**DEFENSE LOGISTICS AGENCY** 

NOVEMBER – DECEMBER 2010

## LOGINES



A Look at the Fiscal 2011
DIRECTOR'S
GUIDANCE

Special Insert in this seale party H.E.I.



# Navy Vice Adm. Alan S. Thompson, SC, USN

## Navy Vice Adm. Alan S. Thompson, SC, USN Director, Defense Logistics Agency

he beginning of a new fiscal year finds the Defense Logistics Agency navigating the challenges involved in delivering world-class support to warfighters in an environment marked by increasingly constrained resources. Defense Department leaders and American taxpayers are looking for us to streamline our operations so we can continue providing the quality support the armed forces have come to associate with DLA but without additional expenditures.

Last month I debuted my fiscal 2011 Director's Guidance, which forms the backbone of our strategy to pursue logistics excellence in this era of restricted funding. The 19 outlined initiatives reflect DLA's role in ongoing deliberations supporting the Secretary of Defense's push to realign resources and enable investment in force structure and modernization.

from the

Enhancing warfighter support, pursuing stewardship excellence and developing our workforce requires the attention and dedication of every DLA team member. Several of the 2011 initiatives carry over from the previous year's guidance because I determined a need for continued special emphasis in these established areas. I encourage you to become familiar with the guidance and see how vital your participation is the success of DLA's warfighting customers.

As a result of last year's guidance, we made significant progress in sustaining operations in the current operating theaters, including support of the troop surge in Afghanistan. Key to this effort was

deploying our expeditionary distribution capability to Kandahar and establishing a footprint for a more permanent, expanded depot where we can forward position critical supplies.

On the home front, DLA is less than one year away from finishing its implementation of Base Realignment and Closure 2005 recommendations. A part of a larger DoD strategy aimed at transforming the military into a more agile, flexible force, BRAC 2005 is also helping make the department more efficient, effective and cost-conscious in its operations. DLA continues to play a collaborative leadership role across the global DoD supply chain, and the changes we undertake as part of the BRAC process are a catalyst for optimizing the logistics supply chain.

DLA is home to one of the department's most innovative and knowledgeable workforces, and I have every expectation this team will succeed.

### TLOGILINES Official Flagship Publication of the Defense Logistics Agency

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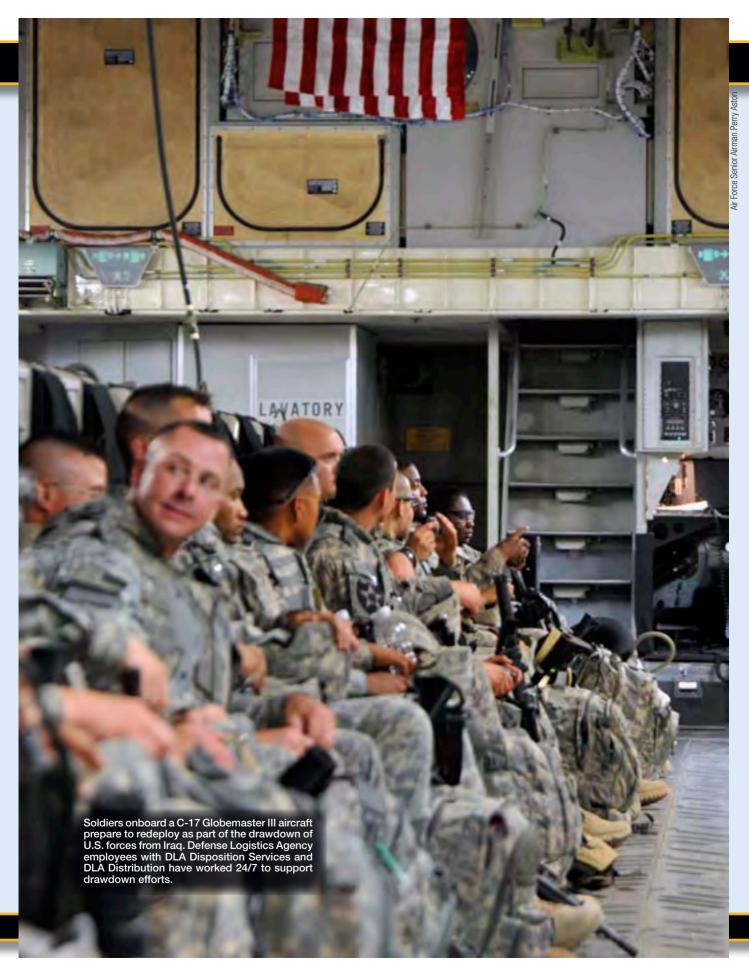


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### **2011 DIRECTOR'S GUIDANCE**



# Driving Forward

Story by Beth Reece

might be the prevailing grade if Defense Logistics Agency employees earned report cards for the work they do.

Every member of DLA makes a significant contribution to the agency's global mission, DLA Director Navy Vice Adm. Alan Thompson said as he released his fiscal 2011 Director's Guidance in October. But the coming months will bring new demands and challenges, he cautioned.

"We remain a country at war that also faces many other significant challenges in a constantly evolving economic and political environment. ... We expect our customers, mission partners and all of our stakeholders will ask even more from DLA," he said.

Thompson's fiscal 2011 guidance includes 19 initiatives, some carried over from fiscal 2010 guidance. Ten initia-

Navy pilots sit in the cockpit of an F/A-18 Super Hornet powered by a 50/50 biofuel blend. The military services have relied heavily on Defense Logistics Agency Energy to find alternative energy solutions to meet their energy needs. Continuing partnership with the military services is part of DLA's fiscal 2011 Director's Guidance.

tives fall under the scope of Warfighter Support Enhancement, and six are under Stewardship Excellence. The remaining three concern Workforce Development.

The annual guidance represents the agency's commitment to everyone who depends on DLA for logistics support, Thompson said in the 14-page document circulating agencywide.

"Our 2011 initiatives tie directly to enhancing mission support at the least possible cost – balancing effectiveness and efficiency to best meet warfighters' requirements in a period of increasing challenges and resource limitations," the director said.

DLA employees made "significant progress" while facing major challenges in 2010, he continued. As forces prepared for the drawdown in Iraq and simultaneously built up the force in Afghanistan, DLA met unprecedented demands for food, fuel, construction material and repair parts. Distribution experts worked with



## 2011 Initiatives

# OBISTICS ASSENDED

#### WARFIGHTER SUPPORT ENHANCEMENT

- Support expanded current operations in Afghanistan and prepare to support the initial drawdown and reset process.
- Continue to support Operation New Dawn, including the responsible drawdown in the Iraqi theater and related service resets.
- Develop and help initiate significant departmental logistics efficiencies that better serve our customers and support the secretary of defense's cost savings and funding realignment initiatives.
- Improve DLA's functional integration and mission performance at industrial sites.
- Further engage with customers and external stakeholders regarding the full scope of DLA's activities and capabilities.
- Provide the military departments a portfolio of contractor logistics support/performancebased logistics and organic support strategies and methodologies to enhance costeffective sustainment of major weapon systems throughout their life cycles.
- Partner with the services in developing alternative fuels and renewable energy solutions to meet the department's immediate and future needs.
- Lead U.S. government efforts to synchronize in-theater local purchases to meet combatant commanders' objectives regarding economic impact and theater support.
- Expand the capabilities of DLA's Joint Contingency Acquisition Support Office to strengthen the department's overseas contract management in support of contingency operations.
- Continue extensive involvement in the Joint Staff Logistics Directorate's efforts to enhance coordination of joint supply actions and processes.

#### STEWARDSHIP EXCELLENCE

- Capitalize on additional DLA opportunities for logistics efficiency savings while sustaining effective mission performance.
- Pursue price reductions of as much as 10 percent in selected material categories.
- Improve detection, deterrence and disposition of non-conforming/counterfeit material.
- Continue to achieve significant progress and efficiencies in delivering desired functionality for business processes enabled by DLA's Enterprise Business System enhancements.
- Meet congressional and DoD inventory management and overall supply chain performance criteria.
- Develop DLA enterprise cost and staffing assessment capabilities to facilitate improved future opportunities for performance enhancements and additional savings.

#### **WORKFORCE DEVELOPMENT**

- Ensure civilian and military workforce capabilities match present and future mission requirements through DLA's talent management initiative.
- Support diversity and its related benefits through collaborative efforts focused on recruitment, development and retention.
- Enhance DLA's performance- and results-driven culture.

"We've got to become a more efficient logistics enterprise ... to reduce costs wherever we can." — Navy Vice Adm. Alan Thompson

Department of Defense representatives to find ways to deliver goods to troops despite the difficult terrain in Afghanistan, and disposition experts made it possible for service members to leave Iraq in an environmentally responsible manner, he said.

The agency also continued working with the military services toward alternative energy solutions and maintained a 90 percent readiness level for Mine Resistant Ambush Protected vehicles and the vehicle's all-terrain variants.

Clearly, DLA employees know how to effectively meet warfighters' needs, Thompson said. But lean times are ahead for the agency as it works with the rest of DoD to meet Defense Secretary Robert Gates' goal of trimming about \$100 billion in costs over the next five years. The director has already announced an agencywide effort to identify opportunities for reducing the cost of products it purchases from industry, a goal reflected in fiscal 2011 initiatives.

