

WINTER 2020

# DistribY Ution

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



# 2020 2021

**DYNAMIC  
OPERATING  
PLAN**

**&**

**GUIDANCE  
& EXPECTATIONS**



# ANNUAL GUIDANCE

# Commander's Corner

I am proud of the work Defense Logistics Agency (DLA) Distribution team achieves every day. From responding to natural disasters at home to strengthening support to the Combatant Commands (CCMDs) abroad, DLA Distribution invests in people and processes throughout our global storage and distribution (S&D) network. We effectively and efficiently provide the best S&D value to our Nation's Warfighters and our Whole of Government partners.

These efforts were informed by our FY 18 & 19 Dynamic Operating Plan (DOP) and underpinned by a diverse and skilled workforce dedicated to the Warfighter and committed to excellence in Delivering the Right Things . . . to the Right Place, at the Right Time!



As we strive towards success on the important tasks and big ideas outlined in the FY 20 & 21 DOP, we must never lose sight of our vital mission to receive, store, issue, and distribute materiel critical to achieve Warfighter readiness. The competency and talent each of you brings to DLA Distribution guarantees our S&D capabilities are available when and where they're needed. I highlight a few of our FY 19 DOP successes on pages 8-11.

HOOYAH!  
Kevin Jones  
RDML, SC, USN

## Distrib<sup>Y</sup>Ution

Commander  
**RDML Kevin M. Jones, SC, USN**

Deputy Commander  
**Twila C. Gonzales, SES**

Chief of Staff  
**Perry L. Knight**

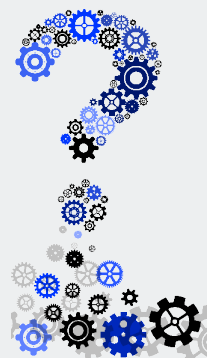
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# Ask?

**Distribution Command**

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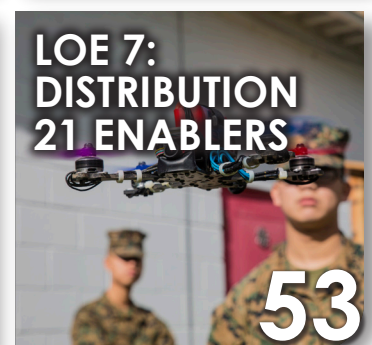
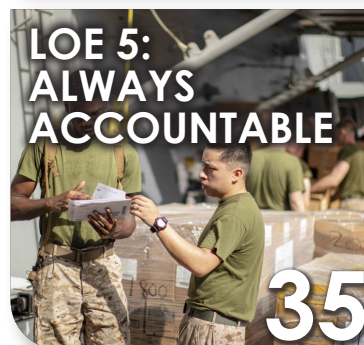
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OCT 18 2019

MEMORANDUM FOR DLA DISTRIBUTION CENTER COMMANDERS, DIRECTORS

SUBJECT: DLA Distribution Commander's Fiscal Year (FY) 20 Guidance and Expectations

Purpose: This memorandum communicates the DLA Distribution Commanding Officer's operating guidance and expectations for FY20. It builds upon the FY19 Guidance and Tone at the Top and adds precise expectations for DLA Distribution and the distribution centers to achieve this FY.

Environment: DLA Distribution will be operating in a fiscally austere environment for the foreseeable future. However, we still have the obligation to accomplish our mission and effectively sustain our warfighting customers. To meet our mission and achieve our assigned targets will require total team commitment, unity of effort and aggressive leadership and management. As we move into FY20, we have the following Agency level objectives to achieve:

- a. Support the Department's Reform efforts.
- b. Achieve Audit Readiness and Audit Sustainment.
- c. Modernize Distribution Operations.
- d. Assess and Improve Command and Control (C2).

As I addressed last year in my Distribution Commander's Guidance to DLA Distribution Center Commanders/Directors and my memorandum on Tone at the Top - Management's Responsibility for Risk Management and Internal Control, we as the senior leaders of DLA Distribution must be **"All in... All the Time."** It is critical that we set the standard and the example from our positions for the highest levels of ethics and integrity, take on quality as our primary focus, accept accountability for the performance of our organizations, employ our assigned resources wisely and deliver the results required to meet DLA's and Department of Defense's (DoD) expectations of us.

To be successful, we must ensure our supervisors and managers possess or quickly develop their requisite capabilities to lead, teach and improve, understand and execute their managerial leadership responsibilities and have deep knowledge of the work they supervise and manage. In doing so, we must develop and practice an effective problem solving process to close gaps in our performance. Moving forward, we will increase the emphasis on organizational and leader accountability from my seat as the DLA Distribution Commanding Officer through all levels of leadership to each operator on the distribution center floor.

Additionally, we must improve our employee utilization so, I insist that each of you look within your organization and reposition assigned resources for maximum efficiency before reaching out to the Distribution headquarters for additional assets. **No one is coming; it is up to us.**



As the senior leaders of DLA Distribution, we are entrusted with significant responsibilities, and with those responsibilities comes **accountability for "doing the right things" and "doing the right things right."** This FY our means of managing and measuring our shared accountability for achieving the required results will come in three forms:

- a. Local Assessments – Develop (or improve) and execute a robust layered Check/Act Process that cascades from top to bottom in order to confirm organizational alignment, actions to accomplish objectives, progress closing gaps and current results. From the HQ vantage point this will be accomplished both face-to-face and virtually.
- b. Reports and Updates - There will be regularly scheduled Reports and Updates (Executive Summaries, Situation Reports, Monthly Inventory Management Reports, Operations Updates, Command Video Teleconferences and Teleconferences) to address status against expectations, progress toward targets, initiatives to improve and, problems or gaps resolved.
- c. Performance Evaluations - Personal expectations and required contributions for achieving our objectives will recorded and tracked in the Civilian [DoD Performance Management and Appraisal Program (DPMAP)] and Military performance plans and evaluation processes. Moving forward, performance plan elements must be amended either in total or via addendum (no later than December 31, 2019), to capture the assigned performance requirements and to articulate the expectations an individual will be evaluated against.

As we take this journey, **I will evaluate your performance based on your ability to meet your assigned expectations** (attachment 1) and you will hold your subordinate leaders accountable in the same fashion. Make full use of the DLA Distribution staff and ask for their help; they are a tremendous resource and they are at your service.

The grid below contains our Tiered Focus Areas. **We will aggressively pursue these focus areas together** as we execute our global distribution mission.

DLA Distribution recommended Battle Rhythm for Focus Areas –

- a. **Daily** → Distribution Center Commander/Director and Deputy actions to be taken routinely and on a daily basis.
- b. **Weekly** → Distribution Center Commander/Director and Deputy actions to be taken routinely and on a weekly basis... 1 to 2 times per week
- c. **Monthly** → Distribution Center Commander/Director and Deputy actions to be taken routinely on a bi-weekly to monthly basis... 1 to 2 times per month
- d. **Actions will include** implementation of a **Layered Check/Act Program** which formalizes the effort to address the below focus areas. Other actions may also include: staff meetings; review and analysis briefings; continuous improvement/problem solving events; spot checks; "Truck Stops;" drive-bys; set up meetings; etc. **You must be VISIBLE and ENGAGED.**

Daily	Weekly	Monthly
<b>Leadership</b>	<b>Performance</b>	<b>Financials</b>
Leader Capabilities	Hi-Pri MROs (incl FMS)	
Leader Responsibilities - MAP	Retail S&D / DRT	<b>Performance</b>
Accountability - Check / Act Process	New Procurement Receipts	Routine MROs
EEO / SAPR / Cmd Complaints	CCP / TCSP / IMH / MPC	RDO & STO Issues
<b>Quality</b>	Navy Ship Offloads	RDO, STO, Returns Receipts
Audit Compliance	Scheduled Truck	
Automated QC Program	Third Party Payment System (TPPS)	<b>Safety</b>
QA Engagements - QAEs	Stock Readiness - COSIS, PPP&M	Administrative Safety Meeting
100% Inv / Inv Acc / IAVs / FLIPLs	Customer Directed Reimbursable	RAC 4-5 Abatement / Work
Consolidated Adjustment Voucher -	Work (S&D, Kitting, Packaging, etc.)	Orders
CAV Sampling	Denials / SDRs	Required Training / Licensing
<b>Safety and Security</b>	<b>Safety - VPP / Refresher Training</b>	
Interim Controls	VPP / Industrial Safety Meeting	<b>Customer Engagements</b>
RAC 1-3 Abatement / Inspect	<b>Acquisition</b>	
Classified/Sensitive	Contract Performance and Oversight	<b>DPMAP</b>
	<b>Staffing and Manpower Mgmt</b>	
<b>Production Mgmt / Productivity</b>	End Strength / Hiring Status	<b>Infrastructure</b>
Maximize Site Capacity	<b>Overtime Use</b>	
Effectively Allocate Resources to		<b>Equipment</b>
Workload	<b>Training and Development</b>	

**My Expectations of you** as my senior leaders for FY20 are contained in attachment 1.

Teammates – We are at an inflection point and it is on us to determine our fate. It is my intention to succeed and take this organization to new heights. However, to remain the leading provider of global distribution support to America’s military this year and in the years to come, **we, DLA Distribution, must improve the quality of our work, increase our productivity and reduce our cost** of doing business. While challenging, we can accomplish this through sound active leadership coupled with unity of effort from top to bottom. It is imperative that we collectively rise up and meet the challenges laid out before us. **So, let’s get after it!**



KEVIN M. JONES  
RDML, SC, USN  
Commander

**Attachments:**

1. FY20 DLA Distribution Commander’s Guidance – Expectations
2. Briefing Deck - Annual Guidance for DLA Distribution Center Leadership



<b>FY20 DLA DISTRIBUTION - COMMAND EXPECTATIONS</b>	
<b>CATEGORY</b>	<b>EXPECTATION</b>
<b>Leadership</b>	Engaged active leadership on the floor. Foster a shared sense of purpose, align the workforce to the work, manage the business, and employ a robust check/act process to assess progress. Ensure expectations are communicated, understood and acted upon. Hold yourself and team accountable for achieving the desired results via DPMAP. Develop management capabilities in all leaders and set the example for exercising management responsibilities.
<b>Safety</b>	Maintain safety excellence by integrating Risk Management into all operations through leadership engagement and employee involvement. Our culture will be rooted in incident Reporting and Investigation; Inspection and Hazard Management; and Training and Awards.
<b>Audit Readiness</b>	Quality is our primary focus this FY – Do it right the first time and every time. Complete 100% of inventory requirements to 98% or higher accuracy. Execute a robust QC and QA program across all DLA Distribution Center processes and ensure process compliance and accuracy. Complete assigned inspections, special inventories, and audits accurately and in a timely manner.
<b>Financial/Cost Management</b>	Maintain cash solvency for DLA Distribution by controlling expenditures in Overtime, Travel, and Supplies. Remain within spending plans and be cognizant of limited resources to support Unfunded Requirements (UFR).
<b>Performance</b>	Meet or exceed performance requirements in all areas with quality as your primary focus. Constraints are to be abated through aggressive leadership management in the areas of personnel, resourcing, and/or productivity while fully supporting the established mission priorities. Actively manage production and maximize authorized workforce capacity to provide the most efficient and effective results for operations. Diligently research and execute opportunities to improve production output across all areas. Ensure quality is established and sustained as the foremost component of production.
<b>Training and Development</b>	Maintain a training program that quickly develops productive employees and supervisors. Train employees to standard (T2S) to ensure process compliance and accuracy. Mold assigned leaders to possess the requisite capabilities and execute their management responsibilities.
<b>Personnel Management</b>	Our people are the key to our success and your effective management of this precious resource is critical. Maintain your authorized end strength. Develop and recruit the talent we need to be successful now and in the future. Ensure our people have the leadership, guidance, and support they need to accomplish their assigned duties. Respect for our people must be our hallmark.
<b>Equipment</b>	Proper management of our Materiel Handling Equipment and vehicles (accountability, communication, utilization, and quality data) is key to being good stewards and maintaining effective usage of our equipment.
<b>Acquisition</b>	Acquisition is a critical capability that provides agile contract support for supplies and services across the DLA Distribution Network that allows us to achieve mission success. We need to acquire our minimum essential need and ensure the supplies and services provided are compliant with contract terms and conditions through appropriate oversight.
<b>Strategic Planning</b>	Be familiar with your role in supporting the Deliberate and Contingency Plans worldwide. Ensure site compliance with mandated Continuity of Operations Office of the Secretary of Defense requirements. Be prepared to receive and respond to secure communications.
<b>Customer Engagement</b>	Maintain continuous and effective lines of communication with our DoD and Whole of Government customers to ensure they are well-versed on the entire suite of storage and distribution (S&D) capabilities offered by DLA and our ability to tailor S&D services to meet their ever-changing requirements.
<b>Suspended Stock</b>	Ensure stock is recorded in the proper condition code and suspended stock is acted upon in a timely manner to ensure materiel availability for Warfighter Readiness. QC the effectiveness of the pick, pack, and ship process.

## **DLA Distribution FY 19 Accomplishments**

- **Support to F-35 Readiness Efforts.** In FY 19, the Joint Program Office designated DLA and United States Transportation Command (USTRANSCOM) as the Global Transportation and Distribution Product Support Provider (PSP). Since that designation on 4 Jan 2019, DLA Distribution executed a Proof of Principle (PoP) from 1 Jul – 31 Aug 2019 where we shipped 13 select F-35 Prime Vendor shipments. The J5-led Integrated Planning Team (IPT) modified the DLA Distribution, Hill, Utah (DDHU) support contract (Service Provider is AECOM) to include a transportation office staffed to execute Vendor Shipment Module (VSM) processed shipments. The Distribution J3 provided AECOM staff with training on VSM and other strategic methods for transportation within the Defense Transportation Service (DTS). DLA J3 has modified VSM to include origin hazardous shipment processing and will include Outside Continental United States (OCONUS) originating shipments in support of Initial Operating Capability (IOC) of the F-35 program during FY 20. DLA Distribution continues to engage with both their industry partners and their Warfighter customers to work through the requirements to achieve IOC and move towards a long-term support strategy for the F-35.
- **Established DLA Distribution Exercise Team.** In Aug 2018, DLA Distribution established an Exercise Team with the intent of integrating DLA Distribution training objectives into existing Combatant Commander exercises, developing internal Continuity of Operations Plans (COOP) and Table Top exercises for DLA leadership, participating in DLA and USTRANSCOM War-games, providing exercise opportunities for our Reserve Component members that leverage their tremendous skill sets, and becoming a center of excellence for lessons learned within DLA Distribution. In FY 19, DLA Distribution capitalized on this new capability by engaging in the following exercises:
  - Saber Guardian (SbG19) – DLA Distribution Sigonella, Italy (DDSI) demonstrated its newly acquired Theater Consolidation and Shipping Point (TCSP) capability during SbG19, a Southern European regional exercise from 3-24 Jun 2019. Air cargo for three Army Strategic Support Areas (SSAs) in the region was consolidated and re-routed on air pallets from Norfolk to Sigonella through the Army Material Command (AMC) channel. The air pallets were then processed through DDSI's TCSP for onward movement by truck and small parcel. United States Army Europe (USAREUR) provided C-12 aircraft. Materiel Release Order (MRO) sourcing logic was also changed to look at DDSI first, resulting in additional cargo to increase utilization of temporary routes during the exercise. A total of 19 air pallets were shipped in support of the exercise. The After Action Review (AAR) identified deficiencies that will be addressed and implemented for the Defender 2020 exercise next year.
  - Talisman Saber (TS19) – Talisman Saber is a biennial exercise between Australia and the United States. The exercise took place in Australia and ran from 11-24 Jul 2019. The Navy requested that the DLA Expeditionary Distribution (DDXX) team participate in the exercise by setting up and operating a Materiel Processing Center (MPC) in Townsville where the Fleet Logistics Center (FLC) was located. This was the first opportunity to exercise the expeditionary MPC, which trains functions associated with Operations Plan (OPLAN) tasks for multiple CCMDs. The team supported the F-35 PoP since Navy units had F-35s embarked. At the request of Commander, United States Pacific Fleet (PACFLT), DLA also



forward-stocked six small common-use NSNs, which the Navy requisitioned during the exercise. The MPC received / delivered high priority shipments and depot level reparable assets while supporting 14 PACFLT vessels and processing 4,527 Lines / 187 Pallets. The exercise and its AAR identified deficiencies uniquely associated with MPC support to the US Navy. These deficiencies were resolved, and the solutions will be implemented for the next deployed MPC operation.

