

SPRING 2020

Distribution



News from DLA Distribution's Worldwide Network - Supplying the Warfighter on Time, Every Time!



Commander's Corner

In a few weeks, I will be leaving DLA Distribution and heading to my next command. It has truly been a pleasure to serve alongside each of you. Throughout the past two years, I've witnessed firsthand your dedication to the Warfighter and your commitment to excellence in Delivering the Right Things...to the Right Place, at the Right Time! Your "All in...All the time" attitude has enabled this agency to accomplish great things, even during the current COVID-19 pandemic that touched every Distribution Center. Your perseverance and resiliency while supporting this unprecedented crisis has been singularly remarkable and commendable. I thank you for what you have accomplished and continue to do in support of your teammates, the Warfighter and our Nation during this crisis.

But COVID-19 support isn't the only remarkable feat this team has accomplished in the past two years. You've all done an incredible job supporting the warfighter. While performance metrics in fiscal year 2019 were only 85% green, you bumped that to 97% green in fiscal year 2020 — that's an amazing effort you should be proud of.

The Transportation Team also knocked it out of the park. In fiscal year 2019, we moved 860 million pounds of material in 3.5 million shipments by surface and 79.1 million pounds of material in 3.2 million shipments by air. This fiscal year, through March, we've moved 286 million pounds of material by surface in 1.7 million shipments and shipped 29.1 million pounds of material by air in 1.5 million shipments. HOOYAH Distribution!

You've also continued to support the Whole of Government mission with great determination and concern for your fellow citizens. In August, 2018, DLA Distribution San Joaquin, California, stepped up to the plate and fulfilled FEMA's request for bottled water in support of Hurricane Lane affecting the Hawaiian Islands. The team loaded 318 pallets of water destined for Hawaii. In September, 2018, we supported FEMA to provide humanitarian assistance and disaster



relief to citizens afflicted by Hurricane Florence. DDXX teams from DDSP and DDJC were deployed to Maxwell Air Force Base, Alabama and Fort A.P Hill, Virginia, to provide support. The DDXX team, consisting of 11 military, and 37 civilian personnel processed 1,159 trailers containing 8.5 million liters of water, 8.7 million meals and other commodities.

In October, 2018, DDJC also supported FEMA with over 950,000 liters of water sent to support Florida victims following the devastation caused by Hurricane Michael.

Less than a year later, when Hurricane Dorian made landfall on the U.S. East Coast in August 2019, we deployed DDXX to Fort Bragg, North Carolina, and Maxwell Air Force Base, Alabama, to establish FEMA Incident Support Bases. The 52 member DDXX team (8 military and 44 civilians) processed and inventoried 1,024 trailers of Housing Assistance/Disaster Relief materiel, including 10 million liters of water, 9.1 million commercial meals and 9,205 cases of MRE's. The Transportation Team also coordinated movement of one million commercial meals to ISB sites, supporting 6,000 displaced Marine recruits from Parris Island, South Carolina. DLA Distribution Albany, Georgia, and DLA Distribution Norfolk, Virginia provided meal support.

DLA Distribution also continues to move the needle on the modernization strategy, meeting cost savings objectives through solutions that improve warehouse operational efficiencies. We're finally replacing the legacy warehouse management software, DSS. Its replacement, the Warehouse Management System/Transportation Module will execute Distribution processes as they are integrated into EBS. Implementation of the initial phase of the pilot occurred at DLA Distribution Corpus Christi, Texas in 2018, and it is expected to reach full operational capability with network completion by FY23. In fiscal year 2019, DLA Distribution implemented Voice technology, new ruggedized tablets and mobile printers to take the agency into the 21st century.

In the audit realm, from 2017 through 2018, DLA received a disclaimer of opinion for our financial statements — meaning there were areas to review and improve. Last year, we received an adverse opinion from the independent public accountants for fiscal year 2019. The majority of our challenges center on the lack of accounting procedures, internal controls, oversight and proper documentation. The fiscal year 2020 goal is a modified opinion — that indicates everything in the financial statement is good with a few minor exceptions. We've made progress but we need to continue to challenge ourselves to reach an unmodified opinion.

In January, 2019, DLA and the U.S. Transportation Command were designated as the Global Transportation and Distribution Product Support Provider for the F-35 Joint Strike Fighter. We've focused most of this issue on the F-35 program because I want you to know how important this program is for us, and for you, DLA Distribution teammates.

I'm proud to have been at the helm during these past two years and it has been my distinct honor to work alongside you during this exciting and game changing time for DLA Distribution. Bravo Zulu for a job extremely well done – no one compares to the Distribution Team!

Fair Winds and Following Seas.
HOOYAH Distribution!