"We've really got to become a more efficient logistics enterprise and try to reduce costs wherever we can, and again, it's not that Secretary Gates is saying the defense budget is going to plummet," Thompson said during the first-ever DLA Enterprise Supplier Conference and

Exhibition in August. "Certainly, though, there is going to be some stress, and he would like us – both on the Department of Defense side as well as industry – to look for innovative ways we can reduce sustainment costs and use those funds to modernize the force."

Each of the new initiatives call for specific actions from headquarters-level organizations and primary-level field activities.

"We will pursue these 19 initiatives in parallel with ongoing strong support of our customers' operational needs and continued progress on other key projects," the director added. Natasha Robinson loads hot sauce onto the Unitized Group Ration assembly line at DLA Distribution Depot San Joaquin, Calif. DLA Distribution and DLA Troop Support work together to ensure warfighers in Afghanistan and Iraq get quality meals.

#### **Warfighter Support Enhancement**

Meeting warfighters' logistics needs remains DLA's top priority in fiscal 2011.

"This includes logistics support of the readiness and sustainment of America's warfighters themselves, and of industrial activities and others whose own efforts are critical to preserving and enhancing our nation's and our allies' defense postures," Thompson said.





A mechanic at the Naval Facilities Expeditionary Logistics Center, Port Hueneme, Calif., installs a new door handle provided by Defense Logistics Agency Land and Maritime on an up-armored backhoe slated for use by U.S. forces in Southwest Asia. The agency outlined its commitment to warfighters in Southwest Asia in the fiscal 2011 Director's Guidance.



The number one initiative is supporting expanded operations in Afghanistan and preparing to support the initial drawdown there. Efforts will include converting DLA's expeditionary distribution unit in Kandahar to a permanent distribution depot, enhancing disposal and reutilization capabilities, and finding the best post-surge balance for delivering

A contractor refuels a C-5 Galaxy aircraft at Al Asad Air Base, Iraq, with fuel procured by Defense Logistics Agency Energy. DLA Director Navy Vice Adm. Alan Thompson reiterated the agency's dedication to warfighters in October with his fiscal 2011 Director's Guidance.

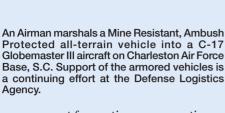
goods via the Northern Distribution Network and through Pakistan.

With the number of troops stationed in Iraq now below 50,000, officials said, DLA will also continue assisting with the drawdown by providing material disposition services and work closely with military maintenance depots as they restore equipment to pre-war conditions.

Thompson said he also expects the agency to improve performance at military industrial sites by better aligning DLA's metrics and goals with those of its customers. Such tools as collaborative demand planning and the Sales and Operations Planning process will help the agency meet key performance objectives with available resources. And periodic updates of the performance-based agreements DLA has with each service will ensure the agency remains up-to-date on each services' evolving needs and performance metrics.

Other Warfighter Support Enhancement initiatives include continued efforts to find alternative fuel solutions, expanding the Joint Contingency Acquisition Support Office to strengthen contract





management for contingency operations, and working with the military services to improve sustainment of major weapon systems throughout their lifecycles.

#### **Stewardship Excellence**

Under Stewardship Excellence, Thompson said he expects employees to become more agile in monitoring operational and fiscal performance.

"We continue to assess current and potential roles and related processes to ensure we deliver maximum payoff from taxpayer resources while effectively supporting warfighters. This includes due consideration of risk-management factors such as ensuring spare parts conform to established standards and preventing compromise of critical information," Thompson said.

The top initiatives in this category involve creating new efficiencies that save money and incorporating them into the annual budget. The agency will pursue price reductions of as much as 10 percent in selected material categories. Additionally, staffing models and manpower management processes and procedures in use throughout the agency will undergo review for improvements and additional savings.

Officials said a DLA operational evaluation team will focus on detection of non-conforming and counterfeit



parts, which include any item, part or product packaging with one or more characteristics that depart from the specification, drawing or product description requirements in a contract. The team is expected to work with DoD and the military services to establish practices for preventing, reporting and disposing of counterfeit parts.

Other stewardship initiatives include improvements to the Enterprise Business System, particularly for programs that support business processes in the procurement of repair parts at military maintenance facilities, DLA Energy and DLA Disposition Services.

#### **Workforce Development**

The improvements DLA makes in Workforce Development will prepare employees to meet future challenges, Thompson said. "We must further enable our workforce to capitalize on their skills, experience and potential, and prepare to manage the expected workforce transition as retirements increase in the years ahead.

"We will also continue efforts to most effectively prepare and utilize our workforce to support forward industrial and operational sites, including in expeditionary support scenarios," he continued.

The top goal is ensuring civilian and military team members' capabilities match mission requirements through the development of career road maps. Thompson said he expects the agency to refine overall recruitment and training programs to capitalize on the diverse backgrounds, skills and potential of DLA's workforce.

Results from the November culture survey will also be used to further improve DLA's culture and its impact on employees' ability to perform their best, officials said.

The director urged employees, customers and suppliers to do their part in helping the agency succeed.

"If you work at DLA, consider how you can contribute directly to one or more of these initiatives. If you are a customer, see how they impact your needs and hold us to our commitments. If you are a supplier or other partner, look for ways you can assist us in making significant progress on these initiatives," he said.

The Defense Logistics Agency will pursue price reductions of as much as 10 percent in selected material categories.





## 2011 DIRECTOR'S GUIDANCE

# Marathon Support

Story by Beth Reece

arines moving along
Afghanistan's treacherous
dirt roads use mine roller
systems hooked to the front
of their tactical vehicles to
trigger improvised explosive devices.
The systems are considered so effective
in saving lives that when a unit at an
outlying operating base near Camp
Leatherneck, Afghanistan, lacked the
parts to repair damaged rollers, ground
missions ceased.

deployed alongside the unit, knew the parts weren't expected to arrive for another two months. Rather than let the Marines wait, Holstine reached back to his DLA Land and Maritime counterparts, who negotiated an earlier shipment with the vendor.

"Moving the estimated shipping date shortened the length of time the Marines were unable to run their missions to 10 days versus the 60-plus days that they would have been down," he said.

Holstine is one of 93 DLA support team members on the ground in Afghanistan, working seven days a week to help warfighters get the supplies they need.

DLA's presence in the country was mostly Bagram-centric when the war began, but has transformed to meet the growing force structure, said Army Col. Michael Bird, who has lead DLA Central



Navy Seaman Apprentice Gregory Kaminski

from its headquarters at MacDill Air Force Base, Fla., since August 2009.

"Things have rapidly changed with the surge, and we've realized the need to move the DST throughout this geographically challenging country," he said.

Today, members of DLA Support
Team – Afghanistan are scattered
throughout the country. The DST is led
by Army Col. Gary Andrews in Kabul,
with additional detachments led by Army
Lt. Col. Alex Zotomayor in Kandahar and
by Army Col. George Smith in Bagram.

"The folks in our DST are the center of gravity for warfighter support ... the real strength of DLA Central," Bird said. Supporting the buildup of 30,000 additional forces in Afghanistan has been a process of "opening the valve and increasing the volume" of material that's streamed into the country since troops first arrived there in October 2001, DLA Director Navy Vice Adm. Alan Thompson said in a recent interview with the Pentagon Channel.

The agency met unparalleled demands this year for housing units known as relocatable buildings and such construction-related material as lumber, Navy Seabees direct a crane while moving a relocatable building in Kandahar, Afghanistan. Defense Logistics Agency Troop Support has purchased enough construction material to fill 4,000 20-foot shipping containers to support the buildup in Afghanistan.

generators, lighting and plumbing parts, showers, toilets and water-well drilling kits. It also supplied force-protection items like concertina wire, sandbags and bastions.

DLA Troop Support purchased enough construction material to fill more than 7,000 20-foot shipping containers to support the buildup, Bird said. About 87



Marine Lance Cpl. Phillip Elgie A Marine carries a box of sports drinks to the dining facility at his base in the Nawa district of Helmand province, Afghanistan. Almost everything warfighters consume in Iraq and Afghanistan is provided by Defense Logistics

percent has arrived in Afghanistan, and 13 percent is en route along the Northern Distribution Network. The NDN is a critical series of rail, water and road links enabling transport of goods to U.S. and NATO troops serving in Afghanistan.

Agency Troop Support.

The material is prepositioned in warehouses run by Supreme, the prime vendor responsible for supplying food to U.S. forces in Afghanistan, and material is shipped out as units request it.

"This brings the material closer to the fight," Bird said.

This eliminates the need for the services' field support activities to deal with

large inventories of bulky items, he said.

DLA Distribution Europe, located at Germersheim, Germany, was responsible for packing the containers with items in high demand but short supply.

"We're finding that warfighters are short certain material, so the latter packs will be tailored with more items like three-quarter-inch plywood, for example," he added.

As the construction of forward oper-ating bases nears completion at the end of this year, Zotomayor said DLA will continue providing supplies for the buildup of remote contingency outposts.

"These contingency outposts are offshoots of the FOBs and will be instrumental in contingency operations currently being planned," he said. "So there will still be a requirement for construction material and barriers, as well as supplies for tactical operations centers – mostly items managed by DLA."

#### **Getting Food Forward**

Subsistence planners with DLA Troop Support partnered with prime vendor Supreme early in the year to increase food deliveries, especially for troops located in hard to reach locations, Andrews said. Between 70 to 95 percent of bottled water consumed by troops each week is supplied by two bottled water plants in Kabul, and a Coca-Cola bottling plant provides 100 percent of the Coca-

Navy Seabees drill a well at a combat outpost in Afghanistan. Water-well drilling kits were a frequently requested by construction crews building up Afghanistan's infrastructure this







Cola products troops consume.