- Dong Maeng (19-01&19-02) – DLA Distribution J5 supported the United States Indo-Pacific Command (USINDO-PACOM) CCMD by participating in two Joint Chiefs of Staff (JCS) sponsored training events in the Republic of Korea (ROK). Dong Maeng 19-01, formerly known as Key Resolve, was held in Mar 2019, and Dong Maeng 19-02, formerly known as Ulchi Freedom Guardian was held in Aug 2019. The Distribution plans team, in conjunction with Commander, DLA Distribution Korea, participated in these exercises at Camp Humphreys and Camp Carroll respectively. Participants augmented DLA INDO-PACOM Regional staff and trained with United States Forces Korea (USFK) and ROK staff on the development/execution of plans, procedures, and concepts for the defense of the ROK. The training events focused on enhancing coordination between the ROK government and Combined Forces Command (CFC) in addition to United Nations Command (UNC) sending State Representatives. These two annual training events have been the backbone of joint and combined integrated training between the United States and the ROK for decades. In addition to full spectrum planning and simulated execution operations, the training events provided opportunities to enhance customer support through focused attention to Distribution challenges in support of the Korea Theater of Operations. Great strides were made in identification and resolution of support challenges related to war reserve maps, forward positioned Class IV materiel, and employment of DLA DDXX capabilities. DLA Distribution continues to work the focus areas beyond the training events in coordination with DLA USINDO-PACOM Regional Command, USFK, Eighth United States Army, and 19th Expeditionary Support Command to enhance capabilities and improve support to US Warfighters and allies in the Korean Theater of Operations.
- Joint European Time Phased Force Deployment Data (TPFDD) Sustainment (JETS) – DLA Distribution attended the 21st Theater Sustainment Command (TSC) JETS 1.0 Results Outbrief and JETS 2.0 Main Planning Conference in Apr 2019 and Sep 2019. These events were sponsored by Major General (MG) Shapiro, 21st TSC Commanding General (CG), and included participants from United States Europe Command (EUCOM) J4 and J5, US Army Europe (USAREUR) G35 and G4, US Air Forces in Europe (USAFE), US Naval Forces Europe (NAVEUR), AMC, DLA Europe/Africa (E/A) and other members of the Joint Logistics Enterprise. The purpose of the event was to synchronize assessment results and assumptions pertaining to deliberate planning of logistics, sustainment and Joint Reception, Staging, Onward Movement, and Integration (JRSOI) in support of EUCOM efforts. DLA Distribution was able to gather operational and strategic level insights on EUCOM customer requirements for storage and distribution and coordinate our support efforts. DLA Distribution will continue to stay engaged as JETS moves into the next iteration and will continue to refine our planning process.

- Austere Challenge – DLA Distribution provided a Liaison Officer (LNO) to US Marine Forces Europe (MARFOREUR) G4 as part of DLA’s support to the EUCOM exercise Austere Challenge 19-2 in Mar 2019. The LNO provided knowledge to the Marine Corps on the capabilities that DLA brings to the fight and developed a relationship with our service partner. In addition to performing LNO duties, the officer also participated in several Operational Planning Teams (OPTs) with the Marine Corps and various Commander, Joint Forces Marine Component Command (CJFMCC) entities to further refine corresponding OPLAN documents. The MARFOREUR G4 communicated that having DLA participation co-located with their Logistics Operations Center was “value-added” and would be greatly utilized in the event of a real-world contingency.
- Ardent Sentry – DLA Distribution United States Northern Command (USNORTHCOM) planner participated in Exercise Ardent Sentry in May 2019. The Distribution planner participated in USNORTHCOM Tier 1 Command Post Exercise (CPX), focused on Defense Support to Civil Authorities (DSCA), CONPLAN 3500, and the USNORTHCOM New Madrid Seismic Zone Playbook.
- Positive Response/Global Thunder – USNORTHCOM / United States Strategic Command (USSTRATCOM) exercise Positive Response/Global Thunder 19 in Oct and Nov 2018. The DLA Distribution USNORTHCOM planner wrote the DLA portion of the exercise scenario in which an airliner crash produced a conflagration on DLA Distribution San Joaquin, CA (DDJC).
- Gladiator Shield – United States Cyber Command (USCYBERCOM) Operation Gladiator Shield in May 2019. Distribution provided the information requirements (Business Process Analysis/Business Impact Analysis) tasked by DLA J31 as part of an ongoing process to determine DLA’s mission essential systems.
- Steadfast Badger – DLA/USSTRATCOM exercise Steadfast Badger in Jul and Aug 2019. The USSTRATCOM planner represented DLA Distribution in this exercise that explores logistics resilience in a complex global security environment.
- **Support to Trans Arabian Network (TAN).** DLA transitioned its logistics posture to match United States Central Command’s (USCENTCOM’s) strategy to increase strategic depth, provide operational flexibility for emerging requirements, and respond to any loss of access. DLA Distribution established a Bahrain-centric distribution strategy for the Arabian Peninsula. To accomplish this, DLA Distribution expanded their enduring facility in Bahrain from 373,888 square feet to 679,248 square feet to hold additional forward stocks and created a predictable and reliable ground distribution network. It is estimated this will save the Services over 50 million dollars a year while meeting the same, or better, customer wait times as flying material from Europe. From 1 Oct 2018 to 30 Jun 2019, DLA Distribution’s Short-Term Transportation Contract (STTC) demonstrated the viability of a commercial transportation solution to navigate the myriad customs requirements and deliver within the air transportation standards set by DLA Distribution Susquehanna, PA (DDSP) and DLA Distribution Europe (DDDE). Once TAN proved to meet or exceed existing DDSP and DDDE logistic response time on the Arabian Peninsula, DLA shifted the cost to the Major Subordinate Command (MSC) that manages the materiel being transported. However, without an established method to recover the costs, DLA Distribution continued to bear these costs. In conjunction with J8, a manual TAN cost recovery method was developed. During FY 19, \$409,002.27 was



recouped from the MSCs, and STTC delivered 152 trucks. From 1 Oct 2018 to 30 Jun 2019, the STTC saved the Services \$6,914,021.00. On 1 Jul 2019, DLA Distribution transitioned from the STTC to the DLA Distribution Transportation Contract (DDTC).

- **DLA Support of United States Africa Command (AFRICOM) in Djibouti.** On 1 Oct. 2016, DLA Distribution achieved IOC of DLA Distribution Djibouti, Africa (DDDA). Per United States Army Region Africa (USARAF) request, DLA Distribution incorporated a Global Combat Support System - Army (GCSS-A) capability into the DDDA platform. In late Apr 2018, AFRICOM Deputy J4 engaged the AMC G3 to request a dialogue to “resolve funding SSA operations”. DLA E/A leadership worked with AFRICOM to engage the components. Responses from the components led AFRICOM J43 to determine AFRICOM J8 will provide FY 19 funding and FY 20 operations will be funded by USARAF. In Nov 2018, AFRICOM J4 submitted their unfunded request to AFRICOM J8 to cover the FY 19 cost of the GCSS-A in Djibouti. AFRICOM J8 denied the request on 3 Dec 2018. To resolve funding issues, DLA Distribution developed a Memorandum of Agreement (MOA) between USARAF, DLA E/A, and DLA Distribution at DDDA. The MOA was signed 24 Jun. 2019. This MOA allows DLA Distribution to receive a ~\$2.5M payment from USARAF for services rendered in FY 19. The agreement also outlines continuing work and payment into FY 20 while an enduring solution is put in place at this location. The MOA has generated a General Terms and Conditions (FS Form 7600) document, which was signed 14 Aug 2019.
- **DLA Distribution Modernization.** Distribution has had a successful year in moving our modernization strategy forward to meet Reform’s cost saving objectives. DLA Distribution has implemented solutions that improve warehouse operational efficiencies and provide employees with a different warehouse user experiences and skill sets. Solutions implemented in FY 19 include Voice technology, with a vendor defined return on investment (ROI) of 40% process improvement, and new ruggedized tablets and mobile printers.



KEVIN M. JONES  
RDML, SC, USN  
Commander



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# FY 20 & 21 Dynamic Operating Plan

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## DLA Distribution

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Defense Logistics Agency

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Version 1.0  
As of 30 Sept 2019



## **DLA Distribution's Strategic Alignment**

As stated in the DLA Director's Strategic Plan 2018-2026 (amended Apr. 2019), DLA operates in a complex, rapidly-changing world, and we must continuously review our strategy to meet global mission requirements. In this ever-evolving environment, DLA Distribution will continue to provide the best S&D value to our Nation's Warfighters and Whole of Government partners through proven, innovative, and adaptive approaches that are aligned with the Director's five strategic lines of effort (LOEs):

- **Warfighter First:** Strengthen Service and Combatant Command Readiness and Lethality
- **Global Posture:** Prepared for Immediate Action
- **Strong Partnerships:** Leverage the Joint Logistics Enterprise (JLEnt), Interagency, Industry, and Partner and Allied Nation
- **Whole of Government:** Support to the Nation
- **Always Accountable:** Assured Supply Chain, Financial and Process Excellence

In addition to the five LOEs, the Director identified two Critical Capabilities (CCs) as core elements that are essential to delivering sustainable operations for DLA. Those two CCs are:

- **People and Culture:** At the Heart of Everything We Do
- **Enterprise Enablers:** Innovation, Technology, Data Management and Cybersecurity.

The DLA Director's Strategic Plan 2018-2026 (amended Apr. 2019) and Strategic Plan Implementation Guidance (SPIG) set the Agency's priorities and provide the Major Subordinate Commands (MSCs) with overarching guidance within a flexible framework that enables the MSCs to achieve success as they work towards a common vision for DLA. DLA Distribution's DOP aligns our organization's FY 20 & 21 strategic objectives and priorities with the Director's guidance and details how we will implement our plan.

The five LOEs and two CCs identified by the DLA Strategic Plan provide guide posts for DLA Distribution to align our goals and objectives. All seven focus areas are in support of the Agency's enduring mission to sustain Warfighter readiness and lethality by delivering proactive global logistics in peace and war. Informed by the requirements of our Nation's Warfighters and Whole of Government (WoG) partners, DLA Distribution's DOP builds on our existing S&D capabilities, leverages strategic and industry partners, and capitalizes on the innovation and talent of our diverse workforce. With this DOP, DLA Distribution will continue to lead and successfully deliver the best S&D value with the Department's finite resources. The following provides a summary of the FY 20 & 21 DOP focus areas and initiatives, and highlights the direction of DLA Distribution for the next two years.

## **DLA Distribution FY 20 & 21 DOP Initiatives**

### **LOE 1: WARFIGHTER FIRST**

Initiative 1.1: **Deliver Distribution Core Services**

Initiative 1.2: **Manage Acquisition Performance**

Initiative 1.3: **Defense Reform**

### **LOE 2: GLOBAL POSTURE**

Initiative 2.1: **Rebalance the OCONUS Network**

Initiative 2.2: **Distribution Organization of the Future**

### **LOE 3: STRONG PARTNERSHIPS**

Initiative 3.1: **Customer Engagement Strategy**

Initiative 3.2: **Industry Engagement Strategy**

Initiative 3.3: **F-35 Partnership**

### **LOE 4: WHOLE OF GOVERNMENT**

Initiative 4.1: **Distribution Support to Whole of Government**

### **LOE 5: ALWAYS ACCOUNTABLE**

Initiative 5.1: **Compliance and Audit Sustainment**

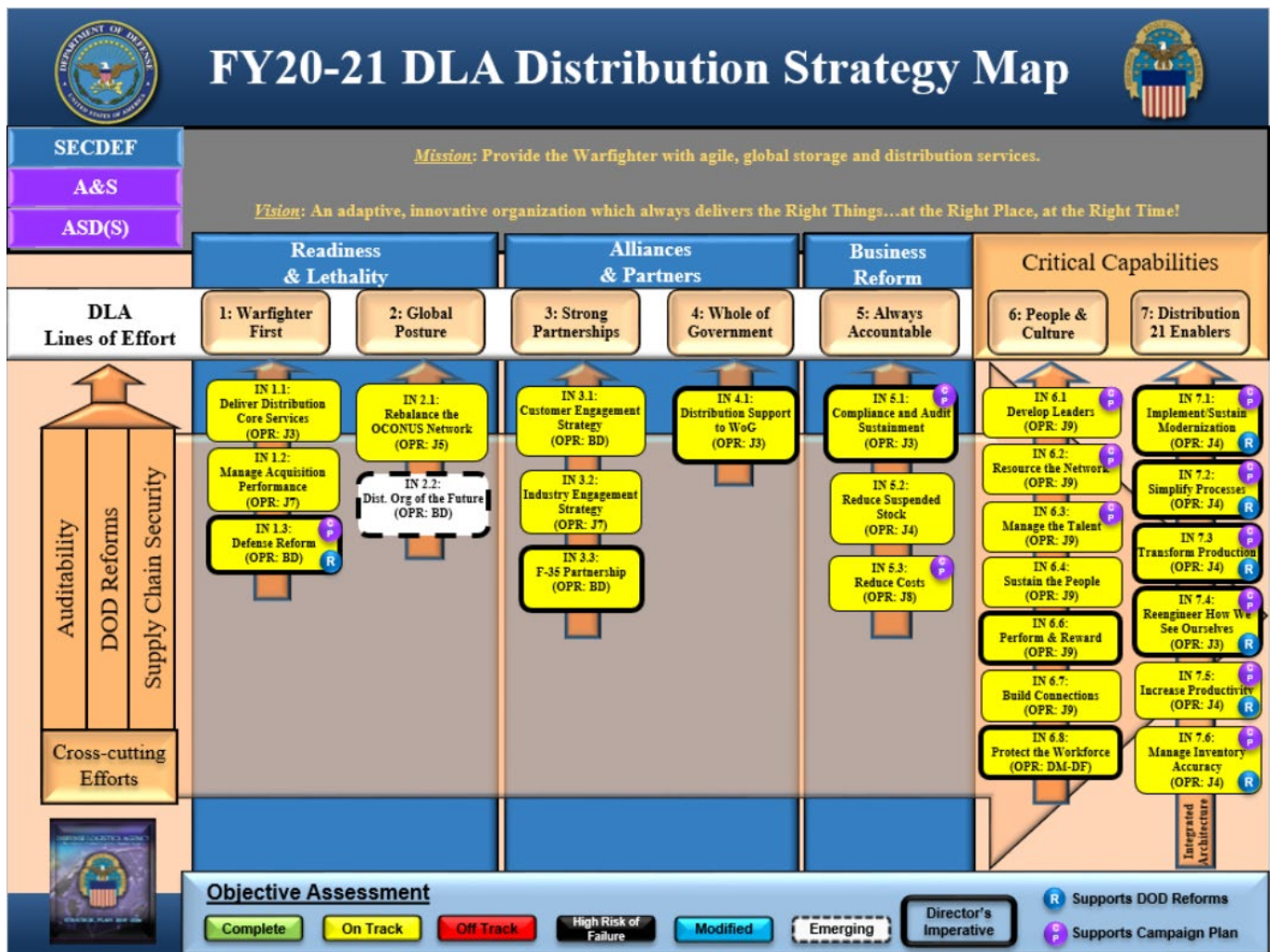
Initiative 5.2: **Reduce Suspended Stock**

Initiative 5.3: **Reduce Costs**

In FY 20 & 21, DLA Distribution will continue to focus on seven areas to ensure that **PEOPLE AND CULTURE**, identified as CC 6 by the Director, are interwoven into the fabric of the organization. These focus areas are: **Develop Leaders, Resource the Network, Manage the Talent, Sustain Our People, Perform and Reward, Build Connections, and Protect the Workforce.**

In addition to a continued focus on efforts established in previous fiscal years, in FY 20 & 21, DLA Distribution is developing a Campaign Plan concurrently with the DOP to provide long-term direction to our efforts to remain adaptable and relevant. Aligned to the Director's CC 7, Enterprise Enablers, **DISTRIBUTION 21 ENABLERS (D21)** was established to help drive the innovation, technological advances, and constant transformation required to meet Warfighter needs in an ever-changing S&D environment. Conceived to provide continuity and a long-term focus to DLA Distribution's transformation into the Department of Defense's (DoD) Executive Agent for S&D, the following initiatives were developed as part of the Campaign Plan: **Implement and Sustain Modernization, Simplify Processes, Transform Production, Reengineer How We See Ourselves, Increase Productivity, and Manage Inventory Accuracy.**

