

# **Defense Logistics Agency**

## **Fiscal Year 2019 Annual History**



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

**Second Printing**

**DLA History Program  
February 2019**

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# Defense Logistics Agency

## Fiscal Year 2019 Annual History

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# Defense Logistics Agency

## Message from the Director Fiscal Year 2019 Annual History

The Defense Logistics Agency (DLA) experienced an incredible Fiscal Year (FY) 2019. While reinforcing our commitment to the DLA Strategic Plan 2018-2026, we focused on continued Warfighter readiness, support to defense reform and audit advancement. Significant achievements included execution of \$42B in sales, support for four disaster events, robust industry engagements, expanded Whole of Government partnerships, establishment of the Agency Synchronization Operations Center and the Audit Task Force, exceeding small business goals for the seventh year in a row...and much more.

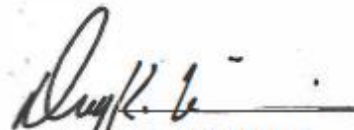
This Annual History is a narrative account of what the Agency faced, accomplished and overcame during the twelve months ending September 30, 2019. It differs from financial and management reports in that it covers not only what we did, but why and how we did it. As such, DLA's Annual History is both an official record and a tool for preserving the legacy of this great organization.

It is my hope that readers of this annual history take away three important observations. The first is that our *people* were behind everything DLA accomplished in FY 2019. Even advances such as robotics processing, additive manufacturing, and unmanned aerial vehicle delivery involved human planning and programming. People are at the heart of everything we do.

The second takeaway is that the challenges we faced in FY 2019 made us better. DLA responded to adversity by increasing more than ever its support to DoD priorities to improve military readiness, strengthen alliances and bring about business reforms.

The third takeaway is DLA's breadth of support. While our primary customers remain the Military Services, we raised the bar with support to other governmental partners during the fiscal year, establishing new formal agreements with the Department of Veterans Affairs and the Defense Health Agency. DLA will continue to focus on Warfighter and Whole of Government support during FY 2020.

As we continue to lead change into the next fiscal year and beyond, we will ensure the Defense Logistics Agency remains indispensable as our "Nation's Combat Logistics Support Agency." Enjoy the read!



DARRELL K. WILLIAMS  
Lieutenant General, U.S. Army  
Director

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# Defense Logistics Agency

## Executive Summary

### Fiscal Year 2019 Annual History

#### 1. Introduction

The Defense Logistics Agency (DLA) is the nation's combat logistics agency. Headquartered at Fort Belvoir, it conducts over \$40 billion in wholesale and retail sales every year. DLA provides end-to-end management of nine supply chains and counts Military Services, federal departments, local governments, and international partners as customers.

#### 2. Organization

a. The Defense Logistics Agency is a largest of the nation's defense agencies. Its offices are grouped into a headquarters and six Major Subordinate Commands (MSCs).

b. The headquarters includes the Office of the Director; six functional, or "J" staffs; and ten Director, or "D" staffs.

c. "J" staffs include:

- (1) DLA Human Resources (J1)
- (2) DLA Logistics Operations (J3)
- (3) DLA Information Operations (J6)
- (4) DLA Acquisition (J7)
- (5) DLA Finance (J8)
- (6) DLA Joint Reserve Force (J9)

d. "D" staffs include:

- (1) DLA Installation Management (DM)
- (2) DLA Small Business Programs (DB)
- (3) DLA General Counsel (DG)
- (4) DLA Office of the Inspector General (DA)
- (5) DLA Intelligence (DI)
- (6) DLA Legislative Affairs (DL)
- (7) DLA Equal Employment Opportunity (DO)
- (8) DLA Public Affairs (DP)
- (9) DLA Chaplain (DH)
- (10) DLA Transformation (DT)

e. Major Subordinate Commands include:

- (1) DLA Land and Maritime is headquartered at Columbus, OH.
- (2) DLA Troop Support is headquartered at Philadelphia, PA.
- (3) DLA Aviation is headquartered at Richmond, VA.
- (4) DLA Energy is headquartered at Fort Belvoir, VA.
- (5) DLA Disposition Services is headquartered at Battle Creek, MI.
- (6) DLA Distribution is headquartered at New Cumberland, PA.

### 3. Key Personnel

a. The below chart depicts key leaders as of September 30, 2019.





**b. Key Leadership Changes**

(1) On December, 31 2018, Mr. Ted Case, Vice Director, retired. He was replaced in March by Mr. Michael Scott.

(2) On April 26, 2019, Maj Gen Mark K. Johnson, J3, retired. He was replaced on June 3, 2019 by Maj Gen Allan Day.

(3) On July 30, 2019, Ms. Gretchen Anderson, Chief Financial Officer, retired. She was replaced on July 22, 2019 by Mr. John Arthur (Art) Hagler.

(4) On September 6, 2019, RADM Deborah P. Haven, J9, retired. She was replaced that month by RDML Grafton D. Chase

(5) On March 17, 2019, Mr. Matthew F. Pausch became DLA's General Counsel. He replaced Melinda L. Perritano, who had served in an acting capacity.

(6) On June 25, 2019, BG Mark T. Simerly finished command of DLA Troop Support. He was replaced on the same day by BG Gavin A. Lawrence.

(7) On July 9, 2019, Brig Gen Linda S. Hurry finished command of DLA Aviation. She was replaced on the same day by Brig Gen David J. Sanford.

(8) On August 5, 2019 Ms. Christina Young, Director, Small Business Programs, left DLA. She was replaced in an acting capacity by Sherry Savage.

**4. Total Personnel**

On September 30, 2019, DLA had 26,489 employees (25,299 civilian, 518 active-duty military, and 672 reservists).

**5. Historical Narrative**

Despite leaving office in January, Secretary of Defense James N. Mattis influenced the Defense Logistics Agency (DLA) throughout Fiscal Year (FY) 2019. The three priorities he set upon taking office in early 2017 generated reforms that were fully underway by October 2018; both his priorities and the Department of Defense (DoD)'s advancement of them remained unchanged during the acting secretaryship of Patrick M. Shanahan and first months of Dr. Mark T. Esper's tenure. While DLA reacted to events and pursued its own initiatives, efforts to restore military readiness, apply business practices, and strengthen America's alliances encapsulate the fiscal year's most significant developments.

DLA increased readiness by ensuring that its customers – the military services, combatant commands, and other federal agencies – received the commodity or repair part they needed, when they needed it. By focusing on the items most affecting readiness, the Agency improved its material availability (MA) for almost every supply chain. Overall, DLA ended September with a 96.2 percent MA, 0.7 percent higher than the end of September 2018. Other metrics, such as backorders and on-time inventory, improved as well. Also noteworthy, DLA became the global transportation and North American warehouse supplier for the F-35 Lightning II, a multi-purpose fifth generation jet whose development has become the most expensive acquisition

program in history. Both DLA Aviation and DLA Distribution expect to see increased business from this assignment.

To track MA and other readiness indicators, DLA added more display tools and real-time data to its readiness dashboard. Established in March 2018 by Army Lieutenant General Darrell K. Williams, the Agency Director, this web-based display presents a common picture of where the enterprise stands at any point in time. To maximize access, DLA keeps the information posted to this site unclassified.

Efforts to increase DoD readiness dropped the Agency's on-hand cash to perilous levels and constrained the amount it could obligate contractors. In response, LTG Williams authorized austerity and other cost-saving measures. Employees began this effort in March by reducing travel, overtime, and training. DLA then lengthened the time it took to pay vendors, a move that preserved cash. It also reduced the up-front money paid to suppliers by restricting Long Term Contracts to under thirty days.

By summer, DLA leaders realized that more needed to be done. Initiating Operation AGENCY RESOLVE, they sought new ways to reduce back orders, unliquidated obligations, and suspended stock. By forcing DLA to examine individual purchase orders and discern buying trends, Operation AGENCY RESOLVE left the agency in decent shape at the end of the fiscal year. While a response to cash / obligating authority shortages, the operation had the benefit of educating internal and external audiences on the intricacies of DLA business practices.

Other business reforms influenced the Agency in FY 19, the most central of which was the Defense-Wide Review. Announced by Secretary Mark T. Esper at his confirmation hearing in July, the Defense-Wide Review has the potential of changing how DLA operates. Esper's goal is to align DoD components with Mattis's 2018 National Defense Strategy, which identified great-power competition as the most dangerous threat facing America. The consequences of this review will likely be the dominant story for First Quarter, FY 20, if not the entire year.

Second in importance only to the Defense-Wide Review was audit reconciliation. As mandated by Congress, DLA underwent a financial audit in 2018. Conducted by Ernst and Young and based on the standards in the Office of Management and Budget's A-123 circular, the audit noted deficiencies in the Agency's business practices. The enterprise is working to resolve these deficiencies, known as Notices of Findings and Recommendations, with the goal of obtaining clean opinions as soon as possible. Because of its multiple customers and supply chains, DLA ended the fiscal year with work to do.

In addition to financial reforms, DoD initiated Defense Agencies and Field Activities (DAFA) reviews in FY 19. Overseen by the Department's Chief Management Officer, these reviews seek



to eliminate duplicative functions in Fourth Estate entities. While enterprise-wide examinations of financial management, healthcare, acquisition, information technology, real property, and human resources have yet to result in organizational change, it is possible that DAFA elements will end up sharing even more services than they already do. As of the end of September, it looks like J1, DLA Equal Employment Office, and DLA Intelligence will continue to support other DAFA elements but J6 will transfer personnel to DISA.

To manage these reforms, the Agency has established an independent entity in the Office of the Director. DLA Reform generates strategies for Department-wide initiatives and tracks their implementation. To understand how the Agency spends money, DLA Reform works with McKinsey & Company to conduct “sprints,” or intense looks into the financial operations of MSC or enterprise functions. In FY 19, these sprints focused on financial and warehousing activities. For example, DLA Reform oversaw a DoD study that determined the Department had an 8 to 24 percent overage in its non-tactical storage. Another initiative overseen by DLA Reform is cost transparency, an effort based on the assumption that businesses and customers will be more willing to work with DLA if they understand what they were being billed for and why.

DLA participated in one more business reform during the year. While DoD has long used Military Interdepartmental Purchasing Requests to transfer money from one organization to another, these transfers have not always been backed by agreements between sender and receiver. The Department of Treasury is looking to correct this deficiency with G-invoicing. As with many reforms, G-invoicing will increase ease of execution but only after a lot of up-front work, to include determining who needs agreements with whom.

G-invoicing is important as DLA continues to grow its support to the whole of government. One key addition in FY 19 was the Department of Veterans Affairs (VA). Although DLA has long worked with VA, the two agencies signed an agreement in August that will decrease both the wholesale prices paid by DLA Troop Support’s medical directorate and the retail prices paid by VA. DLA Troop Support’s subsistence directorate may extend assistance to VA as well. Currently, it is increasing its support to the U.S. Department of Agriculture (USDA). The USDA oversees the nation’s school lunch program; many school districts in the country already rely on the directorate’s purchasing power to obtain meals at reasonable prices. Finally, on August 15, the medical directorate established an enduring relationship with the Defense Health Agency.

In addition to agreements with other agencies, DLA advanced Secretary Mattis’s third priority – supporting international partners – by supporting foreign military sales. Despite having a low priority, repair parts ordered by American allies such as Israel and Iraq nonetheless totaled \$1.4 billion during the fiscal year. The Agency also strengthened international alliances by participating in exercises. Three of these exercises were particularly noteworthy. Through its Indo-Pacific Command, DLA established and maintained a material processing center in Australia for Exercise TALISMAN SABRE over the summer. At the same time, its Europe and Africa Command both oversaw DLA deployments to Kosovo for Operation SABER GUARDIAN and helped plan Exercise DEFENDER EUROPE 20.

DLA strengthened alliances in other ways. As part of Operation INHERENT RESOLVE, America's campaign against the Islamic State (ISIS) in Iraq and Syria, the Pentagon assigned the 30th Armored Brigade Combat Team to U.S. Central Command. A National Guard unit, the 30th Armored had not been resourced to the same readiness level as active units. DLA Land and Maritime provided the parts the Army needed to get the brigade combat-ready.

While the Agency responded to DoD-driven events such as brigade deployments, it also initiated its own projects. One that received public attention was robot process automation (RPA). RPA automates high volume, mundane, and repetitive tasks so DLA employees can focus on creative work. As of the end of the fiscal year, it has had significant success, especially in helping J3 and J8 resolve their Notices of Findings and Recommendations. The goal moving forward is to shift from "attended bots," programs that require human intervention, to "unattended bots," programs that do not.

Other projects streamlined the way DLA managed information. LTG Williams transformed its operations center into an Agency Synchronization and Operations Center (ASOC). The ASOC provides the Agency both a common operating picture and a single point of contact for the liaisons it has with combatant and logistical commands. When manned with representation from across the enterprise, the ASOC will increase DLA's ability to respond to events. The Agency is currently constructing a permanent location for the ASOC in its headquarters building.

The end of FY 19 also marks the completion of two Senior Leader Orientation Courses (SLOCs). Developed by the J1, the SLOC introduces new leaders to what DLA does and how it operates. The first two courses were particularly important, as the Agency underwent unprecedented leadership change in the second half of the fiscal year. A partial list of new leaders includes the Vice Director, Operations Officer, Chief Information Officer, Chief Financial Officer, Assistant Chief Financial Officer, Senior Reserve Officer, General Counsel, DLA Troop Support Commander, DLA Aviation Commander, DLA Land and Maritime Deputy Commander, DLA Energy Deputy Commander, and J6 Program Executive Officer.

With new leadership comes a new goal. In late July, LTG Williams challenged DLA to reduce its cost recovery rate from 11.5 to 9.5 percent. This rate, essentially a surcharge the Agency adds to sales, funds the organization's operations and maintenance. While DLA's cost recovery rate has decreased significantly since the early 1990s, it needs to drop still further if the Agency is to remain viable in today's restricted financial environment. By moving toward its 9.5 goal, DLA expects to save \$1.3 billion by FY 2024.

Cost reductions cannot detract from the Agency's ability to respond to events. One such event is the Agency's contract renewal with the American Federation of Government Employees, still

being renegotiated at the end of the fiscal year. Another is the assistance DLA Troop Support provides Customs and Border Protection in its efforts to secure America's southern border. Yet another has been the many police forces that have benefited from excess DoD property provided through DLA Disposition Services' Law Enforcement Support Office.

As a whole-of-government member, DLA stands ready to respond to natural disasters and other events outside its control. Dorian, a slow-moving Category 5 hurricane that destroyed the Bahamas and hit America's southeast coast in September, proved DLA's biggest mobilization during the fiscal year. Almost every element of the organization had a role in supporting affected communities. DLA Troop Support provided 1.13 million meals to seven locations, as well as 100 cases of bottled water, 60 generators, and 352 sets of personal protective equipment. DLA Distribution deployed two expeditionary teams that received, stored, and managed 1,024 trailers of disaster relief. The command shipped over 9,000 cases of Meals-Ready-to-Eat, coordinated the movement of 1 million meals, and supported 6,000 Marine recruits displaced from Paris Island, South Carolina. DLA Energy's Task Force Americas deployed representatives and oversaw a contingency fuels contract. Various headquarters elements, to include the Analytics Center of Excellence, captured lessons from these components so future disaster support will be even more responsive.

DLA ends FY 19 prepared for DoD reform and the unknowns of the future. Most important, it stands ready to help our nation prevail against its enemies. By providing logistics services and all classes of supply except ammunition and major end items, the Agency remains critical to DoD's ability to implement policy.

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# Defense Logistics Agency

## DLA Land and Maritime

### Fiscal Year 2019 Annual Historical Report



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

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Land and Maritime FY2019 Annual History Submission

It is with a sense of professional satisfaction that I include a summary of the significant operational achievements chronicled in this DLA Land and Maritime FY 2019 History submission.

Over this past fiscal year, the Land and Maritime team has worked cohesively together to make measurable improvements in our operational metrics. These metrics have directly translated into improvements in warfighter mission efficiencies.

Both land and maritime weapon systems have benefitted from our efforts to increase material availability while simultaneously reducing the number of back ordered items needed for successful operations.

Efficient logistics support represents the backbone of every successful military force and DLA Land and Maritime remains proud of its commitment to support this nation's warfighters with the equipment and service they demand to remain the world's premiere fighting force.

A handwritten signature in black ink, appearing to read "J. T. Palmer", is positioned above the printed name and title.

J. T. PALMER  
RDML, SC, USN  
Commander

Attachment:  
2019 Land and Maritime History Submission

## **1. Introduction:**

### **a. General**

DLA Land and Maritime Supply Chains deliver repair parts to all Military Services. Daily operations include more than 2,500 associates at 37 locations worldwide, to include four DLA Depot Level Repairable detachments and four detachments supporting U.S. Naval Shipyards. DLA Land and Maritime's core functions include purchasing material, monitoring inventory levels, maintaining technical data and assuring quality conformance of approximately two million spare and repair parts utilized by more than 19,000 military units and federal and civilian agencies. In 2019, DLA Land and Maritime's sales exceeded \$4.1 billion.