Agriculture in Afghanistan is "very third world," Andrews said, so Supreme buys fresh fruits and vegetables from a worldwide market. Produce is grown locally, "but they have no way to transport it and no way to prepare it."

When they have excess, it basically just rots in the fields," he added.

DLA is working in Kabul with military leaders, the U.S. Embassy and the U.S. Agency for International Development to support creation of processing plants that would buy produce from Afghan farmers, clean it, package it and ship it in bulk quantities.

"Hopefully some of that would go to us, but more importantly, it would help the Afghans establish an overseas market for the produce they can't use internally. It has great potential," Andrews said.

#### **Supplying Hot Air**

The increasing use of aerostat balloons, or small blimps tethered to a ground station, that provide surveillance and reconnaissance capabilities has caused a soaring need for helium, he added. DLA Energy met early demands by flying it into country.

"Obviously, it's very expensive, and as we get the total number of these aerostats into country and up and running, it's not realistic to expect the Air Force to fly that much helium in." Andrews said.

Instead, DLA Energy contracted to establish helium transfer facilities in Bagram and Kandahar. These facilities take liquid helium shipped via ground and convert it to gas, then transfer it where needed.

#### **Maintaining Mobility**

Support for the new all-terrain Mine Resistant Ambush Protected vehicle also continues to be a success. DLA Land and Maritime has maintained an above-90percent readiness level of the vehicle, which is a lighter version of the MRAP and allows troops to travel off-road.

"To give you an idea of how bad the roads are, when they bring ballots back from the election, some of those ballots come back via donkey because they can't get here with a truck. The big thing with the MATVs is that they give our troops the ability to get off roads," Andrews said.

Members of a special DLA MRAP support team located in Bagram and Kandahar have worked directly with

Driven by increased use of aerostats for surveillance, demand for helium has soared in

the Army's 43rd and 82nd sustainment brigades to ensure repair parts are available, added John Dreska, DLA MRAP project manager. Other members are located at the MRAP Joint Program Office, military maintenance facilities and manufacturing facilities.

"We believe that blanket coverage helps us to address issues immediately and find solutions even quicker," Dreska said. "And we believe we're all making a difference in the protection of our military members."

#### **Distributing Success**

In July, DLA Distribution made history by deploying its expeditionary distribution team of 42 military and civilian members to receive, store and issue DLA material from Kandahar. Having an in-theater depot allows DLA to forward-stock items already in high demand and reduce delivery times from about two weeks or more to just hours or days.

The forward stock managed by the expeditionary team reduced DLA's need for strategic airlift by about 38 percent, said Navy Rear Adm. Thomas Traaen, DLA Distribution commander. Plans are under way to transition the expeditionary depot into a more enduring facility over the next year and involve construction of a \$20 million warehouse.

While continuing to sustain forces and equipment, DLA will also expand disposition and demilitarization services available in Bagram, Kandahar and Camp Leatherneck. The disposition yard in Kandahar will likely play a key role in the turn-in of serviceable equipment as troops begin redeploying because of its colocation with DLA Distribution,

Andrews said.

"Once we begin the drawdown, they will probably accept serviceable goods back into the system through the depot and then redistribute worldwide wherever they're needed," he said.

#### **Building Trust**

Whether building up or tearing down, DLA has become a trusted source among warfighters, Zotomayor added.

"We have a great reputation here among warfighters, to the point where they'll look to us for assistance even when they need a product we don't manage," he said.

One unit recently requested fuel pumps, for example. Instead of telling the customer it wasn't a DLA-managed item, Warfighter Support Representative Andy Whatley did an asset visibility check and found several available in Army stock. "That's the typical attitude of every DLA team member here," Zotomayor said. "They understand their role here is to support warfighters, and many times they go out of their way to provide that support."

A Marine uses repair parts provided by Defense Logistics Agency Land and Maritime to repair an all-terrain Mine Resistant Ambush Protected vehicle at Camp Leatherneck, Afghanistan.





### 2011 DIRECTOR'S GUIDANCE

# Glosing In

Story by Sara Moore

lot can change in five years.
Since the Defense Logistics
Agency began implementing
the supply and storage recommendations from the 2005 Base
Realignment and Closure Act it has expanded its capabilities, assuming new responsibilities from the military services.

In a Logpoints newsletter sent to DLA team members this fall, DLA Director Navy Vice Adm. Alan Thompson said BRAC 2005 "started a revolution at DLA," noting the new missions and capabilities the agency has gained.

These recommendations gave DLA new responsibilities, such as managing procurement of depot-level reparables across all military services, delivering parts directly to industrial depot maintenance production lines, and managing private vendor contracts for supply of commodity products.

As DLA enters its final year for implementing the BRAC 2005 recommendations, the agency, working together with its military service counterparts, is on



target to meet the deadline of implementing by Sept. 15, 2011.

#### **More Missions**

The supply and storage recommendations in the legislation are: supply, storage and distribution management reconfiguration; depot-level reparable procurement management consolidation; and commodity management privatization.

The over-arching goal of these recommendations is to increase efficiency and effectiveness of logistics support to DLA's customers – the warfighters, said Redding Hobby, executive director of DLA Strategic Programs and Initiatives.

"These realignments and consolidations of, first of all, the people and secondly, the functions, and finally, the consolidation of inventory gives us a way to better affect support to warfighters," Hobby said.

As these responsibilities were transferred from the military services to DLA, personnel were transferred in place, meaning they stayed in the same duty location, and in most cases their responsibilities remained the same.

A Soldier pressure washes tires for turnin at the motorpool vehicle maintenance section at Multinational Base Tarin Kowt, Uruzgan province, Afghanistan. Privatizing tire management was part of Base Realignment and Closure 2005 legislation recommendations.







Procurement of depot-level reparables, such as the Kiowa Warrior helicopter engine pictured here, is being transferred from separate Defense Department organizations to the Defense Logistics Agency under Base Realignment and Closure 2005.

Almost 2,400 people have transferred to DLA from the Army, Navy, Marine Corps and Air Force. By September 2011, when the BRAC recommendations are fully implemented, nearly 2,600 employees will have transferred.

"The most important benefit they bring is their background and experience from the service culture where they came into federal service," Hobby said.

He said he has interacted with new employees in the field, and they all seem happy to be working for DLA and excited about the mission.

"It's not just rhetoric to say that

without question, truly the most valuable commodity that we manage is our people," Hobby said.

Tony Abate, a supervisory contract specialist at DLA Maritime in Mechanicsburg, Pa., was one of the employees who transferred to DLA as a result of BRAC. Abate worked for the Navy for 29 years before the responsibility for procuring depot-level reparable items was transferred to DLA and the detachment at Mechanicsburg was established in November 2008.

Transferring the function to DLA has improved procurement of depot-level reparables, Abate said. Because DLA buys such large quantities of items, it can leverage its purchasing power to lower costs and improve delivery times, he said, citing the example of a strategic supplier

"Because the Defense Logistics Agency buys such large quantities, ... it can leverage its buying power to lower costs."

— Tony Abate

alliance DLA Land and Maritime set up with Raytheon for circuit card assemblies.

The BRAC initiatives that have been implemented so far are "just the tip of the iceberg," he said, and as all detachments come online and technology improves and becomes available, procurement processes will become more efficient.

"Having only been involved with DLA for a couple of years, I think this is going to explode as the technology ... becomes available to us," he said. "We don't use DLA's procurement system yet – that's going to be coming next year. I think once we're online with that, it will streamline our processes."

DLA Maritime in Mechanicsburg is one of the DLA detachments for depotlevel reparable procurement established as a result of BRAC 2005. Seven of those detachments are online now, with the remaining two DLR procurement activities scheduled to complete stand-up this fiscal year.

DLA is also setting up sites to support its new mission of delivering parts directly to industrial depot maintenance customers. As of October, 11 of the planned 13 supply, storage and distribution sites were activated. In addition, item-management responsibility for more than 71,000 consumable national stock

## Extending DLA's Capabilities in Support of the Warfighter

numbers has been transferred to DLA from the services, and the agency is managing vendor supply support contracts for three commodity lines: packaged petroleum, oil and lubricant products and chemicals; most tires; and certain compressed and liquefied gases and their cylinders.

Implementing the BRAC 2005 recommendations has been complex and challenging, but the process is on track for completion by September 2011, Hobby said. The time window for implementation has been a big challenge, he said, especially as DLA has had to balance this realignment with challenging logistics operations in Iraq and Afghanistan.

#### **Catalyst for Change**

The increase in human capital, along with transfer of functions from the military services has motivated DLA to improve its management practices, specifically its inventory and stock positioning and demand planning.

Hobby said he believes BRAC 2005 will be a catalyst for future changes in the way DLA does business. Providing supply, storage and distribution for the military services gives the agency a more holistic view of logistics expenses, he said, and the successes achieved at BRAC sites can be applied to other DLA sites to garner efficiencies.

"Most of it will be an over-time savings that we have, being able to purchase in economies of scale, store and distribute property based on better demand planning, inventory management and stock

An F-15A Eagle aircraft is overhauled at the Warner Robins Air Logistics Center. Warner Robins was the first Air Force logistics center to implement the Base Realignment and Closure 2005 recommendations.

positioning," he said. "So it will be an advantage and an efficiency that we will gain over time. But that's good, because it's not just a quick fix ... it is a long-standing and enduring policy change and practice and business change for the agency using the BRAC catalyst as the motivation and impetus to do that."