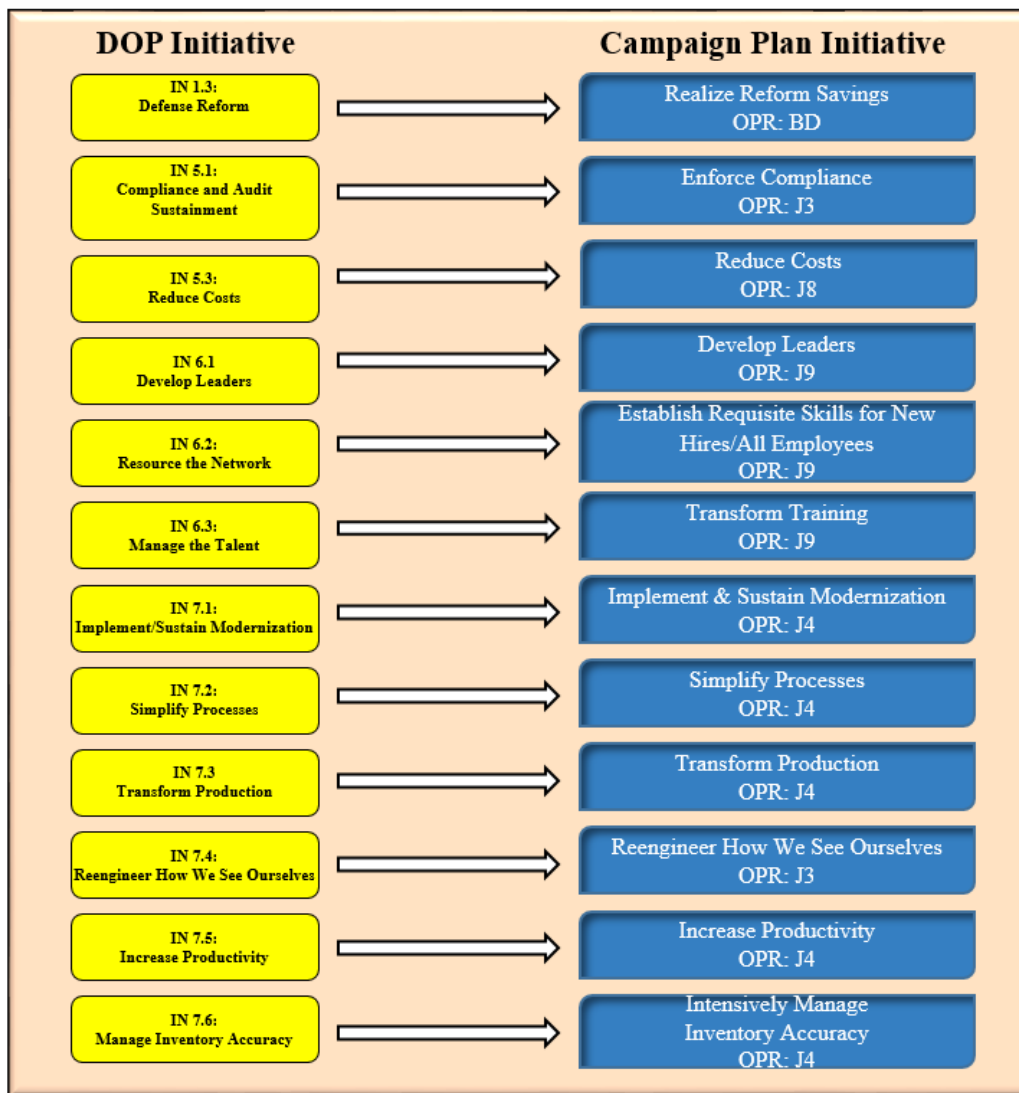
## DLA Distribution FY 20 & 21 Strategy Map



## Mapping DLA Distribution DOP to DLA Distribution Campaign Plan

As identified in the Strategy Map, twelve DOP Initiatives are part of the FY 30 DLA Distribution Campaign Plan. The DLA Distribution DOP provides a two year look at the specific tasks and timelines associated with these twelve initiatives while the Campaign Plan provides broader insight into the core functions of DLA Distribution and the path ahead. The Campaign Plan is being concurrently developed with the FY 20 – 21 DOP to provide DLA Distribution with a consistent, coherent strategy for development in the long-term while also laying out the specific two year strategy for achieving the Campaign Plan’s goals and objectives in the DOP.





## End State

The FY 20 & 21 DOP initiatives were selected to shape DLA Distribution for the next two years and lay the groundwork for longer term goals. This DOP is part of a long-term effort to transform DLA Distribution into DoD's executive agent for S&D as described in the DLA Distribution Campaign Plan. As part of this wide-reaching effort, all DOP initiatives were developed by interdisciplinary teams, and metrics were assigned to each initiatives to ensure measurable results are achieved in quantifiable timeframes.

To achieve this long-term vision, during FY 20 & 21, DLA Distribution seeks to clearly define and execute a business model, reduce cost to our Service and DLA customers, and synchronize operations within DLA, the Services, CCMDs, and with potential industry partners. DLA Distribution is committed to staying current with technological innovations and sustaining our existing network in order to provide agile, global S&D services to the Warfighter.

# WHO WE ARE



## **Who We Are**

### **Secretary of Defense Priorities**

Restore Military Readiness as We Build a More Lethal Force  
Strengthen Alliances and Attract New Partners  
Bring Business Reforms to the Department of Defense

### **Mission**

**DLA:** Sustain Warfighter readiness and lethality by delivering proactive global logistics in peace and war.

**DLA Distribution:** Provide the Warfighter with agile, global storage and distribution services.

### **Vision**

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

**DLA Distribution:** An adaptive, innovative organization which always Delivers the Right Things...at the Right Place, at the Right Time!

### **Why**

**DLA & DLA Distribution:** To serve the Warfighter and our Nation!

### **Core Values**

**DLA & DLA Distribution:** Leadership, Professionalism, and Technical Knowledge through Dedication to Duty, Integrity, Ethics, Honor, Courage and Loyalty.

### **DLA Distribution**

As a DLA MSC, DLA Distribution is the leading provider of global distribution support to America's military including receiving, storing and issuing supplies, as well as providing other tailored services to increase Warfighter readiness and to support our WoG customers.

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

Highly skilled employees provide timely S&D services to customers around the globe. In FY 19, DLA Distribution processed approximately 15.7 million wholesale and 2.8 million retail receipts and issues, supporting customer operations worldwide. Our efforts aided combat operations, humanitarian assistance missions, WoG partners, and a multitude of military exercises.



# LOE1: WARFIGHTER FIRST

**“There’s a kid down range in Afghanistan who goes outside the line every night... and we need to make sure he has the materiel he needs.” —**  
Navy Rear Adm.  
Kevin M. Jones,  
Commanding  
Officer, DLA  
Distribution



## **LOE 1: WARFIGHTER FIRST: Strengthen Service and Combatant Command Readiness and Lethality**

*Our number one priority is sustaining the full range of military operations in an increasingly complex global environment.*

**Initiative 1.1: Deliver Distribution Core Services:** The development, tracking and enforcement of core performance and productivity goals while adjusting resourcing and staffing to achieve network wide organizational success. (Office of Primary Responsibility (OPR): J3) (Office of Coordinating Responsibility (OCR): J4/J7/Business Development (BD))

### **Headquarters (HQ) Strategic Alignment: Objective 1.2: Readiness and Lethality**

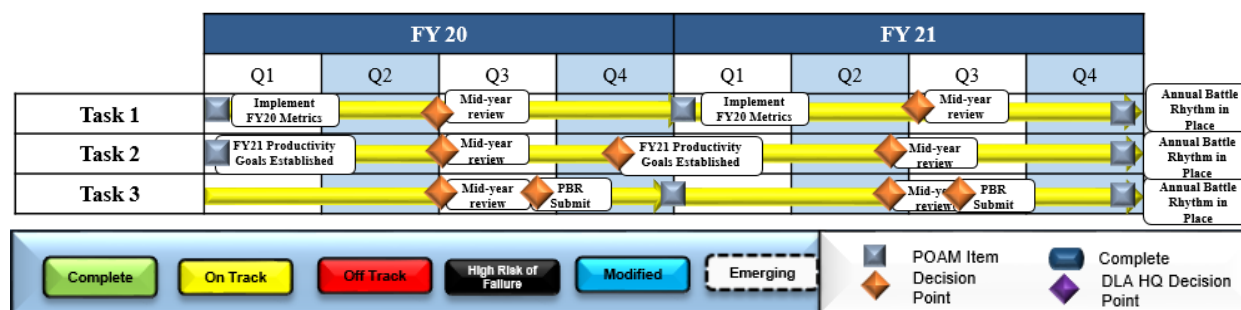
**Objective:** Balanced, effective, and efficient management of workload within the boundaries of provided resources that ensure all areas of production meet specified parameters or goals to provide timely support to the Warfighter.

**End State:** All Distribution Centers (DCs) are properly resourced and staffed, operating as efficiently and effectively as possible to properly store and quickly issue materiel upon request.

### **Tasks and Metrics:**

	<b>Tasks</b>	<b>Metrics</b>
1	Track & enforce core performance standards using bi-monthly Operation (Ops) Updates and Weekly Readiness Reviews (WRRs).	Achieve $\geq 85\%$ green in achievement of Network metrics
2	Develop, track, and enforce productivity goals for each business segment as applicable.	Attain productivity variance not $< 5\%$ of goal
3	Forecast workload volatility to preplan and stabilize resourcing.	Achieve a $\pm 3\%$ actual to planned for wholesale processing workload

### **Status:**



**Initiative 1.2: Manage Acquisition Performance:** Provide responsive end-to-end acquisition support to DLA Distribution requirements. Plan and execute acquisitions in support of day to day operations as well as initiatives detailed in the Distribution Campaign Plan. (OPR: J7)

**HQ Strategic Alignment:** **Initiative 1.5.3:** Reduce acquisition process-related contribution to customer wait time in support of improved Warfighter readiness by reducing Administrative Lead Time (ALT) and Procurement Lead Time (PLT), and improving On-time delivery. **Initiative 3.3.4:** Implement industry focused training courses and an industry rotation program for DLA personnel. **Initiative 3.3.5:** Promote small business participation in acquisitions.

**Objective:** Have no supply outages or break in service contract requirements that impact Distribution Center performance. Services provided in accordance with (IAW) the contract requirements.

**End State:** More efficient and effective acquisition process that ensures customer requirements are met while attaining/sustaining appropriate metrics.

**Tasks and Metrics:**

	Tasks	Metrics
1	Award Strategic and High Visibility (Hi-Viz) contracts IAW Plans of Action & Milestones (POAMs) to support all Distribution requirements.	<ul style="list-style-type: none"><li>• Meet acquisition metrics (over 25 metrics and Agency Management Review (AMR))</li><li>• Meet Annual Small Business Goals</li></ul>
2	Improve our overall Quality Assurance (QA) Program.	<ul style="list-style-type: none"><li>• 100% Quality Assurance Evaluator (QAE) access to Quality Management Tool (QMT) Helpdesk no later than (NLT) Feb 2020</li><li>• 100% of Tier II Service contracts with updated QA structure and updated Quality Assurance Surveillance Plans (QASPs)</li><li>• 100% of virtual QA training modules developed NLT Jul 2020 / Established in Learning Management System (LMS) NLT Sep 2020/ Implementation Jan 2021/ 50% virtual fresher training conducted by FY21</li></ul>
3	Improve our acquisition processes to increase our overall procurement efficiency.	<ul style="list-style-type: none"><li>• Increase Long-term Contracts (LTCs) by 5% by FY21</li><li>• Reduce Services' Contract Obligation Authority (OA) by 10% by FY21</li></ul>
4	Develop & implement a Competency Assessment Plan to increase our acquisition skills/knowledge.	<ul style="list-style-type: none"><li>• Reduce skills gap in plans' identified areas by 25% by FY21</li><li>• Meet 100% Defense Acquisition Workforce Improvement Act (DAWIA) training (80hrs/2 years by end of FY21)</li></ul>







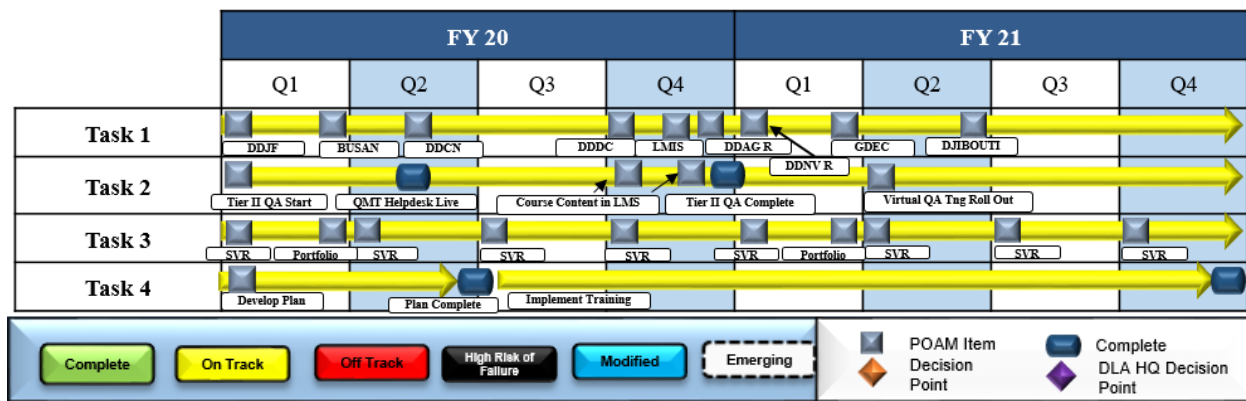


Military vehicles cross a floating bridge during the multinational operation, the Wet Gap Crossing (WGX), June 22, 2019. The WGX is the culminating event of Saber Guardian 2019, which continue to increase participating

nations' readiness and capacity to conduct full spectrum military operations. They send a clear message that the U.S. and its allies and partners work skillfully together. (U.S. Army photo by Sgt Thomas Mort)



### Status:



**Initiative 1.3: Defense Reform:** Achieve targeted cost reductions and metrics through a combination of Office of the Secretary of Defense (OSD-), DLA-, and DLA Distribution-led initiatives. Respectively, these are: Warehouse Utilization (WU), mandated savings achieved through Distribution Reform, and Business Process Reengineering (BPR). (OPR: BD) (OCR: J4)

**HQ Strategic Alignment:** Initiative 1.7.2: Director's Imperative – Transform DLA Storage and Distribution. Initiative 1.7.3: Director's Imperative – Transfer Retail Industrial Supply, Storage, and Distribution (SS&D) Functions to DLA

**Campaign Plan Initiative:** Realize Reform Savings

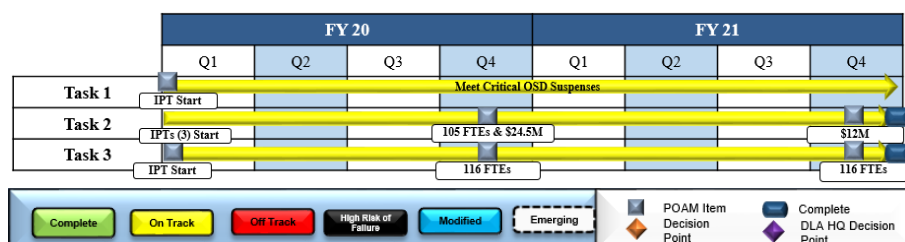
**Objective:** Achieve targeted cost reduction.

**End State:** Provide a cost effective S&D network for DoD.

### Tasks and Metrics:

	Tasks	Metrics
1	Support OSD-led WU.	Long-term goal of 75% WU across the DoD
2	Execute mandated Distribution Reform savings (through Direct Vendor Delivery (DVD), Contract, Modernization).	<ul style="list-style-type: none"> <li>DVD: reduce 105 Full Time Equivalents (FTEs) by FY20</li> <li>Contract: \$24.5M cost reduction by FY20, \$12M by FY21</li> <li>Modernization: reduce 175 FTEs by FY24, additional 175 by FY26</li> </ul>
3	Implement BPR.	Reduce 116 FTEs in FY20 and additional 116 FTEs in FY21

### Status:





# LOE 2: GLOBAL POSTURE



4th Combat Camera Squadron photo by Senior Airman Christopher Dyer



## **LOE 2: GLOBAL POSTURE: Prepared for Immediate Action**

*DLA's logistics presence and posture must enable the nation's ability to protect its global interests. The speed and complexity of global crises require resilient networks, robust partnerships, and quickly integrated teams. We will position resources for rapid use, build more deployable capabilities, and strengthen our partnerships using integrated logistics and contracting services.*

**Initiative 2.1: Rebalance the OCONUS Network:** In coordination with (ICW) DLA HQ, conduct reviews of CCMD OPLANs. Identify and mitigate or eliminate existing gaps. (OPR: J5) (OCR: J3/J7/Installation Management for Distribution (DM-DF))

**HQ Strategic Alignment: Objective 1.3:** Address Risk. **Initiative 2.1.1 - DLA Global Posture Plan (GPP):** During FY 19, we expect to publish a classified DLA GPP and classified Support Plans ICW CCMD timelines that position DLA resources globally to support CCMD integrated plans.