Kevin M. Jones
RDML, SC, USN
Commanding Officer

Distrib^YUtation

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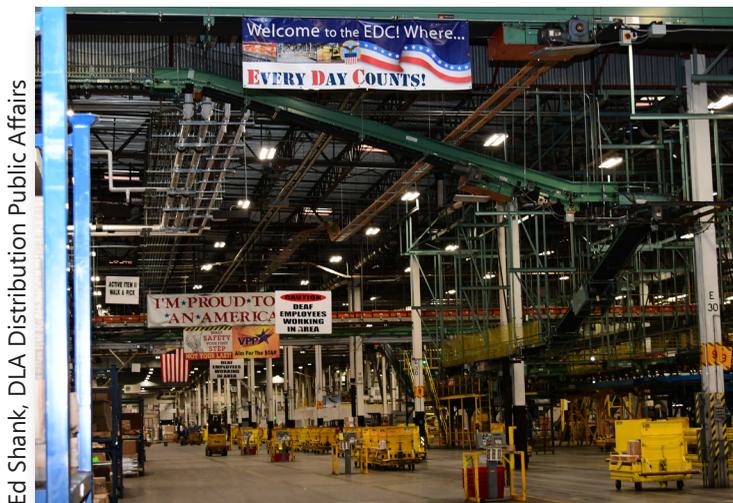
Defense Logistics Agency Distribution Provides Warfighter and Whole of Government Support, while protecting employees during COVID-19.

Dawn Bonsell, DLA Distribution Public Affairs Officer

In support of the military services and other federal agencies during the COVID-19 pandemic, Defense Logistics Agency Distribution provided medical supplies and personal protective equipment worldwide.

Working in unison with U.S. Northern Command, in support of the Federal Emergency Management Agency who is leading the federal government response to COVID-19 efforts in the continental United States, DLA Distribution shipped over 100,000 human remains pouches and 1.3 million shelf stable meals for the FEMA support efforts.

Since the onset of the pandemic, DLA Distribution leadership has held fast to the overarching priorities of the Defense Department in dealing with the pandemic: protecting our people, maintaining mission readiness and supporting the whole-of-government effort. With over 10,000 employees worldwide, DLA Distribution has made safety a top priority, providing face coverings to every employee. The agency has also held sanitation and facility cleanliness in the highest regard, continuing to adhere to all current DOD, Centers for Disease Control and Prevention and other applicable guidelines regarding COVID-19. The agency supports and utilizes other proactive measures such as teleworking, social distancing, adapting work schedules, virtual applications, the use of face coverings and frequent hand-washing to mitigate the spread of disease.



Ed Shank, DLA Distribution Public Affairs

The Defense Department's largest distribution processing facility, DLA Distribution Susquehanna, Pennsylvania, provides over 17,000 COVID-19 related items including face coverings, gloves, hand sanitizer and goggles totaling nearly \$730,000 in supplies to Navy ships and submarines within the U.S. Northern Command in April and May.

"The sun never sets on Distribution, even during an unconventional war with an invisible enemy named COVID-19," Navy Rear Adm. Kevin M. Jones, commanding officer, DLA Distribution said.

To support COVID-19 prevention and treatment efforts, DLA Distribution received and/or shipped over:

- 15 million face coverings,
- 34,000 exam gloves,
- 54,000 bottles of hand sanitizer,
- 65,000 heat & serve meals,
- 27,000 thermometers,
- 1600 boxes of testing swabs,
- 600 COVID-19 test kits and
- 350 oxygen tanks since March to military services on the ground and at sea.



Defense Logistics Agency Distribution San Diego, California, makes daily medical supply truck deliveries to the USNS Mercy, staged in the Los Angeles Port of San Pedro, where sailors provide operational medicine support to help with the COVID-19 outbreak.

Matthew Woodruff, general supply specialist with DLA Distribution San Joaquin, California, understands his importance in supporting the mission during the pandemic.

“No matter what happens in the world, the need to support the warfighter never stops. The warfighter risks their lives every day so I can enjoy the freedoms that I have, and it is my duty to return the favor so they can complete their missions,” Woodruff said. “I am the third generation in my family to work at DDJC, this isn’t just a job to me, but my family’s legacy to serving this great country.”



Defense Logistics Agency Distribution Norfolk, Virginia’s, medical mission team loads the USNS Comfort in five days to ensure an on time departure to New York City in April. The team ensures the USNS Comfort is loaded out with over 250 pallets and ready to serve the citizens of New York. In addition to sending material to the USNS Comfort, DDNV received and shipped material daily to Los Angeles, California, for the USNS Mercy.

“DLA Distribution San Diego, DDDC, was one of the first organizations to outline their delivery support to USNS Mercy. With five days’ notice, the crew and medical treatment facility personnel readied their teams and the ship to head to Los Angeles. DLA’s team ensured daily deliveries for the first 10 days. This guaranteed Mercy could immediately begin and maintain medical support to the people of Los Angeles,” Rear Adm. Ken Blackmon, deputy commander, Third Fleet, said.