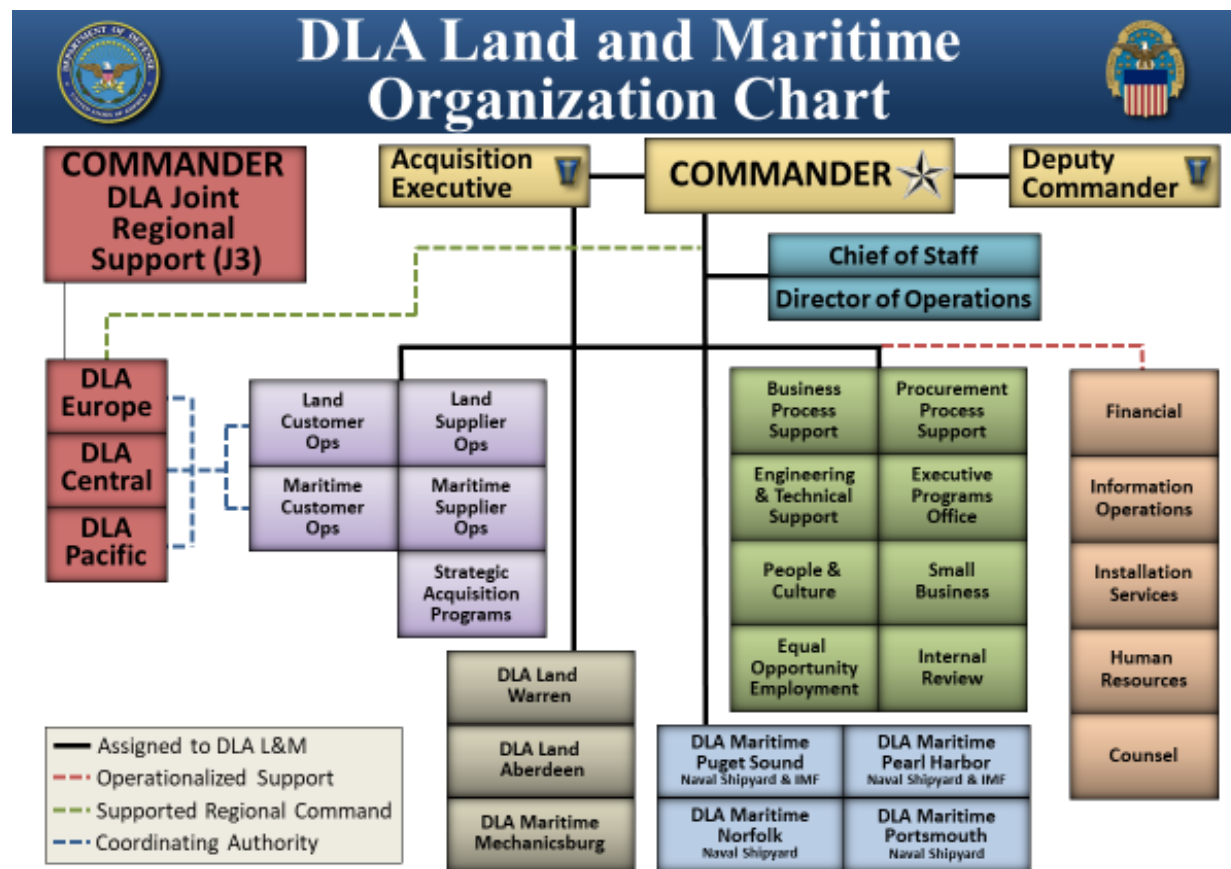
Land and Maritime directly support Navy surface and subsurface, Army and Marine Corps customers through dedicated customer relations while working with numerous suppliers to fulfill requirements for assigned stock classes across the Department of Defense. Additionally, we provide logistical services directly to Navy shipyards and Army and Marine Corps industrial sites. The successful accomplishment of this mission requires a well-trained, diverse workforce and a professional culture that supports high expectations.

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

We provide Warfighter Logistics Excellence through accountability, teamwork, urgency, agility and innovation built upon a commitment to integrity, diversity, mutual trust and respect.



## 2. Organization:



### 3. Key Personnel:



(Left to right)

1. Commander RDML John Palmer: June 2018-present
2. Deputy Commander Mr. Kenneth Watson: October 2019-present
3. Acquisition Executive Mr. Mark Brown: March 2018-present
4. Chief of Staff Col. Janette Ketchum: July 2018-present
5. Director of Operations Mr. Griff Warren: January 2009-present



(Left to right)

1. Director, DLA Land Customer Operations Col. Juanita Clarke: July 2018-present
2. Deputy Director, DLA Land Customer Operations Linda Johnson: July 2018-present
3. Director, DLA Land Supplier Operations Col. Robert Murray: August 2018-present
4. Deputy Director, DLA Land Supplier Operations Don Schulze: July 2018-present
5. Director, DLA Maritime Customer Operations CAPT David Lockney: August 2018-present
6. Deputy Director, DLA Maritime Customer Operations Mr. Shawn Cody: October 2017-present
7. Director, DLA Maritime Supplier Operations CAPT Jeff Schmidt: April 2016-present
8. Deputy Director, DLA Maritime Supplier Operations Mr. Ben Roberts: July 2014-present
9. Director, Strategic Acquisition Programs Directorate CAPT Christopher Waldron: June 2019-present
10. Deputy Director, Strategic Acquisition Programs Directorate Linda Kelly: April 2019-present



(Depot Level Reparables Detachments L-R)

1. Director, DLA Land Warren Vito Zuccaro: July 2016-present
2. Deputy Director, DLA Land Warren Bryon Gerwolds: May 2015-present
3. Director, DLA Maritime Mechanicsburg Quentin Smith: March 2018-present
4. Deputy Director, DLA Maritime Mechanicsburg Emily Bear: April 2018-present
5. Director, DLA Land Doug Nevins: November 2018-present
6. Deputy Director, DLA Land Allison Scannell: January 2014-present

(Shipyard Detachments L-R)

1. OIC, DLA Maritime Norfolk CDR Aaron Sikes: November 2018-present
2. Deputy, DLA Maritime Norfolk Ernie Styron: April 2019-present
3. OIC, DLA Maritime Puget Sound CAPT Mike Krisman: June 2019-present
4. Deputy, DLA Maritime Puget Sound Andy Lancaster: February 2018-present
5. OIC, DLA Maritime Portsmouth CDR Chris Donnelly: June 2019-present



6. Deputy, DLA Maritime Portsmouth Thomas Moore: December 2013-present
7. OIC, DLA Maritime Pearl Harbor CDR Bruce Reilly: September 2017-present
8. Deputy, DLA Maritime Pearl Harbor Robert Torres: October 2016-present



(Left to right)

1. Director, DLA L&M Business Process Support Mr. Oscar Mitchell: October 2018-present
2. Deputy Director, DLA L&M Business Process Support Mr. Dave McGraw: August 2014-present
3. Director, DLA L&M Business Procurement Support Mr. Ken Goodson: April 2019-present
4. Deputy Director, DLA L&M Business Procurement Ms. Julie Van Schaik: November 2018-present
5. Director, DLA L&M Eng & Tech Support Mr. Eugene Williams: July 2019-present
6. Deputy Director, DLA L&M Eng & Tech Support Ms. Renee Magill: Jan. 2018-present
7. Director, DLA L&M Office of Counsel Mr. Michael Gordon: November 2015-present
8. Deputy Director, DLA L&M Office of Counsel Mr. John Hart: November 2015-present
9. Director, DLA L&M People & Culture Mr. Robert Boggs: September 2015-present
10. Deputy Director, DLA L&M People & Culture Ms. Anita Luich: Feb. 2018-present

11. Director, DLA L&M Small Business Ms. Sherry Wellmer: April 2019-present
12. Deputy Director, DLA L&M Small Business Mr. James Secrist: Sept. 2017-present
13. Director DLA L&M EEO Mr. Charles Palmer: March 1999-present
14. Director, DLA L&M Internal Review Ms. Melanie Schmechel: Jan 2012-present
15. Director, DLA L&M Executive Programs Mr. Ben Kinstlinger: July 2019-present
16. Public Affairs Officer, DLA L&M Public Affairs Mr. Michael Jones: April 2011-present
17. J6 Business Relationship Manager, DLA Information Operations Ms. Kari Riskedahl: Feb. 2014-present
18. J1 Customer Account Manager, DLA Human Resources Services Ms. Jessica Barton: December 2017-present
19. Comptroller, DLA Finance L&M (J8C) Mr. William Pascol: November 2018-present
20. Deputy Comptroller, DLA Finance L&M (J8C) Mr. James Patterson: January 2019-present
21. DSCC Site Director, Mr. Dan Bell: October 2015-present
22. DSCC Deputy Site Director, Mr. Eddy Poprock: January 2018-present
23. AFGE Local 1148 Union President Ms. Robin Menafee: December 2015-present
24. IFPTE Local 7 Union President Mr. Jeffery Tanner: May 2019-present



#### 4. Total Personnel:



### Land & Maritime Snapshot

• People: 2.5K • Contracts: 438K • Obligations: \$5.708B • Sales: \$3.7B • Locations: 37 • Detachments: 8







### Consumables Sector

Land		Maritime	
Supplier Focus	Customer Focus	Supplier Focus	Customer Focus
<ul style="list-style-type: none"> <li>• People: 354</li> <li>• Items: 435K</li> <li>• Spend: \$1.924B</li> </ul>	<ul style="list-style-type: none"> <li>• People: 139</li> <li>• Customers: 17.9K</li> <li>• Requisitions: 8M</li> <li>• Requisition Value: \$6.6B</li> </ul>	<ul style="list-style-type: none"> <li>• People: 591</li> <li>• Items: 1.6M</li> <li>• Spend: \$1.923B</li> </ul>	<ul style="list-style-type: none"> <li>• People: 94</li> <li>• Customers: 2.4K</li> <li>• Requisitions: 3.3M</li> <li>• Requisition Value: \$3.9B</li> </ul>



### Depot Level Repairables Sector

Warren	Mechanicsburg
<ul style="list-style-type: none"> <li>• People: 90</li> <li>• Contracts: 2,003</li> <li>• Spend: \$1.1B</li> <li>• Systems: Wheeled, Tracked Veh, MHE, Chem Bio</li> </ul> 	<ul style="list-style-type: none"> <li>• People: 46</li> <li>• Contracts: 3,715</li> <li>• Spend: \$719M</li> <li>• Systems: Surface &amp; Submarine</li> </ul> 
Aberdeen	Albany
<ul style="list-style-type: none"> <li>• People: 34</li> <li>• Contracts: 378</li> <li>• Spend: \$425M</li> <li>• Systems: C4ISR</li> </ul> 	<ul style="list-style-type: none"> <li>• People: 3</li> <li>• Contracts: 133</li> <li>• Spend: \$51.6M</li> <li>• Systems: LAV</li> </ul> 



### Shipyard Sector

Norfolk NSY	Portsmouth NSY
<ul style="list-style-type: none"> <li>• People: 98</li> <li>• Services: CVN, LA, VA Class</li> <li>• Inventory: \$24M</li> <li>• Availabilities: 14</li> </ul> 	<ul style="list-style-type: none"> <li>• People: 143</li> <li>• Services: LA &amp; VA Class</li> <li>• Inventory: \$12M</li> <li>• Availabilities: 6</li> </ul> 
Puget Sound NSY	Pearl Harbor NSY
<ul style="list-style-type: none"> <li>• People: 108</li> <li>• Services: CVN, LA &amp; SEAWOLF Class</li> <li>• Inventory: \$22M</li> <li>• Availabilities: 9</li> </ul> 	<ul style="list-style-type: none"> <li>• People: 56</li> <li>• Services: LA &amp; VA Class</li> <li>• Inventory: \$24M</li> <li>• Availabilities: 6</li> </ul> 



### Forward Execution Sector

Land	Maritime
<ul style="list-style-type: none"> <li>• CSRs: 19</li> <li>• CLSSs: 9</li> </ul>	<ul style="list-style-type: none"> <li>• CSRs: 2</li> <li>• CLSSs: 7</li> </ul>



### Science & Technology Sector

- People: 450
- Test Labs: 2
- DNA Marked Parts: 74K/YR
- Value Eng Savings: \$100M/YR
- DMSMS: >6K Obsolete NSNs in Inventory

## **5. Historical Narrative:**

### **a. Operations**

#### **(1) Highest Recorded Material Availability (MA):**

In June of FY 19, associates at the Land Supplier Operations directorate achieved a 92 percent MA rating by successfully fulfilling 135,637 orders. These efforts helped register their highest rating in more than nine years.

Land Supplier Operations leadership developed and implemented an active vendor engagement plan to help reach this achievement. That plan focused on working closely with vendors and suppliers to mitigate supply chain challenges that helped create backorders.

The directorate is comprised of four distinct divisions: Vehicle Support, Batteries/Tires/Engines, Small Arms/Industrial Product Support and Contracting Support. These departments include 374 associates who collectively manage more than 400,000 National Stock Numbers (NSN). In managing these NSNs they executed more than 450,000 contracts supplying more than 2 million items. These items total more than \$1.6 billion in annual sales.

#### **(2) Global Tire Program:**

The Global Tires Program integrator acquisition team executed the largest contracting initiative in Defense Logistics Agency Land and Maritime's history on November 9, 2018. The contract is for 10 years and is valued at \$2.1 billion. The integrator contract provides global supply and management of tires for aircraft and ground systems to DoD and allies. The contract will deliver \$193 million in cost avoidance and provide improvements to customer support that include a 3 percent increase from the preceding contracts for on-time delivery and fill-rate metrics. These efforts were instrumental in raising delivery performance from 95 to 97 percent.

#### **(3) Nuclear Enterprise Support:**

The Nuclear Reactors Program (NRP) is the Navy's priority operations program. DLA has developed a reputation of commitment, mission focus and unparalleled customer support when it comes to supporting the Navy NRP. The items managed are extensive in scope and unequalled in terms of customer expectations. DLA's NRP associates produce extraordinary results achieving MA for this critical weapon system above 95 percent for the past 141 months. FY 19 MA averaged 97.1 percent for the first 10 months and at the end of July 2019 had increased to 97.8 percent. DLA Land and Maritime's goal is a sustained and repeatable supply chain material effectiveness and responsiveness.

**b. Small Business**

Consistently serving small businesses throughout the year, as of fourth quarter FY 19 the Small Business Office's metrics were ahead in the areas of overall Small Business, Small Disadvantaged Business and Historically Underutilized Business Zone (HUB Zone) goals. The exceptions are in the category of Small Disadvantaged Veteran-Owned Small Business, where we are slightly behind and Woman-Owned Small Business which continues to be a challenge throughout the agency. The Small Business Office exceeded its goal of 70.03 percent of contracts at or below the simplified acquisition threshold of \$250,000 awarded to small businesses. Successes included obligating \$1.9 billion of eligible dollars in the same category. Small Business educational activities included hosting four Training, Knowledge and Opportunity seminars, including one specifically requested by Procurement Technical Representatives. Office specialists continuously focus on expanding the socioeconomic base and improving relationships between small and large businesses for subcontracting opportunities by attending beneficial outreach events like the Annual U.S. Army Ground Vehicle Systems Engineering and Technology Symposium, Advanced Planning Briefings for Industry Conference, the Macomb Regional Procurement Technical Assistance Center event, the HUBZONE Small Business Summit, the National Ohio Statewide Procurement Technical Assistance Center training at Dublin Integrated Education Center, the Cleveland Business to Business Matchmaker and the National Small Business Federal Contracting Summit.

**c. Safety Program:**

On June 12, 2019 the DLA Chief of Staff issued a memorandum directing operational control of DLA Installation Management Safety and Occupational Health (SOH) staff to the MSCs and Regions. In line with the realignment initiative the Land and Maritime Commander assumed the role of Chair of the Defense Supply Center Columbus Safety Council, and the Safety Manager was integrated into all Land and Maritime routine business meetings. Efforts are ongoing to modernize the DLA Safety Programs enterprise wide to improve efficiency and comply with federal and DoD doctrine. DLA Land and Maritime is part of the DLA Modernization Task Force and working group collaborating with representatives across the enterprise to redefine SOH roles and responsibilities.