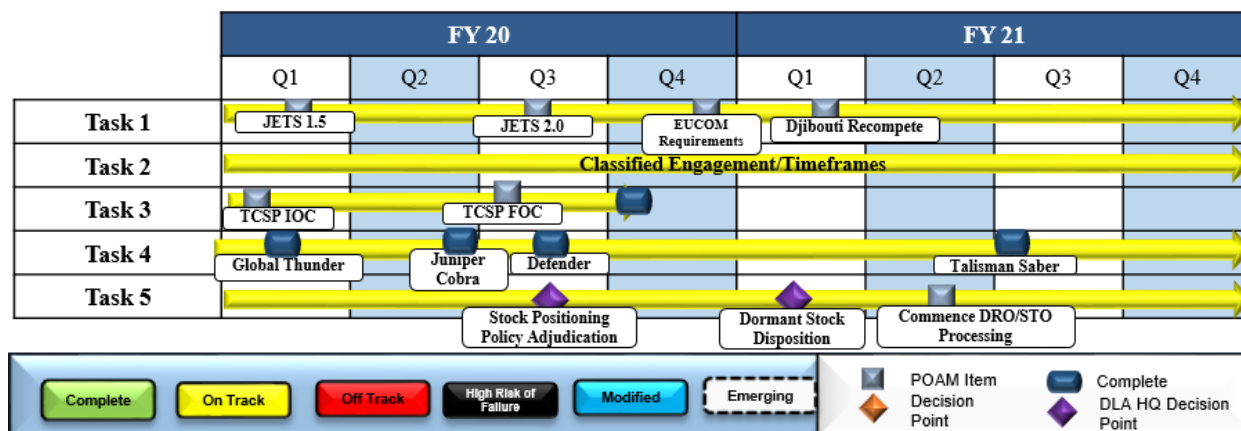
**Objective:** Strengthen DLA's strategic distribution network in order to prepare for one or more contingency operations.

**End State:** Agile, flexible, resourced strategic distribution network ready to rapidly respond to emerging CCMD, Military Service, and WoG needs.

### **Tasks and Metrics:**

	<b>Tasks</b>	<b>Metrics</b>	
<b>1</b>	EUCOM/AFRICOM: Develop DLA Distribution Logistical Supportability Analysis (LSA) for 4020.	EUCOM Finalized EUCOM Requirements by Class (Sep 2020)	AFRICOM Djibouti Resolicitation (Dec 2020)
<b>2</b>	USCENTCOM: Defense of the Arabian Peninsula Region Plan (DAPR).	CLASSIFIED Engagement with CCMD	
<b>3</b>	USINDO-PACOM: Establish TCSP on Okinawa.	<ul style="list-style-type: none"><li>• IOC, begin receiving material from mainland Japan (Oct 2019)</li><li>• Full Operating Capability (FOC), begin receiving material from Continental United States (CONUS) (Jun 2020)</li></ul>	
<b>4</b>	CCMD Exercise Participation: Global Thunder 20 (Oct 2019), Juniper Cobra (Mar 2020), Defender 20 (Jul 2020), Talisman Saber 21 (Jun 2021).	<ul style="list-style-type: none"><li>• Execute Respective Joint Exercise Life Cycle POAM (D-120 to D+30)</li><li>• Refine in detail Mission Essential Tasks (D-60)</li><li>• Improve integration with CCMD Theater Dist. Plans (During AAR)</li><li>• Develop/implement Lessons Learned Program (Jan 2020)</li></ul>	
<b>5</b>	Strategic Storage Rationalization.	Reduction of OCONUS dormant/non-planned stock by 25% (cube)	

**Status:**



**Initiative 2.2: Distribution Organization of the Future:** A Command and Control (C2) structure that is more manageable for senior leadership, more closely models how work gets done, and better supports DLA's customers. (OPR: BD) (OCR: Command (CMD))

**HQ Strategic Alignment: Initiative 2.2.2: Director's Imperative – Joint Logistics Operations Center (JLOC) Transformation (Agency Synchronization Operations Center (ASOC)).** During FY 19, we expect to integrate personnel, processes and systems to enable timely sharing and transformation of data, information and resources to enable analysis, develop actionable logistics intelligence, empower leaders to make informed decisions and track resulting actions that ensure support of the priorities of Service, Combatant Command and Whole of Government customers.

**Objective:** To create an organization that is better able to take on new work and additional future requirements.

**End State:** Analyze and, if necessary, modify DLA Distribution's C2 structure as well as support DLA's efforts to reorganize the JLOC and provide adequate support to the regional commands.

**Status:** Emerging Distribution Initiative.



# LOE 3: STRONG PARTNERSHIPS



# DHA

Defense Health Agency  
MHS Communications photo by Jaime Chirinos



**LOE 3: STRONG PARTNERSHIPS: Leverage the Joint Logistics Enterprise (JLEnt), Interagency, Industry, and Partner and Allied Nation**

*Mission accomplishment requires close collaboration and strong relationships with critical stakeholders: the Joint Logistics Enterprise, other government partners, suppliers and our allies. We must sustain our partnerships and synchronize our efforts with these entities to help DoD and the nation address immediate needs and long-term challenges.*

**Initiative 3.1: Customer Engagement Strategy:** Foster long-term value and growth for Distribution by expanding markets and building new relationships with customers. (OPR: BD) (OCR: J3/J5/J8/CMD)

**HQ Strategic Alignment: Objective 3.2: DoD and Interagency Partnerships**  
**Objective 4.3: Offer Value**

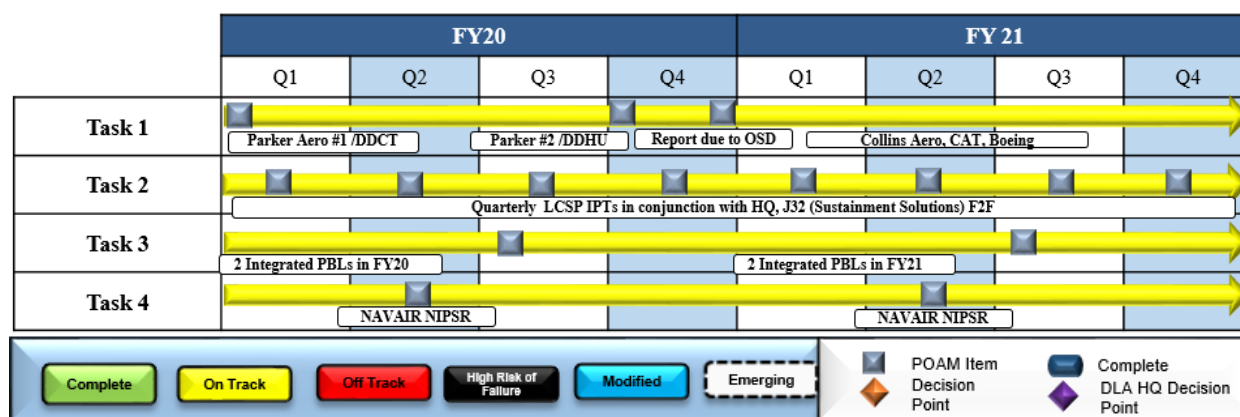
**Objective:** Create and maintain partnerships with government Program Managers and Industry Partners for weapons system support by communicating and demonstrating the benefits of utilizing DLA's S&D network.

**End State:** Optimized integration of organic S&D at acquisition-level (DoD 5000), in Performance Based Logistics (PBLs), and via Public Private Partnerships (PPPs) (FY17 National Defense Authorization Act (NDAA)).

**Tasks and Metrics:**

	Tasks	Metrics
1	Create Partnerships by leveraging authorities provided under NDAA 2017, Section 883.	Execute 2 PPPs in FY20 and 2 more in FY21, reaching the maximum number (5) of authorized pilots. Execute Year Four Report to OSD in FY20. Advocate to make the PPP authority permanent.
2	Create Partnerships by leveraging authorities provided under DoD 5000.	Ongoing: Support and advise HQ, J32 Major Defense Acquisition Program (MDAP) team to ensure Distribution S&D integration at acquisition.
3	Actively support HQ, DLA J32 (Sustainment Solutions) initiatives while advocating for DLA Distribution integration into enterprise-wide programs.	Integrate with at least 2 DLA PBLs in FY20 and additional 2 in FY21. Continue to support the development of an enterprise-wide Business Case Analysis (BCA) for PBL .
4	Continue to engage Security Cooperation (SC) community on DLA Distribution's capabilities	Add a minimum of 6 additional Foreign Military Sales (FMS) customers to FMS Distribution Services Initiative (DSI) by FY21

## Status:



**Initiative 3.2: Industry Engagement Strategy:** Work with industry to ensure a capable industrial base able fulfill Distribution requirements, generate innovative and efficient solutions, and maintain a secure, resilient commercial support capability. (OPR: J7) (OCR: General Counsel (GC), CMD)

**HQ Strategic Alignment: Initiative 3.3.4:** Implement industry focused training courses and an industry rotation program for DLA personnel. **Initiative 3.3.3:** Establish a Supplier Feedback Management Process. **Initiative 3.3.5:** Promote small business participation in acquisitions.

**Objective:** Strengthened and transparent industry partnerships.

**End State:** More efficient and effective acquisition process.

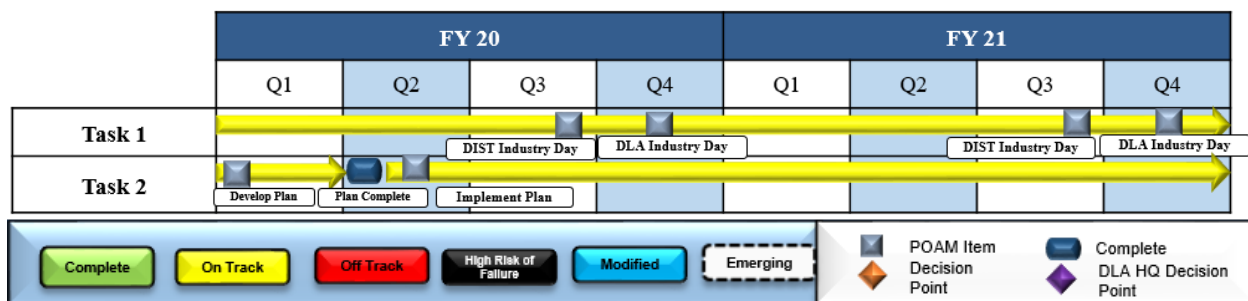
## Tasks and Metrics:

	Tasks	Metrics
1	Update Industry Engagement Plan with focus on: <ul style="list-style-type: none"> <li>Supplier Communication</li> <li>Balancing business decisions with fiduciary responsibilities</li> <li>Providing supplier feedback and advocacy</li> <li>Driving efficiencies and innovation</li> <li>Assessing and mitigating risks</li> </ul>	<ul style="list-style-type: none"> <li>Meet Annual Small Business (SB) (60%) and Competition (88%) Goals</li> <li>Conduct Pre-Proposal Conferences on a 100% Storage &amp; Distribution requirements &gt; Simplified Acquisition Threshold (SAT)</li> <li>Facilitate modernization with a minimum of 4 engagements with Industry per year</li> <li>Conduct Distribution Industry Day (Jun 2020)</li> </ul>



		<ul style="list-style-type: none"> <li>○ Conduct annual future requirements review with Industry</li> <li>• Participate in DLA Industry Day (Aug 2020)</li> <li>• Attend a minimum of 2 Industry focused training events per year</li> </ul>
2	Develop & Implement a Supplier Feedback Survey Response Plan	<ul style="list-style-type: none"> <li>• Increase Supplier Feedback score in the plans identified areas by 25% by FY21</li> </ul>

### Status:



**Initiative 3.3: F-35 Partnership:** The Joint Program Office (JPO) designated DLA and USTRANSCOM as the F-35 PSP for North American warehousing and global transportation. (OPR: BD) (OCR: J3/DCs)

**HQ Strategic Alignment: Objective 3.2:** DoD and Interagency Partnerships. **Initiative 3.2.1: Director's Imperative – USD (A&S) F-35 Support:** Proactively pursue all opportunities to provide sustainment support to the F-35 JPO and become the PSP in the following areas; S&D, Cataloging, Order Fulfillment and Inventory Management, and Disposition.

**Objective:** S&D integration in support of the most complex, costly, and far reaching weapons system in DoD history.

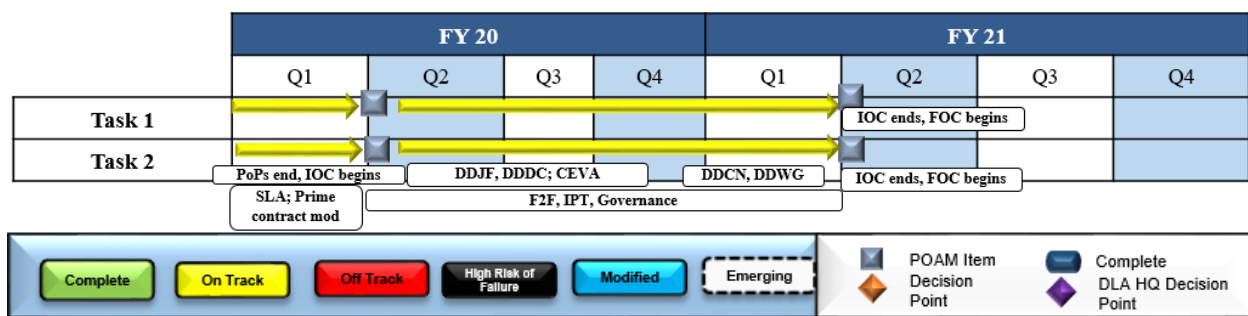
**End State:** Reduction/optimization of F-35 program sustainment costs and the reaffirmation of DLA Distribution's position as DoD's agent for weapons system S&D support.

### Tasks and Metrics:

	Tasks	Metrics
1	Establish effective and efficient transportation for F-35 materiel.	<ul style="list-style-type: none"> <li>• Complete Service Level Agreement (SLA) between JPO and USTRANSCOM NLT Nov 2019.</li> <li>• Reporting against SLA metrics begins</li> </ul>

		during IOC.
2	Establish North American S&D for the F-35 program.	<ul style="list-style-type: none"> <li>Complete SLA between JPO and DLA NLT Nov 2019.</li> <li>By end of Calendar Year (CY) 2021, all applicable Prime-operated warehouses have transitioned to DLA and the six DLA Air Logistics Complex (ALC) / Fleet Readiness Center (FRC) sites are transacting the work in Distribution Standard System (DSS).</li> <li>Reporting against SLA metrics begins during IOC.</li> </ul>

### Status:





# LOE 4: WHOLE OF GOVERNMENT





## **LOE 4: WHOLE OF GOVERNMENT: Support to the Nation**

*DLA's global network and expertise in supply chain management can improve efficiency and increase effectiveness of our Whole of Government partners. Collaboration ensures a healthy, viable base of suppliers able to surge when needed. Working alongside these Whole of Government partners in domestic and international operations, DoD and DLA strengthen their ability to serve national interests.*

**Initiative 4.1: Distribution Support to Whole of Government:** Continue to provide support to our Whole of Government partners. Primary focus is to provide on time support of FMS sales, and support to Federal Emergency Management Agency (FEMA) during hurricane seasons or during other natural disasters as requested. ICW Troop Support, stock and issue gear to support wildfire season. Partner with the National Science Foundation (NSF) to package and load/offload science experiment packages. (OPR: J3) (OCR: J5/BD/DCs)

**HQ Strategic Alignment: Initiative 4.1.1:** In conjunction with WoG partners, develop, coordinate and exercise a crisis-response team strategy and execution plan. On order, execute the strategy and plan, to include pilot programs, exercises, and deployments. Ensure that the risk of competition for resources between WoG and Warfighter requirements during crisis responses is addressed and mitigated by the strategy covered in initiative 4.2.1. **Initiative 4.2.1: Director's Imperative– WoG Support Engagement Strategy:** Develop an engagement strategy to guide future WoG partnerships consistent with DLA's support to Defense Support to Civil Authorities (DSCA), the National Response Framework and the needs of other federal agencies.

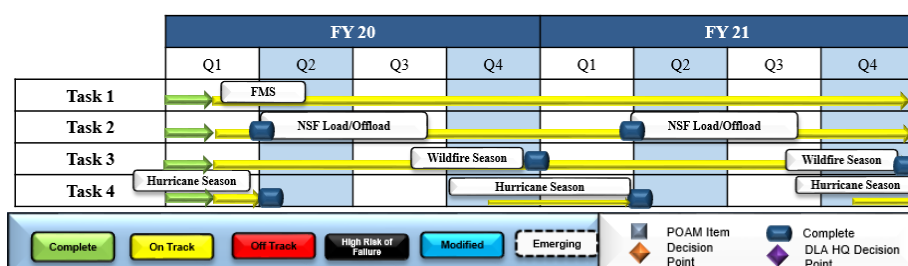
**Objective:** Effectively and efficiently contribute to broader national goals. Bring to bear S&D expertise to fulfill the DLA missions to WoG.