Sailors, donning masks, request permission to go ashore on the quarterdeck in support of the aircraft carrier USS Nimitz’ (CVN 68) COVID-19 response efforts. Nimitz is currently underway conducting routine operations. Defense Logistics Agency Distribution Puget Sound, Washington, provided the Nimitz with an expedited shipment of COVID-19 test kits. In a three-day turnaround, the COVID-19 test swabs were delivered to Carrier Strike Group 11 sailors in Southern California in mid-April.



Electronics Technician 3rd Class Juston Gipson and Aviation Support Equipment Technician Airman Robert Hall use hand sanitizer in support of the aircraft carrier USS Nimitz’ (CVN 68) COVID-19 response efforts. Nimitz is currently in port preparing for future operations.



Defense Logistics Agency Troop Support and DLA Distribution Europe arrange for the shipment of 14 pallets of Tyvek suits to DLA Distribution Europe’s Theater Consolidation and Shipping Point in Germersheim, Germany. The suits were delivered by commercial trucks to troops in Italy, Germany, Belgium, Romania and Poland May 8-29.

DLA Puts F-35 Parts Close to Source of Repair at Military Industrial Facilities

By Beth Reece, DLA Public Affairs

FORT BELVIOR, Virginia, Jan. 28, 2020 — Time-tested warehousing processes and customer relationships are enabling the Defense Logistics Agency to improve readiness and sustainment of the F-35 joint strike fighter.

DLA entered initial operating capability as provider of North American regional warehousing Jan. 1 and will spend 2020 transferring government-owned F-35 parts from Lockheed Martin and Pratt & Whitney to DLA Distribution

facilities co-located with six air logistics and fleet readiness centers.

The agency was selected last January by the Defense Department's F-35 Joint Program Office to provide storage and management support of F-35 spare parts and kits in the United States and Canada, as well as global transportation and distribution in partnership with U.S. Transportation Command.



Navy Petty Officer 2nd Class Sabrina Bales, assigned to the amphibious assault ship USS America, signals an F-35 joint strike fighter to take off from the ship's flight deck in September. Defense Logistics Agency Distribution is moving some F-35 parts from industry warehouses closer to the source of repair at air logistics and fleet readiness centers where critical weapons systems are maintained.

Moving inventory to DLA facilities puts parts closer to the source of repair at ALCs and FRCs where critical weapons systems are repaired and maintained, said Joe Saffron, business development specialist for DLA Distribution.

“There’s a great deal of comfort knowing inventory is right down the street versus, in the case of FRC Southwest, outside of the base over 15 miles away. Getting a delivery truck through the gate is one thing, but there you’re also competing with all the traffic going over the bridge to Coronado Island,” he said.

The change also eliminates duplicate efforts between DoD and industry and takes advantage of routine deliveries between DLA warehouses and military maintenance facilities. “We have the ability to refine our already existing delivery schedules, meshing them closely with

customers’ production schedules so they get every minute possible of wrench-turning time out of their operations. And that improves readiness,” Saffron added.

Auditability is expected to be another key outcome of the effort. An April 2019 Government Accountability Office report indicated that government property associated with the F-35 was not being adequately tracked in a government system, as information resides in business management systems owned and operated by Lockheed Martin and Pratt & Whitney.

“At initial operating capability, we’ll continue to use existing contractor systems to manage material and gain visibility. But in the future, at full operating capability, our intention is to migrate inventory data into DLA systems so we have an accountable property system of record,” said Navy Capt. Jeff Davis, director of DLA Logistics Operations’ Sustainment Solutions Division.

Data transfer will be a conditions-based transfer and is scheduled for 2021, Davis said.

DLA’s F-35 support is an important first step in DoD organic supply chain execution for the weapons system, added Joe Faris, business development director for DLA Distribution.

“Right now we’re focused on ensuring this program can benefit from our mature supply chain processes. This is setting us on the road to sustainment for the program over the next 50 years,” he said.





INVENTORY TRANSFER

Continued from...

Transfer of inventory has already begun at the Oklahoma City Air Logistics Complex and Ogden Air Logistics Complex at Hill Air Force Base, Utah, where DLA and TRANSCOM conducted proof of principle demonstrations in 2019 to test warehousing and transportation processes. Original demonstration requirements called for DLA to receive, store and issue two engines, but distribution process workers handled over 40 engine components from Pratt & Whitney and units seeking retrograde processing for unserviceable components.

