Conservation and Recovery Act standards, a supported DOD activity determines if its wastes are regulated and the proper disposal.

DLA Disposition Services contracts with licensed firms that have demonstrated the ability to handle, transport, treat and dispose of wastes in accordance with standards set by federal, state, and local authorities. Trained environmental specialists execute the organization's responsibilities in compliance with applicable standards.

#### (4) Afghanistan Support

DLA Disposition Services continues to provide disposal support for the U.S., coalition, and other authorized customers. This support currently comes from a medium-sized site at Bagram Air Base, a small site at Kandahar Airfield, and expeditionary sites at Hamid Karzai International Airport and Forward Operating Base Fenty. Personnel providing that support transitioned from a combined civilian, military and contract team to a civilian and contractor-only force in July 2020. DLA Disposition Services will continue to meet the disposal requirements of various customers in Afghanistan.

#### **Fiscal Year 2020 Afghanistan Production Statistics**

	<b>Scrap Trucks Outbound</b>	<b>Scrap Received (LBs)</b>	<b>Scrap Removed (LBs)</b>	<b>Rolling Stock Received</b>	<b>Rolling Stock Processed</b>
Total	1167	33 million	41 million	1695	1615
Weekly Avg	22.02	.62 million	.77 million	31.98	30.47

#### (5) Expanding CENTCOM/AFRICOM hazardous waste disposal

Historically, the vast majority of DOD hazardous waste generated in CENTCOM/AFRICOM countries is exported to Europe for disposal by DLA Disposition Services contractors. This approach has proven costly and problematic. In accordance with an international treaty known as the Basel Convention, exporters must obtain consent from the country of export, all transit countries, and the country of import. Less developed governments like those in CENTCOM/AFRICOM are often untimely in providing consent and the exporter/applicant has no recourse. This limiting factor impacts DLA's ability to provide hazardous waste disposal customers with timely, predictable services.

DLA Disposition Services continues to work with contractors, combatant commands, and State Department stakeholders to identify, vet, and qualify disposal facilities. Currently, DLA Disposition Services has selected in-country facilities in Israel, Oman, Kuwait, and Cameroon. The command is on the cusp of receiving CENTCOM approval for a facility in Bahrain with the capability to dispose of 50% of the Navy's waste in country. DLA Disposition Services provided combatant command representatives with talking points on acquiring host

nation environmental authority endorsement of in-country facilities. Additionally, DLA Disposition Services provided talking points on the need to include Basel provisions in Status of Forces Agreements and basing/access agreements. Combatant commands began engaging with U.S. defense attachés in July.

#### (6) Ship Recycling

A request for technical proposal for recycling five former U.S. Navy ships located in Philadelphia was posted in October. The ships to be scrapped include ex-ADAMS, ex-TICONDEROGA, ex-BARRY, ex-HAWES, and ex-GROVES. In May, a shipbreaking contract was awarded to International Shipbreaking, Ltd. A start-of-work meeting was held in June. Navy Sea Systems Command will oversee performance and environmental considerations while DLA Disposition Services administers and pays for the contract. Cutting begins 30 days after each ship arrives at the recycling destination.

#### b. Global Posture

##### (1) Headquarters reorganization

In 2017, DLA Disposition Services began assessing how well it supported field sites and higher headquarters. The Disposition Services director wanted to switch from a ‘task-focused’ orientation to one that better meets the needs of customers and incorporates a broader understanding of the end-to-end process.

As part of the effort, DLA Disposition Services sought to develop metrics measuring efficiencies and effectiveness. A business case was structured around aligning business processes, ensuring long-term success, and supporting a strategic vision. The goal was to increase performance by optimizing the contributions of people, processes, and inputs while minimizing waste and misdirected effort.

An Assessment Phase began with validation of each directorate’s mission, function, and process, which consisted of a charter team verifying mission and function statements, standard operating procedures, and job aids. The team identified process managers, process owners, and process performers responsible for defining process criteria, execution, and metrics.

The charter team briefed executive leadership as it progressed in its knowledge of the agency and its business processes. A decision brief proposed four options that would move Battle Creek “J-Codes” and other offices into new directorates. Ultimately, the director chose Course of Action 4, aspects of which were derived directly from field site input.

The new organizational structure features an Operations Directorate and three supporting directorates: Contracting, Resource Management, and Business Support. The new structure provides a platform for building expertise in end-to-end business processing while retaining flexibility and agility. Execution began with Phase Two - Movement, mapping processes to people by positions and the associated training, job series and performance development changes. Phase Three - Sustainment began with training in the roles of process manager, process owner, and process performer. The goal for this training is to finalize process flowcharts and update policies, SOPs, and metrics.

## (2) Network Optimization

DLA Disposition Services continued to gather data on workload distribution to meet the needs of customers while executing missions with a broad understanding of the end-to-end process. This reassessment comes six months after the sustainment reorganization phase and is intended to identify what the command got right and wrong. The goal of the reassessment is to evaluate previous initiatives and provide data-based recommendations to senior leadership. As such, DLA Disposition Services developed recommendations for the field offices. At the time of reporting, a decision is pending with agency headquarters. DLA Disposition Services is also readdressing zip code mapping for shipping of property to meet customer demands effectively and efficiently.

## (3) Site improvement/expansion

The facilities section within the Funds and Facilities Division engaged in multiple projects during FY20. DLA Disposition Services acquired a new 7.5-acre scrapyard near its current warehouse in Richmond. The scrapyard, which will be developed over two years, will provide the agency with the opportunity to secure high value property and increase scrap operation efficiency. In conjunction with the project, the Richmond warehouse is undergoing a new workflow concept to maximize throughput. The Army Corps of Engineers is spearheading the effort.

A new warehouse and scrapyard at San Joaquin were acquired and redesigned. The new warehouse moves DLA Disposition Services from an older wood-built facility to a new steel-built one. The United States Army Corps of Engineers is working on the project in concert with local Installation Management. When finished, the project will consolidate three yards into one. It is slated for completion in late FY21 or early FY22.

Fort Meade acquired the second half of its warehouse, shared with a non-DLA component, to double square footage to 80,000. The entire warehouse was redesigned, and the U.S. Army Corps of Engineers upgraded the portion of the warehouse occupied by DLA Disposition Services. This upgrade will allow the site to double throughput. Completion is slated for mid-to-late FY22.

### c. Accountability

#### (1) Recycling Control Point

The Recycling Control Point is a 26-year-old market-in-place program. It was reviewed agency wide in FY 20 and found to fail audit requirements due to co-mingling of stock. In addition, the review found that additional cost savings of \$8.6 million on storage, transportation and personnel could be made.

#### (2) Long-Term Storage

The Long-Term Storage facility located in Columbus, Ohio, opened in 2009. DLA Disposition Services established this facility to stock, store, and issue high-demand Demilitarization Code B/Q property for reutilization to DOD agencies, designated special

programs, Foreign Military Sales, and other federal agencies. Currently 554 Disposal Turn-in Documents, valued at \$7.4 million, are on hand. Only 6.2% of long-term storage space is filled, leaving 93.8% free. Changes in DOD policy to DEMIL B have contributed to the reduction in space needed. Some DEMIL B National Stock Numbers were changed to DEMIL codes that made them ineligible for long-term storage resulting in the DTIDs being purged. The number and complexity of reports used to manage long-term storage changed dramatically this past year, enabling stock to be disposed of much faster. During FY20, there were several high-level discussions on possible repurposing long-term stock and having field sites manage this material locally. Final determination is pending Secretary of Defense-level approval.

### (3) Sales Strategy and metrics

The Public Sales division was realigned to the Contracting directorate in FY20. Improvements included: formalizing the Sales Contracting Officer Warrant program, standardizing contract templates, improved Internal Review Board, aligned sales contractor performance reporting, appointment of sales point of contacts to mirror acquisition contracting, launching an official online workforce Sales Point of Contact training and starting contract surveillance inspections.

Also, in FY20, the primary Scrap Venture Sales Contract expired. DLA Disposition Services transitioned to a traditional individual sales strategy, increasing competition and potentially revenue. This move resulted in the awarding of over 50 new scrap contracts, to include Demilitarization as a Condition of Sale at Red River, Sierra, Pearl Harbor, Anniston, Tucson, Crane, and Puget Sound. Puget Sound scrap is transported to a contractor facility primarily by barge.

The Public Sales Division generated \$70 million in revenue in FY20, ultimately offsetting a significant portion of service-level billing. Public Sales sells surplus property as well as scrap both CONUS and OCONUS. Sales Revenue YTD for FY20:

<b>Commodity</b>	<b>Qty</b>	<b>(\$)</b>
Usable Items	195,376 DTIDs	\$28.9 million
Rolling Stock	5,675 pieces	\$14.1 million
Hazardous Materials Sales	396 DTIDs	\$1.7 million
Scrap	228.5 million lbs.	\$8.2 million
Electronic Scrap	27.6 million lbs.	\$14 million

### (4) Audit readiness

DLA Disposition Services continues its financial improvement and audit remediation efforts. In this fourth DLA Financial Statement Audit year, the command carried a 94% audit response rate and facilitated 11 Business Process Overviews. Despite COVID-19, DLA Disposition Services improved auditor collaboration, resolving and revising observations before they became Notices of Finding and Recommendations. The process resulted in no more than one new notice.

Audit remediation through process improvement extends across DLA Disposition Services, affecting DLA, fellow DOD components, and DOD Consolidated Financial Statement auditability. Business Support, Contracting and Operations also contribute to auditability through



process improvements. FY20 began with closure of the first enterprise wall-to-wall physical inventory supporting excess, obsolete, and unserviceable inventory balances and informing physical inventory plan development. Discontinued Recycling Control Point inventory processes resolved the commingling of Inventory Stock on Hand and excess, obsolete, and unserviceable inventory. A change in net realizable valuation methodology improved DOD valuation and financial statement presentation challenges. DLA Disposition Services increasingly benefited from Robotic Process Automation to improve data accuracy, consistency, and reliability. Corrective action plans in progress affect multiple EOU Inventory assertions, revenue recognition, master data, system access and segregation of duties.

In accordance with Office of Management and Budget Circular A-123, DLA Disposition Services is preparing the FY21 launch of the Enterprise Risk Management & Risk Management and Internal Control Program. This program improves accountability, program effectiveness, mission-support operations, reporting and compliance across the command, producing a fully supported Statement of Assurance and accurate, repeatable, and timely audit results. In response to updated agency policy, DLA Disposition Services established governance, began appointing key stakeholders and is developing a plan to include annual training, process documentation, risk assessment, internal control testing, and reporting.

#### (5) E2D Business Enterprise Architecture

In April 2019, DLA Disposition Services approved development of a new reverse logistics business cycle to fill the end-to-end process framework gap for disposing DOD excess, obsolete, and unserviceable inventory. Initial research revealed the current DOD Plan-to-Stock business cycle ends at the execute disposal process and does not include reverse logistics. To complete the lifecycle within DOD business processes, the command began documenting end-to-end processes used to dispose of inventory through reutilization, transfer, donation, sale, demilitarization, and disposal services. This new business cycle, Excess to Disposal, will document these reverse logistics processes.

As of July, the team developed a project plan, completed all operational process flow charts, and created the business cycle functional decomposition and data dictionary. The team is currently developing DOD Business Enterprise Architecture documentation. Current projected completion for an approved end-to-end business cycle is August 2021.

#### d. Strong Partnerships: Small Business Goals

DLA Disposition Services surpassed small business expectations for the past three years. The command is on track to make FY20 the fourth consecutive year. Historically Underutilized Business Zone percentages have declined across the board for the agency in FY20; DLA Disposition Services fell short of its 3% goal.

<u>Category:</u>	<u>Goal</u>	<u>Achievement</u>
<b>Small Business:</b>	<b>54.00%</b>	<b>78.16%</b>
<b>SDB:</b>	<b>5.00%</b>	<b>27.25%</b>

<b>WOSB:</b>	<b>5.00%</b>	<b>35.55%</b>
<b>SDVOSB:</b>	<b>3.00%</b>	<b>5.54%</b>
<b>HUBZone:</b>	<b>3.00%</b>	<b>2.16%</b>

To help employees and vendors navigate the process of awarding or competing for contracts, DLA Disposition Services conducted 10 events. The events included new Contracting 1102 employee training and nine Small Business Administration-hosted webinars.

Numerous high-dollar contracts were made to small businesses during FY 20, most notably: San Diego HW Removal/Disposal (\$16.5 million); Huntsville/Anniston HW Removal/Disposal (\$16.4 million); San Antonio HW Removal/Disposal (\$2.3 million); Afghanistan Labor Management (\$5.6 million); Corpus Christi HW Removal/Disposal (\$5.4 million); Fort Drum HW Removal/Disposal (\$2.7 million).

These awards are noteworthy given that regulatory changes presented a challenging environment for small businesses in FY20. Despite this friction, the command's contracting officers exploited every opening to ensure small businesses received as many eligible contracts as possible. Their dedication is laudable and, in conjunction with the exemplary efforts of the Acting Disposition Services Associate Director of Small Business, have been the primary factor to yet another year of exceeding small business expectations.

#### e. Whole of Government

##### (1) Pandemic response and impact

DLA Disposition Services provided \$28 million in excess and surplus supplies for COVID-19 relief in FY20. Nearly 5,000 orders were placed for three million items. DLA Disposition Services continues to monitor critical list items to support customer requests; at the fiscal year's end, there were just 10 lines of Federal Supply Group 65 key medical items (frozen lines), valued at \$1,031, available. Most property went to state and local organizations via State Agencies for Surplus Property. Once items were requested, they were processed for issue. DLA Disposition Services personnel physically handled every item requested - no direct vendor deliveries were possible at the time.

Most of the assisting employees were brought in during Phase 0 or Phase 1 recall operations. DLA Disposition Services was one of the first agencies to implement a "Phased Approach for Returning to the New Normal," which included a standard gating process. This was prior to the release of the overall DLA Reconstitution Plan but in-line with the agency's direction. DLA Disposition Services senior leaders and mission critical personnel worked at two locations to mitigate the effect of a positive case at headquarters. The Joint Operations Center ensured a continuous flow of information was maintained among the Agency Synchronization and Operations Center, Disposition Services senior leadership, and the directorates; this effort was accomplished through daily video teleconferences, secret and non-restricted email, and daily reports.

Despite these adaptations, the DLA Disposition Services workforce experienced changes to its daily battle rhythm due to the pandemic. Leadership's primary focus was safety. With the vast majority of employees able to telework, the command reaching a low of only 17% of the workforce physically present. DLA Disposition Services placed 675 employees on weather and safety leave at different points, resulting in more than 200,000 work hours lost. The

command leveraged technology and innovative methods to continue warfighter support in this altered workplace.

## (2) Special programs

### (a) Computers for Learning

DLA Disposition Services continues to manage DOD Computers for Learning. The program transfers excess information technology to pre-kindergarten through 12th grade schools and education non-profits. Overall, 396 requisitions were placed for 3,390 items initially worth \$2.7 million.

### (b) Law-Enforcement Support Office

DLA Disposition Services continues to manage the DOD Law-Enforcement Support Office, facilitating transfer of excess military property to law enforcement agencies across the U.S. and its territories. Transfers allow greater return on investment for taxpayers, especially for controlled items such as tactical vehicles that would otherwise be destroyed. Since inception, the program has transferred property originally valued at more than \$7.2 billion. Currently, more than 8,000 law enforcement agencies have enrolled in the program. In FY20, the Law-Enforcement Support Office handled more than 20,000 requisitions worth \$250 million (based on initial acquisition cost).

The Law-Enforcement Support Office experienced interest in 2020 from elected officials and media outlets concerned about the excessive use of force by law enforcement officers in Minnesota and elsewhere. Public interest in police equipment and tactics, including the “militarization of police,” has some calling for police reform and changes to oversight of civil liberties violations, surveillance, and use of force.

### (c) Firefighter support

DLA Disposition Services continues to support the U.S. Forest Service’s Federal Excess Personal Property program. It transfers excess DOD equipment to the Forest Service, which then loans it to state foresters for wildland and rural firefighting. In FY20, there were 4,042 requisitions for 75,841 items worth \$93.87 million (based on initial acquisition cost).

## f. People and Culture

### (1) Workforce General Safety

FY20 saw a successful transition of the safety team from DLA Installation Management to DLA Disposition Services. Coordination continues with agency headquarters on safety manual completion. More than 200 supervisors were trained in risk management. Numerous deliberate risk assessment worksheets were created specific to DLA Disposition Services operations. The command integrated safety into its expeditionary workforce training. The safety office developed monthly focus areas to evaluate alignment with mission requirements and policies. Feedback was used to address gaps in the program, equipment, and

policies. The safety office also implemented a monthly administrative review, meeting Occupational Health and Safety Administration requirements and allowing for focused training and feedback.

Safety officers inspected facilities at Susquehanna and Red River for mishap "under reporting" and facility/equipment conditions, worked with stakeholders on fire suppression and alarm system deficiencies, ensured corrective Enterprise Safety Applications Management System actions took place, and worked with the Public Health Command to obtain health and safety-related analyses.

## (2) Material Handling Equipment Safety

Business Support collaborated with Safety, Installation Management and Training on six lines of effort for the FY20 Material Handling Equipment Safety Initiative. Effort One covered add-on features for new acquisitions larger than 25k. Effort Two covered the same features for new acquisitions less than 15k. Safety add-on features included front/rear back-up cameras, extra lighting, over-load sensor warning, and a proximity sensor. Testing for Efforts Three and Four took place in Battle Creek prior to fleet-wide procurement.

Add-on items have been contract awarded, arrived in Battle Creek, and are currently being installed. Efforts Three and Four will be the acquisition of after-market safety add-on features for the current 4k and 6K forklift fleet. Once equipment has been tested and vetted for procurement, it will move to contracting for acquisition in FY21. Effort Five entailed procuring headsets for 43 sites to provide two-way radio communication between ground guide and operator. All headsets have been delivered and operators are currently undergoing training. Effort Six entails procuring commercial vehicle top lift/sling kits for sites designated as needing this capability. This equipment will provide top lift capability for non-top lift configured commercial vehicles. The contract has been awarded and deliveries are forthcoming.

## (3) Pandemic impact on training

Nearly 50 cancellations, including on and off-site courses, public offerings, and video teleconferencing prevented employees from meeting training requirements. DLA Disposition Services experienced some success with environmental courses through a contractor, Lion Technology. The command continued to track the compliance, safety, and mandatory training goals for employees on weather and safety leave. Executive development courses are prestigious; knowledge lost because of postponement of courses such as the Defense Civilian Emerging Leader Program is irreplaceable.

## (4) Organizational Culture

The Culture Action Team began its year with a workshop for agency's upcoming culture survey. In 2020, the team focused on survey mechanics and how good data can lead to better planning. The director approved a culture action plan in March 2019 that incorporated strategies for implementation.

The culture action team participated in the annual Leadership Summit, is preparing for the FY21 survey launch, and expects to help senior leaders analyze results. DLA

Disposition Services expects to continue leading the agency with the highest survey response of all major subordinate commands.

Communication remains a key focus area for culture. Increasing the director's calls in FY20 from four to six demonstrated his commitment to improving communication. Even when events could not be held live, programs were recorded and made available online. DLA Disposition Services saw double the number of questions submitted by the workforce in 2020.

# Defense Logistics Agency

## DLA Distribution

### Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
DISTRIBUTION  
430 MIFFLIN AVENUE  
NEW CUMBERLAND, PENNSYLVANIA 17070-5004

NOV 06 2020

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: DR. COLIN WILLIAMS

SUBJECT: Fiscal Year (FY) 20 DLA Distribution Annual History Report

Attached, please find DLA Distribution's FY20 Annual History Report submission.

Our point of contact for any questions is Ms. Stacy Umstead, Deputy Chief of Staff,  
(717) 770-2880, DSN 771-2880, or email: [stacy.umstead@dla.mil](mailto:stacy.umstead@dla.mil).



PERRY L. KNIGHT  
Acting Deputy Commander

Attachment:  
As Stated

## 1. Introduction:

In FY20, DLA Distribution achieved extraordinary results while responding to the COVID-19 pandemic, strengthening support to the Combatant Commands abroad, and investing in people and processes throughout the global storage and distribution (S&D) network. In short, Distribution effectively and efficiently provided the best S&D value to the Nation's Warfighters and Whole of Government partners.

### a. DLA Distribution's Mission:

Provide an agile, global Department of Defense (DoD) Distribution network that delivers effective and efficient distribution solutions which enable readiness and extend the operational reach of the combatant commands, military services, and other valued customers.

As a DLA major subordinate command (MSC), DLA Distribution is the leading provider of global distribution support to America's military through receiving, storing, and issuing supplies, as well as providing other tailored services to increase Warfighter readiness.

DLA Distribution offers best value supply chain solutions through services including storage, distribution, customized kitting, and specialized packaging, as well as transportation support and technology development. Distribution is connected directly with operational and industrial partners and is integral to the National Military Strategy.



### b. DLA Distribution Vision:

An adaptive, innovative organization that always Delivers the Right Things, to the Right Place, at the Right Time.

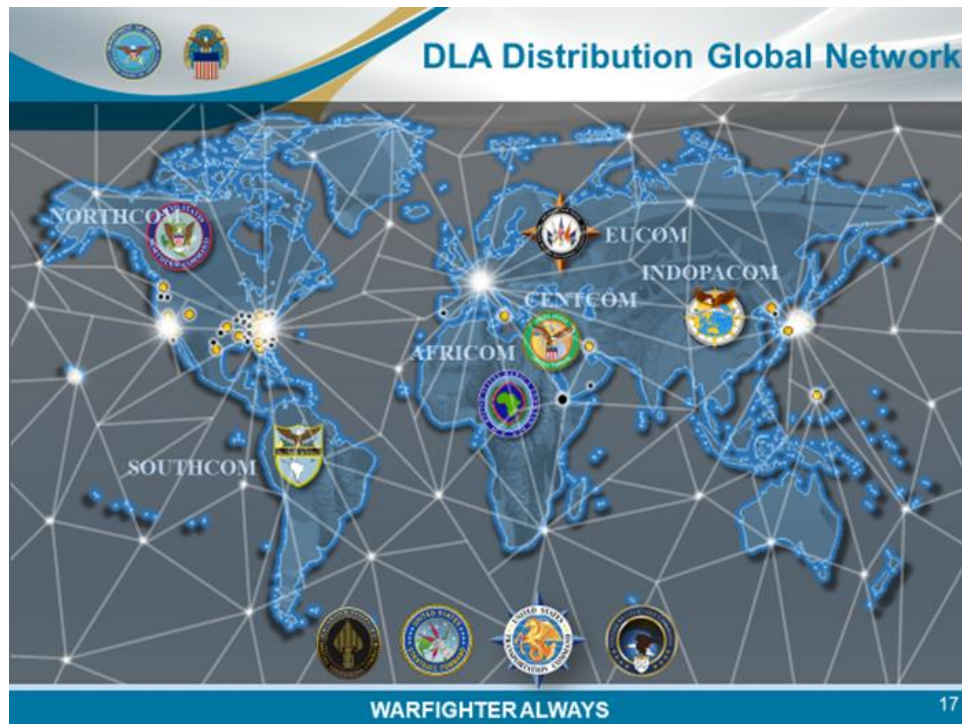
### c. DLA Distribution Quick Facts:

- (1) Oversees the worldwide operation of a network of 50 plus locations worldwide and an expeditionary capability.
- (2) Stores over 2.5 million items valued at more than \$146 billion.
- (3) Services approximately 249,000 customers worldwide.
- (4) Maintains approximately 130 scheduled truck routes.
- (5) In fiscal year 2020, DLA Distribution processed over 14 million transactions.



## 2. Organization

### a. Global Footprint / Capabilities



### b. Core and Unique Capabilities



### c. Theater Consolidation and Shipping Point (TCSP)

Okinawa TCSP – As a result of the Disposition/Distribution (D2) Continuous Process Improvement, and to better support the warfighter in the US Indo-Pacific Command (USINDOPACOM) theater, Distribution J5 established an Integrated Project Team (IPT) with DLA Distribution Yokosuka, Japan, proposing a TCSP operation to cross-dock materiel from the Sea Port of Debarkation (SPOD) and Aerial Port of Debarkation (APOD) for delivery to the island. The desired end state would also provide In-Transit Visibility (ITV) to Okinawa customers, decrease customer wait time, and relieve the customer of having to pick up materiel from the SPOD. The DLA Analytics Center of Excellence conducted a formal Business Case Analysis (BCA), and the findings favored establishment of a TCSP at MCB Camp Kinser.

In October 2019, technical representatives, which serve as the current service provider for the Global Distribution Expeditionary Contract (GDEC), were on site in Okinawa and conducting TCSP SOP and process training. Phase Two, initially scheduled for January 1, 2020, began October 23, 2019, when the Okinawa TCSP received its first container of mixed cargo from DDYJ, and the Technical representatives processed all of it without issues. Phase Three, initially scheduled for April 1, 2020, began January 06, 2020, when the Okinawa TCSP received its first container of mixed cargo from DDJC and processed the cargo without issue. As of January 2020, all cargo streams into the Okinawa TCSP were active, which set conditions to achieve FOC once the newly-hired personnel arrived and conducted a turnover with the technical representatives. In July 2020, three Japanese local nationals were hired to support TCSP operations, which transitions the Okinawa TCSP from IOC to FOC.

Distribution J5 continues to conduct in-progress reviews to examine improvement areas and discuss current/future distribution streams with stakeholders. The Okinawa TCSP is now operational and serves as a capability within the USINDOPACOM Area of Responsibility (AOR).

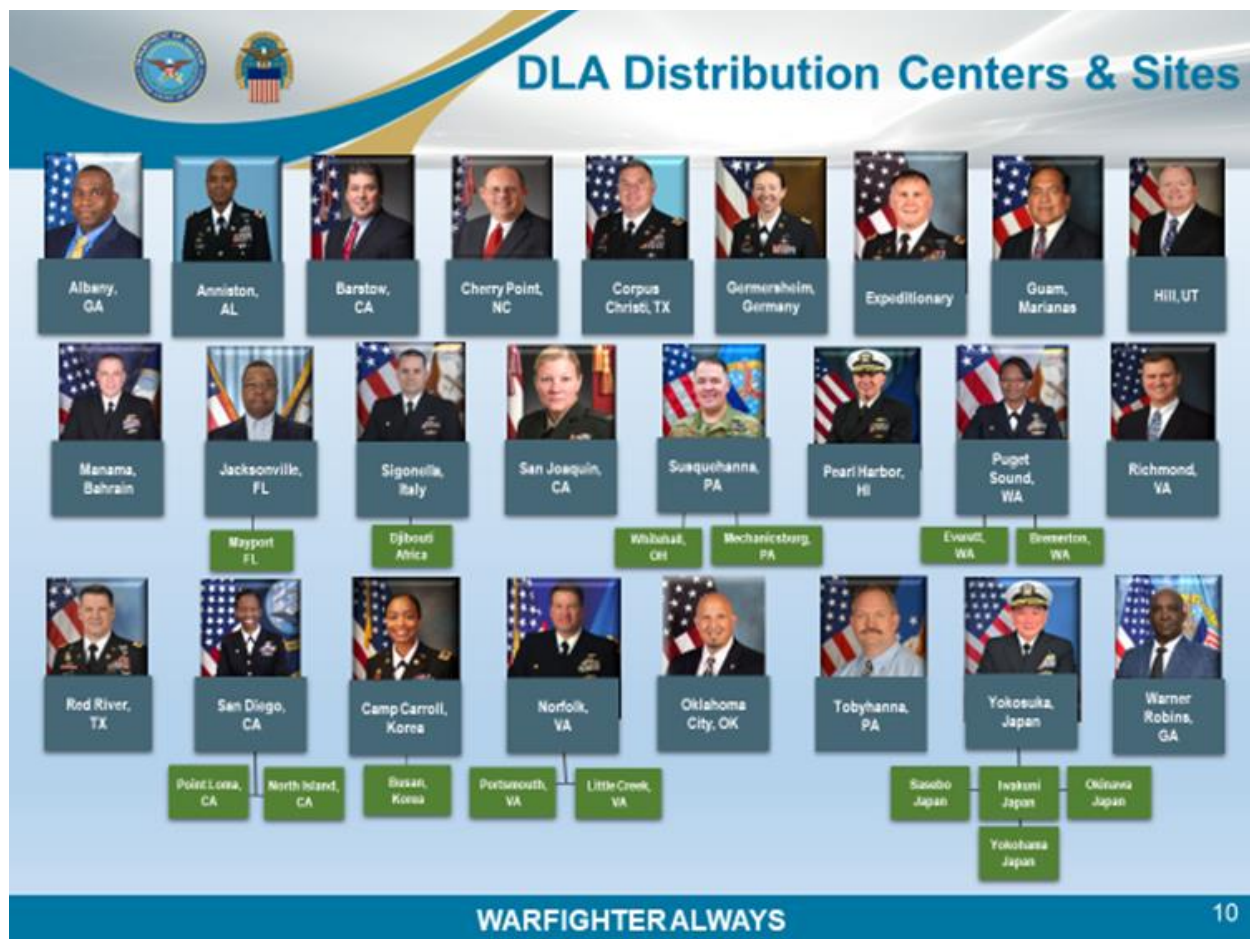
### 3. Key Personnel:

#### a. Headquarters

- (1) Commander: RDML Kevin M. Jones, SC, USN (relinquished command June 26, 2020)/BGen Keith D. Reventlow, USMC (assumed command July 21, 2020)
- (2) Acting Commander: Mr. Perry Knight (June 26, 2020 – July 21, 2020)
- (3) Deputy Commander: Ms. Twila C. Gonzales, SES (retired April 30, 2020)
- (4) Acting Deputy Commander: Mr. Perry Knight (April 30, 2020 – Present)
- (5) Chief of Staff: Mr. Perry Knight.
- (6) Acting Chief of Staff: Mr. Gene Surmacz (July 13, 2020 – Present)
- (7) Deputy Chief of Staff: Ms. Stacy L. Umstead.
- (8) Director, Current Operations (J3): COL Frederic Maddox, USA (Acting) (departed) /COL Robb Meert, USA (arrived)
- (9) Director, Distribution Future Operations (J4): Mr. Paul Abel.
- (10) Director, Future Plans (J5): Mr. Scott Rosbaugh.
- (11) Acting Director: Mr. Matt Williams
- (12) Director, Acquisition Operations (J7): Mr. Gene Surmacz.
- (13) Acting Director: Ms. Meg Ross (July 13, 2020-Present)

- (14) Director, Organization Management (J9): Mr. Ed Visker.
- (15) Director, Business Development (BD): Mr. Joe Faris.
- (16) Equal Employment Opportunity Officer (EEO): Ms. Yvette Harris (departed June 19, 2020)/ Mr. Zachary Currier
- (17) Public Affairs Officer: Ms. Dawn Bonsell.
- (18) Financial Operations (J8): Mr. Charlton Albright.
- (19) General Counsel: Mr. John Karns.
- (20) Human Resources Services: Ms. Darlene Ferrante, Customer Account Manager/Mr. Michael Pier, Customer Account Manager
- (21) Information Operations (J6): Mr. Kevin Hand, LNO and NE Regional Manager/ Mr. Michael Kochera
- (22) Installation Support for Distribution: Mr. Victor Montefour

#### b. DLA Distribution Centers and Sites



#### 4. Total Personnel

DLA Distribution employs more than 10,000 personnel, including 7,800 civilians, 127 active duty military, 190 reserve military, and 1,900 contractors.

## 5. Historical Narrative

### a. Dynamic Operating Plan

In FY19, DLA Distribution Office of Strategic Plans coordinated and led a cross-staff group to develop the two year FY20-21 Dynamic Operating Plan (DOP) using the DLA Strategic Plan 2018-2026 and 2019 Strategic Plan Implementation Guide (SPIG) as higher level guidance. The FY20-21 Dynamic Operating Plan (DOP) was signed by Distribution's Commanding Officer on September 30, 2019.

While developing the FY20-21 DOP, DLA Distribution Office of Strategic Plans concurrently developed Distribution's FY30 Campaign Plan (CP30) in conjunction with Distribution's Directors. CP30 was signed in late 2019, marking the first time the DLA Distribution Commanding Officer signed a ten-year foundational strategic plan. CP30 provides a longer-term path forward for Distribution, working together with the initiatives and priorities laid out in the DOP. In order to track progress toward achieving both these plans and to facilitate communication throughout the Distribution Network, the DOP and CP30 initiatives and other key topics were incorporated into biweekly governance briefs. Starting November 12, 2019, DLA Distribution holds cyclic governance sessions to provide the commander and rest of DLA Distribution awareness of events and projects and the status of DOP/CP30 initiatives.

With these efforts, DLA Distribution strives to provide the best storage and distribution value to the nation's Warfighters and Whole of Government (WoG) partners through proven, innovative, and adaptive approaches that are aligned with the Director's five strategic lines of effort (LOEs) and two Critical Capabilities (CCs): Warfighter First, Global Posture, Strong Partnerships, WoG, Always Accountable, People and Culture, and Enterprise Enablers. DLA Distribution participates in the SPIG Working Group at the DLA HQ level to ensure DLA Distribution efforts are synchronized across the Agency. Both the FY20-21 DOP and CP30 address the DLA Director's objectives of 100% inventory audit, modernization, Warehouse Management System (WMS), and Reform. In addition, DLA Distribution ensured metrics with measurable results and quantifiable timelines were integral to the FY20-21 DOP, CP30, and the Governance briefs. This strategic focus led to a successful Distribution DOP brief with the DLA Director, Lieutenant General Williams, on November 20, 2019.

FY20 was a landmark year in which the DOP, CP30, and Governance processes lead to greater visibility of the long-term, strategic efforts of the CO and Distribution network in support of the Warfighter and auditability.

### b. Warfighter First - Strengthened Service and Combatant Command Readiness and Lethality

#### (1) Distribution Kitting Operation:

DLA Kitting provides program management and oversight of kit assembly for Medical, Organic, and Subsistence kits, consisting of DLA and/or Service-owned kits/components. Kitting offers tailored logistics through the use of automated and integrated systems that transform customer requirements into a single, useable end item product, and enables customers to order multiples of a single NSN with a single requisition.

(a) FY20 (YTD) reimbursable revenue for kitting operations is \$27M.

(b) Distribution has 10 sites performing Kitting functions; five located in the Eastern US and five in the Western US.

(c) Aviation, Land & Maritime and organic kitting, consists of 268 Build Directive Numbers (BDN) totaling 12,602 kits, (4,175 lines), worth \$2.2M.

(d) Troop Support Medical kiting consists of 16 BDNs totaling 36,966 kits, (532,558 lines), worth \$2.6M.

(e) Troop Support Subsistence Unit Group Rations (UGR) kitting consists of 222 BDNs totaling of 208,044 Mods (kits), (4129 lines), worth \$20.3M. Distribution San Joaquin CA performs this mission to simplify and streamline the field feeding process by integrating the components of heat and serve rations with quickly prepared brand name commercial products. – lower number because of COVID-19.

(f) US TACOM Refuel on the Move (ROM) Kits: This project consists of 22 kits ordered in FY20, with an additional 24 kits to be assembled each fiscal year up to FY24, totaling 142 kits. 94.4% of the kit components have been received for the initial batch. The final component has been released for shipment, but this will not take place until after October 1, 2020. The build site for the kit is DLA Distribution Red River.

(g) New Long-Term AF Project: This F-16 combination suite upgrade consists of 201 kits for FY21, increasing the workload each fiscal year up to FY29, totaling 3187 kits. Total of 17 NSNs but not established to date.

## (2) Modernization Efforts

### (a) Warehouse Management System:

DLA is poised to transform the way it does business with its ongoing phased approach of the forthcoming Warehouse Management System (WMS) leading up to full deployment. The dedication of stakeholders, manpower hours, and diligence in program development during FY20 will surely be a turning point in the Agency's ability to manage and process all transactions coming into the various DLA Distribution sites worldwide. WMS will refresh the Distribution Standard System (DSS) by streamlining storage, distribution, and transportation processes to better align with industry standards, creating a single system for all of DLA. These products, the first of their kind within the DLA network, will take the Agency into the 21st century. Moving to WMS from DSS is a welcome shift. WMS will provide efficient warehouse management capabilities such as greater visibility and control, real time logic for inventory tracking, cross-docking, and order fulfillment. WMS is a commercial off-the-shelf product that is SAP based, which will align Property Management and Transportation into a single software platform, reducing complexities and streamlining processes. The Transportation Management module will complement DLA's 21st Century capabilities in the management of transportation planning, optimization, and freight tendering. This module covers the full range of transportation modes: air, ocean, rail, and motor.

Full operation capability at Corpus Christi is scheduled during FY21. The path to full deployment includes an interface with the existing Enterprise Business System (EBS) platform. The WMS Team is committed to ensuring that the workforce is fully prepared for the next era of technological advancements that will support the DLA mission.

#### (b) Voice Technology

Voice Technology system uses speech recognition and speech synthesis to allow warehouse operators who are performing work functions to communicate with the Warehouse Management System using only their voices. The staff on the warehouse floor uses a headset and microphone to receive instructions by voice, and verbally confirm their actions back to the system. The voice initiative directly addresses many of the overall automation requirements identified by DLA Distribution. Commercial Voice Pick technology is a proven solution that will be implemented in the short term to significantly improve labor efficiency, freeing warehouse personnel to engage in other tasks more productively. Voice technology will speed inventory, receiving and stowing, improve inventory accuracy, reduce lost product, and improve safety.

Voice technology was successfully piloted at DLA Distribution San Joaquin during second, third and fourth quarters of FY19. Pilot results yielded a 35% productivity gain in pick processing along with an increased efficiency. Voice implementation across the enterprise began in FY20 with DLA Distribution Susquehanna and will continue through FY24.

#### (c) Automated Inventory

Automated Inventory Identifies a possible solution that will enable and provide the logistics capabilities that deliver the supply chain and distribution support necessary to meet the demands of the Warfighter whenever and wherever required and incorporates into an enterprise architecture solution. Maintaining and continuously improving end-to-end visibility of assets; enhancing visibility of assets in-transit, in-storage, in-process, and in-use; improving efficiency of physical inventories, receipt processing, cargo tracking, and unit moves; increase inventory existence and completeness in support of audit readiness; ensure asset visibility authoritative data are discoverable, accessible, and understandable in order to support informed logistics decision making across DLA.

DLA J4-BT, in conjunction with J6-R&D, is reviewing multiple solutions to provide an autonomous/automated inventory system that will improve inventory accuracy, material accountability and visibility, and provide a better audit posture for the agency. DLA J4-BT has worked closely with the Defense Innovation Unit to research multiple vendors that can provide a real time status on items in storage at DLA locations. DLA is working with vendors to conduct an automated pilot in FY20/21 at Tobyhanna utilizing fixed nodes and Bluetooth technology to triangulate material location within a warehouse. DLA is also working an Other Transactional Authority contract to provide an autonomous inventory option to ensure a value added solution that will reduce operating costs and improve efficiency during the 100% inventory process.

#### (d) Robotic Process Automation (BOTS)

Distribution Stock Readiness was able to develop several BOTs to automate processes and streamline daily work for the personnel in the warehouses. BOTs were written to generate the daily workload for each center. This ensures that the workload is available for personnel immediately after starting their workdays. It also ensures that the correct data and



complete workload is available to each center; they no longer have to run their own workload reports. Distribution has written BOTs to run and send the regulatory required follow ups and alleviate the manual workload of sending these on a regular basis. The most effective BOT to date will be the BOT that will send DD1225 forms to the military Services. Previously, each Stock Readiness worker who wrote a 1225 suspension on a service-owned item had to return to his or her workstation and physically print and email each individual record. This BOT will send all individual service-owned 1225 records at the end of the day. This alleviates the manual workload for the Stock Readiness employee and ensures that the record gets to the appropriate owner.

#### (e) Automated Workload Leveling System

In 2020, Distribution J3 continued to develop a labor management tool called AWLS (Automated Workload Leveling System). AWLS uses a Qlik application to combine work in process, time standard, and personnel data so distribution centers have a near real-time view of production.

### (3) Continuous Process Improvement (CPI)

#### (a) Stock Readiness – Suspended Stock

Suspended Stock continues to be a major project for the Enterprise. In 2011, suspended materiel was at \$2.1B. This number was a result of AOR drawdowns and the commensurate increase in returns to DLA of predominantly service-owned materiel. In 2013, because of IPTs with the Services and DLA Supply Centers as well as Tiger Team initiatives, suspended stock was at an all-time low of \$900M. However, over the next several years, suspended stock increased to \$2.2B. This was due to increased stock screenings (Amphenol, CAGE Compromise, FSG 80, etc.), resulting in discrepant materiel as well as additional returns from the field. Over the past year, DLA has increased focus on this issue and set goals for reducing these totals within the Major Subordinate Commands (MSCs) in order either to give disposition instructions to upgrade this materiel for use or to downgrade it for disposal. DLA Distribution has done an overwhelmingly positive job in keeping up with this surge in workload. Currently, the Enterprise is at \$1.9B of suspended stock and holding. The team has focused on ensuring quality and has created the Validation effort to ensure these instructions are acted on correctly at generation. During FY 2019, DLA Distribution Centers closed over 100K Supply Discrepancy Report (SDR) and Storage Quality Control Report (SQCS), with a total dollar value of close to \$4 billion. The team also distributed hundreds of Safety of Flight and Safety of Use messages to the distribution centers. In addition, they distributed and tracked thousands of special inspection requests and stock screening inspections for potentially defective stock. Distribution also pursued an effort to validate all current receipt restrictions to ensure materiel was not erroneously suspended. These efforts ensure that materiel is ready for issue to the warfighter.



(b) Commercial and Government Entity (CAGE) Compromise Project

DLA Headquarters had been working an issue regarding suspect parts coming into the Supply Chain, resulting primarily from the allowance of auto awards for low dollar/high demand materiel. Enormous stock screenings were placed on DLA Distribution starting with the most vital materiel: Nuclear, Critical Safety Items and Weapons Systems. During screening, each individual MIL-STD-129 must be checked for the CAGE code and compared to the list of effected CAGEs. If materiel is from a suspect CAGE it must be segregated and suspended, and a SQCR written requesting disposition from the Supply Center. The performance of these inspections and monitoring of the project is additive and preempts standard daily work of both the distribution center and Distribution headquarters personnel. 34,047 inspections were performed and tracked consisting of 16,843,745 eaches, with a total of 11,332 SQCRs created. Distribution centers incurred \$12,903,508.03 of billable work to ensure any suspect quality materiel coming into the supply chain was suspended from use. The final phase of the issue involved the testing and research of questionable vendors and secondary prosecution actions. Multiple bad actors have been prosecuted, sentenced to jail, and massive financial restitution settlements awarded to the government. DLA Distribution is charged with holding all the materiel as legal exhibits until cleared for disposal. The command must ensure no erroneous disposition instructions are acted upon until legal proceedings have been completed and/or the appropriate testing has been completed to clear the materiel for use or disposal.

(c) Supply Discrepancy Report (SDR)/Storage Quality Control Report (SQCS) Validation Program

Distribution developed and implemented the SDR/SQCR Validation program to ensure, when generated, records of suspension are written correctly and completely, and that disposition instructions are acted on appropriately or rejected when inappropriate to the materiel, and that all actions take place within regulatory timeframes. The written portion ensures correct discrepancy codes are used, the contract and CAGE data are in appropriate fields, the verbiage is descriptive and complete, and all PPP&M charges are documented. The actions of appropriately acting on the disposition instructions provided and within the regulatory timeframes are improving. These validations have shown where the flaws in the process and documentation lie. DLA Distribution has improved those products as part of this program. The program was tested through multiple stages and has been made to fit requirements for the existing J3 quality assurance program. The program has improved the quality of suspended stock across the enterprise.

(d) General Services Administration (GSA) Export Mission

In FY20, Distribution finalized process improvements focused on supporting the GSA Export Mission which aligned associated costs under the DLA/GSA Agreement, realizing alignment of \$5M in costs to GSA. DLA Distribution continues support with Military Service and GSA engagements to improve the National Supply Chain beyond FY20.

(e) Distribution Remediation:

Distribution leads a joint (HQ DLA, J8, Distribution HQ, Susquehanna and San Joaquin) CPI to account for remediation work at Distribution CCPs. Efforts to align processing will provide key notifications related to shipment and vendor compliance, as well as align costs to Supply Chains for remediation costs currently billed solely to the military services.

(f) Frustrated Freight

In FY20, Distribution finalized process improvement focused accounting for frustrated freight at the CCPs, aligning frustrated research costs to GSA in accordance with DLA/GSA Agreement. Distribution will support a follow-on FY21 effort led by DLA Headquarters to report shipment and vendor compliance resulting in frustrated cargo to improve the National Supply Chain beyond FY20.

c. Global Posture - Prepared for Immediate Action

(1) USINDOPACOM Deliberate Plans

During FY20, DLA Distribution continued to support the US Indo-Pacific Command (USINDOPACOM) Deliberate Plans review cycle by providing inputs to the standing DLA Support Plan and Concept of Logistics Support (COLS), as well as coordinating with the Service Components to refine their theater distribution requirements. Through participation in a series of cross-functional operational planning teams, the DLA Distribution Office of Strategic Plans helped develop the current Distribution Concept of Operations to support USINDOPACOM's priority deliberate plan. Moving forward, planning efforts will include multiple site surveys and coordination meetings across the USINDOPACOM theater with every Service Component, refinement and completion of the COLS, and development of the Logistics Supportability Analysis). The Distribution J5 Planning Team will closeout CPS planning in late 2020 by briefing a Logistics Supportability Analysis to the DLA Director to gain approval for the new DLA Support Plan to USINDOPACOM's priority deliberate plan.

(2) Exercises

(a) USEUCOM Live Exercise (LIVEX) 2020

DLA Distribution's support to LIVEX concluded with the successful delivery and onward movement of 11 air pallets of Foreign Military Sales (FMS) materiel via C-17 to Israel. The coordinated efforts of DLA, USEUCOM, the Defense Security Cooperation Agency (DSCA), the Israel Ministry of Defense (MOD), and USTRANSCOM improved upon LIVEX 2018 with enough requisitioned materiel to meet the exercise objectives. Overall, the DLA Distribution Susquehanna team instilled confidence across all stakeholders as the Unit Materiel Fielding Point (UMFP) successfully consolidated and palletized 11 air pallets of FMS materiel. Distribution Susquehanna Transportation office secured transportation to ensure all air pallets arrived at the aerial port ahead of schedule for the planned strategic lift on 10 March from Dover AFB to Nevatim Air Base, Israel. Distribution's participation highlighted a key

emergency resupply capability in supporting the Combatant Command and their strategic partners.

(b) DEFENDER Europe 20 (DE20)

DLA Distribution participated in all Joint Event Life Cycle (JELC) planning efforts for DE20 in preparation to deploy the DLA Distribution Expeditionary Team to Powidz, Poland, to support deployed forces with TCSP and FDW capabilities. A primary training objective was to deploy the Distribution Expeditionary Team within the OPLAN informed Time-Phased Force Deployment Data (TPFDD) process. Although CONUS based support to DE20 was cancelled due to COVID-19 restrictions, deployment and redeployment planning, intra-theater movement coordination, swine flu equipment decontamination, and actual deployment to and redeployment from surface port of embarkation were accomplished. The Distribution Expeditionary team's equipment was loaded on a vessel awaiting departure when CONUS based support was cancelled.

DLA Distribution's participation in DE20's planning events and close coordination with DLA Europe and Africa and USAREUR planners facilitated securing Army funding for Distribution Expeditionary deployment and support. DLA Distribution's capabilities to support the warfighter remained relevant throughout the planning process. As a result, DLA Distribution was well postured to support a down-scoped DE20 with CONUS-sourced sustainment materiel. Distribution Susquehanna's CCP consolidated and shipped pure air pallets moving via established channel flights into Ramstein Air Base.

(c) Combined Command Post Training (CCPT) Events (20-1 & 20-2)

DLA Distribution coordinated staff augmentation support for the USINDOPACOM Combatant Command training events in the Republic of Korea (ROK). These two annual training events, regardless of the recent changes in name, have been the backbone of joint and combined integrated training between the United States and the ROK for decades. COVID-19 restrictions forced the cancellation of CCPT 20-1. Participants in CCPT 20-2 augmented DLA USINDOPACOM Regional staff and trained with United States Forces Korea (USFK) and ROK staff on the development/execution of plans, procedures, and concepts for the defense of the ROK. The training events focused on enhancing coordination between the ROK government and Combined Forces Command (CFC). DLA Distribution continues to work the focus areas beyond the training events in coordination with DLA USINDOPACOM Regional Command, USFK, Eighth United States Army, and 19th Expeditionary Support Command to enhance capabilities and improve support to US Warfighters and allies in the Korean Theater of Operations.

(d) Ogden Air Logistics Complex (ALC) Kadena Air Base (AB)

The Ogden ALC Support Center Pacific (SCP) is looking to improve the supply chain processes and maintenance requirements at Kadena Air Base in order to provide better support for all Pacific Air Force (PACAF) customers. Distribution J5 USINDOPACOM planners conducted multiple site surveys to include Ogden ALC at Hill Air Force Base (AFB), as well as the maintenance operations aboard Kadena AB to better understand the current support

provided and any possible gaps. After mission analysis, DLA identified systemic, policy, and financial areas that the Air Force needed to address prior to DLA providing support. On July 1, 2019, DLA Aviation Ogden forwarded an official request for support from the Ogden ALC to DLA Headquarters, DLA Aviation, and DLA Distribution which re-energized SCP support planning efforts. On April 23, 2020, the Ogden ALC initiated a multi-agency IPT to determine Air Force policy updates required for SCP recognition as a secondary organic source of repair, capture Air Force system development/modification requirements, and determine Air Force requirements for DLA support. Currently, the IPT has DLA scheduled to take over support no later than the 1st quarter of FY24, however, Air Force leadership is looking to expedite that timeline.

#### d. Strong Partnerships

##### (1) Industry Engagements

###### (a) F-35

Throughout FY20 DLA Distribution's Business Development (BD) team led or facilitated a steady rhythm of cross functional, face-to-face working group meetings, site surveys, and IPTs with key government (JPO, DLA HQ, USTC) and industry (Lockheed Martin, Pratt & Whitney, Rolls-Royce) stakeholders.

Early FY20 was highlighted by the successful conclusion of two Proofs of Principle (PoPs) for warehousing and transportation, respectively, begun in the summer of 2019. DLA Distribution Hill and DLA Distribution Oklahoma City supported the PoPs.

Expanding upon the success of those PoPs, the BD team led IOC efforts at DLA Distribution Hill and Oklahoma City and coordinated global transportation in partnership with USTC throughout FY20. BD also quarterbacked preparations at the other four affected F-35 sites (San Diego, Jacksonville, Cherry Point, and Warner Robins) to set conditions for the transition of F-35 material that, until that point, had been stored at third party warehouses or elsewhere in the civilian supply chain. Finally, BD members contributed materially to F-35 working groups e.g. IT, Finance led by other stakeholders.

Although COVID restrictions were challenging, DLA Distribution proved resilient, remained "open for business," and F-35 support in particular continued unabated.

As of July 2020: The IOC transition of F-35 material from off base warehouses was underway, most notably at Tinker AFB where an entire third party warehouse containing Pratt & Whitney propulsion material was in the process of being relocated into DLA Distribution Oklahoma City. To facilitate this significant move, Distribution J7 successfully executed a contingency contract for labor support, a first at Oklahoma City. Initial shipments of Lockheed Martin material were received at DLA Distribution Hill, San Diego, and Jacksonville. More than 800 F-35 shipments had been executed in DTS, further proving capability and justifying the global transportation PSP assignment.

###### (b) Public Private Partnerships (PPP)

Demonstrating a continued ability to execute legislation it proposed and staffed, the Business Development team executed two PPPs with Parker Aerospace in FY20. As

FY19 closed, DLA Distribution was in final negotiation on a PPP with Parker to leverage DLA Distribution Corpus Christi in support of rotary wing maintenance at Corpus Christi Army Depot (CCAD). The parties recognized the benefit to CCAD and related program costs by relocating the off-base Parker operation inside DLA Corpus Christi. A final agreement was concluded in December 2019, with FOC following in March 2020. It is a three-year PPP that is projected to generate \$236,400 in incremental revenue for DLA.

The success of the Corpus Christi negotiations spurred a second PPP with Parker in support of a DLA Aviation-supported PBL. Parker specifically sought storage space and PPP&M support on Hill AFB for five USAF legacy aircraft: F-15, F-16, A-10, E-3, and KC-135. The resulting PPP is a five-year deal scheduled to begin in early FY21. It is projected to generate \$753,118 in incremental revenue for DLA. That the PBL being supported is DLA Aviation supported demonstrates the potential for an integrated Agency approach to these partnerships.

As the Agency lead for PPPs, and on behalf of DLA, in FY20 BD drafted the legislatively mandated “Year Four Report” to OSD and the Congress. This report is a holistic assessment of the PPP program through year four of its six-year pilot. It captures the benefits of the program to Industry and Government alike, outlines various financial impacts, and offers future recommendations for the program.

#### (c) Business Process Re-Engineering (BPR) Project

In FY20, BD’s Business Process Re-Engineering (BPR) Team was tasked with identifying DLA Distribution opportunities to support the Agency’s goal of driving down the command’s operating costs significantly by the end of FY21. To that end, the BPR Team collaborated with DLA Distribution San Joaquin, California (DDJC) to evaluate opportunities that could subsequently be extrapolated across the DLA Distribution network, thus increasing workforce efficiency and capacity.

In March 2020, the BPR pilot was completed, yielding cumulative savings that exceeded the reform targets. Throughout the Pilot Phase, business cases for savings opportunities were developed using a data-driven approach combining on-site work measurement, employee interviews, and pilots that trialed the proposed changes. Savings opportunity highlights included 1) the setting of accurate workforce performance expectations using engineering labor standards, 2) implementing staffing solutions to synchronize with customer demand, and 3) reforming existing policies to align with industry best practices better.

Hampered by COVID restrictions, the BPR project Implementation Phase nonetheless kicked off in April 2020. With a focus on the four largest functional areas – picking, stowing, packing, and receiving – the team will return to DDJC to evaluate under normal business conditions those opportunities identified in the Pilot Phase. The end state for the Implementation Phase implements systemic, scalable, and sustainable process changes that align workforce size and composition to demand and reduce manual processes. Following successful implementation at DDJC, these solutions are projected to be rolled out network-wide in FY21.

#### (d) Research and Development (R&D)

Research and Development performs Advance Technology Development/Demonstration of systems and subsystems, and to integrate them into system-of-

systems prototypes for field experiments and/or test & evaluate in a simulated and/or operational environment.

DLA Distribution J4 has partnered with DLA Research and Development (R&D) for Small Business Innovation Research (SBIR) to allow small, high-tech U.S. businesses and academia to provide innovative research in critical Defense Logistics Agency needs. Their involvement would permit DLA Distribution to use Augmented Reality (AR) e.g. Google glasses and robotic picking to leverage new and modern technology; increase efficiency, effectiveness, and productivity; and provide continued world class support to the Warfighter.

## (2) Navy Warehouse Transfer

Naval Supply Systems Command (NAVSUP) accepted responsibility September 27, 2020 for warehouse storage and distribution functions at six locations formerly operated by Distribution. The sites are located at Port Hueneme, California; Gulfport, Mississippi; Cheatham, Virginia; New London, Connecticut; Yorktown, Virginia; and Rota, Spain.

### e. Whole of Government

#### (1) COVID-19

The first American case of COVID-19 was reported on January 20, and the U.S. outbreak was officially declared a public health emergency on January 31.

The first known American deaths occurred in February but were not known to be caused by COVID-19 until April. By the end of March, cases had been confirmed in all fifty U.S. states, the District of Columbia, and all inhabited U.S. territories except American Samoa.

In late March, the Defense Production Act was enacted to direct industries to produce medical equipment. By April 17, the federal government approved disaster declarations for all states and territories.

When the pandemic really took hold in March, DLA Distribution began to execute its pandemic plan in order to continue its critical mission support while ensuring the safety, health and wellbeing of its employees.

DLA Distribution Korea was the first distribution site to endure the pandemic and, based on the swift actions taken by the Korean government, DLA Distribution was able to use those lessons learned to plan for the inevitable impact to other OCONUS sites, and, ultimately, its U.S. sites.

The first major step of the planning efforts was to determine how best to maintain support to Warfighter while reducing manning to mitigate the spread of COVID-19.

Distribution identified its top twenty-nine missions, which were prioritized into four groups – No fail; Top Priority; Important; and Routine.

Manning needs were then determined to accomplish each priority mission and the positions coded “Mission Essential.” All personnel that could work remotely were put on telework and high-risk personnel that could not telework were assigned Weather and Safety leave. Distribution Centers and Headquarters continued to operate with ME employees to meet mission requirements.

The Distribution Headquarters building normally houses 1,000 employees, but during the pandemic had been operating with an average of 25 to 35 mission essential employees.