**d. Community Cooperation Agreement:**

DLA Land and Maritime's Police and Emergency Services (P&ES) entered into a mutual aid agreement with the City of Whitehall Division of Police (WHPD) to meet law enforcement response requirements with high-risk/critical incidents. The resources the WHPD will provide P&ES have significantly reduced staffing costs associated with recalling them (on their regular days off and/or vacation) to assist with all phases of response. The resources needed to mitigate these incidents are dependent on the totality of the circumstances; therefore, assessing the cost saving on resources and staffing must be a case-by-case basis.

e. DLA Land and Maritime Detachment Success:

(1) Mechanicsburg:

The detachment provides sustainment support to Naval Supply Systems Command Weapon Systems Support (NAVSUP WSS) by contracting for new Depot Level Repairables for NAVSUP WSS surface ships, submarines, carriers and foreign military sales customers. The detachment entered FY 19 with an all-time high workload of more than 3,300 purchase requests. The Land and Maritime Command detachment was challenged to reduce the workload to 800 PRs by the end of FY 19. The detachment's workforce accomplished the goal of getting below 800 PRs ahead of schedule at the beginning of August. Their accomplishment helped NAVSUP WSS achieve an all-time high in supply MA and an all-time low in unfilled customer orders.

(2) Warren:

The mission of DLA Land Warren is to provide comprehensive acquisition, contracting and business advisory services to support customer requirements for new purchase of Depot Level Repairable items. As FY 19 closes, DLA Warren expects to come very close to the record \$1.1 billion in contract dollars and 2,000 contracts awarded during FY 18. DLA Warren is on track to top FY 18's performance pending resolution of service funding shortfalls. DLA Land Warren detachment has increased the number of long term contracts over the past several years; culminating with the most LTCs ever awarded during its FY 19 operations.

Senior leadership at Army Materiel Command, DLA Land and Maritime and U.S. Army Tank-Automotive Command incorporated the Base Realignment and Closure Act in reaching a decision that dictated a mission change for DLA Land Warren. That mission change shifted the purchasing responsibility for consumable items to the Army Contracting Command in Warren, Michigan.

DLA Land Warren has been working on a Work-in-Process (WIP) Burn-Down Plan to reduce requirements from a high of about 1500 in FY 18 to 750 requirements in FY 19. DLA Land Warren's mission change transferred the management of consumable requirements to Air Combat Command Warren and the contracting assistance of a Columbus Tiger Team contributed to the WIP burn down achievements. A productivity increase contributed to Warren's WIP decrease and was fueled by maintaining appropriate resource levels.

f. Deployment Operations

For FY 19 Land and Maritime deployed 16 personnel to Kuwait and Afghanistan in support of Operation FREEDOM'S SENTINEL, and one additional person to Iraq in support of Operation INHERENT RESOLVE.

On the training side, Land and Maritime deployed one person to Korea for Exercise DONG MAENG 19-1 (formerly KEY RESOLVE) and deployed one person to Korea for Exercise DONG MAENG 19-2 (formerly ULCHI FREEDOM GUARDIAN).

On the humanitarian side, Land and Maritime deployed one person from our Global Reaction Force team to provide remote Class IX expeditionary support from Fort Belvoir, Virginia for the refugee crisis in Venezuela from May to June 2019.

Land and Maritime deployed four additional personnel to Afghanistan using the 12-month Expeditionary Civilian deployment program.

#### g. People and Culture

DLA Land and Maritime's internal rotation and job shadowing programs were created to provide employees with the opportunity to further develop functional, cross-functional and leadership skills through experiential internal rotational opportunities within Land and Maritime. During FY 19, DLA Land and Maritime graduated 13 participants in the Internal Rotation Program and 25 participants in the Job Shadowing Program. The intent of these programs is to help ensure workforce capabilities match present and future mission requirements while providing more opportunities for employee growth.

#### h. Supply Chain Security

##### (1) Commercial and Government Entity (CAGE) Compromise Program

During FY 19 Land and Maritime's Fraud Counsel identified 79 contractors whose stock was defective and subject to removal from the supply chain. This directed screening initiative prevented defective stock supplied by fraudulent contracts from being delivered to our military customers. The actions were coordinated with Headquarters and other fraud counsels and enabled the dispositioning, demilitarization and disposal of nonconforming parts.

The Land and Maritime Fraud Team reviewed new DLA Internet Bid Board System (DIBBS) account data weekly to identify companies that may be "CAGE Compromised." To date, more than 1,875 suspect CAGE codes have been identified, with approximately 1,200 linked to a single network.

##### (2) Fraud Success Metrics, Including CAGE Compromise Related Contractors

- (a) 7 Convictions (including guilty pleas that are pending sentencing)
- (b) \$1.2 million total restitution ordered
- (c) \$800,000 total civil settlement (pending Court acceptance)
- (d) 23 Debarments/Suspensions – (18 CAGE Compromise related)
- (e) 54 Debarment Recommendations – (22 CAGE Compromise related)

### (3) Deoxyribonucleic Acid (DNA) Marking:

Federal Supply Class 5962, microcircuits, was identified as a High Risk Stock Class for procurement of counterfeit items. DNA marking was selected as one of several tools to mitigate risk of counterfeit microcircuits. DNA is a plant-based material that is used for marking each microcircuit component.

The Electronics Product Test Center (EPTC) inspects each microcircuit, validates paperwork received with the product, inspects packaging, verifies authenticity of the product and DNA marks each individual microcircuit procured by DLA. All vendors are required to supply traceability, which entails a full chain of custody back to the approved source of supply. The DNA mark can't be replicated and provides a unique ability for DLA to determine a device's origin years after it's been provided to our military customers. As of July 31, 2019, the EPTC has reviewed 170 projects through the DNA Marking Program. Within those projects, 344,245 individual microcircuit devices have been DNA marked. As an added safeguard, the DNA process only awards to trusted suppliers, which include original component manufacturers, original equipment manufacturers, authorized distributors, companies on the qualified suppliers list of distributors and companies on the qualified testing suppliers list.

#### i. Environmental Stewardship

Installation Recognition: Defense Supply Center Columbus (DSCC) was certified as a USA Tree City by the Arbor Day Foundation and Ohio Department of Natural Resources. The Tree City USA program is a nationwide movement that provides the framework necessary for communities to manage and expand their urban forest. DSCC has achieved Tree City USA status by meeting four core standards of sound urban forestry management: maintaining a tree board, maintaining a tree ordinance, spending at least \$2 per capita on urban forestry and celebrating Arbor Day. The Environmental Division is working to prevent future planting of invasive species by implementing a tree permit system.



# Defense Logistics Agency

## DLA Troop Support

### Fiscal Year 2019 Annual Historical Report



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

November 5, 2019

MEMORANDUM FOR DLA HEADQUARTERS, ATTN – Historian


Subject: Submission of DLA Troop Support FY19 Annual History Input

Despite only being commander of this great organization for the last quarter of fiscal year 2019, I am extremely proud of this organization's accomplishments. In my few months here, I have seen our employees' dedication and commitment to our mission of delivering "optimal, global supply chain solutions to enable ready, lethal Warfighters and our other valued customers."

The accomplishments listed in the following pages are highlights of a stellar year for Troop Support, with our highest sales ever of \$19.1 billion. With five distinct supply chains, all successful in their own right, it shows the depth and breadth of our support to America's military and Whole of Government partners.

As we to move forward in FY20, we will continue to support and enable the accomplishment of the DLA Strategic Plan and align with DLA's three major themes of Continued Warfighter Readiness, Support to Defense Reform, and Audit Advancement.

I am confident that the DLA Troop Support workforce is capable, ready and willing to continue our legacy of providing outstanding customer support.

  
BG Gavin A. Lawrence, USA  
Commander  
DLA Troop Support

## **1. Introduction.**

DLA Troop Support FY 19 Annual Historical Report outlines actions taken across Troop Support's five supply chains – Subsistence, Clothing & Textiles, Construction & Equipment, Medical, and Industrial Hardware – as well as the Product Test Center Analytical during FY 19 to support the needs of our customers around the globe.

DLA Troop Support collaborates with the Military Services, the Combatant Commands and industry partners to balance Service requirements with industry capabilities in order to meet warfighters' demands.

In addition to direct customer support, DLA Troop Support actively supported the agency's goals to reduce inventory, decrease operating and material costs, improve customer service and achieve audit readiness.

## **2. Organization:**

DLA Troop Support's mission is to deliver optimal, global supply chain solutions to enable ready, lethal Warfighters and our other valued partners. Sales for FY 19 totaled \$19.1 billion, accounting for approximately 48% of the DLA total. Staffing includes 2,346 civilians, 74 active duty military personnel and 42 reservists.

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

Using long-term contracts, tailored logistics support programs, prime vendor relationships, and traditional contracts, DLA Troop Support procures products for warfighters serving around the globe. The Philadelphia-based MSC oversees two forward-based commands, DLA Troop Support Europe & Africa headquartered in Kaiserslautern, Germany, and DLA Troop Support, Indo-Pacific, in and Pearl Harbor, Hawaii.

## **3. Key Personnel:**

### **a. Headquarters**

(1) Brigadier General Gavin Lawrence, USA, Commander: June 2019-Present

(2) Mr. Richard A. Ellis, Deputy Commander: July 2010-Present  
(3) Mr. William J. Kenny, Executive Director, Contracting & Acquisition  
Management: August 2010-Present  
(4) Mr. Robert A. Ratner, Chief of Staff: July 2010-Present

b. Supply Chains

(1) Subsistence

Col. Eric McKoy, USA	Director: June 2019-Present
Rich Faso	Deputy Director: April 2016-Present
Lourdes Valentin	Supplier Operations Director: November 2018-Present
John Sheehan	Customer Operations Director: July 2016-Present

(2) Clothing & Textiles

Col. Joseph Elkins, USAF	Director: August 2019-Present
Roy Dillard	Deputy Director: August 2016-Present
Steven Merch	Supplier Operations Director: August 2016-Present
Bruce Carson	Customer Operations Director: July 2019-Present
Lisa Raucheisen	Plans & Integrations Director: August 2015-Present

(3) Construction & Equipment

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

(4) Medical

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

(5) Industrial Hardware

Col. Adrian Crowley, USAF	Director: August 2017-Present
Tina Piotrowski	Deputy Director: September 2017-Present
Gary Shifton	Supplier Operations Director: February 2014-Present

c. Key Staff Elements

(1) Procurement Process Support

CAPT James Gayton, USN	Director: July 2018-Present
John Fafara	Deputy Director: August 2018-Present

(2) J3/J5 Operations and Plans

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

(3) Product Test Center Analytical

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

(1) Patrick Owens served as the Customer Operations Director, Clothing & Textiles from September 2017-December 2018. In December 2018, he became the Deputy Director, J3/5 Operations and Plans at Defense Logistics Agency Troop Support, Philadelphia.

(2) Gina Vasquez, Supplier Operations Director, Subsistence retired in January 2019.

(3) Col. Melvin Maxwell, USAF served as the Director, Clothing & Textiles from August 2018-April 2019. In April 2019, he was selected to serve as the Executive Officer of Logistics Operations at Defense Logistics Agency, Fort Belvoir, Virginia.

(4) Col. Abel Young, USA served as the Director, Subsistence from September 2017- June 2019. Young was selected to serve as the Deputy Military Athletic Director at the United States Military Academy at West Point.

(5) Brigadier General Mark Simerly, USA served as the DLA Troop Support Commander from July 2017- June 2019. Simerly was selected to serve as the commanding general, 19th Sustainment Command (Expeditionary), Eighth Army, Republic of Korea.

(6) Capt. Gerald Raia, USN served as the Director, Construction & Equipment from May 2018-June 2019. Raia was selected to serve as the Chief, Office of Military Cooperation, Kuwait.

(7) Jeffrey Horton served as the Deputy Director for Procurement Process Support from May 2016-August 2019. Horton retired from the agency.

(8) Bruce Carson was selected as the Clothing & Textile Director of Customer Operations in July 2019.

#### **4. DLA Troop Support FY 19 Command Accomplishments**

##### **a. Awards and Other Recognition**

DLA Troop Support received the Employer Support of the Guard and Reserve Seven Seals and the Secretary of Defense Employer Support Freedom Award. The awards are given to organizations that support employees serving in the Guard and Reserve.

##### **(1) 2018 Troop Support Hall of Fame Inductees**

Every November, former Troop Support employees are nominated for induction into the DLA Troop Support Hall of Fame, for making significant long-term contributions or providing outstanding customer service and displaying exemplary work ethic during their tenure. Inductees must be at least 2 years removed from the organization, and no more than 10 years separated.

(a) Jacqueline A. Basquill was inducted into the DLA Troop Support Hall of Fame, Class of 2018 for her outstanding mission support from 1973 through 2014. Throughout her 42-year federal career, she touched the lives of countless Warfighters, DoD beneficiaries and those in need of critical medical materiel around the globe.

(b) Keith R. Ford was inducted into the DLA Troop Support Hall of Fame, Class of 2018 for his outstanding mission support from 1981 through 2016. Mr. Ford began his federal career in 1981 as a GS-5 Contract Specialist and worked his way up the ranks before retiring as the Deputy Director of the Clothing and Textiles supply chain where he led a staff of 338 professionals through unprecedented change in uniform requirements.

(c) Wayne H. Williford was inducted posthumously into the DLA Troop Support Hall of Fame, Class of 2018 for his outstanding mission support from 1980 through 2016. Mr. Williford was a skillful Business Logistics Specialist who held a variety of positions at DLA Troop Support and its legacy organizations. He was best known for his leadership during many organization transformations.

##### **(2) Troop Support Innovation Award**

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

(a) Quarter 1 Individual Award: Robert Fagan, Clothing and Textiles Supply Chain, was instrumental in standardizing and developing a new material to be used in flags. Once implemented, his innovative idea could save \$1.35 million dollars annually.

(b) Quarter 1 Team Award: The Subsistence Supply Chain Drone Support Team examined the use of unmanned air systems, or drones, to deliver food and water to areas not accessible by normal modes of transportation.

(c) Quarter 2 Individual Award: Sarah Wyatt, Clothing and Textiles Supply Chain was recognized for creating a custom special measurement Marine Corps dress coat for Medal of Honor recipient Marine Corps Sergeant Major (Retired) John L. Canley.

(d) Quarter 2 Team Award: The Subsistence Supply Chain Kiosk Team was recognized for working with the Joint Culinary Center of Excellence to modernize Garrison Food Service operations and create remote food locations for meal card holders to enjoy a selection of food and beverages.

(e) Quarter 3 Individual Award: Andrew Nemeth, Industrial Hardware Supply Chain was recognized for leading the creation and implementation of a new Product Quality Deficiency Report which allows the agency to receive restitution for deficient material, meet time and work requirements, and remain audit compliant.

(f) Quarter 3 Team Award: The Industrial Hardware's Supply Chain Point of Contact Team was recognized for streamlining project data to more effectively engage all of Industrial Hardware functional areas to collaborate on corrective actions for specific items by creating a standardized "Storyboard" presentation for projects. The team's actions resulted in a 30% reduction in overdue contracts, resolving issues with non-procurable items, and accelerating 80% of delivery timelines to meet urgent weapon system needs.

(g) Quarter 4 Individual Award: Subsistence Employee Pama Hamlett was recognized for her outstanding work day in and day out as well as her tireless efforts with Hurricanes Florence and Michael.

### (3) Troop Support Sexual Assault Prevention and Response Program

(a) Planned and executed novel "SAPR Campfire Sessions" which engaged Culture Improvement Teams and supply chain leadership in developing effective SAPR communications and program focus for CY19. Through targeted, small-group discussions focused on perceived "blind spots" and key SAPR talking points, the Sexual Assault Response Coordinator, Ms. Ella Wynn, was able to develop effective events and communications such as the well-attended April 2019 "Be Brave" educational empowerment event and a quarterly poster campaign advertising important point-of-interest as recommended by the CIT and leader Campfire attendees.

(b) Coordinated installation-wide events for Sexual Assault Awareness and Prevention Month on behalf of Troop Support and in cooperation with the Naval Support Activity Philadelphia SAPR committee. Through record attendance of events such as the



Proclamation Signing, Be Brave educational event, SAPR Awareness Walk and awareness and information tables throughout the campus. Awareness and education efforts reached a record number of employees in 2019, leading to a more informed and SAPR-minded workforce.

(4) Public Affairs Community Relations

(a) Feds Feed Families

In September 2019, DLA Troop Support donated 4,279 pounds of food to Philabundance, the region's largest hunger relief organization. The Feds Feed Families food drive ran from June 2019 through August 2019 and yielded the highest total food donations of all the Philadelphia federal agencies.

(b) Vietnam War Veterans Commemoration

DLA Troop Support partnered with the Greater Northeast Philadelphia Chamber of Commerce, Association of U.S. Army William Penn Chapter and the Corp. Michael J. Crescenz VA Medical Center in recognizing approximately 90 Vietnam War veterans from the local community on March 29. The event was in support of the Vietnam War Commemoration Program and was held at KleinLife in NE Philadelphia.