**End State:** Provide timely support to WoG.

### **Tasks and Metrics:**

	<b>Tasks</b>	<b>Metrics</b>
1	Provide support to interagency requirements.	Meet high priority (HI-PRI) (3 days) and routine (10 days) standards
2	Provide support to NSF.	Meet Sail date load out and off loads
3	Provide support to United States Department of Agriculture (USDA) Forest Service.	Meet stock, storage, and response requirements 100% of the time
4	Provide support to FEMA emergency requirements.	Meet 100% of agreed upon mission objectives

### **Status:**





# LOE 5: ALWAYS ACCOUNTABLE





## **LOE 5: ALWAYS ACCOUNTABLE: Assured Supply Chain, Financial, and Process Excellence**

*Trust and confidence in DLA is born from ethical behavior, reliability, and transparency. Cost-consciousness, auditability, innovation, risk assessment and mitigation, and sound business processes are the foundation of this trust. DLA hold partners and suppliers to these same high standards.*

**Initiative 5.1: Compliance and Audit Sustainment:** Enforce audit compliance across the S&D network by improving risk and internal control documentation, scheduling recurring testing that supports OSD policy for audit requirements, and ensuring Generally Accepted Accounting Principles (GAAP) are in place for DLA Distribution activities. (OPR: J3) (OCR: J1, J4, J7, J8, J9)

**HQ Strategic Alignment: Initiative 5.2.1: Director's Imperative – Audit Remediation:** Create and implement a strategy for comprehensive 100% physical Inventory count for inventory in stock and real property, and strengthen information technology security measures. Close 10% of FY 2018 Notice of Findings and Recommendations (NFRs).

**Campaign Plan Initiative:** Enforce Compliance

**Objective:** Make adherence the default option.

**End State:** Achieve and sustain an UnModified Opinion.

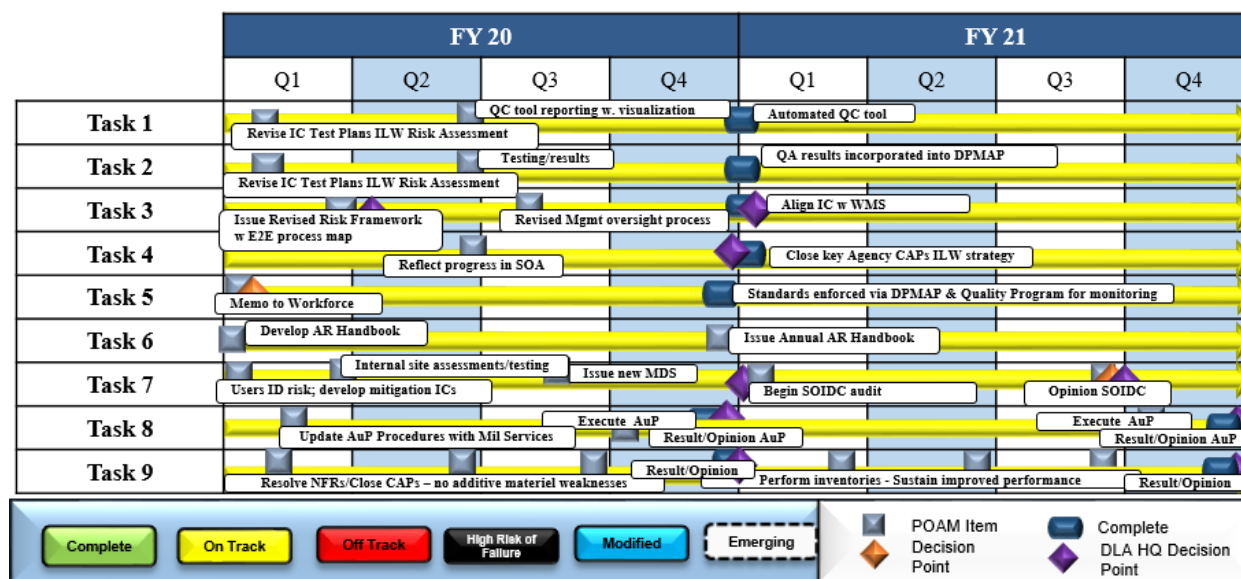
### **Tasks and Metrics:**

	Tasks	Metrics
1	Expand Quality Control (QC) program for real time engagement of the workforce to empower change.	<ul style="list-style-type: none"><li>• Test plans and procedures implemented during 1st quarter (QTR) FY20</li><li>• Automation for QC achieved by Sep 2020</li><li>• Quantity performed correctly against quantity performed (total) - reported during Ops Updates commencing in 2nd QTR FY20</li><li>• Incentive program implemented by 1st QTR FY20</li></ul>
2	Execute QA program to standard.	<ul style="list-style-type: none"><li>• Test plans and procedures implemented during 1st QTR FY20</li><li>• Quantity performed correctly against quantity performed (total) - reported during Ops Update commencing in 2nd QTR FY20</li></ul>

		<ul style="list-style-type: none"> <li>• QA Leadership critical element incorporated into DoD Performance Management and Appraisal Program (DPMAP) by Apr 2020 in line with new reporting cycle</li> </ul>
3	Review and update critical internal and external risks for operations and finance in line with an Internal Controls (ICs) Risk Assessment.	<ul style="list-style-type: none"> <li>• Risk framework established during 1st QTR FY20</li> <li>• Risk Control Matrix (RCM) revised by 1st QTR FY20</li> <li>• IC alignment with Warehouse Management System (WMS) completed by Sep 2020</li> <li>• Revised Management oversight process implemented during 1st QTR FY20</li> </ul>
4	Prioritize and close Corrective Action Plans (CAPs).	<ul style="list-style-type: none"> <li>• Agency CAPs targeted for FY20 / closed in FY20; all 2017 NFRs closed NLT end FY21</li> <li>• Distribution location CAPs created and submitted within 3 days of deficiency and closed by end of following quarter</li> </ul>
5	Set the Tone at the Top.	Issued NLT 10 Oct 2019 for FY20
6	Issue a Commander's/Director's Compliance and Audit Readiness pocket guide 'handbook'.	Handbook developed and issued during 1st QTR FY20
7	Achieve Modified Opinion in Service Owned Inventory in DLA Custody (SOIDC) audit.	<ul style="list-style-type: none"> <li>• Risk framework established for FY20; internal site assessments completed per plan</li> <li>• Inventory accuracy <math>\geq 98\%</math></li> <li>• 0 failures in 45 samples</li> </ul>
8	Achieve UnModified Opinion in Agreed Upon Procedures (AuP) audit.	<ul style="list-style-type: none"> <li>• Inventory accuracy <math>\geq 98\%</math></li> <li>• 0 failures in 45 samples</li> </ul>
9	Achieve UnModified Opinion in DLA Full Financial Statement Audit (FFSA).	<ul style="list-style-type: none"> <li>• 100% Material Weaknesses &amp; Significant Deficiencies closed</li> <li>• Inventory accuracy <math>\geq 98\%</math></li> </ul>



## Status:



**Initiative 5.2: Reduce Suspended Stock:** Suspended stock is materiel in our custody that is not ready for issue. This materiel takes up space and resources and causes readiness issues, so Distribution is working to reduce existing suspended stock and prevent incoming stock from being placed in suspense. (OPR: J4) (OCR: J3/DCs/HQ J3-TQ/ MSCs/Services)

**HQ Strategic Alignment: Initiative 1.5.1:** Assess and improve DLA systems, performance, and service from the Warfighter perspective. **Objective 5.4: Mitigate Risks**

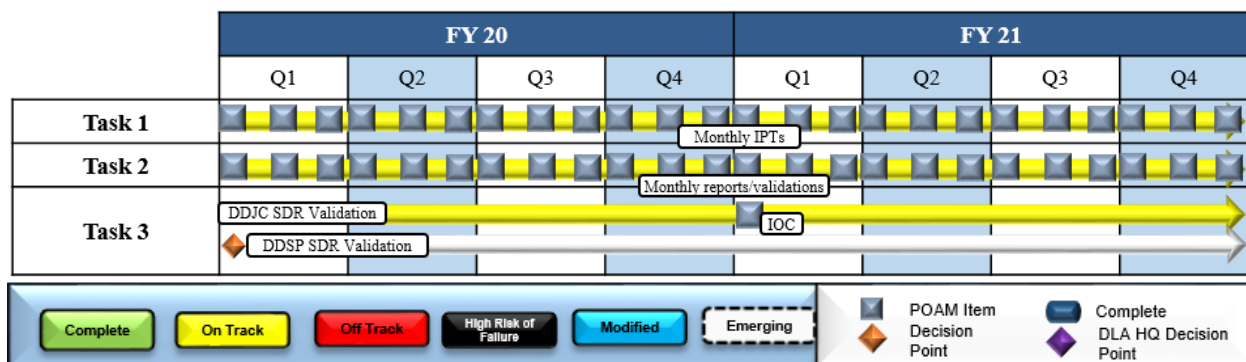
**Objective:** Return the \$1.9B in suspended stock in our DCs to a ready for issue condition and accurately depict the nature of suspensions.

**End State:** Increase material availability by reducing suspended stock in DLA DCs and improving accuracy of Distribution suspensions.

### Tasks and Metrics:

	Tasks	Metrics
1	Support Enterprise-level, HQ-led efforts to reduce suspended stock (MSC burn down, monthly IPTs, Defense Wide Working Capital Fund (DWWCF) efforts, special projects such as Commercial and Government Entity (CAGE) Compromise).	Remediate 100% of suspended backorder stock with disposition instructions within 7 days
2	Reduce timeframe to act on suspended stock with disposal instructions until DLA Distribution meets regulatory timeframes.	Monthly reports on time taken to dispose suspended stock with disposition instructions with goal of: <ul style="list-style-type: none"> <li>Condition Code L – 3 days</li> <li>Condition Code J,K – 30 days</li> </ul>
3	Improve accuracy of suspensions through validations and Supply Discrepancy Report (SDR) Validation.	<ul style="list-style-type: none"> <li>NFR validations (15 per month) with goal of 90% accuracy</li> <li>Monthly validations (50-150 per DC per month) with goal of 90% accuracy</li> </ul>

### Status:



**Initiative 5.3: Reduce Costs:** Distribution will minimize impacts of readiness costs, reduce overhead, modernize and improve productivity to reduce costs, and provide a competitive value proposition to its customers. (OPR: J8) (OCR: All)

**HQ Strategic Alignment: Objective 5.1:** Cost Consciousness

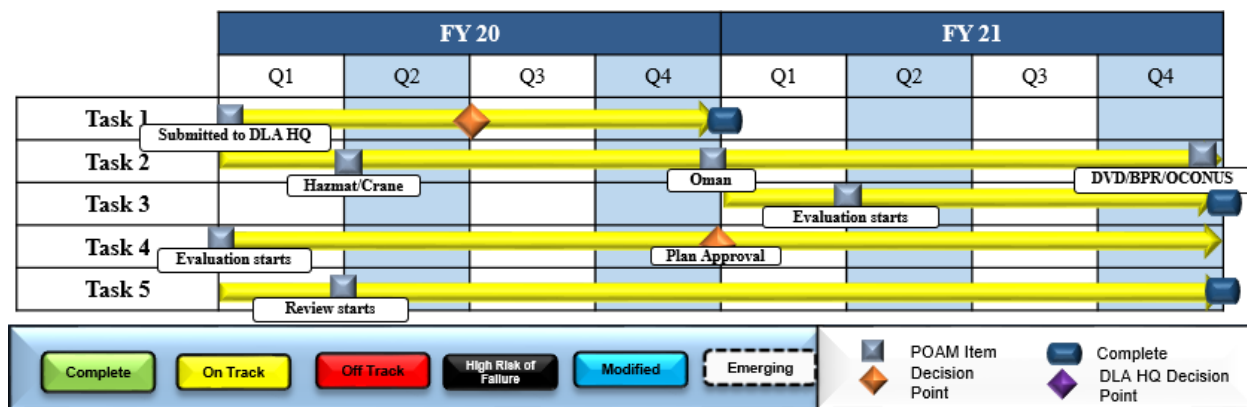
**Campaign Plan Initiative:** Reduce Costs

**Objective:** Reduce costs by 10% by FY26.

**End State:** Competitive value through lower rates and reinvestment in productivity.



**Status:**







F-35 demonstration during the  
Wings Over Houston Airshow  
Oct. 20, 2019.  
(U.S. Air Force photo by Senior  
Airman James Kennedy)



# LOE 6: PEOPLE & CULTURE





## **LOE 6: PEOPLE AND CULTURE: At the Heart of Everything We Do**

*Without the great work our people do every day, we can't execute our mission.*

DLA Distribution's initiatives in this focus area align directly to HQ's Critical Capability PEOPLE AND CULTURE.

**Initiative 6.1: Develop Leaders:** Enhanced leadership and management competencies to enable a high performing culture. (OPR: J9) (OCR: All)

**HQ Strategic Alignment:** Objective 6.1: Develop Leaders

**Campaign Plan Initiative:** Develop Leaders

**Objective:** Distribution Management System (DMS) is established, communicated, understood and practiced across the network. Leaders that do the right thing when no one is looking. DLA Distribution is an organization where good leaders want to come and stay.

**End State:** Supervisors and managers that lead by example and set the standard for conduct, integrity, and ethical behavior.

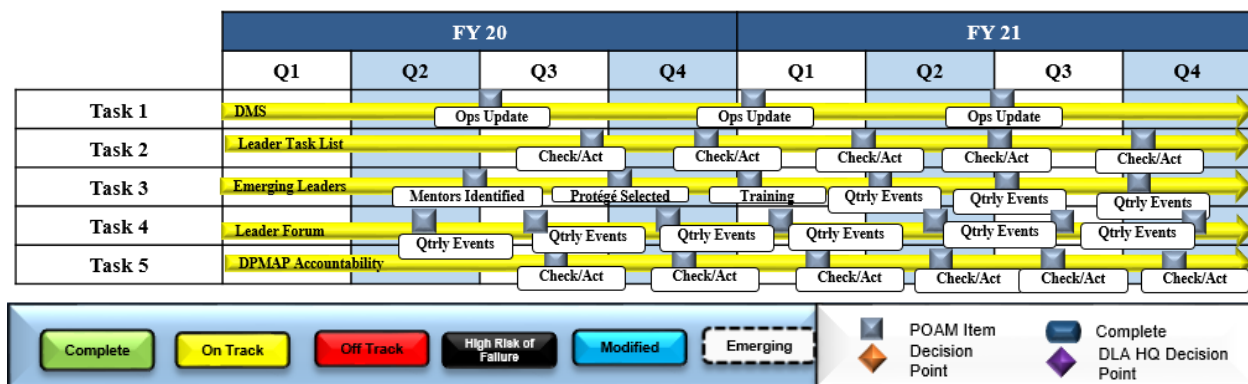
**Tasks and Metrics:**

	Tasks	Metrics
1	Implement DMS as the doctrine for management processes and responsibilities within DLA Distribution HQ and throughout the DCs.	<ul style="list-style-type: none"><li>• Knowledge Skills &amp; Abilities (KSAs) - command deck to 1st line - assessed @ 85% by 30 Sep 2020</li><li>• Management Action Plan (MAP) execution - complete at least 1 Objective per QTR by 31 Dec 2019</li><li>• Continuous Improvement (CI) problem solving documented quarterly via check / act by 30 Jun 2020</li><li>• Incorporated into DDJC Innovation Center by 30 Sep 2020</li><li>• Roll out to top 7 DCs by 30 Sep 2021</li></ul>
2	Develop a concise Leader Task List (pocket reference).	<ul style="list-style-type: none"><li>• Develop task list for each level of leadership (IAW DMS); task list reviewed and approved by Distribution Alignment Group by 31 Dec 2019</li><li>• Execute check act process and task list @ 75% by 30 June 2020</li><li>• Execute task list @ 90%; documented via check / act process by 31 Dec 2020</li></ul>



3	Execute leadership training that will prepare existing or emerging leaders for advancement to higher levels of management / leadership.	<ul style="list-style-type: none"> <li>Deliver to 3 sites per QTR by 31 Mar 2020</li> <li>Increase number of applications by 2 each FY by 30 Sep 2020</li> <li>Enroll 15 protégés in 2 year mentor program by 31 Dec 2019</li> </ul>
4	Design a forum for high and mid-level leaders to communicate, collaborate, and share best practices to promote consistency across the Distribution network.	<ul style="list-style-type: none"> <li>Ask the Pros conducted monthly by 30 Sep 2019</li> <li>Repository with redacted Distribution cases available for training / discussion by 31 Dec 2019</li> </ul>
5	Leverage DPMAP to prescribe leadership expectations and promote/enforce supervisor accountability.	<ul style="list-style-type: none"> <li>Performance elements for network application developed by 15 Oct 2019</li> <li>Local performance / production targets established to articulate precise expectations for duties performed / supervised; accomplishment documented via check act process @ 85% compliance by 31 Dec 2019</li> </ul>

### Status:



**Initiative 6.2: Resource the Network:** A diverse, highly skilled workforce able and ready to meet current and future mission requirements. (OPR: J9) (OCR: All)

**HQ Strategic Alignment:** Objective 6.2: Resource the Enterprise

**Campaign Plan Initiative:** Establish Requisite Skills for New Hires/All Employees

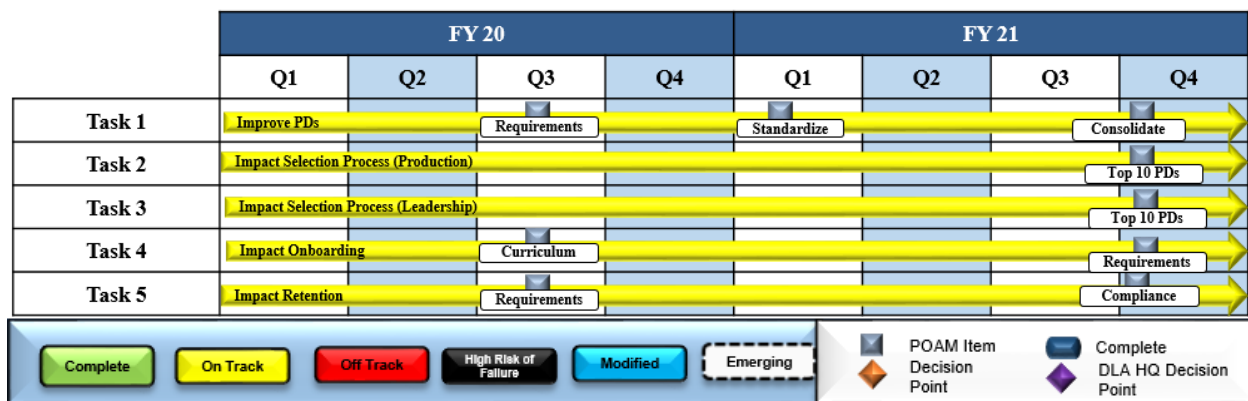
**Objective:** Utilize commercial best practices and existing management tools to improve distribution position descriptions (PDs) and enable recruitment / retention of employees / supervisors with the skill sets to succeed in a high-tech S&D environment.