## (2) COVID Supply Support

Since April 2020, as part of Operation Warp Speed, DLA Distribution supported the nation's COVID-19 response with much-needed supplies like ventilators and face masks. The supplies included over 1 million N95 masks, 1 million exam gloves, 90,000 isolation gowns, 20,000 ventilators, shoe covers and more.

### (a) DLA Distribution Susquehanna, Pennsylvania COVID Support

Home to the largest distribution processing facility in DoD – the 1.7 million square foot Eastern Distribution Center handles 25 percent of DLA Distribution's total receipt, storage, and issue of materiel worldwide. Susquehanna shipped the following supplies in support of the COVID-19 pandemic:

496,397 containers of hand sanitizer	2,537,177 Test Kits & Components
2,728,928 swabs	500 ventilators
33,337 thermometers	13,967,600 gloves
600,028 gowns	134,800 test tubes
515,880 N95 respirators to nursing homes	23,494,945 face shields & masks
8,598,945 medical face shields & masks	14,704,500 cotton knit masks

(b) The USNS Comfort and USNS Mercy were docked on opposite sides of the country with the mission to relieve the overburdened hospitals caring for infected patients. Distribution Norfolk, Virginia started receiving material March 24 and received upward of 50 pallets from Cardinal Health, in addition to numerous pallets of food, consumables, etc. for USNS Comfort's departure to New York City, New York. Working with just about every agency in the country, Norfolk helped turn a 250-bed operation into a 1,000-bed operation before the USNS Comfort set sail for New York City. Distribution San Diego, California's, team arranged daily truck deliveries of critical supplies for the first 10 days after the USNS Mercy docked in Los Angeles, enabling medical staff to quickly provide care.

After the initial supply push, San Diego made three deliveries each week to the USNS Mercy until it left Los Angeles, May 15 for its home port in San Diego. Overall, the ship received more than 100 pallets of 6,250-plus medical supplies, medications and other items.

(c) CUE Test Kits will be sent to various DOD retirement homes as well as numerous Health and Human Services customers.

## (3) Distribution COVID-19 Stability & Recovery Plan

DLA Distribution Office of Strategic Plans led an IPT to develop Distribution's COVID-19 Stability and Recovery Plan. In response to the COVID-19 pandemic and the SECDEF's subsequent implementation of Health Protection Condition (HPCON) Charlie on all



DoD installations in late March 2020, DLA Distribution implemented their Pandemic Influenza Response Plan. Phases IV and V are Stability and Recovery. DLA Distribution's Office of Strategic Plans led the Distribution codes in developing a plan to transition to stabilized operations and recovery throughout the Distribution network.

The DLA Distribution COVID-19 Stability and Recovery Plan identified eight key tasks to attain an end state where employees feel safe at work; distribution centers are postured to meet increased Service industrial capability/demands; senior leadership is successfully transitioned; the organization is on track to meet financial, planning, and operational objectives prior to FY21; and the Distribution network is positioned to support Humanitarian Assistance/Disaster Relief (HA/DR) event(s) and mitigate recurrence of the COVID-19 virus. Each of the eight tasks was assigned an office of primary responsibility for execution.

In implementing these tasks, Distribution Safety developed a supplemental COVID-19 Return to Work Plan and the Distribution Public Affairs Office developed the DLA Distribution Workforce Reconstitution Communication Plan 2020. The Stability and Recovery Plan, along with the Distribution Return to Work Plan and Communication plan, were briefed to the Distribution Network on 28 May 2020. They and the taskings were distributed to the network via OPORD 20-04 on 11 June 2020.

f. Always Accountable

(1) Acquisition Operations:

(a) Contract Awards/Small Business Goals

In FY20, Acquisition Operations (Contracting) awarded 3,538 actions valued at \$449.9M. Of note, Acquisition Operations executed new requirement for Third Party Logistics Services in support of the Air Logistics Center at Warner Robins, GA. Additionally, the office executed a multiple award Logistics Modernization Integration Services Contract which will allow DLA Distribution modernization requirements to be fulfilled over the next five years. One of two contract pools was awarded in FY20: Pool 1: Entire facility modernization/overhaul/retrofit. In FY21, Pool 2: Individual Distribution center-targeted Automated Material Handling Equipment capability upgrades, will be awarded. The first task order for Pool 1 was awarded to Advantaged Solutions, Inc. for the equipment overhaul and modernization of the Eastern Distribution Center at DLA Distribution Susquehanna, PA.

(b) DLA Distribution's third annual industry day was scheduled for June 2, 2020. Initial planning and registration was underway, with significant interest from Industry. However, the event was cancelled due to the COVID-19 pandemic.

(c) The small business program exceeded its overall goal, achieving 75.90% of obligations to Small Business against a 55% goal. The competition goal was met in FY20; the office competed 55% of awarded dollars against an 88% goal.

(d) An Agency Management Review of DLA Distribution occurred in February 2020. There were eight areas reviewed and scored for the Contracting Office: Warrant, Contract Quality Review, Pricing, Acquisition Process Management, Government Purchase Card, Continuous Learning Points, Contracting Officer's Representatives, and Cybersecurity Clause. All areas received a "Pass" rating. DLA Distribution was the first office to receive a

“Pass” in all scored areas, and the only office to receive a “Pass” rating twice in the Acquisition Process Management review.

(e) Acquisition Assistance – Audit Readiness

DLA Distribution Acquisition Operations continues evolution of growing programs for contractor-operated Distribution centers (and other similar service contracts) to ensure, the contracts contain and the vendors meet, requirements for Audit Readiness (AR), standardization, and process excellence verification. In coordination with Distribution’s Audit Readiness/Compliance Team and the Distribution centers, a strategy was developed that incorporated overarching actions at all sites to include all developed Standard Operating Procedure (SOP) as contract modifications and emphasis on better-defined warehousing practices, along with trend analysis. In FY20, this strategy continued with the sustainment of the Contractors’ performance and AR adherence and compliance, adding to the Contractor’s Quality Control Plan the requirement to conduct the compliance checks and document them in the Quality Management Tool.

(f) DLA Distribution J7 Acquisition Planning and Assistance Team

In FY20, DLA Distribution J7 Acquisition Planning and Assistance Team completed 177 acquisition assistance projects, worked four distribution center contract re-compete acquisition packages (DDCN, DDDC, DDAG Retail, and DDNV ShipYard), executed the Logistics Modernization Integration Services (LMIS) effort, and re-competed both the Global Distribution Expeditionary Contract (GDEC) and the J3 Professional Support Services. The team also completed acquisition packages for an Enterprise Material Handling Equipment effort, an Enterprise Sign Language effort, and continues to develop the MRE acquisition package in support of DLA Troop Support. Additionally, the team worked 58 Technical Evaluations and completed 127 requests for contract modifications. Additionally, DLA Distribution J7 Acquisition Planning and Assistance Team managed Acquisition Planning and Contracting Officer Representative (COR)/Alternate COR duties for the Global Distribution Expeditionary Contract, to include 40 Task Orders throughout DLA Distribution center locations and support for Operations in the EUCOM, CENTCOM, PACOM, and AFRICOM AORs.

(g) Quality Assurance Program

The Contract Quality Assurance Program Office (CQAPO) maintains the Quality Assurance (QA) program at all DLA Distribution centers, both Contractor-Operated and organic government-operated locations. The CQAPO maintains daily interaction with over 160 assigned quality assurance team members at all locations to ensure a standardized approach to oversight of distribution operations is applied. During FY20, Quality Assurance team members, at all, completed 17,256 surveillance activities, 110,581 compliance checks. Of that number, the CQAPO completed 8,215 (as of EOM September 2020) oversight reviews. The CQAPO successfully converted from the Quality Management System Integration Tool (QMSIT) to HighGear®. HighGear® offers a much better platform for developing and implementing workflows for the quality assurance program with the added benefit of being able to query and report on any data contained in the database. The QA program is continually being revised to

incorporate distribution-related requirements to satisfy contract oversight, DLA Distribution Compliance requirements, and Controls (Financial and Operational) for Audit Readiness and continues to be revised as necessary based on changing requirements. In FY21, DLA Distribution plans on working with J3-OC to incorporate quality control and compliance more succinctly into the HighGear® processes.

#### (h) Government Purchase Card

In FY20, DLA Distribution completed 6,933 transactions and conducted in-depth reviews of 2,020 transactions. Of the 2,020 transactions reviewed, there were 98 documented findings for 95% compliance rating. The GPC A/OPCs conducted training for GPC billing officials and cardholders across the enterprise. The percentage of compliant transactions increased from 89% in FY18 to 95% in FY19 and remained at 95% in FY20. Additionally, J7 analyzed GPC purchases to determine if Long Term Contracts (LTCs) are a viable mechanism for GPC card holders to streamline the GPC administrative process.

#### (i) Centralized Ordering Process – PR Creation Team

The Purchase Request (PR) Creation Team at DLA Distribution Acquisition Operations was formed in 2015 to migrate the processing of all orders (local procurement and MILSTRIP) from distribution center level input to DLA Distribution J7 centralized input. The creation of this team has proven effective as an intermediary between customers and J7 Contracting and by improving processing time. This centralized input facilitates ordering like items using unique material numbers to enable history to be considered in writing long-term contracts. The responsibilities of the PR Creation Team include monitoring, prioritizing, and working incoming requirements; answering customer questions; developing RJ submission policies and procedures; and ensuring customer compliance. In FY20, the PR Creation Team generated 5,996 orders.

#### (j) Accountable Property

The DLA Distribution Acquisitions Operations Accountable Property Program manages approximately 7,500 general equipment assets with an acquisition value of nearly \$500 million. Two Distribution Accountable Property Managers (APMs) conducted daily oversight for the accountable records at all distribution sites, ensuring data accuracy and working with site Accountable Property Officers (APOs) to complete monthly and annual inventory requirements, prepare for inspections and audits, provide training, and work other tasks. In FY20, Distribution completed 98% of monthly inventories on all assets by the required suspense date and passed three DLA Headquarters compliance visits with only minimal discrepancies. FY20 inventories were indefinitely suspended in April 2020 due to COVID-19. Three DLA Distribution sites did not complete monthly inventories on 100% of their total assets due to the pandemic. These sites will inventory those assets in during the first quarter of FY21.

## (2) Audit Readiness/Sustainability

DLA Distribution continued to support the DLA FFSA while embarking on the first-ever DLA internal controls-based audit and Agreed Upon Procedures audit. The control-based audit was focused on Military Service-Owned Items in DLA Custody (SOIDC) and though the outcome was not as desirable as hoped, the learning process was beneficial. DLA Distribution is reassessing internal controls and will be ready to excel at this type of audit in the future. DLA Distribution also participated in the first trial of an Agreed-Upon Procedures audit which is supportive of Military Service assertions. The results provided more learning opportunities and delivered a favorable outcome as the inventory accuracy was 100% on book-to-floor counts.

### g. People and Culture

#### (1) Organizational Culture

DLA Distribution continues to demonstrate steady year by year improvements in its culture scores resulting in a three-fold increase from 2012 to 2018. The 2020 DLA Culture Climate Survey was originally scheduled for March but, due to COVID-19, was rescheduled for October. The results from the survey will inform the Dynamic Operating Plan (DOP) and Management Action Plans to sustain a high performance culture that delivers more value, in less time, with less cost (Better, Faster, Cheaper).

The commander and deputy commander continue to lead the design and implementation of the "Distribution Management System (DMS)," making it one of the pillars of the organization. The organization continues to develop this doctrine as well mechanisms for delivering it to all levels of management.

DMS is made up of four integrated components: Product, Process, Structure, and People. In addition, the DMS is based on developing managers at all levels for solving problems close in person, place, and time (see problems, solve problems, share knowledge, managers coach).

The purpose of DMS is to keep improving DLA Distribution's ability to solve problems in order to deliver customers and stakeholders distribution products with twice the value, in half the time, and at half the cost.

(a) Entering the third cycle of DPMAP, DLA and DLA Distribution have continued to grow in program execution. DLA Distribution successfully participated in a cross-unit planning committee to refine supervisory performance elements. DLA Distribution expanded a "Compliance" element to encapsulate regulatory responsibilities. It successfully developed standard elements for supervisors, team leads, and non-supervisors. While appraising the 2019-2020 rating cycle, DLA Distribution utilized the optional roll of a Senior Level Review (SLR) to provide senior leaders (commanders, directors, and deputies) visibility of employee ratings for their command. DLA Distribution drafted Standard Operating Procedures (SOP) to accompany the SLR.

#### (b) Functional Community Management (FCM)

FCM was one of many programs delayed by COVID-19; however, DLA Distribution collaborated with the DLA Logistics Functional Community POC on FCM projects ranging from the Acquisition Life Cycle Logistics Credentialing Program to numerous Defense Civilian Personnel Advisory Service (DCPAS) panels and surveys.

#### (c) Critical Succession Positions

DLA Distribution focused on senior leader positions in CSP because leaders account for 50% of an organizations ability to produce. FY20 continued to see high turnover for Distribution in these critical positions.

#### (d) DoD Skill Bridge Program

DLA Distribution hosted the first veteran in the Veteran's Skill Bridge Program, though the Army Career Skills Program (CSP). Army CSP affords transitioning Soldiers the opportunity to participate in first-class apprenticeships, on-the-job training, employment skills training, and internships up to 180 days prior to separation from the Army with a high probability of employment in high-demand and highly skilled jobs. The Agency Synchronization and Operations Center hosted a veteran beginning in December 2019 for 180 days. The internship provided the retiring E-8 with new perspectives on security for on worldwide shipments and response to humanitarian missions.

### (2) Recruitment

(a) DLA Distribution participated in the Association for Supply Chain Management (ASCM) Information Session with Shippensburg University in early March 2020. Distribution was one of several Logistics and HR Professionals in the region to meet with approximately 25 Business Management and Logistics Management students. Distribution provided information on careers with DLA, how to navigate the USAJobs Website and how a federal career is one that college graduates should consider. This was Distribution's first official recruitment and outreach with Generation Z students.

#### (b) Onboarding

In fiscal year 2020, Distribution continues to improve onboarding for new employees. The program provides shared resources that can be utilized and tailored for all distribution centers. Distribution developed a new website for easy access to program documents, along with new checklists to assist the Distribution Centers. The website ensures new employees have the information they need to acculturate to DLA and become fully functional.

### (c) Senior Leader Onboarding

DLA Distribution created the first virtual Senior Leaders Orientation July-August 2020. These sessions were held remotely via Skype (video), SharePoint (presentations) and Phone (audio). DLA Distribution senior leaders provided valuable information for incoming commanders, directors and deputies to allow them to connect with fellow leaders both at DLA Headquarters and in the field.

### (3) Training Operations

(a) COVID-19 physical distancing requirements moved many training operations to a virtual environment. Classes were available via online via multiple platforms including Adobe Connect and VTC.

(b) DLA Distribution transportation subject matter experts worked with DLA training designers to create Vendor Shipment Module (VSM) training in support of DLA Distribution locations processing F-35 shipments. Efforts to revise VSM training for other than F-35 materials is underway.

(c) DLA is moving from the legacy Distribution Standard System to a modern Warehouse Management System (WMS). Training is being developed for the new WMS.

### (4) Quality of Life Programs

#### (a) Telework

COVID-19 had a direct impact on DLA Distribution's telework program. Distribution had a 53% increase in situational telework from December 2019 to March 2020. Telework flexibilities increased as more employees adhered to the individual state mandates. The command worked closely with the DLA Information Operations to obtain the necessary equipment for new situational teleworkers.

#### (b) Fitness Program

DLA Distribution participated in a robust Fitness Program with more than one third of employees taking advantage of the 3 hours per week allotted for fitness. COVID-19 temporarily paused the Fitness Program.

#### (c) Awards

Distribution's award program is second to none. In 2020, more than 950 employees were recognized with honorary awards:

Award Name – FY20	Count
Exceptional Civilian Service Award	4
Meritorious Civilian Service Award	89
Superior Civilian Service Award	95

Distinguished Career Award	201
Certificate of Achievement	85
Commendable Service Award	63
Gold Letters	16
Silver Letters	20
Global War on Terrorism Medal	8
Presidential Letters	1
EOQ Nominations	41
Strategic Goals Nominations	34
Global Distribution Excellence	307
Retirements	259

#### (5) Expeditionary Manpower

DLA Distribution has several resource pools available to support exercises, deployments, operations, surges, contractor-to-contractor transitions, and other initiatives requiring additional manpower. Once notified of a requirement, the Distribution J9 team ensures deployers are medically qualified, trained, and sent to the desired location.

##### (a) Joint Reserve Force (JRF)

The Joint Reserve Force (JRF) assigned to DLA Distribution consists of five Navy units, one Army Reserve Element, 22 Air Force personnel, and three Marine Individual Mobilization augmentees. During FY20, JRF personnel supported thirteen DLA Distribution centers with 9,354 man-days. In addition to the distribution center support, reservists supported a key exercise in the USINDOPACOM AOR.

In FY20 the Distribution Reserve Force supported two very important missions. The first was AJ2 in Germany. The EDSU-Susquehanna Reserve unit, along with non-organic reservists, supported Germany in January-February with over 30 reservists. The reservists spent weeks integrating with the Germany Distribution Center civilian workforce to assist with a considerable backlog of United States Army Retrograde material from Forward Deployed European units in preparation of Defender 2020. The reservist's hard work, attention to detail, and initiative led to over \$7 million of AJ2 stock being returned to issuable inventories.

Another noteworthy mission was the Susquehanna 100% inventory. Due to COVID-19, DLA Distribution Susquehanna had to move their Inventory Action Team to support direct mission work. This temporarily paused their 100% cyclic inventory which had to be completed prior to 31 August. A request was submitted, and Distribution began recruiting reservists to support this highly visible mission. To date, 48 reservists have supported this effort with an additional 50 scheduled in August.

##### (b) Expeditionary Civilians (EC)

The team of expeditionary civilians supporting DLA Distribution consists of 206 capability-based volunteers in several grades and series. Additionally, the command has two Deployable Depot (DDXX) teams, one each in San Joaquin, California, and Susquehanna,



Pennsylvania. Each team consists of 49 members. DLA Distribution has been supporting the Expeditionary Civilian (EC) Deployments since FY19. These positions were previously managed by DLA under the DoD Civilian Expeditionary Program. In the last two years, Distribution has deployed 22 civilians under with several others in the pre-deployment phase.

#### (c) Expeditionary Training

Due to the increasing demand, DLA Distribution J9 led a Hazmat Academy at New Cumberland in November 2019. During this event, eight JRF personnel along with the DDXX personnel from Susquehanna were given the courses needed to re-certify their Hazmat qualifications. Because of this effort, the DLA Distribution reserve force will be able to complete critical missions at multiple distribution centers.

To ensure the JRF personnel are fully trained for upcoming missions, MHE and CCP training was given in January to the EDSU-Norfolk reservists. Twelve reservists participated.

Due to the COVID-19 pandemic a lot of training had to either be cancelled or conducted virtually this year. One of the changes was virtual drill days for the reservists. In April and May, Virtual Battle Assemblies were held for EDSU-NV and the Army Reserve Element (ARE). During these two events soldiers and sailors received various training to include DLA Overview, DDXX ISB Overview, Individual Training Plan (ITP) update, and EEO. In June, a Virtual Battle Assembly was held for all the EDSU Navy units. During this event, sailors received a DLA overview brief, Distribution Command brief, DDXX overview, and viewed a Leadership Town Hall.

# Defense Logistics Agency

## DLA Human Resources (J1) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: Historian

SUBJECT: Submission of DLA Human Resources (J1) FY20 Annual History Input

When FY2020 began, few of us could have foreseen the unique challenges the next 12 months would bring. Yet, as our nation and our Agency struggled through the early days of the response to the coronavirus pandemic, I witnessed DLA accomplish dramatic and creative feats to continue supporting America's Warfighters while flexing to also support the Whole of Government efforts our Nation called for. The men and women of J1 jumped to take care of our DLA team members and customers in other agencies who were dealing with unprecedented concerns and work conditions.

In FY2020, J1 was front and center in the DLA response to the novel coronavirus pandemic while also maintaining nearly all our day-to-day functions virtually and remotely, missing nary a beat. I take tremendous pride in how this workforce rose to the occasion, adapted to rapidly evolving and unprecedented working conditions, and supported each other and the rest of the DLA family.

The circumstances of 2020 have taken a toll on our J1 family, but much like the astronauts and Mission Control during the Apollo 13 mission, what could have been a profound disaster marked by tragedy has instead become our finest hour. Like many, I look forward to seeing 2020 in the rearview mirror, but I also will cherish the experience of being the J1 Director while this team rose to the occasion and carried out the stellar accomplishments outlined in this history document.

J1 was asked to do a lot more than we ever have in the past in terms of helping the agency maneuver through some difficult things, and through it all, this team did it the J1 way – collaboratively, proactively and professionally.

A recent quote from a senior member of the J1 leadership team sums up the year to me: "The limited number of words doesn't begin to capture the tremendous amount of work behind these initiatives."

I look forward to leading this organization through the changes that are inevitable as we reconstitute the DLA workforce and workplaces, and in facing the challenges of a changed professional landscape while supporting the DLA Strategic Plan and DLA People and Culture Plan.

One J1 and Warfighter Always.

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BRAD BUNN  
Director  
DLA Human Resources

## 1. Introduction

DLA Human Resources started the fiscal year focused on ongoing and recurring initiatives, including:

- a. Renegotiating the Master Labor Agreement (MLA)
- b. Conducting and analyzing results from the 2020 DLA Culture/Climate Survey.
- c. Negotiating servicing agreements with new DoD organizations.

Those initiatives were upended in February/March by the arrival of the novel coronavirus. DLA's workforce is skilled and committed to servicing the Warfighter but 2020 brought unprecedented challenges to providing medical material and equipment and keeping employees safe.

From mid-February until the end of the FY, J1 leaders and key personnel were laser focused on responding to the global pandemic. Seemingly overnight, the DLA workforce became a tale of two populations: those who could maintain productivity from an alternate location (typically their home) – though dealing with challenges such as technology limitations, isolation, and childcare – and those who continued laboring in DLA's warehouses and industrial sites while dealing with face coverings, social distancing, increased sanitation requirements, and concerns over their health. Employees who were either not telework-eligible or not telework-ready, yet who couldn't come into the workplace because of COVID-19's risk factors, were granted weather and safety administrative leave, thus creating another layer of management challenges.

J1's coronavirus response working group became a near-constant resource for Agency leaders, managers, and employees, providing a broad-ranging website with senior leader messages, and policy and guidance on myriad topics. A mailbox for employee questions garnered 200 inquiries in the first month, all of which were answered by J1 personnel.

Despite the demands of the pandemic response, J1 continued providing timely, comprehensive, and professional support for customers in and outside of DLA. In FY20, we achieved a 94% Agency Personnel Fill/Readiness rate, only slightly below goal of 95%. The missing percent was due to MSCs/J-D Codes holding vacancies in anticipation of FY21 FTE and funding cuts. In all, DLA Humans Resources filled and onboarded 4,000 positions in a predominantly virtual environment.

DLA J1 also continued to position itself to provide the best possible support for our customers in other DoD organizations. At the end of FY20, DLA J1 provided reimbursable HR services to:

- a. Defense Advanced Research Projects Agency (DARPA)
- b. Defense Commissary Agency (DeCA)
- c. Defense Contract Management Agency (DCMA)
- d. Defense Counterintelligence and Security Agency (DCSA)
- e. Defense Human Resources Activity (DHRA)
- f. Defense Media Activity (DMA)
- g. Defense Security Cooperation Agency (DSCA)

- h. Defense Threat Reduction Agency (DTRA)
- i. Missile Defense Agency (MDA)
- j. National Reconnaissance Office (NRO)
- k. Office of the Chairman of the Joint Chiefs of Staff (OCJCS) and the Joint Staff
- l. Space Development Agency (SDA)
- m. U.S. Transportation Command (USTRANSCOM)

DLA Human Resources personnel are driven by the mission, vision, and values of the organization.

a. Mission

In support of the DLA mission, DLA Human Resources ensures a mission-ready workforce to support America's warfighters while setting the standard for people and culture innovation.

b. Mission

In support of the DLA vision, DLA Human Resources strives to be the best in our business.

c. Values

We live the DOD Core Values of Leadership, Professionalism, and Technical Knowledge through Dedication to Duty, Integrity, Ethics, Honor, Courage, and Loyalty. To us this translates to these four tenets:

- (1) In strategy, people first.
- (2) In action, customer focused.
- (3) In execution, effective and efficient.
- (4) In leading change, innovative and bold.

## 2. Organization



## 3. Key and Total Personnel

Resources	
<b>J1 Full Time Equivalents (FTEs) (Authorized)</b>	781
Working Capital Fund	73%
Reimbursable	27%

Major J1 Population Centers	
Whitehall	460
New Cumberland	153
Fort Belvoir	94
San Joaquin	19
Philadelphia	14
Richmond	12
Battle Creek	9

Key Leaders	
Leader	Position
Mr. Brad Bunn	Director, DLA Human Resources (J1)
Mr. Billie Keeler	Deputy Director, DLA Human Resources (J1)
Ms. Chaletta McCoy	Staff Director, Human Capital Program Development (J12)

Mr. Daryl Roberts	Staff Director, Labor and Employee Relations Policy (J13)
Ms. Laurie Hall	Staff Director, Human Resources Policy (J14)
Ms. Cheryl Steptoe-Simon	Staff Director, Human Capital Business Integration (J17)
Mr. Stephen Herrmann	Director, J1 Business Office
Ms. Hong Miller	Administrator, DLA Human Resources Services (DHRS)
Ms. Jill Dixon Cromer	Director, DHRS, DLA Customers
Mr. Derek Saunders	Director, DHRS, DoD Customers
Mr. Peter Marchesani	Director, DHRS, Enterprise Operations
Ms. Yolanda Howell	Director, DHRS, DLA Training
Ms. Kathryn Roberts	Director, DHRS, HR Information Systems
MS. Lisa St. Peter	Director, DHRS, Travel and Payroll
Mr. David Tighe	Director, DHRS, Military Personnel and Administration

<b>Key Staff Members</b>	
Mr. Stephen McClanahan	EA to the Director
Ms. Kathleen Rhem	HR Communications Manager
Ms. Bethreece Cheek	SAPR Program Manager

## 4. Historical Narrative

### a. Coronavirus Response

At the onset of the pandemic, J1 played a key role in guiding DLA's leaders and workforce, working through multiple extraordinary challenges and never-before-seen demands. By early March 2020, a coronavirus response working group of key J1 leaders and personnel began meeting daily. This collaborative body included SMEs from the various HR functions as well as Safety and Occupational Health and General Counsel. It provided a forum for discussing issues quickly and effectively, reaching conclusions, and issuing guidance.

On March 16, LTG Williams informed the agency that eligible employees who were not designated as mission-essential-on-site were authorized to telework full time. With little warning, DLA Human Resources was tasked with developing comprehensive personnel policy and guidance to help DLA leaders guide the workforce through an unprecedented change in working conditions during a time of increased stress, confusion, and concern.

On March 18, President Trump signed the Families First Coronavirus Response Act (FFCRA), which provided up to 80 hours of paid emergency sick leave for federal workers who had to stay home due to COVID-19, care for someone being treated for COVID-19, or provide child or elderly care due to COVID-19. DLA Human Resources quickly prepared FFCRA guidance and FAQs to inform DLA employees of this important new benefit.

Throughout this period, DLA employees were adopting new habits. For the two thirds of the workforce who could stay home, quarantine meant less time commuting but posed other distractions. Caregivers of young children, for example, had to be DLA employees, teachers, and activity coordinators all at the same time.

## (1) Policy, Guidance, and Communications

A critical early step was to partner with DLA Public Affairs to establish the DLA coronavirus website as a point of focus for the agency on all COVID-19 information. J1 personnel ensured that all guidance got posted, facilitating timely information sharing across the agency. The site included links to CDC, OPM, DoD, DOS and other resources. DLA Human Resources developed senior leader messages, policy guidance, and a frequently updated FAQ with nearly 100 questions in the following areas:

- (a) Mission-Essential Designations
- (b) Telework
- (c) Leave Flexibilities and Families First Coronavirus Response Act
- (d) Cloth Face Coverings
- (e) Official and Personal Travel
- (f) Unique Guidance for Military Personnel
- (g) Telework and Administrative Leave Protocols for Supervisors

J1 also distributed messages to senior leaders encouraging leave usage and developed operating status language to DLA PAOs for use in public announcements. In addition, J1 issued “Management Guidance on DLA Work Schedule Flexibilities during the COVID-19 Pandemic.” This guidance provided available schedule options, subject to supervisory approval and mission requirements, to help employees mitigate the pandemic’s impact on their ability to balance work and personal responsibilities. Finally, the J1 coronavirus working group responded to roughly 200 questions from employees sent to a dedicated email box.

## (2) Recruitment and Onboarding

To help the Agency respond to the pandemic, DLA Human Resources Services made dramatic changes to how HR servicing and workforce management were handled. It:

- (a) Collaborated with DLA Installation Management and Safety and Occupational Health to develop LMS training: “Returning DLA to the Worksite During the COVID-19 Pandemic.”

- (b) Continued recruitment while limiting the DI, J1 and J6 personnel who needed to be onsite for onboarding. Prioritized mission-essential positions. During the first several months of predominantly offsite operations, non-mission essential hires were also onboarded with J1 approval based on expected productivity with limited in-person training/direct supervision. By August, J1 approved onboarding plans for each DLA MSC and J-Code organization, which detailed how they would effectively onboard, orient and train new talent within the largely virtual work environment. As plans were approved, MSCs and organizations were able to onboard new hires without further J1 approval.

- (c) Established a Virtual Onboarding Toolkit for supervisors and posted it in the DLA Supervisor’s Reference Library.

### (3) Reconstitution Framework

Upon receipt of White House, OMB/OPM guidance for reopening America, a Reconstitution Working Group was established April 28, 2020, with members from:

- (a) DLA Human Resources
- (b) DLA Logistics Operations
- (c) DLA Installation Management
- (d) Safety and Occupational Health
- (e) General Counsel
- (f) DLA Chief of Staff's office

Through daily meetings over the course of a week and a half the group accomplished the following actions and accomplishments:

- (a) Developed standard gating process for use throughout DLA, taking into account each location's and organization's situation.
- (b) Identified personnel for each location to collect data, assess risk, and make recommendation for phase movement.
- (c) Identified data sources and criteria to assess local conditions.
- (d) Identified a notional timeline for reopening, with the HQC timeline including a plan for reopening ASOC and closing COOP and Lorton sites, which serves as a sample timeline for other DLA sites.
- (e) Reviewed site reconstitution plans and provided feedback on consistency within the framework.
- (f) Developed comms to leaders, the workforce and others who need to be aware of reconstitution (e.g., tenant leadership).
- (g) Balanced customer demand with workforce safety.

In addition, the group established:

- (a) Roles and responsibilities for Senior Accountable Officers.
- (b) Description of reconstitution phases.
- (c) Process for moving between phases.
- (d) Resources for conducting safety risk assessments.
- (e) Safety practices for occupying offices, meeting spaces, etc.
- (f) Plan for PPE to accommodate onsite staff (hand sanitizer, masks, etc.).
- (g) Labor relations obligations and strategy.
- (h) Guidance on establishing cohorts.
- (i) Proposed on-site to telework ratios using cohorts, shifts, etc.
- (j) Descriptions of workforce modifications.
- (k) Plan for reopening on-site cafeterias, CDCs, gyms, etc.
- (l) Plan for swift response to COVID-19 recurrence.



The DLA Reconstruction Framework and Guidance was issued May 8, 2020. It specified:

- (a) Four phases running from Phase 0, only mission-critical onsite employees are allowed in DLA workplaces, to Phase 3, full mission operations.
- (b) Use of “cohorts” to reduce total number of employees in a location at a time, appropriate to the various phases.
- (c) Considerations for high-risk employees, social distancing and alternate work schedules, reopening of facility support services, and disinfectant cleaning.
- (d) Provisions to consider the needs of families with school-age children in areas where schools and daycare facilities are closed or reduced in capacity.

#### (4) Miscellaneous and Ongoing Pandemic Support Operations

A May 19, 2020, Defense Secretary order lifted limits on premium pay for DoD personnel supporting COVID-19 response operations, as authorized by the Coronavirus Aid, Relief and Economic Security (CARES) Act. J1’s Payroll Services Team assisted in rapidly analyzing the order and issuing guidance on identification and procedural requirements. It then processed waivers lifting the aggregate payroll cap for 198 DLA employees, allowing them to be compensated for additional premium hours.

DLA Training converted nearly 80% of DLA’s courses to virtual delivery, including entry-level developmental program training for PACERS, contracting, supply, HR, quality assurance, and property management.

Over the last seven months of FY2020, J1 personnel prepared an estimated 1,200 guidance documents and responses to inquiries to support DLA’s pandemic response. The products addressed fitness and wellness; leave (weather and safety leave, FFCRA, etc.); hours of duty and work schedules; telework policy and virtual workplace protocols; state guidelines/orders to the DLA civilian workforce; phase-related communications; gating criteria; all-hands messages; and Executive Board correspondence.

As we transitioned through FY2020, DLA Human Resources leaders and SMEs continue to:

- (a) Monitor and report on the status of the workforce through daily accountability and a quarantine tracker.
- (b) Manage requests for exceptions to DoD’s Restriction of Movement and provide guidance on travel, leave, and PCS moves.
- (c) Analyze the effort of COVID on operations and the workforce.

#### b. Non-COVID HR Operations

##### (1) J1 Headquarters

##### (a) 2020 Culture and Climate Survey

Early in the year, a DLA Human Resources/DLA PAO working group led by Human Capital Program Development (J12) personnel revamped the Culture and Climate

Survey communications plan to help ensure more robust completion rates in this survey iteration. The day before the scheduled March 16, 2020, launch, the DLA Director made the decision to postpone the 2020 survey. Toward the end of the FY, a new launch date – Oct. 9, 2020 – was approved by the DLA Director.

#### (b) Master Labor Agreement (MLA) Renegotiation

Shortly before on-site operations were interrupted due to the pandemic, a team of DLA Human Resources leaders and labor relations specialists completed face-to-face negotiations for a new Master Labor Agreement (MLA) with American Federation of Government Employees Council 169. The parties had negotiated for an eight-month period, commencing July 2019 and ending February 2020.

After the agreed-upon negotiation period, the parties were at impasse on 14 articles of the 50+ articles in the new agreement. On Sept. 20, 2020, the Agency received the Federal Services Impasses Panel's decision on the 14 articles at impasse, and the parties were preparing for the union ratification stage of the bargaining process when the fiscal year came to an end.

#### (c) DoD Performance Management and Appraisal Program (DPMAP)

DLA did not take a break from day-to-day and recurring program management responsibilities during the pandemic. The annual completion of the DoD Performance Management and Appraisal Program (DPMAP), which affects every civilian employee and military supervisor in DLA, is the ideal example of J1's commitment to excellence in customer service.

Despite the demands of pandemic response, DLA Human Resources – led by the policy team – issued updated policies and guidance on DPMAP and Civilian Awards; granted a 30-day extension for establishment of plans and ratings, reviewed DPMAP questions in the DLA Culture and Climate Survey, which had been postponed; ensured DPMAP compliance by monitoring/communicating completion of performance appraisals across the Agency; and conducted a thorough review of DLA's standard supervisory performance elements via a cross-organizational IPT.

J1 successfully guided the Agency through key DPMAP activities during the pandemic by issuing timely communications and maintaining an up-to-date, robust DPMAP webpage. HR specialists focused on mitigating the pandemic's impact on supervisors responsibilities by extending the deadline for communicating annual ratings and establishing performance plans for the new cycle.

In partnership, the DLA J1 policy team and DHRS successfully carried out the share-based performance award process so employees were recognized for their 2019-2020 contributions as expeditiously as possible, despite the DPMAP timeline adjustments mentioned above.

#### (d) Paid Parental Leave

The DLA Human Resources Policy team (J14) facilitated the implementation of Paid Parental Leave (PPL), which provides 12 weeks of PPL to federal

employees covered by the Family and Medical Leave Act (FMLA) in connection with the birth, adoption, or foster placement of a child. This major new employee benefit was authorized in the National Defense Authorization Act (NDAA) for Fiscal Year 2020. J1 coordinated a DTM with implementing guidance and issued appropriate communications to inform the workforce.

#### (e) Audit Excellence and Program Execution

DLA Human Resources continued its audit remediation journey in FY20. Due to COVID restraints, auditor Ernst & Young transitioned to virtual activities while keeping a demanding timeline. DLA Human Resources also provided enterprise change management advisory services in support of the implementation of several major Agency program initiatives, such as the Warehouse Management System (WMS) and the Enterprise Resource Planning (ERP) systems. During this fiscal year, the J1 Human Capital Business Integration Team completed FY2020 Statement of Assurance testing; submitted two CAP packages to close six FY2019 NFRs; coordinated over 200 Provided by Customer (PBCs) documents; conducted multiple meetings with EY, Office of the Secretary of Defense (OSD), Department of Defense Office of Inspector General (OIG) and DLA OIG; delivered training to support Warehouse Management System (WMS) implementation; created ERP system Migration Change Management and communications plans for internal and external stakeholders; and designed a Function Service Managers support program for personnel performing contracting for services.

### (2) DLA Human Resources Services (DHRS)

#### (a) Senior Leader Orientation Course (SLOC)

The Senior Leader Orientation Course (SLOC) prepares senior leaders by providing an overview of the Agency, its organization, operations, programs, and policies to ensure a successful tenure within DLA. A March 2020 iteration of the quarterly course was canceled due to the COVID-19 pandemic; DHRS Enterprise Operations conducted a hybrid SLOC that combined remote and in-person instruction August 25-27, 2020.

The hybrid course was presented in-person for nine participants and virtually, via WebRTC, for 34 participants. Participants crossed eight time zones and the International Date Line. They were presented more than 30 topics, and “attended” a Zoom social with the DLA Director.

#### (b) Agency Synchronization and Operations Center (ASOC) LNO

J1 began dedicated support of the Agency Synchronization and Operations Center (ASOC) in November 2019 and maintained a rotating military member in the ASOC as a liaison. The is to be the “eyes and ears” of J1 in the ASOC and the operational representative for all things human resources related, bringing issues and requests for information to the correct J1 subject matter expert to offer the best advise possible.

Pre-COVID, J1 liaisons took part active shooter drills and in maintaining personnel accountability during hurricane and wildfire disasters. With the advent of the COVID-19 pandemic, the J1 liaison became responsible for case reporting and assisted in creating policy to sustain the Agency during a critical time. The J1 ASOC liaison has become a central link for

DLA Human Resources and allows HR to be more closely and strategically integrated into Agency operations. Toward the end of FY20, J1 aligned the liaison under the J1 Plans and Operations Director, a newly established role that oversees the coordination of all J1 orders planning, execution across DLA for issues related to COVID-19, current and future operations, integrating DLA civilian/military efforts in human resources processes, and providing liaison to the ASOC.

#### (c) DoD Customer Operations

The 200+ members of the DHRS DoD Customers team are working at the forefront of an ongoing DoD effort to reduce redundancy across the various DoD components and continue to be a model for HR shared services.

During FY20 this team expanded the DLA customer base with the following additions or continuations of customer agreements. It reached an agreement for J1 servicing of the Space Development Agency (SDA), which began on August 30, 2020. SDA will receive the full range of HR Services from DLA, to include personnel security and EEO. The team also reached an agreement for J1 servicing the Defense Contract Management Agency (DCMA), which began on September 27, 2020. Further, it successfully completed the USTRANSCOM J1 servicing pilot, which led to their request for a permanent arrangement. Finally, the DHRS DoD Customers team added USTRANSCOM to DLA's Learning Management System (LMS) while sustaining LMS servicing for the Defense Human Resources Agency (DHRA) and Defense Security Cooperation Agency (DSCA).

#### (d) HR Information Gateway

A new human resources information tool called the HR Information Gateway was deployed in October 2019. Available to all DLA supervisors and J1 DoD customers, "the Gateway," as it is commonly referred to, provides visibility of HR-related data to supervisors on subordinate employees. It provides easy-to-navigate, logic-driven data in plain language and serves as a one-stop-shop for managers to access information on subordinates from various data sources. Supervisors can also access employees' DPMAP appraisal and plan information, a record of personnel actions processed, awards the employee has received, acquisition certification information, HR-related suspense dates, and open Requests for Personnel Actions.

#### (e) Employee Recognition

Before and throughout the pandemic, the DHRS Enterprise Operations team continued to manage the DLA awards program, making adjustments throughout the year to accommodate COVID-related restrictions. During the 52nd Annual Employee Recognition Awards Ceremony, held at DLA Headquarters December 6, 2019, then people were recognized as Outstanding Employees of the Year, DLA's highest annual recognition for current employees.

The members of the DLA Hall of Fame Class of 2020 were announced in June, however their induction ceremony was postponed until 2021 due to COVID-19 restrictions on public gatherings. Inductees are Retired Army Lt. Gen. Donald M. Babers, former DLA director; Retired Air Force Lt. Gen. Andrew E. Busch, former DLA director; Milton K. Lewis, former acquisition executive, DLA Land and Maritime; Paul Mank, former acting deputy director, DLA Disposition Services; Retired Army Lt. Gen. Raymond Mason, former DLA Troop Support commander; Sandra M. Miller, former staff director, Human Capital Program Development, DLA Human Resources; Tony Poleo, former DLA Finance director; Walter Thomas, former DLA associate general counsel; and Susan L. VanMeter, former portfolio manager, Electronic Business Systems, DLA Information Operations.

### c. Conclusion

When the coronavirus pandemic struck the United States, DLA Human Resources led much of the rest of the Defense Department in analyzing the situation and issuing personnel guidance and policy. The Agency faced several unique challenges to these efforts, to include hybrid population of telework eligible and non-telework eligible personnel; ongoing support to whole of government and military customers; geographically diverse populations – urban, suburban, industrial, and rural; an array of installation situations where DLA is either owner or tenant.

With extensive ongoing support from DLA Human Resources, both populations of DLA employees – those who could telework and those who had to continue reporting to work overcame unprecedented and unforeseen challenges to continue supporting Agency operations. FY2020 has proven to be a year in which the numbers tell the dramatic story of J1's support to the DLA enterprise.

- (1) The J1 COVID task force met for over 100 cumulative hours.
- (2) Four hundred forty-six exceptions to policy for travel were processed and approved.
- (3) Seventeen thousand cash and time off awards were processed in a 24-hour period.
- (4) Two Corrective Action Plans for 2019 audit findings were delivered.
- (5) From January to September, 4,069 recruit actions were filled.
- (6) Three quarters of the agency's functional training was converted to virtual delivery, and over 500 courses were delivered via alternative delivery methods.
- (7) Executed most successful Individual Development Plan (IDP) Open Season on record, with a J1 IDP approval rate of 96% and an enterprise completion rate of 95%.
- (8) Two-hundred sixty-seven Pathways to Career Excellence (PACE) participants graduated into mission-critical occupations.

(9) The Executive Development Program and the Enterprise Rotation Program delivered targeted career development for 293 high-potential emerging leaders.

In FY20, J1 completed the above-described accomplishments and many others to sustain and improve its service to our diverse and growing customer base while simultaneously supporting Agency personnel through an unprecedented crisis and continuing to focus on supporting the DLA Strategic Plan and DLA People and Culture Plan.

At the end of the fiscal, DLA Human Resources leaders are preparing to:

(1) Examine what was done well during the Pandemic and what could be done better in the future.

(2) Evaluate and modernize DLA's approach to work – and workplace – so the Agency and its workforce are ideally positioned for mission success in a post-pandemic world.

(3) Analyze the results of the 2020 Culture/Climate Survey and develop and implement Culture/Climate Action Plans.

(4) Implement a new, more agile Master Labor Agreement in accord with the ever-changing national security environment.

(5) Bring additional DoD organizations – including the Defense Contract Management Agency (DCMA), the Defense Commissary Agency (DeCA), and the Space Development Agency (SDA) – onto DLA's Learning Management System (LMS) in FY21.

J1 is posturing for growth and preparing for an expansion of DLA HR services by building on a strong foundation of supporting DLA's mission-ready workforce and external HR customers. The pandemic put the organization's problem-solving to the test, and all of J1 demonstrated the Agency's core values throughout this fiscal year.

# Defense Logistics Agency

## DLA Logistics Operations (J3) Fiscal Year 2020 Historical Report



**DIRECTOR  
LOGISTICS OPERATIONS  
DEFENSE LOGISTICS AGENCY**



Fiscal Year 2020 was unprecedented for the world, our Nation, and the Defense Logistics Agency. Our answers to the challenges put forth by Coronavirus Disease 2019 (COVID-19) have fundamentally shifted DLA Logistics Operations and the Agency as a whole, and some of those changes will echo in the years ahead. This annual history report captures the numerous accomplishments of the J3 in the many varied mission areas including:

- Leading the Agency's National response to COVID-19
- Responding to the Secretary of Defense's Defense Wide Review
- Maturing of the DLA Readiness Dashboard
- Realigning the Industrial Hardware supply chain
- Progressing toward operating capability as the F-35 North American Regional Warehousing and Global Transportation and Distribution Product Support Provider (PSP)
- Progressing toward the PSP designation for Disposition Services support for the F-35
- Building a more inclusive approach into our Whole of Government support, expanding our capabilities and partnerships with the Departments of Veterans Affairs and Health and Human Services
- Institutionalizing the Agency's approach to Supply Chain Risk Management
- Leveraging the Agency Synchronization Operations Center as the Agency's integrator for DLA responses to national crises
- Integrating with the Combatant Commands in their development of their campaign plans through tabletop exercises and operations plan development

Much of this crucial work has been accomplished in the distributed, long-distance environment forced on us by the worldwide pandemic. The J3 team has leaned into this challenge, and our people have embraced the opportunity it represents. As we enter FY21, we're forging ahead to reorganize the directorate to better answer tomorrow's challenges, institutionalize our approach to Supply Chain Risk Management, build models that let us effectively use DLA's vast amount of data to drive better decisions, and embrace a digital culture that will allow us to share information across the Enterprise. We planted the seeds as FY20 drew to a close, and they will bear fruit in the years ahead.

ALLAN E. DAY  
Major General, USAF  
Director, Logistics Operations  
Commander, Joint Regional Combat Support

GUY C. BEOUGHIER, SES  
Deputy Director  
Logistics Operations

## **1. Introduction**

DLA Logistics Operations (J3) is responsible for management of DLA's nine end-to-end supply chains. It provides logistics and materiel management policy, guidance, and oversight. It integrates strategic, operational, and tactical perspectives, and command and control functions for contingency operations and adaptive planning in order to influence the end-to-end logistics supply chain. It is the Agency's principal strategic, operational, and tactical planner. It oversees the daily operations of all J3 activities and engages DLA HQ Directorates and Major Subordinate Commands (MSC) to gather and interpret customer requirements. DLA Logistics Operations serves as the DLA Enterprise Logistics Functional Community Manager.

J3 maximizes readiness and logistics combat power by leveraging enterprise solutions. To fulfill this mission, organizational elements are aligned under J3, to include the Operations Executive Directorate (J31), Mission Support Executive Directorate (J32), and Policy and Strategic Programs Executive Directorate (J34).

The Director, DLA Logistics Operations, provides a single focal point to theater combatant commanders, their Service components, and coalition forces for all DLA liaison and logistical planning. He manages the overseas customer interface network of DLA Europe & Africa, DLA Indo-Pacific, and DLA CENTCOM & SOCOM. Oversees three O-6 Military Regional Commanders (DLA Indo-Pacific, DLA CENTCOM & SOCOM, and DLA Europe & Africa), exercising command responsibilities for DLA Enterprise operations monitoring, coordination, and planning, and coordinating and synchronizing the logistics support of all DLA activities within combatant commands. These DLA Regional Commands have directional authority of all DLA entities and DLA employees operating in or assigned to their region. The Regional Commands are comprised of Active Duty and Reserve military, Department of Defense (DOD) civilians, and Local National civilians from all DLA organizations.

## **2. Organization**

### **a. J31 – Operations Executive Directorate**

Coordinates and integrates DLA's logistics capabilities with Combatant Commands (CCMD), Military Services (MILSVC), the Joint Staff (JS), other Defense Combat Support Agencies (CSA), and designated Federal agencies. Provides integrated situational understanding of all levels of operations, command and control (C2) functions for contingency operations and natural disasters, and adaptive planning to influence the end-to-end logistics supply chain. Supports DLA customer outreach activities with functional help desk services, customer interaction analytics, and forward deployed support.

### **b. J32 – Mission Support Executive Directorate**

Leverages DLA strategic partnerships and alliances to forecast and influence opportunities to support the Warfighter. J32 is comprised of three divisions: the Joint Contingency Acquisition Support Office (JCASO), the Sustainment Solutions Division (SSD), and Management Support (J32M). Key tasks include supports J3 realignment to enhance data



processing, data visualization, and business alignment/research; planning and executing sustainment solutions for DLA, including F-35 integration, Major Defense Acquisition Program (MDAP) Life Cycle planning, and Performance-Based Logistics (PBL) support; and establishing and managing System Modernization Programs. Though JCASO provides commercial support to operations to the CCMDs, it will be deactivated not later than September 30, 2020.

c. J34 – Logistics Policy and Strategic Programs Executive Directorate

Oversees development and dissemination of enterprise-wide policy for order fulfillment, planning, stock positioning, retail sustainment, asset management, transportation, distribution network, disposition, technical/quality functions, and business cycle processes. It engages with the Office of the Secretary of Defense (OSD), Joint Staff (JS), and military Service leadership in partnership efforts related to logistics strategic programs and initiatives. It conducts research and analysis and provides DLA leadership with insights to shape policy development and support decisions. It leads/supports projects related to DLA's audit readiness. It develops strategies for creating, obtaining, managing, and integrating logistics data for dissemination to support the DOD, Federal agencies, and North Atlantic Treaty Organization (NATO) supply chain needs.

d. NESO/J310 – Nuclear Enterprise Support Executive Directorate

Serves as HQ DLA's leading face to the customer for all DLA-related nuclear enterprise issues, as well as coordinating all internal DLA support to include development of the DLA nuclear enterprise specific policies, procedures, and strategic messaging. Additionally, serves as the leading face to the Space Enterprise.

e. DLA CENTCOM & SOCOM, DLA Europe & Africa, DLA Indo-Pacific

Represent the DLA Director within their assigned geographic regions. Perform as principal Enterprise points of contact with DLA senior overseas customers (Combatant and Subunified Commanders, Senior Service Components, Theater Service HQs, other U.S. government agencies and DOD activities, and designated multi-national organizations and allied countries). Act as lead for Enterprise customer engagements in respective theaters of operation with responsibility for planning, coordinating, and monitoring of Enterprise operations to ensure customer satisfaction. Supported Commander for steady-state and contingency operations within each Region to ensure all forward DLA activities and operations are integrated in support of Combatant Command and Regional Service Component requirements. Supported Commander for all DLA regional operationalized staff entities, such as DLA Human Resources (J1), Joint Contingency Acquisition Support Office (JCASO), DLA Information Operations (J6), DLA Comptroller (J8), DLA Installation Management (DM), DLA General Counsel (DG), and DLA Office of Inspector General (OIG), assigned to their region. Ensure alignment of regional programs with DLA's overall strategy and vision. Direct and coordinate DLA efforts in support of mission support, logistics planning, Enterprise senior customer engagement. Develop an overall strategy for regional customer engagement. Monitor customer satisfaction and maintain situational awareness with the support of DLA entities in their region to provide periodic, real-time situational reports to the DLA Enterprise. Responsible for managing cross-cutting

Enterprise community issues regarding the implementation of DLA policies and strategies within the region.

### 3. Key Personnel

#### a. Defense Logistics Agency (DLA) Logistics Operations (J3) Leadership Chart



b. Fiscal year 2020 (FY20) saw some changes within the leadership of DLA Logistics Operations. Mr. Patrick J. Dulin returned from an eight-month tour with Combined Security Transition Command-Afghanistan, resuming his role as the Executive Director for Mission Support (J32) in August 2020. Mr. Kevin Kachinski, the Acting Executive Director J32, replaced Mr. Dulin in Afghanistan. CAPT Jason Adams replaced CAPT Kristin Acquavella as the Commander of DLA Indo-Pacific in June 2020.

c. Change continues within the J3. As FY20 drew to a close, Directorate leaders were completing a rebalancing of missions within the J3 Executive Directorates, a response to the deactivation of the Joint Contingency Acquisition Support Office and other missions. The reorganization was not complete by the end of FY20, but the changes will impact FY21.

#### 4. FY20 Funding and Personnel Goals and Actuals

	FY20 Goals	FY20 Actuals
<b>Civilians (FTEs)</b>	777	707
<b>Active Duty Military Authorized</b>	108	93
<b>Reserve Military Authorized</b>	74	74
	(In Millions)	(In Millions)
<b>Labor (Direct only)</b>	\$93.5	\$99.28
<b>Contracts</b>	\$18.8	\$16.80
<b>Travel</b>	\$2.4	\$1.68
<b>Training</b>	\$.3	\$0.01
<b>Other</b>	\$.7	\$0.62
<b>Total</b>	<b>\$115.7</b>	<b>\$118.40</b>

## **5. Contingencies and Humanitarian Assistance/Disaster Relief Support**

### **a. Coronavirus Disease-19 (COVID-19) Response**

#### **(1) Background:**

Beginning in early FY 2020 and continuing through the end of FY20, the DLA Agency Synchronization Operations Center (ASOC) and COVID-19 Task Force led DLA's response to the COVID-19 pandemic. The ASOC and COVID-19 Task Force was comprised of action officers from across DLA Headquarters J and D Codes and the agency's Major Subordinate Commands.

The ASOC and COVID-19 Task Force served as the primary synchronizers of information and executors of DLA's coordinated, agency-wide response to the COVID-19 pandemic. Their efforts brought to bear the full capability of DLA's nine supply chains and 27,000 employees, ensuring uninterrupted support to DOD and federal government partners. The information they provided facilitated the decision making of both DLA and Joint Logistics Enterprise senior leaders.

#### **(2) Description:**

The ASOC and COVID-19 Task Force executed the timely processing of more than 500 requests for information (RFI) from entities including the White House, COVID-19 White House Task Force, U.S. Congress, Secretary of Defense (SECDEF), Under Secretary of Defense for Acquisition and Sustainment, Joint Staff, Combatant Commands, military Services, Joint Task Forces, Defense Health Agency (DHA), Federal Emergency Management Agency (FEMA), Department of State (DOS), Department of Health and Human Services (HHS), as well as multiple media outlets and multiple internal DLA entities. The ability of the ASOC and COVID-19 Task Force to process RFIs rapidly enabled DLA and DOD senior leaders to make key informed decisions, ensured consistent messaging to DLA's partners and higher headquarters, and drove the expeditious distribution of critical material.

The ASOC and COVID-19 Task Force were also responsible for producing daily information products and holding daily senior leader briefings. The COVID-19 Task Force collated and prepared reports in support of the DLA Director's daily briefings to the Under Secretary of Defense of Acquisition and Sustainment. Additionally, the COVID-19 Task Force prepared daily reports detailing DLA's response efforts to the Deputy Undersecretary of Defense for Acquisition and Sustainment. The ASOC and COVID-19 Task Force also produced a daily placemat to track and communicate significant DLA response actions and requirements, and a daily DLA infographic which detailed the cumulative support provided by the Agency. Further, working with Whole of Government counterparts, the team helped develop the Federal Medical Materiel Common Operating Picture (FM2C) and related Defense Medical Materiel Common Operating Picture (DM2C). These two reporting systems provided up-to-date status on 17 medical items such as personal protective equipment (respirators, masks, eye protection, gloves, and gowns), hand sanitizer, testing supplies, thermometers, and ventilators across the military services, FEMA, HHS, the Department of Veterans Affairs, the Coast Guard, the Department of Homeland Security (DHS), and the National Guard Bureau.

The ASOC and COVID-19 Task Force executed two action officer level working groups and the DLA COVID-19 Senior Leader Sync daily to synchronize effort throughout the Agency. Further, the ASOC and COVID-19 Task Force developed an in-depth Reconstitution Phasing Assessment process and reporting documents to track the Agency's progression through reconstitution phases. This effort ensured a coordinated and transparent process which prioritized the safety of DLA personnel while maintaining the Agency's ability to provide uninterrupted support to DOD and federal partners.

Personnel from the ASOC and COVID-19 Task Force played a critical role in maintaining DLA operations while meeting requirements for mandatory telework and social distancing. Working in shifts, personnel from the ASOC and COVID-19 Task Force maintained 24-hour operations on the ASOC watch floor and supported critical DLA internal and external senior leader engagements throughout the day. In order to ensure the continuity of DLA operations, ASOC and COVID-19 Task Force personnel supported two continuity of operations locations, one at Columbus, Ohio, and the other at Lorton, Virginia. This effort enabled the Director, Vice Director, and J3 Director to conduct operations from three separate locations and significantly decreased the risk to DLA command and control capability. Additionally, ASOC personnel demonstrated the capability to conduct all ASOC watch floor functions from two continuity of operations locations, reaffirming the Agency's ability to conduct distributed operations in the face of potential COVID-19 impacts.