(c) Philadelphia School District Internship Program

DLA Troop Support partnered with the Philadelphia School District to create a pilot internship program as part of a Community Relations initiative. The pilot program was a paid internship for local high school seniors to gain meaningful federal work experience before advancing to college. Two Northeast Philadelphia High School students were selected for the pilot where they worked in the Corporate Communications office and the Product Testing Center from Dec. 2018 to the end of their school year.

(5) On December 13, 2018, a team of 22 employees from DLA Troop Support Medical was selected for the "Acquisition Support Professional Team of the Year" for 2018 at the 51st Annual DLA Employee Recognition Awards Ceremony held at DLA Headquarters in Fort Belvoir, Virginia

(6) Two DLA Troop Medical members were awarded medals at the Federal Executive Board Award Ceremony in the categories of Outstanding Technical Achievement and Steadfast Achievement

## b. Supply Chain Accomplishments



### (1) Subsistence

(a) Subsistence provided over 5 million meals to the Federal Emergency Management Agency in support Hurricane Michael disaster relief efforts in September 2018.

(b) William Beaumont Army Medical Center, Fort Bliss, Texas, became a Subsistence supply chain customer and completed several orders for dairy and bakery items.

(c) During the Research and Development Associates for Military Food and Packaging, October 2018 meeting in Woburn, Massachusetts, collaborated with food industry partners to establish a process to restrict ingredients in military dining facility menus.

(d) The Unitized Group Rations-A Option Team collaborated with the Continuous Process Improvement Office to conduct a project to improve on-time delivery of items for troops in field conditions which resulted in the team meeting 100 percent of their delivery dates.

(e) Roberto Santana Irizarry, a contracting officer representative was selected as the 2018 DLA Troop Support Leader of the Year.

(f) Subsistence Garrison Feeding Division supported the United States Army Joint Culinary Center of Excellence on their inaugural Army Outpost Kiosk grand openings at Fort Stewart, GA., Fort Carson, CO, Fort Drum, NY and Fort Riley, KS. The kiosks offer a fresh grab and go option for soldiers who are on base but are away from the dining facilities for training.

(g) Subsistence provided border support requirements for Davis-Monthan Air Force Base, Laughlin Air Force Base, and Eagle Pass, TX, totaling \$320,000.

(h) The United States Department of Agriculture/Department of Defense Fresh Produce Program continued to grow with sales over \$300M for the school year and hundreds of new school customers added throughout the country.

(i) Subsistence worked with the commander of the Submarine Forces Atlantic Fleet, Norfolk, VA, on an initiative to use freeze-dried items in recipes for meals aboard submarines. The Navy is interested in expanding the number of freeze-dried items on the catalog, as well as the number and type of ships in the future, pending the outcome of the pilot program.

(j) The Umatilla Tribe out of Oregon rejoined the United States Department of Agriculture/ Department of Defense Fresh Program.

(k) The ALFOODACT Credit Defect Reduction, continuous process improvement project was initiated and completed. The project focused on improving how refunds/credits are confirmed after items are recalled.

(l) The 185th Iowa Air National Guard in Sioux City received their first Christmas holiday delivery from the DLA.

(m) Subsistence provided initial food orders for the Navy's newest Freedom-variant LCS, the future USS Billings. The ship set sail from Marinette, WI in May 2019.

(n) Dr. Starr Seip, the Subsistence resident Registered Dietitian and Nutritionist, had her first research article published in the December 2018 issue of Journal of Food Science and Nutrition. Starr shared her knowledge of nutrition and disease prevention with the Troop Support workforce through Subsistence University seminars.

(o) DLA Troop Support Subsistence and the United States Department of Agriculture expanded the Summer Feeding Program which uses federal funds to provide fresh fruits and vegetables to summer school and camp locations in 21 states. Sales are expected to reach \$250K. Two new states, Oklahoma and Idaho, joined the program in summer 2019.

(p) Subsistence hosted its second Ingredients Industry Day at the Doubletree Airport Hotel, Philadelphia. Over 50 manufacturers, industry and government were in attendance. The meeting was held to continue the collaboration, transparency and communication that has been ongoing regarding the removal or restriction of ingredients in the food served in military dining facilities and onboard ships.

(q) FEMA requested 52K cases of Humanitarian Daily Ration meals to be delivered to its Distribution Center in Tracy, California, to serve as replenishment for the Pacific Region for potential disaster relief efforts.

(r) Three MIPRs totaling more than \$150K were awarded for Food Service Equipment for customers at Camp Lejeune, NC and Gulfport, MS.

(s) Tailored Vendor Logistics Specialist Sharon Pollard and Contract Specialist Jessica Borrelli successfully added a third weekly delivery to support Tyndall Air Force Base. The increased delivery requirement is in response to rebuilding efforts post-Hurricane Michael.

(t) The second Army Outpost Kiosk opened on April 16, 2019 at Ft. Drum, New York. Efforts by the Subsistence customer, cataloging, and supplier teams successfully added over 100 items to the Ft. Drum catalog. The goal of the Kiosk is to offer a choice to the soldiers for nutritional items that can be purchased with their meal swipe card.

(u) In April 2019, Wornick and Sopakco made their first incremental deliveries of the Humanitarian Daily Ration to FEMA warehouses in Puerto Rico and Hawaii.

(v) Subsistence provided support to TRIDENT 19-4, the Naval Special Warfare's Joint National Training Capability, which test and evaluate the command and control of the deploying SEAL Teams. The exercise based out of El Paso, Texas will support approximately 800 warfighters with three meals per day throughout the duration.

(w) Thirteen Basic Ordering Agreements for Commercial Shelf Stable Meals were put into place to support FEMA during the Hurricane Season which began on June 1, 2019. FEMA revised and enhanced their nutritional to a minimum of 800 calories/meal with a maximum sodium content of 1,000 mg. In addition, shelf life was increased to 10 months and candy has been eliminated from the meals. Vendors will be able to provide a cumulative total of approximately 17.5M meals by day 15. The average price per meal is \$5.50, an increase of approximately \$0.50/meal from the previous configuration which was expected given the increased nutritional requirements.

(x) At the end of June 2019, Subsistence successfully provided support to four ships crossing the borders between the United Arab Emirates and Oman signaling improved relations and processes transporting goods through international ports.

(y) In June 2019, Subsistence made its first successful delivery of UGR-A Dry components through the port of Gdynia, Poland. Shipping the items directly to Gdynia helps bypass more stringent ports and avoids crossing borders in the European Union.

(z) Members of the Subsistence Equipment Branch hosted a visit from Joint Base Andrews Air National Guard personnel to discuss the purchase of Disaster Relief Mobile Kitchen Trailers (DRMKT). The team has a MIPR for \$3.9M to procure 5 DRMKTs and is looking to procure 3-5 DRMKTs annually over the next 5 years.

(aa) On July 24-25, the Subsistence Strategic Material Sourcing Group in partnership with the New Jersey Institute of Technology Unmanned Aviation Systems (UAS) Test Site, conducted a successful land-to-land unmanned aircraft systems research flight to learn about the potential use of UAS to deliver supplies to areas that may be inaccessible by normal delivery methods. The successful drone delivery consisted of a 50-pound payload of a case of bottled water and a case of First Strike that traveled 1.25 miles from the Cape May-Lewes Ferry Terminal to the New Jersey Aquaculture Innovation Center in Cape May, New Jersey. The next day it transported the same load from the terminal to the USCGC Lawrence Lawson off the coast of Cape May to evaluate its land-to-sea-to-land capabilities.

(bb) In August 2019, the Subsistence Food Safety Office, Supplier Support Division and the Equipment branch began working with the DoD Military Working Dog Center along with the Joint Base San Antonio-Lackland Contracting Squadron to add additional lines items to their catalogs for the military working dogs.



## (2) Clothing & Textiles

(a) In October 2019, the Clothing and Textile Supply Chain provided over 17,000 Operational Camouflage Pattern utility uniforms to Airmen at Aviano Air Base, Italy; Shaw Air Force Base, South Carolina; the Pentagon, Washington, D.C.; Joint Base Charleston, South Carolina; and MacDill AFB, Florida.

(b) Berry Amendment compliant Athletic Footwear were rolled out to Air Force & Coast Guard recruits on January 1, 2019 and to Navy recruits on April 1, 2019.

(c) Clothing and Textiles' special measurements team created a custom Marine Corps dress coat for retired Sergeant Major John L. Canley, a Medal of Honor recipient. Canley received the Medal of Honor from President Donald Trump on October 17, 2018, for his heroic actions in Vietnam in 1968.

(d) The new female Marine dress uniforms were provided to over 3,000 Female Recruits at Marine Corp Recruit Depot Parris Island, South Carolina during the 1st and 2nd quarter of 2019.

(e) Supply chain leaders and the Troop Support commander hosted industry representatives from the National Council of Textile Organizations, Warrior Protection & Readiness Coalition and the American Apparel and Footwear Association to encourage open and candid dialogue about innovative ways to provide support to the warfighter.

(f) A contract was awarded at \$15.5M for 216,240 Navy Coveralls, Utility, Improved Flame Resistant Version (IFRV), Class I, Type II, Dark Blue 3392. This item is the supply chains highest backordered item and the exigency buy was required to help meet the Navy's revised forecasted demand of 33K per month, which was more than double their initial forecasted demand of 15K per month.

(g) Clothing and Textile leaders observed the Personal Protective Equipment return on March 6, 2019 for Army Staff Sergeant Steven McQueen, whose helmet was struck in the back by a 7.62x54mm Russian round at a distance of about 20 feet while deployed to Afghanistan.

(h) In partnership with LMI, the Clothing and Textile supply chain conducted training on the new Supply Request Package (SRP) Tool designed under the Military Unique Sustainment Technology effort. The tracking system will extend SRP process visibility and traceability as we work to support our customers. The system went live March 1, 2019.

(i) The first article testing requirement for Leading Technology Composites under its new long term contract for the Enhanced Side Ballistic Inserts (ESBI) was waived and the first production lot authorized. The ESBI is a Critical Safety Item that provides armor piercing rifle round protection. DLA holds the only contract in the DoD for ESBI.

(j) In coordination with Navy leadership and industry partners, two new Navy items were introduced in support of the Navy Recruit Issue Bag on April 1, 2019: Athletic Footwear and the Navy's new Cold Weather Parka which replaced the Navy Peacoat and All Weather Coat.

(k) Clothing and Textiles filled 185 orders in support of Ash Wednesday, Palm Sunday, Passover, and Easter holidays in April 2019. Orders consisted of 2,028 bottles of wine or grape juice, 274,000 pieces of palm, 434 Jewish ceremonial Seder kits and 65 ounces of ashes.

(l) The first DLA contract supporting the new load bearing pack system for the Marines was awarded at \$37M for max quantity 385K.

(m) Product Specialists and Resolution Specialists have made substantial progress on closing Quality Notifications (QN) for suspended stock, supply discrepancies and product quality deficiencies. At the beginning of calendar year 2019, there were \$1.96 million in QNs with suspended stock.

(n) Responded to an urgent request for OCP uniform coats, trousers and tan t-shirts from the Navy Expeditionary Combat Readiness Center to outfit 25 Navy deployers within four days. Because the unit was not an authorized user of the uniform, the C&T Customer Account Specialist took action to address user authorization issues, input requisitions into the system, coordinate overnight shipment to complete the task one day ahead of schedule.

(o) In partnership with industry, the box for the Medal of Freedom was recently re-designed. The Institute of Heraldry worked with the Medal of Freedom vendor Ira Green to develop several prototypes. These prototypes were sent to the White House, and presented to First Lady Melania Trump for review and decision."



### (3) Construction & Equipment

(a) Construction and Equipment supply chain provided 63 generators sets to FEMA in support of Hurricane Michael disaster relief efforts. Provided support to FEMA in the wake of Hurricane Florence, which included 1296 sets of gloves and vests and 1320 waders

(b) Contract specialists met a Foreign Military Sales customers' urgent need for 16 armored bulldozers.

(c) Construction and Equipment began support to military members deployed to the Texas/Mexico border, providing pickets, rolls of concertina and barb wire. Border support concluded with a total of \$7.8M of supplies, including: 178K pickets; 102K rolls of concertina wire; 7 EBS; and 4.3K rolls of barb wire.

(d) Awarded the Federal Supply Group 80 contract during the second quarter of FY 19.

(e) Received mission assignment and delivery order from FEMA for 18,552 cots, which were delivered to three FEMA distribution centers in Dallas, Texas; Fredericksburg, Maryland; and Atlanta, Georgia.

(f) The Special Operations Equipment Tailored Logistics Support Program supported a \$70 million U.S. Army Communications-Electronics Command requirement.

(g) The Maintenance, Repair, and Operations Tailored Logistics Support Program delivered 12,000 tarps and 6,000 mounting kits to be used as temporary shelter for internally displaced people in Syria.

(h) The container team worked with the Crane Army Ammunition Activity and SDDC on the purchase of 194 20-foot containers at a total value of \$1.7 million. The containers were shipped to McAlester Army Ammunition Plant to replenish aged containers.

(i) The Director of Supply, Ordnance and Logistics Operations OPNAV and DLA Headquarters signed a memorandum of understanding to increase OCONUS HAZMAT support to the Navy. The MOU allows DLA to release FSG 80 material to OCONUS Navy customers with reduced shelf life remaining. The MOU is a pilot program to assess the effectiveness of expanding shelf life limitations.

(j) In September 2019, leased 144 generators for Hurricane Dorian support. Provided support for personal protective equipment required by the United States Army North for hurricane relief efforts and awarded orders for 320 pairs of gloves, 320 life vests, and 352 pair of waders.

(k) Construction and Equipment ended the fiscal year with \$6 billion in sales, a record for the supply chain.





#### (4) Medical

(a) The Medical supply chain provided approximately 3.4 million doses of the influenza vaccine to military treatment facilities and U.S. Navy Fleet clinics around the world in support of the DoD's Influenza Vaccination Program.

(b) Through a partnership with DLA and the United States Department of Veteran Affairs, the Captain James A. Lovell Federal Health Care Center began using DLA Troop Support Medical supply chain's Medical/Surgical Prime Vendor program in March 2019. This is the first time a VA-administered medical facility has utilized a DLA Troop Support Medical program to acquire medical and surgical items through the program's worldwide procurement system.

(c) Continued to build strong partnerships, extending support capabilities with our Whole of Government partners. We executed two five-year Inter-Agency Agreements with the Department of Health and Human Services, Centers for Disease Control, Division of Strategic National Stockpile, and the Washington D.C. Department of Behavioral Health's, St. Elizabeth's Hospital.

(d) Expanded Arthrex, Inc. Electronic Catalog contract with 318 additional orthopedic items. Many of the new items Medical added are different sizes or iterations of products that are already on contract and currently being purchased by DoD customers. Adding additional items will enable surgeons to treat their patients with custom sized, state-of-the-art implants and instruments.

(e) During October 2018, the 68 Navy 21N Program medical items, managed by DLA Troop Support Medical, posted material availability rate of 97.1 percent.

(f) Stryker Orthopedic is participating in a pilot with DLA Troop Support Medical, which will result in further savings based on sales growth for orthopedic implants for the Military Healthcare System. Medical negotiated with Stryker to implement the additional discounts in FY 19 based on sales growth from FY 2018. DLA Troop Support is estimating a cost avoidance of approximately 3-5 percent overall for FY 19, which equates to roughly \$750,000 to \$1.25 million in potential savings.

(g) DLA Troop Support Medical awarded a long-term contract to Ziehm Imaging, Inc., for their complete commercial product line of Radiology systems. The contract is a joint contract with the Department of Veterans Affairs National Acquisition Center. The contract has a ten-year term, which consists of a five-year base and one five-year option, with a maximum value of \$135 million.

(h) Awarded a contract to Medical Place Inc., a Service Disabled Veteran-Owned Business and an authorized distributor of a variety of sleep related products manufactured by ResMed. This is a five-year contract with a maximum value of \$15 million. The final pricing reflects discounts that range from 39 to 82 percent off the manufacturer's list price.

(i) On December 14, 2018, DLA Troop Support Medical collaborated with Navy Pharmacy consultants, Defense Health Agency and Joint Medical Logistics Function Development Center in regards to the expansion of the Auto-Sub Pilot and how it influences

Medical's interface with AmeriSource Bergen. Stakeholders discussed implications of recalls, auditability as well as expansion to other Medical Treatment Facilities. Auto-sub has generated more than \$600K in savings over the past year.

(j) In December 2018, DLA Troop Support Medical reduced the costs of 60 drugs, through its National Contracts Program, by \$22.7M. This reduction results in a total of \$60.3M reduction for FY 19. The MSPV program reduced customers' costs by \$5.4M in FY 19. Pharmaceutical costs were reduced as well through prime vendor contracts, by \$81.1M.