**End State:** A workforce with the skills to succeed in a modern S&D environment.

## Tasks and Metrics:

	Tasks	Metrics
1	Standardize / consolidate core distribution PDs across the network.	Evaluate and consolidate core distribution PDs for unnecessary variations,- 50% per year by end of FY 21 & 22
2	Develop guidelines to recruit / select highly qualified employees (production and administrative) to work in a technologically advanced S&D environment.	<ul style="list-style-type: none"> <li>Overhaul PDs to contain necessary technology KSAs for Top 10 Series / Grades by 31 Mar 2021</li> <li>Add Situational Judgment Testing to Top 10 Series / Grades by 31 Mar 2022</li> </ul>
3	Develop guidelines to recruit / select highly qualified supervisors / managers to lead in a technologically advanced S&D environment.	<ul style="list-style-type: none"> <li>Overhaul PDs to contain necessary technology KSAs for Top 10 Series / Grades by 31 Mar 2021</li> <li>Add Situational Judgment Testing to Top 10 Series / Grades by 31 Mar 2022</li> </ul>
4	Create an Onboarding programs for (parallel development): <ul style="list-style-type: none"> <li>New employees</li> <li>New supervisors</li> <li>New senior leaders</li> </ul>	<ul style="list-style-type: none"> <li>Curriculum approved by 31 Mar 2020</li> <li>Requirements published and communicated by 30 Sep 2020</li> </ul>
5	Leverage probationary period to retain only qualified employees / managers (ID meaning of qualified - conduct and performance).	<ul style="list-style-type: none"> <li>Create and publicize pass/fail criteria by 30 Sep 2020</li> <li>Implement network-wide compliance by 30 Nov 2020</li> </ul>

## Status:





**Initiative 6.3: Manage the Talent:** A skilled workforce that demonstrates the competencies needed to meet current mission requirements and is engaged in professional development to meet future challenges. (OPR: J9) (OCR: All)

**HQ Strategic Alignment: Objective 6.3: Manage the Talent**

**Campaign Plan Initiative:** Transform Training

**Objective:**

- Contemporary education, training, and experience requirements with set paths / curricula to maintain the required skills and enable advancement are defined through Functional Community Management (FCM) for Warehousing and Transportation fields.
- A skilled workforce that delivers more value at less cost.

**End State:**

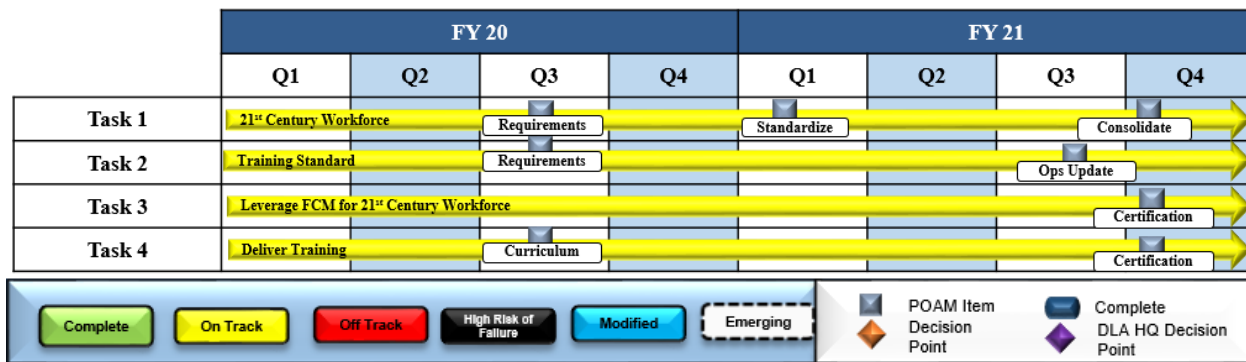
- Prescribed education, training and experience meets the emerging needs of the 21<sup>st</sup> century workforce.
- Standard of training is established, sustained and improved.

**Tasks and Metrics:**

	Tasks	Metrics
1	Prescribe education, training and experience to meet the emerging needs of the 21 <sup>st</sup> Century workforce.	<ul style="list-style-type: none"> <li>• Path established for top 10 series by 30 Sep 2020</li> <li>• Path established for top 20 series by 30 Sep 2021</li> <li>• Forecast functional DC training requirements by 31 Mar each year</li> </ul>
2	Standard of training is established, sustained, and improved.	<ul style="list-style-type: none"> <li>• Roles/responsibilities defined by 31 Dec 2019</li> <li>• 90% of employees Trained to Standard (T2S) on current processes as measured by QA / QC / audit results – reported in Ops Update starting 1 Jan 2020</li> </ul>
3	Leverage FCM to redefine education, training and experience requirements for 21 <sup>st</sup> Century employees and managers.	<ul style="list-style-type: none"> <li>• Training requirements are communicated and understood by 30 Jun 2020</li> <li>• 50% of required training modules completed by Sep 2020; 75% by Mar 2021; 100% by Sep 2021</li> <li>• Maintain training timetable at 1st line supervisor level to track skills progress by 31 Mar 2020; Report T2S proficiency and certification levels by site for population involved with report</li> </ul>

		in Ops Update by 1 Oct 2020
4	Design and deliver high quality functional training to enable employee certification leading to mastery of operational requirements for Warehousing and Transportation job series.	<ul style="list-style-type: none"> <li>• Agreements established by 30 Sep 2020</li> <li>• Process defined by 31 Dec 2020</li> <li>• Establish and execute a skills certification program by 30 Sep 2020</li> <li>• Publish certification levels and requirements by 30 Sep 2020</li> <li>• Certification training ready for first series by 31 Dec 2020</li> <li>• Report certification levels by site by 31 March 2021</li> </ul>

### Status:



**Initiative 6.4: Sustain the People:** Promote employee services (e.g. Employee Assistance Program (EAP), Family Assistance Program (FAP) fitness, etc.). Leverage alternate work schedule (AWS) and telework. Incorporate safety and security awareness into all processes and activities. (OPR: J9) (OCR: All)

### HQ Strategic Alignment: Objective 6.4: Sustain our People

**Objective:** Provide the environment, tools and resources for employees to be protected, resilient, and mission-focused in the face of professional and personal challenges.

**End State:** Improved workforce resiliency and employee engagement.

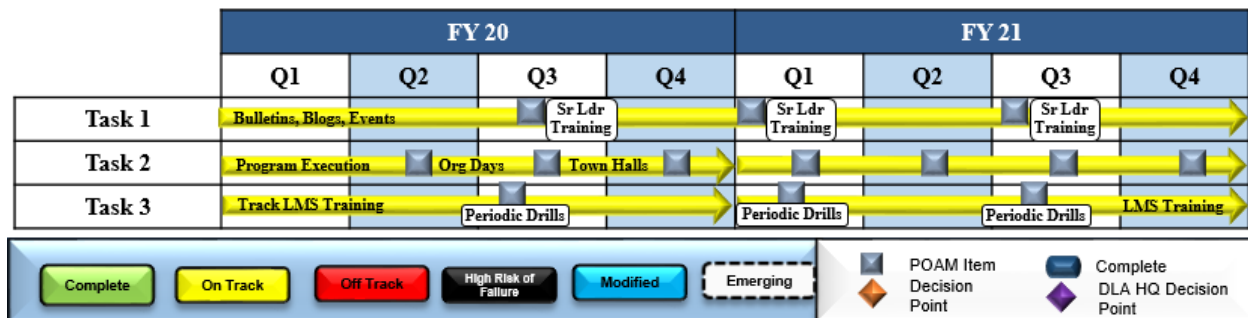
### Tasks and Metrics:

	Tasks	Metrics
1	Promote employee services – EAP, Morale Welfare & Recreation (MWR), Sexual Assault Prevention and Response (SAPR) and Wellness	<ul style="list-style-type: none"> <li>• Improved Health of the Agency Statistics – (e.g. Grievance, Readiness)</li> <li>• Attain DLA HQ annual goal of 95% completion for required training</li> </ul>



2	Leverage Quality of Life (QOL) Programs – Alternate Work Schedule (AWS), Telework, Fitness	Climate Survey – Improve Resiliency, Fitness & Wellness trends by 5% over 2016 results
3	Enhance Organizational Focus on personnel and installation Security	<ul style="list-style-type: none"> <li>By FY20, 95% completion of Information Security (INFOSEC), Operations Security (OPSEC), Counterintelligence (CI) and Anti-terrorism (AT) Level 1 training</li> <li>By FY20, 95% all Distribution supervisors complete awareness training regarding the procedures in the DLA Instruction 1438.01 on Workplace Violence Prevention and Response.</li> <li>By FY20, 95% of all Distribution supervisors and managers follow the requirements detailed in the DLA Instruction 1438.01 and properly fulfill their responsibilities</li> </ul>

### Status:



**Initiative 6.6: Perform and Reward:** Refine and improve DPMAP execution and management. Employ Specific Measurable Actionable Realistic and Timely (SMARTer) standards. Provide regular / frequent feedback and performance reviews. Create meaningful Individual Development Plan (IDPs). Manage an effective performance based awards program (monetary & honorary). (OPR: J9) (OCR: All)

**HQ Strategic Alignment: Objective 6.6: Perform and Reward. Initiative 6.6.1: Director's Imperative – Institutionalize DPMAP across the Agency:** Continue to collaborate across the agency with DLA Activities to ensure DPMAP information reaches all levels of the organization and effective performance management practices become institutionalized. During FY 19, complete an enterprise assessment of DPMAP lessons learned to inform adjustments to training, communications, and DPMAP procedures.

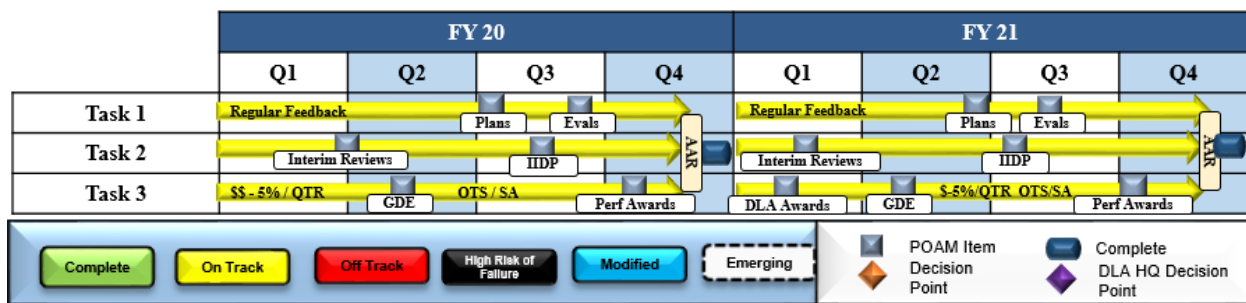
**Objective:** Sustain a results-oriented performance culture that links individual performance and recognition to organizational objectives and performance-based actions.

**End State:** Improve employee engagement, enhance accountability, and create a high-performing culture.

**Tasks and Metrics:**

	Tasks	Metrics
1	Improve DPMAP execution across the network.	Complete performance plans, progress reviews, and appraisals on time (97-100%).
2	Provide feedback, regular reviews & create Training Plans (TP / IDP).	Culture Survey - positive trends for feedback and mission clarity – up 5% over 2016 results
3	Maintain a performance based awards program (Monetary & Honorary).	Culture - positive trends in rewards and recognition – up 5% over 2016 results

**Status:**



**Initiative 6.7: Build Connections:** Publish and communicate the Distribution DOP. Develop, publish, and communicate action plans at the DC level. Practice High Performing Leadership (HPL) 1.1 skills, commence HPL 2.0 training and expand problem solving and employee engagement through continuous improvement projects / programs. Two-way dialog between supervisors and employees through DPMAP feedback sessions. (OPR: J9) (OCR: All)

**HQ Strategic Alignment:** Objective 6.7: Build Connections.

**Objective:** An environment where employees share common perspective, allowing work across organizational boundaries to eliminate “silos” and promote actions in the best interest of DLA.

**End State:** A culture that encourages collaboration, flexibility, and fairness to enable individuals to contribute to their full potential; Improved information sharing, innovation and productivity.



K-Crossing, Kuwait –An Iraqi tractor-trailer convoy head back to Baghdad after receiving their cargo of Caiman MRAPs. The delivery of the 28 MRAPs to the Iraqi government is part of the US-led Iraqi Security Forces Development and Equipping Program. (US Army photo by Master Sgt. Dave Thompson, 1TSC Public Affairs)

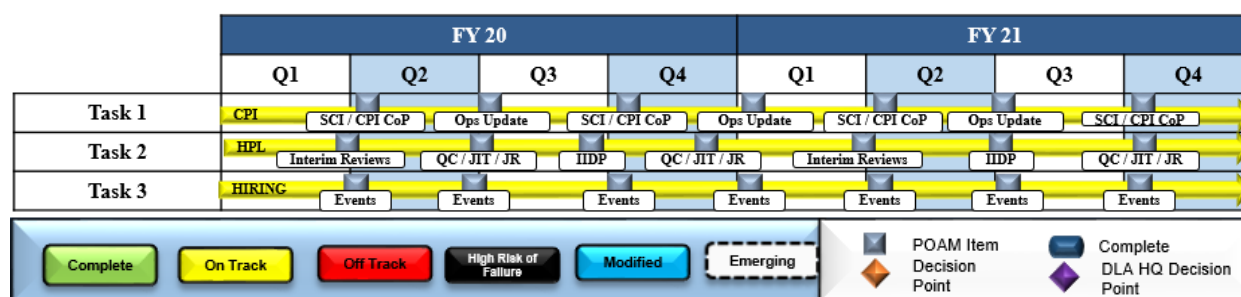




## Tasks and Metrics:

	Tasks	Metrics
1	Increase communication and collaboration to enable work across organizational lines.	<ul style="list-style-type: none"> <li>Culture Survey – positive trends (2016 baseline)</li> <li>Coordination &amp; Integration index up 5%</li> </ul>
2	Build relationships between supervisors and employees (HPL 1.0, DPMAP). Support Agency-level Master Labor Agreement (MLA) negotiations.	<ul style="list-style-type: none"> <li>Supervisor communication &amp; teamwork focus - up 5%</li> <li>Empowerment and diversity – up 5%</li> </ul>
3	Promote a diverse and inclusive environment that empowers employees to perform at their maximum potential.	Diversity metrics moving toward 12% goal for individuals w/ disabilities and 2% goal for targeted disabilities

## Status:



**Initiative 6.8: Protect the Workforce:** Execute a predictive Safety & Occupational Health (SOH) program by enabling organizations to focus on preventing the next mishap. Provide Field Activities with the capabilities to make timely, informed decisions based on risk. The DLA SOH program will be an enduring leadership program, enabling organizations to pursue recognition as Voluntary Protection Program (VPP) Star sites. (OPR: DM-DF) (OCR: J3/DCs)

**HQ Strategic Alignment: Initiative 6.8.1: Director's Imperative – Safety Program Modernization:** Support Agency efforts to modernize the SOH Program to comply with DoDI 6055.01. **Initiative 6.8.2:** Improve mishap reporting and investigation using the DLA SOH Management System in support of providing leaders with actionable trending and analysis for making risk-based decisions. **Initiative 6.8.3:** Improve SOH inspection and hazard management process to focus on eliminating or controlling identified hazards in the workplace. **Initiative 6.8.4:** Improve SOH training and awareness programs by aligning current programs with emerging SOH modernization efforts to ensure standardization across all organizations.