To assist U.S. Northern Command (USNORTHCOM) with COVID-19 response missions, DLA deployed a Rapid Deployment Team (RDT) and a JCASO Mission Support Team (MST). Due to travel restrictions, most of the RDT and MST members provided support while teleworking, while three RDT members and six non-RDT DLA personnel local to the Joint Task Force locations (augmentee Liaison Officers) deployed forward to the Joint Task Force. The MST assisted the Joint Task Force Operational Contract Support Integration Cell define, validate, prioritize, and source requirements. The RDT ensured the Joint Task Force leveraged and provided direct links to DLA resources to meet mission requirements.

To ensure consistency in messaging DLA's support to COVID-19 response efforts, the ASOC and COVID-19 Task Force worked with the Agency's Public Affairs Offices at the headquarters and across the Enterprise, as well as the OSD Public Affairs Office to coordinate over 130 published articles and media inquiries. The ASOC and COVID-19 Task Force also developed responses for Congressional inquiries and prepared notes and documents for the DLA Director and Under Secretary of Defense for Acquisition and Sustainment sessions and testimonies with the House Armed Services Committee. Further, the COVID-19 Task Force and DLA Public Affairs Office provided the OSD Public Affairs Office newsletter contributions and talking points and data for press conferences.

In order to establish and share best practices, the ASOC and COVID-19 Task Force worked with the DLA Chief of Staff and Lessons Learned team to capture observations from across the Enterprise. The observations were documented and categorized with external observations and recommendations shared with the larger OSD Lessons Learned effort. Internal and external observations and recommendations were documented and submitted in the Joint Lessons Learned Information System (JLLIS). Also, the team coordinated collection efforts across the Enterprise to secure information for the DLA historian.

### (3) Outcome

The actions of the ASOC and COVID-19 Task Force exemplified DLA's commitment to the Warfighter First line of effort. In the face of a global pandemic and wide-ranging impacts to supply chains and the industrial base, the ASOC and COVID-19 Task Force worked tirelessly to maintain timely and uninterrupted support to Service and Combatant Command readiness and lethality. Additionally, the ASOC and COVID-19 Task Force were instrumental in supporting the Strong Partnerships line of effort, serving as the key link between DLA, the Joint Logistics Enterprise, and interagency and industry partners, which enabled a coordinated national response to the COVID-19 pandemic.

The efforts of the ASOC and COVID-19 Task Force enabled the delivery of \$215,019,103 in total material support, including \$64,955,977 in subsistence material, \$10,757,000 in personnel equipment, \$6,264,838 in petroleum products, \$110,666,643 in construction material, \$22,854,149 in medical material, \$5,785,333 in repair parts, and \$28 million in critical reutilized material to DOD and federal government partners conducting pandemic response operations at locations throughout the globe. This included \$14,400,000 in support to the USNS MERCY and USNS COMFORT, and \$116,000,000 to deployable hospitals providing direct support to significantly impacted states.

The ASOC and COVID-19 Task Force, in direct coordination with the Joint Staff Joint Material Prioritization and Allocation Board and the DHA Defense Medical Logistics Enterprise Prioritization and Allocation Board, enabled the coordinated distribution of \$8,093,099 of personal protective equipment including 1,800,000 testing components, 131,300,000 gloves, 4,800,000 N95 respirators, 936,000 units of hand sanitizer, 17,000,000 masks, 6,700 ventilators, and 2,700,000 gowns. Additionally, the ASOC and COVID-19 Task Force enabled and tracked the execution of 13,556 contract actions and \$833,700,000 in contract obligations as well as the deployment of 39 DLA personnel to support the external entities, including the COVID-19 White House Task Force, FEMA, HHS, USNORTHCOM, and Task Force Warp Speed.

## **6. Regional Commands**

### **a. DLA CENTCOM & SOCOM**

#### **(1) Background:**

DLA CENTCOM & SOCOM proactively integrates and synchronizes DLA's Global Readiness Solutions to sustain U.S. Central Command (USCENTCOM), U.S. Special Operations Command (USSOCOM), and Service Component Warfighter capabilities. DLA CENTCOM & SOCOM is integrated with the Combatant Commands, postured to anticipate requirements in coordination with DLA Headquarters and Major Subordinate Commands in order to meet emerging and future sustainment requirements.

#### **(2) Highlights:**

(a) DLA Logistics Information Services support to USSOCOM material cataloging requirements.

- (b) USSOCOM Global Logistics Overview.
- (c) Defense Property Accountability System (DPAS) for USSOCOM weapon systems and equipment.
- (d) DLA Aviation programming and strategy for CV-22B Osprey aircraft readiness.
- (e) DLA support to USCENTCOM “setting the theater” planning, executing, and sustaining requirements in response to Iranian aggression within the region.
- (f) Supported Operations: Operations INHERENT RESOLVE (OIR), SPARTAN SHIELD (OSS), FREEDOM’S SENTINEL (OFS), RESOLUTE SUPPORT (ORS), and CONTINUOUS RESOLVE (OCR).
- (g) Major Exercises: EAGER LION 2019 and INTERNAL LOOK 2019.
- (h) Joint Strategic Support Board wargames.
- (i) DLA Forward-Stocking Initiatives.
- (j) DLA Distribution Navy Bahrain: Northern Distribution and Trans-Arabian Network.
- (k) Subsistence: DLA Troop Support Europe Africa Subsistence Prime Vendor (SPV) throughout the USCENTCOM area of responsibility (AOR).
- (l) Bulk Petroleum: DLA Energy-Middle East fuel and petroleum support throughout the AOR.
- (m) Construction Materiel: Requirements in support of operations throughout the AOR. (e.g., Maintenance, Repair, and Operations Tailored Logistics Support prime vendor contract)
- (n) G-Invoicing and Combatant Command Agreements

## b. DLA Europe & Africa

### (1) Mission:

Integrate and Synchronize DLA efforts in support of U.S. European Command (USEUCOM) and U.S. Africa Command (USAFRICOM) in order to ensure a prepared and ready force.

### (2) Vision:

A Team of Teams...Called On and Counted On

### (3) Operational Priorities:

- (a) Readiness: Ensuring a product or service is provided at the right time/place/amount.
- (b) Preparedness: Ensuring capabilities are positioned at the Warfighter’s point of need with requirements anticipated.
- (c) Focusing on workforce development and recognition programs, talent management (development opportunities and post-rotation placement), and ensuring work environments are safe and healthy so all may thrive and prosper.

#### (4) Operational Challenges:

(a) Stalled operations plan (OPLAN) support planning due to COVID-19, USEUCOM Planner absence in J31, reworking of primary OPLANs by USEUCOM staff.

(b) Support to Africa due to challenges with infrastructure, distance, contractor availability and quality, SECDEF Defense Wide Review (DWR), and reprioritization and repositioning of the DOD footprint on the continent.

#### (5) Regional Initiatives:

(a) Revised customer facing strategy.

(b) DLA Distribution Europe (DDDE) Warehouse Bulk Storage Facility.

(c) Regional Support Operations Center (RSOC) upgrade.

(d) Camp Lemonnier, Djibouti, shade structure.

(e) DLA Distribution Sigonella (DDSI) Theater Consolidated Shipping Point (TCSP).

(f) Subsistence: Iceland Support.

#### (6) Events:

The DLA Europe & Africa region had a dynamic year presenting numerous opportunities for improved effectiveness and efficiency. It was a year full of challenges that drove the DLA Europe & Africa team to reevaluate existing practices to meet the needs of a demanding environment. Through continued partnership and strong relationships, both internally and externally, DLA Europe & Africa was able to move through the difficulties of the year with success and poise, achieving new heights and putting into effect the many capabilities of the DLA Enterprise.

Among the many achievements, DDSI was able to implement an important Proof of Principle (PoP) through the receipt, processing, and shipment of cargo utilizing the TCSP. This PoP was designed to build resiliency and redundancy into the existing Theater Distribution Network in anticipation of expanded contingency requirements, and will more effectively support upcoming USEUCOM exercises such as DEFENDER EUROPE 21. Additionally, as a result of continued efforts by DLA Troop Support and DLA Europe & Africa, the 21st Theater Support Command purchased two food trucks for use in Kaiserslautern and Vilseck, Germany. These food trucks can serve 200 to 300 Soldiers per meal and will be used to support Soldiers in training areas or who are not co-located with an operational dining facility.

Furthermore, DDDE was selected as the location for the U.S. Army Theater Umbrella Authorized Stockage List (ASL) by Army Materiel Command (AMC). The Umbrella ASL was set up to provide turnover of Army Working Capital Fund (AWCF) assets. It increased the breadth and depth in the European Theater (3033 Authorized Stockage List (ASL) lines), provided a robust transportation network, and decreased customer wait time. This ASL was developed to better support the DEFENDER EUROPE 20 exercise and ongoing theater sustainment operations.

DLA Europe & Africa and DLA Troop Support also conducted another PoP to provide subsistence to the USS ROOSEVELT in Reykjavik, Iceland. This provided DLA flexibility to support the Navy throughout the AOR. The customers expressed their appreciation



for the DLA team, and the Subsistence Prime Vendor's efforts to push food orders to Reykjavik. This success represents an expanded capability and facilitates increased logistics agility in the USEUCOM theater.

Alongside its many successes, DLA Europe & Africa was not without its challenges in FY 2020. Among them, COVID-19 was, and continues to be, the biggest obstacle. COVID-19 prompted responses from across the USEUCOM and USAFRICOM theaters, which severely challenged DLA Europe & Africa's ongoing sustainment efforts and exercise effectiveness. Several European and African countries enforced a reduction in ground border crossing points. Austria's border presented a significant concern, as this border is traversed to resupply major Italian bases from DDDE in Germany. Several African countries followed suit in restricting entry of personnel to citizens only and imposed some quarantine measures on cargo.

During the height of COVID-19's initial wave, DLA Europe & Africa attended daily Joint Logistics Working Groups (JLWG) hosted by USEUCOM to best synchronize the latest limiting factors for USEUCOM supply chains due to COVID-19. Additionally, the DLA Europe & Africa RSOC developed and distributed daily COVID-19 updates along with a Common Operating Picture (COP) Placemat to inform recipients of concerns, distribution delays, stock availability status, or notes regarding DLA equities in supply chains throughout the Europe and Africa AORs.

Due to the pandemic and its associated restrictions, numerous exercises and operations were descope or altered. This was most notably true for DEFENDER EUROPE 20, originally forecasted to be the largest deployment of U.S.-based forces to Europe in 25 years. DEFENDER EUROPE 20 was ultimately descope and executed as a Division-level exercise. Despite the exercise's reduction in size and function, the planning efforts for the DEFENDER EUROPE 20 exercise proved to be invaluable to the DLA Europe & Africa team and presented copious opportunities to learn and grow as an organization. As an example, the DLA Troop Support Local Market Ready Team awarded a new three-year Blanket Purchase Agreement (BPA) for bottled water sizes 0.5 and 1.5 liters. This BPA was the first of its kind and supported 25 strategic locations, including Sea Ports of Debarkation (SPOD), Air Ports of Debarkation (APOD), Convoy Support Centers (CSC), and Reception, Staging, Onward Movement, and Integration (RSO&I) sites. It covered locations in Germany, Belgium, and the Netherlands. This BPA was critical in the exercise's preparation, but more importantly increased capabilities in setting the European theater going forward.

In addition to continued exercise support, the COVID-19 pandemic required dedicated involvement from the DLA Europe & Africa team in support of mitigation and containment operations. Due to the threat of COVID-19, USAFRICOM directed fulfillment of 30 days of supply (DOS) of all medical PPE on the continent. This equated to 300 goggles, 5K gowns and 6.6K N95 respirators moved to U.S. Army Medical Logistics Command in order to support austere locations across Africa. Additionally, more than 220 cases of Tyvek Suits for the USEUCOM AOR were sourced and distributed across the theater. To combat the virus, DLA Europe & Africa satisfied orders across USEUCOM and USAFRICOM for more than 250K non-medical PPE, including face coverings, gloves, and disinfectant and cleaning elements. Additionally, combined efforts from DLA Europe & Africa, DLA Troop Support, and DLA Distribution ensured that 900 COVID-19 BioFire test kits were sourced and delivered to Manda Bay, Kenya, for further distribution across the African continent. These test kits were capable of testing up to 24 samples a day and postured USAFRICOM's medical organizations to fight the

spread of COVID-19 more effectively through the early identification and treatment of COVID-positive personnel.

DLA Europe & Africa personnel attended numerous planning conferences throughout the year for upcoming exercises. Included in the planning efforts, members from DLA J3, DLA Europe & Africa, DLA Troop Support, DLA Distribution, DLA Energy, and the Analytics Center of Excellence attended the Joint European Time-Phased Force Deployment Data (TPFDD) Sustainment (JETS) 1.5 Rehearsal of Concept (ROC) drill at Rhine Ordnance Barracks in Kaiserslautern, Germany. The overall objective was to ensure sustainment requirements were synchronized across the Joint Force and the Joint Logistics Enterprise, given an uncontested environment. The event was a success, and postured DLA Europe & Africa for JETS 2.0. Due to the pandemic, many of the planning engagements were forced to develop alternate means for collaboration, utilizing virtual platforms for all participants.

### c. DLA Indo-Pacific

The Indo-Pacific Region faced an array of strategic challenges in 2020, but none will have a more of a lasting affect to U.S. Indo-Pacific Command (USINDOPACOM) forces and our partner nations than the COVID-19 pandemic. During the pandemic, the region experienced severe disruptions to logistics operations caused by travel restrictions between countries, reduced access to strategic air/sea ports, decreased airfreight capacity and cancelled routes, mandatory 14-day quarantines, military stop-movement orders, and the initial inability of the industrial base to adequately respond to the spike in demands for PPE.

DLA's response to COVID-19 in the Indo-Pacific Region was an "all hands-on deck" effort from the onset. Working closely with the Joint Staff, USINDOPACOM, Service Components, and DLA major subordinate commands, the agency took aggressive contracting and redistribution actions to provide critical PPE to set the theater as the virus continued to spread at an alarming rate. We coordinated daily with USINDOPACOM and Service Components to ensure DLA remained focused on their most urgent requirements. For example, DLA Troop Support and DLA Distribution teamed to create innovative solutions to meet the needs of the USS NIMITZ, USS THEODORE ROOSEVELT, and USS RONALD REAGAN rapidly to help clean those ships and get them underway. DLA Indo-Pacific creatively used DLA Disposition Services materiel for a just-in-time delivery of 50K surgical masks and more than 20K N95 respirators. The team worked collaboratively with U.S. Pacific Fleet (PACFLT) to find alternate feeding solutions for the USS THEODORE ROOSEVELT's crew while they were quarantined in Guam and onboard galleys were shut down. DLA Troop Support also provided viral test kits to the U.S. Naval Hospital Okinawa.

The COVID-19 pandemic had a significant impact on military training and exercises in our region, as well as DLA's support to those exercises. To prevent the virus's spread, the military was forced to postpone, scale back, and cancel several of training events in the Indo-Pacific region. Exercises HANUMAN GUARDIAN 20 (Thailand), NORTHERN EDGE 20 (Alaska), BALIKATAN 20 (Philippines), SALAKNAB 20 (Philippines), and TIGER BALM 20 (Singapore) were canceled with very little advanced notice, requiring DLA to work closely with Service Components and U.S. Transportation Command (USTRANSCOM) planners to cancel orders or divert shipments already en route. Exercise PACIFIC SENTRY 20-2 (Hawaii), KEEN EDGE 20-2 (Japan), COBRA GOLD 20 (Thailand), and the Combined Command Post Training Event 20-2 (Korea) occurred on schedule, but participating units were scaled back significantly.

Rim of the Pacific (RIMPAC) 20 (Hawaii) slipped to mid-August 2020, while VALIANT SHIELD 20 (Guam) started in mid-September; both events were scaled-back to at-sea events only (no ashore activities). DEFENDER PACIFIC 20, originally planned to occur at multiple locations across the Southwest Pacific, was changed to a single operating location (Hawaii).

Throughout the pandemic, DLA Indo-Pacific (IP) remained focused on key regional initiatives to improve U.S. and partner nation's military readiness. In support of our Allied partners, DLA and PACFLT continued our collaborative effort to develop an Implementing Agreement (IA) under the Acquisition Cross-Servicing Agreement (ACSA) between the U.S. and Japan to provide Class I support to the Japanese Self-Defense Forces. The working group completed three successful "Proof of Principals" (PoP) demonstrating the capability to execute the transfer of Subsistence to the Japanese Maritime Self Defense Force (JMSDF) utilizing the same ordering procedure as the U.S. Navy Warfighter. The group continues to refine the financial billing process, and is currently working on the second draft of the IA.

In the Republic of Korea, progress continued with the construction on a new DLA Distribution Center warehouse at Camp Carroll. This 250,000 square foot facility of indoor space, plus another 20,000 square foot of hazardous materials (HAZMAT)/petroleum, oils, and lubricants (POL) storage will double the amount of available storage space that is currently available in the existing warehouse nearly six decades old. Completion of this project is scheduled for the third quarter of 2021.

On Okinawa, DLA Distribution Okinawa Japan (DDOJ) stood up a Theater Consolidation and Shipping Point (TCSP) operation at Camp Kinser to streamline the processing of shipments arriving at the aerial port. DDOJ implemented a three-phase approach to Full Operational Capability (FOC). Phase 1 started October 1, 2019; Phase 2 started January 1, 2020; and Phase 3 started April 1, 2020. At FOC, the Okinawa TSCP will pick up Navy material (Army and Marine Corps declined support) from AMC and will become the break bulk point for inbound sea vans and containers from DLA Distribution Yokosuka, Japan (DDYJ), and DLA Distribution San Joaquin, California (DDJC).

In support of the U.S. Army Pacific's (USARPAC) Divestiture effort, DLA Disposition Services Indo-Pacific (IP) received and disposed of about 2,400 end items from the 25th Infantry Division. DLA Disposition Services IP and the 402nd Army Field Support Brigade pre-cleared paperwork prior to streamline the turn-in process and ensured the removal of the equipment from the unit's property books. The 8th Theater Support Command Team presented the DLA Disposition Services IP staff with a letter and coin for their outstanding support.

In support of Pacific Air Forces (PACAF) and Marine Forces Pacific (MARFORPAC), DLA Aviation identified the need to revise their management of fuel additive kits, based on lessons learned from their fielding of large-sized fuel additive kits. These kits were designed to additize commercial grade jet fuel for DOD's Mil-Spec fuel requirements to enable dynamic force employment concepts and provide options for austere basing/operations. The large kits experienced low customer demand, resulting in expired shelf-life issues. To mitigate this problem, DLA Aviation is working to field medium-sized fuel kits. In the interim, USINDOPACOM forces can now requisition components separately, and those items are stocked at three of our regional distribution centers to reduce customer wait time.

DLA IP planners also participated in several USINDOPACOM and Service Component contingency planning forums to gain an increased understanding of their new and evolving Warfighter concepts. We briefed DLA's current concepts of logistics support at the China Problem Set Joint Sustainment Table Top Exercise (TTX) and the USARPAC OPLAN

Sustainment TTX, and will continue to refine these concepts to inform the command staffs on how DLA will support their campaign during execution.

Important for our mission accomplishments are our people and culture. From May through July 2020, DLA IP underwent a significant turnover in leadership, starting with the Regional Commander from CAPT Kristin Acquavella to CAPT Jason Adams. We also recognized additional changes of command from CDR Sean Andrews to CDR Chris Newell (DLA Distribution Pearl Harbor), LTC James McGee and LTC Corinne Bell (DLA Distribution Korea), LTC Craig Daniels and LTC Jose Medina (DLA Energy Korea), CDR Allen Rivera and CDR Horacio Tan (DDYJ), and finally Maj Justin D'Agostino and Maj Charles Coffman (DLA Energy Japan).

## **7. Initiatives**

### **a. Defense Wide Review 2.0**

#### **(1) Initiative:**

Defense Wide Review (DWR) 2.0 was directed by the Department of Defense (DoD), Chief Management Officer (CMO) to review the Fourth Estate and conduct a clean sheet of certain Defense Agencies.

#### **(2) Background:**

For DLA, DWR 2.0 will consist of two parts: a review of the agency's appropriated accounts for the Program Objective Memorandum (POM) 22 cycle and a clean sheet of DLA where the results will be incorporated into the POM 23 cycle.

#### **(3) The following timeline is being utilized:**

- (a) Exploration: February-May 2020
- (b) Go/no-go decision: April-May 2020
- (c) Analysis: May-December 2020
- (d) Results/Recommendations: December 2020-January 2021
- (e) Out brief/Conclusion: January 2021
- (f) POM 23: January-March 2021.

As DWR 2.0 is executed, there are potential overlaps with DLA's missions based on the Services and Defense Agencies going through DWR 2.0 simultaneously.

#### **(4) Description:**

As of August 2020, the DLA J3 project lead and specific project action officers were working with OSD-Cost Assessment and Program Evaluation (CAPE) to provide all requested data not already provided to support analyses. DLA J3 action officers meet regularly with CAPE action officers to refine the scope of the projects and issues revolving around data requests.

(5) The DWR 2.0 projects are:

(a) Potential Modernization Investments: A vetted modernization strategy with prioritized modernization efforts is necessary to align DLA modernization efforts, investment, and spending.

(b) Cloud Migration: Updating the DLA Enterprise Resource Planning system to meet best practices required to achieve long-term efficiencies.

(c) Fuel Infrastructure Commercial Comparison: DoD is paying more for fuel infrastructure than its commercial counterparts. Additional cost may be justified due to capacity, locations, and government-mandated expenses (e.g., adherence to Federal Acquisition Regulation, etc.).

(d) Expansion of Industrial Product support Vendor (IPV): IPV should be expanded to Ship and USMC repair depots.

(e) Acquisition plus Sustainment Buys: It could be more economical to couple acquisition, spares, repairs, and consumables buying.

(f) Uniforms: Savings can be found and the industrial base improved if clothing variety/variation is limited and basic costs are aligned to those of commercial or other government entities.

(g) Force Management: DLA has made organizational manpower and structural changes that have increased the Cost Recovery Rate (CRR) (or limited CRR reductions), such as establishing/growing overhead functions, without adding benefit to its customers.

(h) National Item Identification Number (NIIN) Pricing Variance: Improving material pricing transparency will introduce savings, improve service, and increase budget process efficiencies for the Military Services.

(i) Remove Audit Requirements: Audit requirements and goals have increased DLA's overhead costs without favorable return on investment.

(j) Forecasting Accuracy: Improving DLA's forecasting accuracy will improve its cash position by stocking levels that are better aligned with sales.

(j) Warehouse Utilization: Higher utilization of DLA warehouse facilities could decrease the number of commercially leased warehouses, and outsourcing operations of the two major DLA warehousing hubs could lead to lower costs.

(k) Fill Rate vs. Availability (Ao): Targeting the Services' impact readiness drivers versus overall high fill rates will better support readiness rates.

(l) Make DLA the Whole of Government Buyer: Creating a single buying agency for the entirety of the federal government could result in savings and efficiencies.

(m) Future of Logistics: Logistics will look different in the future as a result of current world events. DLA should be postured to best meet these new challenges.

(n) DLA Mission Review: DLA is performing activities and functions that could be more effectively or efficiently executed by the Services or other agencies.

Of these 15 projects, the J3 is the lead for the following projects:

(a) Forecasting Accuracy and Fill Rate vs. Availability (Ao).

(b) Warehouse Utilization.

(c) Make DLA the Whole of Government (WoG) Buyer.

## 7. Outcome:

DWR 2.0 projects with J3 equities were on track at the end of FY20. The overall results for DWR 2.0 will follow the CAPE process and published timeline. DLA J3 will continue to engage as needed.

### b. Joint Contingency Acquisition Support Office Disestablishment

#### (1) Background:

The DLA J32 Joint Contingency Acquisition Support Office (JCASO) mission is to provide operational contract support (OCS) joint strategic enabling capability to Geographic Combatant Commands (GCC) and U.S. Special Operations Command (USSOCOM) through planning, joint training, and initial OCS Mission Support to the Joint Force Commander. As of January 1, 2020, JCASO consisted of 16 military members and 34 civilians. Defense Wide Review (DWR) action #103 directed the elimination of DLA J32 JCASO no later than September 30, 2020.

#### (2) Description:

The August 2018 Joint OCS Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, Facilities and Policy (DOTMLPF-P) Change Recommendation (DCR) action #2 charged each Service, the GCCs, and USSOCOM with establishing dedicated OCS missions and structures.

DLA never received a DOD decision to execute the DWR #103 action. In the January 2020 program budget decision (PBD) No: 704A1, the DOD Director of Cost Assessment and Program Evaluation decremented DLA funding for JCASO civilian billets beginning FY21 as a cost savings. The remainder of JCASO resources, including military billets, were not part of the PBD. OSD notified DLA that Department decision memos will not be forthcoming.

LTG Darrell K. Williams, DLA Director, mitigated gaps in FY21 OCS mission capabilities by funding 18 civilian JCASO OCS Planners residing in the GCCs, USSOCOM, and JSJ7 (Suffolk), as well as an economy-of-force five-person Expeditionary Cadre team through FY21. This retains OCS planning capabilities in the GCCs and SOCOM and provides a small contingency contracting capability aligned with DLA Rapid Deployment Teams.

As of September 30, 2020, all JCASO Headquarters civilians transitioned to other positions and the JCASO Planners and military billets realigned directly under J32. In FY21, J32 Planners will continue to provide limited back-up planning and exercise support based on availability. J32 will not backfill planners when they transition to other positions. DLA is in the process of negotiating with the Services to retain some JCASO military billets for programs such as Nuclear Enterprise Support and F-35 Product Support Provider.

To reflect changes to DoD OCS planning and execution, staffing is in progress at OSD to change 32 C.F.R. § 158 Operational Contract Support and DOD Instruction 3020.41 Operational Contract Support; DLA is staffing task organization changes to General Order 11-16.

(3) Outcome:

JCASO was deactivated September 30, 2020. In FY21, DLA will remain committed to eliminating JCASO functions in a phased manner to reduce risk to DOD. It will focus on supporting National Defense Strategy priorities; maturing its human capital strategy; and ensuring OCS intellectual knowledge, best practices, and products are preserved and transitioned within Service and CCMD established capabilities.

c. Industrial Hardware Transition

(1) Background:

The Supply Chain Realignment Initiative is a transformational initiative that:

(a) Realignment Industrial Hardware workload to DLA Aviation in Richmond, Virginia, and DLA Land & Maritime in Columbus, Ohio

(b) Prepares DLA for mission growth in Philadelphia, Pennsylvania, to support DOD and federal agencies.

The initiative will better align DLA demand chains, leverage existing industry partnerships, and enable the Agency to respond to mission growth at DLA Troop Support proactively and effectively.

The Supply Chain Realignment Initiative supports DLA's reform goal to achieve a lower composite cost recovery rate for DLA customers and helps the Agency meet the Secretary of Defense mandated reductions.

Realignment will reduce operational costs, save \$12.9 million annually, and enable DLA Troop Support to respond to approximately \$4 billion projected revenue growth from FY20 to FY23 proactively and effectively.

The Supply Chain Realignment Initiative has OSD and Congressional interest, especially Congressman Brandon Boyle (PA-02) representing the Philadelphia area. After several outreach efforts, there is overall support for the initiative.

As the Industrial Hardware workload is phased into DLA Aviation and DLA Land & Maritime, the Industrial Hardware employees will gradually transition to other Troop Support supply chains where they are needed. There will be no adverse impact to the workforce, no involuntary separations or mandatory relocations, and no loss of grade or pay.

Implementation, which began in FY20, is expected to take three years without interruption in support to DLA customers.

(2) Description:

The Supply Chain Realignment Initiative is managed by a J3-led integrated process team (IPT) that tracks implementation. The DLA Alignment Group provides senior leader governance and ensures continuous momentum of the Initiative.

On April 15, 2020, the first tranche of 89,789 National Stock Numbers (NSNs) transferred from the Industrial Hardware Supply Chain – 15,501 to DLA Aviation and 74,288 to DLA Land & Maritime. The workload transferred in accordance with business rules in the

Supply Chain Realignment Directive-Type Memorandum.

The second tranche of approximately 174,000 NSNs transferred in September 2020.

Per the DLA Alignment Group, the IPT is directed to keep the momentum going and to develop a plan to accelerate the transition. The plan will include acceptable risk and metrics to ensure that acceleration does not cause unforeseen harm to other areas. The IPT will present the plan to the DLA Alignment Group for a decision.

In preparation for workload transfers, DLA Aviation and DLA Land & Maritime are implementing staffing plans, and DLA Troop Support (Industrial Hardware) is implementing its employee placement plan. FY20 staffing and placement remains on track.

To facilitate staffing and placement implementation, DLA is authorizing Permanent Change of Station for about 30 Industrial Hardware personnel who volunteered to relocate to DLA Aviation and DLA Land & Maritime

The Supply Chain Realignment Initiative is key to DLA's reform goal and enables the Agency to continue providing unparalleled support to customers.

#### d. Supply Chain Security (SCS)

##### (1) Background:

In FY20, DLA developed an SCS Strategy as an appendix to the DLA Strategic Plan. The SCS Strategy outlines the SCS architecture and strategic focus areas for the Agency, which provide the framework for the continuous identification, assessment, reporting, and mitigation of threats, vulnerabilities, and disruptions to its end-to-end, global supply chain. DLA's end state is to establish an SCS program that comprehensively addresses challenges, evolves as new threats emerge, and provides uninterrupted support to the Warfighter. The J3 formed an SCS Team tasked with developing a standard, repeatable process to assess risk continuously and comprehensively across DLA's supply chains and a means of displaying supply chain risk to increase situational awareness, drive mitigation, and guide decision-making. SCS is a proposed top mission-critical risk for DLA.

##### (2) Description:

The SCS Team led a cross-functional SCS Working Group (WG) which included representatives from the J/D-codes and DLA Troop Support to execute a risk assessment pilot project with Clothing and Textiles (C&T). The project produced five key outcomes:

- (a) A more specific definition of SCS scope
- (b) A standard, repeatable SCS risk assessment methodology
- (c) Identification of a risk assessment tool and development of DLA SCS use cases within the tool
- (d) Identification of critical information gaps
- (e) Awareness of other SCS-related risk efforts through engagements with academia, commercial industry, and other DOD organizations to understand risk best practices



The SCS scope is focused on the assets required to execute the physical creation and movement of material through DLA's end-to-end supply chain (raw materials through end item delivery to the Warfighter and potential turn-in for reutilization). This includes transportation infrastructure as well as the information technology infrastructure required for communication among the involved entities.

The SCS methodology begins with comprehensive supply chain asset identification (which includes Defense Industrial Base (DIB) and transportation assets) and gathering comprehensive supply chain threat intelligence. Asset and intelligence data are used to perform mission decomposition and mission dependency mapping for the end-to-end supply chain, which link threats to assets, DLA items/services, and mission. Risk prioritization is achieved via a Risk Prioritization Number (RPN), which is calculated based on three variables: (1) DLA item/service criticality, (2) threat likelihood, and (3) threat detectability.

The SCS Team is pursuing the Agency's adoption of the Mission Assurance Decision Support System (MADSS) for capturing and displaying SCS risk assessment information. In addition to being the program of record for Joint mission decomposition and mission dependency mapping (which is a key aspect of the SCS risk assessment methodology), MADSS provides the following capabilities and advantages:

- (a) Resides on Secure Internet Protocol Router Network (SIPRNET); a Joint Worldwide Intelligence Communications System (JWICS) instance is planned for 2021
- (b) Broad DOD user base
- (c) Ingests more than 20 authoritative data sources from government and commercial sources
- (d) Multiple visualization capabilities
- (e) Modeling/simulation and predictive analysis capabilities
- (f) DLA J6 is using MADSS to capture Mission Relevant Terrain Cyber (MRT-C)

Supply chain illumination (the identification of assets within DLA's end-to-end supply chain) and supply chain threat intelligence are critical information gaps for SCS. The SCS Team is working closely with DLA Research & Development (R&D) on a Request for Information (RFI) to commercial industry to identify illumination tools that could address the supply chain illumination gap. The SCS Team is also working closely with DLA Intelligence and the Defense Intelligence Agency's (DIA's) Supply Chain Risk Management Threat Analysis Center (SCRM-TAC) to obtain comprehensive threat intelligence through their established supply chain threat RFI process.

#### e. Agency Synchronization and Operations Center

##### (1) Background:

In FY20, the J3 led the completion of a \$7M effort to establish the Agency Synchronization Operations Center (ASOC), intended to replace the DLA Joint Logistics Operations Center (JLOC). With the completion of watch floor refurbishment efforts, the ASOC moved into full operational capability in November 2019, leveraging liaison officers and

planners across the Enterprise to enhance the Agency's support to contingency logistics operations and DLA business operations.

(2) Description:

The ASOC integrates personnel, processes, and systems to support real-time sharing of data, information, and resources that drives analysis; develops actionable logistics intelligence; and empowers leaders to make informed decisions as well as track outcomes to ensure the priorities of DLA's Service, Combatant Command, and Whole of Government customers are supported.

The ASOC was critical to synchronizing the Agency's efforts when tensions grew between Iran and the United States in January 2020. The ASOC tracked DLA efforts to rapidly provide multiclass supply support to forward locations in order to facilitate a significant increase in U.S. force strength within the area of operations. The ASOC produced daily flag officer/general officer/senior executive service-level information products and coordinated daily DLA-wide operations briefs to inform the decision making of DLA and external DOD senior leaders.

The ASOC played a critical role in maintaining DLA operations while meeting requirements for mandatory telework and social distancing in response to the COVID-19 pandemic. Working in shifts, ASOC personnel maintained 24-hour operations on the ASOC watch floor and supported critical DLA internal and external senior leader engagements throughout the day. In order to ensure the continuity of DLA operations, ASOC personnel supported the establishment of two continuity of operations (COOP) locations. These efforts enabled the DLA Director, DLA Vice Director, and DLA J3 Director to conduct operations from three separate locations and significantly decreased the risk to DLA command and control. The ASOC demonstrated the capability for the ASOC to conduct all ASOC watch floor functions from two COOP locations, reaffirming DLA's ability to conduct distributed operations with no degradation in performance or support in the face of potential COVID-19 impacts.

In conjunction with the DLA COVID-19 Task Force, the ASOC facilitated senior leader decision making and action officer synchronization to respond to urgent national requirements. The ASOC executed the timely processing of more than 500 Requests for Information (RFI) from entities including the White House staff, the COVID-19 White House Task Force, the U.S. Congress, the Secretary of Defense, the Under Secretary of Defense for Acquisition & Sustainment, the Joint Staff, the Combatant Commands, the military services, joint task forces (JTF), Defense Health Agency (DHA), the Federal Emergency Management Agency (FEMA), the Department of State, the Department of Health and Human Services (HHS), multiple media outlets and multiple internal DLA entities. The ability of the ASOC to rapidly process RFIs enabled DLA and DoD senior leaders to make key informed decisions, ensured consistent messaging to DLA's partners and higher headquarters, and drove the expeditious distribution of critical material support. As COVID-19 cases abated nationwide over the summer, the ASOC staff used DOD ADVANA visualization tools to interpret data and help leaders make informed decisions about reopening DLA sites.

As the summer wore on, wildfires in the western United States and hurricanes in the Southeast challenged the ASOC staff to track materiel requirements for DoD and federal government partners conducting response operations. ASOC personnel prepared daily senior leader updates to ensure a common operating picture across the Enterprise and inform the

decision making of senior leaders. They coordinated DLA support to FEMA and U.S. Forest Service requirements to counter these disasters and alleviate human suffering.

## **8. FY20 Strategic Plan Imperatives**

### **a. Align DLA and Service Metrics; Readiness Dashboard Automation**

#### **(1) Background:**

In October 2017, DLA formally acknowledged a requirement for a consolidated Service Readiness Dashboard using data from the Military Services' systems of record to ensure that DLA support is fully synchronized with the Services' readiness reporting. In March 2018, DLA deployed the Readiness Dashboard to provide near real-time reporting of Service readiness for designated weapon systems and DLA equities impacting readiness.

The DLA Dashboard has since operationalized DLA support to the Services along with other Federal and DoD partners. The Dashboard has allowed DLA to evolve from static operational views to a near real-time view, improving Agency agility and ensuring leadership across the DoD has the same logistics operating picture.

In FY19, DLA improved the Dashboard by adding Service and DLA Industrial performance impacting readiness, automating DLA's monthly Agency Performance Review, adding Audit Task Force metrics, and completing all Major Subordinate Command initial reporting capabilities.

In FY20, the development focus shifted to expanding the key weapon systems reported on the Readiness Dashboard for each Service, Dashboard metric trend charts, COVID-19 common operating picture (COP), and an improved readiness metric that excludes customer requisitions that DLA immediately filled.

#### **(2) Description:**

The Readiness Dashboard continues to refocus and operationalize the way DLA provides support to the Services and federal government. Since October 2017, DLA has deployed over 100 tiles that highlight mission-critical data affecting Service readiness and daily operations. Recent examples include the Federal Medical Material COP (FM2C), Personal Protective Equipment (PPE), and Veterans Affairs support.

On June 3, 2019, members of the Office of the Undersecretary of Defense (Intelligence) (OUSD(I)) reviewed the DLA Readiness Dashboard to determine whether the information it manages is properly protected. All team members concurred the information managed is unclassified. On January 14, 2020, OUSD(I) conducted another review of the Dashboard. Findings remain unchanged; all information in the Dashboard is unclassified and properly protected.

Throughout FY20, the focus was on expanding Service key weapon systems, including 45-day and 53-week trend charting for Materiel Availability and backorders, and COVID-19 support. DLA deployed seven new COVID-19 tiles within six weeks, including FM2C, PPE, and COVID-19 Key Requirements tiles.

DLA is also working closely with the Services and the DoD Chief Management Officer (CMO) to align daily mission capable, availability, and total inventory reporting on the DLA Service Readiness Dashboard with monthly OSD reporting.

DLA continued expanding the trending charts for the Services readiness metrics, automated Agency Performance Review metrics and added both a top 15 backorder drilldown for each Service and well as wildfire and foreign military sales (FMS) enhancements for whole of government support.

DLA continues consolidating current Dashboard data feeds in its Enterprise Data Warehouse to create and maintain a centralized repository of real-time, actionable data that can be used in the future for machine learning and relational analysis.

## b. Space Enterprise

### (1) Description:

Provide responsive end-to-end supply chain support for the Nation's organically supported Space Enterprise (SE) systems. DLA must identify and mitigate the ever-present and increasing multifaceted risks to our supply chains supporting the SE. DLA recognized the critical importance of evolving "space" requirements to our warfighting capabilities across the full spectrum of peace to conflict.

### (2) Background:

The SE is a national priority, and DLA is focused on ensuring the Agency is postured for effective and responsive support. DLA first identified the SE as a strategic imperative in FY19. The effort led to the development of the initial Space Systems portfolio to capture DLA equities across the SE. SE warfighters and customers were identified along with SE weapon systems and supporting supply chains. The SE Storyboard was developed to portray all SE systems, particularly systems with DLA equities. The initial analysis revealed that DLA's support was above 95% material availability.

In FY20, the SE was once again identified as a strategic imperative. DLA achievements include:

- (a) Engaged the U.S. Space Command (USSPACECOM) J4 to open lines of communication and ensure responsive DLA support to achieving Initial Operating Capability (IOC) activities. Completed in October 2019.

- (b) Dual-rolled DLA's existing United States Space Force (USSF) Liaison Officer (LNO) to also serve as the interim LNO to USSPACECOM. Completed in October 2019.

- (c) Worked with USSPACECOM to determine the timeline to assign a permanent LNO and establish a Memorandum of Agreement (MOA) contingent on the final USSPACECOM basing decision. Basing decision is pending.

- (d) Integrated the USSPACECOM J4 into the Quarterly COP-Worldwide (COP-W) process. Completed in October 2019.

- (e) Updated the AF Space Command MOA to reflect USSF. Completed

November 2019.

DLA also worked in conjunction with USSF to identify ordering and ship-to DOD Activity Address Codes (DODAAC) across the service. This allowed DLA to assess its support at the Customer Focused Metric (CFM) level and provide targeted consumable management for SE systems. Additionally, the SE was incorporated into the DLA Readiness Dashboard to provide management visibility of DLA's SE support.

DLA has begun the evaluation of the DLA resources required to ensure the Agency is postured to support the evolving SE. Considerations include organizational structures; roles and responsibilities; policy, funding, and personnel, such as assigning a Space National Account Manager (NAM); and identifying a Lead Major Subordinate Command (MSC) and an SE Weapon System Support Manager. DLA will also identify additional organizations across the DOD and the Whole of Government (WOG) that have space equities, such as the Missile Defense Agency (MDA), the National Aeronautics and Space Administration (NASA), and the National Oceanic and Atmospheric Administration (NOAA).

(3) Outcome:

Responsive DLA support to the Space Enterprise.

c. Transform DLA Storage and Distribution

(1) Background:

During FY19, DLA continued to explore methods to reduce costs and improve the readiness of its commodity support to its customers. This initiative is a part of larger DoD Logistics Reform efforts. Transform DLA Storage and Distribution consisted of three conceptual levers:

- (a) Increasing Direct Vendor Delivery (DVD) commodity procurement.
- (b) Warehouse Modernization.
- (c) Improving warehouse business practices.

This initiative has a savings/cost avoidance goal of \$164M by 2024.

(2) Description:

(a) Lever I:

DLA investigated potential DVD opportunities in two phases. In Phase I, DLA J3 and Major Subordinate Commands (MSCs) investigated commodities that had an apparent presence in the open commercial marketplace. Initial estimates identified a net savings of \$77.1M. Phase I commodities to continue to DVD source selection include Federal Supply Group (FSG) 80 (Paints, Sealants, and Adhesives) and FSG 53 (Hardware and Abrasives). The contract for FSG 80 was awarded in August 2019. The solicitation for FSG 53 was issued in September 2019. Market research conducted into commercial auto parts, batteries, and LED light

bulbs indicated DVD support of these commodities is too costly (30% upcharge for integration, management and risk premium) to proceed.

Phase II includes commodities identified by a DLA internal survey of commodities and a survey conducted by McKinsey and Company. DLA's internal survey identified eight FSGs for Phase II of commodity optimization: 85 (Toiletries – Troop Support), 31 (Bearings – Aviation), 59 (Electric Components – Aviation), 66 (Laboratory Instruments – Aviation), 81 (Containers and Packing Supplies – Aviation), 20 (Ship and Maritime Equipment – Land & Maritime), 59 (Electric Components – Land & Maritime), and 61 (Electric Wire, Power and Distribution Equipment – Land & Maritime).

Concerns and Risks: Business case analyses (BCA) conducted to date collectively concluded that firms are willing to assume a greater role in DLA's commodities, but at an increased cost. Additionally, increased DVD support may inadvertently raise DLA rates over time. DVD and other methods that place inventory outside of the DLA network lower warehouse throughput without lowering DLA's fixed warehouse costs, resulting in increased costs for items still handled by the DLA network.

#### (b) Lever II:

In October 2018, the Deputy J3 added Distribution Modernization as a lever for this initiative. Distribution Modernization consists of four major tasks: modernizing the Eastern Distribution Center (EDC), implementing tablets and mobile printers, conducting a voice technology pilot and implement, and implementing a real-time location system (RTLS). These investments, if successful, will result in a reduction of 350 FTEs from DLA Distribution by FY26.

Distribution Modernization is an effort that predates current Logistics Reform efforts and is primarily aimed at recapitalizing dated facilities to ensure continued productivity and capabilities. It is led by DLA Information Operations.

#### (c) Lever III:

In January 2019, the McKinsey Company identified possible business process improvements that could increase the cost effectiveness of DLA Distribution's operations. DLA Distribution is investigating these business practice improvements and estimates a reduction of 268 FTE equating to a \$22.3M cost avoidance by end of FY21.

#### (3) Outcome:

As of the time of this report, DLA expects FSG 80 to be supported via DVD, and this support will result in net savings/cost avoidance of \$61.5M by 2024 and improve material availability to 90%. DLA Distribution expects of potential reduction of 56 FTEs by FY24. DLA is conducting further analysis in Phase II commodities to determine the feasibility of DVD support. DLA Distribution is conducting further analysis into potential business practice improvements.

Lessons Learned: Insights identified below are from internal research and coordination with consultants (Boston Consulting Group and McKinsey):

(a) DLA quantified that about 70% of DLA-serviced commodities (mostly Troop Support) are already supported via DVD based on FY18 sales.

(b) Items that do well in DVD arrangements (fast and predictable movers that are commercially ready) are already mostly supported by DVD.

d. Transfer Retail Supply, Storage, and Distribution to DLA

(1) Background:

(a) Recommendation 177 of Base Realignment and Closure (BRAC) 2005 consolidated Supply, Storage and Distribution (SS&D) functions of DLA Distribution Depots co-located with the same functions at 13 Service Maintenance Depots.

(b) While not included in the BRAC recommendation, Storage and Distribution (S&D) functionality was consolidated at Red River Army Depot, Pearl Harbor Naval Shipyard (NSY), and Portsmouth NSY, with co-located DLA Distribution Depots in 2010.

(c) The Air Force (AF) transferred S&D functions and supply responsibilities for DLA-managed consumables at the Air Logistics Complexes (ALC).

(d) The Navy used different approaches to implement the BRAC recommendation at the Aviation depots and shipyards. It transferred SS&D functions at the three Fleet Readiness Centers (FRC). Four shipyards transferred S&D functions and the related staff. The Navy ceased transfer of supply functions due to system functionality issues.

(e) The Army and Marine Corps transferred S&D functions and supporting personnel but did not transfer inventory. The two Services determined their materiel was not retail inventory but work-in-process directly supporting depot production.

(2) Description:

(a) Defense Wide Review (DWR): In October 2019, DLA was tasked at DWR Session #8A to provide a recommendation on whether to transfer to DLA all industrial supply, storage, and distribution missions and functions per BRAC 2005. Based on DLA's proven success at the ALCs and FRCs, DLA analysis identified \$655M in potential DoD inventory savings by transferring Stock Control and Shelf-life Management of on-site inventory/material at the Marine Corps Production Plants (\$115M), Army depots (\$300M), and NSYs (\$240M) to DLA.

(b) The USMC savings amount was developed by USMC Logistics Command (LOGCOM). The USMC business case analysis (BCA) in 2018 recommended transferring SS&D functions at two production plants (Albany, Georgia, and Barstow, California) to DLA. In the BCA, LOGCOM determined by analyzing their existing inventory levels, there was at least \$98M of dormant and excess stock that could be liquidated as part of this transfer. Since the BCA was completed, the numbers were revised by considering further inventory reductions and possible full-time equivalent (FTE) reductions to reflect the current number of \$115M.

(c) During the 2018-2019 joint Army/DLA BCA effort looking to transfer inventory and supply functions to DLA, one of the major efforts involved analyzing potential savings due to the elimination of duplicative inventory. The Army savings was developed by DLA utilizing Army-provided work-in-process inventory data and simulated using DLA's

“what-if” simulator. The simulator is a fully functional sandbox version of DLA’s Inventory Policy Optimization tool to set safety stock levels. We also ran the data through Peak and Next Gen to set levels for slow moving items or NIINs with erratic demands. The projected inventory reduction of \$300M was agreed to by both DLA and the Army, and was used by the Army in their final decision making.

(d) The Navy Shipyard calculation involved DLA using a snapshot of NSY free use material (FUM) and Material Access Technology (MAT) NIIN-level inventory data at all four shipyards. Taking the corresponding NIIN-level inventory at the co-located DLA Distribution Centers and running an analysis between the two data sets resulted in a potential reduction of redundant inventory equaling \$240M. This analysis was not conducted jointly, and DLA’s recommendation during DWR was to conduct a joint BCA to validate the savings opportunity.

(e) Marine Corps: To support the implementation of the DLA Industrial Supply Integration (ISI) with the USMC Maintenance Depots at Albany and Barstow, the respective program management offices have coordinated the development of the IT Requirements Document which details the processes requiring support through IT implementation and synchronization. Working groups have been established for each major functional area, and a Plan of Action and Milestones (POAM) is in development along with a Memorandum of Agreement. The program is on track for an initial operating capability in October 2022.

(f) Navy: Naval Sea Systems Command (NAVSEA) has discussed opportunities to re-engage with DLA in the shipyards. Currently, Naval Supply Systems Command (NAVSUP), NAVSEA, and DLA are further defining operational roles and responsibilities within the shipyards. NAVSEA is also evaluating a replacement for the MAT application at their shipyards; DLA supporting the next generation of logistics IT is key to ensuring success. In 2018, NAVSEA/DLA signed a Memorandum of Agreement to define NSY responsibilities. The DLA Director engaged the NAVSEA Commander on this issue during fall 2019, and they mutually agreed on acceptable language for an updated MOA, which was en route for final signature as of this writing.

(d) Army: Industrial Retail Support: Army Materiel Command (AMC), the Department of the Army (HQDA G4), and DLA jointly contributed to a BCA on moving the point of sale closer to the production line in industrial depots located at Red River, Texas; Anniston, Alabama; Corpus Christi, Texas; and Tobyhanna, Pennsylvania. The study started in October 2018 and was put on a strategic hold in June 2019 due to the Army’s concerns with DLA pricing structure and surge support. In August 2020, the Army had to come back to the table to discuss the DWR results and the way ahead to re-establish the BCA effort. The Army submitted a formal non-concurrence to the Supply, Storage, and Distribution (SS&D) DWR initiative, claiming they could manage the industrial SS&D mission more effectively than DLA by reversing the BRAC 2005 storage and distribution transfer. In January 2020, OSD reduced the Army’s FY21-FY25 Total Obligation Authority (TOA) by \$300M to support the SS&D mission transfer.

(e) Operational Retail Support: Army Sustainment Command continued to team with DLA J3 and DLA Distribution to implement the Distribution Model at CONUS Installation Supply Support Activities (ISSA). The Army is taking advantage of the scheduled deliveries from DLA Distribution sites to reduce inventory investments at ISSAs. Starting in late FY 2019, the Army began leveraging the robust routes of the scheduled truck program. This in



turn allowed the Army to reduce 9,900 Authorized Stockage List (ASL) lines valued at \$17.3M at 17 Army locations, realizing the largest cost avoidance at Fort Campbell, Kentucky, of \$15.5M. Moving forward, the Army plans to continue reducing each installation's ASL by 25%. The Army is postured to publish a new All Army Action (ALARACT) message requiring mandatory participation in the DLA Scheduled Truck Program. Publication of the ALARACT is scheduled for first quarter FY21.

(3) Outcome:

(a) DLA effectively integrated SS&D functions with Air Force ALCs and Navy FRCs. DoD inventory investment was reduced by \$1.283B since implementation began in 2010; \$1.04B for the Air Force sites and \$280M for the Navy sites. DoD reduced end strength by 105 full time equivalents (FTE) accomplished by eliminating duplicative processes: 63 FTEs at AF sites and 42 at Navy sites.

(b) The SS&D effort has been successful at the ALCs and FRCs. The consolidated Order Response Time (ORT) – the key metric for the ALCs – averaged 91.5% of materiel in two or fewer days, above the Air Force goal of 90%. All three sites track above goal. Overall, FRC Gross Demand Plan (GDP) Fill Rate – the Navy's key metric – exceeded the goal of 90%. GDP Fill Rate averaged 91.7% for the past six months, remaining consistently above 93.5% of materiel in three or fewer days, above the Navy goal of 90%. All three sites track above the goal.

As a result of DWR, OSD CAPE, without consultation with DLA or the Services, adjusted Total Obligation Authority (TOA) in Resource Management Decision (RMD) 704A1 across the FYDP in support of this DWR initiative; Marine Corps (-\$115M), Army (-\$300M), and Navy (-\$240M). DLA recommended FOC dates for each Service are:

- (a) USMC – October 2022
- (b) Army – October 2024
- (c) Navy Shipyards – October 2026

e. Demand Projections

(1) Background:

DLA has conducted Demand Planning Summits in each of the past three years to collaborate with the Services about anticipated demand for Demand Forecasted Units. In 2018 and 2019, the summits were conducted at DLA Headquarters, but in 2020 they were conducted virtually due to the COVID-19 pandemic. Quality information about anticipated demand enabled DLA to invest budgeted Obligation Authority into the procurement actions most needed to support ongoing operations and readiness.

(2) Description:

In 2020, DLA conducted summits with each Service separately during the first week of June, leading up to the Obligation Authority confirmation session with OSD on June 8. Each Service provided 3-Star level representation at the confirmation session. Because the initial

sessions were focused on FY20 in preparation for the confirmation session, DLA conducted follow-up sessions in August to allow for longer discussions about potential requirements in FY21.

(3) Outcome:

After receiving Service inputs at the summits, DLA forwarded a consolidated narrative to the Office of the Secretary of Defense and the DOD Comptroller. FY21 inputs will be used to inform procurement decisions over the coming year, in conjunction with decisions concerning stocked items not collaboratively planned and the Obligation Authority situation.

f. F-35 Joint Strike Fighter Sustainment Support Efforts

(1) Goal:

Achieve Initial Operational Capability (IOC) for both North American Regional Warehousing (NRW) and Global Transportation & Distribution (GT&D) Product Support Provider (PSP) designations to support the December\ 31, 2020, objective. Attain decision for Disposition Services PSP designation within the FY20 timeframe. Support technical data and provisioning initiatives.

(2) Background/Description:

Implement DLA core competencies in support of F-35 Program goals to increase Joint Spares Pool (JSP) spare parts posture, reduce sustainment costs, and catalog items in support of provisioning. DLA achieved IOC for implementation of NRW and GT&D by January 1, 2020, in support of IOC objective completion by December\ 31, 2020, per the PSP transition plan in cooperation with the F-35 Product Support manager (PSM). Attain decision for Disposition Services PSP designation within the FY20 timeframe. Provide cataloging services in support of Lead Services provisioning efforts. Continue to present DLA's strengths and comparative advantages, in the near and long term, to decision-makers at all levels of the process.

(3) Outcome:

DLA achieved IOC for NRW and GT&D PSP. DLA Disposition Services PSP designation decision was pending F-35 Joint Executive Steering Board review/confirmation in September 2020. These designations improved government efficiency, visibility, and accountability, while reducing sustainment costs through the utilization of DLA assets and capabilities vice the F-35 program acquiring redundant support from industry.

g. Provider of Choice for the Department of Veterans Affairs

(1) Background:

For several years, DLA has supported both veterans organizations and military organizations with medical supplies. In the spring of 2018, DLA was approached by Veterans Affairs (VA) for support with medical and surgical supplies. A test program, later called the pilot program, brought DLA into full swing at VA's Federal Health Care Center (FHCC) in North Chicago, Illinois. VA and DLA were starting a partnership of support to our veterans.

(2) Description:

On August 12, 2019, Secretary Robert Wilkie and LTG Darrell Williams signed a strategic partnership at the Veterans Affairs headquarters building in Washington, D.C. Secretary Wilkie asked that DLA treat his department like a fifth service component.

DLA appointed a liaison officer to the VA, and that person became embedded into the VA and Veterans Health Administration (VHA). The communication became streamlined and open dialogue occurred causing a productive partnership looking into the future to eliminate excessive spending, redundant work processes, and reform part of the federal government.

(3) Outcome:

Since the strategic partnership started, DLA reported \$163M in sales and a VA cost avoidance of \$33M. DLA and VA have decided to expand current support and look at their multiple regions (called Veterans Integrated Service Networks (VISN)) across the United States. The intent is to support the VA and VHA through our Prime Vendors. In the next four years, DLA projects \$300M in medical and surgical supplies sales to VA. This support will enable the VA to focus on treating veterans and providing them reliable and cost-effective care.

Two major initiatives have already begun rollout. The first is the systematic prime vendor web ordering in the Pacific Northwest. After five months of operations, DLA and VHA will assess the progress and processes that have been put into place. Depending on the status after the five-month assessment, DLA will expand to the other VA regions across the United States. The other initiative DLA has rolled out is storage and distribution support for VHA, which has used most of its PPE throughout the COVID-19 pandemic and requires a place to store and distribute from. The initial request was for 200K square feet of storage. DLA Distribution worked hard to find storage space and is supporting with 100K square feet in Mechanicsburg, Pennsylvania, and another 100K square feet in San Joaquin, California. The intent is to have VHA eventually leverage our DLA Distribution footprint across the United States and reduce its commercial storage sites. This will reduce transportation costs and expedite reordering to their medical facilities.

DLA intends to expand through two opportunities it plans to introduce to the VA. The first opportunity is clothing and textiles support. This support could assist the VA with uniforms, linens, and ecclesiastical items. The other opportunity is construction and equipment support. The VA national cemetery mission may benefit from leasing heavy equipment to manage grounds.