Thompson agreed that BRAC 2005 will be a catalyst for future changes at the agency and that the changes will help the agency improve its operations and better support warfighters.

"Completing BRAC 2005 brings us to the beginning of a more important journey, fully realizing our accomplishments with supply and storage implementation while moving closer to the integrated supply chain operation that DoD leadership envisioned," the admiral said. "In terms of achieving the efficiencies intended, we have only just begun."



"With the BRAC implementation efforts, as with all that we do to support warfighters, our focus remains the same — to continue to transform DLA into an ever more agile, innovative and valued logistics partner," he said. "Our warfighters deserve our best effort; BRAC 2005 is helping us to give them just that."



**2011 DIRECTOR'S GUIDANCE** 



### 2011 DIRECTOR'S GUIDANCE

# Winning Team

Story by Sara Moore

nthropologists claim a country's culture can be defined by the combination of beliefs, traditions and customs that shape how its people live.

In the same way, the culture of a business or organization defines the way an institution functions and interacts with peers and can determine long-term success or failure.

Over the years, Defense Logistics Agency leaders said they have made it a high priority to analyze and improve the agency's culture with the aim of enabling superior employee performance and improving operations enterprisewide.

"The culture of DLA is one of the significant enablers of all our other business-related initiatives," said Laura Lippert-Jensen, program manager for DLA's culture survey program. "It's the foundation for how we do work here on a daily basis. A strong culture enables us to achieve all our other initiatives."

DLA has used an employee survey program since 1996 to assess the agency's culture and look for areas ripe for improvement. Initially, the survey was developed internally as a diversity survey, Lippert-Jensen said, and later evolved into a climate survey in 2000, with emphasis placed on measuring areas like trust, communication and leadership.

In 2003, DLA adopted the Denison Culture Model, which measures four traits of culture and leadership - mission. adaptability, involvement and consistency - to help the agency attain and maintain a culture of high performance, she said.

DLA now conducts culture surveys every 18 months. The surveys are open to all agency employees, civilian and military, and some foreign nationals in locations outside the U.S., Lippert-Jensen said. Although the surveys are voluntary, the agency traditionally has a 75 percent response rate, which is virtually unheard of with these types of surveys, she said.

"The leadership really encourages people to share their feedback," she said. "It's been deemed important by the leadership to spend the time and effort to get their feedback to look for ways to make changes."

The Denison model gives each directorate and field activity within DLA a culture score based on the results in each of the four traits, with each trait broken down into three indices.

These scores help give a picture of where the agency stands, Lippert-Jensen said, but the goal of these surveys is not

Improving the way the Defense Logistics Agency does business and the services it provides to warfighters is the goal of every Defense Logistics Agency initiative.







The Defense Logistics Agency conducts surveys every 18 months to measure its organizational culture and look for areas for improvement. The surveys rely on the input of employees in the field to help the agency attain and maintain a culture of high performance.

just to get high scores and make the agency look good.

"The goal is to see where we're doing well, where we need improvement and to get a reading on some areas in which we need improvement," she said.

After the results are compiled, they are released in a cascading fashion, from the DLA director down to the senior leadership at each directorate or field activity, then down to the workforce, Lippert-Jensen said. At the same time, each activity is required to assemble an action plan based on its particular results, with areas targeted for improvement, she said. These action plans are made public and updated regularly to show employees how feedback is used.

The Defense Logistics Agency uses the Denison Culture Model to measure its performance in four traits of culture and leadership: mission, adaptability, involvement and consistency.

"The goal is to show that the results aren't just for the leadership, but that they are for the workforce as well," she said. "The focus is really on saying, 'Here, you provided us your feedback and here's what the collective responses were."

#### **Words into Action**

Over the years, many improvements and projects have been born as a result of the culture surveys, said Sandi Miller, staff director for human capital development. Most of these projects happen at the local level within each activity, she said, but there are some enterprise-level initiatives that have their roots in the culture surveys.

For example, she said, the Enterprise Leader Development Program was established based on survey results.

"One of the things our surveys told us was we needed to improve the quality of leadership at DLA," she said. "And you know, leadership is a driver or enabler to improving culture as well as organizational performance."

Over-arching programs like the ELDP are important because they effect leadership enterprisewide, Lippert-Jensen said, but another huge benefit of the culture survey program has been the increased awareness it has brought to managers at all levels.

Leaders who benefit the most from the program are those who take the results to heart and accept them, whether they're good or bad, and use them to make targeted improvements to their unit, she said. She pointed to anecdotal results from the agency's field activities regarding units that started out with low scores, made real improvements over the years and now have a positive reputation and satisfied employees.

"I think when management and employees understand the intent of the survey they use the results as they're meant to be used: to help the organization perform better to meet our customers' needs. I think that once they get on board, not only do they use it to improve their organization, but they are





champions for it within the organization," Lippert-Jensen said.

#### **Collaboration is Key**

Culture surveys also foster collaboration between managers and leaders at each directorate and field activity, she said. Many sites require managers to come together and discuss the survey results and develop action plans, she said. This gives leaders a larger view of problems they may be facing and lets them learn from each other about possible solutions.

"I think a lot of the benefit comes from management hearing from other managers that they're struggling with the same thing and what they've done to fix things," she said. "They may not cover everything, but it's at least another forum to get groups to collaborate."

Another initiative DLA is pursuing to foster collaboration and workforce development is development of labormanagement forums. These forums, which were established by an executive order signed by President Barack Obama in December 2009, are expected to involve labor union representatives early on in all workplace matters, including

development of new initiatives.

DLA leadership signed an agreement in September with American Federation of Government Employees Council 169 to establish the forum at the headquarters level, said Pam Molloy, staff director of human resources labor and employee relations. Labor management forums will be set up at all field activities by the end of this year, after managers and union representatives are trained in how the process will work, she said.

About 19,000 of DLA's employees are represented by a union; most are covered by the AFGE.

These new forums will encourage more interaction between union representatives and managers by requiring unions be given pre-decisional involvement in all workplace matters affecting bargaining unit employees, Molloy said.

DLA has always been required to bargain with the unions on many workplace matters, she said, but in the past the bargaining was done after the agency had already developed an idea or initiative.

"This expands the scope of bargaining," she said. "It's going to keep

Having an organizational culture focused on trust, communication and leadership helps the Defense Logistics Agency deliver high-quality products and services to warfighters.

the parties talking. It's going to allow them to have a voice."

Another aspect of pre-decisional involvement is that the unions can develop their own ideas for improvements and bring them to the agency for consideration, Molloy said. This will give employees the chance to contribute directly to making their unit or organization better, she said, and will open the door for potential improvements in how the agency serves warfighters.

Improving the way DLA does business is always the bottom line, and efforts that involve employees in decision making contribute to a positive organizational culture. This creates an important foundation for an efficient, effective agency, Lippert-Jensen said.

"While focusing on culture is seen as a separate initiative, it's also the foundation and the basis for our success as an agency," she said. "It's tied to all of our business practices, how we do business on a day-to-day basis."





# Buy Local

Story by Jonathan Stack

raffic jams are a daily source of frustration in the Washington, D.C., and other major U.S. metropolitan areas. But that type of congestion isn't limited to the states.

Logiams are also a source of consternation among military logisticians trying to get supplies into Afghanistan, where a large volume of supplies transiting a limited number of entry points can cause logistics gridlock.

Defense Logistics Agency officials are trying to alleviate some of the stress on the logistics pipeline known as the Northern Distribution Network by buying products from countries located along the supply route.

The NDN is a network of railway lines running from the Baltic port of Riga, Latvia, through Russia, Kazakhstan and Uzbekistan before crossing the Afghan border. The supply line serves as an alternative to the vulnerable ground route following the Karachi-Peshawar road through Pakistan that had been used since 2001 to resupply U.S. forces in Afghanistan.

Army Chief Warrant Officer 3 Peter Johnson. 72nd Medical Detachment Veterinary Services, tours a water bottling plant in Afghanistan that could potentially provide water to U.S. forces. The Defense Logistics Agency is currently trying to buy products from countries within the Northern Distribution Network.

"There is a great need to purchase products [locally] so we can better use the NDN and get our products flowing in Afghanistan quickly and on time," said Richard Faso, DLA Troop Support customer operations, subsistence director.

"Buying products in the area will free up transportation pipelines and take away some of the congestion at the ports," Faso said.

DLA could possibly receive a better price, reduced transportation costs, reduced delivery time and a better relationship between the U.S. and these countries through this type of local purchase program, he said.

Throughout the past year, agency leaders have traveled to Kazakhstan, Uzbekistan and Latvia to meet with U.S. embassy and local officials to determine feasibility of commodity purchases in those countries. Representatives from the countries have also visited DLA Headquarters to meet with senior officials, gain knowledge of the agency and discuss what products could be sourced from their home countries.

Officials said DLA has given the countries' representatives a list of items the agency currently provides to customers in Afghanistan, items that could potentially be purchased from those countries along the NDN.

"We're trying to foster relationships and gain an understanding of what they might have to offer beyond what we're purchasing today," Faso said.

DLA currently purchases water, various pasta products, fruit and juice from companies in Uzbekistan; water from firms in Kazakhstan; and water, ice and soda from Afghan businesses.