The Oklahoma ALC will accept about 50,000 new receipts in the next few months. Existing DLA facilities will be used at the Oklahoma and Ogden ALCs. Employees have developed racking systems and other storage solutions to accommodate the new material. They're also receiving classroom training on how to use Lockheed Martin and Pratt & Whitney systems until data transfer is possible.

DLA and TRANSCOM will measure and report its performance to the JPO using pre-set metrics such as issue response time, similar to the way the agency measures itself through service agreements with the military, Davis added. "It's important to note that we're not doing this with blinders on. There's work to be done and we continue growing our relationships so our



A forklift driver at DLA Distribution Oklahoma City moves engine components for the F-35 joint strike fighter into position for maintenance operations at the Oklahoma City Air Logistics Complex. The Oklahoma ALC is one of six air logistics and fleet readiness centers expected to assume warehousing for government-owned F-35 parts.

customers have confidence their needs will be met as we move forward," he said.

Those partners include companies selected to manage warehouse operations in Europe and Indo-Pacific, with whom DLA is collaborating as they become operational to share material across regions in the global spares inventory pool. The goal is to provide reliable, scalable support to the F-35 program, which includes seven partner nations and five Foreign Military Sales countries.

Davis underscored DLA's ability to deliver effective, reliable F-35 support while reducing costs and expanding supply chain transparency.

"We have an existing supply chain that's proven and we've demonstrated the ability to provide

wartime support using that supply chain," he said. "It makes sense to use that tested capability to support a weapons system that's critical to our national defense strategy as opposed to being reliant on a supply chain that hasn't been tested and could potentially add complexities."

Over 490 F-35s were delivered to U.S. and international customers by Jan. 2.

F-35 Timeline

DoD assigns DLA and USTRANSCOM as Product Support Provider (PSP) for F-35 Global Transportation and North America regional warehousing.

Face-to-Face held at Fort Worth, TX, hosted by Lockheed Martin.

IT/Systems Face-to-Face held at Lorton, VA, hosted by Joint Program Office

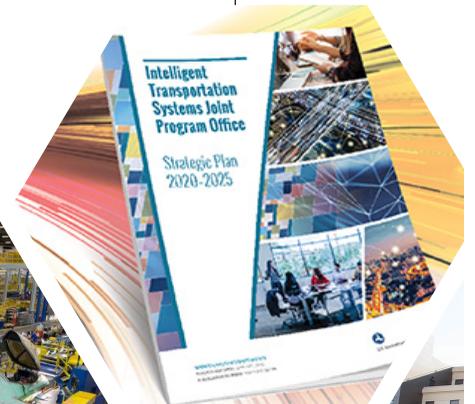
JULY 31 – AUG 1 2019

MAR 4-6 2019

Face-to-Face held at Fort Worth, TX, hosted by Lockheed Martin

JUNE 25-27 2019

JAN 4 2019



MAY 7-9 2019

Face-to-Face held at New Cumberland, PA, hosted by DLA Distribution

AUG 1 2019

Proof of Principle begins for North American Regional Warehousing. DDHU and DDOO execute this PoP.

FEB 4 2019

DLA Distribution hosts 50 attendees from the Joint Program Office Product Support Manager and Hybrid Product Support Integrator, USTRANSCOM, DLA headquarters staff, Partner Nations, and industry partners for a F-35 global transportation and distribution kickoff meeting. This is the first of a series of face-to-face meetings throughout the year.



JULY 1 2019

Proof of Principle begins for Global Transportation

Working session held at Tinker AFB, hosted by DDOO

OCT 3 2019

Initial Operating Capability (IOC) begins, with focus on DDOO and DDHU for warehousing

JAN 2 2020

August 12-14, 2019 – Face-to-Face held at New Cumberland, PA, hosted by DLA Distribution