# Defense Logistics Agency

## DLA Information Operations (J6)

## Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

October 15, 2020

MEMORANDUM FOR DLA COMMAND HISTORIAN

SUBJECT: Submission of DLA Information Operations (J6) FY20 Annual History Input

I am pleased to submit the DLA Information Operations FY20 Annual History on behalf of the hardworking J6 workforce. We experienced unprecedented challenges this fiscal year, not the least of which was how we use our resources to keep the DLA enterprise up and running during the COVID-19 pandemic.

In a very short amount of time, we went from supporting 11,000 to 26,000 daily external connections in a mass telework situation. We distributed information technology equipment, phones and instructions to many first-time teleworkers. We maintained around-the-clock global network operations and provided over 99 percent network availability for DLA users and external customers. Our robust Virtual Desktop Infrastructure and mobile workforce capabilities were essential to DLA's success. We were able to support the warfighter and carry out mission critical functions as other Department of Defense organizations struggled to continue their operations remotely.

I am grateful for the talented J6 team and their ability to drive digital transformation within DLA. We will continue to adopt agile, innovative ways of supporting our business partners and will remain a leader in DoD modernization and automation.

DUCHAK.GEORG  
E.D.1086741578

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DUCHAK.GEORG.E.D.1086741578  
Date: 2020.10.16 14:22:04 -0400

GEORGE D. DUCHAK, PhD PE  
Director  
DLA Information Operations  
Chief Information Officer

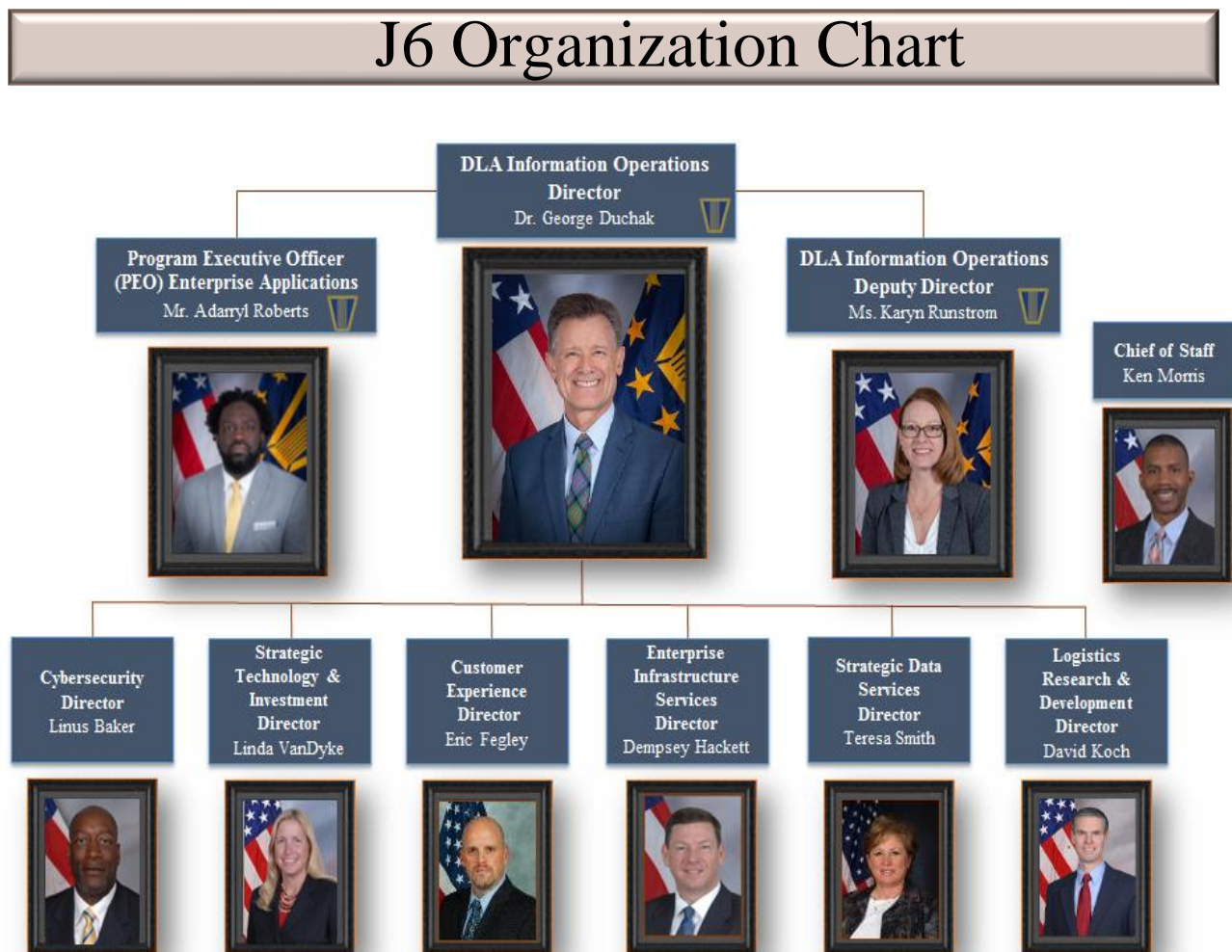
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## 1. Introduction

DLA Information Operations (J6) is frictionlessly connecting people, processes, and things to deliver uncompromised logistics to our warfighters and the whole of government. We are unifying disparate systems into a single DLA platform that provides business capabilities based on an artificial intelligence-ready data architecture.

## 2. Organization

a. The following chart shows the J6 structure as of September 30, 2020.



## b. Organization Changes

General Order (GO) 06-19 was approved by the DLA Vice Director on October 2, 2019 and was processed on June 7, 2020. The order disestablished part of Stakeholder Integration Services (J63) and aligned the removed functions with other areas of J6. The Customer Experience (J6X) Enterprise Service Area (ESA) was established from the previous Stakeholder Planning & Operations division (J63B); however, one branch, Contingency Information Technology (J63BD), remained unchanged. Document Services was realigned under Strategic Data Services (J67), and Document Services (J63E) was disestablished. The Customer Support & Readiness Branch in J63A was disestablished, but the majority of J63A remained unchanged. Its structure will be addressed in a future general order. The Defense Information Systems Agency (DISA) Liaison and Hosting Office (J6L) disestablished all of its branches. J67A, Analytics Center of Excellence (ACE), changed some names and disestablished three branches.

The DLA Logistics Research & Development (J68) ESA was realigned to combine similar efforts and enhance the capability to address dynamic requirements. The J68 ESA is a direct report to the chief information officer / deputy chief information officer and comprised of J62 Research & Development, J6T Tech Team, and J6T Innovation Cell, now known as the Tech Accelerator.

## 3. Key Personnel

a. The following chart lists key personnel as of September 30, 2020.

TITLE	NAME	TENURE DATES
<b>CIO Office (J6):</b>		
Director/Chief Information Officer	George Duchak	September 30, 2019 - present
Deputy Director	Karyn Runstrom	November 13, 2019 - present
Chief of Staff	Ken Morris	January 13, 2020 - present
Chief of Staff	Linda (Williams) VanDyke	July 2, 2018 - January 12, 2020
<b>Strategic Technology and Investment (J6T):</b>		
Director	Linda VanDyke	August 15, 2019 - present
Deputy Director	Jeff Charlesworth	August 15, 2019 - present
<b>Customer Experience (J6X):</b>		

Director	Eric Fegley	October 2017 - present
Deputy Director	Ernie Sparages	October 2017 - present
<b>Cybersecurity (J61):</b>		
Director	Linus Baker	September 2010 - present
Deputy Director	Suzanne Fairley (Acting)	October 2017 - present
<b>Program Executive Office, Enterprise Applications (J62):</b>		
Program Executive Officer (PEO)	Adarryl Roberts	September 12, 2019 - present
Deputy PEO	Kenneth Fielding	July 2012 - present
<b>Enterprise Infrastructure Services (J64):</b>		
Director	Dempsey Hackett	December 2018 - present
Deputy Director	Mark Jackson	March 9, 2014 - present
<b>Strategic Data and Analysis (J67):</b>		
Director/Chief Data Officer	Teresa Smith	December 31, 2017 - present
Deputy Director	Richard TeBeau	December 31, 2017 - present
<b>Logistics Research &amp; Development (J68):</b>		
Director	David Koch	February 11, 2020 - present
Deputy Director	CDR Jonathan Gray	February 11, 2020 - present

#### 4. Total Personnel

J6 had 3,122 employees as of September 30, 2020.

Civilians	2,285
Contractors	2,890
Military	7

#### 5. Historical Narrative

##### a. Warfighter First

(1) J6 accelerated data center consolidation and cloud adoption per DoD chief information officer memorandum, "Fourth Estate Application and System Cloud Migration," May 3, 2018. DLA has now closed 20 of 23 DLA datacenters (87%).

(2) Throughout FY20, J6 prepared for the Fourth Estate Network Optimization initiative. The Department of Defense launched this initiative to consolidate common services.

(3) J6 expanded Mobile information technology in FY 20. It:

(a) Upgraded over 9,000 devices to iOS 13, which required refreshing over 3,000 iPhone 6s.

(b) Added Microsoft O365 business applications to the DLA App Store, to include Skype for Business, Microsoft Teams, Authenticator, and OneDrive. OneDrive was added to ensure Security Technical Implementation Guide (STIG) compliance. It permits mobile devices to transfer photos without third party software.

(c) Supported implementation of DLA Disposition's SnapTrack application and hosted it in the DLA App Store. Coordinated with the Program Management Office for updates and ensured iOS 13 compatibility.

(d) Received and piloted over 700 ruggedized Dell Tablets for the DLA Distribution Warehouse workforce.

##### (4) Modernized Enterprise Service Desk

(a) Completed user acceptance testing of the Amelia artificial intelligence solution and resolved issues and defects. Over 60 DLA testers participated, including 508 compliance testers. Over 1,900 sessions were initiated with 1,302 (68%) handled entirely by Amelia.

(b) Obtained approval from the DoD Office of People Analytics to conduct voluntary customer surveys with Amelia.

(c) Enabled employees to use Amelia. Achieved minimum viable product for Amelia Chat and initial/full operating capability for the Amelia production environment. Successfully completed Amelia initiation protocol and border controllers testing. Achieved minimum viable product for Amelia Voice on September 25, 2020. Amelia will be DLA customers "first contact" for information technology support.



(5) Completed local area network consolidations at 52 sites in accordance with DoD Joint Regional Security Stacks (JRSS) guidance. JRSS provides network security capabilities. It will improve support to customers and increase security while streamlining the network's footprint. It is centralized into regional instead of locally distributed architectures. The team also completed technical local area network refreshes at 17 sites.

(6) Completed pilot testing for Microsoft Teams and coordinated issue resolution with Microsoft. Implemented Microsoft Teams for over 17,000 thick client devices and DLA's virtual desktop infrastructure environment. Supported DoD's COVID-19 Telework Taskforce solution by providing access for approximately 2,000 DLA end users.

(7) For CAC-PIV Modernization, we continued to streamline identity and improve operational interoperability. By July 31, 2020, DoD's Personal Identity Verification (PIV)-Authentication certificate will become the standard for accessing DoD information technology on the Defense Department's NIPRNet.

(8) Upgraded the Enterprise Business Systems portal for 27,000 internal users and 80,000 external users.

(9) Revitalized Organic Defense Manufacturing

(a) In December 2019, DLA Research & Development (J68) and the Missile Defense Agency co-led a defense manufacturing conference themed "Defense Manufacturing Focused for Warfighter Dominance." Lt. Gen. Darrell K. Williams spoke, as did senior leaders from the Office of the Secretary of Defense and military services. Topics included best practices, funding opportunities, and the manufacturing innovations.

(b) In February 2020, representatives from DLA Research & Development joined representatives from DLA Technical Quality, the military services, and the Office of the Secretary of Defense to kick off the Joint Additive Manufacturing Acceptability project. The project is meant to standardize selection criteria for additive manufacturing candidates, common data sets, and qualification criteria.

(c) In March 2020, the DLA Research & Development Subsistence and Small Business Innovation program collaborated on an effort to sue pulsed plasma effort to disinfect personal protective equipment.

## b. Global Posture

(1) Throughout FY20, J6 maintained 24 x 7 global network operations, providing above 99% network availability during the fiscal.

(2) The Contingency Information Technology Operations (CITOPS) team deployed the mobile command vehicle to Lorton, Virginia, in late March 2020 to ensure continuity of operations. In addition, CITOPS personnel were activated at the home station as part of the DLA Rapid Deployment Team Blue to support U.S. Army North from March to May 2020. Due to the pandemic, the normally busy exercise season (March-June) was cancelled.

## c. Strong Partnerships

(1) The Defense Medical Logistics Standard Support-Wholesale acquisition authority and program responsibility transitioned from the Defense Health Agency to DLA.

Also, DLA Information Operations extended electronic catalog to the Department of Veteran's Affairs, with over \$30M in sales to date.

(2) FedMall completed the General Services Administration (GSA) corridor, which provides a sales avenue and MILSTRIP order functionality for GSA contract items.

(3) The Subsistence Total Order and Receipt Electronic System (STORES) team joined J6 Tech Accelerator and the chief data officer to program manually intensive processes with robotic process automation.

(4) Provided cybersecurity support for the DLA Azure DoD Region to the Azure Government Region initial planning and migration project. Effective project planning has enabled DLA to begin the authorization process for the Azure Government test region on September 1, 2020. Microsoft proclaimed this project will save 48% of DLA's current expenditures.

#### d. Whole of Government

##### (1) Critical COVID-19 Support

###### (a) Provided IT equipment for mass telework.

In March 2020, Technology Foundation Services sustained mission essential information technology and communication equipment to enable over 25,000 DLA employees to telework. During the initial phases of mass teleworking, Enterprise Infrastructure Services (J64) forecasted and resolved equipment problems. Technology Foundation Services conducted weekly, bi-weekly, and monthly physical inventories of thick clients, UMCs, iPhones, keyboards, mice, and CAC readers to ensure sufficient quantities existed. There were 18,656 thick clients, 8,886 UMCs and 9,678 iPhones in use during the maximum telework period of March 15 through June 15, 2020.

(b) Expanded VDI environment and critical network services for sudden increased telework.

VDI average daily usage increased from 12,000 to 15,000 DLA users worldwide. Worked with the virtualization team to find resources to accommodate 350+ users to support DLA's guidance for maximum telework. Created connection and troubleshooting guide for users. All VDI images were kept current with security patches and third party software. In standing up the Lorton, Virginia, backup site, discovered the SIPR zero clients were unable to pull configurations because the SIPR Wyse Device Manager (WDM) server was not functioning properly. The VDI team assisted the WDM team, troubleshooted onsite, restored services to the server, and made the Lorton site functional.

(c) In February 2020, DLA Research & Development executed DLA's first Other Transaction Authority award in support of Whole of Government COVID-19 acquisitions.

## (2) Contingency IT Support

(a) In the first quarter, led troubleshooting efforts for satellite service restoration of DLA IT capabilities in Afghanistan. Resulted in full-service restoration and collaboration enhancements with the Army tenant.

(b) In the second quarter, enabled satellite connectivity for two exercises at Camp Humphries, South Korea. The team ensured DLA could provide contingency IT responses and train technicians.

(c) In the fourth quarter, provided portable land mobile radio frequency assignments for the CITOPS land mobile radio used for Hurricane Laura.

(3) Enterprise Business Standards Office (EBSO) expanded support to other federal agencies.

(a) Started a DoD Supply Data dictionary. The dictionary standardizes data elements across end-to-end processes, reducing business systems footprint and redundancy.

(b) EBSO collaborated with the Office of the Secretary of Defense to define new business rules that increased the accountability of weapons in the DoD, removed obsolete process and procedures, and improved audit readiness.

(c) In support of Office of the Secretary of Defense data collection and reporting, migrated the U.S. Department of Agriculture and DLA Troop Support from local to official Department of Defense Activity Address Codes (DoDAACs). This effort will eliminate an audit risk by April 2021, when 47,000 local DoDAACs will be marked for deletion.

(4) Completed a Contingency Corridor and Store in FedMall that provides small business government contractors with an avenue to purchase non-medical PPE so they can continue supporting government missions. Currently working on implementing a way for state and local governments to purchase non-medical PPE.

(5) In February 2020, DLA Research & Development hosted an “Emerging Technology Forum” with defense, civilian, and industrial partners to collaborate on innovation efforts. The forum was hosted at the U.S. Army Corps of Engineers’s Humphreys Engineering Training Center and featured government and industry leaders representing the American Council for Technology-Industry Advisory Council.

(6) Received authorizations for Procurement Integrated Enterprise Environment - Common Operating Environment (PIEE-COE) which allows DoD to deploy procure-to-pay capabilities.

## e. Always Accountable

### (1) Cost/Budget Consciousness

(a) There was an \$85.1M reduction to the PBR21 FY20 baseline in support of Defense-Wide Review reductions (\$36.3M), DLA directed 5% reductions (\$26.1M), Service Requirement Reductions (\$6.7M), and Reform Team reductions (\$16M).

(b) Successfully reduced J6 Full Time Equivalents by 62 (3.2% reduction) as required by the Defense-Wide Review.

(2) Substantially improved FY20 corrective action plans and Provided by Client timeliness. The projected closure rate is 75% versus 43% in FY19. Provided by Client on time responses were 83% compared to 39% in FY19.

(3) In the second quarter, Network and Telecom Services (NTS) participated in Joint Mission Assurance Assessments in Columbus, Ohio, and Tracy, California. These assessments focused on cybersecurity. The team mitigated findings within the required timeframe and incorporated lessons learned. Additionally, in the third quarter, Network and Telecom Services assessed the security of DLA facility in Lorton, Virginia.

#### f. People and Culture

##### (1) Enhanced User Capabilities

(a) Completed video teleconference refreshes to enhance and standardize DLA's capabilities to communicate. Supported 9,224 video teleconferencing meetings/events.

(b) Upgraded circuits at four sites and created a fiber path for a new circuit at Fort Benning. Refreshed network and telecommunications equipment to increase security while enhancing capabilities.

(c) Provided radio frequency assignments for 17 teams/sites.

(d) In the first quarter, migrated Defense Automatic Addressing System virtual private networks from legacy devices to Enterprise Telecommunications Network DeMilitarized Zone and Datacenter F5.

(e) In the second quarter, completed the SIPR firewall technical refresh and the technical refresh for 802.1x F5 load balancers. Converted radios at Red River from VHF to UHF. Also performed flashed upgrades for radios at New Cumberland, Tracy, Red River and Columbus.

(f) In the third quarter, completed and tested the Pulse Secure hardware technical refresh. Pulse Secure will replace Juniper as the new VPN client. Also, upgraded the VTC Web Real-Time Communication infrastructure allowing access to VTCs from internal and external users. Deployed the capacity to support 500 concurrent connections.

(g) In the fourth quarter, installed Army Navy/Portable Radio Communications two-way radios at DLA Tracy, which will ensure security and resilience for our customers. Installed the uninterruptible power source for the Agency Synchronization Operations Center.

(h) Reduced management domains from 17 to 10, which lowered licensing costs and streamlined management.

(2) Wrote the "IT Readiness for COVID-19" article on DLA Today to provide DLA users with a consolidated platform containing IT information for use during mass telework. The site is updated often and includes information about trending topics, IT devices and equipment, network, cybersecurity, DLA accounts, and additional resources.

##### (3) Workforce Transformation

(a) Established the J6 Connect2Connect Program to enhance engagement between senior leaders and the workforce.

(b) Established the J6 Internal Rotation Program to enhance employees' knowledge, build relationships and breakdown organizational barriers.

(c) Established the J6 Mentorship Program to encourage personal development for both mentors and mentees.

g. Enterprise Enablers (Innovation, Data Management, Technology and Cybersecurity)

(1) Defense Automatic Addressing System (DAAS) - Transaction Services

DAAS processed an estimated 7.1 billion transactions for the DoD, Federal Civilian, State/Local and Commercial Organizations.

(2) FSLogix Implementation

(a) FSLogix is a next-generation application platform that reduces the hardware, time, and labor required to support virtual desktops. Microsoft owns it and partners with Amazon Workspace, VMware, Citrix and Red Hat vendors.

(b) Provided caching capabilities for products/services to minimize user disruptions and improve application capabilities.

(c) Enabled Outlook Cached Exchange Mode in XenApp/XenDesktop.

(d) Solved user profile issues and eliminated folder redirection in VDI/XenApp.

(e) Enabled Office 365 OneDrive for Business, Windows Search Index, and the ability to deploy Microsoft Teams in VDI.

(f) Completed the migration of all CONUS VDI users on June 1, 2020.

(3) Operational Technology Network Expansion

(a) Current Physical Status

There are seven sites in production – Columbus, Ohio; Richmond, Virginia; Dayton, Ohio; Tracy, California; New Cumberland, Pennsylvania; Philadelphia, Pennsylvania; and Red River, Texas. There are planned purchases for eight additional sites and one site refresh - San Diego, California; Tobyhanna, Pennsylvania; San Pedro, California; Pearl Harbor, Hawaii; Yokoska, Japan; Albany, New York; Anniston, Alabama; Aberdeen, Maryland; and Columbus, Ohio (refresh).

(b) Deployed five applications across nine sites with additional sites scheduled.

(c) In support of the FY17 National Defense Authorization Act, Section 1653 to achieve comply-to-connect (zero trust) capabilities, DLA obtained licenses from DISA to deploy the Forescout monitoring software, which is being tested in Columbus, Ohio. In addition to comply-to-connect capabilities, the software allows us to identify and monitor edge devices on the operational technology network. We have identified over 15,000 endpoints.

(d) Authority to operate has been granted and the following security documentation is being generated – Security Awareness and Training, Physical and Environmental Protection Plan, System and Services Acquisition Plan, Maintenance Plan, and the System and Communication Plan.

#### (4) VDI Azure Migration

(a) Decided Azure was the only suitable environment to host our VDI environment. A proof of concept was built.

(b) Upon completion of the proof of concept, the Chief Technology Office began testing.

(c) The Azure VDI POC had 548 testers and 226 unique users. Primary testing occurred during maximum telework, with limited testing onsite. Observed an average increase of about 20ms network latency compared to the on-premises VDI environment.

(d) Feedback based on Better/Same/Worse criteria was primarily better and same. The proof of concept was successful, and we proved we could host DLA Desktops in Azure. On April 30, the chief information officer gave the order to start building the Azure environment for VDI. The VDI team is in the beginning stages of the project.

#### (5) Data Management & Predictive Analytics

##### (a) Enterprise Data Warehouse Big Data –

Successfully transitioned EBS Warehouse Nearlining solution from legacy platform to Hortonworks Hadoop Data Lake platform. Implemented new portal links to support COVID-19 DoD/FEMA efforts; Qlik upgrade for enhanced visualization capability; and SAS add-on option for Microsoft Excel, PowerPoint and Word documents.

(b) Unicode migrations completed for EBS Product Lifecycle Management and EDW Business Warehouse applications.

(c) Enhanced support capability for data transfers between DLA systems (Distribution Standard Service, EBS, Hazardous Material Information Resource System) and the Services (Air Force, Navy and Marine Corps).

#### (6) Cybersecurity

(a) Developed a cyber-hygiene scorecard in November of 2019 for each of the 19 systems identified as mission relevant in Operations Gladiator Shield 2019. The weekly scorecard has improved cybersecurity posture.

(b) DLA Phishing Exercise Program showed a 35% reduction in users falling for phishing attacks.

(c) Implemented cyber defense measures to protect telework infrastructure.

(d) Integrated new cyber tools such as Tanium, providing DLA with advanced threat detection and defense capability.

(e) Completed quarterly Top Ten Scorecard and monthly cyber hygiene reporting to the DoD chief information officer to empower effective strategic decisions.

(f) Defined objective, data-driven, and quantifiable measurement/scoring of the cyber health posture of DLA critical systems to provide aggregate situational awareness and to facilitate risk-based conversations, prioritization, more robust contingency plans, and, ultimately, improved performance.

- (g) Remediated Zero-Day Vulnerability for EBS SAP Applications.
- (h) Conducted security reviews of robotics process automation, artificial intelligence & predictive analytics, the Distribution Modernization Program, and the DLA Enterprise Dashboard. Reviews are required to deploy these capabilities.
- (i) Implemented a continuous monitoring process that reduced the lead-time to authorizations by 33%. Automated the authorizing official risk acceptance and plan of action and milestones programs using functionality in the Enterprise Mission Assurance Support System. This made the risk management process fully auditable. Eliminating manual and paper processes reduced employee labor.
- (j) Completed risk management framework package and granted a two-year authority to operate for energy procurement support tools application suite.
- (k) Authorized the DLA information technology environment to host Operational Technology (OT) and conducted security reviews of OT applications in transition. The DLA Operational Technology Network initiative is identifying industrial control systems within DLA and ensuring the cybersecurity of those systems. Implemented Network monitoring tools and processes and reduced unknown OT from 917 to 67.

#### (7) Innovation & Agile Development

- (a) Digital Service Center & Technical Support Services, J62L, successfully stood up the Digital Service Center, J62LB, which provides management, guidance, and subject matter expertise for stakeholders to leverage Rapid Application Development through low code and Development Security Operations (DevSecOps) platforms.
- (b) The DSC, led by the program manager & deputy program manager, initially resourced their office with contractor experts to develop initial governance, prototype software (such as the DSC In-Take Tool and Small Business Office Event Tool), and configure working group chartering standards.
- (c) Digital Service Center conducted 10 “Roadshow” (lunch and learn) virtual sessions on its offerings and capabilities. These sessions were available to the J6 workforce; from April through August 2020, the center trained over 1,100 attendees.
- (d) Initiated nine procurements for building the Enterprise Platform and DevSecOps environments.
- (e) On September 22, 2020, awarded/established the ServiceNow software licensing contract. This capability supports the Agency’s IT Modernization and Transformation initiative by providing platforms and capabilities.

#### (8) Research and Development

- (a) In March 2020, the DLA R&D Additive Manufacturing program operationalized the capability to transfer Technical Data Package submissions to the Joint Additive Manufacturing Exchange for COVID-19 related 3D manufacturing capabilities. The program leverages relationships with industry, military services, and academia to ensure a robust industrial base capable of generating innovative and efficient solutions while maintaining a secure and resilient supply chain. Shaping future implementation of this critical emerging technology in concert with Office of the Secretary of Defense Directive-Type Memo 19-006, “Interim Policy and Guidance for the Use of Additive Manufacturing in Support of Materiel

Sustainment,” required DLA to establish processes and procedures for integrating additive manufacturing into the supply chain.

(b) Defense Logistics Information Research supported J3/J6 Tech Data Transformation, DoD Digital Engineering Strategy, and DoD Digital Modernization Strategy by exploring technologies and processes to translate and standardize technical data, authorize the source of technical data, store and secure technical data and transmit/share technical data. Completed research identifying criteria for vetting technical data package 2D to 3D model-based format conversions. Completed an actionable business case and strategy that allows DLA to identify when and how to convert legacy technical data packages, as well as the capability to procure parts using digitized 3D technical data, and to identify commercial viewers that provide the ability to view multiple data formats.

(c) For Battlefield Subsistence Innovation, Supply chain management supported emergent requirements by investigating and applying new tools and technologies such as the Advanced Thermoelectric Heater which provides a safe, mid-range heating solution for use in the field through advanced thermoelectric power generation technology. Supply chain management also partnered with the J68 Technology Acceleration Team to support advanced manufacturing of COVID-19 face shields, and continued collaboration with industry and academia to develop capabilities, processes and guidelines for blockchain. Lastly, supply chain management partnered with Defense Advanced Research Projects Agency to transition its Lagrange simulator project to the DLA Analytics Center of Excellence.

(d) FY20 Subsistence Network (SUBNET) conducted feasibility studies of laboratory plasma technologies in PPE for rapid in-between disinfection of equipment and for meeting industry COVID-19 demands. Developed innovative approaches to extend shelf life of fresh fruit and vegetables. Designed a food ration supplement with high nutritional value to boost caloric intake in high-intensity operations. Developed a technology to provide the warfighter with an optimized device to heat, hydrate, and purify water for meal cold weather rations on the go. Identified failure mechanisms of polymeric packaging material in conventional packaging materials, reducing Meals Ready to Eat weight, volume, waste and cost. Developed and tested Horizontal Form Fill Seal menu bags aiming to reduce packaging waste, footprint and cost. Validated the radio frequency sterilization processing technique for two operational rations shelf-stable products to reduce hi-temperature.

(e) Weapon Systems Sustainment promoted the development and support of a cloud-based testbed for Artificial Intelligence/Machine Learning research. Developed algorithms to improve lead-time estimates to support planning and acquisition business processes. Explored blockchain technology through a proof of concept for the counterfeit detection and avoidance program. Developed market intelligence gathering capability and began capability transition into the subsistence process to support acquisition modernization.

(f) Supply Chain Management coordinated with DLA Disposition and DLA Distribution to work with Small Business Innovation Programs on warehouse modernization. Used robotics and mobile applications use to input data directly into the Disposition Information Systems.

(g) Nuclear Enterprise Revitalization

SBIP continued growing and expanding its footprint in FY 2020. The program now supports over 100 projects, with a total contract value in excess of \$85M. The top



priority for the program continues to be source development for hard-to-acquire parts from the Nuclear, Aviation, Troop Support, and the Land and Maritime supply chains. Additionally, SBIP topics supported other DLA R&D programs (Additive Manufacturing, Anti Tamper-Anti Counterfeit, Disposition & Distribution, Battery Network, Castings & Forgings, Subsistence Network, and Strategic Materials).

SBIP is developing sources for Nuclear Enterprise parts for Nuclear Modernization, Force Readiness, and Lethality. The program has over 300 parts on contract – 30% of these have submitted Source Approval Requests, and another 15% (53) are approved for procurement. The key weapon systems supported include the AGM 65, AGM 88, F-107 Engine, ICBM, TF33 Engine, A-10, B2, B52, H1, H60, Ohio Class Submarines, and the MK48 Torpedo. DLA Aviation's top three concerns for obsolescent parts are Flexible Fuel Cells for the H1, and H60 helicopter and the A-10 Warthog. All three are in the certification process within the SBIP program.

SBIP efforts with Anti-Counterfeit/Anti-Tamper, and Track and Trace technologies will help secure high-risk supply chains, specifically with pharmaceuticals and microelectronics. SBIP and DLA Strategic Materials are developing domestic sources of strategic resources, to include rare earth oxides, products, and separations technologies.

#### (h) Metal Manufacturing Breakthroughs

The DLA Research & Development metal casting program focused on meeting the military's evolving requirements for cost and time savings while delivering quality parts for the warfighter. The casting projects focused on a wide range of technical focus areas, to include improved manufacturing processes, improved metal casting tooling, design and simulation tools for predicting performance, nondestructive evaluation and testing, alternative or improved materials, and procurement solutions. Currently there are 38 projects within these areas. They range from 36 to 60 months in length and are managed using the stage-gate review process.

The DLA Research & Development Forging program neared completion of three projects, including the "Streamlining Forging Supply Chains, FORGE-IT, AFCAT and MetalFACT" project. This project provides on-site support to DLA Land & Maritime and DLA Aviation, hosting workforce development seminars to educate employees working with forgings. The project provides on-demand technical problem solving by experts who answer assistance requests. The FORGE-IT team works to reduce contract non-performance, waivers, cancellations, "no-bids," and cost to DLA while increasing the number and quality of bidders. The team works with the forging industry to build robust supply chain support.

(i) The DLA Research & Development Battery Network program prototyped ground system lead-acid batteries with a bipolar design that improves energy performance and weight and began working with industry to prototype bipolar designs for aviation batteries. The program awarded \$9.6M of Congressional Add funds to scale-up solid-state electrolyte production for a safer, high-energy soldier battery technology. Implemented manufacturing improvements and validations for key electron tube suppliers and initiated projects for "zero-volt" lithium-ion battery design in the major 6T ground format, enabling scaling up capabilities in lithium battery deactivation, disposal, and materials reclamation. Implemented a new lower cost production capability for CFx, a key ingredient in high energy,

non-rechargeable soldier batteries, and began testing ultra-violet cured formulations in electrode production to provide substantial cost savings in future F-35 Joint Strike Fighter batteries, lithium-ion 6T tank and automotive batteries, and rechargeable soldier batteries.

#### (j) Rapid Acquisition Process

DLA R&D coordinated with DLA Acquisition on a two-year Other Transaction Authority (OTA) for Rapid Prototype Production of parts using advanced manufacturing processes. The team used a crowdsourcing challenge to identify best candidates for the OTA. It obtained the first candidates through Troop Support partners, and we envision this as the first step towards rapid manufacturing of non-COVID parts. Elements of the prototype include algorithmic pricing (machine learning) to drive faster and cheaper orders, computer guided manufacturing processes instead of traditional processes, primarily Computer Numerical Control (CNC) machining, and other processes such as sheet metal work, injection molding, casting, extrusion, and additive manufacturing. Finally, the team started developing a digital infrastructure to support the effort at scale.

In April 2020, DLA R&D and DLA Acquisition used a rapid manufacturing prototype contract to deliver 11,000 face shields to NYC first responders. The contract was designed to mitigate backorders while acquiring parts quicker and cheaper than normal. The acquisition process required a validated laser-cut design capable of being flat-packed and shipped in large quantities. Total execution required less than two weeks (from identifying the need to design to finished product in users hands). The effort was coordinated with the Joint Acquisition Task Force for use by New York City first responders. Further information can be found at:

(<https://www.dla.mil/AboutDLA/News/NewsArticleView/Article/2150550/dla-research-development-supporting-covid-19-response-with-face-shields-advance/>).

#### (k) Knowledge-based Approach to Sustainment

The Military Unique Sustainment Technology (MUST) program is addressing Government Accountability Office recommendations to establish a “knowledge based approach” to developing and acquiring combat uniforms and individual equipment. MUST has developed digital models for military technical data requirements. These models can be easily and automatically adopted throughout the supply chain to ensure requirements are accessible and accurately communicated. The technology is critical building to a model based enterprise.

#### (9) Distribution Modernization Program

(a) Warehouse Management System (WMS) achieved an 18% success rate with Business Process Re-engineering (BPR) in the areas of yard management, transportation planning, stow and inventory, thus increasing the utilization of standard “out of the box” SAP software. The WMS Corpus Christi Pilot is operating at 34% of eleven functional areas. Receiving and Stow have a planned release of Q4 FY20.

(b) Completed the pilot for voice technology at DLA Distribution Center San Joaquin. DLA Distribution Center Susquehanna, the second of the eight sites, has completed two of three phased releases.

(c) The initial Real Time Location System site, DLA Distribution Center Red River, completed initial fielding. Development and planning for the second site, DLA Distribution Center Anniston, is complete and awaiting COVID-19 restrictions to be lifted before initial fielding.

(d) The Enterprise Resource Platform migration project applied lessons learned from WMS contracting to its acquisition strategy. The initial contract is expected to be awarded in Q4 FY20, which will kick off the first phase. Acceleration of the IT modernization effort was also approved for FY 20 and FY 21.

# Defense Logistics Agency

## DLA Acquisition (J7) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

MEMORANDUM FOR THE DLA HEADQUARTERS ATTN: Historian

SUBJECT: Submission of DLA Acquisition (J7) FY20 Annual History Input

I am pleased to submit J7's FY20 Annual History. The DLA Acquisition Enterprise is one of immense scope and scale that provides critical and unparalleled support to the Warfighter and other customers. With operational requirements driven by the DOD and national response to COVID-19, FY20 was an unprecedented and the DLA Acquisition Enterprise once again proved its ability to rise to the occasion and respond to requirements over and above routine business. DLA finished the year with total Enterprise contract obligations of \$41B and 3.3M awards. Of that amount, \$2B was in direct support to the COVID-19 response.

The impressive execution of the Agency's procurement mission is performed by the contracting activities at the Major Subordinate Commands, but J7 provides the oversight, guidance and enabling solutions to keep the "DLA Acquisition Machine" proficient, competent and running efficiently. This historical report is a summary of J7 FY20 actions that supported that objective. It includes the activities of J7 HQ related to oversight, compliance, enabling mission, and leading programs and activities that drive the Agency acquisition agenda and system, as well as the activities of J7's two operational arms, the DLA Contracting Services Office (DCSO) and DLA Strategic Materials, which provide critical contracting support for DLA business processes and infrastructure, and manage the Defense National Stockpile, a strategic national asset.

Our mission, priorities and actions continued to be driven by the DLA Strategic Plan and its companion documents. Each year we make considerable effort to guarantee that the J7 Acquisition Road Map and J7 Culture and Climate Plan are aligned with the DLA Strategic Plan to ensure consistency of message and of purpose. We look forward to once again aligning those efforts in FY21, under VADM's Skubic's leadership. In the following pages, it is my hope that readers will not only see an organization with a wide-ranging mission set, but also an organization that possess the ability to rapidly adapt to the dynamic and evolving needs of the Warfighter and the Nation.

BEEBE.MATTHEW  
W.RICHARD.10  
12725473  
MATTHEW R. BEEBE  
Director, DLA Acquisition

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## **1. Introduction**

This DLA Acquisition Historical Report is a narrative summary of the events and actions J7 took over Fiscal Year 2020 (FY20) to execute its mission of sustaining Warfighter readiness and lethality by delivering proactive global acquisition solutions in peace and war. The report is written around J7 initiatives included in the DLA Strategic Plan and the J7 Acquisition Road Map, a strategic planning document that J7 has developed and updated each year since 2015, to guide organizational actions and remind employees of the J7 intent of maintaining “deliberate focus on executing the right things, the right way, for the right reasons.” In addition, this report highlights the role J7 played in supporting the DLA, DOD, and Whole of Government response to the COVID-19 pandemic.

## **2. Organization**

a. DLA Acquisition (J7) is comprised of three distinct organizations:

### **(1) J7 Headquarters**

DLA’s Acquisition Directorate and staff element. Responsible for providing guidance and oversight of DLA’s acquisition workforce and procurement system. Provides support to J7 Director and Deputy Director to carry out their executive functions, including Senior Procurement Executive (SPE), Component Acquisition Executive (CAE), Head of the Contracting Activity, Senior Services Manager (SSM), Competition Advocate and Enterprise Business Cycle Owner (EBCO).

### **(2) DLA Contracting Services Office (DCSO)**

One of two operational components of J7. Supports internal Agency business operations through contracting capabilities. Responsible for planning, organizing, directing, and managing procurement and contract administration for the acquisition of highly-specialized Electronic and Communication Services, Research and Development, Logistics Management Services, Knowledge-Based Services, Facility Related Services and Financial Management Services, and materials in support of DLA internal operations and to other federal agencies.

### **(3) DLA Strategic Materials:**

One of two operational components of J7. Operates the Defense National Stockpile and supports U.S. Government efforts to decrease dependence upon foreign sources for strategic materials in times of national emergency. Provides for acquisition and retention of stockpile materials; conversion and upgrade of stockpile materials to prevent obsolescence; development and qualification of domestic sources of strategic materials; recycling of strategic materials from end-of-life government items and disposal of excess stocks for operational funding.

b. The J7 organizational structure and current leadership is depicted below:



c. FY20 Organizational Changes:

While there were no changes to the J7 organizational structure during FY20, there were several adjustments to supervisory and management authorities:

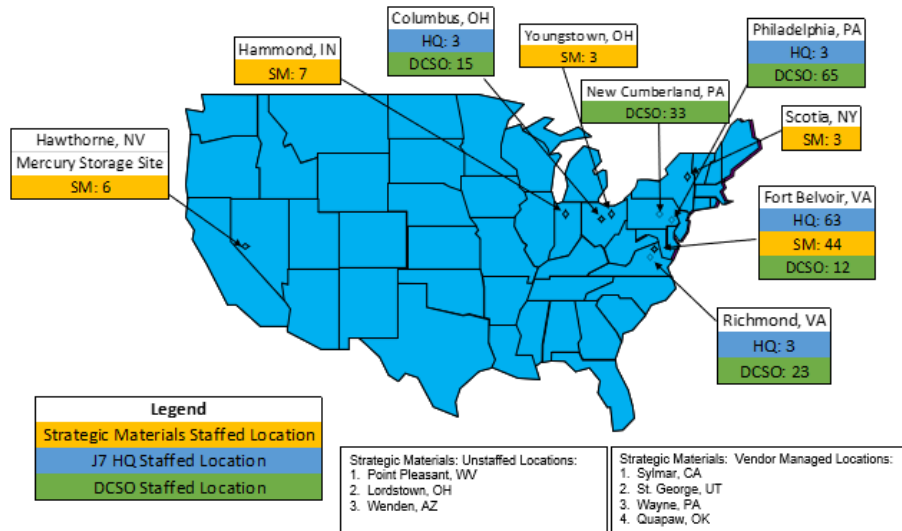
(1) Ms. Betty Hoapili, the former J71 Chief, departed DLA in March 2020 to take a position with the Department of Education. Ms. Kim Villarreal assumed the J71 Division Chief role, in addition to her role as ASG Chief.

(2) The Strategic Materials contracting division was realigned under DCSO, with DCSO providing reimbursable support to Strategic Materials for contracting actions related to their materials acquisition program.

(3) J7 increased the number of active military assignments from four to six. Col Jim Wilkie, who had served as J7 Chief of Staff since February 2019, was reassigned to DLA Energy, CDR Sylvester Brown and LCDR Lamont Brown moved on to their next assignments and Col Jack Nemceff retired. Joining J7 during FY20 were CAPT Robert Keating (J7 Chief of Staff), Col Mike Hansen (J73 Deputy), Col Daniel “Stu” Stupinski (J76 Deputy), LCDR Jonathan Leung (J73), LCDR Joey Lanclos (J78), and Major Anthony Sabellico (ASG).

(4) As a result of from the Defense Wide Review (DWR) 1.0 decisions, J3 and J7 agreed to transfer Expeditionary Contracting Cadre from the Joint Contingency Acquisition Support Office (JCASO) to J73. J73 will maintain responsibility for their functions and use them to perform other acquisition operations. The personnel officially transferred to J7 on October 1, 2020.

e. J7 Presence: J7 has personnel across the United States:



### 3. Key Personnel

J7 key personnel include the Executive Leadership Team (Director, Deputy Director, and Chief of Staff), J7 HQ Division Chiefs, the Director and Site Leads of DCSO, the Strategic Materials Director and Deputy Director, the DLA Ombudsman and the DLA Warstopper Program Manager. Key personnel and their dates of tenure are depicted below:

Name	Current Position	With J7 Since:
Matthew Beebe	J7 Director (2014 to Present)	2014
Roxanne Banks	J7 Deputy Director (2014 to Present)	2014
Col James (Jim) Wilkie	J7 Chief of Staff (Mar 2019 to Jul 2020)	2019
CAPT Robert “Bob” Keating	J7 Chief of Staff (Jul 2020 to Present)	
Kim Villarreal	Chief, ASG/J71 (Jul 2018/Mar 2020 to Present)	2007
COL Angela Wannamaker	Chief, Business Office (Jun 2017 to Present)	2017
Betty Hoapili	Chief, J71 (Jul 2017 to Mar 2020)	2017
Kathy Hammer Wells	Chief, J72 (Jul 2013 to Present)	2010
Joy Mullori	Chief, J73 (Sep 2012 to Present)	2012
Glenn Starks	Chief, J74 (May 2009 to Present)	2007
Rusty Wells	Chief, J76 (Jun 2014 to Present)	2008
Col Jack Nemceff	Deputy Chief, J76 (May 2019 to May 2020)	2019
Mickey Zayas	Chief, J78 (Aug 2013 to Present)	2001
Tim Stark	DLA Ombudsman (May 2018 to Present)	2008
Luis Villarreal	Warstopper PM (May 2004 to Present)	2001
Lillian Gardner	Director, DCSO (Apr 2010 to Present)	2010
Joe Marquis	DCSO-P Site Manager (March 2014 to Present)	2011
Steven Resweber	DCSO-FRC Site Manager (March 2014 to Present)	2014



Ronnie Favors	Director, DLA Strategic Materials (Mar 2010 to Present)	1988
Eric Mata	Deputy Director, DLA Strategic Materials (Aug 2016 to Present)	2014

#### 4. Total Personnel:

	On-Board/ Authorized	HQ	DCSO	SM
<b>Civilians</b>	<b>282/294</b>	<b>73/76</b>	<b>148/153</b>	<b>70/72</b>
<b>Active Duty Military</b>	<b>3/6</b>	<b>3/6</b>	<b>0</b>	<b>0</b>
<b>Active Reservists</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Contractors</b>	<b>15</b>	<b>13</b>	<b>0</b>	<b>2</b>

#### 5. Historical Narrative

##### a. 2020 Enterprise Business Summary

J7 Headquarters provides oversight and guidance to enable effective operation of the DLA Acquisition Enterprise. The size and scope of that enterprise is reflected in the agency's overall procurement activity, primarily through contract obligations and contract actions. In FY20, DLA obligated \$41.6B and issued 3.3M contract actions, representing 5% and 12.8% decreases from FY19. Decreases in obligations in the hardware supply chains were primarily a result of Agency efforts to manage obligation authority and cash position. Increases in obligations in the DLA Troop Support supply chains were the result of COVID support, including assisted acquisition requirements for the Department of Health and Human Services.

Supply Chain	2019 Obligations	2020 Obligations	Percent Change
DCSO	\$1,154,019,856.84	\$1,418,744,311.24	23%
DLA AVIATION	\$10,088,577,762.70	\$8,226,733,623.80	-18%
DLA DISPOSITION SERVICES	\$105,905,715.47	\$106,205,416.83	0%
DLA DISTRIBUTION	\$289,984,409.24	\$433,326,299.60	49%
DLA ENERGY	\$8,142,123,034.95	\$6,658,930,320.14	-18%
DLA LAND	\$3,167,404,634.30	\$3,041,551,653.31	-4%
DLA MARITIME	\$2,544,985,234.80	\$1,848,642,366.05	-27%
DLA STRATEGIC MATERIALS	\$22,435,873.93	\$13,541,927.24	-40%
TROOP SUPPORT CLOTHING & TEXTILE	\$1,876,045,780.28	\$2,116,061,445.07	13%
TROOP SUPPORT CONSTRUCTION & EQUIPMENT	\$6,388,432,948.86	\$7,065,048,885.81	11%
TROOP SUPPORT INDUSTRIAL HARDWARE	\$440,560,093.76	\$328,196,949.70	-26%
TROOP SUPPORT MEDICAL	\$7,208,435,657.99	\$7,781,790,987.59	8%
TROOP SUPPORT SUBSISTENCE	\$2,334,993,071.58	\$2,530,851,317.49	8%
<b>Grand Total</b>	<b>\$43,763,930,933.11</b>	<b>\$41,569,625,503.87</b>	<b>-5%</b>

Other significant enterprise procurement metrics include a Small Business obligation rate of 40.1%, which exceeded the FY20 OSD Small Business goal of 32.36%. This was the agency's first year exceeding 40% and its eighth consecutive year exceeding the OSD goal. Total DLA Small Business obligation (over and above eligible Small Business contracts was \$15M, the third year in a row exceeding \$15M. AbilityOne obligations for FY20 were \$402.5M. DLA competed



67.6% of obligated dollars and 91.23% of actions. DLA continues to be the DOD leader volume and speed of supply commodity procurement. DLA awards nearly six times the contract awards of all the Military Services combined.

#### b. J7 Culture & Climate

DLA Acquisition has an established a robust Culture & Climate Program through which the organization builds its strategic plans and drives organizational and process improvement, using the Denison model as a foundation. The program is led by the J7 Culture Champion, supported by the J7 Project Management Office Lead and contractor master black belt support. The Culture Champion leads the Acquisition Culture Climate Team, which is comprised of Acquisition Culture Climate Agents who represent the divisions, DCSO, and Strategic Materials.

Results from the FY18 Denison survey showed a dramatic increase in DLA Acquisition's workforce perception of its performance capability from the FY16 survey results, with a performance mean capability (culture) score of 91 out of 100 across 12 traits, an average increase of 21 points from 2016 results. That marked the third consecutive biennial Denison survey to reflect an upward trend, and places DLA Acquisition within the range of high performance organizations according to the Denison model.

In FY19, the J7 Acquisition Culture & Climate Team (AC<sup>2</sup>T) ran the second internal culture and climate (C<sup>2</sup>) Strengths-Weaknesses-Opportunity-Threats (SWOT) survey on an odd-year biennial basis to supplement the even-year Denison culture surveys, conducting 94 interviews across J7 Headquarters, DCSO, and DLA Strategic Materials. As part of the survey, the AC<sup>2</sup>T developed a climate circumplex metric tool comparable to the Denison culture circumplex tool. The tool measure 15 climate traits not addressed by the Denison survey to obtain a baseline of the DLA Acquisition workforce's perception of climate. Results from the SWOT survey showed a number of areas requiring attention that the Denison survey missed. Overall, the J7 Enterprise achieved an esprit de corps (climate) baseline mean score of 64 out of 100, placing it in the proactive/strategic level of high performing organizations.

The results from the AC<sup>2</sup>T survey and feedback from J7 organization focus group sessions led to the development of AC<sup>2</sup>RM 2.0 for 2020 – 2021. This bottom-up input, combined with top-down input from the DLA FY20 Strategic Plan Implementation Guidance, led to J7's development of ARM 4.0 draft for 2020 – 2021, with seven goals and twenty objectives and the J7 FY20 Dynamic Operating Plan with 42 initiatives.

#### c. J7 Acquisition Roadmap (ARM)

In addition to the DLA Strategic Plan and J7 Dynamic Operating Plan, DLA Acquisition is guided by the internally developed Acquisition Roadmap (ARM). The roadmap lays out J7 priorities and initiatives. It complements the DLA Strategic Plan and includes all Director Imperatives, J7 initiatives from the Strategic Plan Implementation Guidance (SPIG), and J7 developed initiatives in DLA Acquisition's Dynamic Operating Plan. The first ARM was created in 2015; ARM 3.0 was published in June 2018. ARM metrics are maintained in the ARM Dashboard, a centrally maintained electronic dashboard accessible to all J7 employees that provides current status of ARM metrics. The J7 leadership reviews the dashboard with J7 management and responsible parties quarterly. The ARM will be revised as the DLA Strategic Plan evolves under VADM Skubic.

#### d. COVID Impacts of J7 Culture & Climate

As it did for all DLA organizations, COVID had a significant impact on the J7 workforce, as personnel had to quickly adapt to an all virtual environment for both communication and collaboration. Because many J7 personnel are already geographically dispersed and regularly utilized telework, the majority of the J7 workforce transitioned more or less seamlessly to the new environment, utilizing tools such as Skype to maintain regular communications and collaborate on work products. The J7 leadership team relied on the webRTC virtual meeting for staff meetings and other significant meetings. The J7 leadership team regularly emphasized the need to maintain an appropriate work-life balance, as the traditional separation between the two was virtually erased through maximum telework and the additional pressures of supporting the COVID response, along with the demands of supporting virtual school and caring for extended family for many. To maintain personal connections, J7 distributed a regular newsletter with pictures and information of J7 staff “at work,” as well as pictures of staff highlighting their families, hobbies and life events that occurred during the pandemic.

#### e. Combined Federal Campaign (CFC) Lead for the Agency

DLA J7 led the DLA HQC 2019 Combined Federal Campaign for the National Capital Area (NCA). DLA HQC exceeded the Agency goal with over \$274,000 in pledged giving. DLA HQC won the Impact Award and the 100% of Goal Award for meeting its giving goal. Individual gifts averaged over \$949 per giver – an increase of more than \$100 from 2018. Additionally, the campaign was named Outstanding Campaign for medium sized Department of Defense (DoD) Agency and won the Innovation Award for organizing a consolidated campaign for all tenants of the HQC. Overall, the campaign won a total of 10 awards at the DoD level and an additional two awards at the NCA level. Strategic Materials’s Kevin “Watt” Lough served as Campaign Manager.

#### f. J7 COVID-19 Support

##### (1) Establishment of the J7 COVID Team and Key Reporting:

The J7 leadership team mobilized in early March, as soon as it became clear that DLA would play a key role in providing acquisition execution, direction, and guidance to the agency for COVID matters. The leadership team met daily to integrate all aspects of J7 activity; those daily calls lasted until June.

J74 led efforts to assess COVID impacts on DLA’s industry partners, issuing a survey in late March to all DLA suppliers, requesting that they report impacts from state and local (and in some cases global) shutdowns and COVID cases within their workforces. The survey became the basis for the Industry Impact Report that DLA provided to Ms. Lord and other Defense Department leaders throughout the pandemic. The report illustrated impacts and trends affecting the DLA Defense Industrial Base and included information on company closures and reopenings, layoffs, and impacted DLA due-in contracts.

J76 provided daily contract action tracking for contracts coded in the Federal Procurement Data Systems-Next Generation (FPDS-NG) as in support of or impacted by

COVID. FPDS-NG reported data serves as the authoritative government source for contract actions and obligations and was referenced by Department leaders in Congressional testimony and interactions, media products and engagements, and for use in audits performed by the GAO and DODIG. As of October 1, 2020, DLA had issued 21,502 actions in the amount of \$2,033,585,905.71 in support of COVID related activities, \$1.66B (80%) of which was awarded to Small Businesses. J76 also ensured posting of COVID related messages to industry on DIBBS/DLA Website, to include information to suppliers interested in providing PPE, COVID resources for Small Businesses and notifications from the Department concerning DIB contractors being considered part of the essential critical infrastructure workforce (and therefore exempt from state and local “lockdowns”).

J72’s policy office worked closely with Defense Pricing and Contracting to provide guidance to DLA contracting activities on Department level initiatives, specifically as it related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the impact on defense contracts and contractors.

The Acquisition Support Group (ASG) worked closely with the DLA COVID Task Force and other DOD groups to satisfy the continuous “thirst for information,” as well as answered questions and requests for information for COVID related GAO and DODIG audits, and supported numerous meetings and correspondence with Congressional members and staffers.

## (2) DLA Support to the Joint Acquisition Task Force (JATF) and Defense Production Act Task Force:

Ms. Lord established the COVID-19 Joint Acquisition Task Force (JATF) on March 25, 2020. Led by Ms. Stacy Cummings, the Principal Deputy Assistant Secretary of Defense, Acquisition Enablers, the JATF included acquisition professionals and medical experts from the Military Departments and DoD Agencies, and served as the single entry point to the DoD acquisition enterprise. The JATF leveraged existing DoD authorities, tools, and skillsets to provide assisted acquisition to the Department of Health and Human Services (HHS) and the Federal Emergency Management Agency (FEMA) in response to the COVID-19 public health emergency. The J7 Deputy Director, Ms. Banks, was the primary DLA representative to this group and participated in weekly meetings between March and September, providing updates on DLA activities, particularly the acquisitions that were executed by DLA Troop Support in support of HHS and FEMA.

J7 also provided personnel support to the Defense Production Act Title III Task Force, which was charged with evaluating and awarding contracts for industrial expansion projects, with the intent of expanding domestic capability for critical health resources in support of the nation. Sharon Croll, a J78 team member, and Robert Callaghan, a J74 support contractor, were detailed to the Task Force for approximately six months, and worked on projects that involved scaling up the domestic industrial base for increased N95 mask production capacity, increased swab manufacturing capabilities for use with the FDA-approved five-minute COVID-19 tests, increased commercial production capacity for saline solutions for dialysis and IV injections, domestic sourcing for active pharmaceutical ingredients used to make generic medications, industrial scale-ups for vaccination delivery systems, and domestic sourcing for ventilator consumables.

### (3) Donations:

As the country mobilized to support the nation's PPE needs, several commercial companies approached DOD and DLA with offers to donate material. Because the government cannot accept free goods or services from contractors, J7 worked with DLA General Counsel and the Office of the Undersecretary of Defense for Acquisition and Sustainment to be able to accept donations from commercial entities. Offers were received from Ford Motor Company, Anheuser-Busch, Cardinal Health, and Boeing. J7 worked with J3 and the MSCs to determine if there was a need for the items and helped write the acceptance memos that Ms. Ellen Lord, Under Secretary of Defense for Acquisition and Sustainment, signed.

(a) The Ford Motor Company made a donation offer of 200,000 protective non-medical grade face shields to the DOD. These face shields could be used by military members around the world as additional protection against the spread of COVID-19. Ford Motor Company shipped a portion of the shields directly to Warfighters while others were sent to the DLA Distribution Center in Susquehanna, PA.

(b) Anheuser-Busch made a donation offer of over 80,000 bottles of hand sanitizer to the DOD. Due to limited availability of hand sanitizer, J7 worked with DLA Troop Support to identify multiple medical facilities in the United States, Europe, and Japan that had a need for the product.

(c) Cardinal Health made a donation offer of 1.44 million gowns that did not meet the requirements for medical use. Boeing made donation offer of 5,000 non-medical grade face shields. Due to multiple concerns, a determination was made that the donation offers from Cardinal Health and Boeing would be sent to HHS and FEMA for acceptance.