**Objective:** Leverage and enhance the DLA SOH Program to build a culture focused on reducing the risk of injury or illness to the workforce and maintaining a safe and healthy workplace.



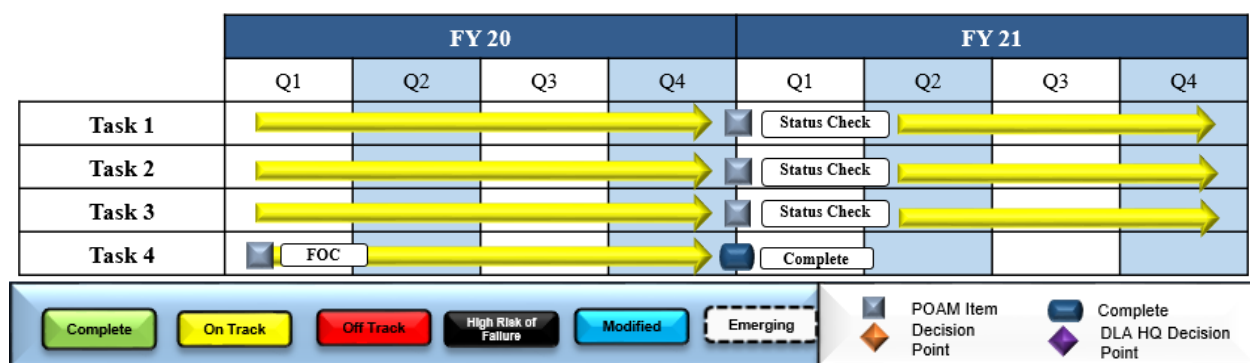


**End State:** Improve mishap reporting and inspection procedures and hazard prevention training and awareness to build a safety-conscious culture and reduce safety and health risks to the workforce.

### Tasks and Metrics:

	Tasks	Metrics
1	Report and investigate all mishaps in a timely manner.	<ul style="list-style-type: none"> <li>Quarterly reporting on mishaps with goal of 90% of mishaps reported &lt;1 day</li> <li>Quarterly reporting on mishaps with goal of 90% of mishap investigations closed within 45 days</li> </ul>
2	Identify, evaluate, control and mitigate risk.	<ul style="list-style-type: none"> <li>Quarterly reporting on annual safety inspections with 100% reporting by the end of FY20</li> <li>Quarterly reporting on Interim Controls with goal of 90% Adequate by end of FY20</li> </ul>
3	Train the workforce in SOH.	<ul style="list-style-type: none"> <li>90% of employee SOH Trained by end of FY20</li> <li>90% supervisor SOH Trained by end of FY20</li> </ul>
4	Execute the transition to SOH Modernization.	Transition personnel by the end of FY20

### Status:





# LOE 7: DISTRIBUTION 21 ENABLERS





## **LOE 7: DISTRIBUTION 21 ENABLERS (D21)**

This focus area is ideologically aligned to HQ's Critical Capability ENTERPRISE ENABLERS. At the Enterprise level, the emphasis is on shifting to commercial Information Technology (IT) solutions and cloud based services; promoting the collection and analysis of the right data to facilitate optimum decision making; and improving processes to enhance our agility.

At DLA Distribution, this LOE translates into efforts to bring our S&D network into the 21<sup>st</sup> Century. D21 is part of a broader effort to ensure DLA Distribution continues to innovate and implement technological improvements to maintain the long-term health of the organization. Since these efforts require long-term planning, DLA Distribution is concurrently developing a Campaign Plan which will encompass the following initiatives. The D21 initiatives are interrelated efforts to modernize DLA Distribution, which are tied together by an Integrated Architecture.

**Initiative 7.1: Implement and Sustain Modernization:** Industry standard modernization solutions across the Distribution enterprise. (OPR: J4) (OCR: J3/J6/J7/DM-DF/DCs)

**HQ Strategic Alignment: Initiative 7.3.1: Director's Imperative – Robotic Process Automation (RPA):** A subset of Intelligent Automation, RPA is an emerging software technology in which computer "bots" mimic human actions to accomplish computer-based activities. RPA provides the capability to automate manual, structured, repetitive processes that follow a set of established rules. Although the word "robotic" is in the name, RPA bots are software, not physical robots. The capabilities of RPA will enable DLA employees to spend more time on higher value tasks. Conservatively, we expect to save 50k man hours by the end of FY 19 by employing the technology. **Initiative 7.3.2: Director's Imperative – Distribution Modernization Program (DMP):** DMP seeks to bring state-of-the-art technology to the Storage and Distribution efforts of DLA. The WMS is the first step to an Enterprise Resource Planning (ERP) in the cloud and moves DLA to a commercial off-the-shelf warehouse management and transportation solution.

**Campaign Plan Initiative:** Implement and Sustain Modernization

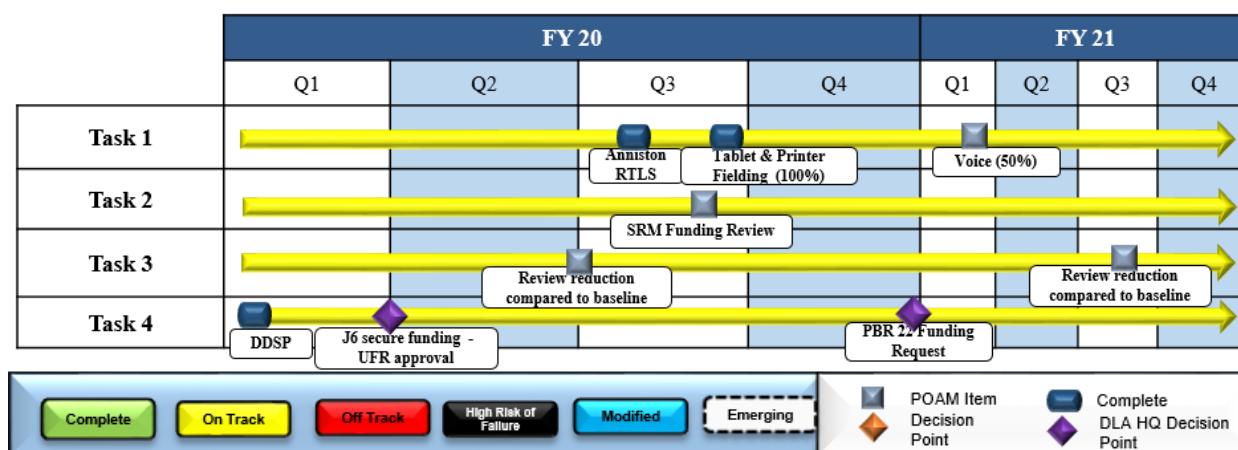
**Objective:** Aggressively implement modernization efforts targeting significantly reduced human decisions and interaction. Reduce labor costs by 50% and increase productivity by 30-50% by FY30.

**End State:** Bring DLA Distribution warehouses into the technological future and keep them there.

### Tasks and Metrics:

	Tasks	Metrics
1	Technologically enhance and sustain the Top 7 DCs (through Vertical Lift Modules (VLMs), Slotting, Augmented Reality (AR), AGV (Autonomous Guided Vehicle), bots, printers & tablets, Voice technology, etc.)	<ul style="list-style-type: none"> <li>50% of existing projects at Top 7 sites completed by end of FY20, balance complete by end of FY21</li> <li>Assess all remaining DCs by end of FY20, implement plans by end of FY24</li> </ul>
2	Prioritize infrastructure resourcing.	98% execution of Sustainment, Restoration, and Modernization (SRM) funding annually
3	Integrate technology to reduce safety mishaps.	10% reduction in equipment-related Occupational Safety and Health Administration (OSHA) Reportables annually starting in FY21
4	Update IT network infrastructure.	25% of Top 7 Sites completed by 1 <sup>st</sup> QTR FY21 – dependent upon funding

### Status:



**Initiative 7.2: Simplify Processes:** Using commercial industry standards and the application of Supply Chain Operations Reference (SCOR) principles, leverage best practices to eliminate non-value added processes, removing unnecessary and redundant steps, as Distribution updates the S&D network. (OPR: J4) (OCR: J3/J6/J7/DM-DF/DCs)

**HQ Strategic Alignment: Initiative 7.1.1: Director's Imperative – Innovation and Agile Development:** Implement an Agency-wide plan focused on innovation and Agile Development. The J6 Innovation Team facilitates ad hoc projects using techniques like Design Thinking and Lean Start-Up methodology to collaborate with DLA problem owners/sponsors on high-impact initiatives. Through tackling a varied array of issues, the team develops connections with outside partners and maintains a reservoir of institutional



knowledge of the tools and techniques that work in DLA. We define enterprise innovation as an integrated but flexible set of activities and approaches. Through exposure and training the DLA workforce in innovation methods and partnering with academia to help us solve select DLA problems, this FY we will create efficiencies in problem solving for the Agency as the workforce learns methods to labor independently to reach solutions while discovering new ways and efficiencies to exploit through our collaboration in academia's innovation programs. **Initiative 7.3.2: Director's Imperative – DMP:** DMP seeks to bring state-of-the-art technology to the Storage and Distribution efforts of DLA. The WMS is the first step to an ERP in the cloud and moves DLA to a commercial off-the-shelf warehouse management and transportation solution.

**Campaign Plan Initiative:** Simplify Processes

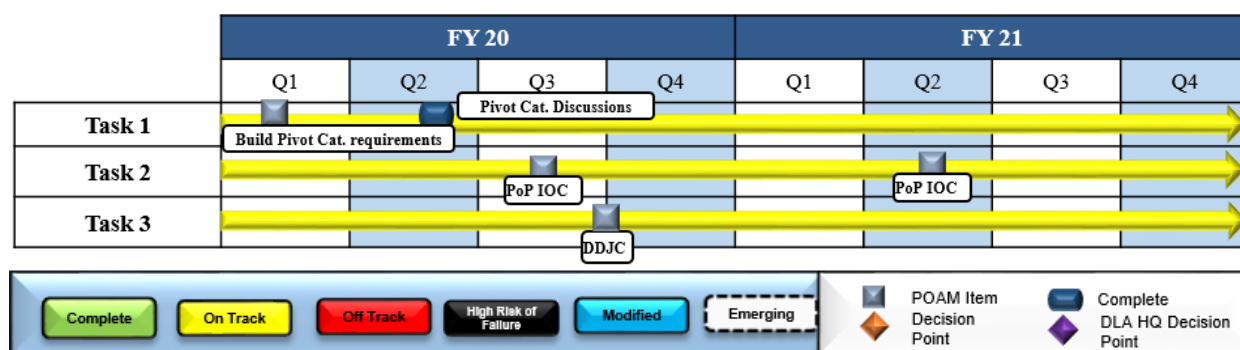
**Objective:** By FY25, simplify and reduce number of processes from FY 19 baseline by 25%.

**End State:** Minimize worker interaction and decisions in processes to allow us to become less expensive, more agile, and audit compliant.

**Tasks and Metrics:**

	Tasks	Metrics
1	Implement commercial off-the-shelf (COTS) WMS across the Distribution network.	Implement 30-50% of pivot categories by Feb 2020, 100% by May 2020
2	Leverage industry partners for product development and best practices.	Five PoP efforts implemented by FY26
3	Utilize initiatives to refine non-systemic processes (eliminates non-value added movements).	Complete effort at DDJC by end of June 2020

**Status:**







An unmanned automated guided vehicle, part of the DLA Distribution modernization strategy, is currently at work in DLA Distribution Susquehanna, Pennsylvania's Eastern Distribution Center, assisting employees by moving materiel from location to location, freeing up warehouse employees to focus on materiel order receiving and processing. (DLA Distribution Public Affairs photo by Diana Dawa)



**Initiative 7.3: Transform Production:** Build and equip the Distribution network with technologically advanced industry best practices. (OPR: J4) (OCR: J3/J6/J7/DM-DF/DCs)

**HQ Strategic Alignment: Initiative 1.7.2: Director's Imperative – Transform DLA Storage and Distribution. Initiative 7.2.4:** Increase the Use of Automated Financial Systems/ Tools/Applications to Reduce Cost, Increase Ability and Maintain DLA Audit-Readiness, and Increase Productivity.

**Campaign Plan Initiative:** Transform Production

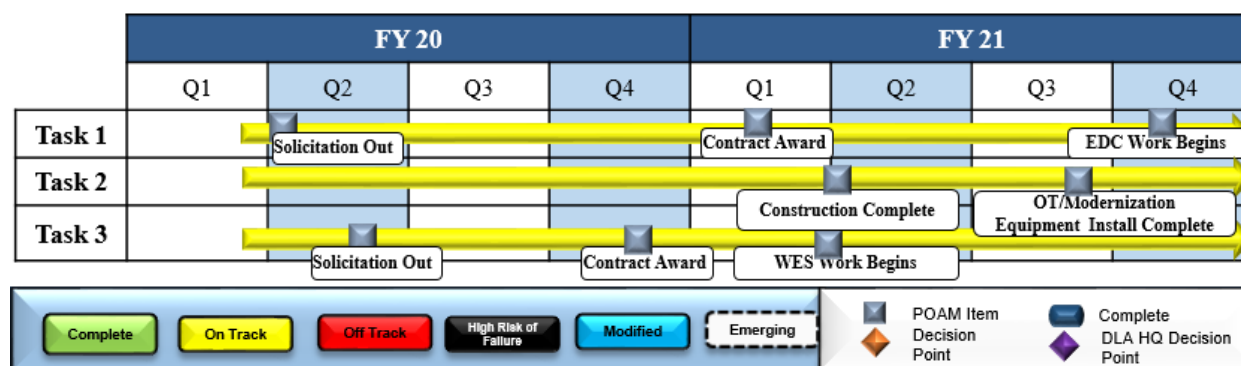
**Objective:** Increase efficiency (reduce resources, waste, and cost and increase velocity and quality while optimizing space and manpower) as part of an embedded S&D system.

**End State:** Integrated S&D system that delivers high quality, on time, and with reduced resources.

**Tasks and Metrics:**

	Tasks	Metrics
1	Equip the 21st Century Warehouse (starting w/ Eastern Distribution Center (EDC)).	EDC equipped at 5-10% by end of FY21 with completion by FY24
2	Build the 21st Century Warehouse.	Korea Operational Testing (OT) of Automated Material Handling Equipment (AMHE)/other modernization equipment installation by 2 <sup>nd</sup> QTR FY21
3	Integrated oversight of warehouse execution: WES (Warehouse Execution System).	Anticipate overall project completion at 25-30% by end of FY21

**Status:**



**Initiative 7.4: Reengineer How We See Ourselves:** Leverage big data and business intelligence tools for faster and better decision making. (OPR: J3) (OCR: J4/J6/J7/DM-DF/DCs)

**HQ Strategic Alignment:** **Initiative 1.5.1:** Assess and improve DLA systems, performance, and service from the Warfighter perspective. **Initiative 7.2.1: Director's Imperative – Data Management and Predictive Analytics:** Develop and execute a Data Management and Predictive Analytics Strategy that identifies and implements advanced data access and governance capabilities and practices, and state-of-the-art predictive analytics capabilities, to include artificial intelligence and machine learning, that optimize business process and investment decision making for DLA in FY 19. **Initiative 7.2.2: Technology Analytic Capabilities Initiative 7.3.5:** Integrate state of the art mobile solutions into the DLA enterprise.

**Campaign Plan Initiative:** Reengineer How We See Ourselves

**Objective:** Operational level management tools that improve decision making and timeliness.

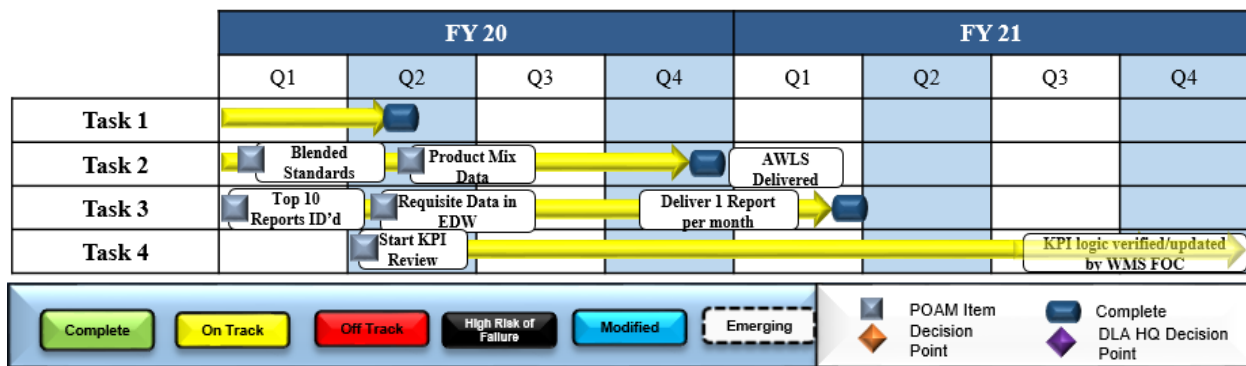
**End State:** Near real time data to accelerate problem solving and decision making and to allow for improved performance and productivity.