Face-to-Face held at Crystal City, VA, hosted by Joint Program Office

DEC 10-11 2019

AUG 12-14 2019



OCT 28-30 2019

Face-to-Face held at Crystal City, VA, hosted by Joint Program Office

Second half of CY2020: projected IOC established at DDJF, DDDC, DDWG, and DDCN

SEP 9-12 2019

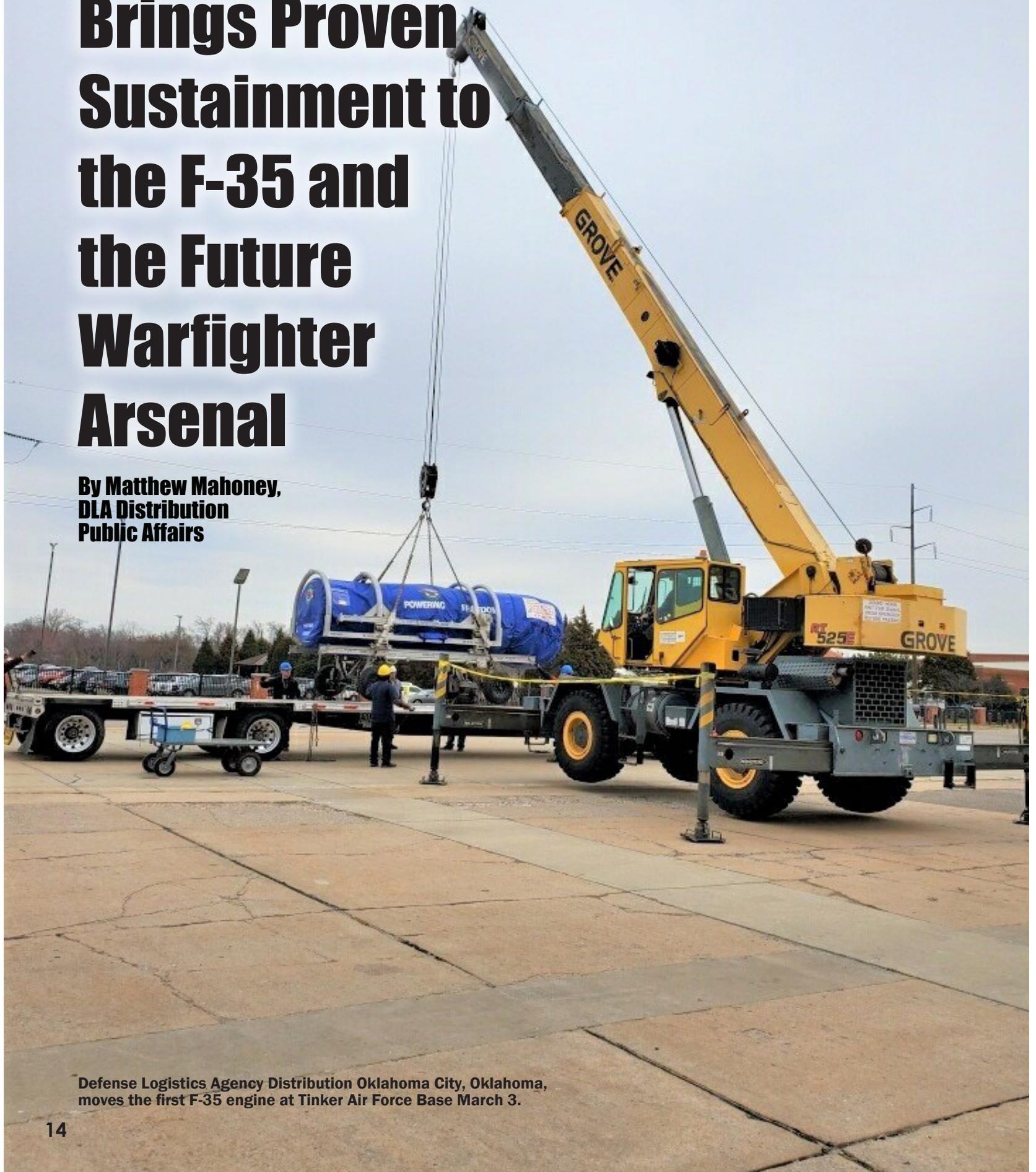
Tech data and wholesale warehousing Face-to-Face held at Fort Worth, TX, hosted by Lockheed Martin

DEC 18 2019

Service Level Agreement signed/approved by PEO, DLA Director and Deputy CDR USTRANSCOM.

DLA Distribution Brings Proven Sustainment to the F-35 and the Future Warfighter Arsenal

By Matthew Mahoney,
DLA Distribution
Public Affairs



Defense Logistics Agency Distribution Oklahoma City, Oklahoma, moves the first F-35 engine at Tinker Air Force Base March 3.

NEW CUMBERLAND, Pa. – The F-35 Lightning II is soon poised to enter full operational capability in 2021, almost 25 years after initial development and testing. The long and troubled history of the F-35, a product of the Joint Strike Fighter program initiated in 1995, is most notably known in the public eye as being over budget and behind schedule.

While the F-35 has spanned across multiple administrations and developed a preconceived taste on the mental palette of the public, the Defense Logistics Agency has only recently been enlisted to provide the sustainment effort necessary for optimal warfighter support and taxpayer value.

The F-35 program, from the beginning, was outsourced to third parties outside government control. This aspect would play a part in that first public thought mindset about the F-35 project -- over budget.

With third party industry placed in charge of so many aspects it meant taxpayers were paying twice for services that government agencies already support, such as DLA Distribution and warehousing. It may not seem like much compared to the engineering and intensive development of a future generation capable and adaptable airframe, but the warehousing, inventory, and accountability of every part involved is the definition of a sustainment effort necessary to keep any us government weapon system up and running.