### (4) FedMall PPE Corridor:

J7 worked with J6 to create a "corridor" within the existing FedMall Marketplace for small business contractors to purchase non-medical PPE for use on government installations. The corridor acts as a platform for small businesses to source commercial non-medical PPE from vendors. It was developed in response to the expressed need off defense contractors to be able to source non-medical PPE for use by their employees to continue producing on defense contracts. DLA partnered with OSD Office of Small Business Programs, OSD Industrial Policy, and industry associations to solicit both vendors and customers. The corridor has 30 vendor catalogs offering 1,140 products. The offerings include cloth face masks, hand sanitizer, disinfecting wipes, protective gloves, gowns, face shields, thermometers, signage, and other social distancing aids for the workplace. The FedMall PPE Corridor was promoted for use by small business contractors, as well as state and local entities, in various forums.

### (5) PPE Information Days:

At the request of the JATF, DLA organized and hosted PPE Information Days on July 14-15, 2020. The event, which was coordinated with and had participation from interagency partners, was hosted virtually and broadcast to over 500 participants. The goal was to provide current and potential suppliers an understanding of current and future demand for PPE from across multiple sectors of the economy, including the U.S. government and trade associations representing the

medical and non-medical industry. The event's speakers, which included Ms. Cummings, Ms. Banks, and Mr. Beebe, facilitated a dialogue between industry and the government participants that explored how a more coordinated demand signal for PPE could better support industry's long-term plans for producing and investing in domestic capabilities. The target audience was current and potential domestic producers (end-items as well as sub-tier suppliers) and consumers, namely major industry trade associations and hospital/medical network representatives. The event generated interest and provided information on gowns that DLA Troop Support would go on to award on behalf of HHS in early September.

#### (6) Gowns Procurement:

DLA and HHS entered into an Interagency Agreement (IAA) for DLA to procure disposable and reusable isolation gowns to replenish the Strategic National Stockpile. While the contracts were executed by DLA Troop Support Clothing & Textiles, Ms. Banks and J73 personnel were engaged in the acquisition strategy and evaluation of offers. Noting the high degree of foreign dependency for PPE, the Defense Department set an objective to strengthen domestic industrial capability with this procurement.

Under the Berry Amendment, certain textile products are required to be 100% domestically produced. When that requirement cannot be met and an award must be made to a non-domestic source or a source using non-domestic material, the contracting officer must execute a Determination of Non-Domestic Availability (DNAD). To bridge the domestic capability gap for gowns, DLA Troop Support, acting on guidance from J7 and General Counsel, developed an innovative evaluation strategy for gowns that separated offers into three "lots" – those that were Berry Compliant, those that were Buy American compliant, and those that were Trade Agreement compliant. This strategy had never been used before and no statutory authority existed for it – under Berry, there is no allowance for partially domestic offers. However, the strategy was endorsed by the Joint Acquisition Task Force and Ms. Lord. It illustrated DLA's ability to support Department objectives, meet customer requirements, and adhere to laws and regulations.

In early September, DLA Troop Support awarded contracts for 9,526,000 reusable gowns and 73,702,000 disposable isolation gowns, totaling \$414M, with approximately 93% of awarded to small businesses. Additional awards may be made in FY21 pending requirements and funding from HHS. The awards generated significant critical media attention, specifically from the New York Times, and J7 coordinated extensively with DLA Troop Support, Legislative Affairs, General Counsel, and J3 to respond to questions and provide talking points for OSD leadership.

#### (7) J7 Support for Other Significant COVID Acquisitions:

While DLA Troop Support executed contracts in support of COVID, Mr. Beebe, as Senior Procurement Executive, approved several Justification and Approvals (J&As) for sole-source purchases. The first occurred in April when the FDA provided an Emergency Use Authorization for the Battelle Critical Care Decontamination Units. DLA Troop Support went on to procure 60 units via letter contract, at an estimated cost of \$413M (supplies and associated service) on behalf of HHS. The units were deployed to locations throughout the country. In August, Mr. Beebe approved a J&A for 50 million Rapid Antigen Tests to Abbott Laboratories,

once again in support of HHS. As of October 2020, 13 million test kits have been awarded via 18 orders to 62 states/territories, over 26,000 nursing homes, and locations to support the CIA, NASA, FEMA, DoD, and White House.

In addition to approving J&As, J73 and Mr. Beebe supported DLA Troop Support in issuing Determinations of Non-Domestic Availability for various PPE items, allowing DLA Troop Support to procure critical material. Because of the scrutiny around DNADs, J7 ensured that the determinations had a limited time frame – 60 or 120 days – rather than through the calendar year, as had been past practice. The shortened period showed industry and Congress that DLA was committed to sourcing domestically.

#### (8) Leveraging the Warstopper Program:

The DLA Warstopper Program received its greatest visibility to date as a result of its role in supporting the agency's COVID response. Since 1993, the DLA Warstopper Program has invested over \$23 million into the medical industrial base to increase the availability of go-to-war items. Many of these investments took center stage during the pandemic, the most visible being its one for N95 respirators. In 2014, the Warstopper Program invested in Government Purchased Material (GPM) of 5.5 million N95 respirators at 3M. The investment required 3M to rotate stock with commercial demand in order to keep respirators available for military use. These respirators provided the DOD medical treatment facilities a secure source at a time when global demand left governments and private organizations across the globe scrambling for access.

The program also provided gowns, gloves, face masks, and ventilators. The ventilator investment, in particular, was a highly visible given global demand. The program had created a contingency contract with Zoll that prepositioned long lead time components and material enabling 1,200 ventilators to be delivered quickly to the Defense Department, with the first deliveries taking place five days after receipt of order.

The program's relevance was demonstrated by inclusion in regular updates to the Deputy Undersecretary for Acquisition and Sustainment and talking point for Congressional testimony and updates to senior DOD leadership. After the initial surge, the program was allocated an additional \$12M to expand PPE coverage in future pandemic responses. In addition, the Veterans Administration, Defense Health Administration, and Health and Human Services each inquired about the program's techniques with intent of either partnering with DLA or creating similar capabilities within their own organizations. For its efforts in supporting the pandemic, DLA nominated the Warstopper Medical Readiness Contracting Team for Acquisition and Sustainment's "Flexibility in Contracting" Award.

#### g. Warfighter First

##### (1) Reform:

J7 continued its involvement in several Defense Reforms during FY20.

(a) Enterprise Buying:

This initiative was identified as a Chief Management Office (CMO) Logistics Reform Initiative with the basic objective of identifying major categories of fragmented, unconsolidated spend across the Department and exploring opportunities for a single organization to act as the procuring activity for the Department for selected commodities. Initial savings projections for such an initiative were based on a McKinsey analysis showed there is \$16B in fragmented, unconsolidated commodity (non-weapon system) spend that could be procured more efficiently. In May 2019, Acting Secretary of Defense Shanahan directed the Office of the Undersecretary of Defense for Acquisition and Sustainment to proceed with implementation, which was communicated by Ms. Lord's memorandum dated July 8, 2019. Over FY20, DLA worked with representatives to obtain Service data for analysis and to support the development of a transition plan for specific item categories. Categories 4.1 (Construction Related Material) & 5.1 (Machinery & Component) were briefed to CMO and the Services; however, the Defense Department has not made a decision on how to proceed. Leadership for the initiative has transferred to the Office of the Undersecretary of Defense for Acquisition and Sustainment and is being monitored through the Reform Management Group (RMG).

(b) Category Management "Sprints":

J7 and DLA continued to support CMO and the Category Management Reform team in its effort to execute "sprints" to identify savings from more efficient procurement of categories of the Department's \$200B annual spend. DLA provided employees from the MSCs to support CMO efforts and facilitate DLA involvement with CMO.

As of September 2020, DLA has concurred with the consultants' recommendations for \$127M in savings from the categories of spend analyzed in Sprints 1-5. The Sprint process may continue in to FY21 and beyond. J7 will monitor the planned execution of recommendations by MSCs, track savings, and report back to CMO, and continue to identify additional categories for analysis.

(c) Defense Wide Review (DWR 2.0):

OSD kicked off Defense Wide Review 2.0 in FY20, which continued and built upon the analysis and review of select DLA programs and processes. J74 was tasked as J7 lead and beginning in March 2020 provided OSD-requested information pertaining to Enterprise Buying/Contracts, the Contract Cost Data Reporting requirement, DLR/Reparable buying, and hindrances/barriers in the contracting process. In the April and May timeframe, OSD began a deep dive into DLA's Integrated Prime Vendor Program (IPV), with J74 providing ten years-worth of contract and program history to support the analysis. CAPE will analyze whether IPV can be expanded to the Marine Corps and Navy depots, but initial analysis reveals those sites have other strategic contracts in place supporting the majority of their requirements. DWR 2.0 is expected to remain active into FY21 as OSD continues to look for savings and efficiency opportunities. J7 will continue to support as lead for the Contract Team, one of seven total DWR 2.0 teams.

## (2) Strategic Contracts (STRATCONs) and Red Teams:

J73 continued to execute and refine the STRATCON program during FY20. With the March 2020 on-set of the pandemic, the weekly readiness review tempo was revised to bi-weekly, and 3rd and 4th Quarterly STRATCON Reviews with the DLA Director were postponed until further notice. The event evolved into an abbreviated bulletized presentation of STRATCONs warranting sustained and recurring Director and Enterprise leadership awareness. The monthly STRATCON submission remained the update mechanism to maintain visibility. STRATCONs continue to be acquisitions for agency requirements of strategic importance and which may involve significant risks to schedules or performance, have a critical impact on the Warfighter or Whole of Government and Coalition partners, or represent a significant financial or programmatic investment. FY20 Quarterly STRATCON Reviews were October 25, 2019 and January 16, 2020.

J73 led several “Red Teams” in FY20, which are reviews intended to provide a corporate perspective of risks to schedule, performance, or the agency. Experts from across the enterprise are brought together to review the acquisition strategy and provide a report to Agency leaders. Identification of candidates for a Red Team review is selective, focused on mitigating risk. Red Teams completed during FY20 were:

- (a) February: DLA Troop Support Subsistence Prime Vendor Afghanistan
- (b) June: DLA Energy Gaseous Nitrogen Launch Support program
- (c) July: DLA Troop Support Subsistence Prime Vendor Europe and

Africa

## (3) Supply Chain Security:

Efforts continued in FY20 to broaden the understanding and application of Supply Chain Risk Management (SCRM) tools. J76 continued the push for acquisition employees to familiarize themselves with the Business Decision Analytics (BDA) application, a decision support tool that assists with risk determinations affiliated with items, prices, and suppliers. The supplier risk model within BDA was updated to include an enhanced joint certification program (EJCP) indicator to help acquisition personnel determine if vendors were approved by DLA to access unclassified controlled technical information. As of August 2020, the plan is for BDA to become the authoritative data source for EJCP matters. J7 will continue its partnership with J3 and J6 to bring awareness and use of risk-based decision support tools to the acquisition workforce, including assessment of third-party applications.

## (4) Cybersecurity Maturity Model Certification:

DLA began participating in this effort to enhance the protection of controlled unclassified information within the supply chain and which, as of October 1, 2025, will be a contractual requirement for all companies doing business with the government. The effort will review and combine cybersecurity standards and best practices and map these controls and processes across several maturity levels that range from basic cyber hygiene to advanced. DLA J76 hosted an implementation working group focused on compliance with representation from J7, Small Business, J3, and MSCs. J7 plans to develop the implementation plan by running pilots



to test CMMC criteria and vendors' ability to adhere to and document standards, with the goal of a 2025 effective date.

(5) Automated Indefinite Delivery Contracts (AIDCs):

Initial functionality was released August 22, 2019. This capability provided automated, single material long-term contracts for stocked items below the simplified acquisition threshold (\$250K). AIDCs are 1-year limited with no optional extensions. Primary users are DLA Land & Maritime, DLA Aviation, and DLA Troop Support. As of August 2020, the supply chains had issued 9,337 solicitations resulting in 6,015 awards (2,047 auto awards, 3,968 Manual/Buyer Assist). There have been 1,995 orders issued totaling \$39.8M. AIDC represents a significant achievement in increased efficiency for the acquisition enterprise. The MSCs will expand usage into FY21.

(6) Acquisition Modernization Program (AMP):

DLA initiated the AMP in FY20. With the cooperation of DLA Research & Development, the AMP budget line was added to its portfolio. AMP is the overarching vision for improving acquisition systems and processes to lead the agency to a more effective and responsive acquisition capability. The initial AMP effort is to create a benchmark analysis that defines vision and direction, establishes lines of effort within the program, and identifies the technology and project budget requirements for planning and execution. The benchmark effort will also illustrate links between existing efforts to meet the broader vision. The AMP will establish a process by which the vision, roadmap, and initiatives are continually updated so as to meet the need for continued improvements in DLA's acquisition capability.

g. Global Posture

(1) Agency Synchronization Operations Center (ASOC):

J7 continued to play an active role in the ASOC's coordination of acquisition efforts, providing military and civilian representatives to ensure reach-back and coordination with J7, and to ensure inclusion and consideration of the "acquisition perspective" in agency operations. Specifically, J7 personnel provided communication through requests for information and updates through senior leadership forums to the ASOC on DLA's COVID-19 acquisition response and coordination efforts between organizations such as OSD, DPC, HHS, FEMA and the JATF. J73 provided acquisition related advice on Interagency Agreements between DLA, HHS and various industry partners, as well as updates on DLA's daily contract obligation dollar values, along with impacted Defense Industrial Base closures and trends for risk assessment. Once the senior synchronization meetings transitioned to Performance to Promise (P2P) and Business Performance Reviews, J7 provided acquisition expertise on driver tree creation and formulation to ensure oversight on operational and industrial metrics (material availability, open backorders, logistics response time, etc.).

## (2) Operational Contract Support (OCS):

The conflicts in Iraq and Afghanistan illustrated the critical importance of contracted support to mission success. OCS offered combatant commanders commercial capabilities for critical supplies and services. With the integration of JCASO personnel, J7 emphasized improving the DLA OCS program. A review of the program was initiated with the experienced team arriving from JCASO to J7. DLA governance is being reviewed to identify and codify roles and responsibilities. Mission essential tasks are being built along with standards for reporting in the Defense Readiness Reporting Systems.

### h. Strong Partnerships

## (1) Defense Contract Management Agency (DCMA):

J7 played an active role in the agency's coordination with the Defense Contract Management Agency (DCMA), providing military and civilian representatives to ensure communication through monthly DLA/DCMA Drivers teleconferences and also quarterly Executive Steering Group (ESG) events. Specifically, J73 coordinated two Executive Steering Group events to explore systemic issues impacting contract administration and review agreed-upon metrics to improve mutual performance. Topics have included Material Receipt and Acceptance, Readiness Drivers, Cyber Assessment, Reimbursables Support, Business Process Reform and Defense Agencies Initiative. As a result of discussions from the Material Receipt and Acceptance, DLA is developing an Alternate Payment Pilot to streamline customer payment to better reflect industry performance. The effort seeks to remove the customer receipt requirement before payment. Both agencies are formalizing these collaborative efforts through a Memorandum of Understanding (MOU) currently in development.

## (2) Industry Engagement:

The departure of LTG Williams and the physical limitations of COVID had a major impact on the DLA Industry Engagement program during FY20. The 3rd DLA Industry Day, which had been scheduled for July, was cancelled. However, DLA continued outreach and interactions with industry partners through other means, including telecons, virtual meetings, and representations at virtual industry conferences and events. Planning for the evolution of the program's next phase was undertaken, including the initiation of an update to the Industry Engagement Plan (IEP) and a contract award to support the second DLA Supplier Feedback Survey, which is set to launch in November 2020 and will collect valuable supplier data for developing action and improvement plans to further strengthen the DLA/Industry relationship. The Industry Engagement team was also heavily involved in COVID support, participating in OSD-led calls with industry associations, providing analysis of the impacts COVID had on industry segments, and assisting companies that expressed interest in providing PPE and other products/services to the government.

### (3) Industrial Base/Warstopper:

DLA has a well-established industrial base program that identifies, assesses, and mitigates industrial base and readiness risks across all DLA MSCs. The Warstopper program has an historic return on investment of 7:1. In FY20, the program made \$63.8 million in industrial investments.<sup>[1]</sup> The projected return on investment for FY20 is \$444 million in cost avoidance.<sup>[2]</sup> Significant investments in FY20 include \$28.7 million in medical readiness, to include over \$14 million in additional PPE coverage; \$8.9 million in aging aircraft obsolescence management; \$0.7 million in buffer materials, to include titanium; 300M steel and bearing-grade steel; \$1.7 million for a flameless ration heater buffer; and \$18 million in rocket launch propellant readiness. In addition, the program completed a report to Congress and thirteen industrial base studies on fragility and criticality. The program also installed a monthly Industrial Capability Readiness Review to ensure all high visibility industrial base actions are up to date for agency wide awareness. The program further created a DLA Instruction for the Defense Priorities and Allocation Program and provided updated guidance for DLA industrial readiness investments, industrial capability program management, enabling statutory and regulatory programs, and fragility and criticality assessments.

### (4) GAO/DODIG Audits:

FY20 was another active year coordinating site visits, answering requests for information, receiving audit recommendations, and responding to subsequent media requests with the DLA External Audit team, MSCs, and DLA Public Affairs. Audits with J7 focused on DLA and the Defense Department's COVID response, namely the procurement of material. As of 30 September 2020, J7 was tracking ten acquisition-focused COVID audits, ranging from general reviews of the Defense Department's spending to specific contracts and programs. Other notable non-COVID audits included DLA's compliance with the Berry Amendment and an evaluation of the DoD's mitigation of foreign suppliers in the pharmaceutical supply chain. These last two audits illustrate increasing interest in domestic sourcing and foreign dependency.

#### i. Whole of Government: Category Management:

Category Management (CM) refers to the business practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver value and savings for the government. The goal is more effectively managed contract spending in government-wide, agency-wide, and local contracts; reduced unnecessary contract duplication; cost avoidance; and continued achievement of small business and other socioeconomic goals. In FY20 DLA continued to support and participate in the Office of Management and Budget's Category Management program, achieving a Spend Under Management (SUM) figure of \$14.2B and spend on Best in Class (BIC) contracts of \$1.3B. Two DLA programs – DLA Medical's ECAT Program and DLA Energy's BIC Fuel Contract – were highlighted in the Office of Management and Budget's Category Management Program Retrospective for their effective use of CM principles.

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<sup>[1]</sup> Excludes Warstopper Manpower and support of \$8.8 million. Total FY20 program obligation \$70.5 million.

<sup>[2]</sup> Warstopper ROI report to be completed in April 2020 with detailed post investment analysis of Warstopper investments to provide a validated return on investment

## j. Always Accountable

### (1) Services Acquisition

J7 continued to develop robust processes for Services Acquisition. The Quarterly Service Validation Reports have gone through one full year of collection for all organizations, and improvements have been made to simplify the process and gain visibility of all DLA service contract requirements. Further improvements to the process will focus on developing an automated method for collecting information. In addition, J7 has progressed in the institutionalization of the Functional Services Managers (FSMs) role through the FSM Continuous Process Improvement project. In coordination with the Defense Acquisition University (DAU), J7 is working to develop training for FSMs and other individuals working on service requirements. J7 is also working with J8 to coordinate the Annual Portfolio Review, Service Requirements Review Board, and the Program Budget Review in order to improve continuity among all three processes.

### (2) Pricing:

J7 was engaged in several pricing-related tasks throughout FY20. Starting at the Defense Department level, representatives from J72 and the MSCs served on the Defense Pricing and Contracting (DPC) Sustainment Profit Policy Team which resulted in a pilot programs at DLA Aviation and DLA Land & Maritime. J72 also been a part of the DPC High Risk Pricing CADRE, which was stood up in response to the TransDigm audit and subsequent Congressional inquiries into the company's business practices. J7 continues to provide the following Congressionally mandated reports to DPC: Truth In Negotiations Act (TINA)/Cost Accounting Standards (CAS) annual report for Congress, Undefinitized Contract Action semi-annual reports, and Other than Certified Cost and Pricing Data Refusal.

J7 collaboration with J6 entered its second year in upgrading the Enterprise Pricing Tool Suite for the buying and pricing community. Currently this tool has over 1,200 users. J72 also continued its very successful partnership with Defense Acquisition University (DAU) on the DLA Pricing Class, completing 28 classes with ~750 attendees. J72 sponsored its 6th Annual Pricing Summit with several MSC attendees, completed the Annual Price Trend for Automated and Manual Awards, and approved the Annual Inflationary Factor for the Automated System. Team members completed several AMRs, STRATCON, and price escalation reviews as well - over 800 individual reviews with ~1,000 data sets.

### (3) Sec 889(a)(1)(B) of the National Defense Authorization Act (NDAA) for Fiscal Year 2019:

J7 led a rapid, enterprise-wide, initiative to modify every agency contract to bring DLA into compliance with the new requirements of the Section 889 law. Over a one-month period, DLA contracting professionals modified nearly 23,000 contracts. Additionally, J7 updated the Master Solicitation for Automated One Time Buys to include the new provision and clause, ensuring all micro-purchase actions comply with the law.

#### (4) Market Intelligence:

In support of industry engagement efforts and with the objective of using industry information to better inform the Agency's acquisition strategies, J74, with support from the R&D Program Office, has established the Applied Market Intelligence in Defense Acquisition (AMIDA). The program objective is to enhance the Agency's market intelligence capabilities and to bring the organization in line with industry best practices, both from a data collection and analysis perspective, as well as structurally within the organization. AMIDA's technical component includes utilizing market data and software, report, and models, while the organizational approach includes the implementation of a hub and spoke model, employing market specialists at each of the MSCs, and ensuring industry partners have a "place at the table." The Subsistence pilot that had been underway since August 2018, was completed in November 2019. A new contract was awarded in April 2020 to provide follow-on training and support. A charter endorsing enterprise implementation of the program was signed in February 2020 and the next phase of the project, kicked off in early October 2020.

#### (5) Obligation Authority Management:

Beginning in early June, J7 started preparing to work with MSCs on conserving obligation authority (OA). Operation Agency Resolve actions completed in FY19 were reviewed for applicability in FY20. These actions included automated processes available for adjustment to promote manual intervention capabilities, allowing the selective funding of requirements to slow down the OA burn rate. Partnering with J3 Planning and the MSCs, 50,000 purchase requests for planned stock items were cancelled between 14-20 July.

#### (6) Audit:

Audit activity continued to be a major focus area for J7 in FY20, for both the J78 Audit and Process Excellence teams, which oversaw the Procure-to-Pay (P2P) Enterprise aspects of Audit. This included oversight in both J7 and J8 organizations, as well as cross-process coordination throughout the enterprise, as teams worked to develop, test, and close audit findings within their respective functional areas. FY 2020 also included more interaction and support to the DLA Audit Task Force (ATF), Audit Leadership Integration (ALI), and the Collaborative Joint Audit Remediation (CJAR) efforts.

J78 represented the P2P Enterprise Business Cycle Owner (EBCO) as the lead functional area subject matter experts for Service Organization-related business cycle matters and was assigned responsibility to oversee and monitor three Service Organizations. These included the US Bank's Commercial Card Transaction Processing System (CCTPS), DLA's Wide Area Workflow (WAWF) system, and DCMA's Contract Pay System ("MOCAS"). These areas provide services relevant to DLA's financial statement audits and were assessed to determine the effect on Internal Control Over Reporting (ICOR).

Throughout FY20 J78 implemented and tracked Corrective Action Plans (CAPs) to correct 97 identified control weaknesses in audit Notice of Findings and Recommendations (NFR). These NFRs spanned the three funds covering General Fund (GF), Transaction Fund (TF), and Working Capital Fund (WCF) - which are led by J7, J3 and J8. Of the 97 NFRs, 32 were targeted for completion by FY20 with the remainder in FY21 and FY22. Evaluation and

testing for CAP closure continued throughout FY20. This included providing audit training to all DLA acquisition personnel across the MSCs, covering all P2P areas. The team also led efforts in responding to over 450 Provided By Client (PBC) requests from the auditors, achieving over 85% timely submission of documents requested.

The Military Interdepartmental Purchase Request (MIPR) Program Management Office (PMO) provided program execution, performance, policy and oversight for 750 DLA Enterprise Business System (EBS) users generating \$2.4B in Intragovernmental Reimbursable and Assisted Acquisition Procure-to-Pay (P2P) MIPR orders. The PMO fostered close working relationships and collaborated with logistics process owners to continuously improve process auditability. The team successfully completed FY20 with a 92% DLA aggregate enterprise EBS timeliness metric – a historical milestone. The metric is a key performance indicator of the accuracy, velocity and completeness of MIPR order execution from MSC and J-Codes to Intragovernmental trading partners for goods and services in direct support of the Warfighter. The MIPR PMO team consistently improved this metric over the past three fiscal years, through relentless customer engagement and program management.

The MIPR PMO also actively participated DLA G-Invoicing Core Stakeholder implementation strategy sessions with the United States Department of Treasury, OSD, and multiple DOD military Component and other Federal Government representatives regarding DLA G-Invoicing agreement, buy/sale policy, and procedures. The PMO team also provided oversight and subject matter expert feedback to J6 regarding successful system change request (SCR) implementation to further improve and strengthen auditability of the P2P MIPR Program.

During FY 2020, the J78 team led efforts to improve the Agency's Unliquidated Obligation (ULO) program management and clean up. This included projects with DCMA tied to contract close out efforts across all MSCs. Beginning in FY21, J8 will assume overall responsibility for ULO management.

#### (7) Agency Management Reviews:

J7 continued to play an active and leading role in AMRs. In FY20 J7 supported two AMRs at DLA Troop Support and DLA Distribution. The remainder of the scheduled AMRs were placed on hold due to COVID-19 restrictions. The Acquisition review areas cover nine topics that fall within the Procure to Pay Enterprise Business Cycle Owner AOR. During this cycle when applicable, AMR findings associated with NFRs and CAPs were noted during the review process to further strengthen the link between policy compliance and auditable processes. Moving forward J7 will continue to work with J3 to refine the program and links to Audit Readiness and Enterprise Risk Management.

#### (8) Senior Procurement Executive (SPE) Visits:

J7 continued its battle rhythm of conducting bi-annual visits by the DLA SPE, Mr. Beebe, with the HCA of each MSC and Contracting Activity up until March 2020. The visits provide the SPE an opportunity to engage with MSC acquisition teams on the three SPE "pillars" of Acquisition Workforce, Compliance and Strategic Acquisition. Due to the travel limitations imposed by COVID, as well as the increased workload of some of the MSCs, J7 postponed visits scheduled between March and August. J7 and DLA Aviation conducted the first virtual SPE

meeting in September, with plans to proceed virtually with the other MSCs until regular travel practices resume.

k. People & Culture

(1) Acquisition Workforce (AWF):

The J71 Acquisition Workforce Development Division's mission is to provide plans, guidance, and direction to professionalize, manage, and sustain DLA's 8,900+ member AWF.

Certified Acquisition Workforce: As of 28 Sep 2020, DLA AWF's members were:

Acq Posn Career Cat	Acq Posn Career Cat description	Emp Count
A	PROGRAM MANAGEMENT	302
C	CONTRACTING	3567
D	INDUSTRIAL/CONTRACT PROPERTY MGT	2
E	PURCHASING	422
H	PRODUCTION, QUALITY AND MANUFACTURING	992
I	SCIENCE AND TECHNOLOGY MANAGER	3
K	BUSINESS - FINANCIAL MANAGEMENT (BUS-FM)	7
L	LIFE CYCLE LOGISTICS	3187
R	INFORMATION TECHNOLOGY	440
S	ENGINEERING	8
Total AWF		8930

(2) Defense Acquisition Workforce Development Account (DAWDA):

Along with MSCs and J-codes, J71 ensures budget submission and execution to fund initiatives and activities supporting the agency's strategic acquisition workforce. In FY20, DLA executed 99% of its \$4.8M budget. The DLA DAWDA budget has been significantly reduced for FY21, to \$2.8M, due to cuts at the DOD program level.

The personnel and programs receiving DAWDA funding have been force multiplying for DLA. The program provided DAWDA funding for the sustainment of 100 Troop Support PACERs, 27 of whom gained experience in accomplishing COVID support actions, including procurements of gloves, face shields, goggles, face masks, and gowns for the Strategic National Stockpile. Some assisted with providing kits to 14,000 Nursing homes in support of FEMA, while others provided supported the Veterans Administration and the Defense Health Agency. During FY20, DAWDA also funded advanced classes, leadership training, career field/competency training, and professional conference/symposium attendance.

(a) DLA Insight into Industry Management Course:

This course, offered in partnership with the University of Virginia and a key educational element of DLA's Industry Engagement Program, delivers a learning opportunity for select AWF members to look through the eyes of industry for business solutions. Forty (40) participants attended the course during FY20. The class scheduled for March 2020 was cancelled due to COVID but the next in-person course is scheduled for October 2020.

(b) DLA “Training with Industry” (TWI):

This program presents participants with the opportunity to improve management abilities and professional competencies by partnering with prominent companies to accomplish career/organization-specific desired learning objectives. FY20 marked the graduation of the program’s inaugural class, which included four DLA employees who completed rotations with company participants FedEx, Microsoft, UPS, and Caterpillar. The program is currently on pause pending further decision by the Enterprise Resource Board.

(2) “Back to Basics”

On 2 September 2020, Ms. Lord signed the “Back to Basics” memo for the DOD AWF, which will “streamline the current functional area framework and prioritize limited training resources for those who develop, acquire and sustain operational capability.” This change, which DLA will implement over FY21, will realign the current 14 AWF career fields into six functional areas, and will include new certification and training constructs. It will be the major focus area for the DLA Acquisition Career Development Office in FY21, in close partnership with the DLA functional leads, J-codes and MSCs.

I. DLA Contracting Services Office (DCSO)

FY20 represented another active year of supporting DLA business operations and various external customers. Key FY20 accomplishments included:

- (1) \$1.4B+ in obligations - an all-time high for DCSO
- (2) 87,000+ contract actions
- (3) Small Business Goal Achievement of:
  - (a) 52.26% overall achievement, (Goal 44%)
  - (b) Small Disadvantaged Business (SDB): 25.47% (Goal 27.77%)
  - (c) Service-Disabled Veteran-Owned (SDVOSB): 11.89% (Goal 13.80%)
  - (d) Woman-Owned: 14.69% (Goal 11.10%)
  - (5) Hubzone: 8.25% (Goal 4.15%)
- (4) FY20 contractual highlights:

DCSO made continued use of our J6 Enterprise Technology Services (JETS) award vehicle, completing \$431M in obligations for the fiscal year. This Enterprise IT IDIQ program has consolidated J6 requirements under a single program and obligated over \$1.664B since the contract was originally awarded. JETS’ streamlined acquisition approach has resulted in \$448M in savings for DLA and an average Task Order PALT of 47 days.

As part of an emergent customer requirement, DCSO’s Philadelphia site awarded a contract in support of J62 to migrate DLA’s current ERP to the cloud. The two-year contract was awarded for \$191M (\$80M in obligations for FY20 and \$91M in obligations for FY21). The effort will migrate DLA’s ERP to SAP’s Secure HANA Cloud environment, providing a modern, upgraded platform to the DLA user by 2022.



DCSO also achieved a savings of \$6M (or 20%) on enterprise janitorial support. DCSO personnel worked with the DLA Installation customer and J7 service contract experts, identified specific areas of contractor efficiencies (manpower, supplies, processes, etc.) and rationalized/modified government requirements and standards through contract negotiations in support of the DLA Cost Transparency initiative to reduce DLA service contract costs.

In other high-visibility programs, DCSO's Columbus office worked to support a critical DLA Energy requirement related to Point of Sale, awarding contracts for development and testing to prepare for activation of the directory and the first quarter FY21 deployment of fixed devices (pedestals) and mobile devices (tablets) to capture worldwide fuel sales. The Columbus office also awarded five bridge contracts against previous Navy contracts (NIWC) to continue worldwide maintenance support for DoD fuel distribution sites.

#### (5) DCSO COVID-Related Activity:

DCSO supported the agency in its COVID response, by both contributing resources and executing contract actions that enabled contractors to continue performance and/or adapt to the physical limitations and sanitization practices. DCSO detailed seven personnel from the Philadelphia office to assist DLA Troop Support with emergent requirements supporting COVID material requirements. DCSO executed a major modification for sanitization for DLA building, numerous modifications allowing contractor personnel to work remotely and modified J1 training contracts to convert training from in-classroom training to virtual training. DCSO also awarded a new contract in support of J64 to acquire a variety of CISCO network equipment (i.e. servers) and associated software licenses valued at \$532K. Once implemented by J64, the CISCO products expanded webRTC capabilities for the DLA Enterprise, allowing all of DLA to utilize the webRTC product for virtual meetings during the COVID-19 pandemic.

#### m. DLA Strategic Materials

DLA Strategic Materials's FY20 activities supported the organization's mission to decrease and preclude dependence upon foreign sources or single points of failure for strategic materials in times of national emergency. The National Defense Stockpile currently holds 48 materials with an estimated \$858M fair market value. Accomplishments supporting that mission include:

#### (1) Required Congressional Reporting/Research & Analysis:

(a) Conducted data collection and modelling to support the FY21 Congressional Report on Strategic and Critical Material Requirements (over 140 materials reviewed).

(b) Developed and submitted FY20 Operations & Planning Report.

(c) Provided data to support congressional reports regarding materials like tantalum and rare earths. Additionally, DLA Strategic Materials supported Department of Commerce Section 232 investigations of electrical steel, titanium, and vanadium. Support included data mining, analyses of supply chains, as well as understanding Defense Department demand and domestic capability.

(d) Supported DLA Research & Development programs for qualifying domestically produced carbon fiber as a substitute for foreign-sourced rayon, qualifying MIL-A-159-D antimony trisulfide from North American sources, producing high-purity scandium from TiO<sub>2</sub> acid waste, establishing multiple sources for tantalum powder, and establishing a U.S. based source for the powder in collaboration with Army Research Lab (ARL). Continued investments in domestic production of nano-crystalline Alumina for hard ceramic armor strike face materials in collaboration with Naval Research Lab (NRL).

(e) Explored recycling initiatives including a proposal to establish a closed loop germanium (Ge) recycling program from the National Defense Stockpile (NDS) to support the National Security Space (NSS) Industry (Title III Office), boron carbide material recovered from damaged DoD body armor plates, lithium-Ion battery recycling for recovery of nickel and cobalt, and electronic waste recovery and recycling program for critical and strategic materials.

## (2) Sales Program:

Achieved \$61M in commodity sales revenue (94% of goal). Revenue generated from the sale of excess stocks supports the operational costs of the Stockpile. The loss in revenue was due largely to the impact of COVID-19 pandemic on the global economy and resulting loss of months of manufacturing demand for the materials offered for sale.

## (3) Interagency and Industry Collaboration

(a) Participated on interagency working groups such as the Space Industrial Base Working Group, Critical Energetic Materials Working Group, and National Science Technology Committee's Critical Minerals sub-committee. Used Stockpiling Act authorities to address industrial commodity supply risk.

(b) Held an Industry Day on November 18, 2019. Over 50 current and potential vendors discussed upcoming contract requirements; networks with the business community established.

## (4) Audit:

(a) Initiated new material inspection requirements to comply with audit and; focused on inventory and weight verification. In addition, had bulk ore piles digitally surveyed and scanned to verify bulk inventory weights.

(b) The review and completion of 12 PBCs by contracting staff with regard to the Sales Program and Acquisition contracts, as well as support for numerous audit requests and walk-throughs.

(c) Completed Quality Maintenance inspections on 100% of inventory per Operation Manual requirements.

## (5) Material Management:

(a) Oversaw all activities related to the receipt, storage, inspection, and maintenance of approximately 1.27 billion pounds of National Defense Stockpile inventory. Managed receiving and shipping of material (including management of hazardous materials),

transportation, safety and health at staffed locations, ensured environmental stewardship programs at inventory storage locations, repackaged mercury in Hawthorne, Nevada, and made significant progress on an environmental remediation project in Somerville, New Jersey. Created a secure contained storage area in Scotia, New York for low level radioactive materials; initiated and completed an amendment of a Nuclear Regulatory License and creation of a radiological dosimetry program to meet regulations and protect the safety and health of employees.

(b) Executed material upgrades to ensure inventory met DoD specifications for tin, developed and submitted acquisition package to upgrade germanium scrap to DOD spec germanium suitable for program use and to help limit reliance on foreign supplies. Reclaimed, cleaned, and sorted 277,000 pounds of nickel-based super alloys, and accumulated an additional 1.1 million pounds to be processed in 2021 & 2022 under existing 2019 contract, returning high dollar government excess material back to DoD.

(6) Environmental Stewardship:

(a) Granted a renewal of NRC License STC-133 for radioactive material storage at Scotia, New York, Depot. The license will be in effect until April 30, 2035 and will allow Strategic Materials to store, sample, repackage and transfer up to 2,000,000 kg of natural uranium and thorium mixtures as ores, concentrates, and solids at the Scotia facility. The Scotia Depot stores approximately 60,100 kg of radioactive tantalum ore concentrate; the natural uranium and thorium contained in this material is approximately 70 kg.

(b) Initiated environmental remediation clean-up at the former Somerville Depot, a site used to store Stockpile materials including chromite, zinc, aluminum, lead, ferrochrome, bauxite, and mercury. This restoration project represents a major accomplishment for Strategic Materials, addressing all contamination of concern. The remediation of this contaminated site will result in land that is restored to light industrial standard and available for use. The remediation builds off of work done in previous years, when Strategic Materials conducted environmental investigations to identify the types and amounts of contaminants in the soil, groundwater, surface water, and sediment contamination. Overall, this project will clean approximately 25 acres of contaminated soils and sediment, and clean the groundwater. The soil remediation activities should be wrapping up at the end of 2020.

# Defense Logistics Agency

## DLA Finance (J8)

### Fiscal Year 2019 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY, HISTORIAN

SUBJECT: Submission of the DLA Finance FY 2020 Annual History Input

I am pleased to forward the J8 input for the FY 2020 Annual History Report. FY 2020 has been a year with some exceptional challenges, whether it was supporting COVID 19 efforts, adjusting to a full time telework-centric workforce, managing cash and obligational authority, supporting the Defense Wide Review and other Department Reform initiatives as well as our continued work towards audit sustainment.

The attached report presents J8's many accomplishments this year, especially related to having fiduciary responsibility over \$40 billion in resources. In accomplishing our financial role, Warfighter support is always first and we seek new opportunities to reduce costs in these demanding times. We have many challenges ahead of us as we lead financial-related efforts to support the DLA Strategic plan. I look forward to meeting the demands coming our way.

A handwritten signature in cursive script, reading "J. Arthur Hagler".

J. ARTHUR HAGLER  
Director, DLA Finance  
Chief Financial Officer

## 1. Introduction

DLA Finance (J8) advises the DLA Director on financial matters and is the primary advocate for the agency in interactions with the Office of the Secretary of Defense (Comptroller) and Office of Management and Budget. J8 facilitates DoD mission requirements by providing financial leadership and guidance. It performs the full spectrum of financial management services to include accounting, programming, budgeting, execution, audit response, process management, process health, financial policy, human performance, and strategic planning. DLA Finance operates with integrity and accountability in a cost-conscious culture while maintaining strong relationships with internal and external partners.

J8 is headquartered at Ft. Belvoir, Virginia, and has offices at major subordinate commands named for the activity they support; (e.g., DLA Finance Troop Support). Subordinate command comptrollers report directly to the DLA CFO. Except for the DLA Finance Troop Support office, which is organized by supply chain, each major subordinate comptroller follows the same organizational framework as headquarters, with accounting, resource management, process management and process health divisions.

### a. Key events:

- (1) COVID-19 relief: obtained Coronavirus, Aid, and Economic Security Act funding; Warstopper Program support; and obligation authority.
- (2) Managed cash.
- (3) Audit engagement and remediation.
- (4) Transferred enterprise risk management to DLA chief of staff.
- (5) Deputy CFO accepted responsibility for the Audit Task Force.
- (6) Established a team to synchronize funding, financial performance, and business operations.
- (7) Max telework due to the pandemic.
- (8) Defense-Wide Review (DWR) 1.0 and 2.0.

### b. Key Accomplishments:

- (1) Obtained \$48.7B in obligation authority to support the DLA mission; investments generated \$41.5B in revenue.
- (2) Provided support to the Federal Emergency Management Agency, Department of Health and Human Services, and other federal customers. As of July 9, obligated \$1.1B for COVID-19.
- (3) Obtained \$500 million in Coronavirus Aid, Relief, and Economic Security Act funding.
- (4) Developed financial management tiles for the readiness dashboard.
- (5) Made progress towards an audit opinion.
- (6) Prioritized notices of findings and recommendations. Hired ten auditors to assist in closing corrective action plans.
- (7) Moved DLA Distribution from net-landed to market-basket pricing.
- (8) Acted as lead for DLA and the Department of Defense in G-Invoicing; determined resource requirements associated with delaying implementation.

- (9) Developed 21 unattended BOTs.
- (10) Proposed changing 10 United States Code 2208 to lift the \$1B cap on advances (pending).
- (11) Helped synchronize expected demand from the Military Services.
- (12) Corrected employee access to the financial system to ensure segregation of duties.
- (13) Participated in McKinsey & Co. reforms.
- (14) Supported moving DLA Industrial Hardware from DLA Troop Support to DLA Aviation and DLA Land & Maritime.
- (15) Worked with Defense Finance and Accounting Service to reduce manual workload.
- (16) Sought solutions for customers using “XP” (manual billing) fund codes.
- (17) Supported a Defense Department comptroller change to the standard fuel price.
- (18) Found \$70M to accelerate information technology modernization.

c. Key Challenges: FY20 was characterized by economic and environmental drivers:

(1) Managing cash and obligation authority: Over the past two years DLA has made substantial investments in the readiness of the military services. These investments, coupled with decreased customer demand and mandatory reductions, have stressed DLA’s cash posture and the agency’s ability to secure obligation authority.

(2) Meeting Cost Recovery Rate commitments amidst competing priorities: During the first Defense-Wide review, DLA identified \$1.6 billion in savings over the fiscal year defense program. We also committed to driving the cost recovery rate below 10% by FY 24. DLA is working with McKinsey & Co. to improve our cost management and transparency; we expect to generate additional efficiencies with automation and productivity enhancements. Competing priorities include Defense-Wide Reviews, information technology modernization, and G-Invoicing.

(3) Need to reduce use of XP fund code: DLA receives approximately \$9 billion in customer orders through manual billing each year, hindering its ability to view new customer orders. In FY 19, there was a \$5.5B delta between the Services’ budgeted orders and DLA’s sources, causing the Defense Department Comptroller to pull \$1.2 billion from DLA’s obligation authority for FY20 and FY21 and threatening additional reductions if DLA could not reconcile with the Services. DLA is working with its customers to reduce or eliminate manual billing by pushing MILBILLS, an automated process. In addition to reconciliation issues, manual processing increases costs and delays collections.

(4) Starting the end of Second Quarter, resources DLA shifted resources to address the nation-wide COVID-19 crisis. Financial resources are being used to track spending and sales at the line-item level.

## **2. Organization**

J8 operated as a virtual enterprise throughout much of FY 2020. The CFO focused his staff on the fundamentals of financial management. The expansion of documented policies and procedures must build off the growth in publications in FY 2019. Financial Systems and Data have made inroads in providing automated solutions. The result was robust data management

and predictive analytics. Process Health created plans and executed testing procedures that led to better business processes as DLA finalized packages for the independent public accountant to review.

DLA Finance implemented changes that allowed it to operate with fewer personnel over FY 2020. Some changes were:

- a. Financial Policy Office (J8A): realigned from Accounting Officer to DCFO.
- b. Operational Accounting (J81): separated into three branches aligned by fund.
- c. Business Financial Operations and Analysis (J83): developed a new branch to increase analytical capabilities.
- d. Service Provider Division (J84): established under the Accounting Officer.
- e. Financial Reporting (J85): created a branch structure to improve accountability.
- f. Financial Systems and Data (J88): established a Federal Financial Management Information Act Branch.
- g. Financial Improvement and Audit Remediation Division (renamed J89): In FY 2019, the Audit Task Force was established to provide leadership, policy, guidance, and oversight to comply with Office of Management and Budget Circular A-123 (excluding risk management). The Audit Task Force addressed material weaknesses and coordinated DLA's financial compliance and audit response functions. The Deputy CFO assumed management of the task force in FY 2020.
- h. Aviation: changed branch structure and staffing mix.
- i. Energy: realigned Process Health under Business Analysis and Integration Division; dual hats the deputy comptroller.
- j. Land & Maritime: separated Process Health and Process Management.
- k. Troop Support: established supply chain divisions with financial and accounting analysis and resource management offices under each.
- l. Disposition Services and Distribution: realigned several positions.
- m. Process Health and Process Management Mission and Functions: clarified roles and responsibilities.

General Order 07-19, 20 December 2019, established the DLA Enterprise Risk Management Program Review Office. This general order disestablished the Enterprise A-123 Branch (J841) and renamed the Service Provider Branch (J842) the Service Provider Division (J84). A new risk management office was established under the DLA Chief of Staff to emphasize its importance across the enterprise.

At the direction of the DLA Director, an integration cell was established to coordinate requirements and their financial impact with DLA Logistics Operations.





a. Other functions include:

- (1) Directing enterprise accounting, financial reporting, financial analysis, and headquarters accounting.
- (2) Updating policy relating to financial operations and reporting, providing policy guidance and coordinating policy implementation.
- (3) Accounting analysis and Enterprise Business Systems trial balance.
- (4) Maintaining the J8 Human Capital Strategy and Plan.
- (5) Development, maintenance, and coordination of education and training requirements.

b. The Major Subordinate Command comptrollers are responsible for:

- (1) Providing financial management in support of their command's programs and stakeholder requirements.
- (2) Administering the DLA Planning, Programming, Budgeting and Execution System for their command.
- (3) Preparing, formulating, justifying, and executing the Defense-wide Working Capital Fund budget for their command.
- (4) Presenting, justifying, and supporting budget estimates at hearings conducted by DLA, the Office of the Secretary of Defense, and the Office of Management and Budget.
- (5) Implementing DLA policy for pricing, to include cost recovery rates, developing sales estimates, and determining materiel obligation.
- (6) The timely and accurate recording of accounting transactions.
- (7) The accuracy of accounting information.
- (8) Overseeing services provided by the Defense Finance and Accounting Service.
- (9) Serving as their command's subject matter expert on financial process health.
- (10) Analyzing their command's reporting requirements and internal controls.
- (11) Serving as subject-matter experts for their command's financial system and process management.
- (12) Ensuring that accounting and financial systems are integrated.
- (13) Validating financial data, analyzing issues, and documenting requirements for corrective action plans.
- (14) Analyzing and reconciling accounts.
- (15) Defense-wide Working Capital Fund cash conservation plans.
- (16) Implementing funds holder policy.

c. Culture:

DLA Finance continued to have a strong culture! Maintaining a positive culture upholds DLA's core beliefs and values. J8 leadership sought to ensure a positive work culture for all employees. J8 continued to use its Human Capital Advisory Group (HCAG) to refine position descriptions and support job series realignment. The group reviewed all accounting position descriptions and consolidated several. It also reviewed several financial administration and program descriptions for accuracy and potential consolidation. They assisted the CFO in

developing multi-functional financial specialists who understand that events drive outcomes, updated communication plans and guidebooks, standardized processes, and reviewed human capital policies to ensure consistency in measuring and rewarding employees.

In FY 2019, DLA Finance formed the Fresh Focus Group for professional development, networking, and retention. The group's priorities align with the J8 Culture Action Plan by aiming to improve and increase communication, collaboration, and integration across J8; develop employees with increased productivity and confidence; create employee awareness of career paths; and shorten the bridge between senior leaders and the workforce.

The group's first initiative was employee retention. The Fresh Focus Group implemented J8's very first Onboarding Program, which included a reference guide, one-hour orientation, and 30-day follow-up. This onboarding program replaces the DLA Engage program.

The group is currently working on its second initiative, the rebirth of Fast Track, a previously-used career developmental program.

DLA Finance requires all employees obtain DoD financial management certification. It also has a mentor/protégé program to enhance competency, build collective knowledge, aid recruitment, strengthen retention, foster a cost-effective environment, and promote inclusive management.

#### **4. Total Personnel:**

Over the past two years, DLA Finance has maintained more than 600 employees against an authorized strength of 728. The CFO and DCFO have paused hiring to help the Director meet the agency's cost recovery rate goal. At the end of FY 2020, DLA Finance had 662 employees on-board with a total of 629 Full Time Equivalents.

#### **5. Historical Narrative**

DLA Finance played an important part in the agency's progress toward achieving the five lines of effort in the Director's strategic plan. The J8 Director, as CFO for the Agency, has the responsibility for cash management. He keeps the Defense-Wide Working Capital Fund operating with a cash balance between \$2.1 billion and \$3.8 billion. Throughout FY 2020, DLA addressed changes in the balance resulting from continued downward pressure related to readiness investments and cash conservation measures.

J8 supports the Warfighter by resourcing priorities as guided by the DLA Director and, at times, adjusting financing to react to emergency/natural disaster events.

##### **a. Cost Consciousness (Objective 5.1)**

##### **(1) Initiative 5.1.3: Monitoring DLA's Cost Recovery Rate**

(a) Provided financial performance analysis and advice to funds holders through training and technical assistance.

(b) Supported DLA's commitment to lower costs and rates through partnerships with McKinsey & Co. and other headquarters organizations.

(c) Developed plan for a library of policies and procedures to address a notice of findings and recommendations. The plan includes DLA Instruction 7100.01 “DLA Pricing Process” and at least ten standard operating procedures.

(d) Developed setting materiel prices and cost recovery rates

(e) Coordinated a cross-functional effort to develop a funding authority standard operating procedure for DLA’s whole of government partners and disaster response operations.

#### b. Auditability (Objective 5.2)

##### (2) Initiative 5.2.1: FY 20 DLA Audit Imperative

(a) Addressed material weaknesses with Working Capital Fund inventory, Fund Balance with Treasury, and information technology. Additionally, prepared for the FY 2021 Transaction Fund audit.

(b) DLA developed FY 20 audit priority areas in accordance with Department of Defense guidance. Initiatives to resolve material weaknesses with Working Capital Fund inventory, Fund Balance with Treasury, and information technology were developed while preparation for a Transaction Fund audit was started. These initiatives used plans of action and milestones to address both the A-123 program and audit remediation.

(c) Prioritized FY 19 notices of findings and recommendations for remediation, targeting 30% of the 480 total for closure in FY 20. To date, DLA has submitted 68 (over 14%) validation packages to Ernst & Young. Of these, J8 targeted 35 for FY 20. As of June 2020, three J8 validation packages have been submitted for closure. A number of the notices of findings and recommendations (9) related to System and Organization Control are expected to close by the end of the fiscal year.

(d) Defined end-to-end processes: In FY 2020, cross functional teams documented end-to-end business processes for inventory and the Transaction Fund.

(e) Standardized annual operating budget documents for operationalized activities and revamped the budget checklist to clarify evidential matter and reduce complexity, shrinking it from four pages to one.

(f) Improved auditability of DLA’s use of third party service organizations.

(g) Coordinated with the Audit Task Force to assign an Enterprise Business Cycle Owner for each System and Organization Control report.

(h) Developed a standard operating procedure and training on evaluating System and Organization Control reports.

#### c. Value Innovation (Objective 5.3)

##### (1) Initiative 5.3.1: Cash Management

(a) Documented requirements for Financial Supply Chain Management, an SAP accounts receivable module that accounts for over-aged data.

(b) Created upper and lower limits to define the agency’s financial health on the readiness dashboard.

d. Mitigate Risks (Objective 5.4)

(1) Initiative 5.4.3: Financial Internal Control Execution Plan

(a) Developed DLA Instruction 7000.02 “Delegation of Authority” and Standing Operating Procedure 7200.01-007 “DLA Finance Delegation of Authority Process” for appointing, controlling, and managing J8 delegations and addressing risk of foreign nationals as approving officials.

(b) Improved A-123 training: The DLA Enterprise Risk Management Program Management Office published DLA Instruction 5010.40, *Management’s Responsibility for Enterprise Risk Management (ERM) and Risk Management and Internal Control (RMIC) Program*, with Risk Management and Internal Control responsibilities for all Agency organizations. It also hosted training on policy and guidance. Each DLA organization has since identified assessable unit managers and risk and internal control administrators.

(c) Administrators and managers submitted work products, which the program management office compiled to create the annual DLA Statement of Assurance. The risk profile is presented through the senior risk management team and senior management council for DLA Director’s signature.

(d) Drafted a standard operating procedure for DLA Finance Disposition Services’s A-123 Manager’s Internal Control Program.

(e) Expanded DLA Finance Disposition Services’s risk control matrix. Tested for the execution of responsibilities, procedures, internal controls, evidential matter, and data validation.

(f) Implemented monthly reviews of A-123 results, metrics, and corrective action plans to mitigate identified risks.

(2) Initiative 5.4.4: Net Realizable Value Redesign

(a) Led efforts to correct financial reporting for excess, obsolete, and unserviceable inventory.

(b) Published *DLA Disposition Services Accounting for Excess, Obsolete, and Unserviceable Inventory*. The paper presented process flows, financial statement impact scenarios, regulatory guidance, and capability requirements for changes in the valuation and financial statement reporting (posting logic).

(c) Aligned DoD policy with generally accepted accounting principles to create DLA Standard Operating Procedure 7204.01-002 – *Methodology for the Calculation of the Net Realizable Value (NRV) Factor*. Obtained approval from the Office of the Undersecretary of Defense for Acquisition and Sustainment and two Office of the Secretary of Defense components: Financial Improvement and Audit Readiness.

(d) Wrote change requests and implemented inventory valuation adjustments.

### (3) Initiative 5.4.5: DLA Trial Balance Management

(a) Published Standard Operating Procedure 7710.01-004 “Electronic Business System Trial Balance Management” to minimize required research and optimize probabilities of identifying transactions requiring action.

(b) Published DLA Instruction 7920.01 “Use of System Reports to Support the Financial Reporting Process.” The policy addressed twelve notices of findings and recommendations.

(c) Implemented robotic process automation tools for routine data extracts.

(d) Conducted training on interim guidance.

(e) Addressed a notice of findings and recommendations by updating Standard Operating Procedure 7203.01-001 “Accounts Receivable.” This standard operating procedure established suspenses for reviewing advances granted natural disaster responses.

(f) Provided recommendations for updating Standard Operating Procedure 7204.01-003 “Maintaining Strategic Materials Inventory Beginning Balances.

(g) Identified trial balance omission of cost transfers. Developed a tool to partially automate process and mitigate risk.

(h) Implemented manual reconciliation of Funds Balance with Treasury to capture the inflow/outflow activity.

(i) Submitted three correction action plan closure packets.

(j) Implemented the Office of the Secretary of Defense’s guidance.

(k) Reduced unmatched disbursement balances.

### (4) Initiative 5.4.6: Skill Gap Training

J8 began preparing for emerging and future mission requirements by implementing strategies to maintain a high performance workforce. Actions included:

(a) Renewing an internal skills assessment

(b) Updating training material and conducting 60 formal training sessions for the J8 workforce.

(c) Hiring ten people with government or commercial audit experience to support the Enterprise (DLA Aviation, DLA Distribution, DLA Disposition Services, DLA Energy, DLA Land & Maritime, DLA Troop Support, DLA Finance/DLA Human Resources, DLA Logistics Operations, DLA Acquisition/DLA Installation Management, and DLA Information Operations).

### e. Transform Cost Structure (Objective 5.5)

(1) DLA Distribution identified issues with its pricing structure that were negatively affecting the global distribution network. The structure previously used, net landed costs, failed to align the cost of handling material with revenue. Net landed costs determined the cost of handling material by item weight, grouping items into one of four broad bands. It largely ignored other material characteristics such as where in the warehouse material is stored, customer purchasing practices, and special characteristics. The process was not competitively priced. It overcharged for small, easy to handle items and undercharged for large, hard to handle

and specialty items. This pricing structure encouraged customers to outsource to commercial facilities, negatively affecting the entire distribution network. Outsourcing, in turn, led to duplicative payments and sub-optimized networks.

(2) The team developed Market Basket as a replacement. Market Basket aligns rates with processing categories. These processing categories rely on standard processing times and thus capture the difficulty associated with processing material. Time or effort drives rates. Market Basket supports the global distribution network by right sizing the cost of handling material. Small, easy to process items – those most frequently pulled – decrease in cost. Market Basket pricing is forecasted to reduce subordinate command distribution bills by 10%.

(3) The team developed tools for automation, analyzing material characteristics, and establishing rates. It also developed algorithms for annual rates, generated customer estimates, and designed a parallel billing environment for simulation.

(4) Leveraged the reform effort to revamp the cost allocation methodology for over 25% of J6's Defense-wide Working Capital Fund budget, increasing transparency and empowering DLA Finance commands to make cost-conscious decisions.

## **6. Achievements and Milestones**

### **a. Non-COVID-19**

(1) Implemented General Order 05-20 (May 11, 2020) which restructured management roles and responsibilities.