DLA Director Navy Vice Adm. Alan Thompson and a team traveled to Latvia in September to participate in Latvia Industry Days, held in the nation's capital of Riga. Officials from DLA and the General Services Administration educated representatives from Latvian firms on how to bid for U.S. contracts and answered specific questions related to individual businesses.

Another event goal was to help Latvian companies provide goods that meet DLA's quality standards at a competitive price, Thompson said.

"Trips like [the one to Latvia] are necessary because the interaction is a critical piece of getting products into Afghanistan," Faso said.

A key part of discussions held during Industry Days was to make each step of the process as straightforward as possible and help companies learn how to effectively do business with DLA, Thompson said.

The admiral stressed two points to event attendees: products provided must meet DLA's quality standards, and goods must be supplied at a competitive price.

"We have to make sure the products meet our requirements for our customers," Faso said. "Not that the product isn't good, it just might not be what our customers have grown accustomed to, and at the



same time we have to make sure we keep cost about the same."

The U.S. is appreciative of Latvia's support of the NDN, Thompson said, and the agency is committed to providing resources and reaching out to Latvian firms so they can compete for business on a global level.

Members of the agency's Joint Contingency Acquisition Support Office accompanied the DLA director on the trip to Latvia to provide specific guidance to the firms.

"We were creating the opportunity to help educate the local vendors and to educate ourselves on their capabilities," said Matthew Beebe, JCASO executive director. "We educated them on our processes because U.S. government contracting may be different than the processes to which they might be accustomed."

Beebe said that after discussing the agency's goals for local purchases and explaining to potential suppliers how to do business with DLA, one-on-one meetings were set up for the vendors to present the agency with their capabilities and ask specific questions.

"We will follow up with the most promising firms that meet our requirements," he said.

Not only is it important for these

countries to learn how to conduct business with DLA, but it is important for DLA to learn the business practices of these countries.

"There are business-development conferences DLA team members have attended to gain understanding of not only what is available in a particular country, but what type of business strategy you have to use," Faso said.

He said it's important to know the process for dealing with manufacturers in each country because each nation has a slightly different way of doing business.

"We really want to establish a longterm relationship with these countries," said Kevin Burke, JCASO deputy policy manager. "We aren't just coming in to buy anything they have and throw money toward their firms."

For example, he said, it wouldn't benefit either side if the agency were to buy three truckloads of lumber once and not buy from a company again.

"We want long-term, valued partners, which is why we are willing to spend some time and get the best firms on a long-term basis so they can continue supporting us," Burke said. "From their perspective, supporting U.S. and NATO forces in Afghanistan can lead to supporting forces elsewhere."

The Northern Distribution Network is a railway line running from the Baltic Port of Riga, Latvia, through Russia, Kazakhstan and Uzbekistan before crossing the Afghan border. The supply line serves as an alternative to the vulnerable ground route through Pakistan.

Sourcing supplies for U.S. forces in Afghanistan is DLA's top priority, Thompson said during the Latvia event. But the agency is also looking for good, enduring sources from which to supply troops in Western Europe and those engaged in military exercises in the area. This type of local procurement for construction materials and fresh fruits and vegetables was done for joint military exercise Baltic Host, held in May.

Officials said the agency team is already seeing a payoff from work done by DLA prime vendors at Industry Days: DLA will make its first buy of water from a Latvian vendor to meet a requirement for Operation Sabre Strike, held in the Baltic state in the fall.

The water and other products DLA is sourcing from the NDN countries supplement rather than replace products the agency is already purchasing in the United States, Beebe said.

"From an overall volume point of view, it's important for the mission, but the bulk of the products are still coming from the U.S.," he said.

Burke said the volume of products supplied by countries along the NDN and items the agency hopes to buy in the future will provide local economic benefits, but the quantity, is still a small percentage of the total goods traveling via the supply network.

"Economic benefits for that country are great, but in the end, we are doing this for the mission," Burke said. 💿

Editor's note: Heather Athey contributed to this article.

### **2011 DIRECTOR'S GUIDAN**



# Lean Logistics

Story by Jonathan Stack

efense Secretary Robert Gates' drive for efficiency is gaining steam at the Defense Logistics Agency as team members work to translate Director Navy Vice Adm. Alan Thompson's fiscal 2011 Director's Guidance into results for warfighters.

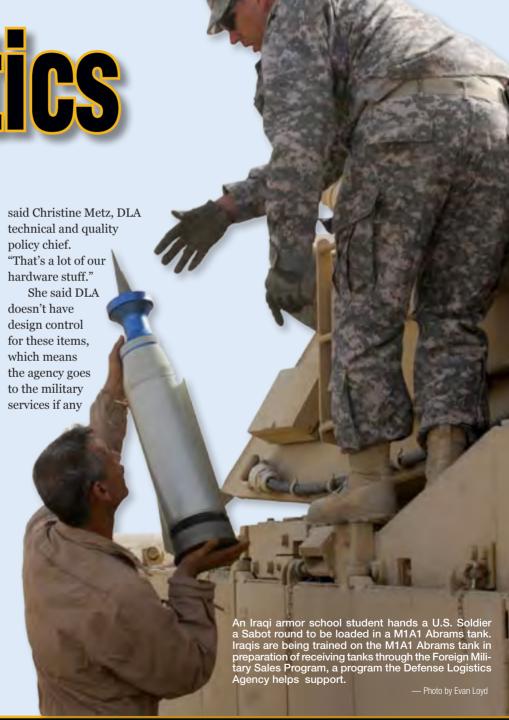
"We've really got to become a more efficient logistics enterprise and try to reduce costs wherever we can - look for innovative ways that we can reduce sustainment costs and use those funds to modernize the force," Thompon said in August at the 2010 DLA Enterprise Supplier Conference and Exhibition.

In the guidance, Thompson outlines his plan to develop and help initiate significant departmental logistics efficiencies that better serve agency customers and meet Gates' goal of achieving a more cost-conscious business model.

As part of that plan, the agency is working to continue its partnership with the military services to enhance engineering support.

Engineering support impacts DLA's ability to procure weapon-system parts and other critical application items.

"We receive engineering support from the military services for the weapon system-coded items we buy,"



changes to the design are requested by the supplier, if the part doesn't have a supplier and a source is needed, or if there are questions about the technical data.

"Then we have to go to the engineering/design control activity, which is within the services," Metz said. "We really have to partner with those design control activities in order to get the right part for the customer."

When this engineering support is needed during the acquisition process, it can affect the agency's lead times and ability to get products to warfighters, she said.

To better support agency customers, DLA leaders have signed performancebased agreements with the Army, Navy, Air Force and Marine Corps. The PBAs establish a framework for customer and supplier expectations, responsibilities

Five-ton trucks delivered to the Iraqi army sit at AI Muthanna Vehicle Warehouse. The vehicles were purchased through the Foreign Military Sales Program, which enables the government of Iraq to purchase military equipment and supplies from the United States.

and performance between DLA and each of the military services.

"We ... have partnered with all the services to develop standard business rules, standard process for funding and came together to agree on how we're going to be forecasting our demand for engineering support in the future," Metz said.

The PBAs derive from the Joint Engineering Support Instruction, a newly negotiated agreement detailing how the services will provide engineering support to DLA.

"It's a high-level, engineering support instruction that has all the guidance that we've agreed to," she said.

These documents explain how the agency is going to pay for engineering support, establish performance goals and clearly define metrics, said Manuel Ferreira, DLA engineering support program manager

"Through the [PBAs], we really found out there was a lot of common ground; everyone came to the table really wanting to support warfighters," he said. "These policy documents allowed for change to happen."

Metz said that over the years, the agency has encountered challenges in working with the military services because there weren't a lot of business rules both sides agreed upon.

"The most important thing is ... we really changed our relationship with the military service engineering support activities," she said. "We now have a more cooperative relationship."

She said it is a huge step forward in addressing something that has been a problem area for DLA.

"Just by working together and agreeing on some standards of operation ... we can concentrate on the technical and engineering aspects of the work we do together," she said.

Metz said this partnership between DLA and the services will be positive because it will impact the agency's customers – warfighters – by not only improving the time it takes to receive products but also improving the quality of these products.



Air Force Staff Sgt. Christopher Frost



#### **Foreign Military Sales**

Another of the director's plans of action to develop logistics efficiencies is to leverage partnerships with others in the Defense Department to expand DLA's effectiveness in gaining and supporting Foreign Military Sales business.

The FMS program allows eligible foreign governments to purchase U.S. government vehicles, equipment and other goods and services for their militaries. The foreign governments pay total costs, and all deals are marked by a signed government-to-government agreement.

The Army, Air Force and Navy oversee cases involving service-managed equipment.

"We have partnerships with the international logistics control offices with each of the military services, because we support the military services in their administration of Foreign Military Sales," said Michael Van House, DLA's deputy chief of military service support.

When a foreign government buys weapons systems from the United States, one of the military services is designated an executive agent for that sale. DLA typically is involved by providing spare parts to go along with those systems.

"By us maintaining a liaison and partnership with them, we can ensure the country's needs are met – the right parts are provided by DLA," Van House said.

DLA is working with the services to have joint metrics so the agency can observe how it's doing to support foreign customers.

"We have become engaged in an international customers' user group, where we receive feedback directly from the international customers," Van House said. "We participate in meetings and conferences to address their concerns, find problem areas, look at metrics to measure DLA support to the international customer, and try to look at areas to improve our support."