That sustainment effort, while a natural extension of the efforts within DLA Distribution, is a foreign extension of the business model conducted by third party contractors within the F-35 program. In January 2019, DLA Distribution was named the primary support provider for North American warehousing, and, in conjunction with U.S. Transportation Command, the global distribution provider.

"DLA Distribution has a proven joint storage and distribution network that supports operational customers, industrial sites for maintenance, and that network is already in place and integrated for warfighter support," said Joe Faris, Business Development director.

But the process of transitioning nearly 25 years of material production to an entirely different warehousing and inventory management system was not one that could be done immediately. It would take an initial proof of principle exercise to demonstrate that DLA sites were not only best positioned and actionable enough to handle the demands of an international partner nation program, but also that DLA could integrate entirely separate warehouse management systems into the regulatory demands of government inventory accountability.

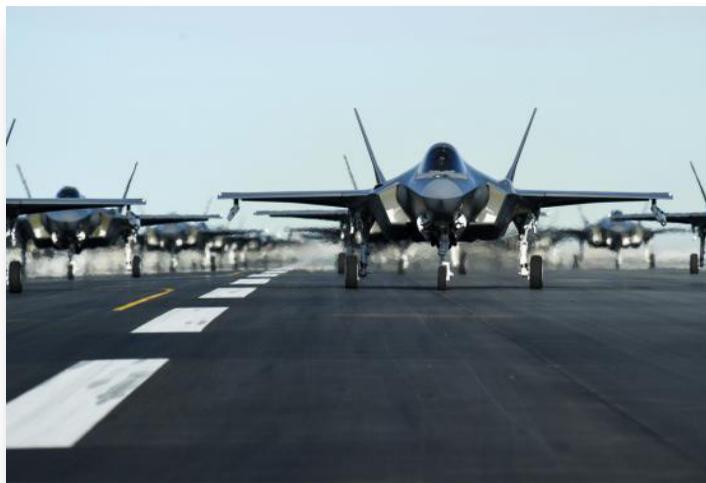
"The business of weapon system sustainment is core to us," said Joe Saffron, Business Development specialist with DLA Distribution. Alluding to DLA's long history as the largest logistics support agency for the Department of Defense, Saffron highlights the proven ability DLA Distribution brings to the future of F-35 sustainment.

"It's a natural and efficient use of DOD assets for the taxpayer," said Saffron, speaking to DLA Distribution's experience and existing partnerships. "It's resilient. It's proven. It's mature. It's battle tested, particularly where that 'last tactical mile' comes into play." Saffron, an Army retiree and combat veteran, has the presence and vocal intonation of someone who completely understands the necessity of unfailing warfighter support and mission accomplishment. The responsibility of accountable weapons system sustainment, from the smallest grommet to an F-35 engine, is answerable not only to the taxpayer at home, but our warfighters on the operational front.

Over the course of the entire movement, \$3 billion in government-owned inventory will transition to DLA Distribution. Eventually, as the F-35 meets that desired goal of one air frame for all services other DLA services such as DLA Aviation and DLA Energy could be brought in to provide further warfighter support that is intrinsic to current government systems.

"Our ability to move quickly and adjust surpasses third party sources," said Preston Kriegshauser, deputy director, DLA Distribution Hill, Utah. DLA Distribution centers are positioned strategically across the globe to provide the best and

most comprehensive operational sustainment capability to our warfighters, and the DDHU team are one of those perfectly placed entities within the DLA Distribution system. Not only are they positioned right on the same territory as Hill Air Force Base, but they are also “next door” to Ogden Air Logistics Center, one of the sites handling primary component repair of the F-35.



Not only has this strategic positioning and proven workforce demonstrated success across the past century, but that physical presence offers an unbeatable advantage to the sustainment effort of the F-35. DLA warehouses sit, in some cases, directly across the road from the very centers where maintenance will be taking place.

DLA Distribution offers flexibility in the ability to quickly integrate contingency contracting into their work efforts. These contract jobs can, in the future turn into permanent jobs for the local areas of the six national sites housing F-35 material. Currently workers from sites like DDHU are having to learn third party source warehouse management software and integrate that into existing government systems.

“DLA is not a widely known entity,” said Kriegshouser. “Storage and distribution is our business, and that extends to anybody.”

“The opportunity is huge,” said Tom Counihan, DLA Distribution Oklahoma City, Oklahoma. “It’s a unique, once in a lifetime challenging project.” DLA Distribution Oklahoma City, Oklahoma began accepting F-35 engine modules last year as their part of the proof of principle and is now currently receiving consumable parts to support

the transition during their initial operating capability phase.

With the F-35 engine heavy maintenance facility co-located on Tinker Air Force base, the DDOO team is not only able to deliver modules for repair, but also ship refurbished modules off base within minutes. “DLA systems offer strengths as well as scalability that enhances third party offerings to support the warfighter” said Counihan.