(k) DLA Troop Support Medical expanded one of the Electronic Catalog Contracts for the Gaumard Scientific Co., Inc. at the request of Naval Medical Logistics Command located at Fort Detrick, Maryland. The customer also requested the addition of the Advanced Pediatric Hal Simulator, which is the world's most advanced pediatric patient simulator. Medical added the item, which is now available to both CONUS and OCONUS customers with a delivery time of 30 days.

(l) The Medical Team, comprised of customer and supplier operations personnel, processed over 400 requisitions, which included high-priority items, such as combat application tourniquets, universal first aid kits, syringes, bandages, as well as cold chain products in support of Foreign Military Sales requirements valued at over \$25M.

(m) DLA Troop Support Medical reduced the cost of the medical material it purchased for DoD by \$147.05 million:

(n) DLA Troop Support Medical extended its Electronic Catalog Sales to various non-DoD organizations by \$36.3 million.

(o) The Senior Enlisted Advisor to the Chairman Joint Chiefs of Staff, Command Sgt. Maj John Troxell, visited DLA Troop Support. Troxell took some time to greet and present his Coin of Excellence to one of his former soldiers who had served with him while they were deployed to Iraq and is now a DLA Troop Support Medical member.

(p) Medical representatives attended the annual Global Patient Movement Joint Advisory Board Conference on April 2-5, at Scott Air Force Base. The mission focus of the conference was the handling of mass casualties in a deployed Multi-Modal Patient Movement Items environment, from point of injury all the way to CONUS Military Treatment Facilities.

(q) DLA Troop Support Medical continues to build strong partnerships with Whole of Government Veterans Affairs (VA) customers under Veterans Integrated Support Network 19. On April 24, Medical added 58 VA custom kits to Electronic Catalog for American Medical Depot. DLA's ECAT System is providing the VA a cost savings of approximately \$410K annually compared to their current contracts.

(r) Medical participated in a Mortuary Affairs RoC drill conducted at the Army Logistics University in Fort Lee, Virginia from April 23-25. The purpose of the RoC drill was to present a comprehensive examination of the doctrinal concepts for MA operations in a collaborative manner, with key input from the institutional and operating sustainment community. Identified challenges for executing MA operations in a Large Scale Ground Combat



Operations environment, while gaining a better understanding of existing capacity and capability gaps.

(s) The Medical Supply Chain provided approximately 3.4M doses of the influenza vaccine to military treatment facilities and U.S. Navy Fleet clinics around the world in support of the DoD's Influenza Vaccination Program.

(t) Through a partnership with the Department of Veteran Affairs, the Captain James A. Lovell Federal Health Care Center began using DLA Troop Support Medical's Medical/Surgical Prime Vendor program in March 2019. As of May 2, obligations total 1038 lines for \$461K with total sales (receipts posted) of 995 lines for \$429K.

(u) Medical Supply Chain leadership hosted a "\$1 billion Celebration," for its National Contracts team on May 28. Since inception of the Medical National Contracts Program in 2013, the contracting team has surpassed the one billion dollar cost reductions threshold in support of our warfighters.

(v) Medical personnel participated in the 2019 Humanitarian Assistance/Disaster Relief Table Top Exercise on May 28-29. The goal of this exercise was to increase readiness and improve interagency communication and coordination in preparation for the upcoming hurricane season. Representatives provided briefs on the National Response Framework followed by a real-time immediate response exercise to enhance DLA Troop Support's ability to respond in Defense Support of Civil Authority operations.

(w) Medical completed a modification to the "Equipment Electronic Catalog" contract with Verathon Inc. The modification included the addition of 28 Video Laryngoscope and Bronchoscopy Systems. The added items are discounted from 4.5 to 41 percent from the commercial list price.

(x) DLA Troop Support Medical completed a recent modification to Beacon Point's Equipment Electronic Catalog contract to add 14K items. The items added include products from Stryker, Medtronic, Covidien and Midmark. The products have an average discount of 41% off list pricing and DLA is being offered the best pricing Beacon Point offers to any customer. The modification increases the scope of products being offered and includes many items requested by our service customers.

(y) On June 10, 2019 the Navy asked DLA Troop Support Medical personnel to expedite seven purchase requests for the USNS COMFORT, which was deploying on June 14. These requests included items such as surgical sponges, litmus paper, microtome blades, specimen plate, specimen bags and intravenous arm boards. Awarded four of the necessary purchase requests within one day and delivered by the deployment date.

(z) The Medical Supplier Operations Director accompanied Mr. William Kenny to the Veterans Affairs Headquarters to attend the ceremonial signing of the Memorandum of Agreement between DLA and the VA. The VA will have the ability to provide materiel support to Veterans through this strategic partnership. The agreement between DLA and the VA allows better acquisition over medical and surgical items, cleaning supplies and equipment, construction materials and equipment, and other items. This first step gives VA networks increased access to DLA's major programs, improving productivity and efficiency.



## (5) Industrial Hardware

(a) Industrial Hardware ended all contracts under the Acquisition Advice Code (AAC) J program in December 2018. The AAC J program provides special attention to items that are not stocked because they are unique, hard to acquire, or traditionally ordered in small quantities. Approximately 6K orders have been placed under the project for a total value of \$3.7M since implementation. A new AAC J contract program began in February 2019, covering roughly 700 NSNs. Approximately 272 orders have been placed under the project for a total value of \$86K since renewal contract implementation.

(b) Commercial Fastener Integrator Program ended in July 2019 to begin moving material back to DLA Depots. At its height, the inventory was valued at \$7.5M. Delivery orders against totaled 37K valued at \$13M.

(c) In partnership with the Air Force and Pratt & Whitney, the Industrial Hardware chartered a TF33 supportability working group. The working group is responsible for obtaining affordable, sustainment solutions ensuring the safety and operational viability of the TF33 through the remainder of its program life.

(d) The Post-Award Continuous Process Improvement project improved customer response time by 90 percent. The project improved data management, standardized processes, and established an expedite team modeled after commercial best practices.

(e) The Corpus Christi Army Depot Integrated Prime Vendor (IPV) team reviewed Boeing's proposal for an equitable adjustment to manage and supply Army-owned material in support of IPV bins with a potential valued estimate of \$4.8M for the remaining seven years of the contract. Additional coordination occurred with DLA Aviation to implement a kitting solution for items coming off the Honeywell TELSS contract covering approximately 335 NIINS and 11 kit Bills of Materiel.

(f) Achieved milestone MA and backorders of 91.89% and of 90K respectively, exceeding the DLA Director's goals of 91.2% minimum and 92,289 maximum.

(g) Garnered three Federal Executive Board of Philadelphia annual awards to include: Outstanding Community Service (Individual) – Gold; Outstanding Technical Achievement (Individual) - Gold – Bradley Steiner; Economy in Government Operations (Group) – USAF Capt. Roy Cruz and Tech. Sgt. Jennifer Bartholomew.

(h) Strategic Materiel Sourcing Group awarded FSC 5330 "Fully Competitive Packaging" project – eight contracts covering 147 items with annual demand of \$668K. Achieved \$204K in negotiated savings with potential to add 6k items pending demand. SMSG also modified five other Long Term Contracts with a combined estimated annual demand of \$1.8M ensuring provision and support for 63 critical coded warfighter support items.

(i) Strategic Materiel Sourcing Group awarded the Restricted Source FSC 5305 thru 5325 Renewal Project consisting of ten contracts covering 161 items with an annual demand value of \$3M, \$307K in negotiated savings and potential to add an additional 11K items via the Add/Delete Clause if demand warrants.



c. Other Significant Accomplishments

(1) Product Test Center Analytical

Quarters	1	2	3	4	FY 19 Total
<b>Total Reports Received</b>	4302	4159	3221	2840	14522
Shade	2879	2188	1985	2023	9075
Verification	104	117	36	66	323
Source	1302	1836	1183	737	5058
Other	1	1	2	3	7
Proficiency	3	5	1	3	12
Certifications	10	8	8	6	32
Source Untested	3	4	5	2	14

<b>Total Reports Completed</b>	4070	4232	3197	2870	14369
Shade	2846	2207	1932	2038	9023
Verification	69	118	68	64	319
Source	1141	1892	1182	759	4974
Other	1	0	1	1	3
Proficiency	2	0	1	3	6
Certifications	10		10	6	32
Source Untested	1	3	3	0	7

## (2) Financials

(a) As reported in the Annual Operating Plan, the FY 19 FTE goal was 2,286 FTE; actual FTE number was 2,122. The travel goal was set at \$3M; actual was \$2.5M. The training execution goal was set at \$2.M and the actual was \$428K.

(b) Net Operating Result (NOR) tracks DLA's revenues and expenses monthly, assesses performance against the budget, identifies variance early in the fiscal year and allows the Agency to take corrective actions necessary to achieve NOR targets. For DLA Troop Support, the NOR forecasted for FY 19 was \$14.5 M. The Actual NOR was \$232.5M.

(c) Cash Plan Performance (CPP) is DLA's total disbursements minus DLA's total collections. A negative CPP implies that more cash was collected than disbursed and increases the Cash Balances. A positive CPP implies that more cash was disbursed than we collected and decreases the Cash Balance. For DLA Troop Support, the forecasted CPP for FY 19 was \$356.9 M. The Cash Actual was \$56.2 M.

## (3) FY 19 Sales Breakdown

DLA Troop Support sales for FY 19 totaled \$19.1 billion. Sales by supply chain breakdown as follows:

- (a) Subsistence: \$2.8 billion
- (b) Clothing & Textiles: \$2 billion
- (c) Construction & Equipment: \$6.2 billion
- (d) Medical: \$7.6 billion
- (e) Industrial Hardware: \$613 million

## (4) Process Compliance

The Continuous Process Improvement team provided professional consulting, coaching, and education that resulted in nine projects, 42 trained lean six sigma green belts, and over \$1.8M in savings.

FY 19	CPI Projects	Identified Savings
June 2018 – June 2019	11 projects completed  Along with collaborations in Blockchain, Project Management, LSA, and DLA Kitting Process	\$1.8M (includes \$99.7K for F&R New Item financial cost avoidance)

#### d. Audit Readiness

The Audit Readiness (AR) team increased progress towards DLA achieving an audit opinion to demonstrate that DLA Troop Support is accountable and continues to strive to provide the best service and value to the Warfighter. Our focused approach with the external auditor for FY 19, led to successful outcomes for Troop Support including no findings resulting from Troop Support, successful closure of 4/17 observations associated with Troop Support, with additional support for closure of other observations associated with DLA J-code offices.

The most impactful steps taken for audit success were the deliberate rehearsals conducted in advance of the independent auditor walk-throughs and the follow up communication post site visits to provide additional information that closed observations and prevented future findings. AR achieved this through a DLA Troop Support Commander's memorandum of instruction on audit and by teams committing to readily providing access to information and documentation that was responsive to the sample transactions identified by the auditor.

To prepare for the external auditors visit, AR educated the 5 Troop Support supply chains and staff offices on what to expect during the audit, including how to work with auditors, via town halls, videos, an audit pamphlet guide, and a roadshow with the DLA audit task force. AR performed mock audits on the 19 areas listed for audit and the team reviewed the newly created risk control matrices. After executing end to end audit walkthroughs with the supply chains, AR integrated with the other MSCs and supporting J-code staff to ensure enterprise audit alignment. Troop Support then met with the external auditor for three weeks of audit engagements in Philadelphia. These engagements covered: expenses (order to cash processes), inventory (plan to stock processes), and revenue (procure to pay processes). An additional success of the AR products is that other DLA MSCs have referenced and requested the tools in support of the ongoing audit site visits.

Outside of audit site visits, AR has established a centralized library to hold documentation for all processes within each supply chain. As this process continues, AR will create or assist in the development of additional documentation to support robust knowledge management. AR updated and mapped the 11 unique Troop Support process cycles and appointed assessable and sub assessable unit manager responsibilities. AR is working to update or assist in the update of any controls that may be identified for improvement during the testing of risk control matrices.

AR completed and submitted three Statements of Assurance and appendices for financial reporting. In support of accurate starting balances, Troop Support has actively worked to achieve a 100% inventory count for FY 19, and adjusted variances that occur on a monthly basis as part

of system inventory reviews. We continue to support initiating or improving upon the corrective action plans as DLA receives Notices of Findings and Recommendations and progresses to closure of each finding.

<b>FY 19</b>	<b>AR Projects</b>	<b>Audit</b>
Oct 2018 – September 2019	Developed 11 unique risk and control matrices along with updating 15 flowcharts and associated procedures.	Troop Support hosted and provided process walkthroughs for the DoD OIG and the external auditor from 20 MAY-20 JUN 2019.
<b>Personnel Trained</b>	<b>Observations and Findings</b>	<b>New item Roll Out</b>
All five supply chains and staff offices	Troop Support completed implementation of the corrective action plan for finding NFR-118, and closed 4 of 17 FY 19 audit observations.	AR introduced audit education Risk Control Matrices to the Supply Chains. AR also launched a Centralized Library and Audit Playbook for knowledge management.

#### e. Command Support Office

A leadership development pilot program began for mid-career civilian employees to gain one-on-one mentorship from senior-level employees. During FY 19, 25 mentees and 24 mentors participated in the program.

DLA Troop Support hosted career program representatives from six Philadelphia-area universities on April 29, as a part of the inaugural Discover DLA Day. Participants met with DLA Troop Support senior leadership and learned about career opportunities, compensation and benefits offered within the organization. Discover DLA Day is a recruitment initiative for the Intern and Pathways to Career Excellence programs to attract local college and university graduate students to DLA Troop Support and federal service.

#### f. Support to Small Business

DLA Troop Support continued to strengthen its relationship with the small business community and special emphasis program partners. In the face of increased obstacles and many regulatory changes, small businesses continued to demonstrate the ability to successfully compete for a wide variety of acquisitions.

Overall awards to small businesses exceeded \$7.8 billion including \$361M awarded to small businesses located in Historically Underutilized Business Zones). Awards to small disadvantaged and small women owned business concerns totaled more than \$1.4B.

Awards to veteran-owned small business concerns totaled more than \$1B.

Other related socioeconomic programs include awarding contracts to non-profit agencies such as the AbilityOne Program – National Industries for the Blind and SourceAmerica which employ individuals who are blind or have other severe disabilities. DLA Troop Support continued to be a major supporter to these organizations in FY 19 awarding over \$590M to AbilityOne entities. DLA Troop Support is a strong supporter of Federal Prison Industries (UNICOR) with over \$117M awarded to UNICOR facilities in FY 19.

In 2019, small business concerns as well as AbilityOne partners continued to be a vital part of DLA Troop Support's robust industrial base across its five supply chains.

**g. Procurement**

**(1) Pricing Division (BPA)**

Pricing processed in excess of 650 pricing cases in FY 19 with 85% of the actions in the Subsistence, Clothing & Textile and Medical supply chains.

**(2) Competition Advocate**

Troop Support's competition rate greatly exceeded projections in FY 19. Total competed dollars were \$15.5B out of \$18.2B obligated under contracting actions. This translated to a rate of 85.1%, a 10-percentage point increase over what was anticipated.

**h. Compliance Division (BPB)**

(1) Performed Internal Procurement Management Reviews and new Internal Agency Management Reviews of Supply Chains, DLA Troop Support Europe & Africa and DLA Troop Support Pacific.

(2) Performed Special Interest IPMRs on Command directed topics.

(3) Performed intense acquisition & pricing reviews on a representative sample of work of each DLA Troop Support Contracting Officers. Conducted as needed training based on reviews and findings.



Program Metric (plan per year)	Estimated Actions/Reviews
Contract Quality Reviews (CQR) LG/SM/Mod	63/311/262
Simplified Acquisition Reviews	350 per year
Biennial Warrant Reviews	475 KOs over 2 years
IPMRs/IAMRs	6-7 each over 2 year.

i. Programs Division (BPC)

(1) Special Projects Team

In FY 19, the Industrial Base Extension (IBex) Program purchased 29 Market Research and Micro Reports, primarily for INDOPACOM and EUCOM. Additionally, reports for the Arctic Circle were purchased; this was the first time market forces in Russia, Canada, and the United States (Alaska) were reviewed, strengthening IBex's support of EUCOM and introducing IBex to NORTHCOM planners. IBex continued its support of the Joint Engineer community and to those deploying to remote or hostile locations. In FY 20, IBex will continue these efforts, as well as explore drafting new Blanket Purchase Agreements for classified reports for the J2 community. Ultimately, IBex aims to expand the communities it supports while continually providing quality market intelligence on OCONUS commercial capabilities to its traditional partners.