#### **Fast-Track Improvements**

He said the agency has also been involved in rapid-improvement events sponsored by the military services to improve support to FMS customers.

"We were just involved with a rapidimprovement event with the Air Force to improve support to [Ogden Air Logistics Center's] customers for F-16s," he said

Van House said that in the past DLA

M1A1 Abrams tanks arrive at the port of Umm Qasr, Iraq. Iraq received this shipment as part of a Foreign Military Sales agreement with the United States.

hasn't had as robust a partnership with the military services as it has today. To improve relationships, a person has been assigned as the point of contact within DLA to each of the international logistics control offices within the services.

"It gives us a closer view of what the [countrys'] requirements are and direct feedback of how we're doing to support them," he said. "So by understanding the requirement and receiving feedback, it allows us to make adjustment to ensure we meet their needs."

He said improving DLA's partnership with the services contributes to having a more satisfied customer.

Thompson's plans to enhance engineering support and expand DLA's effectiveness in Foreign Military Sales business are two of the actions laid out is his fiscal 2011 Director's Guidance, which he said he expects will ensure DLA is in line with the Defense Department's challenge to rebalance America's military logistics operations.

2011 DIRECTOR'S GUIDANCE

## We are DLA

**DEFENSE LOGISTICS AGENCY** 

## ISPOSITION SERVICES

Story by Sara Moore

arfighters have a lot of stuff. Chances are, no matter where in the world a military unit is located, its members are going to have a lot of equipment and material, often more than they need for their operations.

It is the role of Defense Logistics Agency Disposition Services to manage that excess equipment and material. Whether the property is at a military installation in the Pacific Northwest or a dusty outpost in Kuwait, DLA Disposition Services team members go wherever customers need them.

#### **One Man's Trash**

At DLA Disposition Services Kuwait, a small team of deployed agency employees are turning trash to treasure by reutilizing millions of dollars worth of equipment every year.

Customers scouring rows of excess equipment at the Camp Arifian facility so often find what they're looking for that officials said the team reutilized more than \$100 million worth of property in fiscal 2009.

Units moving through the area have depended on the facility as a repository for hard-to-find items and to offload unneeded property since it opened in November 2003. But this year business hit a "historical milestone," according to a recent report from Army Lt. Col. Karen Wrancher, U.S. Central Command regional operations officer for DLA Disposition Services.

"Team Arifjan" surpassed its fiscal 2009 reutilization benchmark of \$72

million in May, and by mid-August had exceeded the \$100 million mark.

"That is a great accomplishment, but what truly makes this feat amazing is that the team does it without the support of contractors," Wrancher said, adding that about 55 personnel are handling operations previously done by a contracted workforce of more than 200 people.

The staff includes 12 DLA team members who serve one-vear tours with the option to extend and 43 "surge personnel" who volunteer from other DLA Disposition Services sites for sixmonth tours. Because the site is open 24/7, officials said most folks work 12hour shifts, seven days a week.

And they are challenged daily to balance a high operational tempo with tough environmental conditions, said Army Lt. Col. Miriam Tannenbaum, officer in charge of DLA's disposition team in Kuwait.

"We have some absolutely amazing people working here," she said. "There's so much going on and so much to do, and they do it in 130 to 140 degree temperatures day in and day out."

DLA Disposition Services runs more than 100 field sites in 41 states and 16 countries, but the Kuwait facility is the largest in terms of the amount of the property it receives and processes daily. Unlike other facilities, this one has only outdoor storage.

"We had days when such bad dust storms came through that we had to temporarily shut down, but as soon as the storms passed, we were right back at work," said Gail Brown, who returned from Kuwait in July after serving for two years as the site chief. She is now the area manager for DLA Disposition Services Red River, Texas.

"That the team there is able to deal with such harsh elements and still service warfighters is phenomenal. And there are surprisingly few complaints from the team," she continued.

**Employees at DLA Disposition** Services Kuwait take seriously their mission to be good stewards of the government property that goes in and out of the facility, Tannenbaum added.

"This is a great business we're in, and we play a very important role here," she said. "How can you not feel good about that?"

#### **Weekend Warriors**

At a DLA Disposition Services site back in the U.S., a military reserve unit augments the civilian staff to perform the local mission while also preparing to deploy in support of DLA around the world.

Disposal Remediation Team Lewis, a joint-service reserve outfit, drills at Joint Base Lewis-McChord, Wash., one weekend each month. The unit is about 35 members strong when its roster is full and includes Navy and Army reservists.

"Our mission is to recruit, integrate new members into the unit, train them to work in the warehouse here, and prepare them to deploy in support of DLA," Navy Reserve Cmdr. Al Schmitt, the unit's commander, said.

The disposition facility employs about 30 civilians and at times operates six days a week. As what is called a hub site, its



Soldiers load baggage onto a chartered airplane at Al Asad Air Base, Iraq, on their way to Joint Base Lewis-McChord, Wash. The Defense Logistics Agency Disposition Services site at Joint Base Lewis-McChord, augmented by its military reserve unit, processes and disposes of excess military equipment resulting from the Iraq troop withdrawal.

operational responsibility is excess and surplus military material in the Pacific Northwest, including Oregon, Alaska and part of Idaho, in addition to Washington.

Not surprisingly, the sheer volume of excess property that comes through the facility is overwhelming, resulting in hours of overtime as the staff attempts to keep up with the influx of goods, said Robert Burrell, area manager. That's where the reservists come in.

DRT reservists' training includes the basic military supply course and job-specific instruction, but the real test comes early Saturday morning of the weekend training assemblies, when the reservists hit the floor and begin processing material themselves following established procedures.

Burrell schedules civilians to work with the reservists one-on-one to help train and guide them, he said. The

on-the-job training helps the reservists prepare for deployments, where they will perform the same duty but without similar supervision.

Officials said DRTs serve a vital role by deploying to forward areas in Afghanistan, Kuwait and Iraq, where they bring the expertise of DLA Disposition Services to military units serving on the front lines.

Here at home, though, Burrell said he appreciates the DRT's contribution to his operation – and he depends on it.

"Suppose I have 20 reservists on a weekend," he said. "What a resource. That's 20 extra people to assist with the workload two days a month.

So far in 2010, the DRT has contributed nearly 700 hours of support to the disposition facility on drill weekends alone, in addition to 110-plus days of annual tour. Those figures have

increased steadily since the unit was established in 1998 as a Navy Reserve team. Army Reserve billets were added in 1999.

When he took over the reins of the DRT in December 2009, nearly two-thirds of his Sailors and Soldiers were deployed in support of operations Enduring Freedom and Iraqi Freedom, Schmitt said. Most of them returned to duty this summer, and Schmitt met them for the first time.

Schmitt himself is preparing for deployment to Afghanistan late this fall; it will be his second such tour.

"We have a very important mission over there," he said. "That's the focus of our training here. It takes a lot of effort to make it a success."

Reporting by Beth Reece and Air Force Reserve Lt. Col. Richard C. Sater

## Ten Questions with . . . Air Force Brig. Gen.

Philadelphia Commander Discusses Warfighter Support, Prime Vendors and Small-Business Participation

1. In your opinion, how did your career and previous duty as agency chief of staff prepare you to lead the Defense Logistics Agency's Philadelphia-based troop support center?

Before joining DLA, I worked extensively with the agency in supply and management of repair parts. Once I became chief of staff, I learned about the agency from a strategic standpoint - its acquisition and logistics competencies and how its mission literally reaches all corners of the globe.

My experience in logistics, coupled with previous positions, prepared me for command here. Leading four diverse supply chains has been an unbelievable learning experience. The mission is incredibly challenging, the work exceptionally rewarding and the workforce one of the best I have ever served with.

2. How do DLA Troop Support team members make a difference for warfighters?



Air Force Brig. Gen. Scott Chambers

No single DLA area touches military members more than DLA Troop Support. Let's take a Soldier at a forward operating base as an example. Barriers surrounding the base and living area, and his tent came from DLA Troop Support. His uniform, helmet and other protective equipment also came from us. When that Soldier heads to the dining facility, he'll eat food provided by Troop Support team members. If he should need life-saving vaccines or other medicines, our team is there too.

However, all DLA activities play a key role in supporting warfighters. At a strategic level, if any one of those were to fail, we would all fail as an integrated team.

3. Your activity supplies high-visibility goods like food and medical material. What does this additional scrutiny mean for the way DLA **Troop Support conducts business?** 

Each commodity DLA Troop Support handles brings a unique set of standards, safeguards, restrictions and scrutiny. Simply put, warfighters can die if we don't execute our mission.

The U.S. Food and Drug Administration guides operations in our Medical and Subsistence directorates. In the medical arena these regulations ensure pharmaceuticals and supplies are safe and effective. We also maintain an effective audit trail to support product recalls and to quickly isolate and address any issues with efficacy, shelf life or condition.

Troop Support Team Integration Construction and Equipment Supply Chain

## Scott Chambers

All food served to U.S. troops comes from veterinary-approved sources, which gives us assurance our partner organizations are aware of DLA requirements, have good manufacturing practices and maintain sanitary conditions. We conduct extensive testing in our clothing and textile area to make certain protective gear and clothing work as designed to protect warfighters.

4. Some of Troop Support's work involves supplying deployed warfighters with holiday meals. How does your team ensure troops get a taste of home on the battlefield?