DLA has a proven track record of maintaining accountability and readiness across high volumes of capacity and transactions. DDOO has been able to efficiently begin their transition by utilizing existing space to make a dedicated “depot within a depot” spanning all functions from receiving through international shipping in a single facility, according to Counihan.

While many briefings floating around DLA pertain to the current timeline of events regarding initial operating capability translating into full operational capability, Faris describes a dedicated and concentrated effort on the part of DLA that covers years before the eventual selection of DLA for global distribution and North American warehousing.

As early as 2014, DLA was attempting to assist DOD with the F-35 project by identifying where DLA could work in collaboration with industry partners to eliminate redundancy. Those efforts were able to happen in large part because DLA Distribution, through the Business Management office, had taken time to identify where military services were using and generating expenditures on warehousing outside of the DLA system.

“One major opportunity we identified when we did that environmental scan was the F-35,” said Faris.

The F-35 is one of the top priority weapon systems in development, not just for the U.S., but also for partner nations involved in the project. One of the major things DLA Distribution would have to demonstrate is how DLA could not only meet sustainment requirements, but provide greater value with less cost than what industry could provide.

"I truly believe we were selected for the 'and North America regional warehousing'," said Faris, referring to the PSP designation. "Because of the previous five years of seed work we did with the Joint Program Office." A culmination of training and education on how JPO could leverage existing networks that are already organically integrated into the maintenance facilities.

The F-35 will have component repair at all three air logistics complexes and at all three Fleet Readiness Centers. DLA is positioned on these six bases and is considered by Faris to be "beach front property" in terms of providing the best possible sustainment effort in conjunction with those maintenance activities.

With DLA designated as the PSP, it meant that DOD, and ultimately the American tax payer,



Defense Logistics Agency Distribution was named the primary support provider for North American warehousing, and, in conjunction with U.S. Transportation Command, the global distribution provider in January 2019. Throughout the remainder of 2020, DLA Distribution Oklahoma City, Oklahoma will transfer 50,000 F-35 part numbers from Pratt & Whitney to DLA.

would be saved the cost of industry providers having to build and create from scratch a warehousing and distribution system that already exists in the form of DLA Distribution. Not only would those warehousing and distribution systems be redundant, but they would be outside of the DOD system, and thus outside of the scope of policies and systems that maintain accountability of U.S. Government owned property.

"DLA can go places industry partners can't," said Faris. Not only can DLA deliver a sustainment effort in global theaters where industry cannot, but DLA Distribution does it with accountability of government property as a mandate upon operations.

DLA Distribution is required to abide by DOD policy on inventory control and accountability, and as part of the Financial Improvement and Audit Readiness. Those same policies are not explicitly required of industry partners.

DLA also stands uniquely poised to extend that global distribution to any theater required via DLA Distribution Expeditionary, the highly mobile and rapid response arm of DLA Distribution. "We never really know where our capability will be required globally," said Army Maj. Ed Strzalkowski, DDXX Commander. The mission for DDXX can vary dependent on the needs of the theater command, and in the case of F-35 support DDXX is fully prepared to act as a mobile extension of the fixed based DLA Distribution centers.

DDXX combines a whole of government approach that not only leverages the capabilities of military and U.S. Government resources, but also incorporates host nations, and by proxy the partner nations associated with the F-35 project, into expediting the legal requirements of a global distribution system.

The F-35 is anticipated to be the future of air superiority and an ever-evolving weapon system changing with the landscape of future warfare in real time. As that weapon system changes, the level of support and sustainment DLA is poised to provide will remain unwavering, proven and accountable, just as it always has been.

Storage Optimization: An Essential Enabler

**By the J3 Storage Space Management Team
DLA Distribution Logistics Operations**

The DLA Distribution Storage Optimization program was established in 2011 to evaluate warehouse capacity and capabilities in a repeatable, data driven process focusing on storage efficiency, building function, storage aids, work flow, equipment, specialized requirements, current condition, improvements, and conceptual layouts to maximize storage capacity and efficiency, in the smallest footprint. Since 2011, there have been numerous accomplishments:

E nhancing Audit Readiness: In response to adverse Audit Readiness findings requiring storage by owner and one item (National Stock Number) to a location, analysis was performed to identify the requirements to enable storage by individual owner and item as well as identifying required storage aids at the distribution centers.

S upporting F35: The team refined broad storage requirements lacking specific materiel data for the F35 mission by manually collecting item and space data and performing a space analysis for the initial phase of the F-35 mission.

S hrinking Infrastructure: Nearly 11 million gross square feet (GSF) of covered storage was either returned or repurposed through 2017, and an additional 1.65 million GSF of covered storage was identified for return/repurpose through 2023.