(2) Contract Review Division (BPP)

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

(b) Number of cases reviewed by Supply Chain:

Supply Chain/Region	Cases Reviewed
Medical	86
Subsistence	76
Construction and Equipment	63
Clothing and Textiles	43
Europe and Africa	9
Industrial Hardware	19
<b>TOTAL</b>	<b>296</b>

(3) Systems & Procedures Division (BPS)

- (a) 400 hours of specific topic training related to Policy/ECC/EProcurement/External Systems
- (b) Customer Service – 24.5K+ email and phone requests
- Policy Guidance issued to the Procurement Community
  - (c) 12 Contracting Broadcast News
  - (d) 7 Contract Policy Memorandums
  - (e) 10 Clause Change Notices
  - (f) 16 Procurement Letter Summaries
  - (g) Continuous System Guidance and System Testing
  - (h) J7 BOT development and consolidation effort.
  - (i) DCMA workload driver weekly discussions
  - (j) Suspended Stock J7 root cause analysis effort
  - (k) DCMA LV/LR adjudication and resolution team
  - (l) Procurement System Modeling
  - (m) Resolution of thousands of payment issues on various orders
  - (n) Quarterly and Yearly FPDS verification and validation reports
  - (o) Full time Support of Operation Agency Resolve
  - (p) Hurricane Support
  - (q) Audit Readiness support as systemic SMEs
  - (r) Agency Management Review support as systemic SMEs

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# Defense Logistics Agency

## DLA Aviation

### Fiscal Year 2019 Annual Historical Report



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

October 21, 2019

MEMORANDUM FOR DLA HEADQUARTERS, ATTN – Historian  
SUBJECT: Submission of DLA Aviation FY19 Annual History Input

DLA Aviation remains encouraged and diligent in working to solve materiel availability through FY19.

Continuous Improvement is always on the forefront of Aviation's objectives and is established in our efforts to improve forecasting via holding contractors accountable for late deliveries and strategic buying initiatives.

In my time since taking command, I have been able to spend time and make rounds with my DLA Aviation team members and discuss challenges and processes we can work together and make better.

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

The Aviation Team Goal is to be inventive and invested in strategic planning to achieve continuous and dynamic Warfighter support.

At the end of the day, Aviation is working on producing the best leaders creating an empowered culture, putting the warfighter and the mission first, while implementing the DLA Director's Strategic goals for People and Culture.

A handwritten signature in black ink, reading "David J. Sanford".

David J. Sanford  
Brigadier General, USAF  
Commander, DLA Aviation & Defense Supply Center Richmond

Attachment:  
1-Annual History Input

## **1. Introduction**

The Defense Logistics Agency (DLA) Aviation is a Major Subordinate Command (MSC) of DLA and is the agency's combat logistics and supply chain manager for aviation and nuclear assets across the Department of Defense.

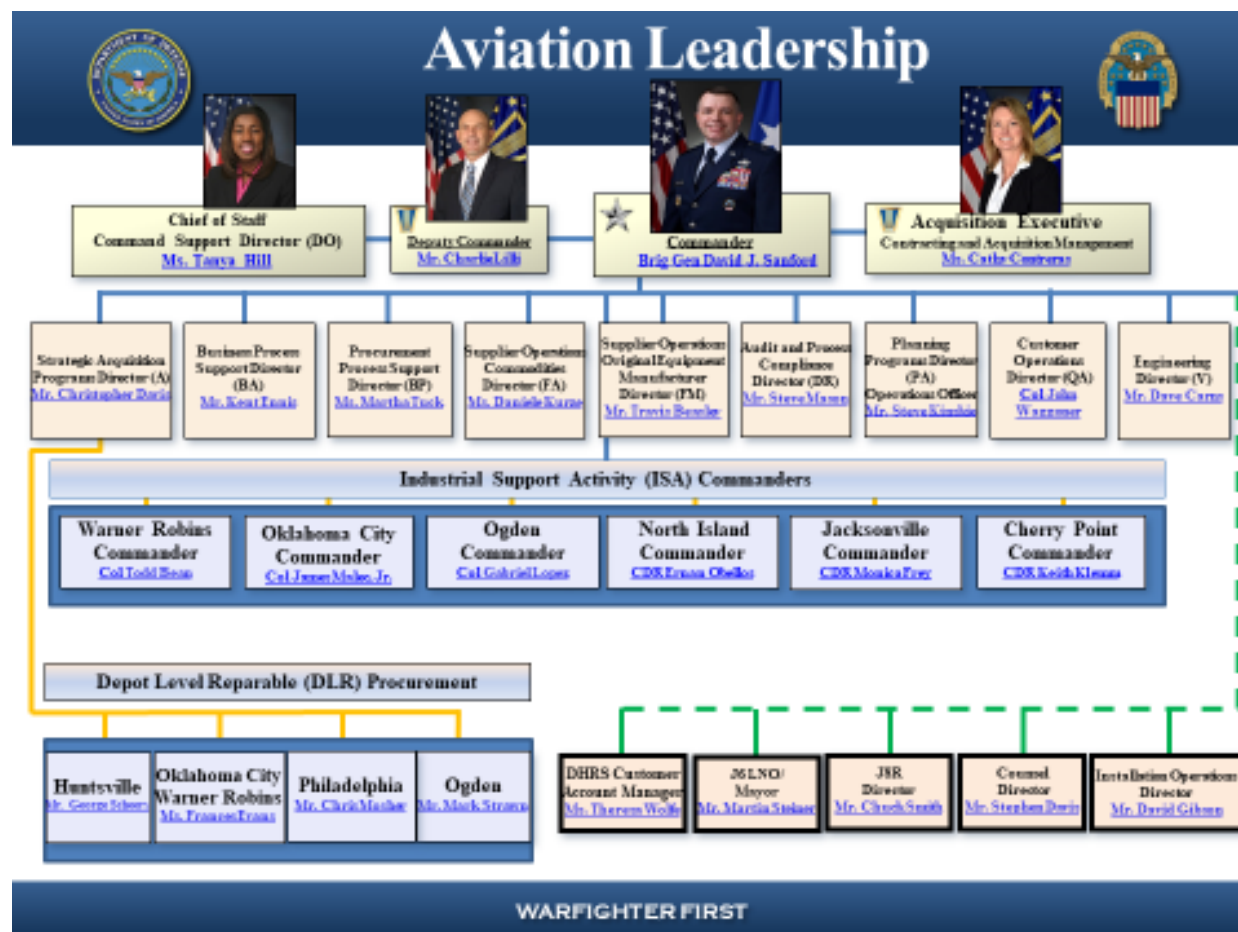
DLA Aviation is headquartered in Richmond, Virginia, and operates at 18 geographically separated sites across the U.S. The DLA Aviation team is comprised of more than 3,800 civilian and military personnel supporting more than 1,700 weapon systems as the U.S. military's integrated materiel manager for more than 1.2M national stock number items, industrial retail supply and depot-level repairable acquisitions resulting in over \$5.8b in annual sales.

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

Our five depot-level repairable (DLR) procurement organizations executed procurements of more than \$1.9B in FY 19. DLA Aviation managed DLR operations at Robins, Tinker and Hill AFBs; Naval Supply Systems Command, Weapon Systems Support, Philadelphia; and at Redstone Army Arsenal, Alabama. DLA Aviation operates an Industrial Plant Equipment Services (IPES) maintenance, repair and overhaul facility at Mechanicsburg, Pennsylvania. DLA Aviation strives to deliver excellence in performance, and responsiveness in support of our worldwide customer network.

Whether bringing up F-16 Mission Capable Rates from 68.1 percent to 75 percent during FY 19, or developing a manual build set process for over 2K piece parts located directly in the Fleet Readiness Center shop to undergo maintenance repair and overhaul work, or providing customers with more than 5.6K mapping products, to creating new National Stock Numbers for hazardous substances or developing programs to help with supervisory functions; Aviation is committed to supporting the warfighter, people and mission.

## 2. Organization



## 3. Key Personnel and Organizational Changes

a. Mr. Steven Kinskie transitioned from being DLA Aviation Chief of Staff (COS), Director of the Command Support Directorate, and Operations Officer to becoming the Planning Programs Director. He maintained his position as Aviation Operations Officer.

b. Ms. Tanya Hill transferred from the position of Director of Procurement Process Support when selected as Chief of Staff in March 2019. Ms. Hill also serves as the Director of the Command Support Directorate.

c. Ms. Martha Tuck replaced Ms. Hill as Director of Procurement Process Support in August 2019. Ms. Tuck transferred from the Aviation Supplier Operations Original Equipment Manufacturer (OEM) Directorate where she was the Deputy Director.

d. On July 9, 2019 Air Force Brig Gen David J. Sanford assumed command of DLA Aviation replacing outgoing Commander, Brig Gen Linda S. Hurry.

e. In July 2019, Air Force Col. Gabriel Lopez replaced Air Force Col. Paul Smith as Commander of DLA Aviation at Ogden, Utah.

f. In February 2019, Ms. Theresa Wolfe replaced Mr. Rocky Weaver as Aviation's

Customer Account Manager for Human Resources Support.

g. In June 2019, Mr. Floyd Moore accepted a rotational assignment with the Office of the Secretary of Defense.

h. In August 2019, Mr. Travis Beasley was selected as the Director of Supplier Operations OEM (FM).

i. In August 2019, Ms. Daniele Kurze vacated her position as Deputy Director of Strategic Acquisition Programs (A) when she was selected as Director of the Supplier Operations Commodities (FA) Directorate.

j. In the summer of 2019 DLA Aviation submitted a reorganization package that includes the addition of a new Audit and Process Compliance Directorate (DR). This new directorate is led by Mr. Stephen Mason. The directorate aligns organizations and efforts in support of audit sustainment and process improvement. The creation of this new directorate triggered the following organizational realignment changes:

k. The Audit Readiness Division moved from the Business Process Support (BA) Directorate to the Audit and Process Compliance Directorate (DR)

(1) The Internal Review Office moved from the Command Support Directorate (DO) to the Audit and Process Compliance Directorate (DR)

(2) The Continuous Process Improvement Program moved under the Audit and Process Compliance Directorate (DR)

l. Management of the Safety Office transferred from Installation Management to the Command Support Directorate

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

DLA Aviation total workforce – 3,808 (includes 66 military, 212 contractors).

a. Aviation Richmond – 2,186 (includes 56 military, 116 contractors)

b. Aviation at other sites – 1,622 (includes 10 military, 96 contractors)

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

a. Warfighter First

(1) Material Availability (MA)

DLA Aviation increased MA for Crown Jewels and Diamonds (highest demanded items). We kicked off 2019 with our End of Month January results just coming in with our



Crown Jewel MA increasing from 88.57 percent to 92.4 percent and our Diamonds increased from 87.71 percent to 95.43 percent.

(2) Crown Jewels MA

Over a two-month span, Aviation improved performance seeing a 1.3 percent increase in Crown Jewel MA and in Aviation Supply Chain MA.

(3) DLR Support

Aviation delivered on its promise to quickly procure a set of spares valued at \$167M based on pricing negotiated by Naval Air Systems Command (NAVAIR) as part of the Priced Bill of Material for F-18 production Lot 42. The entire effort took 30 days. This innovative award was made as a Fixed Price Incentive, Firm contract with incentives for both cost and delivery that will maximize value to the government and support to the warfighter. This was huge in terms of our partnership with the Navy.

(4) Nuclear Enterprise:

(a) Aviation had a strong collaboration with B-2 enterprise on Low Density High Demand weapon system (20 aircraft); efforts aided 8.8 Aircraft Availability (AA) exceeding the B-2 System Program Office projection of 8 AA. DLA items impacted AA.

(b) We targeted B-52 engagement ensured no Programmed Depot Maintenance (PDM) line stops; aided in meeting PDM goal of 17 three years running. Also, a key contributor for PDM “Road to 8” AA initiative to reduce Work in Process; three B-52s returned to warfighter 3.9 percent AA back to the warfighter.

(c) Our collaboration efforts with the Intercontinental Ballistic Missile (ICBM) Systems Directorate, 576 Flight Launch Test Squadron and DLA have decreased DLA critical items from 24 to zero. This ensured Operational Test Launches (OTLs) and Simulated Electronic Launch Minuteman (SELMs) were not impacted by DLA.

(d) The entire population of 451 DLA NSNs impacting the F-107 engine on the Air Launch Cruise Missile will be fully supportable by industry in late 2019 through a combination of Long-Term Strategic contracts and Small Business Innovation Program initiatives.

(e) We engaged Space Command to set a special forecast monthly demand level linked to Unit Bench Stock replenishment quantities for Radar Transmitters and Receivers. Efforts increased MA by 60 percent for the two main systems, the Ballistic Missile Early Warning System (BMEWS) and the Precision Acquisition Vehicle Entry Phased Array Weapon System (PAVE PAWS). MA increased 46 percent to 75 percent for BMEWs and 50 percent to 83 percent for PAVE PAWS.

(f) Aviation aggressively provided logistical program support to the field and Nuclear Command, Control, and Communications (NC3) and Military Satellite Communications Systems Directorate shareholders; collaboration resulted in maintaining an NC3 operational and CFM MA above 95 percent. NC3 is an evolving architecture of 59 total

systems, to include Global Aircrew Strategic Network Terminals and the Family of Advanced Beyond Line-of-Sight Terminals.

(g) The Nuclear Enterprise Support Office Customer Relationship Management (NESO CRM) Cell aggressively monitored orders for seven operational units; coordinated resolution efforts yielded reduction in unfilled orders by 30 percent and aged unfilled orders by 18 percent.

(h) Aviation made full usage of the Small Business Innovation Program. The office executed 13 projects, worth \$10M, on new sources to fix heavy support challenges.

(i) Our operational MA increased 5.75 percent overall for NESO weapon systems (B-2/B-52/ICBM/ALCM) with the B-2 and ALCM improving the most with 10.4 percent and 14.5 percent, respectively.

#### (5) F/A-18 Rhino Recovery 9

(a) Starting in March 2019, a Memorandum of Understanding between DLA and Naval Supply Systems Command (NAVSUP) gave back the Depot Level Repairable (DLR) Procurement to the Navy for the F/A-18 EF platform. Initial indications from the data shows that there are not any performance improvements to this pilot program at this time.

(b) DLA is in constant contact with Boeing to ensure the Flight Control Surfaces continue to be a priority for Boeing and not an impediment to reach the Air Boss goal of 341 aircraft.

(c) DLA partnered with Boeing to provide Logistical Service Representatives and Field Service Representatives direct support at the Aircraft on Ground Cell at Naval Air Forces US Atlantic Fleet Norfolk, Virginia; Naval Air Station Oceana, Virginia; Naval Air Station Lemoore, California; Naval Air Station North Island, California and the Fleet Readiness Centers (Southwest, Southeast, East and West). These representatives have direct access back into the Boeing Company and are a valuable resource for the Fleet Customers, as well as our DLA teammates working alongside of them.

(d) DLA Aviation established three Full Time employees (two civilians and one Lieutenant Commander) to cover the day and night shift at the AoG Cell in Norfolk providing direct access to the DLA Enterprise. Material Availability for the entire F/A-18 Platform (F/A-18 AD; F/A-18EF and EA-18G) at the end of July 2019 was 92.2 percent; the Navy's Performance Based Agreement goal is 90 percent.

#### (6) MC-80 Readiness

(a) The F-16 Mission Capable (MC) rate is at 75 percent (up from Oct 18 MC of 68.1 percent). Aggressive efforts resulted in a significant MA increase up from 83.7 percent to 91.1 percent since October 18. The AF Total Not Mission Capable for Supply (TNMCS) rate decreased by 3.7 percent and surpassed the AF goal of 3.6 percent. DLA's

investment for the F-16 is approximately \$40M and future forecasts project support for 9K industrial/operational National Item Identification Numbers (NIINs) with the total investment near \$200M.

(b) The F-22 MC rate decreased 4.3 percent in FY 19. The logistics enterprise continued efforts to increase MA resulting in an increase from 89.6 percent to 90.4 percent. The AF TNMCS rate decreased by 5.6 percent, closer to the AF 7 percent reduction goal. Due to the limited amount of NIINs DLA manages for this platform, mostly CLS/other SoS, DLA has limited influence with supportability.

(c) The DLA Air Force Division continues to stay engaged in a variety of ways. They manage Weekly Readiness Driver meetings that consist of other Aviation Directorates, as well as other MSCs (Land and Maritime and Troop Support). They participate in bi-weekly meetings with AF Sustainment Command (AFSC) and assisted with forecast requirements consisting of level loading of 8K+ industrial NIINs and 700 plus operational NIINs.

(d) For the F/A18 A-D MA is 91.6 percent (up from Oct 18 MA of 89.5 percent). DLA NMCS decreased from 18.4 percent to 5.4 percent.

(e) For the F/A18 E-F MA is 90.5 percent (up from Oct MA of 85 percent). DLA NMCS decreased from 11.9 percent to 2.3 percent. Investment for future forecast is \$103M for NAVAIR increased demands.

(f) For the E/A18 G MA is 91.1 percent (up from Oct MA of 86.4 percent). DLA NMCS decreased from 13.3 percent to 1.4 percent.