(2) Established priorities in accordance with audit findings, Office of the Undersecretary of Defense (Comptroller) goals, and the DLA Director's strategic plan.

(3) Used Enhanced Financial Analytics and Metrics for data visualization and analysis.

(4) Updated the agency's agreement with the Defense Finance and Accounting Service.

(5) Implemented a plan to remediate accounting backlogs.

(6) Assessed deficiencies driving accounting backlogs and unsupportable beginning balances.

(7) Coordinated requirements for electronic funds distribution with stakeholders and the Defense Finance and Accounting Service. Electric funds distribution is replacing the Programming Budget Execution System as the system distributing Treasury Index 97 (DoD) funds.

(8) Successfully reviewed five performance-based logistics contracts, two at DLA Land & Maritime and three at DLA Aviation.

(9) Reduced Warehouse Management System variances with Enterprise Business Systems by developing a "3 way match" among feeder systems.

(10) Worked through the DoD Chief Management Officer's objective memorandum process for DLA's General Fund:

(a) Developed and refined scenarios for 6% fiscal guidance reduction.

(b) Adapted a scoring methodology tied to the National Defense Strategy.

(c) Held multiple sessions with DLA leaders and stakeholders to arrive at a "1 to n" listing, binning General Fund programs into three categories.

(d) Identified DLA's top priorities for "buy back."

(e) Developed a General Fund briefing for the Office of the Secretary of Defense.

(f) Provided budget details to support the Office of the Undersecretary of Defense (Comptroller) database.

(11) Reestablished the Fund Holders repository. The repository provides a central location for delegation of authority documentation.

(12) XP fund code reductions: Recommended language that DLA Disposition Services can use while writing general terms & conditions.

(13) Assisted in agreements with U.S. Army Corp of Engineers and Navy Facilities Engineering Command to reduce manual billings for hazardous waste turn-ins.

(14) Assisted DLA Disposition Services in creating an “Excess to Disposal” business cycle.

(15) Supported multiple DoD Inspector General audits of foreign military sales. Engaged the whole of government to convene a summit to discuss foreign military sales processes, procedures, and financial reporting.

(16) Co-lead for Enterprise Warehouse Management System implementation.

(17) Reinforced system requirements for local stock numbers, which ensured correct recording and receipt by Enterprise Business Systems.

(18) Participated in the financial reconciliation of DLA Disposition Services’s floor-to-book inventory. Identified multiple deficiencies and balanced inventory counts with the command’s reconciliation team.

#### b. COVID-19 Support:

(1) Troop Support received almost \$2.1B in obligation authority for personal protection equipment. Financial teams for the Medical, Subsistence, Construction & Equipment, and Clothing & Textiles supply chains were all absorbed in COVID support.

(2) Provided daily reports of the associated acquisition of support items value to DLA Disposition Services.

(3) Established tracking tool for COVID-specific spending.

(4) Provided direct vendor support to small businesses experiencing financial hardship. These payments sustained operations in a time of uncertainty.

# Defense Logistics Agency

## DLA Joint Reserve Force (J9) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

J9  
21 Oct 20

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: DLA Joint Reserve Force (J9) Fiscal Year 2020 History Report

I have reviewed the JRF's submission for chronicling Defense Logistics Agency history for fiscal year 2020 and would like to forward my endorsement.

You may contact me with any questions at 571-767-7277 or [Kristin.Kremer@dla.mil](mailto:Kristin.Kremer@dla.mil).

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KRISTIN D. KREMER  
Deputy Director  
DLA Joint Reserve Force

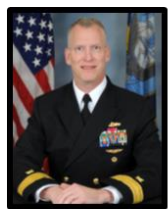
Attachment: DLA Joint Reserve Force (J9) Fiscal Year 2020 History



## 1. Introduction

The Joint Reserve Force (JRF) is a two-star Directorate led by a Navy rear admiral (upper half) and supported by a full-time staff of Army and Navy active-duty service members and DoD civilians. Under the Director and Deputy Director are three divisions – J91 (Personnel), J93/7 (Operations, Training, and Readiness), and J95/8 (Joint Plans, Policy, and Finance) – and special staff (Special Assistant to the Director, Public Affairs and Judge Advocate General). Reserve joint team leads (JTLs) serve as the Directorate’s liaisons with key components. They are located with their components but report to J9 Director. For FY 20, the joint reserve force had JTLs with DLA Logistics Operations, DLA Aviation, DLA Disposition Services, DLA Distribution, DLA Energy, DLA Land & Maritime, and DLA Troop Support.

## 2. Organization



**DLA Joint Reserve Force (J9)**  
**RDML Grafton Chase, Director**  
**Ms. Kristin Kremer, Deputy Director**



DLA HQ, J9  
*USNR SEL*  
CMDCM Butler



DLA HQ, J9  
*USAFR SEL*  
CMSgt Blanc



DLA HQ, J9  
*USAR SEL*  
SGM Timmons



DLA HQ, J9  
*XO/COS*  
CAPT Musselman



DLA HQ, J91  
*Personnel*  
COL Richards



DLA HQ, J93/7  
*OPS/Training*  
CAPT Buehler



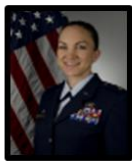
DLA HQ, J95/8  
*Strategic Plans*  
Col Stewart



DLA HQ, J9  
*Special Staff*  
CAPT Shelton



DLA HQ, J3  
*Joint Team Lead*  
COL Brown



DLA Aviation  
*Joint Team Lead*  
Col Schultz



DLA Energy  
*Joint Team Lead*  
COL Kirkpatrick



DLA Disposition  
*Joint Team Lead*  
CAPT Lorie



DLA Distribution  
*Joint Team Lead*  
CAPT Schmitt



DLA Land & Maritime  
*Joint Team Lead*  
LTC Kostic



DLA Troop Support  
*Joint Team Lead*  
COL Smith

### 3. Total Personnel:

Authorized Funded Billets		Billets Assigned by Location	
Navy Reserve	326	DLA Headquarters J9	38
Navy Full-time Support	3	DLA Headquarters J9 Staff	14
Army Reserve	191	DLA HQ JCASO	16
Army Staff	5	DLA HQ J3	30
Air Force Reserve	127	DLA Central	4
Marine Corps Reserve	14	DLA Europe & Africa	13
Civilian Staff	6	DLA Pacific	4
<b>Total</b>	<b>672</b>	DLA Aviation	34
		DLA Disposition Services	201
<b>Full-time Staff</b>		DLA Distribution	191
Full-time Equivalent	6	DLA Energy	52
Army Guard Reserve (AGR)	5	DLA Land and Maritime	35
Navy Full-time Support	3	DLA Troop Support	40
Total	14	Total	672

### 4. Budget

The J9 budget and Audit Task Force (ATF) budget were separated in FY20, though administrated by the J9. They are independent programs, not consolidated as in past FYs.

Budget Categories	Amount	Percentage
Labor (Civilian)	\$746,000	85.55%
Contracts	\$69,283	7.95%
Travel	\$40,117	4.60%
Supplies	\$3,727	0.43%
Training	\$12,873	1.48%
<b>Total</b>	<b>\$872,000</b>	<b>100%</b>
ATF Travel	\$20,000	6.00%
ATF Contract	\$313,000	94.00%
<b>Total</b>	<b>\$333,000</b>	<b>100%</b>

### 5. Historical Summary

#### a. FY20 JRF Lines of Effort (LOE) and Initiatives

<b>DLA LOE</b>	<b>DLA Objective</b>	<b>DLA Initiative</b>
LOE 1: Warfighter First	OBJ 1.2: Readiness and Lethality	Initiative 1.2.1: Provide DLA with trained and ready reservists to support world-wide missions by maintaining individual readiness and filling authorized billets.
LOE 1: Warfighter First	OBJ 1.2: Readiness and Lethality	Initiative 1.2.2: Enhance DLA's global support capability by executing 100% fill rate at least 180 days prior to Boots on Ground (BOG) date.
LOE 1: Warfighter First	OBJ 1.2: Readiness and Lethality	Initiative 1.2.3: Maximize JRF mission support to achieve the operational effectiveness that DLA and our Customers expect.
LOE 2: Global Posture	OBJ 2.3: Expeditionary Capabilities	Initiative 2.3.1: Posture the JRF to provide greater expeditionary capabilities in supporting DLA's missions globally.
LOE 2: Global Posture	OBJ 2.5: Joint Reserve Force	Initiative 2.5.1: Assess current Joint Reserve Force (JRF) capability to meet DLA requirements.
LOE 2: Global Posture	OBJ 2.5: Joint Reserve Force	Initiative 2.5.2: Enhance JRF training and readiness by implementing a JRF CapabilityBased Training Model.
LOE 3: Strong Partnerships	OBJ 3.2: DoD and Interagency Partnerships	Initiative 3.2.1: Increase JRF joint exercise participation and support to Regional Command exercise activities.

#### b. LOE 1: Warfighter First

The Joint Reserve Force (JRF) continued its extraordinary response as evidenced by its latest Health of the Agency (HOA) Review to the DLA Director, showing a 90% billet fill rate across the JRF, 94% dental readiness rate, and 93% medical readiness rate. Mobilization tracked upward throughout the year, outpacing the previous FY. Despite the COVID-19 pandemic, mission support, was higher than the last FY by nearly 5%, demonstrating the JRF's flexibility in responding to global events.

Essential to the "Warfighter First" LOE is a balance in fill rates across the services as well as major subordinate commands (MSCs). The Navy Reserve fill rate remained steady at 93% overall, with one unfilled officer billet and 22 vacant enlisted positions. The Marine Corps Reserve reported a 93% fill, with one vacancy in the officer corps. The Army Reserve posted an 89% fill, which included 21 unfilled positions, and the Air Force Reserve saw its fill rate fall to 80%, with 26 vacant billets.

Across the MSCs, fill rates remained consistent, enabling each to fulfill its mission and execute the JRF's vision. Reported fill rates across the MSCs were: DLA Aviation 94%; DLA Disposition Services at 92%; DLA Distribution at 92%; DLA Energy 75%; DLA Headquarters and regional commands 86%; DLA Land and Maritime 91%; and DLA Troop Support 90%.

The JRF was instrumental in DLA's support to the Warfighter. Augmentation to the Audit Task Force (ATF) helped the agency focus on enterprise risk management and internal

controls. DLA Headquarters personnel contributed numerous hours during drill periods and off-duty hours supporting the ATF.

Contributing to mission success, the JRF Academy Workgroup (JAW) met on April 23 and agreed to convene regularly every 2-3 weeks, after structuring a concept for the Academy based on the initial guidance of the former Director: to enable access to the DLA 101 course for JRF new joins. Additionally, the JAW explored courses of action (COAs) and their associated costs. The COAs represented a transformation opportunity for the JRF. The group will be reaching out to JTLs, specifically from DLA Distribution and DLA Disposition, to validate the possibility of developing a unified curriculum.

JRF Aviation service members have been working under the Customer Operations Directorate for many years. During drill periods between October 2019 and March 2020, they researched approximately 2,000 national stock numbers (NSNs). This research was instrumental in locating surplus material and expediting emergency buy packages. The workload assumed and contributions made allowed full-time resources to be reprogrammed.

JRF Aviation personnel also expanded into the Supplier Operations Directorate this year, providing mission support by researching 294 vendors/companies, vendor supportability, and contract validity. This work cleaned up and reduced lead times with contractors, increasing “Readiness and Lethality” and building “Warfighter Trust.”

DLA Disposition Services’ JRF members reorganized personnel and missions in its Disposition Services Units (DSU) to drive readiness and ensure mission-ready Soldiers and Sailors. Reservists have provided over 1,900 hours of contributory support, processing more than 34,000 line items year to date. The JTL hosted the Annual Leadership Summit and saw representatives from each DSU meet with their civilian counterparts in order to maximize operational effectiveness.

Per DLA Headquarters JRF, Distribution JRF completed a reorganization, submitting draft Joint Organizational Structure charts on July 31, 2020. The reorganization includes extensive changes to three Expeditionary Distribution Support Units: Susquehanna (EDSU-SP), Atlanta (EDSU-WG), and Norfolk (EDSU-NV).

DLA Distribution JRF Headquarters provided 1,320 hours of support valued at \$42,240 cost avoidance, supporting internal and external customers in the areas of transportation, personnel and other security, and escort services. Mission support by EDSU-WG (1,386 hours) and EDSU-SP (432 hours) provided cost avoidances of \$44,352 and \$13,824, respectively. JRF Distribution members contributed 408 hours of operational support to OPERATION PACER GOOSE.

DLA Energy JRF members enhanced the global warfighter’s support through a reorganization. By exercising a true joint structure and joint rating schemes, a better understanding of the joint mission occurred. Regional support was another byproduct of this reorganization effort.

#### b. LOE 2: Global Posture

In response to the JRF “Global Posture” LOE, leaders must assess the current Joint Reserve Force capability to meet DLA requirements by aligning JRF capabilities to achieve wartime requirements. Defining the JRF Rapid Deployment Capability was part of this effort.

Headquarters personnel researched reservist availability for Materiel Management Contingency Training (MMCT) in late FY19, offering the course to members of the Joint

Reserve Support Team (JRST) and other DLA personnel. The headquarters team stands at 92.7% manning as of August 6; the USMC and USA are at 100%; the Navy at 92% and USAF is 82%. DLA Headquarters personnel used annual training (AT) days in support of the JCASO Annual OCS Community of Practice Summit July 15-26. A review of the Memorandum of Instruction (MOI) and WARNO for the May 2020 Annual Leadership Review (ALR) began in September. The publishing of a MOI and WARNO to the JRF JTLs occurred in October 2019. ALR moved from May 2020 to AUG 2020 due to COVID-19. Three headquarters service members supported DLA Exercise RDT 20-1 at Camp Attebury, Indiana.

JRF Aviation drilled onsite from October through March 2020 then transitioned to an all-virtual drilling environment in May 2020 in response to the COVID-19 pandemic. This flexible response proved their *Global Posture* and preparedness for immediate action through a newly discovered “Strategic Positioning” as a Joint Reserve Force. The DLA Distribution operations officer was instrumental to the unit’s first-ever Virtual Battle Assembly (VBA) performed by Reservists. He was lauded by leadership for his efforts in the development of a myriad of standard operating procedures to codify and document unit member contributions during VBAs while coordinating and facilitating the VBAs from his computer as a hub for all communications.

All service personnel assigned to the JRF completed all FY20 General Military Training/Total Force AT, some via Microsoft Teams and others online during the VBAs. Over the year, JRF Aviation readiness levels increased by over 20%, enhancing the ability of the reservists to and posture for expeditionary operations.

The Disposition MSC experienced a significant impact on its global posturing due to the COVID-19 pandemic. One team member redeployed from Afghanistan in March because of COVID-19 while all other members extended their deployments in Kuwait. One officer deployed to U.S. Army Europe G-3 on Active Duty Operational Support (ADOS) orders and extended throughout FY20 to assist in COVID 19 mitigation efforts. Unable to proceed to Afghanistan due to the COVID-19 pandemic, one officer pivoted from mobilizing in support of Distribution operations in CENTCOM to serving as the Distributed Mobilization Officer for Navy Region Northwest. Twelve members of DSU-1 provided over 960 hours of post-COVID 19 support to DLA Disposition sites at Joint Base Lewis-McChord and Fort Bragg.

Despite the impact of COVID-19, several Disposition service members deployed forward in support of DLA missions abroad. One officer mobilized to active duty in May 2020 with DLA Distribution at Camp Lemonnier, Djibouti, while an enlisted member mobilized to active duty in August 2020 at Camp Arifjan, Kuwait. Four enlisted members of DSU-1 deployed to the CENTCOM area of responsibility (AOR), supporting DLA Disposition operations in both Kuwait and Afghanistan. One sailor mobilized in June 2020 to support DLA Disposition Services in CENTCOM.

The DLA Distribution J9 is finalizing FY20 AT Expeditionary Distribution Support Unit assignments for world-wide Exercise Support and Distribution Center support, with EDSU alignment to the COCOMs as one planning factor, as well as other important considerations. Planned FY20 exercise support includes Defender 2020, Rim of the Pacific (RIMPAC), Pacific Sentry, OPERATION PACER GOOSE, and Ulchi-Freedom Guardian (UFG). Distribution Centers to be supported during ATs include: Germersheim Germany, Pearl Harbor HA, Sigonella IT, Hill UT, Corpus Christi TX, San Joaquin CA, and Susquehanna PA.

DLA Energy demonstrated capabilities in supporting DLA’s missions globally through deploying three personnel to the CENTCOM area of operations, with one member deploying to Kuwait for 364 days and two service members deployed to Kabul for six months each.

### c. LOE 3: Strong Partnerships

The purpose of the “Strong Partnerships” LOE is to integrate reservists into DLA exercises to develop wartime skill sets and further assimilate the JRF into their active duty and civilian units. The JRF will increase experience and capabilities in those regions through exercise participation while simultaneously supporting the DLA mission. The leveraging of JRF Resources using Headquarters Reservists in support for Agency audit efforts continued in FY 20. ATs taken by four Headquarters personnel (two officers and two enlisted members) contributed more than 312 hours since last FY.

Under the direction of the DLA Aviation commander, the DLA Aviation Joint Team Leader worked within the MSC to find a way to integrate better. For the last several years, JRF Aviation has been aligned solely to the Customer Operations Directorate in the MSC. This alignment is valued and required; however, the JRF team was not doing the most to support the Aviation mission due to this placement.

In February 2020, DLA Aviation and J9 leadership were briefed on an integration strategy developed by JRF Aviation over four-months. The starting phase of integration occurred organically during the initial VBA in May 2020. The JRF Aviation leadership recognized a capability gap in systems access during the initial VBA planning stages. This event highlighted the operational readiness issue at the moment, causing a natural alignment to the missions within the MSC that allowed for support with and without systems access from home; Customer Operations Directorate and the Supplier Operations Directorate were the clear choices for workload during this time.

The JRF Aviation leadership found the natural divide between personnel for the two mission support teams based on their at-home access to DLA systems and their background in DLA support. The Customer Operations team performed mission support workload on Army and Navy Aviation weapon systems, researching 86 National Item Identification Numbers and 184 line items for backorders, which were older than three years.

The Supplier Operations mission support team of joint Reservists had its test flight during the May VBA. The outcomes were so successful that the workload and team alignment to the Directorate was carried forward and became one of the new MSC business areas for MSC integration for the JRF. During the VBAs, the team was able to work with the DLA Aviation Supplier Operations Director, to review the DLA Supplier Database to identify active DLA suppliers. The team collaborated to research over 674 suppliers, finding 24 suppliers who had gone out of business and helping the DLA Aviation supply chain to reduce long lead times.

The DLA Aviation Air Weapons System Integrator was vital to the coordination and concept development of the DLA Aviation Supplier Operations integration strategy. He collaborated with our agency partners to find solutions that “optimize[d] DLA support to sustainment operations, government efficiency.” This mission support team consisted of 14 different members from across the unit. The team was composed of mainly new gains and those members who did not have access to DLA databases, Government Networks, or even Common Access Cards (CAC). This diverse team adapted and overcame obstacles through the use of open-source market research sources and virtual training, enabling them to support despite the challenges of the virtual battlespace.

Mission support efforts, uncharted MSC integration strategies explored, and the successful outcomes by the joint total force teams, synchronized efforts towards strong, lasting

relationships with critical stakeholders, while working in an unfamiliar virtual environment to achieve the objectives of the LOE Strong Partnerships.

In January and February 2020, Distribution JRF supported a high priority DLA Distribution Europe (DDDE) Mission at Gernersheim Germany via AT support. Members processed 20 trailers of material resulting in:

- (1) Kind Count Condition (KCC) inspected items: 81,340 items
- (2) Total receipts processed: 4,962
- (3) Items Identified for Transshipment: 105
- (4) Items Warehoused: 2,485

DLA EDSU-SP's hard work, attention to detail, and initiative led to over \$7 million of AJ2 stock material returned to issuable inventory. The team provided 862 man-hours, saving DLA roughly \$20k in civilian overtime.

A high priority, high volume DLA Distribution Susquehanna inventory mission emerged at the top AT requirement June-September 2020. Thirteen members completed ATs during the June/early July timeframe, exceeding expectations in terms of rate completed per hour. The inventory mission also provided the opportunity for members to increase skills on the Distribution Standard System (DSS), which is the primary automated system used for Distribution operations at all Distribution Centers. The second wave consisting of twenty members started in July. The third wave of 54 personnel started orders in August.

June-July 2020, OPERATION PACER GOOSE 2020, resupply has been an ongoing success with EDSU-NV's warehouse support. Working alongside their civilian counterparts, EDSU-NV wrapped over 600 pallets following COVID-19 regulatory requirements, consolidated 11,134 pieces of freight, and checked over 4,517 parcels into location. EDSU-NV manifested and delivered 25 shore-to-ship pallets of HAZMAT material valued at \$40,375.

Disposition DSU-2 has provided over 1,900 hours of contributory support, processing more than 34,000 line items FY20 YTD, in addition to establishing contact and face-to-face introductions with DLA Distribution active duty leadership on Anniston Army Depot.

Fourteen service members from Distribution EDSU NV provided 364 hours of contributory support for a cost avoidance of \$11,648. Members sorted and packed over 600 HAZMAT items, including forklift operation, sorted 98 frustrated items, initiated transshipment of 23 items, executed customer service research on 11 items, developed ISDR reports for eight items, and facilitated Material Turn In for 14 items. In total, EDSU NV processed 754 items over the drill weekend in direct support of DLA Distribution NV. EDSU NV DSS accesses were checked for 100% of members present.

Fifteen EDSU WG members provided 120 hours of contributory support to DLA Distribution Warner Robins, Oct 4-5, valued at \$3,840, to include 63,004 items of Kind Count Condition (KCC), 8,263 Line Items of Pick/Pack/Ship, and 6,997 Line Items of High Priority MRO Items. Forty-two hours of forklift movements, which included 86 pallets, 831 items with no safety issues. Conducted planning for FY20 support of Defender 2020 and RIMPAC 20

EDSU San Joaquin (EDSU-JC) members provided 536 hours of contributory support for a cost avoidance of \$17,152. The primary areas of operational support provided to DLA Distribution JC were UGR Dry Goods palletization, General consumable parts bin packing, and CCP outbound shipment palletization.

#### d. LOE 4: Whole of Government

JFR's initiatives in response to the "Whole Of Government" LOE, maximized reserve contributions to contingencies through the development and exercise of a deliberate response capability tailored to interagency response scenarios. The Headquarters element contributes two officers to the Agency Synchronization Operations Center (ASOC) in Watch Officer support efforts. Two semi-annual recall notification exercises to ensure accountability were conducted and were successful in their speed of execution and accuracy of results.

During the COVID-19 Pandemic, JRF Aviation personnel offset the workload of the full-time staff. Reservists enables DLA to increase effectiveness with government partners during times of crisis or in a steady state situation.

JRF Aviation remains a trained and ready force to that end. Personnel receive training as part of their functional expertise or technical training based on their service career specialty and how they align within the MSC. There were three Navy reserve personnel assigned to the JRF who hold civilian positions in DLA Aviation. As a result of their civilian positions, they are trained and ready assets with the requisite system accesses and ability to train new personnel on a moment's notice. Newly assigned JRF members have benefited from access to various operating systems and on-the-job training. JRF Aviation continues to stand at the ready every year to support DLA's hurricane response effort under the National Response Framework, as well.

Ten Distribution JRF members served on Active Duty Special Works (ADSW) Hurricane Support orders from July 6-September 30, 2020. These members supported Distribution Recovery Operations as members of DDXX Expeditionary Teams at DLA Distribution Susquehanna (7 members) and Norfolk (3 members).

For the Oct-Nov 20 time period, Distribution JRF members are on standby to assist DDXX teams if needed for Hurricane Support, using ATs as a funding mechanism. The Distribution support plan for Summer/Fall 2020 Hurricane Support is a work in progress within J9, with several COAs under consideration.

#### e. LOE 5: Always Accountable

The JRF will continue to augment DLA audit response efforts with qualified JRF personnel and support. The JRF Headquarters service members provided 45 days of contributory support to the ATF this FY. Specific duties have focused on OBJ 5.2 (Auditability) and OBJ 5.4 (Mitigate Risks). DLA Headquarters leadership is working to resource additional service members to support the ATF, with one Air Force IMA identified to support the ATF from 12-24 May. Current efforts are underway to review and publish an updated Joint Reserve Force General Order, headed by an Army officer.

In response to COVID-19, the JRF leadership undertook several initiatives to review internal processes, update policies, and standardize procedures. The release of "Joint Reserve Force (JRF) Accountability Procedures," on May 15, 2020, implemented policy, assigned responsibility, and provided procedures concerning Reservist accountability. On June 3, 2020, a J-9 Memorandum from the Director, "Joint Reserve Force (JRF) Establishment of Joint Rating Schemes and Joint Evaluation Procedures Policy" was released, codifying a joint scheme for evaluations across the JRF. An eSOP, "Joint Reserve Force (JRF) Reconstitution Framework and Guidance," was released on June 19, 2020, to provide an outline of steps for returning JRF



Reservists to pre-COVID-19 inactive and active statuses per Service, regional, state, local, and Agency policies.

The JRF Aviation unit prioritizes both personal and professional accountability. During the virtual operating environment caused by COVID-19, the government recognized savings in travel costs for 21 members residing further than 50 miles from their drill site. Assuming the full \$500 reimbursement for each member's travel per the Joint Travel Regulation, this reduction saved the government \$31,500 in travel pay. Utilizing the same number of members who require billeting during the same timeframe (assuming a government rate of \$75 average per member/per night) saved the government \$9,450 in lodging expenses. The total estimated savings for JRF Aviation during an all virtual working environment is at least \$40,950.

JRF Aviation also realized a work production increase during the same timeframe. An additional three JRF members participated during the virtual drills, fully engaged with the workload for roughly 10 hours x 3 days each work period. With the limited time for breaks and distractions, the JRF Aviation mission support and MSC contributions increased by about 20% overall!

The VBAs also enabled MSC mission support growth and integration in ways that were not previously easily identifiable. The lack of CAC-access (about 50% of JRF) allowed our team to grow into a new mission support area assisting the Supplier Operations Directorate in researching the validity of vendor contracts. This initiative was a break-through growth area that the MSC will support beyond FY20.

The J9 Director's vision for the Joint Reserve Force materialized due to the all-virtual operational setting. Many service members chose to reschedule drills to participate in this new virtual setting as part of the joint unit. This small adjustment in operations enabled the JRF to fully realize it's "jointness" during the VBA's – as all four services saw representation at nearly full strength!

#### f. People and Culture

The JRF Headquarters welcomed the new Director, RDML Grafton Chase, aboard to begin the fiscal year as well as Colonel Lance Brown (Army), serving as the JRF J3 liaison. RDML Chase presented five Distinguished Meritorious Service Medals (DMSM), three Joint Service Commendation Medals (JSCM), and one Joint Service Achievement Medal (JSAM) to Headquarters personnel in recognition of their extraordinary service to the JRF mission over FY20. Two Army officers retired after many years of honorable service, while five Army service members, two officers and three enlisted, received promotions to the next higher grade.

Several of the JRF Aviation's personnel received awards in recognition of their exemplary service to the JRF. One member received the DMSM for extraordinary service over five years at DLA, including a deployment to Australia. One service member, in recognition of their eight years of service, received the JSCM. Three others received recognition in the form of a JSAM, including two service members for their work with DLA Aviation's Army Customer Facing Division in the Customer Operations Directorate.

The JRF Aviation Cultural Committee meetings continued every drill weekend this year. The JTL and senior enlisted leader (SEL) developed a strategy to continue to solicit feedback from the unit throughout the year on a 6-month basis by executing a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis approach to garnering key issues and successes. This small business tactic enabled the leadership to cover down for the cultural and climate

information gap during the COVID-19 crisis when the Dennison Survey was paused but were able to accomplish a SWOT Analysis in an all-virtual setting with the entire unit. There was zero loss of communication and situational awareness of the unit personnel in JRF Aviation during the survey delay.

Understanding the Reservists' needs and climate, the JRF Aviation SEL developed a path forward to help close the gap in communications with the Reservist's families! He worked to solidify and staff a volunteer for the Key Spouse position in the unit, responding to the Dennison Survey results from FY19, showing the Reservist's concerns over their family's lack of information, that affected them directly as it related to reserve participation.

In December 2019, the Disposition MSC welcomed Captain Orlando Lorie as the new Joint Team Leader. Concurrently, a new assistant JTL joined the unit. Additionally, DSU-1 added a new commanding officer, and DSU-2 joined a new commanding officer, executive officer, and training officer.

The Distribution JRF Senior Enlisted Leader retired on April 30, 2020, another enlisted member is currently serving as Interim SEL. The EDSU-WG SEL retired November 2019. The filling of the EDSU, Oklahoma (EDSU-OO) commanding officer position became effective December 1, 2019. The MSC awarded 1 DMSM, 1 JSCM, 2 JSAM, and 2 Flag Letter of Commendations were presented to team members for meritorious service during the FY. Additionally, two service members received recognition as Reservist of the Year in their category at the DLA Awards Ceremony in December 2019.

The Energy MSC witnessed turnover in key leadership positions as Colonel Tina Kirkpatrick assumed the duties as Joint Team Leader for the MSC. Navy Commander Kevin Greenwood followed immediately, taking over the responsibilities as the Assistant Joint Team Leader. Additionally, Master Sergeant Jason Cotton (Army) filled the senior enlisted leader position.

# Defense Logistics Agency

## DLA Inspector General (DA) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

October 21, 2020

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: Office of the Inspector General (DA / OIG) FY20 History Report

I have reviewed DLA DA's (OIG) submission for chronicling the FY20 DLA history and would like to forward my endorsement with this memo.

The POC for this action is Andrew J. Duszynski, Deputy IG for Operations, at 571-767-5417.

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WILLIAM A. RIGBY  
Inspector General

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## 1. Introduction.

### a. Mission.

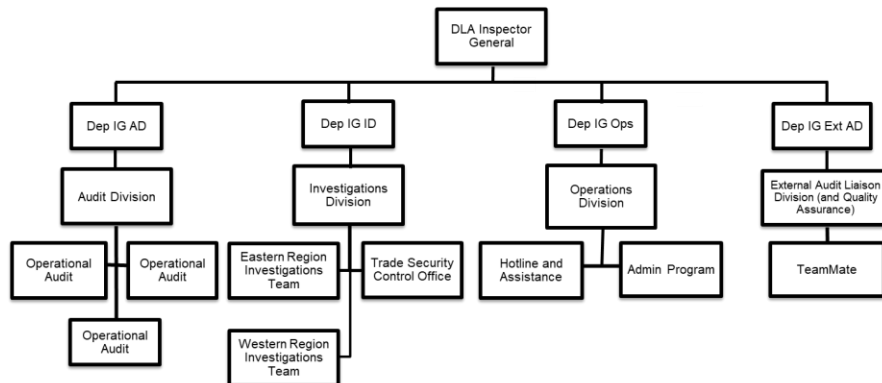
The mission of the DLA Office of the Inspector General (OIG) is to sustain Warfighter readiness and lethality by providing DLA leadership with facts, analysis, and recommendations through the five functions of Defense Inspectors General – teaching and training, assistance, audits, investigations, and inspections – to mitigate agency risk, improve processes, ensure compliance, and optimize resources in peace and war. The DLA OIG helps the enterprise combat fraud, waste, abuse, and mismanagement. While it operates independently, the office relies on mandated partnerships with the Defense Criminal Investigative Services, Military Criminal Investigation Organizations, DoD Office of the Inspector General (DoD OIG), as well as meaningful relationships with other DoD inspectors general and their associated criminal investigative agencies. DLA OIG works closely with the DLA General Counsel.

### b. Summary of key DLA OIG events and activities in 2020.

Operating well under authorized manning levels for the first half of FY20, DLA OIG still managed to support the agency in administrative and hotline investigative cases, operational audits, and liaison efforts. The Investigations Division opened 193 cases and closed 205. The Operations Division's Hotline Program processed 305 cases – a 50% increase over the previous three years – and closed 260. DoD OIG referred 52 of these cases. The Audit Division completed four planned and two unplanned operational audits. The External Audit Division closed 52 external audits, including 23 from the Government Accountability Office, 22 from DoD OIG, and 7 from the military services. The COVID-19 pandemic significantly influenced the aforementioned functions, as detailed in the historical narrative of this report.

## 2. Organization.

DLA OIG provided functional and regional support to the enterprise. The majority of the office's investigators and auditors served with major subordinate commands and regional commands. A small staff in the DLA Headquarters provided oversight and administrative support, managed the DLA Hotline, and liaised with external activities. The chart below captures the office's organization.



### **3. Key personnel.**

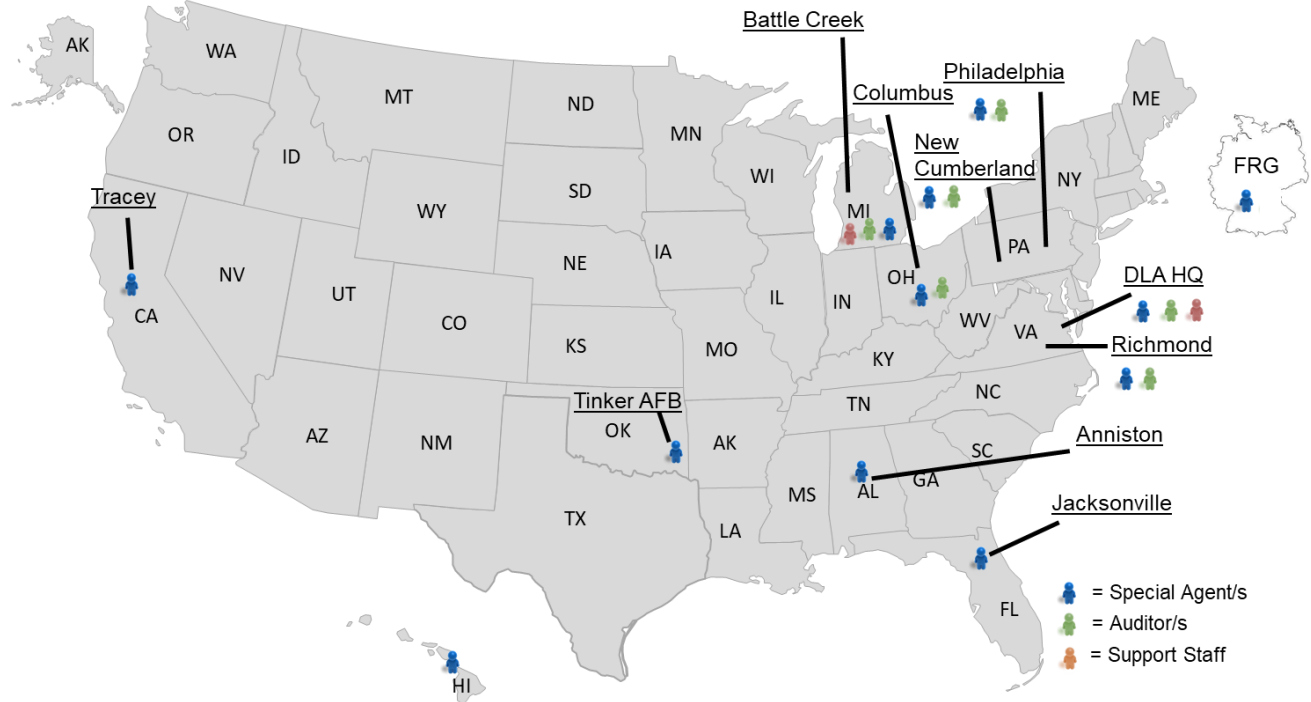
DLA OIG did not see many changes in key personnel for FY 20. William Rigby has served as director since 2016. Likewise, DLA OIG's four division chiefs remained the same – Steven Pigott for the Audit Division, Jerold Unruh for the Investigations Division, Andrew “Dutch” Duszynski for the Operations Division, and Andrew Hagenow for External Audit Liaison Division. LTC Derek Vinson, U.S. Army, reported to DLA OIG in July, 2020, to serve as Chief of Inspections and Officer in Charge (OIC) of IG-directed special projects. DLA OIG did not experience any changes to first line supervisors.

### **4. Total personnel.**

By the end of FY 20, DLA OIG had 48 personnel on hand and 47 authorized (one “excess” GS-1805 investigative analyst served on an active duty Air National Guard deployment the entire fiscal). DLA OIG also had one military officer (O5) on hand out of one authorized. This was a significant improvement given the 40 personnel on hand at the onset of FY 20. The office had dropped in number due to the normal attrition of auditors – a low density job series that is difficult to backfill. DLA OIG hired five auditors (0511 job series), one criminal investigator (1811), one general investigator (1810), and one investigative analyst (1805) in FY 20. DLA OIG FY 20 manning authorizations are below:

- a. GS-1811: 17 authorized; 17 on hand for F Y20.
- b. GS-1810: 2 authorized; 2 on hand for FY 20.
- c. GS-1805: 4 authorized; 5 on hand for FY 20 (including one active duty deployment).
- d. GS-0511: 21 authorized; 21 on hand for FY 20.
- e. GS-0301: 2 authorized; 2 on hand for FY 20.
- f. GS-0341: 1 authorized; 1 on hand for FY 20.
- g. Military O5: 1 authorized; 1 on hand for FY20.

DLA OIG personnel were located at DLA Headquarters and each subordinate command headquarters, including DLA Aviation, DLA Disposition Services, DLA Distribution, DLA Energy, DLA Land and Maritime, and DLA Troop Support; at the regional commands in Kaiserslautern, Germany, Pearl Harbor, Hawaii, and Tampa, FL; and at DLA facilities in San Joaquin, CA, Tinker AFB, OK, and Anniston, AL.



## 5. Historical Events and Activities.

### a. Manning levels.

In FY20, DLA OIG rectified shortages that had occurred last year due to the natural attrition of auditors. A 30% shortage degraded the Audit Division's ability to execute the Enterprise Annual Operational Audit Plan at the beginning of FY20. However, hiring five auditors mid-FY20 improved efficiency.

### b. COVID-19 pandemic.

The emergence of the COVID-19 pandemic presented numerous challenges to DLA OIG's daily operations. The DLA IG, William Rigby, estimated the staff operated at 85% effectiveness when compared to previous fiscals. The DLA IG designated all investigators mission essential, and agents returned to the workplace in Phase 1 of DLA reconstitution, or June for most locations. No DLA OIG employees tested positive for COVID-19 during FY20.

DLA OIG was a member of task forces with the Defense Criminal Investigative Service and the U.S. Department of Justice (DOJ) focused on COVID-19 supplies and equipment. DLA OIG worked directly with the staff of the Product Substitution and Financial Crimes Program, Headquarters, Defense Criminal Intelligence Services, and a team from the Fraud Counsel to maximize information flow and minimize disruption. The objective was to reduce fraud, theft, and diversion, and to prosecute those who attempting to use the pandemic for personal gain.

DoD "stop travel" policy implementation significantly curtailed official travel for DLA employees in FY 20. Official travel in support of investigations dropped 65% compared to previous fiscals. Both investigators and auditors used alternate methods for conducting interviews that abided by social distancing standards and adhered to travel restrictions. DLA OIG

ID collected physical and documentary evidence in person only when essential to prevent the loss, damage, or destruction of potential evidence. In those instances, agents used personal protective equipment and took social distancing and hygiene protective measures.

In May, Investigative Division agents received COVID-19 Procurement Fraud virtual training from the Counsel of Inspectors General for Integrity and Efficiency and the Inspector General Criminal Investigator Academy. Two trial attorneys from the Antitrust Division of the U.S. Department of Justice (DOJ) served as trainers. The training covered DOJ's Procurement Collusion Strike Force's procedures for detecting, investigating, and prosecuting criminal antitrust violations in public procurement. The strike force led a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at all levels of government – federal, state, and local. It was comprised of the U.S. DOJ Antitrust Division, multiple U.S. attorneys' offices, the Federal Bureau of Investigation, and inspectors general from several federal agencies, to include DLA OIG. With the emergence of the COVID-19 pandemic, federal agencies worked with state and local government agencies to solicit competitive bids for relief and recovery contracts. The strike force committed to supporting the federal OIG community to deter, detect, investigate, and prosecute violations of criminal antitrust laws, such as bid rigging and collusion in the competitive bidding process.

The Coronavirus Aid, Relief, and Economic Recovery Act generated over 15 COVID-19 external audits processed by the External Audit team. Several required monthly reports to Congress. This temporary spike exceeded the team's normal workload.

#### c. Information Technology Modernization.

In conjunction with DLA Information Operations, the Investigations Division researched numerous case management tracking systems to replace the legacy system, DLA Criminal Incident Reporting System (DCIRS). Contract support of DCIRS ended in FY19, and DLA OIG sought a system with expanded capabilities. Based on Investigation Division requirements, the Automated Case Tracking System and the system used by DLA Police were eliminated as options. The acquisition effort will continue into FY 21.

In December, the External Audit Division switched from the EXAMS program to High Gear software. With this changeover, all of the division's information and coordination ran on High Gear, a commercial management program already used by DLA. DLA OIG opened access to all the designated audit liaison focal points in the agency.

#### d. DLA OIG support to the DLA Agency Management Review.

In February, DLA OIG held three open door sessions for the DLA Distribution agency management review. The Investigations Division and Hotline agents interviewed 46 individuals during the sessions. The agents logged complaints and followed up to determine the appropriateness of further investigation. These complaints drove the total DLA Hotline complaints up for FY20, giving the fiscal a higher average than in FY 19.

e. Operational audits and inspections conducted in FY20.

The Audit Division conducted the following operational audits and inspections in FY20:

- (1) Inspection of Suffolk Building Space Utilization (published 8 Jan 2020)
- (2) Inspection of St. Michaels Hotline Complaint (published 22 Apr 2020)
- (3) Inspection of DPAS Coding (published 30 Sep 2020)
- (4) Audit of Disposition Services Japan Compliance with Disposal Procedures (published 19 May 2020)
- (5) Audit of DLA Contracting Officer Representatives Roles and Responsibilities (published 25 Sep 2020)
- (6) Audit of Contracting Officer Representatives' Roles and Responsibilities for J6 Service Contracts (published 30 Sep 2020)

f. DoD OIG peer review of DLA OIG AD.

In March, DoD OIG completed a peer review audit of DLA OIG audit teams, a process undertaken every three years. Overall the DoD OIG team provided positive assessments of Audit Division work over the past three years. The division achieved a "pass" rating for this review which is the first time in many cycles that DLA reached this level. The common rating is "pass with deficiencies," which DLA achieved in 2017.

g. DoD OIG Program Review of DLA.

DoD OIG inspected DLA Senior Official complaints/investigations, the Hotline Program, and Whistleblower reprisal allegations and investigative procedures from February to April. In addition to DLA OIG subject matter experts, DoD OIG representatives met collectively with DLA General Counsel Mathew Pausch, DLA Human Resources Director Brad Bunn, and DLA OIG William Rigby to discuss the agency's senior official complaints process. The evaluation standards were developed for Service inspector generals. DLA was the first Defense Agency reviewed under these standards. The antiquated hotline tracking system was noted as a significant concern. DLA OIG implemented corrective actions in concert with DoD best practices to the extent our capabilities and resources allowed (DLA OIG manning and resourcing is not comparable to Military Service IG capabilities).

h. Notable training events.

In early March, DLA OIG sponsored a 32-hour training course on federal appropriations law. Most DLA OIG auditors and several investigators participated, as did members from DLA General Counsel, DLA Logistics Operations, DLA Acquisition, and DLA Energy. A former Air Force attorney served as trainer. He used real-world examples and his extensive knowledge to illustrate key points and distinctions in the law.



# Defense Logistics Agency

## DLA Small Business Programs (DB)

### Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

#### MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: Office of Small Business Programs (DB) Fiscal Year 2020 History

I have reviewed DB's submission for chronicling Defense Logistics Agency history for fiscal year 2020 and would like to forward my endorsement.

You may contact me with any questions at 571-767-0494 or [Dwight.Deneal@dla.mil](mailto:Dwight.Deneal@dla.mil).

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T.D.1370139357

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DWIGHT D. DENEAL  
Director  
Small Business Programs

Attachment: DLA Office of Small Business Programs (DB) FY 2020 History

## **1. Introduction.**

DLA seeks to provide maximum practicable contracting opportunities to small businesses, service-disabled veteran-owned small businesses, historically underutilized business zone small businesses, small disadvantaged businesses, and women-owned small businesses. Such concerns must also have the maximum practicable opportunity to participate as subcontractors in contracts awarded by DLA, consistent with efficient performance.

The DLA Office of Small Business Programs (OSBP), also known as DLA-DB, was established in accordance with the Small Business Act of 1953, as amended, and Department of Defense (DoD) Instruction 4205.01, "DoD Small Business Programs." It seeks to aid, counsel, assist, and protect the interests of small businesses. DLA OSBP provides small business advocacy and promotes small business utilization to strengthen the competency, capability, and commitment of the industrial base. During FY 20, DLA OSBP demonstrated unwavering commitment to maximizing small business acquisitions while meeting the needs of the Warfighter and ensuring each tax dollar is spent responsibly. DLA OSBP guidance and vision has resulted in the agency awarding over 40% of eligible contract dollars to small businesses over the fiscal.

Section 1241 of the DoD Authorization Act for FY 1985 (Public Law 98–525) established the Procurement Technical Assistance Program (PTAP) to expand the number of businesses capable of participating in government contracts. The statute assigns administration of the program to DLA and authorizes it to enter into cooperative agreements with states, local governments, nonprofit organizations, and other eligible participants. Cooperative agreements assist businesses in pursuing and performing contracts with DoD, other federal agencies, and state and local governments. DLA OSBP is responsible for implementing the PTAP pursuant to Chapter 142 of Title 10, United States Code. On September 30, 2020, 94 PTACs operated under DLA OSBP.

## **2. Organization:**

DLA OSBP was authorized eleven FTEs for FY 20, comprised primarily of GS-1102 personnel. The former DLA OSBP Director, Ms. Christina Young, left the agency in August 2019 and Ms. Sherry Savage served as acting director until Mr. Dwight Deneal reported as DLA's new Small Business director on December 9, 2019.

Two of OSBP's FTEs are stationed in Philadelphia to support the DLA Contracting Services Office. New for FY20, DB personnel in Philadelphia began supporting DLA Strategic Materials as well. All other DB FTEs are stationed at DLA Headquarters in Fort Belvoir, where five support PTAP. The OSBP director, deputy director, and two other employees oversee the DLA Small Business Program.

DLA's six major subordinate commands each have a small business office but those personnel report through their chains of command, not DLA Headquarters. The DLA Contracting Services Office and Strategic Materials OSBP report through DLA-DB because these activities are components of DLA Acquisition, also part of DLA Headquarters. This structure maintains separation between contracting and small business functions.

### 3. Key Personnel.

- a. Dwight D. Deneal, Director, OSBP (Dec 2019 – Present)
- b. Christopher Hall, Deputy Director, OSBP (May 2016 – Present)
- c. Sherry Savage, Program Manager, PTAP (Sept 2016 – Present); Acting Director, OSBP (Sept 2019 – Dec 2019)

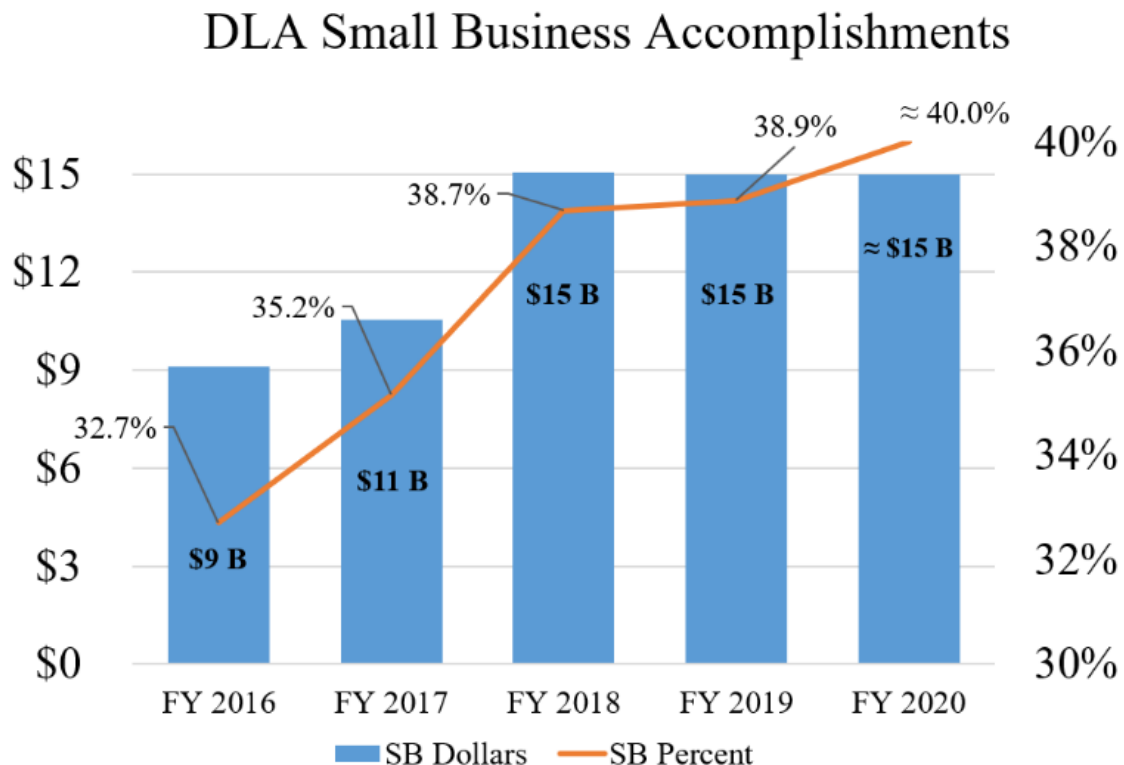
### 4. Total Personnel

DLA OSBP was staffed with eleven full-time personnel at the end of FY 20, all civilians. The director's job was vacant until December 9, 2019 and filled by Ms. Savage on an interim basis.

### 5. Historical Narrative.

#### a. DLA Small Business Performance

Small businesses reduce risk in DLA's supply chains. They are essential to our ability to provide resilient and secure industrial support to the Warfighter. DLA has about 12,000 suppliers, 80% of which are small businesses.



The Small Business Act established a 23% small business goal for the federal government, which is the target for the proportion of eligible contract dollars obligated to small businesses. From there, the Small Business Administration sets goals for departments, such as the Department of Defense. For FY2020, the DoD goal was 22.05%. In a similar fashion, the Defense Department sets goals for components such as DLA. Through its Office of Industrial

Policy, the department challenged DLA by setting our Fiscal Year 2020 small business goal at 32.36%, higher than it has been since 2012.

Rising to the task, DLA exceeded its goal for the eighth consecutive year. While doing so, it promoted acquisitions from service-disabled veteran-owned small businesses, small disadvantaged businesses, women-owned small businesses, and historically underutilized business zone small businesses.

DLA Small Business Accomplishments						
(dollars shown in billions)						
Fiscal Year Goal	FY20*	FY19	FY18	FY17	FY16	FY15
Small Business	32.36%	30.5%	30.5%	32%	32%	32%
	40.23%	38.87%	38.68%	35.15%	32.71%	35.64%
	\$14.75	\$14.98	\$15.05	\$10.55	\$9.13	\$9.01
SDB	6.70%	5.55%	5.33%	5.19%	4.71%	5.59%
	\$2.46	\$2.14	\$2.08	\$1.56	\$1.32	\$1.42
WOSB	4.21%	5.11%	4.74%	4.61%	4.76%	5.03%
	\$1.54	\$1.97	\$1.84	\$1.38	\$1.33	\$1.27
SDVOSB	3.00%	2.92%	3.38%	2.53%	2.15%	2.20%
	\$1.10	\$1.13	\$1.31	\$0.76	\$0.60	\$0.56
HUBZone	2.61%	2.21%	2.55%	2.08%	1.67%	1.61%
	\$0.96	\$0.85	\$0.99	\$0.62	\$0.47	\$0.41

*Note:* The data in this chart is for the purpose of assessing performance against our small business goals. Accordingly, the statistics herein apply special rules for the small business program, such as eligibility criteria for counting contracts as part of the calculation and double small business credit for contracts with certain vendors. For example, these figures count certain contracts twice and disregard other contracts altogether.

\* Metrics for fiscal year 2020 are tentative as of Oct 16, 2020 and will change.

#### b. The Procurement Technical Assistance Program (PTAP)

Within DLA, OSBP is responsible for implementing the PTAP. The program executes cooperative agreements with eligible participants to establish the Procurement Technical Assistance Centers (PTACs). PTACs, in turn, assist businesses in pursuing and performing contracts with DoD, other federal agencies, and state and local governments. The centers help prepare bids/proposals, market potential buyers, set up or improve quality assurance and accounting systems, comply with cybersecurity requirements, and resolve payment problems.

Cooperative agreements and grants are different from contracts in that they carry out a public purpose rather than to acquire property or services for the government. PTAP is DLA's only grants or cooperative agreements program. Funding for PTAP and DLA's administration of the program is provided annually by Operations and Maintenance appropriation. For FY 20, Congress appropriated \$44.5 million, the most ever and \$2.2 million more than FY 19.

At the end of FY 20, 94 PTACs assisted businesses in 49 states, Washington, D.C., Puerto Rico, Guam, the Commonwealth of the Northern Marianas, and regions established by the Indian Affairs Bureau of the U.S. Department of the Interior. For FY 20, DLA OSBP obligated \$43.7 million for PTAC use. A cost sharing program, PTACs received \$27 million from states

and other local entities. PTACs provided more than 190,000 hours of one-on-one counseling to 57,160 businesses and participated in 4,780 training and networking events.

c. Strategic Initiative 3.3.5, Promote Small Business Participation in Acquisitions

DLA OSBP was responsible for the completion of tasks related to Strategic Initiative 3.3.5 in the Agency's FY 20 Strategic Plan Implementation Guidance. This initiative established that the agency would avoid solicitations involving bundling or consolidation of contract requirements, or if such a solicitation is appropriate, mitigate the impact on small business by structuring procurements so as to increase small business participation as either prime contractors or subcontractors and suppliers.

(1) Defense Logistics Agency Directive (completed in FY19)

In collaboration with DLA Acquisition, Small Business Programs published Procurement Letter 2019-14, "Additional Requirements for Acquisitions Involving Consolidation, Bundling, or Substantial Bundling (Defense Logistics Acquisition Directive (DLAD) 7.105 and 7.107)," dated June 16, 2019.

The letter:

(a) ensures that OSBP has early visibility of bundling that we will need to report to Congress (i.e., contracts > \$2M).

(b) when we add items to a contract without a solicitation and where applicable, adds the requirement for a determination that the consolidation/bundling is necessary and justified.

(c) ensures consolidation/bundling determinations include evidence that they were coordinated with OSBP at the MSC-level.

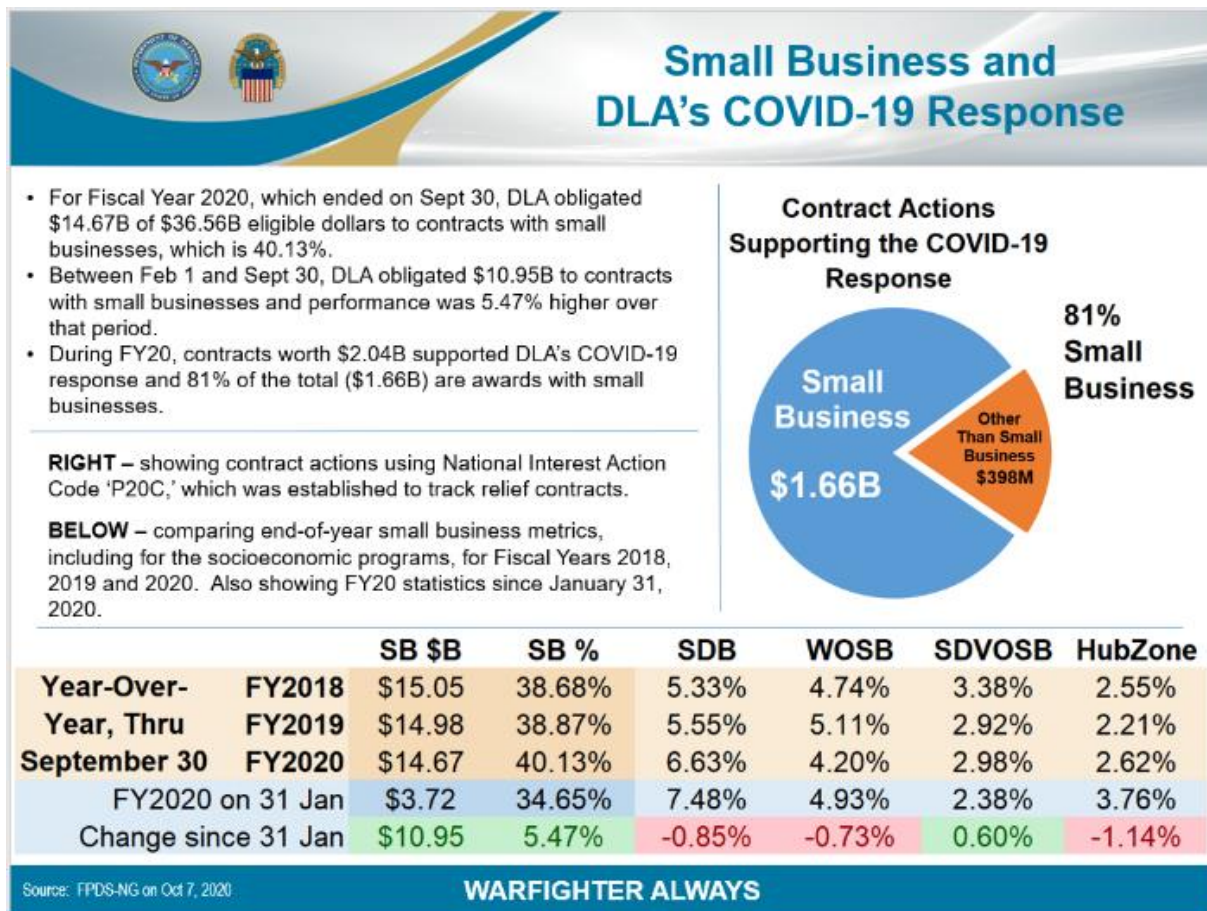
(d) makes the approval authority for bundling the same as consolidation.