As early as June our planners are gearing up for Thanksgiving and Christmas meals, coordinating with theater food advisors, determining head counts, noting service locations and passing requirements to prime vendors. We pull out all the stops to provide the comfort of delicious, familiar foods, and we aim for the freshest items. Our subsistence team works with a prime vendor get

the best ingredients on the holiday table, and we incorporate locally grown produce to round out the meals. Warfighters appreciate our efforts, and we receive really positive feedback from the troops.

Lesser-known is Troop Support's work to provide Passover meals. The "Kosher for Passover" meal complements the Seder kit provided by Clothing and Textiles, so Jewish chaplains and troops can celebrate during the seven-day event in the spring.

5. DLA Troop Support sales accounted for nearly half the agency's \$38 billion in business in fiscal 2009. How have the drawdown of forces in Iraq and the troop buildup in Afghanistan impacted your center's operations?

Our sales are on track to reach a record \$15 billion in fiscal 2010. Our construction and equipment and subsistence supply chains have been impacted most by these changing operations. Construction and Equipment experienced tremendous demand growth for construction material to complete expansion of forward operating bases and

construction of more than a dozen small combat operating posts in Afghanistan. Subsistence has seen an increase in volume by 165 percent since January and is now shipping to as many as 190 locations in Afghanistan.

As the drawdown continues and troop strength stabilizes, we will be working logistics and transportation issues to ensure seamless support to this region. We are pleased to have achieved the lowest cost-recovery rate ever at DLA Troop Support, but are focused on gaining efficiency in our processes and organizational structure while considering additional opportunities within the Defense Department.

6. DLA Troop Support works with a number of prime vendors to source supplies. How do these partnerships yield benefits for warfighters?

A prime vendor is a product distributor that provides needed items directly to military service customers in a defined geographic



Continuous Process Improvement Small-Business Participation

### Ten Questions with...

region within a specified period of time. We have successfully used prime vendor methodology for many product lines including subsistence; pharmaceuticals; medical/surgical supplies; maintenance, repair and operations supplies; and special operations. Prime vendors have allowed DLA to reduce inventory and infrastructure while providing customers with a wide selection of commercially available products, responsive service and lower delivered costs.

#### 7. How do you ensure opportunities for small-business participation in DLA Troop Support acquisitions?

About 30 percent of DLA Troop Support contract dollars are awarded to small business, and our team accounts for about 43 percent of all DLA total small-business contract dollars. We partner closely with federal, state and local professional organizations and industry associations to fully utilize the small business community. We reach out to these organizations, particularly veteran-owned and service-disabled veteran-owned small businesses by participating in fairs, conferences and seminars to make ourselves widely known. We aggressively seek and develop new initiatives

to enhance growth opportunities for the small-business segment. We also work with small-business sources to ensure their products are included in third-party contractual arrangements.

## 8. DLA Director Navy Vice Adm. Alan Thompson has outlined the need to find efficiencies in daily agency operations as the department navigates a constrained budget environment. What steps are you taking to find efficiencies?

Our overall goal is to be able to tell the Army, Navy, Air Force and Marines DLA is the best-value logistics provider. We will continue to make that happen by institutionalizing Continuous Process Improvement, pursuing price reductions in select material categories, right-sizing our workforce and seeking new opportunities. The end result will be to further reduce our already low cost-recovery rate. We're constantly leaning forward to do our best for warfighters.

## 9. Humanitarian operations also fall under DLA Troop Support. How does your team meet humanitarian-relief needs without impacting the warfighter-support mission?

Troop Support maintains a core humanitarian-relief team that uses past humanitarian-relief efforts and lessons learned to constantly evaluate options to support humanitarian efforts inside and outside the continental U.S. Terrific partnering with DLA Distribution, DLA Headquarters and outside relief agencies has resulted in successful and effective humanitarian-relief operations.

Troop Support and DLA
Distribution also maintain an
inventory of first-to-go supplies
for all humanitarian efforts to best
assess our posture to support affected
regions. We recently hosted the
Federal Emergency Management
Agency for discussions to optimize
support and look forward to
meeting with the U.S. Agency for
International Development soon to
continue to improve support.

### 10. What do you see on the horizon for DLA Troop Support?

Whatever the challenge, this innovative, dedicated workforce has found ways to accomplish the mission. We are taking a hard look across the organization, especially the supply chains, to find ways to improve processes, reduce vendor costs and our operating costs, and become more efficient. We must succeed in this pursuit to ensure DLA Troop Support is postured to meet the challenges of the future fiscal environment.

### **Industry Days Yields Potential Partnerships** for Agency, Latvian Companies

atvia Industry Days, which brought together representatives from ■the Defense Logistics Agency and Latvian companies interested in doing business with the U.S., gave the agency a lot of potential new suppliers and built important relationships in the region, DLA officials said.

The Industry Days, which was sponsored by DLA, the U.S. Embassy in Latvia and the Latvian government, ran Sept. 14 to 17 in the country's capital of Riga. About 108 Latvian companies participated in the first-ever event, which included informational sessions about doing business with DLA and the General Services Administration as well as one-on-one meetings focusing on quality standards the agency requires for its products, said

Lynn Connors, acquisition operations specialist in DLA's Joint Contingency Acquisition Support Office. Connors was the program manager for the Industry Days and was on site to oversee the event.

"It was a great success. We owe that to the embassy, the Latvian government, DLA, GSA and our prime vendors," Connors said.

As a result of work done by DLA prime vendors at the Industry Days, the agency has made its first buy of bottled water from a Latvian vendor to meet a requirement for Operation Saber Strike, a multinational exercise in Latvia. DLA awarded a basic purchase agreement to a Latvian vendor for the bottled water, Connors said.

During Industry Days, DLA and GSA

representatives evaluated each Latvian company based on its potential to do business with the U.S., Connors said, Of the 108 companies represented, more than 60 were determined to have high potential for doing business, she said.

Doing business with Latvia is important as the Northern Distribution Network has grown and become successful, DLA officials said. Bringing about positive economic impacts in the nations along the supply route is something that goes hand-in-hand with NDN participation, DLA Director Navy Vice Adm. Alan Thompson said in Latvia in September.

"Part of facilitating this positive impact is bringing DLA and GSA here to Riga and answering many of the questions Latvian industry members have about doing business with the U.S. government," he said.

- Sara Moore and Heather Athey

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- . Mr. John Johns, Director, Iraqi Security Forces Logistics, United States Forces-Iraq
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## Money Matters

with Small Business



#### Story by Beth Reece

f the \$38 billion the Defense Logistics Agency spent on goods and services in fiscal 2009, about \$7 billion went to small businesses. That amount is expected to grow as DLA acquisition experts work toward meeting Defense Secretary Robert Gates' mandate to create efficiencies and save money over the next five years.

The current Defense Department goal for small-business partnerships is 23 percent, but in reality presently stands at about 19 percent, Shay Assad, director of defense procurement and acquisition policy, told DLA employees and industrial partners at the 2010 DLA Enterprise Supplier Conference and Exhibition in August.

"There's no doubt that we can improve

our buying power if we increase opportunities for small businesses, so we intend, especially in the world of services, to do everything we can to increase small-business participation," he said.

The Federal Acquisition Regulation requires that contracts of less than \$100,000 go to small businesses unless contracting officers determine there is no reasonable expectation of obtaining competitive offers from two or more small businesses. Federal agencies also have the option to noncompetitively award contracts for products and services to such small disadvantaged businesses as those are owned by service-disabled veterans or women.

Partnering with small businesses is not just a regulatory requirement, it's

smart, said Jennifer Phillips, chief of the DLA Contracting Services Office. Small businesses typically have lower overhead and administrative costs, so their bids for contracts are often lower than those of large vendors, she said.

"For the most part, we're able to get better prices from small businesses, especially when it's for services. We also tend to get more direct interaction and personalized service from small businesses," she explained.

Products provided by small businesses include medical, dental and hospital equipment; extreme cold-weather clothing; aircraft cable assemblies; and military medals. Small businesses also provide services vital to daily operations, such as information

technology, facilities upkeep and signlanguage interpretation.

Phillips said she has found small-business owners are sometimes willing to offer better prices just so their employees can gain experience and refine their skills.

"Normally, they have just one expert in a particular field and the others are learning, so they're willing to come in with a good, reasonable price for the sake of gaining knowledge they can use in future business," she said.

Ashton Carter, undersecretary of defense for acquisition, technology and logistics, met with senior acquisition officials throughout the Defense Department in September to announce 23 specific guidelines for meeting Gates' initiative. Carter targeted contracted services – an area that accounts for \$200 billion of the department's annual contracting costs – as an area needing improvement.

"Half of our costs are for services, and we're performing worse there," he said. "It's grown so large; we simply have to manage it better."

In a memorandum to acquisition professionals he signed that same day, Carter singled out DLA as an example worth following in its use of standard templates to acquire support services, "particularly in knowledge management services, which has increased 400 percent in the last decade."

"These requirements often require the same function or service to be provided, but are written uniquely among various commands so that competition is limited," Carter said.

He directed the military services and DoD components to establish "maximum use of standard templates in developing performance work statements to improve contract solicitations," such as templates already in use by DLA.

While small contractors provide the bulk of DoD's contracted services, they should be encouraged to participate in The Defense Logistics Agency is committed to increasing opportunities for small business owners, particularly veteranowned and service-disabled veteran-owned small businesses

other business partnerships, as well, Phillips added. In cases where a contract is awarded to a large vendor, for example, contract specialists can request the large vendor enter into a contract team arrangement with small businesses. These arrangements allow two or more contractors to work together to meet contract requirements and increases industry awareness of DLA's needs.