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

(a) ORT for Jan 18 – Jan 19 remained close to goal of 92 percent across the Air Logistics Centers (ALCs) with a rolling 6-month average of 91.4 percent.

(b) SSC Fill Rate for Jan 18 – Jan 19 has consistently risen and maintained within the high 74 percent against a goal of 75 percent. The six-month average was 74.2 percent.

(c) Material Availability for Jan 18 – Jan 19 stayed at or above the 90 percent goal across the three Fleet Readiness Centers (FRCs).

(d) Total Gross Demand Plan (GDP) Fill Rate trailed closely to the 90 percent goal at 88 percent while orders not on GDP continued to remain low.

(e) Material Delay DLA requisitions at the three FRCs took a spike in last quarter of FY 18, but then rebounded back down to historical numbers between the months of October 2018 – January 2019.

(f) San Diego and Cherry Point Industrial Support Activities (ISAs) developed a manual build set process in response to recommendations from the Navy Sustainment System (NSS) and Boston Consulting Group (BCG) for 31 end items totaling over 2K piece parts located directly in the FRC shop where the end item is undergoing maintenance, repair, and overhaul (MRO) work.

(g) Actions taken at the FRCs have driven down the F/A-18 UFOs at each of the FRC ISAs such as Cherry Point, North Carolina reduced UFOs from 740 to 137 between the months of September 2018 – August 2019.

(h) SECDEF MC-80 NIIN support at Ogden increased to 96 percent. Additionally, DLA Aviation at Oklahoma City ISA led a joint Air Force-DLA team with the goal of reducing end items awaiting DLA parts (AWP), with tremendous results to date. The team drove down AWP 16 percent over FY 19, developing new processes focused on ensuring the right parts are available for Air Force mechanics. In addition, the ISA co-led several continuous process improvement efforts focused on improving forecasting processes for DLA parts in support of Air Force depot maintenance workload.

(8) MA Campaign Plan – View of MA by Military Service

Sep-18			
SERVICE	DMDs	BO EST	MA
Air Force	94252	11550	87.7%
Army (A/W/C)	95933	14306	85.1%
Coast Guard	862	110	87.2%
DLA	1445	116	92.0%
Marine Corps	21405	3706	82.7%
Navy	55780	7802	86.0%
Civil Agencies/Other	1296	95	92.7%
Unassigned	1439	316	78.0%
Grand Total	272412	38001	86.1%

Jul-19				
SERVICE	DMDs	BO EST	MA	FY 19 Improvement
Air Force	103186	10165	90.1%	2.4%
Army (A/W/C)	69463	7598	89.1%	4.0%
Coast Guard	1192	113	90.5%	3.3%
DLA	2246	115	94.9%	2.9%
Marine Corps	23942	3561	85.1%	2.4%
Navy	64508	8169	87.3%	1.3%
Civil Agencies/Other	1456	76	94.8%	2.1%
Unassigned	668	121	81.9%	3.8%
Grand Total	266661	29918	88.8%	2.7%

DMDS = Demands  
BO EST = Backorders Established  
MA = Material Availability

b. Global Posture

Aviation's Deployment Program Support to the Enterprise Agency Synchronization and Optimization Cell or ASOC, consisted of multiple deployments all over the world.

(1) DLA Deployment Support Team (DST):

(a) Deployed 24 personnel to locations Kuwait, Africa, Afghanistan, Romania, and other locations.

(b) Global Response Force Rapid Deployment Team participated in two exercises.

(c) Red Team participated Exercise TD 19-1, a TRANSCOM Joint Task Force Port Opening (JTF-PO) Aerial Port of Debarkation (APOD) Field Training Exercise. Keith Chambers (Red Team Ops Officer) deployed to Jacksonville, Florida to participate as member on the DLA Assessment Team (DAT).

(d) The Blue Team participated in the US Force Korea Exercise 19-2. Three members from DLA Aviation participated in the exercise.

(e) Europe and Africa requested support for two DLA Liaison positions in Poland in support of the DLA Support Team. DLA Aviation is schedule to support this requirement starting May 2020 (Powdiz) and Feb 2021 (Poznan).

### c. Strong Partnerships

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

(1) DLA Aviation Supplier Industry Days were held May 29 and 30 in the Frank B. Lotts Conference Center on Defense Supply Center Richmond, Virginia. The two-day conference allowed industry business leaders and owners discuss support issues with DLA Aviation acquisition professionals.

(2) DLA Aviation's Supplier Operations Commodities Directorate hosted the event that brought more than 250 industry business owners and leaders to discuss government processes including the post-award process, how the Defense Contract Management Agency works with DLA and DoD, the use of FedMall and for participation in breakout sessions.

(3) During the conference, suppliers and Aviation leaders discussed FedMall, a web-based ordering site, which is a full e-Commerce site that provides the ability to find and acquire goods from commercial and government sources for federal, state and local governments, as well as other authorized buyers. FedMall provides access to more than 25 million products with market-driven competition with dynamic pricing and flexible contract arrangements while providing a safe shopping experience. Suppliers had an opportunity to address specific problems, have discussions with Aviation's leadership and build relationships with the people they'll be working closely with over the life of the contracts.

d. Whole of Government: Humanitarian Assistance and Disaster Recovery

(1) DLA Aviation-Mapping Customer Operations provided support to Customs and Border Protection (CBP)/Operation Faithful Patriot during FY-19. Customers from DoD and other federal agencies ordered 5.6K mapping product lines for a total of 74.2K copies.

(2) Rapidly mobilized and deployed RDT Personnel within a 24-hour notification in support of Hurricanes Florence and Michael.

(3) Deployed Marco Walker (RDT) to Maxwell Air Force Base ISO FEMA and Task Force Atlantic. Mr. Walker acted as an Operations Officer and DLA Liaison Officer to FEMA's Joint Field Office and DoD bases within the affected regions: Georgia, South Carolina, North Carolina, Virginia and West Virginia. Facilitated on site tracking and visibility of high priority customer requisitions for multiple supply class support.

(4) Deployed Taylor Frazier to Jacksonville, Florida to establish initial operations with Task Force 51 (U.S. Army North, Forward). Relocated to Eglin AFB to conduct facility assessments at Tyndall AFB and assist the 325<sup>th</sup> Fighter Wing with recovery.

(5) Rapidly mobilized and deployed RDT Personnel (Stephanie Lowe, Joint Contingency Acquisition Support Office) to Fort Sam Houston, Texas ISO Border Operations and to form DLA Support Team Border Operations.

(6) DLA Aviation ALOC Chief Kevin Ryan was awarded the 1<sup>st</sup> QTR FY 19 Director's Strategic Goals Award for Support to Disaster Relief and Border Security

e. Always Accountable

(1) During FY 19, Aviation's Engineering Directorate's Hazardous Minimization and Green Products Program established six NSNs for bio-based oils, and eight additional NSNs for less hazardous substances used by the Navy. The new NSNs are managed by DLA Aviation, and help to meet the requirements of various Executive Orders that require the federal government to reduce the size of its hazardous footprint.

(2) The Aviation CPI program works with dedicated project teams and belts that are committed to achieving assured supply chain, financial and process excellence to provide end to end solutions and deliver readiness and lethality to the warfighter. Aviation uses CPI to identify and implement improved processes touching DLA, supplier and the warfighters.

(3) In November 2018, what started out as a local research effort initially recommended by DLA Aviation Kitting Team, turned into a completed document recognized by DLA Logistics Operations planning process owners, who decided to expand the activity into an enterprise-wide event that included process mapping and guidance development for all MSCs.

(4) CPI team members facilitated two DLA Aviation Kitting Projects, resulting in an updated kitting business and operations process document, and created four new kitting process flows documenting the separation of job roles, duties and accountable actions.

(a) In a project designed to identify and prioritize backorders, the team mapped out the process and developed an innovative strategy to reduce administrative lead time for one of Honeywell's highest volume sites. The team helped reduce time to award while increasing the agility in responding to customers' needs. The process incorporated repair objective percentages, backorder age, high priority backorders (like ANDONs), a lean Six Sigma term for any item potentially causing delays in production, MICAP, mission capability and customer feedback. A gated process was defined in order to work backorders, with easy-to-follow tasks needed to be completed within each gate.

(b) Implementation of the project resulted in coordination with the customer to reach a common goal of an 85 percent repair objective and zero-line stops.

(c) The second project was a joint effort between Northrop Grumman, DLA Aviation and 309th Aerospace Maintenance and the Regeneration Group Tooling Team. This team reduced tooling shipment days by 70 percent. The project was initiated to identify processes driving tooling delivery delays in excess of one year from AMARG, and then develop and implement new processes to drive tooling delivery down to 30 days or less. Over ten improvements were identified within the three stakeholder organizations and improved (gated) processes were implemented. Tooling delivery times were reduced to 31 days on tooling shipping requests that use the new process improvements.

#### **f. People and Culture**

##### **(1) The Wheel**

(a) The Wheel was created in FY 19 to serve as the Junior Leadership Consortium. Consortium members realized that new supervisors rarely had exposure to processes outside of their area of technical expertise and were not aware of how their technical area impacted other areas in DLA Aviation or the goals and mission of those areas.

(b) During the two-week program, supervisors gained a better understanding of basic supervisory functions, the internal organization, and how the different organizations support the DLA Strategic Plan through individual organizational briefings.

(c) Program attendees received basic Human Resources training for new supervisors, such as EAGLE timekeeping, daily supervisory tasks, DoD Performance Management System training, union agreements, and the agency's hiring and promotion process.

(d) During the second week, new supervisors received an overview of DLA Aviation's industrial support activity co-located at the Oklahoma Air Logistics Complex.

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





## (2) Flash Mentoring and Job Shadowing

(a) The DLA Aviation Flash Mentoring Program was established to discuss career goals of junior or apprentice staged employees while offering developmental opportunities and guidance to employees with a desire to enhance knowledge and skills most critical to career and leadership growth.

(b) Several Flash Mentoring and Job Shadowing sessions took place during FY 19 which serviced more than three dozen employees.

(c) Flash mentoring is designed to enable prospective mentees to have an initial 10 minute discussion with several different mentors in a round-robin table setting with the intent to find a mentor during that session with a possible option of setting up later dates/times to learn from and seek guidance, institutional knowledge and experience offered from that mentor.

## (3) Tier and Executive Mentoring Programs

(a) In June 2019, 25 Aviation employees celebrated their completion of their participation in the year-long Tier II Mentoring program. The DLA Aviation Tier II Mentoring Program has served as a great opportunity for employees to find their niche in the organization, build strategic relationships, and gain a broader perspective of DLA's mission and future. It was built on the sharing of ideas and experience; mentors play a critical role in helping employees enhance their careers.

(b) The DLA Aviation Executive Mentoring Programs (Grades GS-11/12 (Tier II) and GS-13/14 Tier III) are about developing leadership traits, building strategic relationships with other leaders, and gaining a broader perspective of DLA's mission and future. Even though the programs are mentee-driven, they create an environment where individuals learn how to collaborate effectively. Mentors benefit just as much as the mentees. During FY 19, the program graduated 36 mentees in 2019 (Tier II - 25/Tier III - 11). Currently there are 39 mentees in the program (Tier II - 25/Tier III - 14).

(c) More than 90 percent of program participants agreed the program helped facilitate professional growth and development. As the program progressed, a number of mentees said they had been promoted and/or given new responsibilities since the start of the program. The majority of mentees expressed that one of the major strengths of the program is networking opportunities as well as organizational support. By participating in the program, participants have reported the program has given them more exposure within DLA and put them in touch with people they would not have met otherwise.

(d) Over 95 percent of participants said they would recommend the Executive Mentoring Program to a friend or colleague.

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

(a) Aviation's EEOD offered several 8-week Sign Language courses. The courses detailed the culture of the Deaf community and taught participants a basic vocabulary of American Sign Language (ASL).

(b) Aviation EEOD offered courses tailored for the Defense Supply Center Richmond Police Force giving police officers basic exposure to emergency signs and to the Deaf culture in emergency situations.

(c) Aviation's EEOD introduced "The Silent Lunch Table". A table located in the main cafeteria at DLA Aviation Richmond creating an environment for past ASL students, and interested people who want to learn sign, and also for students currently taking the sign class. It gives employees a place to practice their skills while incorporating the culture of the Deaf and hard of hearing employees.

(d) EEO trained more than 94 percent of Aviation's workforce on the biennial mandated instructor led training in the area of the EEO complaint process, prevention of sexual harassment and sexual assault.

(e) The EEO Office implemented and hosted the first Aviation World Café. World Café' is a grass-root initiative designed to bring stakeholders to the table to engage in conversation, share ideas, insights, actively listen to each other, then develop solutions.

(f) The Aviation EEO office utilizes the ELI Civil Treatment training focusing on employees changing behaviors and working through a series of vignettes where participants take responsibility for achieving a positive work culture. Topics in ELI Civil Treatment include bullying, discrimination, respectful workplace, and retaliation to name a few.

#### (5) Training and Recruitment

DLA Aviation's commitment to investing in its future workforce was evident in fiscal 2019. DLA Aviation budgeted \$2.2 million to provide career enhancing training through leadership development programs, college tuition assistance programs, professional development, career enhancing courses, and an internal rotational program. In FY 19, DLA Aviation trained 105 Defense Logistic Agency's Pathways to Career Excellence Program Pacers, accepted eight employees into the annual DLA Aviation rotation program, and hired 41 college-level interns.

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# Defense Logistics Agency

## DLA Energy

### Fiscal Year 2019 Annual Historical Report



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

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Submission of DLA Energy FY19 Annual History Input

This 2019 History submission is dedicated to the DLA Energy employees who focus their talent, hard work and time towards supporting the Warfighter and strengthening the service and combatant command readiness and lethality.

The DLA Energy workforce is at the core of successful Warfighter support. Our accomplishments over the last year focused on relationship building, business reform and government wide efficiency. We are committed to attaining and sustaining auditability through process excellence and sound financial stewardship by practicing audit readiness through continued testing and reliance on internal controls.

Our professionals procure and manage energy supply contracts for the Department of Defense and the whole of government. Our involvement in the new DoD Energy Strategy is a collaborative effort with the Services, DLA Energy, and other DoD Components with a short-term focus for 2021. We continue to bring business reforms and government wide efficiency in procuring and managing energy supply contracts for whole of government. We hope that as people read this report they will better understand all aspects of DLA Energy, and DLA as a whole.

In closing, I want to thank the DLA Energy workforce, which operates from more than 30 locations around the world, for their hard work and dedication in helping us achieve the accomplishments listed in this year's history report. The success of our warfighters and other whole of government partners is inextricably linked to the global support you provide each and every day.

A handwritten signature in black ink, appearing to read "B. Blank", is positioned above the printed name and title.

BRUCE A. BLANK  
Deputy Commander, Acting

Attachment:  
1-Annual History Input

## **1. Introduction**

Warfighter support is at the core of DLA Energy's mission. We strive to enhance that support to fulfill the requirements of our customers, the Combatant Commands and Joint Petroleum Offices.

DLA Energy supplies 100% of fuel to our military in the form of petroleum and lubrication products, alternative fuel/renewable energy, fuel quality/technical support, fuel card programs and installation energy services. For Whole of Government, DLA Energy supplies 94% of all U.S. government fuel purchases. Energy savings performance contracts and renewable energy supply agreements are examples of how DLA Energy works to improve efficiency in procuring and managing energy supply contracts for the DoD. Both domestically and regional offices, DLA Energy is ready for any situation, from combat training to disaster relief.

We have a global posture supporting 2,190 posts in 93 countries. We accomplish this through:

- 598 Defense Fuel Support Points

- 125 bunker contract locations in 28 countries

- 38 international agreements

- \$542.7M (FY 2018) sustainment, restoration and modernization funds for 440 DFSPs

- \$46.87M in foreign military sales

- 442 into-plane contracts in 85 countries

- ~6K Air/Sea Card Locations

In FY 20, DLA Energy will build on those successes by sustaining Warfighter readiness and lethality by delivering proactive global logistics in peace and war. We will continue to leverage the Joint Logistics Enterprise and assure supply chain, financial and process excellence.