(2) Computer-based training module (completed in FY20)

Another outcome from the initiative was the development and rollout of the Contract Consolidation and Bundling training module in the DLA Learning Management System. The training provides actionable guidance to help mitigate the impact of contract consolidation or bundling. Training went live in November 2019.

d. COVID-19 Pandemic

Small business suppliers have enabled DLA to meet the rapidly escalating demand of the COVID-19 equipment. Small business contributions were noteworthy, especially in the agency's Construction & Equipment, Clothing & Textiles, and Medical supply chains.



### (1) Support

In FY 20, contracts worth \$2.04 billion to support COVID-19 response and 81% (\$1.66B) were awarded to small businesses. Small businesses were integral to relief efforts, especially personal protective equipment such as face masks, eye protection, and isolation gowns.

Throughout the pandemic, PTACs counseled small business owners who otherwise may have defaulted on their contracts.

### (2) Outreach

During the pandemic, the DLA OSBP offered monthly webinars to educate small businesses on opportunities. Additionally, the DLA OSBP engaged small businesses during the following events:

(a) The Department's Joint Acquisition Task Force (JATF) Personal Protective Equipment (PPE) Industry Day, which focused on current and potential domestic producers (end-items as well as material). It was attended by major trade associations and consumer representatives.

On July 14 and 15, the DoD's COVID-19 Joint Acquisition Task Force and the DLA, in coordination with interagency partners, hosted a virtual information day on current and future PPE demand. The session provided current and potential suppliers of medical and non-medical PPE an understanding of requirements from across multiple sectors of the economy, including the U.S. government, non-medical industry, and medical industry. It also facilitated a dialogue between industry and the government regarding how current investments in domestic production.



(b) Industry trade associations weekly conference calls hosted by the DoD's Industrial Policy office to discuss COVID-19 updates and get feedback on COVID-19 impacts on industry. The first of daily talks about the effects of coronavirus on the defense industrial base kicked off on March 17.

Deputy Assistant Secretary of Defense for Industrial Policy, Ms. Jennifer Santos chaired the first call. Other representatives from her office, the Defense Contract Management Agency, the Defense Logistics Agency, and the Defense Pricing and Contracting also participated.

(c) The Office of Small Business Programs and the Small Business Administration hosted a webinar on April 8 to provide advice and give defense companies an opportunity to ask questions related to COVID-19 resources for small businesses.

### (3) Resources

Starting in March and updated throughout the pandemic, the DLA Office of Small Business Programs maintained answers to COVID-19 a frequently asked questions on the DLA Small Business website. Additionally, the information points small businesses with capacity to support DLA's response to [TroopSupportCOVID19@dla.mil](mailto:TroopSupportCOVID19@dla.mil), which was established for recruiting new suppliers.



# Defense Logistics Agency

## DLA General Counsel (DG) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

MEMORANDUM FOR DLA, ATTN: Command Historian

October 12, 2020

SUBJECT: Submission of the DLA General Counsel FY 20 Annual History Report

As you will read in the following pages, our legal mission supports the DLA enterprise in its achievement of the DLA Strategic Plan while ensuring a focus on military readiness and supporting the Warfighter. This past year as the agency's missions grew with the on-going COVID situation; our legal team provided the expert legal and business support that our warfighters and mission deserve. We will meet future challenges while providing legal expertise for whatever lies ahead.

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MATTHEW F. PAUSCH  
General Counsel



## **1. Introduction**

The DLA General Counsel is the exclusive provider of legal advice, counsel, and representation for the DLA enterprise. The headquarters office (DG) advises the DLA director, the vice director, J1, J3, J7, J8, J9, DLA Installation Support, and the director's staff on matters affecting the agency while ensuring compliance with laws and regulations. DG's subordinate offices provide full service support to their commands. The case numbers reported herein reflect their invaluable contributions.

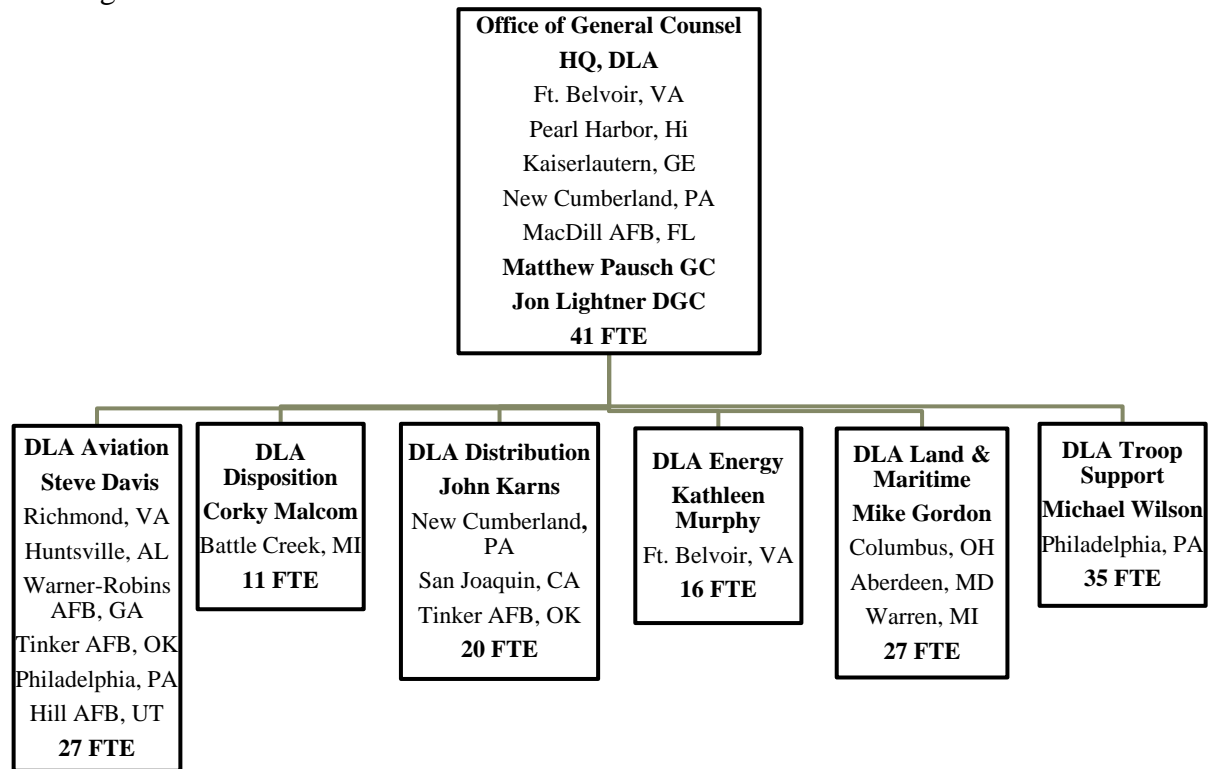
DLA General Counsel's mission is to deliver professional, candid, and independent advice and support to the agency. As the largest general counsel in the Fourth Estate, we comprise a broad range of subject matter experts. Our legal enterprise consists of six practices: international and operational law, administrative and civil law, ethics and standards of conduct, procurement fraud and business integrity, labor and employment law, and acquisition law. DG hired an intellectual property attorney in FY20 to provide expertise in acquiring data rights and developing additive manufacturing. The practices are organized under four divisions: international and operational law; administrative and civil law, which includes the ethics and standards of conduct program and the procurement fraud and business integrity program; labor and employment law; and acquisition law. DG also oversees the legal practices of subordinate commands. The timely and effective resolution of legal issues contributes significantly to the agency's goals, lines of effort, and priorities. In 2018, DG published a strategic plan to ensure its efforts are nested with the agency's strategic plan.

In February 2020, Mr. Jon L. Lightner assumed duties as deputy general counsel for DLA. Prior to his arrival at DLA Headquarters, Mr. Lightner served as chief counsel for DLA Troop Support from 2013 to 2020. DLA Troop Support has the largest legal office in DLA.

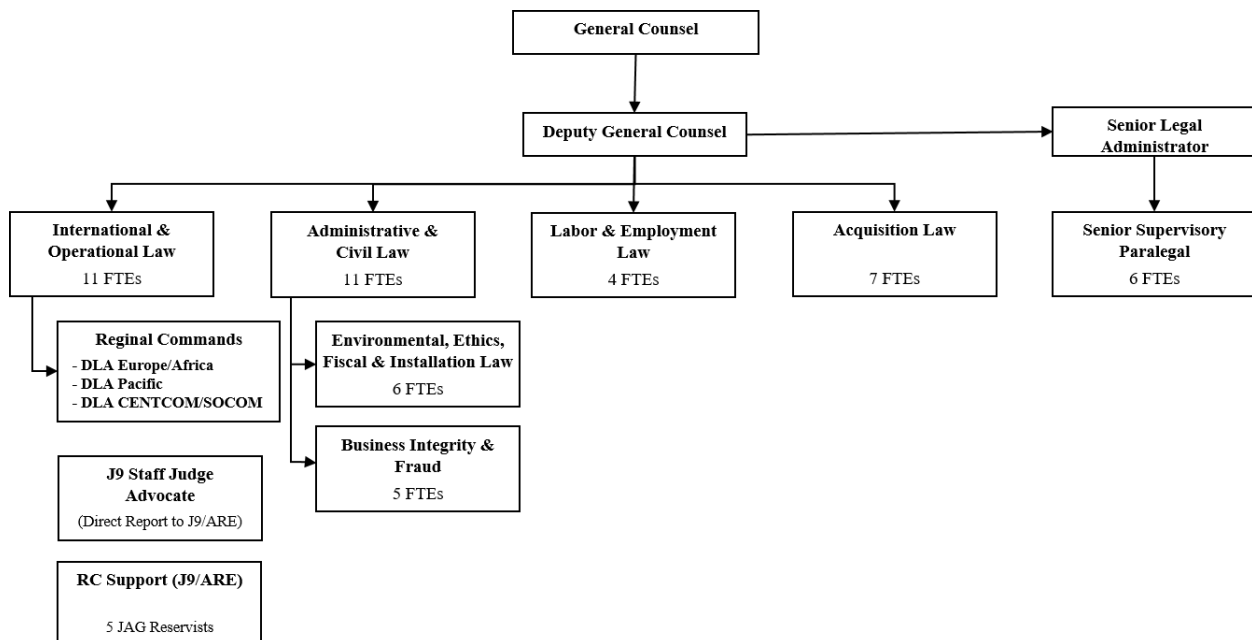
In late August 2020, Mr. Michael P. Wilson assumed Mr. Lightner's former position as chief counsel for DLA Troop Support. Since 2008, Mr. Wilson has served the agency and DLA General Counsel with great distinction. He has been recognized with the inaugural DLA Office of General Counsel Excellence in Leadership Award.

## 2. Organization and Personnel

The following are the organization charts of the DLA OGC Legal Enterprise and the HQ DLA OGC organization:



### DEFENSE LOGISTICS AGENCY OGC HEADQUARTERS, FORT BELVOIR, VA



### **3. Historical Narrative**

#### **a. International & Operational Law Highlights**

The International & Operational Law division provides around the clock legal advice for planned and unplanned support to contingency operations. We counsel the DLA Logistics Operations director and DLA's three regional commands. To facilitate this support, DG offices in Tampa, FL; Hawaii; and Germany advise and assist regional commands supporting six combatant commands. We are the agency's experts in operational and international law and military justice and discipline; we serve as legal advisors to the inspector general, public affairs office and DLA Transformation. Our attorneys specialize in disaster-preparedness and overseas contingencies. We advise on local law, customs, international agreements, and federal employee and contractor rights in areas where humanitarian operations take place.

Our division and the regional legal offices provided client-focused support to regional commanders so they could provide logistics solutions to the geographic combatant commanders. We assisted the agency in supporting the military's logistics needs during the COVID-19 pandemic and, as part of the interagency task force managing the Federal response to COVID-19, played a major role (in particular, DLA Counsel – Troop Support) in responding to requests from the Federal Emergency Management Agency, Department of Health and Human Services, and other organizations.

#### **b. Administrative & Civil Law Highlights**

The Administration & Civil Law division provides timely and effective advice in the areas of environmental and safety, installation, fiscal, and general administrative law. Three agency programs are included in the division: the standards of conduct and employee ethics program, procurement fraud and business integrity program, and the legislation program.

##### **(1) Standard of Conduct and Employee Ethics**

We implement the ethics program in accordance with Office of Government Ethics and Standards of Conduct Office directives. The DLA general counsel serves as the designated agency ethics official. DLA attorneys provide mandatory ethics training, identify and train employees required to file financial disclosure statements, and review statements for legal sufficiency and conflicts of interests, 5200 in FY20. We advise on employee disqualification statements, divestitures, and post-employment restrictions. We report ethics compliance annually to the Office of the Secretary of Defense and Office of Government Ethics.

##### **(2) Procurement Fraud and Business Integrity**

In our fraud remedies program, we examine for contract fraud or other improper conduct by contractors and offerors. DLA attorneys refer matters meriting investigation to the appropriate investigative body and monitor DLA-wide efforts to prevent, detect, deter and remedy procurement fraud. We coordinate administrative, civil, and criminal remedies. We execute the suspension and debarment program for the agency—our attorneys prepare

suspension and debarment recommendations for the suspending and debarring official (the GC) and hold meetings, when requested, with parties facing suspension or debarment.

In FY 20, the suspending and debarring official issued 26 suspensions, 196 notices of proposed debarment, and 163 debarments for a total of 385 actions. We also entered into six administrative agreements. Administrative agreements are an alternative to ineligibility actions that use verifiable actions such as enhanced internal corporate governance practices and procedures and independent third-party monitors.

### (3) Legislative Program

We analyze proposed legislation and draft and advocate for legislative changes that will enhance DLA mission accomplishment. In FY20, we received authorization to buy and sell certain strategic and critical materials for the national defense stockpile. (Section 850 of Public Law 116-92). We also provided comments on DoD and other federal agency proposals to the DoD Office of Legislative Counsel.

In FY 20, our installation support attorneys assisted with the agency's sexual assault prevention and response program. They also advised all missions within the DLA Installation Support to include environmental; occupational health; safety; real property; security and emergency services; and morale, welfare, and recreation. Our attorneys in Hawaii provided legal and business advice to DoD and Navy stakeholders on the Red Hill fuel storage facility. In a Sierra Club lawsuit challenging DLA contracts for incinerating firefighting foam that contains a chemical linked to adverse health effects, attorneys from DLA Disposition Services and DLA Headquarters supported Department of Justice attorneys.

Our fiscal law attorney participated in meetings on the agency cash position; provided support for the agency's ongoing Financial Improvement and Audit Readiness efforts; and advised on potential Anti-Deficiency Act matters, policies, and investigations.

#### c. Labor & Employment Law Highlights

The mission of the Labor & Employment Law division is to defend DLA before the Equal Employment Opportunity Commission (EEOC), the Merit Systems Protection Board (MSPB), the Federal Labor Relations Authority (FLRA), and arbitrators, as well as assist Department of Justice attorneys representing DLA. In FY 20, DLA attorneys defended 105 EEOC and 43 MSBP cases and handled 10 arbitrations and 2 unfair labor practice actions. We advise management on labor and employment matters, to include disciplinary actions, policy issues, and office of special counsel or congressional inquiries. In FY20, we advised on COVID-19 related issues such as workplace flexibilities, reconstitution plans, leave, and benefits.

The Law & Employment division runs the agency's alternative dispute resolution program, which has approximately 80 DLA mediators, 23 of whom are DG personnel. Our program seeks to resolve disputes at the earliest possible stage, thereby reducing time, expense, delay, acrimony, and other adverse consequences. DLA uses alternative dispute resolution to address equal employment, workplace, labor, contracts, and Freedom of Information Act disagreements. In FY 2020, we handled 241 matters.

#### d. Acquisition Law Highlights

The Mission of the Acquisition Law division is to support billions of dollars-worth of procurements for the military services and federal agencies, including fuel; construction and equipment; medical equipment, consumables, and pharmaceuticals; subsistence; uniforms and clothing; weapon repair and replacement parts; distribution services; and disposition services. We analyze new acquisition statutes, regulations, and policies and represent DLA on the Defense Acquisition Regulation Council. DLA attorneys assist in the preparation and review of solicitation and contract documents in connection with major acquisitions and serve on source selection panels and assist contracting officers.

The Acquisition Law division supports DLA Acquisition with procurement policy, procurement actions (such as justifications and senior procurement executive approvals), and procurement oversight and review (such as Red Teams). In addition, it assists with special interest reviews and inquiries (such as DoD Inspection General audits and Congressional inquiries). We also support DLA Logistics Operations in F-35 Joint Strike Fighter responsibilities, reform initiatives, and whole of government issues.

In FY20, we advised on corrective action relating to the recompete of the subsistence prime vendor contract for Iraq, Kuwait, Jordan, and Syria, and coordinated on non-competitive bridge contracts. We coordinated contract awards using Section 883 of the National Defense Authorization Act for FY 2017 (Storage and Distribution Support to Weapon Systems Contractors). We advised on many COVID-19 response issues, including providing personal protective equipment to contractors, replenishing the Strategic National Stockpile, Berry Amendment domestic nonavailability determinations, procuring sanitizing units from Battelle Memorial Institute, and allowing the re-use of N95 masks at locations nationwide. Our COVID-19 related advice ensured the agency executed, without interruption, over \$2 billion in contract support.

We run the contract litigation program that defends the agency in General Accountability Office (GAO) protests and Armed Services Board of Contract appeals. We also support Department of Justice attorneys in Federal courts cases, including the Court of Federal Claims. Subordinate command offices serve as lead counsel in most cases, with oversight from headquarters attorneys. In FY20, cases involved more than \$12 billion in dispute (which includes Government claims). DLA attorneys handled 139 protests, 81 ASBCA cases, and 24 Federal court cases.

Along with DLA Information Operations, DLA General Counsel continues to develop the Stored Information Disclosure & Discovery (ESIDD) program, which includes the discovery and disclosure of extensive volumes in eDiscovery, investigations, Freedom of Information Act queries, and Congressional requests.

# Defense Logistics Agency

## DLA Intelligence (DI) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

October 22, 2020

MEMORANDUM FOR DLA, ATTN: Command Historian

SUBJECT: Submission of the DLA Intelligence FY20 Annual Historical Report

As you read through the following pages of DI's Annual Historical Report, you will see how our Intelligence and Security teams stepped up to support the DLA enterprise during the COVID-19 situation as our resources continued to decrease and our unfunded mandates increased. We continued to provide Enterprise-wide support to ensure DLA decision-makers received the needed security and intelligence information to make timely, safe, and informed decisions. DI looks forward to meeting future challenges as we serve the DLA enterprise.

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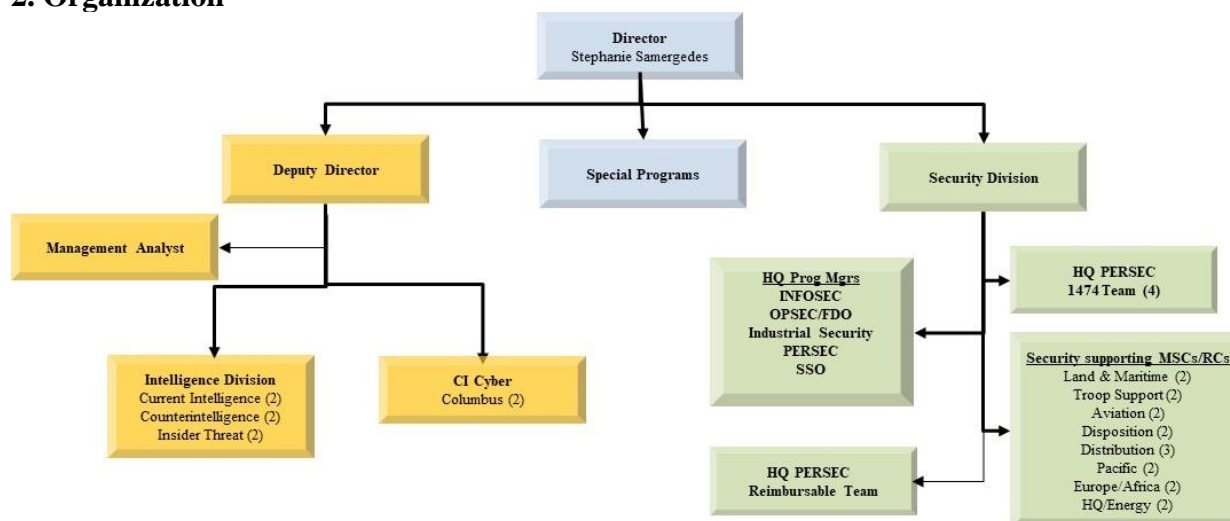
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STEPHANIE SAMERGEDES  
Director, DLA Intelligence

## 1. Introduction

DLA Intelligence (DI) provides Enterprise-wide policy, program, and operational support for the following programs: Intelligence, Counterintelligence (CI), Special Security Office (SSO), Special Program Activities, Personnel Security (PERSEC), Information Security (INFOSEC), Operations Security (OPSEC), Industrial Security, Foreign Disclosure (FD), and the Insider Threat Program (InTP). DI presents tailored intelligence to ensure DLA decision-makers are aware of the sensitive international factors impacting current and potential support requirements, are informed of foreign intelligence entity collection operations targeting DLA equities worldwide, and have awareness of foreign threat activity occurring wherever the DLA footprint resides. DI ensures DLA personnel have received adequate training, security clearances, and security awareness to ensure unclassified and classified information is protected from compromise and are equipped to detect, deter, and mitigate risks to DLA networks, personnel, facilities, and operations.

## 2. Organization



## 3. Key Personnel

Key DI personnel include the Director, Stephanie Samergedes (March 2010-present); Deputy, Adrian Clay (March 2010-present); Security Division Chief, Tim Sullivan (May 2015-present); Intelligence Division Chief, David Lovejoy (January 2019-present); and Special Programs Manager, Linda Uehling (March 2010-present).

## 4. Total Personnel.

For the past five years, DI has been reducing its personnel due to the Management Headquarters Activities (MHA) mandated cuts, yet the workload and unfunded mandates increased. By the end of FY20, DI had 38 authorized Direct positions supporting DLA Enterprise worldwide, 4 reimbursable PERSEC positions, 2 positions operational controlled (OPCON'd) from J6 to cover the CI Cyber duties, and 4 Military Reservists. DI leadership leveraged the Enterprise Rotational program to add one-year support in DLA Aviation and DLA Distribution for the PERSEC program.

## 5. Historical Narrative

FY20 presented many challenges and DI personnel adapted to provide seamless support to their customers. As the MHA drawdown impacted DI's workforce, DI leadership reviewed the positions at each site and conducted a workload analysis to determine how best to provide service to each DLA J/D code, major subordinate command (MSC), and regional command (RC). DI alerted J1 and others to manage their expectations and understand services would not be as quick as in the past. DI leadership made the decision to keep only two full-time equivalents (FTEs) at each MSC and RC (minus DLA CENTCOM SOCOM, which had none), one FTE to address the PERSEC mission, and the other to provide multi-functional security support. The remaining PERSEC positions provided support from DLA Headquarters or other localities.

Additionally, DI obtained two one-year term rotational positions at our Aviation and Troop Support locations to aid our PERSEC mission. These positions were developmental assignments that not only increased the participant's technical knowledge and skills but also broadened insight into the agency's mission and functions, developed Enterprise perspectives that improved the knowledge and capabilities of the DLA workforce, and developed skills that met agency needs. Midway through the year, one of the rotationals took a promotion and left the program.

Organizations outside DLA reached out to DI for Personnel Security support, so DI hired dedicated PERSEC personnel to conduct personnel security services in accordance with the DoD and DLA regulations and instructions, specifically the DoDM 5200.2, Personnel Security Program, and DLA Instruction 5200.02 Personnel Security Program. Services included but were not limited to conducting pre-appointment security checks on civilian personnel selected to occupy sensitive positions; granting interim security clearances, and processing serviced employees for entry into the Continuous Evaluation (CE) program. By the end of FY20, DI had 4 reimbursable personnel supporting more than 7800 reimbursable customers from six organizations.

In 2019, DLA started to place greater emphasis on developing a cohesive Supply Chain Security (SCS) strategy, which included a focus on Vendor Threat Mitigation (VTM). DI committed one member from the Counterintelligence-Insider Threat (CI-InT) team to support this new DLA effort, as another duty as assigned. Although SCS and partnerships with reputable vendors are key elements of DLA's Strategic Plan, DI currently lacks sufficient personnel to assess effectively and increasingly CI vulnerability and risk to the supply chain vis-à-vis the foreign vendor base. Moreover, this lack of personnel prevents DI from establishing effective long-term support for DLA J3 and J7 on matters of VTM. To rectify these support deficiencies, and at the recommendation of the Office of the Under Secretary of Defense for Intelligence and Security (OUSD(I&S)), DI is considering (with DLA Director approval) requesting two GS-13 counterintelligence analysts via USD I&S Military Intelligence Program (MIP) funding).

While the COVID-19 epidemic prompted some organizations to focus on only mission essential functions, DI personnel continued to provide the same services to its customers, allowing them to prioritize and focus on their critical needs. DI maximized telework opportunities, providing seamless support to its customers. While the DLA Agency Synchronization Operations Center (ASOC) and most of the DLA organizations focused on DLA's contributions to the COVID-19



response, DI continued to provide tailored intelligence reports to address DLA's equities overseas.

The Security Division supported DLA virtually (minimal impact to MSC operations) with INFOSEC, Industrial Security, and OPSEC oversight and assistance. It began implementing the DoD Controlled Unclassified Information (CUI) instruction and reviewed contract documents to identify actions to vendors properly.

During maximum telework (TW), DI identified important lessons. These included:

- a. The Intelligence Community (IC) focused more on the COVID-19, to the detriment of other intelligence, critical to DLA leadership. This was a continuing problem throughout the pandemic.

- b. There was definitely a need to have access to classified information when teleworking. Security Division personnel coordinated with J6 to evaluate secure remote options. Security personnel developed checklists and training for personnel approved to work remotely with classified. Only a given few were approved; everyone else had to come into the office to access classified. J6 is working with others to identify new ways of providing classified information in a TW environment; cost will be a factor when methods are developed.

- c. During a widespread pandemic, there was a problem finding locations that could conduct fingerprinting. We utilized our security personnel and reservists at the headquarters to fingerprint once a week and scanned fingerprint cards from other MSCs electronically. In addition, a few Navy installations agreed to assist in a small portion of mission essential personnel who required prints. This could be a problem in the future.

- d. 14% of HQ DI Staff worked in the office during max TW in Phase 1. We ensured safety by rotating personnel. Enterprise-wide, as with other elements of DLA, we had personnel who could not come into offices during Phase 1.

The Security Division supported DLA virtually (minimal impact to MSC operations) with INFOSEC, Industrial Security, and OPSEC oversight and assistance. It began implementing the CUI instruction, reviewed contract documents to identify properly actions to vendors on the contract security specification, and reviewed articles and briefings to be posted on forward facing websites. Security clearance processing continued with only a minimal decline due to the COVID-19. Fingerprinting during COVID-19 focused on mission essential positions, but eventually PERSEC began fingerprinting all candidates. DI Security professionals authored OPSEC articles for new teleworkers to stress security during telework environment. DLA INFOSEC partnered with DLA Information Operations to discuss classified processing outside secure areas utilizing secure devices.

All Intelligence Division missions continued uninterrupted during the COVID-19 pandemic; due to the necessity for classified intelligence products, a member of the current intelligence team gave briefings at the daily Global Update Brief (GUB). He also provided a daily written Intelligence Summary (INTSUM) to DLA senior leaders as well as the broader Joint Logistics Enterprise (JLEnt). CI-InT support also continued seamlessly, though the majority of support was successfully provided in a TW environment. As members of the CI-InT team required

access to their classified network accounts, they made provisions to access the Sensitive Compartmentalized Information Facility (SCIF) and fulfilled requirement business.

As regular day-to-day work on the SIPR decreased so did the technical customer support required to fix problems or outages. As problems arose, the ability to identify and remedy the problem quickly was degraded due to fewer technicians on-site.

DI PERSEC continued to support onboarding and hiring actions for civilians and contractors. It worked with DLA Human Resources on hiring actions requiring security clearance reviews or new investigations and with Contracting Officer Representatives (CORs) on contractors requiring background investigations.

The Security Division added new reimbursable customer for PERSEC support. It onboarded the Defense Security Cooperation Agency (DSCA) and supported 1,000 positions with PERSEC services across the globe. DLA PERSEC also implemented Continuous Evaluation (CE) with a goal of enrolling up to 50% of the agency by the end of FY 2021.

DLA provided services and support to DoD and Whole of Government entities to further classified and sensitive missions. DI coordinated with the Office of the Under Secretary of Defense for Intelligence (OUSDI) and the Defense Intelligence Agency to ensure proper procedures and tracked reimbursements IAW the Economy Act, where all support provided by DLA must be paid/reimbursed. DI briefed the DLA Special Programs Council on all activities to ensure leadership was aware of all support/requirements. Overall, customers were happy with DLA support. Growth is expected next year and beyond.

One partnership we will miss is our relationship with the U.S. Army Intelligence and Security Command (INSCOM), which alerted DLA that it will no longer provide Joint Worldwide Intelligence Communications System (JWICS) support to non-Army customers; DI is currently working with J3 and J6 to find a joint service provider and funding for FY21-22 and out.

DI's Intelligence Division continued to establish and nurture partnerships with key stakeholders that allowed us to leverage the capabilities needed to support DLA's many missions. The Current Intelligence team continued its near-daily communication with other agencies in the Intelligence Community (IC), the DLA Political Advisor, and multiple organizations within the JLEnt to ensure a coordinated intelligence picture was presented to support DLA senior leader decisions. The InT Program continued its awareness efforts and outreach to DLA's MSC, RC, and the DI's Insider Threat Incident Response Group (IRG) members to ensure that program awareness and reporting protocols didn't perish because of the current TW environment created by the COVID-19 pandemic. The CI team continued its regular liaison with the supporting Military Department CI Office (MDCO), as well as routine communication with MSC/RC representatives. The CI team also provided CI support to—and develop its growing relationship with—the DLA J3 & J7 as the agency worked to define how it will conduct Supply Chain Risk Management (SCRM), SCS, and VTM.

DI in coordination with DLA Information Operations continued to lead the way in CI Cyber operations with one of two OPCON CI Cyber Program Analysts onboard. This CI Cyber Analyst

has continued to be the Agency Subject Matter Expert to provide CI Cyber support to internal and senior agency officials. This analyst provided timely leads to other analytical groups within the IC within 24 hours of receipt that may assist or provide additional resources/assets to establish DLA's integration into the cyberspace focused DoD community. His specialized skillset filled a specific gap in between the world of threat intelligence and cyberspace awareness for the Computer Emergency Response Team (CERT) and DLA as an agency, by providing valuable input to specific threat assessments such as Operation Gladiator Shield. This position continues to fill a valuable role in defending against real world threat actors and adversaries.

DI's CI cyber analyst had assisted numerous internal and external organizations in fulfilling their mission successfully in a heavy threat cyber environment. He assisted the Office of the Inspector General (OIG) and law enforcement in acquiring specific evidence on behalf of DLA and assisted in mitigating a known fraud against DLA. He continued his work with OIG and DLA Fraud Counsel to help secure DLA networks from account/access abuse, which could jeopardize our long-term strategic goals and mission. When there was a specific cryptographic flaw within some DoD CAC cards which would need to be replaced, DLA's CI Cyber Analyst used DLA systems to inventory CACs in use to ensure no vulnerability within DLA. He worked with Fed Mall engineers on developing mitigations for a cyber-threat vector he identified based on new technologies and research.

Within the DLA CERT, DLA's DI cyber analyst used his skillset to identify future phishing campaigns for the DLA CERT, and had in some cases, sent users specific warnings to those being targeted. Similarly, he identified a terrorist threat actor who identified and named specific DLA (and other agency) employees to target with cyber-based attacks. He helped DLA's Red Team (Cyber Threat Emulation Team) emulate accurate threat actors, using intelligence and understanding of the threat landscape to help shape the emulation. He also helped prioritize CERT network defense and detection measures bringing knowledge of the current threat landscape in combination with new and emerging trends and threats to help identify and prioritize CERT incident handlers focus.

DI continued to have a strong Intelligence Oversight (IO) program. The appointed IO Officers performed their responsibilities for ensuring all DLA Intelligence personnel received annual IO training and reported any questionable activities. There were no questionable activities reported or observed during this historical period. DI's IO representative also verified that 100% of personnel assigned to DI's IO received all IO training required by DoDM 5240.01.

DI Security continued its normal routine using virtual training methods, enhanced by Defense Collaboration Systems, Skype, and dial-in teleconferences to keep the security representatives up to date on policy changes and implementation within all disciplines.

DI's Security Staff and CI/Insider Threat Program consolidate all mandatory training into one offering hosted on the Learning Management System. Each Program Manager developed modules covering the DoD required information for annual training. This partnership reduced four training offerings into one. The team also built a test-out option before each module so employees who understood program requirements would not have to waste their time. This effort

was timely as DLA was able to use this new training to satisfy the Secretary of Defense's OPSEC Campaign training requirements.

The Intelligence Division continued to focus routine awareness training efforts on new MSC/RC commanders and supervisors for both the CI and InT Programs. The CI and InT Programs also ensured that 100% of all new DLA employees at the McNamara Headquarters Complex received awareness training during bi-monthly onboarding new employee briefings. The CI/InT Programs also participated in combining security training into one LMS module. In the future, DI is looking into the possibility of placing the Insider Threat Sentry App, an awareness mobile application that provides the DLA workforce streamlined access to awareness materials and facilitates, on all DLA-issued smart phones. This effort would keep training effective during pandemic situations.

Since DLA was the first agency to attain a Full Operational Capability (FOC) for its Counter-Insider Threat (C-InT) program in 2016, its members were chosen to participate in an initiative co-sponsored by the Office of the Under Secretary of Defense for Intelligence (OUSD(I)) and Office of the Director of National Intelligence (ODNI) to professionalize the C-InT workforce and establish a common standard of fundamental knowledge and skills across the C-InT enterprise. As direct participants in the development and pilot testing of the C-InT certification program, they were conferred with both the Certified Counter-Insider Threat Professional-Fundamentals (CCITP-F) and Certified Counter-Insider Threat Professional-Analysis (CCTIP-A) certifications. To date, all DI Intelligence Division C-InT program professionals have attained the CCITP certifications, which underscores the professionalism within the program.

In the latter half of 2019, the DLA Director required a comprehensive SCS strategy. In anticipation of this requirement, the Intelligence Division's CI team developed a CI support strategy for SCS and updated its support strategy as requirements changed. The DLA Director approved the consolidated SCS strategy in July 2019; out of that effort grew additional agency efforts for VTM and SCRM. The SCRM effort was recently highlighted at the July 2020 Defense Science Board Panel meeting, and the DLA J3 is currently looking at the relationship between SCRM and SCS. The CI team worked closely with DLA Logistics Operations & DLA Acquisition on CI support to VTM. All three elements have attended VTM discussions sponsored by OUSD (A&S).

On an annual basis, DLA awards approximately \$4.4 billion in contracts to more than 260 foreign prime vendors for goods and services to combatant commands, all branches of DOD, and U.S. government agencies. Representing more than 10% of all DLA prime contracts and acquisitions, the agency's reliance on foreign vendors created vulnerabilities and provided hostile foreign actors with opportunities to disrupt, exploit, and target the DOD supply chain. In addition to the prime foreign vendor base, DLA relied on an extensive network of foreign subcontractors to provide goods and services in contingency and non-contingency environments.

One intelligence initiative we are proud of was a library of available unclassified intelligence products for DLA's official and unofficial travelers. The DI Intelligence Division produced a library of Travel Threat & Information products for 100 different foreign countries, accessible to the DLA Antiterrorism Officers across the Enterprise to brief our DLA personnel traveling

overseas. The products are unclassified so travelers can keep it with them at all times. They provide important information such as terrorist/criminal/medical threats, local customs, helpful language phrases, and links to relevant information from the Department of State, Center for Disease Control, and the Foreign Clearance Guide.

FY20 presented multiple opportunities for DI to increase communication and heighten awareness for Operations Security (OPSEC). DI responded to the sudden shift to mandatory telework due to COVID-19 by immediately communicating best practices for information security in a remote environment. DI passed information over a variety of media, utilizing the Director's Blog, DLA Today, and a memorandum signed by DLA leadership and well received by workforce. In the midst of the pandemic, the Secretary of Defense announced an OPSEC Campaign to combat a multitude of information leaks and a "culture of insufficient OPSEC practices and habits." Through a series of memoranda, OSD directed the entire community to conduct a training stand down, to ensure proper prioritization of OPSEC and unauthorized disclosure efforts, and to assess command OPSEC programs to determine if current protection measures were sufficient. The DI foreign disclosure officer also completed the required checks and information packages to on-board three foreign exchange officers around the enterprise.

The DI PERSEC team conducted several initiatives this FY. DoD is in the final stages of fully deploying a new system for recording clearance eligibility determinations and access to classified information – Defense Information System for Security (DISS). We will need to establish accounts for all security representatives (Enterprise wide), develop owning/servicing relationships for all personnel assigned to DLA and DLA-serviced organizations, and ensure our personnel are trained and prepared for the transition.

Another PERSEC initiative involved Continuous Evaluation (CE), which impacted 16,000 personnel. As of today, we have submitted 11% of the workforce directly into CE and processed another 10% for full periodic reinvestigations who will be enrolled into CE by the DoD Consolidated Adjudications Facility once fully adjudicated. During COVID-19, DI leveraged additional security personnel to assist with the initiation of CE to the workforce.

In the area of Industrial Security, an update to the Federal Acquisition Regulation (FAR) mandated the use of the National Industrial Security Program (NISP) Contract Classification System (NCCS) for the automated processing of DD Forms 254 for all DoD contracts. This change will precipitate a major overhaul to current industrial security processes within the DLA enterprise. DI will work closely with the process lead, DLA Acquisition, to implement the new procedures with the goal of facilitating a seamless transition. Additional efforts include teaming with the J7 COR program to develop, implement, and codify training for contracting personnel in accordance with DoD Instruction 5220.22, Volume 2, "National Industrial Security Program (NISP)".

A major DoD security initiative this past FY involved the DoD release of an updated CUI policy. This new policy will influence how DLA protects sensitive unclassified information. The Security Division drafted the DLA issuance for CUI, which is in DLA coordination process. Planning on the policy roll-out and training for the workforce is under way. It should be completed in early FY 21.

The Fiscal Year ended with a joint project of our Intelligence and Security Teams. They teamed up to develop a combined Insider Threat & Security Awareness Month program for September 2020. This year's pandemic has presented the agency with challenges as we have adapted to a new way of life and a more socially-distanced workplace. While circumstances have changed, the need to safeguard our personnel, information, and resources has not. Insider Threat & Security Awareness Month focused on five areas: security awareness, reporting concerning behavior, the redesigned controlled unclassified information (CUI) policy, preventing inadvertent disclosures, and resiliency. To prevent overwhelming the workforce, DI initiated a collaborative partnership with DLA Installation Management to further its involvement. The end result was an informative and cooperative effort to reach the workforce with timely and relevant information.

# Defense Logistics Agency

## DLA Legislative Affairs (DL) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: DLA Legislative Affairs (DL) Fiscal Year 2020 History

I have reviewed DL's submission for chronicling Defense Logistics Agency history for fiscal year 2020 and would like to forward my endorsement.

You may contact me with any questions at 571-767-6150 or  
[Marta.McLellanRoss@dla.mil](mailto:Marta.McLellanRoss@dla.mil).

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MARTA MCLELLAN ROSS  
Director  
DLA Legislative Affairs

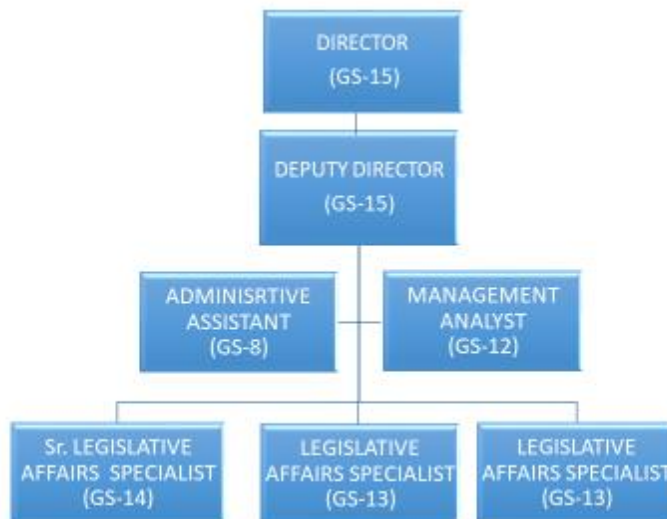
Attachment: DLA Legislative Affairs (DL) FY 2020 History

## 1. Introduction

The mission of the Defense Logistics Agency's Office of Legislative Affairs (DL) is to provide executive-level advice and assistance to the Director, Vice-Director, Executive Board members, and Major Subordinate Commands (MSC) on matters regarding Congress; the White House; and national, state and local political activities bearing on the Agency's mission and operations. The vision of the office is to have continued proactive engagement with Members of Congress, Congressional Committees, and their staffs to gain support for DLA's mission, programs, and initiatives.

DL also provides full spectrum support to DLA Headquarters and MSCs. Each legislative specialist is responsible for all congressional actions related to their specific portfolios. This includes congressional inquiries, Hill engagements (meetings/briefings), and hearing support. Congressional support is centralized within DL. The MSCs except Troop Support have no dedicated legislative affairs specialists. However, there are designated legislative points of contact at each MSC who reside within either General Counsel offices or the Command support staff group.

## 2. Organization



The DL staff is comprised of seven full-time employees; no contract staff. There are two GS-13 Legislative Affairs Specialists tasked with direct legislative activity and one GS-14 Senior Legislative Affairs Specialist who also provides direct legislative activity and is the lead for the legislative team. We have one GS-12 Management Analyst who provides information management and database support; one Administrative Assistant, the Director, and the Deputy Director. The Director and Deputy Director are tasked with Direct Support to the DLA Director, Vice, COS, PLFA Commanders, J-Code Directors, and D-Staff Directors. The Legislative Affairs Specialists directly support the Legislative Director and Deputy, and their Director's Staff Group (DSG), MSC, J-Code, and D-Staff customers.



### 3. Key Leaders

#### a. Retirement of DL Director

Fiscal Year 2020 DL saw the retirement of its long-time legislative director and welcomed a new director to lead the office into the future. On May 31, 2020, Robert T. Wimple Jr., USAF, Colonel (ret.) retired from federal civil service after 17 years as the DLA Director of Legislative Affairs. In February 2003, then-Colonel Robert Wimple completed his service in the Office of the Assistant Secretary of Defense for Legislative Affairs and was assigned to DLA as the Director, Legislative Affairs. On June 1, 2007, Colonel Wimple retired from the United States Air Force after 30 years and 8 months of active duty. Colonel Wimple became the first civilian Director of Legislative Affairs upon his military retirement. On March 31, 2020, Colonel Wimple retired from the Defense Logistics Agency after 12 years and three months of civilian service. Mr. Wimple and his wife Sandi retired to their home of record in Lawton, Oklahoma. On September 28, 2020, DLA welcomed the new Director of DLA Legislative Affairs, Marta McLellan Ross, who came to the Agency from the U.S. Agency for Global Media (USAGM). Ms. McLellan Ross draws on more than 10 years of legislative experience to represent DLA to Members of Congress and their staff.

#### b. OSD Efficiencies Initiative

On January 13, 2013, as a result of the OSD Efficiencies Initiative, the DL Deputy Director, Dr. Cordell Francis, is dual-assignment as the Special Assistant to the Assistant Secretary of Defense for Legislative Affairs. The agreement between OSD (LA) and DLA assigned the Deputy to OSD (LA) three out of five days per week.

### 4. Fiscal Year (FY) 20 Budget

ITEM	ACTUALS (July 2020)
Labor	\$973,529
Travel	Combined with Directors Staff
Training	\$1,000
Supplies/Equipment	\$2,009
*Contract	\$60,000

DL had a budget of approximately \$896K. The majority of the budget is labor (\$861K), followed by the only DL contract for Congressional Quarterly (\$60K) for information and research services. The contract was shared with J8, J3, and J7. The next largest DL expense is supplies, and the remainder was absorbed by training.

## 5. Historical Narrative

### a. Reports to Congress

DLA wrote or contributed to Congressional Reporting Requirements for the Congressional Defense Oversight Committees. See table below.

OPR	Report / Briefing Title	Authority	Due Date	Current Status
DB	Procurement Technical Assistance Centers Training Standards	FY20 NDAA, (HASC), H.R. 2500, Rpt 116-120, pg. 182	12/1/19 Interim issued 11/25/19 Extended 1/15/20	Briefing <b>Completed:</b> 1/15/2020 – Transmittal Letters and Briefing forwarded to the HASC.
J7	Briefing on Sustainment Plan for maintaining Access to MIL-PRF-19500 Parts	FY20 NDAA, (HASC), H.R. 2500, Rpt 116-120, pg. 175	1/15/20	Briefing <b>Completed:</b> 1/19/20 - Transmittal Letters and Briefing forwarded to the HASC.
Energy	Westover Air Reserve Base - DLA study of fuel pipeline	FY20 NDAA, (SASC), S. 1790, Rpt 116-48, pg.149	2/1/20	Report <b>Completed:</b> 1/30/20 – Transmittal Letters and Report submitted to the Defense Committees.
Strategic Materials	Consolidation of reporting requirements under the Strategic and Critical Materials Stock Piling Act (sec. 1423) (OPs & AMPs Reports Combined)	FY19 NDAA, Conference Report, H.R. 5515, Rpt 115-874, pg. 1035 (50 USC 98h-2)	2/15/20	Report – Annual <b>Completed:</b> 3/17/20 – Transmittal Letters and Report submitted to the Defense Committees.
Strategic Materials	Sec. 850. Acquisition and Disposal of Certain Rare Earth Materials	FY20 NDAA, Conference Report, S. 1790, Rpt 116-333, pg. 313	7/9/20	Report <b>Completed:</b> 7/9/20 – Transmittal Letters and Report submitted to the Defense Committees.
DB	Sec. 852. Authorized Official to Carry Out the Procurement Technical Assistance Cooperative Agreement Program	FY20 NDAA, Conference Report, S. 1790, Rpt 116-333, pg. 333	11/1/20	Report/Briefing
J3	Sec. 883. Pilot Program for Distribution Support and Services for Weapon Systems Contractors	FY17 NDAA, P.L. 114-328, Conference Report, S2943, Rpt 114-840	12/31/20	Report
J7	Congressional Report on Domestic Nonavailability Waiver Process; H. Rpt 116-120, Page 182	FY20 NDAA, (HASC), H.R. 2500, Rpt 116-120, pg. 182		Report

## b. COVID-19

In 2019 the Legislative Affairs office conducted in excess of 3K congressional touches (see below). Calendar year 2020 started with a great deal momentum spurred by the COVID-19 pandemic. The Under Secretary of Defense for Personnel and Readiness provided the Department guidance in a memo dated January 30, 2020. By March 12, 2020, DL started receiving a flood of congressional inquiries which quickly eclipsed all other congressional activities for next few months.

DLA also participated in weekly and bi-weekly COVID Inquiries. As of October 15, 2020, the office had conducted 105 COVID-19 Congressional Inquiries (Written, Verbal & Hill Engagements)

## c. Congressional Engagements

In CY 2020, DLA conducted the following engagements (as of: October 15, 2020)

- Engagements) (1) 344 – Total COVID-19 and Non-COVID-19 actions (Written, Verbal & Hill Engagements)
- (2) 239 – Non-COVID-19 Congressional Inquiries (Written & Verbal)
- Engagements) (3) 105 – COVID19 Congressional Inquiries (Written, Verbal & Hill Engagements)
- (4) 15 – Congressional Reporting Requirements (CRRs)
- (5) 35 – Briefings / Meetings / Teleconferences
- (6) HASC Briefing on COVID-19 Response – Mary 2020
- 2020 (7) HASC Readiness Subcommittee Briefing on Contested Logistics – October
- (8) 0 – Congressional Visits to MSCs
- (9) 0 – Hearings

CY 2019 DL Engagement (January 2019 – December 31, 2019)

- (1) 300 – Total actions (Written, Verbal & Hill Engagements)
- (2) 270 – Congressional Inquiries (Written & Verbal)
- (3) 8 – Congressional Reporting Requirements (CRRs)
- (4) 30 – Briefings / Meetings / Teleconferences
- (5) 4 – Congressional Visits to MSCs
- (6) 0 – Hearings
- (7) 1344 – Contract Announcements (as of October 17, 2019)
- (8) 27 – Congressional MILCON Notifications (as of October 17, 2019)
- (9) 8 – Congressional Reports (as of October 17, 2019)

## d. FY21 National Defense Authorization Act (NDAA)

The House & Senate passed its FY21 annual defense authorization bill (also known as the NDAA), the House (H.R. 6396) on July 21, 2020 and the Senate (S. 4049) on July 23, 2020. This

passage sets up a House-Senate conference that will aim to write a bill that can become law for the 60th straight fiscal year.

Both bills would authorize nearly three-quarters of a trillion dollars in spending for national defense programs in fiscal 2021, one of the largest defense budgets since World War II.

#### e. FY21 Defense Appropriations Bill

The House Appropriations Bill (H.R. 7617) passed on July 31, 2020. Its \$1.37 trillion package made up of seven bills: Defense, Commerce-Justice-Science, Energy-Water, Financial Services, Homeland Security, Labor-HHS-Education and Transportation-HUD.

Legislation provides \$694.6 billion in discretionary spending to defend the nation against evolving threats, prepare for future challenges, and meet the needs of service members and military families; Legislation protects against misappropriation of Defense funds for border wall and requires return of any unobligated funds taken for the wall in FY 2020.

As of November 17, 2020, the Senate Appropriations Committee introduced its FY 21 Defense Appropriations bills and is entering conference directly. Legislation provides \$688.1 billion in funding to develop, maintain, and equip the military forces of the United States, and \$514 million in mandatory spending.

The House Appropriations Bill (H.R. 7608) State, Foreign Operations, Agriculture, Rural Development, Interior, Environment, Military Construction, and Veterans Affairs Appropriations Act, 2021, passed on July 24, 2020. The Senate has not passed a similar measure.

# Defense Logistics Agency

## DLA Installation Management (DM) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

October 21, 2020

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Submission of DLA Installation Management FY20 Annual History Input

As we embarked on the FY20 Dynamic Operating Plan, I provided in my guidance to the staff that I looked forward to working together towards making it a landmark year. My initiatives were broad and organizationally demanding, but believed each success would bring us closer to meeting DLA's Strategic Goals. The era of COVID-19 has brought additional challenges for DLA Installation Management to the forefront. The attached pages show highlights from those success as DLA Installation Management continued to adapt and innovate to meet the ever changing requirements affecting DLA's mission.

We always consider the warfighter first and look for the most efficient and economical ways to do so while also looking out for our people. We continually encourage our people to work safely and passionately in support of our mission.

We hope that as people read these pages they will see a workforce ready, willing, and able to do it all that it can to exceed the DLA Director's goals for the Strategic and the People and Culture Plans.

HACKETT.GORDO  
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GORDON B. HACKETT III  
Director  
DLA Installation Management

Attachment:  
Annual History Input

## **1. Introduction**

The DM historical record outlines actions taken over Fiscal Year 2020 to improve the effectiveness and efficiency of services provided to our customers, civilian and military, internal and external to DLA. It also provides the key operating goals, initiatives, metrics, and tools used to ensure we can meet present and future requirements.

DM provides worldwide policy, program, and operational support in the areas of:

- a. Facilities and Equipment
- b. Environmental Management
- c. Security and Emergency Services
- d. Family and Morale, Welfare, and Recreation

## **2. Organization**

### **a. Mission:**

DM provides security and emergency services; environmental management; family and morale, welfare, and recreation; and installation and facilities management support policy to all DLA organizations. Enables DLA's Headquarters (HQ) Staff and Major Subordinate Commands (MSCs) to provide logistical support to the Warfighter, DoD components, and other customers.

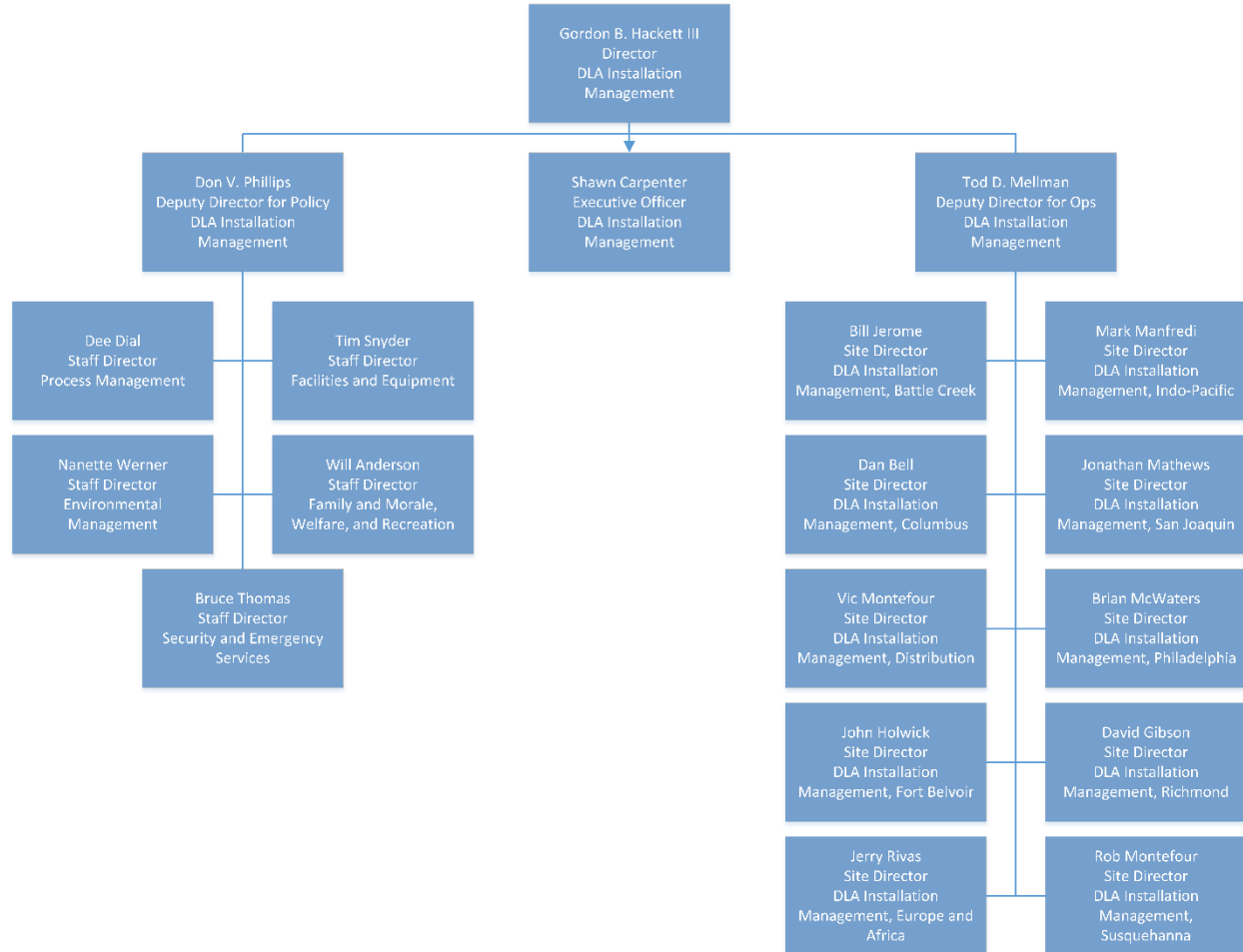
### **b. Vision:**

Enable the DLA workforce to support the Warfighter.