"This makes more people knowledgeable of our requirements, and the more knowledgeable experts we have out there, the less we have to rely on sole sourcing," she said. "The savings here would be seen in the long term. By ensuring small businesses are participating with large businesses, we're able to build a larger base of reliable contractors."

DLA is committed to increasing opportunities for small business

owners, particularly veteran-owned and service-disabled veteran-owned small businesses, said Peg Meehan, director of DLA's Office of Small Business Programs.

"Increasing opportunities for SDVOSBs in DLA's prime contracts and subcontracts is a strategy that strengthens our industrial base by increasing sources for essential supplies and services, promoting competition and reducing costs," she said.

Late this summer, DLA Director Navy Vice Adm. Alan Thompson issued a direct challenge to the DLA acquisition workforce to raise the level of solicitations awarded to veteran-owned and service-disabled veteran-owned small businesses, Meehan added. The topic is also addressed during the director's periodic reviews with primary-level field activities.

Small-business specialists provide one-on-one counseling to small-business owners interested in working with DLA. The agency also manages DoD's Procurement Technical Assistance Program, which has offices throughout the United States to help small-business owners learn how to do work with the federal government and DLA in particular.

In addition, Meehan's office is conducting market research to identify SDVOSBs and has revitalized the VetBiz initiative, which is designed to help SDVOSBs develop repeatable processes that will allow them to continue to

do successful, profitable business with DLA.

While small businesses are known for having a small number of employees and relatively low sales volume, they're no less capable than large businesses, added Kevin Blume, a contracting officer on Phillips' staff.

"We've found that

small businesses are often started by people who have a great deal of expertise," he said.

Meehan agreed. "Small businesses of all types are valuable partners to us in providing necessary supplies and services to warfighters."

## ew Beginning Story by Beth Reece

ovember 11" is tattooed on Matthew Brown's right leg. His left is laced with a meter's worth of scars from the nine surgeries it took doctors to save the former Marine after he was shot in Fallujah, Iraq, on that indelible day in 2004.

First Battalion, 8th Marine Regiment, was four days into Operation Phantom Fury when Brown's platoon was tasked to move forward into Fallujah and clear a route for the rest of the unit.

"We managed to push about a mile ahead by nightfall, and when the sun came up the next morning, we were surrounded by insurgents," he recalled.

The Marines fought off and on for hours, then Brown slipped into another room in the building the platoon was operating out of to help locate a sniper

firing at a buddy. The sniper found Brown first. As pilots prepared to airlift the wounded machine gunner out of Fallujah, a priest gave him last rites.

In January 2008, after three years of physical and mental recovery that still continues today, Brown started his civil service career with DLA Human

Resources Services New Cumberland, Pa.

Veterans like Brown make up a good portion of the DLA workforce. More than 600 veterans - 228 of them disabled

- have been hired into DLA in the past six months, said Judi Bitner, Brown's supervisor and a manager at DLA Human Resources Services New Cumberland.

Bitner's office helps managers understand hiring flexibilities and rules about veterans' preference and appointments under the Veterans Employment Opportunities Act, which grant veterans preference when they are referred for federal jobs. Eligible veterans include those who are disabled or served in combat or during certain timeframes.

Veterans Recruitment Appointments also allow federal agencies to hire eligible veterans without competition. Eligibility requirements changed in November 2002 under the Jobs for Veterans Act, Public Law 107-288, and extend to: disabled veterans, veterans who served on active duty during war or in a campaign or expedi-

> tion for which a campaign badge has been authorized, veterans who served on active duty during an

> operation for which an Armed Forces Service Medal is awarded, or veterans within three years of honorable discharge.

Veterans' hardwon experience makes them strong competitors for jobs



Then-Marine Lance Cpl. Matthew Brown

like those at DLA, Bitner said.

"They come into the organization with a sense of commitment because they've been our customers and they've been on the other end of the supply line," she said. "Any veteran who goes out and does good things for our country, ... I feel like we should give them opportunities when we can."

Her beliefs are shared by Hettie Holmes-Carter, program manager for DLA's recruitment efforts and the Operation Warfighter Program. She recently began working with the Department of Veterans Affairs Vocational Rehabilitation and Employment Services Division to give service-disabled veterans on-the-job training or no-cost internships with DLA activities.

Through the VA's on-the-job training program, a veteran is hired at an apprentice wage and the Vocational Rehabilitation and Employment Program supplements the salary to the journeyman wage. As the participant progresses through training, the employer gradually pays more of the salary until the veteran has reached the journeyman level and the employer is paying the entire salary.

"This is a new program and we're just beginning to put information out, but I've learned that we already have some participants out in the field," Holmes-Carter said.

She is surveying managers now to determine how many participants DLA has.

The non-paid work experience program differs from on-the-job training in that placement doesn't automatically lead to a permanent job, although managers are encouraged to hire veterans if satisfied with their performance and a position is available. The Vocational Rehabilitation and Employment Program

pays veterans a monthly subsistence allowance for up to 24 months while they're in the program.

The program doesn't guarantee future employment, but it does give veterans valuable experience, Holmes-Carter said, because "they're learning how the civilian world works or getting experience in a different field."

Most managers don't need prompting from the president to support America's warfighters, but on Nov. 9, 2009, President Barack Obama signed an executive order directing all federal agencies to establish a veterans employment program office and to train personnel specialists on veteran employment policies - two things DLA had already made progress in.

"Our outreach to veterans has always been very successful. There are lots of eligible folks out there, and we can easily reach out to veterans' organizations to obtain candidates because most of them are non-competitively appointable," Bitner said.

Three of Bitner's current employees are Purple Heart Medal recipients, though none of them outwardly exhibit the lasting effects of their war injuries.

Brown, now 25, began working as a human resources specialist by participating in an on-the-job training program, that matches new employees with trainers who help them learn tasks like processing pay and recruitment actions.

His early progress was tempered by a brief hospitalization, "but he's significantly better today," Bitner said. "He's gotten much more proficient at our business and is able to focus well on detailed tasks."

Recovery is an elusive concept for

Brown, who will never fully recuperate from nerve damage and muscle loss.

"There are days when I walk perfectly normal, and others when I have a visible limp," he said.

Most of the pain is below his knee, and whether it's the usual dull ache or an occasional sharp, stabbing pain, Brown said he's learned not to dwell on the discomfort.

Like so many veterans of the Iraq and Afghanistan wars, Brown said he is sometimes haunted by anxiety and paranoia. The sight of a McDonald's wrapper lying in a ditch might make him worry about roadside bombs; the sound of a car backfiring could take him back to the firefight that killed fellow Marines. Prescription painkillers and alcohol once helped him escape the symptoms of his post-traumatic stress disorder, but he has since sought therapy and flushed the drugs down a toilet, she said.

"My PTSD will never go away," he said, "but reaching out to other veterans

some of the problems I've had helps. Really, the only people who understand PTSD are the ones who have it."

and seeing

how they've

overcome

Bitner said she has no military experience of her own to help her to understand Brown's struggles, much less those of other disabled employees.

"Sometimes we, as managers, need to get past stereotypes and offer folks an opportunity," she said.

The chance to prove himself at DLA has given Brown a new beginning, a chance he said he feared he'd never get after his military career ended. It also keeps him connected to the military he still loves and enables him to assist others looking for federal employment.

"It's amazing, because my job gives me the chance almost every day to help a fellow veteran," Brown said. "When it comes down to it, all of us at DLA are engaged in helping warfighters, and what better person to help current warfighters than a prior warfighter himself."

For information on the Defense Logistics Agency's partnership with the Veterans Affairs Vocational Rehabilitation and Employment Service Division, contact Hettie Holmes-Carter at 703-767-5383 or hettie.holmes-carter@dla.mil.

Information on veterans employment benefits can be found through employees' servicing human resource specialists or at: http://www.opm.gov/staffingportal/vetguide.asp#VRA-Authority.



# AM

### My Name is:

A program analyst for Defense Logistics Agency Troop support in the Kevin Gleaton

Continuous Process Improvement Office. AS part of the CPI staff at DLA Troop Support, I analyze current workforce procedures to help groups of subject matter experts review their procedures incomments also mailining in all of the procedures to help groups of subject matter experts review work in a processes, incorporate streamlining methodologies and make their work

## more efficient.

How long have you worked for DLA?

I have worked at DLA for four-and-a-hort years.

What is your favorite thing about working for DLA? I have the opportunity use my ingenuity to solve puzzles, like a most

detective assessing new cases. Besides specific work-related matters, I enjoy joining multiple teams to promote workforce compraderie.

What is your best memory of working here?

1 appreciated the chance to train on the job through the corporate Intern Program. Graduating from the program and being recognized for my work showed me I was becoming a

universally reliable employee within the organization.

How do you make a difference to warfighters?

My CPI training helps me to reinforce value added methods in the daily performance of the Troop Support work force. I help the men and women directly responsible for serving warfighters
his inetitationalizing a continuous common manufacture of the serving warfighters by institutionalizing a continuous-improvement culture that helps generate improvements such as reducing cost, improving quality and activities for continuous improvement manintains reducing lead time. Striving for continuous improvement maintains wartishter confidence in our effects and helps NI A bassis wartishter confidence in our

warfighter confidence in our efforts and helps DLA become the Hevin H. Gleator

standard for operational process excellence.