E valuating Facility/Storage Aid Reutilization: Optimization recommendations identified opportunities to reuse existing facilities and storage aids in new configurations, at less cost, to meet storage requirements at multiple distribution centers.

N etworking with DLA Aviation: We assisted DLA Aviation optimization efforts at Warner Robins AFB, GA and Tinker AFB, OK by providing recommendations for existing storage and conceptual designs for better optimized storage.

T argeting Storage Density: We developed a comprehensive review process and created associated tools to enable improved storage density. The process and tools have been utilized at multiple distribution centers.

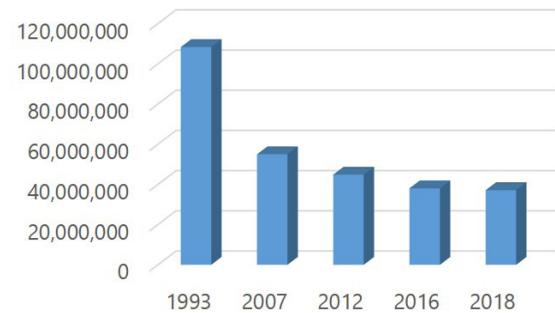
I ntegrating Automation/Modernization: We made critical recommendations for incorporating automated storage systems including Vertical Lift Modules, AutoStore pilots, artificial intelligence, and warehouse navigation systems enabling denser storage, increased pick/stow efficiencies, and reduced manpower requirements.

A ssisting the Navy Curator: The team determined storage requirements without materiel data to define optimal storage requirements for the Navy Curator. The Team manually estimated the storage requirement, developed the storage plan, and identified an excess DLA Distribution facility that the Navy Curator now occupies.

L imiting Non-Compliant Storage: The distribution centers at Red River and Corpus Christi had stored material in open storage instead of covered storage as required. Team analysis and recommendations led to several Military Construction (MILCON) projects to provide space and storage aids to properly store this material.

Storage Optimization planning enables the development of the distribution center's five year storage plan from concept to design, using the "right size" and "right type" of storage infrastructure configuration required to support the quantity and characteristics of materiel in storage at the site. This right sizing storage includes: facility retention, repurpose, or return recommendations; MILCON planning; facility acquisition recommendations; new storage aids; new warehouse layouts and work flow; funding based upon requirements; improved storage capacity; increased density, reduced occupancy; and enables improved fiscal planning and operating cost reduction.

Distribution Wholesale Footprint



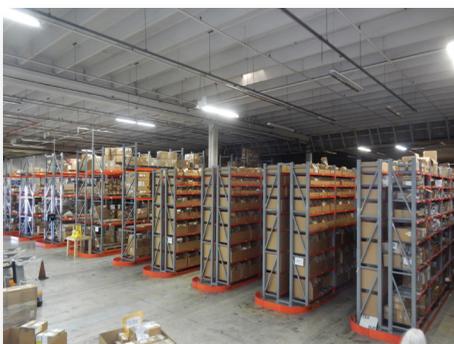
The Storage Optimization team reviews all distribution centers on a five year cycle. Site scheduling is based upon the date of the last storage optimization plan, review of storage utilization, efficiency, potential impact, and known storage/operational issues. The process is comprised of four phases:

Phase I: Pre-Site Visit Data collection and analysis is a foundational element of Storage Optimization planning and includes a wide range of data, reports, and analysis that is completed prior to the site visit. Without timely, accurate, and operation encompassing data, planning is based upon what you think instead of what you know. Planning needs to be fact based, not a feeling.

Phase II: Site Visit Validation of the data and analysis collected pre-site visit with visual observation of the current operation enabling identification of potential recommendations both site wide and building specific. Phase I is an intellectual data drill, Phase II is the physical data validation moving the process from what we think to what we know.

Phase III: Post Site Visit Refining and finalizing the Storage Optimization Baseline and Recommendations documents. The data and analysis have been validated but without a comprehensive and cohesive plan based upon the site visit observations and recommendations there is no actionable course of action to follow.

Phase IV: Execution Identifying the required tasks associated to the Storage Optimization plan recommendations, sequencing them into a project management tool, and identifying the resources required and the timeline to accomplish each task. All of the data, analysis, and planning in the world is basically meaningless without execution. The Distribution Center is the Storage Optimization plan owner and implementer moving it from concept to design and funding by sequencing projects into a 5-year window. The Plan is fluid; site and operational annual reviews allow flexing of the plan as missions and functions change.



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"I'm proud to have been at the helm during these past two years and it has been my distinct honor to work alongside you during this exciting and game changing time for DLA Distribution. Bravo Zulu for a job extremely well done – no one compares to the Distribution Team!

**Fair Winds and Following Seas.
HOOYAH Distribution!"**

-Kevin Jones
RDML, SC, USN