**Tasks and Metrics:**

	<b>Tasks</b>	<b>Metrics</b>
<b>1</b>	Obtain and populate requisite operational data to the Enterprise Data Warehouse (EDW) so it is accessible by Business Intelligence (BI) and other analytical tools.	All requisite data in EDW by Jan 2020
<b>2</b>	Implement a network-wide production management tool.	Automated Workload Leveling System (AWLS) production management tool fielded and trained across Distribution network by Aug 2020
<b>3</b>	Transform current/select management reports to the BI software.	Convert Top 10 Distribution management reports to Qlik visualizations by Dec 2020
<b>4</b>	Evaluate operational metrics calculations, exclusion criteria, etc. for major Key Performance Indicators (KPIs) prior to conversion to a new WMS.	Major KPI logic verified and/or updated by WMS FOC



### Status:



**Initiative 7.5: Increase Productivity:** Use best in class standards to model and manage productivity. (OPR: J4) (OCR: J3/J6/J7/DM-DF/DCs)

**HQ Strategic Alignment: Initiative 7.2.3:** Engineering and Technical Data Digitization and Management.

**Campaign Plan Initiative:** Increase Productivity

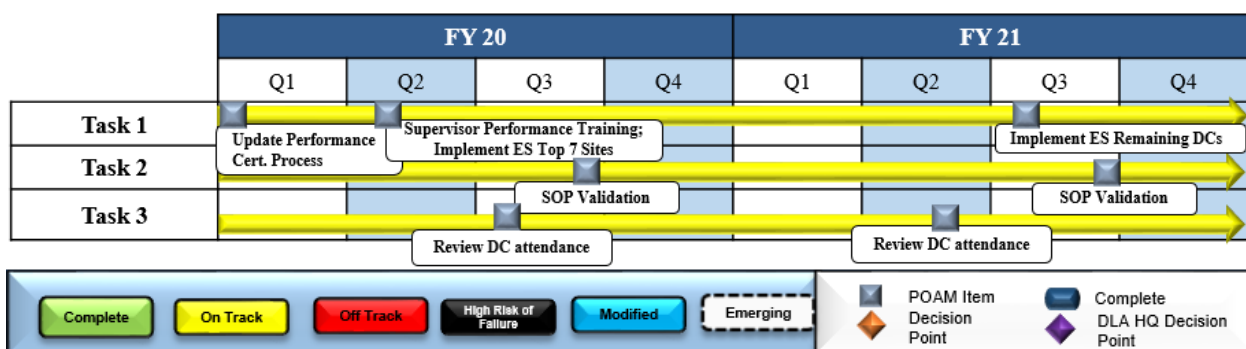
**Objective:** Implement process and systems improvements specifically targeted at eliminating waste.

**End State:** Reduce the time required to perform core processes by 50%.

### Tasks and Metrics:

	Tasks	Metrics
1	Implement Engineered Standards.	100% Complete for Top 7 Sites by 3 <sup>rd</sup> QTR FY21
2	Adjust production standards based on process changes.	Complete Standard Operating Procedure (SOP) validation and production standards and review annually by 4 <sup>th</sup> QTR of each FY
3	Increase the number of productive hours.	≥ 90% personnel attendance at all DCs

### Status:



**Initiative 7.6: Manage Inventory Accuracy:** Using industry best practices and technology to improve inventory accuracy. (OPR: J4) (OCR: J3/J6/J7/DM-DF/DCs)

**HQ Strategic Alignment: Initiative 7.2.4:** Increase the Use of Automated Financial Systems/Tools/Applications to Reduce Cost, Increase Ability and Maintain DLA Audit-Readiness, and Increase Productivity.

**Campaign Plan Initiative:** Intensively Manage Inventory Accuracy

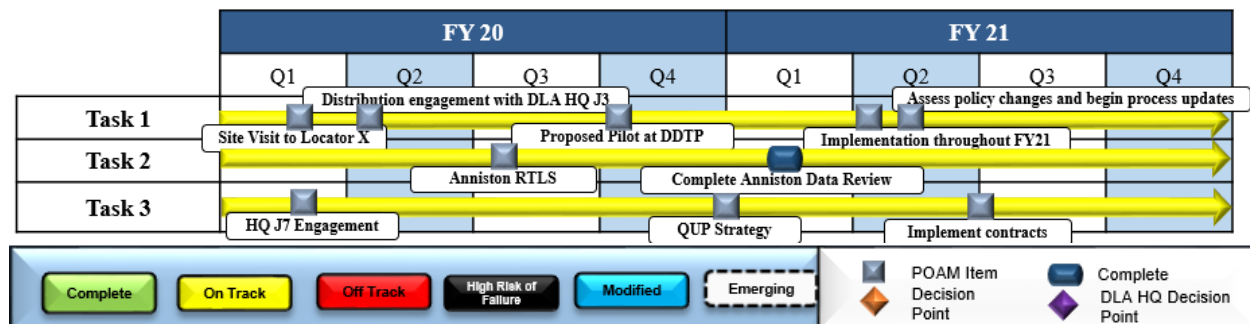
**Objective:** Achieve 100% inventory accuracy.

**End State:** The materiel on the shelf matches the materiel in the system of record and vice versa.

**Tasks and Metrics:**

	Tasks	Metrics
1	Update policy to enable 100% inventory accuracy.	100% implementation of updated inventory policies by FY21
2	Automate inventory assessment (through Radio Frequency (RF), smart locations, Real Time Location Services (RTLS), robotics, Artificial Intelligence (AI), and rejection protocols aligned to WMS/WES).	<ul style="list-style-type: none"> <li>10% reduction in time required to complete 100% Inventory by FY26</li> <li>5+% increase in Inventory Accuracy (reduce inventory complexity by aligning Inventory and Packaging Requirements with commercial standards) by FY21</li> </ul>
3	Reengineer sales orders to allow issue in line with quantity unit pack (QUP).	<ul style="list-style-type: none"> <li>Develop strategy for contract alignment by end of FY20</li> <li>Begin implementation of contracts by mid-FY21</li> </ul>

**Status:**





## **ANNEX A: DISTRIBUTION TAXONOMY**

**Defense Logistics Agency (DLA).** DLA is the combat support agency of the Department of Defense (DoD) responsible for providing integrated materiel management for assigned items of supply and services. DLA functions as an integral element of DoD by providing worldwide logistic support to the Military Departments and the Combatant Commands (CCMDs) across the range of military operations, as well as to other DoD components, United States government (USG) departments and agencies, foreign governments, and intergovernmental organizations (IGOs). DLA manages or distributes a significant amount of defense materiel stocks, including physical distribution of Service-owned and -managed stocks and nearly all fuel and petroleum products for military use. DLA coordinates and performs the procurement, management, and supply of the following supply chains DoD-wide: Class I (subsistence), Class II (clothing and textiles), Class III (bulk petroleum), Class IV (construction and barrier materiel), Class VIII (medical materiel), and Class IX (repair parts). In this capacity, it also serves as the DoD Executive Agent (EA) for Class I, III, IV, and VIII material. Joint Publication (JP) 4-09

**DLA Distribution** is one of DLA's Major Subordinate Commands. From its headquarters in New Cumberland, PA, it operates a Strategic Distribution Network of global distribution centers that receive, stow, pick, pack arrange transportation, and ship materiel in support of customer requirements in DoD and other USG departments and agencies. Within the DLA Distribution network, several distribution centers are classified as Strategic Distribution Centers (SDCs) because of their global focus, throughput capacity, transportation capabilities, a Consolidation and Containerization Point, and size of their customer bases. Additionally, many Distribution Centers (DCs) are co-located with Service industrial nodes for direct support to the Organic Industrial Base. JP 4-09

**Wholesale Level of Supply.** The highest level of organized DoD supply that procures, repairs, and maintains stocks to resupply the retail levels of supply. Synonymous with "wholesale supply," "wholesale level of supply," "wholesale echelon," and "national inventory." DoD Manual 4140.01-V11, March 8, 2017

**Retail Level of Supply.** Level of inventory below the wholesale level, either at the consumer level for the purpose of directly providing materiel to ultimate users or at the intermediate or regional level for the purpose of supplying consumer levels or ultimate users in a geographical area. DoD Manual 4140.01-V11, March 8, 2017

**DLA Distribution Expeditionary (DDXX).** DDXX is a deployable distribution capability. Its personnel consist of Civilian Expeditionary Workforce, active duty military, and organic reserve units. The DDXX fulfills distribution requirements that cannot be supported from the fixed base network of distribution centers in Continental United States (CONUS) and Outside Continental United States (OCONUS). The DDXX provides an in-theater DLA face to the Geographic Combatant Command (GCC) and Service component logistic headquarters that enables better control, management, and visibility of materiel flowing from national sources to the theater and, ultimately, the end user. It is scalable to GCC requirements and is capable of supporting troop densities up to 120k. It manages in-theater materiel to include sustainment distribution, materiel consolidation, break-bulk, cross-docking, and inventory management over Class I, II, IIIP, IV, VIII, and IX supplies. JP 4-09

**Consolidation and Containerization Point (CCP).** Discrete units that receive, consolidate, containerize, and ship to a designated customer base. CCPs also build pallets for air shipment and containers for surface intermodal movement to customers. JP 4-09

**Materiel Processing Center (MPC).** Offers customized materiel processing to the US Navy. MPCs receive and consolidate materiel from multiple sources, organize it by type or shipboard storeroom location, and place it in staging locations by DoD Address Activity Code (DoDAAC) for local delivery to ships in port. Materiel is either held in staging locations until pre-determined delivery dates, or it is forwarded to the next destination of a ship underway as specified by the Cargo Routing Identification File data. JP 4-09

**Theater Consolidation and Shipping Point (TCSP).** A capability where personnel deconsolidate "mixed" containers (containers that contain shipments for multiple DoDAACs and 463L air pallets originating from global Aerial Ports, Surface Ports, and Strategic Distribution Platforms. Materiel is then sorted by lanes to local customers within the supported Area of Responsibility (AOR) for distribution to the end user. TCSP capabilities may also include receiving and processing customer returns and Service-owned assets for redistribution (retrograde) as well as shipping non-DLA owned assets to customers globally (referrals). The TCSP reduces transportation costs by receiving mixed shipments, reducing the number of containers and 463L air pallets needed to support customers. The TCSP can also consolidate outbound cargo departing the theater of operations for both commercial and military air and surface movement. JP 4-09

**DLA Support Team (DST).** In a Humanitarian Assistance/Disaster Relief or Contingency Operation, the DST provides initial logistics capability to rapidly establish and support initial operations, logistics, and forward distribution nodes; facilitate throughput; and establish asset visibility of DLA supplies in the affected AOR. DLA is responsible for manning, equipping, training, readiness, deployment, employment, redeployment, and reconstitution of the DST in order to support the AOR with a comprehensive logistics enabling force package to truly deliver end-to-end distribution and sustainment with a jointly trained force.

### **Distribution Center Types and Capabilities**

**Distribution Center (DC).** A DLA Distribution location that stores and provides supplies for use by supported activities. Their primary role is to ensure readiness or the ability to conduct operations; they keep assets on hand in order to support immediate needs so that their customers can accomplish their missions as planned. The assets they hold are managed by DLA, the Services or one of several of DLA's Whole of Government partners. The six essential functions performed by a DC are: (1) Receive, (2) Stow, (3) Pick, (4) Pack, (5) Arrange Transportation, and (6) Ship. DCs are led by a Commander or Director.

**Strategic Distribution Center (SDC).** SDCs are the central element of the DLA Distribution concept, responsible for most storage of DoD-owned materiel at the wholesale level and replenishment of other DLA DCs. SDCs are the first location in CONUS to be checked by sourcing logic for materiel, and they provide capacity to support other SDCs in time of surge; this requires a high rate of facing fill. SDCs enable lower-cost order fulfillment for suppliers by aggregating regional demand and consolidating materiel for scheduled/dedicated truck or into 463L pallets or seavans for overseas destinations. A distribution center is designated as an SDC by: (a) providing storage and distribution to support DoD within each of the five customer groups (Global, Army, Navy, Air Force, and OCONUS) with global levels of stock and a regional focus; (b) have Consolidation and Containerization Points to reduce Requisition Wait Time (RWT) and workload for overseas customers; and (c) are supported by USTRANSCOM provided OCONUS surface and air routes, both military and commercial. SDCs are normally commanded at the Officer grade 6 (O-6)/Grade Scale 15 (GS-15) level with supporting staff and detachments.

**Industrial Distribution Center (IDC).** IDCs are CONUS distribution centers that are collocated with industrial partners and position repair parts next to those partners. IDCs are supported by vendors as well as by the SDCs via dedicated truck. Additionally, IDCs can perform various other functions, such as MPC and retail operations, based on their location and customer requirements.

**Special Purpose Distribution Center (SPDC).** SPDCs are CONUS distribution centers that are typically not collocated with an industrial partner and provide a specific service to the network as well as its customers (e.g. Hazardous Materiel (HAZMAT) Center Of Excellence (COE)). SPDCs are supported by vendors as well as by the SDCs via dedicated truck. Additionally, SPDCs can perform various other functions, such as MPC and retail operations, based on their location and customer requirements.

**Theater Distribution Center (TDC).** TDCs are OCONUS distribution centers that support stock positioning and forward movement of requisitioned materiel, especially heavy and bulky items, in order to support deployed forces. TDCs are supported by OCONUS surface and air transportation modes, both military and commercial. These distribution centers offer OCONUS customers the opportunity to forward position stock and thereby enhance the distribution system responsiveness.

**Distribution Site (DS).** A DS is a small distribution capability co-located with a customer. A DS normally serves a specific mission to support their co-located customer and do not perform at least one of the six mission requirements for a DC. A DS is normally not collocated with a DC, but reports to the DC Commander/Director through their chain-of-command.

### **Mission Command**

**DLA Distribution Brigade (DBDE).** DBDEs are the central element of the DLA Distribution concept, responsible for most storage of DoD-owned materiel at the wholesale level and replenishment of other DLA DCs. Brigade-level distribution centers are designated as brigades by level of command, complexity, and volume. They are led by an O-6 who will be called a Brigade Commander or a GS-15 who will be called a Senior Director.

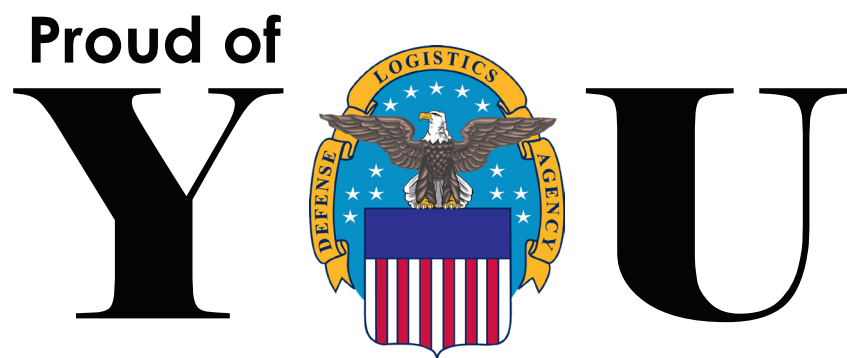
**DLA Distribution Battalion (DBN).** DBN are typically smaller and less complex operations than the DBDE. They are normally collocated with an industrial customer or located forward within a CCMD. DBNs hold both DLA- and Service-owned stock at varying levels in order to directly provide service to their local partners. Distribution centers are designated as Battalions by level of command, complexity, and volume. They are led by an O-5 who will be called a Battalion Commander or a senior GS employee who will be called a Director.

**DLA Distribution Detachment (DDD).** A DDD is either a DC or DS that reports to a Brigade/Battalion Commander, Senior Director, or Director. They are distribution nodes that are less complex or have lower capacity than a DBDE or DBN and can hold Service-owned stock, DLA-owned stock, or both. The leader of a DC that reports to a Brigade/Battalion Commander, Senior Director, or Director is called an Associate Director. The leader of DS is called a Site Lead.

**DLA Distribution Staff Director:** A Distribution Headquarters (HQ) Staff Director is in charge of a major Staff Directorate and reports to the DLA Distribution Deputy Commander. The staff director has global responsibilities and supports DLA Distribution's Strategic Distribution Network. Because of the complexity and strategic nature of their responsibilities, these positions are normally filled by an O-6/GS-15 and are called an Executive Director.

**Distribution Center Representative (DCR).** A DCR is a DLA Distribution HQ staff asset that directly supports the DC. They serve as a conduit between DLA Distribution HQ staff and the DC staff. They provide administrative and analytical support to the DCs as well as advocate for the DC within DLA Distribution HQ.





**"I am proud to serve as  
your Commander and  
proud of this great Team!"**

-Kevin Jones  
RDML, SC, USN