### **c. Values:**

Our values are DLA's foundation. They provide our guiding principles as we accomplish our mission, pursue our vision, and strive to do what is right for the Armed Forces and DOD: Leadership, Professionalism, and Technical Knowledge through Dedication to Duty, Integrity, Ethics, Honor, Courage, and Loyalty.

### 3. Key Personnel



DM hired a new Deputy Director for Policy and Site Director for Philadelphia in FY 20.

### 4. Total Personnel:

Office	Authorized Civilians	On-Board Civilians
DM Director's Office	6	7
Staff		
Process Management (DM-A)	10	12
Environmental Management (DM-E)	11	10
Facilities and Equipment (DM-I)	34	38
Family and Morale, Welfare and Recreation (DM-Q)	0	0

Safety and Emergency Services (DM-S)	14	13
Sites		
Battle Creek (DM-FB)	63	44
Columbus (DM-FC)	276	233
Distribution (DM-FD)	48	39
Fort Belvoir (DM-FF)	142	124
Europe and Africa (DM-FG)	20	14
Pacific (DM-FH)	29	18
San Joaquin (DM-FJ)	178	132
Philadelphia (DM-FP)	50	40
Richmond (DM-FR)	254	197
Susquehanna (DM-FS)	343	274
Total:	1,478	1,195

DM-Q has zero authorized Full-Time Equivalents (FTEs), but maintains a Non-Appropriated Fund (NAF) staff of 38. The DM enterprise has a total of 532 NAF employees.

## 5. Historical Narrative

### a. DM Energy Transition to DLA Energy

On March 6, 2020, the DLA Director approved realigning DLA Installation Management for Energy as well as DM Pacific and DM Europe and Africa Energy Full Time Equivalents (FTEs) to DLA Energy. Additionally, the DLA Director approved transferring authorities for Sustainment, Restoration, and Modernization (SRM) and Military Construction (MILCON) project execution to DLA Energy. DM will maintain corporate oversight.

Effective April 1, 2020, DM for Energy (DM-FE) and all OCONUS DLA Energy-Funded FTEs were realigned under the Operational Control (OPCON) of the DLA Energy commander with DM oversight. Included in the move were Energy Property, Plant and Equipment; Environmental; SRM project management; and MILCON design and construction. DLA Energy also assumed responsibility for supporting other MSCs in the Environmental and Real Property OCONUS program areas, again with oversight from DLA Headquarters DM.

The General Order formalizing the transfer is still being drafted. It is expected to be complete before the end of FY20.



## b. Safety Transition

The DLA Director approved a course of action last fiscal year to realign the Safety and Occupational Health Directorate directly under the chief of staff. This included realigning the field safety personnel from DM to each of the Major Subordinate Commands. The General Order formalizing this movement was signed October 3, 2019. Personnel transfer was concluded February 2, 2020.

## c. COVID-19 Response

DM continues to play a critical role in the agency's response to COVID-19. DM ensures that the workplace is clean and safe. DM follows the Centers for Disease Control's COVID-19 environmental cleaning/disinfecting recommendations to ensure proper sanitation. Procedures include increased cleaning of high traffic areas and thorough cleaning of areas utilized by employees with COVID-19. Janitorial contracts were modified at DM sites adding considerable expense. DM also provided an initial stock of cleaning supplies to organizations throughout the agency.

DM Security and Emergency Services (DM-S) drafted guidance for the DLA Enterprise that outlined DLA-specific installation access and physical security procedures during COVID-19. DM-S implemented Office of the Undersecretary of Defense for Personnel and Readiness (OUSD(P&R)) policy regarding changes to identification card operations at DoD RAPIDS sites, implemented OUSD(P&R) policy on remotely updating Common Access Card (CAC) certificates, communicated DMDC guidance for using expired driver's licenses for CAC and USID issue/re-issue, and published a DLA Today article outlining procedures for remotely extending CAC certificates. Finally, DM-S reported weekly Defense Biometric Identification System (DBIDS) scan counts at the ASOC daily COVID-19 Senior Leader Synch.

DM police departments continued to play a key role in the agency's COVID-19 response by implementing no-touch DBIDS scanning at gates and scanning CACs through car windows. Under certain circumstances, temperatures were taken before individuals entered bases.

DM-Q Family and Morale, Welfare, and Recreation (FMWR) developed Non-Appropriated Fund (NAF) Employee Policy and Operational Guidance - Pay and Leave Usage in response to COVID-19 to cover our NAF workforce, which is not included in most policies issued by J1. While nearly all our FMWR programs have been closed, we continued to use Family Advocacy programs to distribute information and assist those in need. FMWR posts public service announcements at entries, conference rooms, and elevators.

At Susquehanna, the COVID-19 pandemic negatively impacted food sales, especially in areas with vending machines. The Defense Dining team turned the situation into a positive one. DM Susquehanna worked with DLA General Counsel on a waiver to donate items reaching expiration dates to a nonprofit organization.

## d. Operational Technology

Over the past year, DM made significant accomplishments in operational technology (OT). Through collaboration with DLA Information Operations (J6), Directive Type Memorandum (DTM) 20-002 "System Life Cycle Management of Facility Related Control Systems" was published to identify roles and responsibilities of OT pillar leads. The DTM

delineates responsibilities for stakeholders and provides a foundation to develop policies to manage control systems (CS). The OT pillar leads are: Security, Fire Protection, Petroleum, Oil & Lubricants, Building Control Systems, Utility Control Systems, Material Handling, and Other. The governance board for OT is chaired by the DLA chief of staff (CoS) and the chief information officer. Monthly OT issues are discussed to enable DLA to operate in a more cyber secure environment. DM pillar leads updates the DM Director and then the CoS on a monthly basis. In June 2020, the DM OT team responded to an Office of Secretary of Defense (OSD) data call for the “2020 DLA Cyber Security Plan Update.” In collaboration with J6, OT inventory, risk assessment, mitigation, and sustainment reports were submitted to OSD and further reviewed via a joint meeting between OSD, J6 and DM on July 13, 2020. Further engagement with J6 will be necessary as we move into a more cyber secure environment: however, DM will continue to work with its partners to provide the best possible solutions in 2021.

#### e. Per- and Polyfluoroalkyl Substances (PFAS)

PFAS are a class of man-made compounds found in many industrial and consumer products, including nonstick cookware and microwave popcorn bags. In DoD applications, the chemicals have been found in the aqueous firefighting foam (AFFF) used to extinguish fuel fires. Although successful in protecting against catastrophic loss of life and property, it is now known that PFASs can potentially contaminate private wells and public water systems.

In response, the Secretary of Defense created a PFAS Task Force to manage concerns over releases and the effects on military installations and their families. The task force provides an aggressive, holistic approach to find and fund an effective substitute for firefighting foam with PFAS, develop and implement cleanup standards, make lasting policy change, and coordinate across federal agencies.

To support the PFAS Task Force, DLA coordinated with the Deputy Assistant Secretary of Defense (Environment) and the Services through numerous OSD committees, including committees for the Resource Conservation and Recovery Act (RCRA), Cleanup (Defense Environmental Restoration Program), Safe Drinking Water Act, and Clean Water Act. These committees drafted numerous policies to address task force priorities and requirements of the FY20 National Defense Authorization Act (NDAA) including:

- (1) PFAS disposal
- (2) Investigating PFAS within the DoD cleanup program
- (3) Progress and cost reporting
- (4) Establishing a consistent methodology for PFAS analysis in media other than drinking water
- (5) AFFF usage and spill reporting
- (6) PFAS sampling of drinking water systems
- (7) Property acquisition
- (8) Sharing data with municipalities and utilities.

In FY20, DLA assumed the chairmanship of the RCRA Steering Committee and was instrumental in guiding and facilitating DLA’s customers in the proper disposal of PFAS waste. Under DLA’s chairmanship, the RCRA Steering Committee drafted DoD’s PFAS Disposal Policy for the PFAS Task Force and interagency review, which will evolve in response to EPA

guidance and emerging legislation. DLA also provided support to DoD Inspector General and Government Accountability Office (GAO) audits concerning management of PFAS in DoD.

DLA will continue supporting the PFAS Task Force's efforts to prioritize the U.S. Government's actions in identifying appropriate disposal options for PFAS wastes and addressing drinking water issues caused by DoD activities.

#### f. Defense Wide Review Initiatives

##### (1) Staffing Reductions

DM was directed to reduce staffing by 26 FTEs as part of the first Defense Wide Review. DM took the required reductions from our vacancies. These actions reduced our mission capability; however, DM reduced in other areas through attrition. The staff then moved the FTE to a program that was previously reduced, thereby assuring that mission requirements were met.

##### (2) Sustainment, Restoration, and Modernization

As a part of the DLA Director's goal to reduce the agency's cost recovery rate over the next five years, the non-Energy SRM program was cut by \$35M, a 15% reduction. Later in the year, McKinsey and Company assisted DLA in a cost transparency review, resulting in an additional \$18M from the FY20 budget. This second reduction brought the total decrease to \$53M, or 23% of the overall budget.

In another initiative, DLA changed its method for distributing funding from a pro-rated share per site to an enterprise approach. The enterprise approach included developing a list ranking all SRM projects by criteria such as Life, Health, Safety; Warfighter Support; and Facility Condition. This approach allowed DLA to invest in the infrastructure that would most affect the mission.

Additional Initiatives and Accomplishments (by staff and site offices) include process management; environmental management; facilities and equipment; and family and morale, welfare, and recreation.

Highlights include conducting multiple business case analysis (BCAs) to include training operations reviews and the Business and Recreation Program. By streamlining operations and realigning priorities, FMWR secures approximately \$1.4 million annually. Additionally, a deep dive on Child and Youth Program operations revealed various deficiencies that were corrected.

NAF Support Services has a team of dedicated professionals who provide support to the DLA NAF Enterprise. The team consists of members from NAF Contracting, Marketing, Advertising & Sponsorship, and NAF Information Technology. Below are accomplishments for the year:

(a) NAF IT continues to work with J6 to ensure the MWR systems follow J6 infrastructure requirements. Many of the servers were migrated to more secure servers to include software that was upgraded to the most secure version. These actions were successfully completed and caused minimal impact to our operations.

(b) Marketing created several MWR Social Media channels that boost participation and keep customers informed about upcoming community events, recreational

activities, classes, online resources, NAF job announcements, and promote various Command Information and Public Service Announcements. Information and PSAs include fitness, recreation, childcare, general health, safety, and fiscal tips.

(c) The Commercial Sponsorship and Advertising Program secured over \$160,000 in revenue through online, digital, social, and large format mediums across the Enterprise to provide support for MWR programs and events.

(d) NAF Contracting has executed and administered several significant contracts for the Enterprise: over \$2M for services, supplies, and NAF construction to support FMWR programs. Contracts include installation of new turf for San Joaquin's Child Development Center playground and 76,000 sq. ft. softball field. The Susquehanna Clubhouse renovation project was completed for a possible summer reopening. In addition, the Outdoor Sports Complex project at Columbus was completed. The contracting office continues to work with J6 on the Video Surveillance System requirements to replace outdated systems that will provide staff and patrons with better viewing of classrooms and the Centers.

Family Programs continues to collaborate with OSD, Service branches, civilian counterparts, and DLA across sites to best serve the DLA population while supporting the DLA Strategic Plan. Examples of collaborative efforts in FY20 include:

(a) Development and publication of DLA Family Programs Needs Assessment for adaptation and use at local sites to guide service delivery and programs

(b) Updates to the training support packages to meet the requisites of the DLA deployer groups

(c) Sharing ideas, research, training packages, and outcomes across the sites to gain efficiencies for all Family Program staff and best serve the DLA population – example: Virtual Family Resources posted to websites within the first week of teleworking during COVID-19.

(d) Regaining 100% of quarterly updates and certification of DLA site information in the Defense Information Messaging System (DIMS) on the Military OneSource platform

(e) Workgroup collaboration with OSD, Service branches and vendor to develop the Certification Management System tool development for DLA Family Programs future

Business and Recreation Programs had a challenging FY 20. All business and recreation facilities have been closed due to COVID-19 since in March. March is the beginning of our busy season for many of these programs. These income-generating facilities continued to pay labor and expenses but had no income coming in.

(a) The Riverview Golf Course in Susquehanna, Pennsylvania, and the Eagle Eye Golf Course in Columbus, Ohio, were both placed on Performance Improvement Plans (PIPs) for FY 20. Each facility established an action plan for the year to work towards a breakeven/profitable operation. Due to COVID-19, the facilities were shut down in March and as of July, have not reopened. The facilities have not been able to complete the action plans. The PIPs will remain in place through FY21 before a determination will be made on the outcome of the facilities.

(b) The Information, Tickets and Reservation (ITR) offices have also been impacted by the closure of the facilities. With all the amusement parks and tourist attractions closed, MWR patrons were seeking refunds for tickets purchased prior to the epidemic. Coordination has been ongoing with MWR HQ, the Ticket Management program, and the Sites to ensure that the patrons who are eligible are provided with their refunds.

(c) On June 30, 2020, after 3 years of financial loss, the decision was made to close the Richmond Cafeteria and to contract out the food and beverage operation. The Site and HQ staff are currently working with Contracting to establish a contract.

(d) A new credit card contract was awarded in 2020. New accounts were established, and credit card machines were ordered for not only the Business and Recreation facilities, but also for the Child Development facilities. Four of the six sites have had the new credit card machines installed. The new credit card machines connect directly to Rec Trac and CYMS minimizing errors on the daily paperwork.

#### g. Security and Emergency Services

(1) Zero terrorist or major criminal incidents against DLA supply chain!  
Implemented robust physical security and antiterrorism safeguards and risk mitigation strategies that protected all DLA personnel, facilities, and mission from terrorism, vandalism, espionage, sabotage, unauthorized disclosure, or loss.

(2) Collaborated with and leveraged federal, state, and local law enforcement, joint terrorism task forces, and criminal intelligence communities to track, identify, and mitigate potential threats and provide robust awareness to DLA employees, contractors, and visitors.

(3) Coordinated multiple U.S. Northern Command (USNORTHCOM) Force Protection Condition (FPCON) adjustments and amendments due to Middle East tensions, COVID-19, and demonstrations. Ensured DLA compliance with commander, USNORTHCOM, FPCON requirements. Briefed DLA senior leadership during Global Updates and notified USNORTHCOM J34 upon attainment of directed measures.

(4) Extended new capability for emergency communications to the Agency Strategic Operations Center (ASOC). As direct result of our participation in the ASOC led DLA Joint Rapid Alerting for Survivability and Endurability (JRASE) Joint Planning Group series of exercises, DM-S is providing the ASOC with the ability to issue alerts to leadership for short incidents with short notification criteria. This capability enhances ASOC command control and communications.

(5) Maintained 95% average for AT Level I Training across the DLA Enterprise (48 states and 28 countries). On target for agency goal in DLA People and Culture Plan.

(6) Promoted DLA iWATCH through articles, exercises, and tests; reinforcement mechanism for reporting suspicious activities across DLA.

(7) Consolidated and presented the agency's combating terrorism budget to DLA Finance (J8) for submission to OSD and Congress.

(8) DM-S is synchronizing current risk efforts with supply chain security, fielding new technology to identify and mitigate risks, and partnering with stakeholders to provide a comprehensive risk picture. All aspects of the enhancements are planned to be completed by September 2020. This is in support of DLA's supply chain security cross-cutting efforts under Strategic Plan Objectives 1.3:9, Enhancing the DLA supply chain resiliency by protecting people and infrastructure.

(9) Reviewed and completed Risk and Control Program input to ensure information is up to date.

(10) Completed USNORTHCOM Antiterrorism/Force Protection Program Self-Assessment Review in coordination with J3, J6, and DI. DLA is in full compliance with DoD and USNORTHCOM program requirements.

(11) Enhanced DLA force protection capabilities by acquiring 430 Sig Sauer handguns to replace the antiquated Beretta 9mm handguns previously used by DLA Police.

(12) From Oct 1, 2019, to May 31, 2020, DLA Police conducted 2,017,253 DBIDS scans and identified 700 security alerts and 4,279 expired or terminated CACs, preventing potential threats from gaining access to DLA installations.

(13) In coordination with J6 and the Army, obtained approval to install the Army's mass notification system on the computers of DLA tenant employees at Army installations. This action ensures all DLA tenant employees at Army installations receive emergency alerts from the host.

(14) F&ES Emergency Reporting application is now operational at the sites listed below. This application replaced F&ES ESAMS and will provide an automated, web-enabled records management and reporting application with the ability to standardize Fire and Emergency Medical records management and reporting capability.

- (a) Battle Creek
- (b) Columbus
- (c) Distribution
- (d) Energy
- (e) Fort Belvoir
- (f) Europe and Africa
- (g) Pacific
- (h) San Joaquin

#### (15) DM San Joaquin Security & Emergency Services

(a) In preparation for the 2020 Joint Mission Assurance Assessment, developed a new All-Hazards Threat Assessment based on updated requirements of the Defense Threat Reduction Agency. Created an entirely new process analyzing all key hazards to the installation with an emphasis on quantitative and historical review. The ranking system enables the installation to prioritize resources to the most significant threat based on numeric priority versus emotional interest.

(b) Implemented a new E911 system that can track the location of 911 calls throughout the installation. This system dramatically reduces emergency response times.

(c) DLA San Joaquin Fire & Emergency Services (F&ES) placed into service DLA's first Fire Training Tower. This essential resource provides realistic training for the fire department. Training conducted in this training tower includes live fire attack, hose advancement, ventilation, search, and rescue, laddering and rappelling, confined space, and high-angle rescue operations. Members of the fire department utilize this resource to improve their skills resulting in high-quality service to the installation population.

# Defense Logistics Agency

## DLA Equal Employment Opportunity (DO)

### Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

October 19, 2020

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY COMMAND HISTORIAN

SUBJECT: DLA Equal Employment Opportunity and Diversity (DO) 2020 Annual History Report

The DO's 2020 Annual History Report is approved and is being submitted with my endorsement along with the following attachments:

- General Order (GO 12-13) that reorganized the DLA EEO offices on 18 March 2014.
- The historic partnership Memorandum of Understanding between Gallaudet University and DLA that was signed on 25 March 2019.
- DLA's Fiscal Year 2019 Management Directive 715 report that was signed by the Director on 5 June 2020 by the Director of EEO and the DLA Director on 11 June 2020.

The attached pages show highlights from these successes at DLA Office of EEO and Diversity for calendar year 2020.

We hope that as people read these pages they will see a workforce ready, willing, and able to do all it can to exceed the DLA Director's goals for the DLA Strategic and Companion Plans.

SAMUEL JANICE.1 Digitally signed by  
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Date: 2020.10.19 07:21:00 -0400

JANICE SAMUEL  
Director  
Office of Equal Employment  
Opportunity and Diversity

Attachments:  
As stated

## **1. Introduction**

The Year 2020 has proven two things to the Defense Logistics Agency: the only constant is change and change is equal opportunity for all. As former DLA Director LTG Darrell Williams has said, “if you take care of your people, the mission will happen.” To take care of people, DLA needs to be committed to equality, diversity, and inclusion. This commitment is more important today than ever, with the coronavirus creating stress and altering work environments. DLA’s Equal Employment Opportunity and Diversity office is proud to be at the forefront of ensuring the agency upholds its commitment to a capable and diverse workforce.

### **a. Mission**

The mission of the DLA Equal Employment Opportunity and Diversity office is to advise and assist the DLA Director, leadership, and employees on the EEO Program and to champion a diverse and inclusive culture that empowers individual and organizational growth. The office seeks a workplace free from unlawful discrimination due to race, color, religion, sex, national origin, age, physical or mental disability, or reprisal for personnel engaging EEO-protected activity.

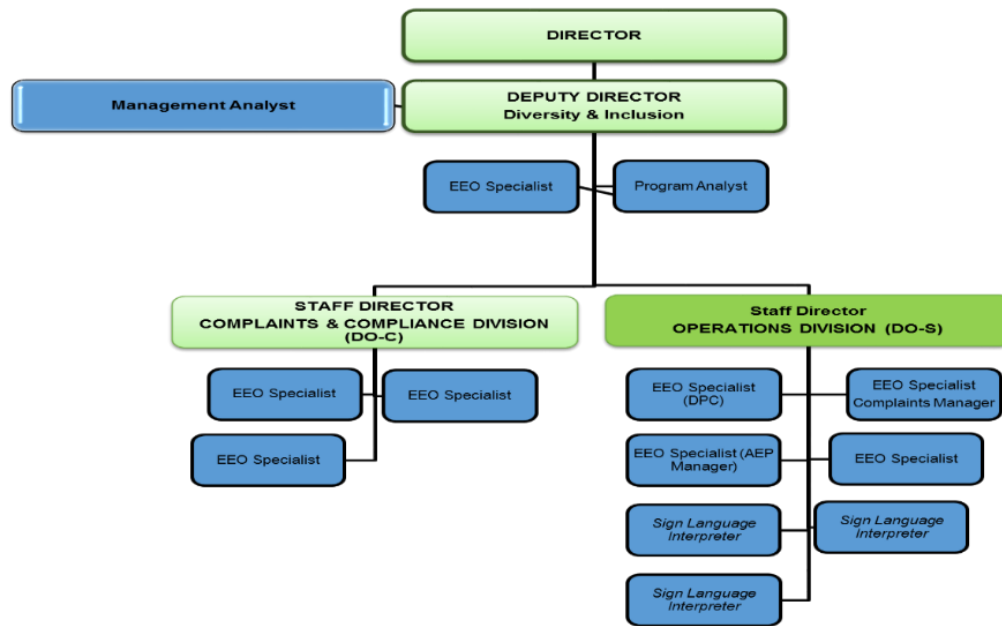
### **b. Vision**

The vision is simple but profound, to be the premiere EEO & Diversity office in the Department of Defense.

## **2. Organization / Key Personnel / Total Personnel**

On March 18, 2014, General Order No 12-13 gave the DLA Equal Employment Opportunity office two branches: the Complaint and Training Business Unit branch and the Affirmative Action/Special Emphasis and Analysis Business Unit branch. For the enterprise DLA EEO Office at the McNamara Headquarters Complex, this restructuring resulted in the disestablishment of the Policy and Compliance division and establishment of the Complaints and Compliance division and Affirmative Employment Program/Diversity division. The DLA Headquarters EEO Operations division was renamed the DLA Headquarters EEO Operations division (DO-S). In 2020, the organization decreased from twenty-one positions to seventeen. The office consisted of the director, the deputy director, one management analyst (a change from one administrative assistant), two staff directors (a decrease of one), eight EEO specialists (a decrease of three), one program analyst, and three interpreters.





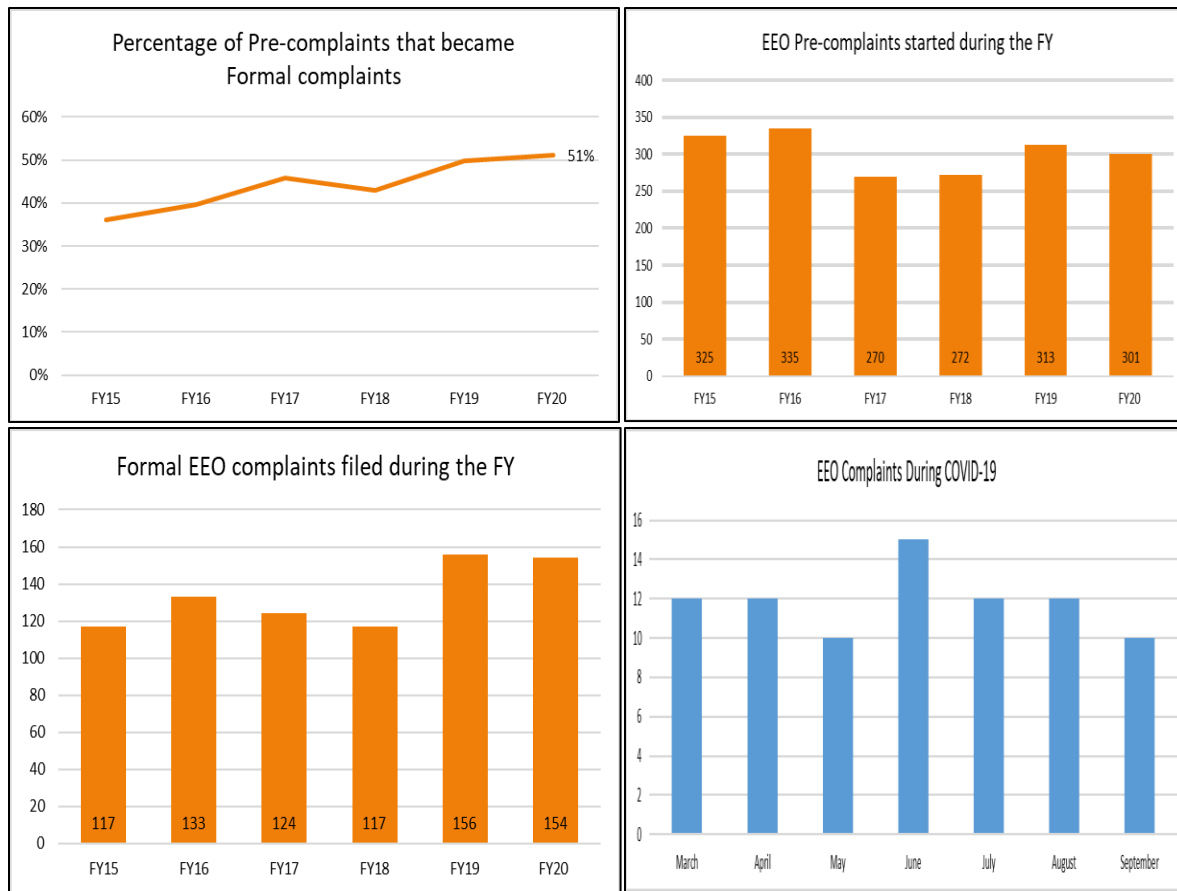
### 3. Historical Narrative

#### a. What Changed?

The change in organizational structure presented the office with an opportunity to reengineer internal processes. The COVID-19 pandemic tested those internal processes in FY20.

#### (1) EEO Complaints Processing

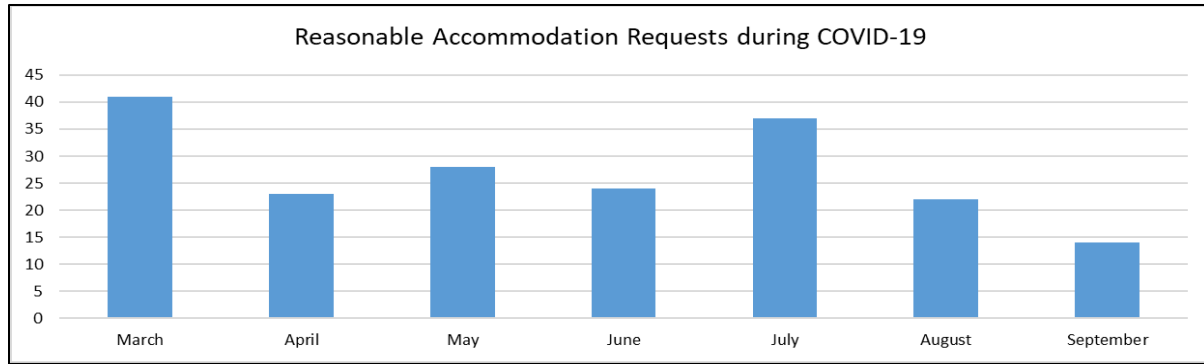
The pandemic forced the office, which is accustomed to face-to-face customer engagement, to use technology for the EEO complaints process. The rate of pre-complaints initiated has remained steady over the past 5 years. Formal complaints decreased slightly from FY19. Approximately 51% of the pre-complaints resulted in formal complaints. The top three issues remain non-sexual harassment, disciplinary action, and promotion or non-selection. The top three bases has shifted to disability, sex, and reprisal. Although the average caseload for EEO complaints dropped slightly after social distancing measures began, they have been increasing of late, with a current average of 2.9 per week. DLA Equal Employment Opportunity procured a new case management system to help offices remain compliant throughout the EEO process.



## (2) Reasonable Accommodation

A total of 587 reasonable accommodation requests were processed. The top category was “other” (291, or 73% of requests). “Other” includes telework, ergonomic workstation (104, or 18% of requests), and flexible work schedule (34, or 7% of requests). Maximum teleworking reduced requests substantially. The average caseload decreased by over 50% since social distancing began; this is the single most significant change in 2020. The office provided guidance and direction on how to handle reasonable accommodation requests before, during, and after the pandemic. In addition, the agency procured a new database to manage reasonable accommodation data.

## Trends during COVID-19



### (3) Sign Language Interpreting

Another area experiencing significant change was sign language interpreting and ensuring that the proper protective equipment was available for the deaf and hard of hearing population. The agency now has the capability to use Zoom for Government and iPads. I has procured face shields for when employees return to work. The number of interpreting hours increased to 3,240.

### (4) Training

The mission to educate the workforce continued after the office switched to an all-virtual capability. A collaborative partnership with DLA Human Resources helped the office conduct Prevention of Sexual Harassment/Sexual Assault Prevention & Awareness training, senior leader forums, and reasonable accommodation training.

#### b. What Gets Measured, Gets Done

The EEO Office strives to be a model EEO program. Continuous monitoring and progress reviews remain a key aspect of the EEO culture.

#### (1) Agency Management Reviews

Agency Management Reviews are a cross-functional evaluations of DLA's compliance with laws, regulations, policies, and procedures. The program aims to isolate trends and strengthen DLA's performance. Evaluations are conducted at a different major subordinate command every three to four months. The EEO office developed new metrics and assessment techniques in preparation for the 2020 DLA Distribution review.

#### (2) Management Directive 715

Yearly the EEO office performs a self-assessment to identify and eliminate barriers preventing equal employment opportunities in the workplace. This year the Equal Employment Opportunity Commission changed some of its reporting templates and extended the suspense date from February 2020 to June 2020. DLA provided its assessment with agency collaboration and submitted it on time.

### (3) Equal Employment Opportunity Commission Technical Visit

In May 2020, the Equal Employment Opportunity Commission selected DLA for a technical visit based on last year's MD-715 report. The visit assessed staffing, DLA Human Resource's Anti-Harassment Program, applicant flow data, and the competency assessment initiative. The visit was successful and a standard six-month follow-up will be conducted.

#### c. One Team One Focus

Coordination and Integration is key to the success of the EEO Program. The headquarters office cannot implement this mission alone; we recognize that we are one team with one focus.

#### (1) Major Subordinate Command contributions

Each subordinate command has its own EEO office, with headquarters having input into the EEO Managers' performance appraisal, which ensures that we are working together toward the same goal. There have been many personnel changes in the commands (retirements, promotions to other agencies, etc.), allowing the headquarters to assist offices by hosting quarterly EEM, complaints manager, and disability coordinator meetings.

#### (2) Competency Assessment

Due to turn over in EEO personnel and the Defense Department's response to the unrest roiling the nation, DLA began revising the 0260 Competency Assessment and Career Guide. The 0260 EEO Specialist community will be assessed on 15 technical and leadership competencies to determine if there are gaps in proficiencies. The EEO Director is now the 0260 Functional Community Manager, responsible for human capital in this specialized field.

#### (3) Awards and Recognition

Awards and recognition have been affected by the pandemic as well. Many of our award data calls continued but the pandemic forces ceremonies to be postponed. We still received great nominations and won the Defense Secretary award for Best Mid-Sized Component for the fourth time in a row and nineteenth time since its inception. DLA has won more awards than any other DoD component. Just as exciting, Mr. John Slone, a financial systems analyst in DLA Finance Operations was selected as one of DoD's Outstanding Employees with a Disability for 2020. The agency and Mr. Sloan were recognized in a ceremony. Finally, we continue our partnership with Gallaudet University and will participate in virtual outreach next year.

## **4. Conclusion**

The year 2020 proved that the one constant is change, and change is equal opportunity for all. A consistent commitment to equal opportunity, diversity, and inclusion is critical to DLA remaining a model employer. The agency's ability to attract, develop, and retain diverse, skilled, and agile workers is vital to our success as the nation's combat logistics support agency. In order to ensure this success continues, DLA must utilize the talents of its workforce without regard to race, color, religion, national origin, sex, age, sexual orientation, or disability. The Equal Employment Opportunity and Diversity Office will use change to help the enterprise achieve this future.

# Defense Logistics Agency

## DLA Public Affairs (DP) Fiscal Year 2020 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

October 23, 2020

MEMORANDUM FOR DLA HEADQUARTERS, ATTN -Historian

SUBJECT: DLA Public Affairs Annual Report

DLA Public Affairs had a very productive FY 2020. All elements of the office – media relations, video production, social media, editorial, speech writing, website, historical – received increased workload due to COVID-19. The office demonstrated they could work together as a team, accomplishing what was asked of them and more. The editorial staff in HQ and the MSCs published articles at an unprecedented rate. Other teams promulgated command information and developed techniques for virtual changes of command.

Working through the challenges of teleworking for almost half the year resulted in individual efforts shaping the agency's messaging, producing a near real time history of DLA's response to the virus and dealing with the media/public's renewed interest in the Law Enforcement Support Office. Throughout the year, our deputy director helped keep our team focused and coordinated.

Coordination was important because regular missions did not stop. Whether announcing contracts, improving the public-facing website or representing the office in the Agency Synchronization and Operations Center, DLA Public Affairs supported activities across the enterprise. The office remains prepared for whatever FY 2021 has to offer.

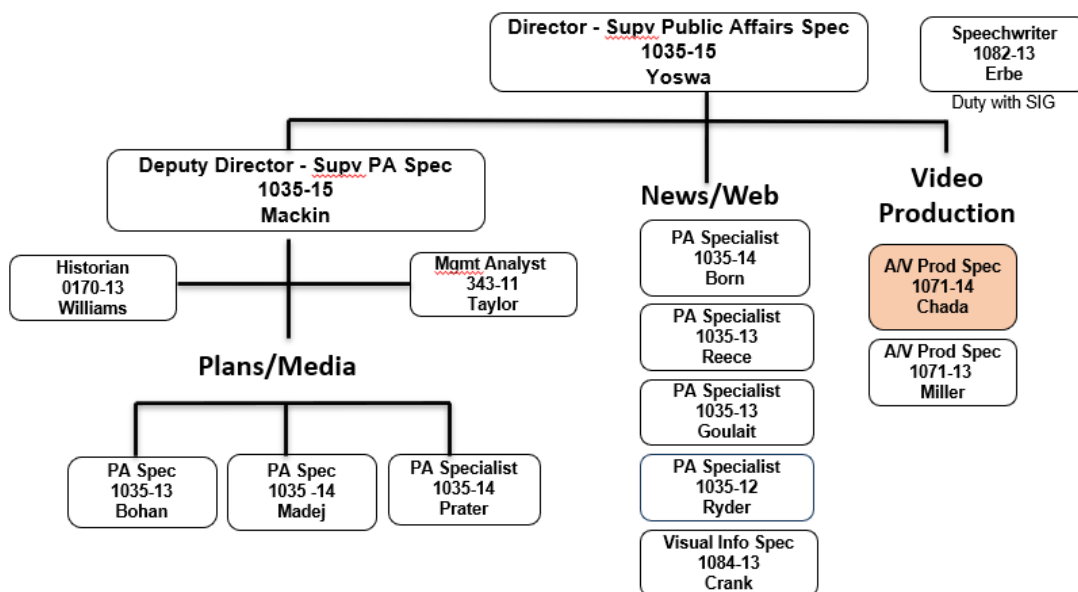
A handwritten signature in black ink, appearing to read "J. Yoswa", is positioned above the name of the Director.

JOSEPH M. YOSWA  
Director  
DLA Public Affairs

## 1. Introduction:

DLA Public Affairs supports the execution of the DLA Strategic Plan by sustaining / improving the reputation of DLA among key stakeholders, growing awareness of DLA's logistics capabilities throughout DOD and with federal/state agencies, and promoting cohesion within the DLA Enterprise workforce.

## 2. Organization:



## 3. Key Personnel:

DLA Public Affairs is led by Joe Yoswa (i.e., 10 December 2017 – present). His deputy is Pat Mackin (May 2014 - present)

## 4. Total Personnel:

The fiscal year ended with DLA PAO having fifteen GS employees and one contractor.

## 5. Historical Narrative:

DLA Public Affairs had to remain agile during FY 2020. With fifteen employees, even small changes altered work for the entire staff. Early in the fiscal, director Joe Yoswa detailed DLA's chief of news and web operations to the Agency Synchronization and Operations Center. The move increased the responsibilities of the agency's public affairs director. It also elevated the office's senior writer to senior writer/editor. DLA's response to COVID-19 instituted more changes. In addition to her normal duties, the agency's chief of media relations represented public affairs on the DLA COVID-19 Task Force, an enterprise-wide committee controlling

messaging on the coronavirus. When the pandemic worsened, the staff went to dispersed operations, with the director working from the agency's alternate command post in Lorton, his deputy from the McNamara Headquarters Complex, and everyone else from home. Finally, the office welcomed back the agency historian, who spent the last year with DLA Information Operations working on the FY 2020 Annual History and authoring a paper on the agency's efforts to defeat the coronavirus.

By early March, COVID-19 absorbed the energies of the entire staff. The office's speechwriter spent hours helping the director communicate with the workforce. Others propagated command information, responded to queries, and released videos. Due to the increased need to communicate by recorded means, the video production team released an all-time record of 70 videos. Most energy, however, went into reporting. From March 17 to July 15 – the height of the coronavirus – agency teams published 109 articles and posted 680 social media entries. All articles and some media entries included imagery fashioned by the office's visual information specialist. Many included his artwork as well.

While articles garnered praise, other vehicles reached audiences just as effectively. More than 8.5 million viewers accessed [dla.mil](http://dla.mil), with the site's coronavirus information pages registering 112,686 views from February 27 to the end of the fiscal. Of the video production team's many videos, one in particular spoke to the moment. "Profiles in Resilience," a montage of employee testimonials, imbued determination among employees forced to isolate from each other. In addition to excelling in this and other projects, the video production team enabled virtual changes of command.

Unfortunately, not all obstacles created by the coronavirus could be overcome. After deciding not to hold a training seminar last year due to lack of funding, DLA Public Affairs planned to assemble specialists from across the agency for a three-day training session in FY 2020. COVID-19 travel restrictions pushed this conference back to FY 2021. Another delay was teaching communication skills. The chief of media relations held the first of several planned sessions on 4-5 March but had to suspend future classes due to limitations on senior leader time. Focus on this effort returned briefly during the COVID-19 crisis when a reporter cited a DLA colonel who did not think he was on record. No harm done, but proof of how influential the spoken word can be. Finally, the public affairs editor built a calendar of cyclic events would have helped the staff if circumstances had not upended routine.

One effort largely unaffected by the coronavirus was the redesign of the agency's public-facing website. Feedback from online surveys had highlighted both areas needing improvement and those meeting expectations. To improve the areas needing improvement, the webmaster began arranging for a contractor to renovate the site. Areas meeting expectations were the result of responsiveness to customer feedback, updating content, and improving search capabilities. Surveys for the year ending 15 July indicated an increase in the overall satisfaction rate from 64.0 to 69.2%.

As a "D" staff, DLA Public Affairs targeted internal as well as external audiences. As such, it both honored LTG Darrell K. Williams, the departing director, and welcomed VADM Michelle C. Skubic, his replacement. The staff member most affected by this change was the director's

speechwriter. After three years mastering LTG Williams's voice, this highly capable DLA Public Affairs employee began to do the same with VADM Skubic. To commemorate Williams's transition, he joined the office's visual information specialist in compiling well-wishes for the outgoing director. To assist Skubic's arrival, he helped with her command messaging and assisted the Strategic Initiatives Group in launching her initial town hall.

Vying with the pandemic for media coverage in the U.S. during FY 2020 was a protest movement that emerged after a police officer in Minneapolis, Minnesota, killed an unarmed black man in May. The protest renewed criticism of DLA Disposition Services's Law Enforcement Support Office and resulted in a barrage of articles about the program. Authors of the best of these articles solicited input from DLA Public Affairs. The office responded to these queries rapidly with facts, not spin. Worth noting, DLA Disposition Services helped with this response even though its long-serving public affairs officer retired this year. This consummate professional spent the last fourteen years of his long career with the major subordinate command. His replacement is a ten-year veteran of federal service who previously worked for DLA Land & Maritime Public Affairs.



# Defense Logistics Agency

## DLA Transformation (DT) Fiscal Year 2019 Historical Report



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

November 17, 2020

MEMORANDUM FOR DLA HISTORIAN

SUBJECT: DLA Transformation (DT) 2020 Historical Report

This memorandum serves as my endorsement of DLA DT's Fiscal Year 2020 Historical Report.

My point of contact for this action is Thomas Doyle. If you have any questions about this submission you may contact him by email: [Thomas.Doyle@dla.mil](mailto:Thomas.Doyle@dla.mil), or by phone: (571) 242-7157.

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ALEETA D. COLEMAN  
Director  
DLA Transformation

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Attachment: DLA DT Historical Report for FY 2020

## 1. Introduction

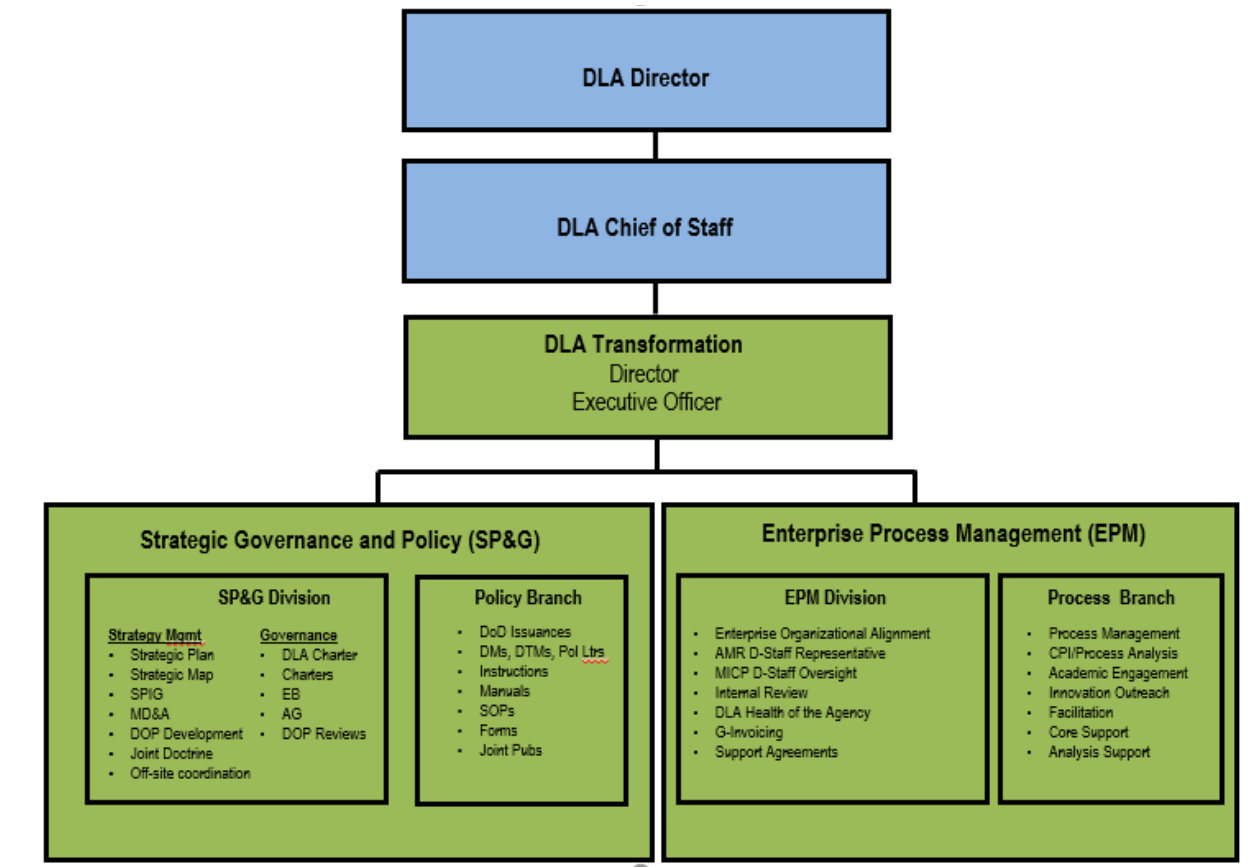
a. This historical record describes actions taken by DLA Transformation to advance Agency governance, improve effectiveness and efficiency, and enable compliance with laws and regulations.

b. Role within DLA:

DLA Transformation's mission is to advise and assist the DLA director, vice director, and chief of staff with formulating and executing the Agency's strategy to meet and sustain logistics support capabilities for the U.S. Department of Defense (DoD) and Whole of Government partners. The DLA Transformation Directorate develops the Agency strategic plan, executes governance, manages Agency policy, forms, and organizational alignment, and coordinates integration of special interest projects and improvements through Continuous Process Improvement and the Academia and Outreach Programs.

## 2. Organization

DT consists of 20 full-time billets augmented with contracting staff. The DT director is supported by an executive officer and two divisions, each of which includes one branch.



### **3. Key Personnel**

In August 2019, the DLA chief of staff (CoS) selected Mr. David Opatz, Enterprise Process Management Division chief, to serve as acting director in place of Mr. Marcus Bowers (who was deployed with the Marine Corps Reserve). In September 2020, the DLA CoS selected Ms. Aleeta Coleman to serve permanently as the new DT Director.

### **4. Total Personnel**

This was a challenging year for DT to meet its mission because of personnel shortfalls. The DT Director, a Colonel in the Marine Corps Reserve, deployed to Afghanistan and two other employees deployed with their Reserve Units for most or all of 2020. Another employee volunteered for the DLA Civilian Expeditionary Workforce and served in Afghanistan for the year. Two other employees continued with their reassignment in DLA Reform, another employee was selected to work full time as the DLA CoS-level Executive Officer, and another was reassigned to work DLA CoS portfolio initiatives. Thus, out of the 20 FTEs, 8 employees were assigned/working elsewhere in 2020.

### **5. Historical Narrative**

#### **a. Strategy, Policy and Governance Division**

##### **(1) Director's Annual Guidance**

At the start of FY 20, DLA DT led the development of the Director's "Leading Change" annual guidance document. This document detailed the Agency's significant accomplishments in FY19 and set the stage for leading change into the future. It reaffirmed support to our military forces and industrial facilities across the Department of Defense and ensured the continued alignment of DLA's strategic objectives with the National Defense Strategy and Secretary of Defense priorities.

The Director's Annual Guidance established six focus areas for FY20: Warfighter and Federal Support, Defense Reforms, Audit Advancement, Financial Health of the Agency, Enterprise Risk Management, and Innovation.

##### **(2) Strategic Plan Implementation Guidance (SPIG)**

The SPIG serves several purposes. First, it sets Agency priorities, issues director guidance, and identifies annual imperatives for the Agency during the fiscal year. Second, it synchronizes planning and execution. DLA DT garners Agency-wide representation through a working group, then assigns office of primary responsibility and office of collateral responsibility relationships for initiatives in the Strategic Plan. Third, it provides a mechanism to adjust priorities or focus as necessary. Last, it is the source document for the Strategy Map. (The SPIG is often referred to as the Agency Strategy Action Plan.)

The SPIG is the product of focused planning efforts by the DLA staff and major subordinate commands (MSCs) in support execution of the DLA Strategic Plan. It is the Agency-level operating plan, which enables DLA to meet management and audit requirements in OMB Circulars Numbers A-11, A-123, and A-136.

During FY 20, DLA DT oversaw four updates to the DLA FY20 Strategic Plan Implementation Guidance.

### (3) DLA Strategy Map

The DLA Strategy Map provides an Agency-wide Strategy Common Operational Picture. It is an automated communication tool; that is, a visual representation of lines of effort, critical capabilities, objectives, imperatives, and initiatives. It includes supporting tasks, metrics, and measurements, and shows progress towards completion. Select imperatives or initiatives are discussed at Executive Board meetings, along with DoD reform initiatives and special foci.

In 2020, DT published and posted 13 updates of the FY20 Strategy Map on both the Readiness Dashboard and Governance SharePoint site.

### (4) Governance Meetings

DLA DT administered 45 high-level governance meetings chaired by the director or vice director (4 EBs, 27 AGs, 14 dynamic operating plans). It captured, documented, and tracked over 145 senior leader tasks.

### (5) COVID-19 Support

DLA DT was instrumental in transitioning executive-level meetings to a 100% virtual environment. In addition, it ensured facilitation, technical, and instructional WebRTC support.

This past year, Agency leadership tasked DLA DT with overseeing the COVID-19 reconstitution for the DLA Headquarters location. DLA DT established a DLA HQC Reconstitution Working Group, developed Cohort Identification Guidance and daily on-site reporting requirements and provided weekly updates to the ASOC Senior Leader Sync.

### (6) DLA Forms

DLA forms are essential to achieving the Agency's mission and the efficient and economical operation of the Agency. Forms include hardcopy, softcopy (electronic), or other media and gather information in a consistent, controlled, and repeatable way. Forms organize information to meet the needs of the Agency and ensure quick and efficient communication. Forms are often retained as official records.

In FY 2020:

(a) Forms processed: 32 forms completed, 46 forms in work.

(b) DLA DT conducted a survey on Major Subordinate Commands' legacy forms, which resulted in canceling 255 of them (out of 365).

(c) DLA DT completed the DoD initiative, "Modernizing Department of Defense Forms and Surveys." The Director, Administration and Organizational Policy, Office of the Chief Management Officer oversaw a DoD-wide update of all organizationally managed forms and surveys. This initiative sought to eliminate outdated, insensitive, or offensive terminology.

There were three phases to this review. Phase One was to identify all forms and surveys meeting criteria in the guidance and enter data in a portal. Phase Two was to review each form and survey identified in Phase One. Phase Three was to modernize each form not in compliance with the requirements in the guidance. All three phases have been completed.

(7) DLA Issuances:

Maintaining up-to-date and well written policy and procedural documents helps the Agency meet its mission, aids in effective and efficient operations, and ensures compliance with laws, policies, and regulations.

(a) There were 199 Issuances uploaded to the official DLA Issuance website (17 DTMs, 63 DLAs, 8 DLAMs, 3 DLARs, 93 SOPs, and 15 Policy Letters).

(b) The Strategy, Policy and Governance Division implemented DLA leadership's decision to extend the useful life of DLA Instructions, Manuals, and Regulations from a three-years to five years by updating DLA guidance, tools, and training.

(8) Other Support Activities

(a) Supported the Agency's bi-annual Senior Leader Orientation Course - briefed Strategy & Governance and G-Invoicing overview to newly assigned senior leaders.

(b) Led the coordination and development of the Strategic Way-Ahead before LTG William's departure.

(c) Supported DLA's FY20 Annual Financial Report by providing "Management Discussion & Analysis" (MD&A) input.

b. Enterprise Process Management Division

(1) Academia Engagement and Outreach Program

The DLA Academia Engagement and Outreach Program links directly to DLA's vision as the Nation's Combat Logistics Support Agency: global, agile, and innovative and focused on the Warfighter. The Agency recognizes that mission accomplishment requires close collaboration, partnerships, and strong relationships with critical stakeholders both inside and outside of the Federal Government. We must sustain these partnerships and synchronize our efforts to help DoD and the Nation address immediate needs and long-term challenges. These engagements include not only academic institutions but also research organizations (for example, Federally Funded Research and Development Centers) and think tanks. The Academia Engagement and Outreach Program is pivotal to achieving this vision, and helps the Agency keep a strong strategic outlook on impacts affecting DLA's lines of business, identifying innovations, and addressing gaps. It is through these engagements that DLA will improve our support to the Warfighter and Whole of Government.

In 2020, DLA hosted two Academia Events: University of Michigan and Carnegie Mellon University, Software Engineering Institute.

## (2) Continuous Process Improvement (CPI)

DLA's CPI Program focuses on increasing effectiveness and efficiency of Agency operations and creating a culture of problem solvers by empowering the workforce to improve processes and procedural compliance. This includes leveraging innovation and automation through various means to include business process reengineering. In 2020:

(a) DLA DT oversaw 36 completed (5 Enterprise and 31 local) CPI projects, 54 projects in work (14 Enterprise and 40 local), and 75 emerging projects (ideas).

(b) The CPI program began transitioning from a contractor-supported staff to an organic workforce, as envisioned by senior leadership. As such, DLA Transformation established the DLA CPI Rotational Program to build a cadre of Black Belts. The nine-month program included a 150+ hour curriculum in the Learning Management System on CPI tools (Lean, Six Sigma, Theory of Constraints), program management, leadership, facilitation, one-on-one coaching, and project facilitation.

## (3) Organizational Alignment/General Orders:

Maintaining a perfectly aligned organizational structure supports the Agency's ability to meet its mission effectively and efficiently now and in the future. The Enterprise Process Management Division published 11 Organizational Alignment actions/General Orders signed by the DLA vice director with 4 more in work.

## (4) Agreements

The Agreements Program carries out DoD policy, assigns DLA responsibilities, and provides process and procedures for concluding all types of reimbursable and non-reimbursable agreements with our trading partners and servicing organizations, hereafter referred to as an "agreement."

In collaboration with the Agency's trading partners, DLA processed 512 Agreements through the G-Invoicing system. There were 189 *Outbound* agreements [Open for Orders (15), Pending Approval (4), Shared Draft (47), and Initial Draft (123)]. There were 323 *Inbound* (DLA as Seller) agreements [Open for Orders (53), Pending Approval (25), Shared Draft (123), and Initial Draft (122)].

The way we buy and sell goods and services with our governmental trading partners is changing. Currently, DLA conducts most reimbursable business using document DD Form 448, "Military Interdepartmental Purchase Requests" or MIPRs. In this legacy funding process, reimbursable orders often have no official agreement between trading partners. Thus, clear terms and conditions are not agreed on by both parties, and frequently key data elements are missing.

An audit on the Federal government's Intragovernmental Buy and Sell transactions uncovered a \$26B accounting discrepancy. To resolve this discrepancy, the U.S. Treasury built the Government-Invoicing (G-INV) system.

G-Invoicing is a U.S. Treasury software platform for intra-governmental buys and sells. It is a way to exchange information between trading partners, negotiate general terms and conditions, broker funding (orders), exchange billing (performance) information, and validate

invoices. It will result in a standard process that everyone in the federal government must follow. It will ensure:

- (a) Both parties agree with the terms and conditions up front.
- (b) Performance reporting (receipt and acceptance) is completed when goods or services are provided.
- (c) The buyer approves invoices in advance.
- (d) Effective processing of transactions without rejections.
- (e) Few audit findings.

DLA Transformation is a critical member of the Agency's G-Invoicing core team. Federal agencies and DOD must use G-INV by October 01, 2022. To prepare the Agency to accomplish this goal, DLA DT updated policy, processes, and procedures on agreements, built a centralized Agreements SharePoint repository to manage the DLA Agreements program, and trained more than 1000 DLA employees.

In collaboration with the Agency's trading partners, DLA processed 512 Agreements through the G-Invoicing system. There were 189 Outbound agreements [Open for Orders (15), Pending Approval (4), Shared Draft (47), and Initial Draft (123)]. There were 323 Inbound (DLA as Seller) agreements [Open for Orders (53), Pending Approval (25), Shared Draft (123), and Initial Draft (122)].

Through DLA DT's leadership, participation, and oversight of the events below, DLA is on schedule to have all its reimbursable agreements "Open for Orders" by September 30, 2022:

(a) In January 2020, DLA briefed its status in implementing G-Invoicing to the Military Services. During this discussion, DLA broached several challenges which precluded DLA from writing agreements with the US Air Force, Army, and Navy. The DLA chief of staff encouraged her colleagues to collaborate with DLA on writing agreements at the highest possible level, thus reducing the number of agreements and the time it takes to conclude them. Today, the G-Invoicing Core team is leading DoD in implementation and is a best practice among the Military Services and Whole of Government.

(b) DLA DT's involvement was instrumental in getting the Delegation of Authority (DOA) to Conclude Agreements. In the DOA, the DLA director permitted his commanders and directors to sign agreements in support of their organizational missions and functions.

#### (5) Other Support Activities

(a) DLA DT support was instrumental in standing up the Agency Synchronization and Operations Center (ASOC). DT was charged with representing D-Staff equities. This hands-on representation acted as a conduit for information flow to ensure representation and action from all DLA CoS Portfolio equities and fulfil all ASOC and DLA leadership requirements.

(b) DLA DT also represented D Staff equities in the monthly Mission Assurance Working Group.