**2. Organization.** DLA Energy is dedicated to providing exceptional support across the spectrum of energy operations whenever and wherever U.S. assets are utilized. The structure is as follows:



### 3. Key DLA Energy Personnel

- a. Commander: Brig Gen Albert G. Miller, USAF
- b. Acting Deputy Commander: Mr. Bruce Blank
- c. Chief of Staff: COL Stephen R. Davis, USA
- d. Director, Business Process Support: Mr. Tom Turets (acting)
- e. Director, Procurement Process Support: Mr. Jake Moser (acting)
- f. Director, Strategic Programs & Initiatives: Ms. Regina Gray
- g. Director, Customer Operations: CAPT Christopher Light, USN
- h. Director, Supplier Operations: Ms. Gabriella Earhardt
- i. Commander, DLA Energy Americas: COL Kevin Cotman, USA
- j. Commander, DLA Energy Middle East: LTC Amanda Shumaker, USAF
- k. Commander, DLA Energy Europe & Africa: LTC Donna Welch, USA
- l. Commander, DLA Energy South-West Pacific: CDR Angela Watson, USN
- m. Commander, DLA Energy Hawaii: CDR Eric Lockhart, USN
- n. Commander, DLA Energy Japan: Maj Justin D'Agostino, USAF
- o. Commander, DLA Energy Korea: LTC Craig Daniel, USA
- p. Commander, DLA Energy Okinawa: Maj Tracy Gilmore, USAF

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

As of September 30, 2019, DLA Energy had 1,205 employees (1,137 Civilian and 68 Military).

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

##### **a. Warfighter First**

We continue to set the standard for strengthening Warfighter support and Combatant Command readiness and lethality.

In September 2019, DLA Energy Americas West leadership observed the USNS Petersburg demonstrate the offshore petroleum distribution system capability via the Single-Anchor Leg Mooring System to transfer bulk liquid over-the-shore into a bladder farm built on Imperial Beach, CA. OPDS is a critical Joint Logistics over the Shore capability for contingency and Defense Support of Civil Authorities activities. This exercise provided realistic, relevant training to develop a more effective amphibious force as a critical enabler to DoD and Whole of Government partners.

DLA Energy and Joint Service Energy leads participated in the 2019 Joint Force Energy Wargame hosted by INDOPACOM and sponsored by the Deputy Assistant Secretary of Defense for Energy and Joint Staff J4. The game grew out of concerns that existing Service war games were not sufficiently identifying the organizational, geographic, and supply chain seams that adversaries likely will exploit to disrupt the flow of energy to our combat forces.

##### **(1) Joint Logistics Enterprise (JLEnt) Digital Transformation Strategy:**

At the direction of Assistant Secretary of Defense (Sustainment) and Director of Logistics for the Joint Staff, DLA Energy funded a \$1.5M innovation pilot project to demonstrate the Rhombus Power Guardian capability for the Class III Bulk Petroleum Supply Chain. The Center for Joint & Strategic Logistics at the National Defense University will coordinate the project on behalf of the DoD.

DLA Energy's Business Process Support Directorate and Procurement Process Support Directorate are in the forefront of employing a new Robotic Process Automation (known as BOT) initiatives to improve the quality and increase productivity of routine automated processes. This new functionality automates the manual work of identifying and entering base reference prices on solicitations. This reduces manual work currently performed by a contract specialist while also reducing the risk for entry errors.



(2) Red Hill remains a top priority:

In July, the Hawaii Department of Health submitted a letter allowing the Navy to continue to operate the Underground Storage System at DFSP Joint Base Pearl Harbor Hickam until a final decision is rendered. We continue to fund the tank maintenance and Sustainment, Restoration, and Modernization for Red Hill at higher-than-ever levels. DLA has historically averaged \$25M per year in SRM there, and we've committed to fund the required \$71M this fiscal year. In FY 20, we expect to fund \$90M. DLA Indo-Pacific is fully engaged with INDOPACOM and PACFLT.

We are working with the Navy in response to PACFLT's request to examine alternate sites for the fuel currently stored at Red Hill. PACFLT has indicated the overall study approach and scope may require adjustment, due to "recent political and civilian interaction at both the local and state level on Red Hill concerns." PACFLT's review continues.

(3) USAFRICOM:

DLA Energy is aggressively working to provide fuel to Baledogle Military Airfield, Somalia. The existing DLA Energy FOB destination contract is being augmented with a security element contracted through the U.S. Army Africa tender program. Moving forward, DLA Europe & Africa will leverage scheduled bulk fuel movements with security elements used for other commodities being flown in to reduce costs.

(4) INDOPACOM:

After extensive dry-dock repairs, DFSP Okinawa's single point mooring is fully mission capable to support surge/contingency operations. In February DLA Energy Okinawa received its first JP8 tanker through the SPM.

(5) Bulk Petroleum

In March, our Bulk Petroleum Products East Division, awarded nineteen contracts under the Inland East Gulf Coast program for an estimated dollar value of \$2.8B. This annual buy is one of our STRATCONS and the largest Bulk Products procurement supporting the Military Services in various locations within the Inland/East/Gulf Coast/Offshore regions.

b. Global Posture:

The DLA Energy Commander attended the All Things Europe Table Top Exercise in early November. He attended the Central European Pipeline System Program Board with the U.S. voting member from the U.S. Mission to NATO. The main topics of discussion were infrastructure management, pipeline utilization, and overall management of the system.

In March, DLA Energy Europe & Africa participated in Exercise Austere Challenge 2019.

c. Always Accountable.

(1) Fuel pricing information:

On 24 September, the OUSD Comptroller published the FY 20 Fuel Price Change memorandum changing the standard fuel price from \$125.16 per barrel in FY 19 to \$124.32 per barrel in FY 20. The new pricing took effect on October 1, 2019.

(2) Updates to Petroleum Inventory Risk and Control Matrix.

DLA Energy conducted an all-day workshop in July to update the Petroleum Inventory Risk and Control Matrix. DLA Energy utilized variables to include E&Y's specific feedback from the FY 19 Internal Control Testing Stage and the Audit Task Force guidance to execute four focused objectives.

(3) Manning Deep Drive.

DLA Energy is keeping Keesler AFB, Mississippi, running stronger with a new 50-year contract award. The \$126M Utilities Privatization (UP) contract, awarded March 1, offers a fixed price with economic price adjustments to the home of one of the Air Force's largest technical training centers and the second largest medical training center. City Light & Power will own, operate, and maintain the installation's electrical distribution system, building reliability and resilience through infrastructure improvements and modernization, as well as development of standard electrical distribution practices. In September, two 50-year UP contracts were awarded to American Water Military Services, LLC, at Joint Base San Antonio, Texas and U.S. Army Garrison – West Point, New York for the water and wastewater utility systems. These contracts, valued at \$448M and \$520M, respectively, will improve water and wastewater utility system infrastructure, and operations and maintenance at these installations through modernization, and improvements to those systems.

U.S. Army Garrison – Oahu will have a new owner for its electrical distribution system thanks to a DLA Energy 50-year UP contract award, valued at \$638.5M. Hawaiian Electric Company (HECO) will own, operate and maintain 12 Army installations on Oahu covered under the contract. Performance under the contract will improve infrastructure, modernize equipment to improve reliability and resilience, and implement standardized electrical distribution practices. Military installations are shifting from the role of owner operators to that of smart utility service customers.

(4) Utilities Privatization contracts.

Fort Campbell got a new owner for its electrical distribution system thanks to a DLA Energy 50-year UP contract award. City Light & Power, Inc. will own, operate and maintain the installation's system with plans to improve infrastructure, modernize equipment and develop standardized electrical distribution practices.

(5) Energy Savings Performance Contracts.

DLA Energy helped Hill AFB, Utah, utilize over \$4M through energy incentives and bill credits for a \$91M ESPC. Hill AFB ESPC will implement energy conservation measures that span 262 buildings and 9.1M square feet. The measures are expected to reduce the base's overall energy consumption by 9 percent and energy costs by 13 percent while increasing its distributed/renewable energy portfolio by 30 percent.

DLA Energy awarded Misawa Air Base, Japan's first Energy ESPC December 20, 2018. The ESPC provides for \$206M in main base and military family housing infrastructure improvements that will provide an estimated annual energy savings of 259M million thermal units with no up-front capital costs to the government.

(6) Auditability.

In October 2018, DLA created an Audit Task Force and staffed with 40 employees from across the agency, including DLA Energy, dedicated to strengthening efforts to achieve an unmodified audit opinion. The task force is the principal audit advisor to the Director.

DLA Energy participated in an entrance conference with GAO on November 30, 2018. The audit was in response to a congressional mandate and OSD interest regarding the accounting of support provided under ACSAs. The Independent Public Auditor, Ernst & Young reissued three DLA Energy specific NFRs accompanied within the DLA FY 18 Financial Statement Audit Report. DLA Energy conducted internal control testing to assess the effectiveness of the corrective actions taken to remediate two of the DLA Energy specific NFRs. We support the Independent Public Auditor's confirmation of DLA Energy Inventory beginning balance for fiscal 2019 through observation of physical inventory at sampled Defense Fuel Support Points, and retrieval of evidential matter for all transactions and end-of-month physical inventories.

In May 2019 representatives from DLA Energy accompanied the Independent Public Auditor, Ernst & Young (EY), on walkthroughs of two selected DFSPs and three DLA Energy Regions. The walkthroughs focused on EY selected DLA Energy Internal Controls/Business Processes that were specifically executed at the DFSPs and/or Regions.

In June, RADM Haven held the Audit Task Force Roadshow with the Energy workforce. RADM Haven recognized several DLA Energy employees for their outstanding efforts to support the on-going efforts of the Audit Task Force. Additional highlights included a review of the employee's role within the Energy Audit Strategy, an explanation of the audit process, and upcoming areas of audit focus.

Representatives from DLA Energy accompanied EY on 25 site visits for the fourth quarter FY 19. The IPA's objectives include performing and documenting the physical inventory as of the site visit date and review of supporting documentation.

DLA Energy has uploaded 44 out of 60 reimbursable agreements into G-Invoicing and 27 out of 43 non-reimbursable agreements into DLA SharePoint for the Military Services. DLA Energy trained 86.88 percent of its personnel requiring G-Invoicing training. Energy's confirmed personnel with G-Invoice access is 46.54 percent. Internal Phase I POAM draft is complete and Phase II POAM framework complete.

The final issue of the DLA Energy quarterly magazine Energy Source Spring/Summer 2019 published in May 2019 focused on DLA Energy efforts to implement corrective actions to help DLA achieve a clean financial statement audit opinion.

d. Whole of Government:

DLA Energy supplies 94 percent of all US government fuel purchases. Whole of government accounts for 8.5 percent of DLA Energy's annual sales. DLA Energy is the mandatory source of fuel for FedCiv business.

In October 2018, DLA Energy supported a FEMA Mission Assignment order of \$5 million for 32 fuel trucks in support of disaster relief for Hurricane Michael. This included 35K gallons of Diesel, 20K gallons of gasoline, and 12K pounds of propane. Six personnel from Task Force Americas supported the Mobile Command Vehicle at the FEMA Incident Support Base at Maxwell AFB, Alabama. In addition, the Energy LNO worked closely with FEMA at their National Response Coordination Center in Washington.

On October 24, 2018, the Department of Homeland Security submitted a Request for Assistance to DOD for NORTHCOM to support the Customs and Border Protection Agency with DoD personnel and capabilities in response to an inbound convoy of migrants from Central America through Mexico to the southwestern and southern border of the United States. DLA Energy Americas was an active daily participant in the NORTHCOM Joint Fuels Coordination Board and provided seamless bulk fuel support (F-24 and ground fuels) to the BSIs along the border in California and Arizona in support of the Joint Force Land Component Commander. To date, approximately 1.4M gallons of F24/Diesel have been issued/sold in support of CBP operations.

At the request of NORTHCOM/ARNORTH, Fuel Cards (Voyager) are being used as a temporary solution to support fuel requirements. Fuel supplies at the Border Safety Initiative locations remain more than sufficient to meet potential requirements; however, NORTHCOM anticipates increased requirements in support of DHS CBP.

DLA Energy celebrated the Navy's signing of an afloat Memorandum of Agreement in October 2018. DLA Energy capitalized Navy inventory in FY 03, and DLA Energy and Navy components have engaged since 2012 in negotiating an agreement addressing the Navy's management of DLA-owned fuel inventoried on Navy vessels.

DLA Energy met with NASA, Bureau of Land Management, and OSD/Industrial Policy to discuss the growing concern over the Helium Stewardship Act and the directed transfer of helium operation functions to private industry, and disposal of the Federal Helium System. The helium market supply is limited and prices continue to rise; the impact to meet Warfighter requirements will be significant if BLM ceases operation of the Federal Helium Reserve.

(1) Support for Space Launches.

DLA Energy supported the launch of the first Lockheed Martin GPS III satellite aboard a SpaceX Falcon 9 by providing 3.2K pounds of high purity hydrazine and 1.8K pounds of Mixed Oxides of Nitrogen (MON) 3. In addition, we provided fuel for the launch of a United Launch Alliance Delta IV Heavy at Vandenberg AFB, California.

Rocket fuel supplied by DLA Energy launched the Northrop Grumman's Antares rocket to resupply the International Space station from Virginia's Eastern Shore, April 17. The Antares rocket, filled with 21.5K pounds of rocket propellant for the first stage rocket and 500 pounds of hydrazine for the payload, launched the Cygnus NG-11 spacecraft from the Mid-Atlantic Regional Spaceport at NASA's Wallops Flight Facility, Virginia.

DLA Energy provided high purity hydrazine and dinitrogen tetroxide to launch the United Launch Alliance Atlas V rocket carrying a U.S.A.F. communications satellite from Cape Canaveral Air Force Station, Florida, August 8.

DLA Energy Aerospace supplied the propellants for both the rocket and the payload for the liftoff of United Launch Alliance Delta 4 rocket. It launched successfully at Vandenberg Air Force Base, California, January 2019.

(2) Sustainment, Restoration and Modernization.

A core competency of DLA Energy is the military construction program. DLA Energy funds new construction, alterations and improvements that exceed the \$2M threshold. Planning for military construction consists of 5 years from concept to construction. For FY 19, DLA Energy has a \$310.8M allocated for new construction, alterations and improvements to infrastructure.

In FY 19, 993 SRM projects were funded against a plan of 990.

DLA Energy has been meeting with industry and government partners on the maintenance and repair of fuel storage tanks. Leaders have found that procedures are more alike than different. Seventeen industry organizations consisting of 39 partners participated in the engagement and eight of them provided briefings to compare and contrast commercial and DoD tank sustainment processes.

Operational fuel requirements and strategic planning were the priorities of the 18th annual Joint Petroleum Seminar held in the McNamara Headquarters Complex at Fort Belvoir, Virginia, January 14-16.

### (3) Strong Partnerships.

DLA Energy participated in the second annual DLA Industry Day and sponsored two industry breakout sessions in July to provide more information about DLA Energy. Eleven companies representing the Oil and Gas, Renewable Energy, and Utility Services sectors attended the breakout sessions. By giving industry a two-year forecast on large dollar procurement programs, we requested suppliers ensure readiness to respond to solicitations.

The DLA Energy LNO to USAREUR worked closely with the DLA Energy Europe & Africa International Agreements team to open a short-notice Acquisition and Cross-Servicing Agreement Order with Slovakian Armed Forces for Exercise Toxic Valley. This ACSA Order supports the increase of mil-to-mil interoperability within Europe while strengthening partnerships.

DLA Energy participated in the annual Australia Defense Force Fuel Symposium held at Canberra, Australia, October 29-November 1, 2018. The theme of this year's symposium was on safety for its people and improving current sustainment, restoration and modernization of its ageing fuel infrastructure.

DLA Energy hosted the French Service Des Essences Des Armees Commande Major General Jean-Charles Ferre for the purpose of increasing cooperation between France and the USA. France's SEA is the French Ministry of Defense's equivalent of DLA Energy, but they are also considered a separate Service in the French armed forces. A meeting was held between the SEA Commander and the Deputy Assistant Secretary of Defense for Energy. The discussion focused on the U.S. vision for future energy, and the role of electric vehicles on the battlefield. In addition, the French officers were given briefs by a number of DLA Energy business units, followed by open discussions that included the Service Control Points.

Two French officers participated in a fuels officer exchange program with DLA Energy. During their visit, they provided a brief to the DLA Energy senior staff on the organization, mission and main capabilities of the French Service Des Essences Des Armees. The officers received briefings, participated in discussions and took part in a one-day tour of the Army Petroleum and Water Department at Fort Lee, Virginia.

In March 2019 DLA Energy and the Service Control Points hosted 12 students from the Eisenhower School, to include foreign nationals from the UAE, Mexico, Tunisia, and Indonesia, for an overview of DLA Energy.

DLA Energy attended the America, Britain, Canada, Australia, New Zealand, naval fuels and lubricants meeting in Windsor, UK. Items discussed during the meeting included fuel and lubricant quality trends, specifications, stability and contamination problems, and procurement issues. By attending, DLA Energy gains knowledge from other nation's experience regarding fuel and lubricant technical issues and emerging issues, which may impact fuel supply and quality concerns for marine fuel procurement, storage, handling, and interoperability.

Expanding its 38 fuel agreements across the world, DLA Energy signed a new Fuel Implementing Arrangement with the Peru Navy to improve interoperability between the

U.S. and Peruvian Navies in May 2019. The new IA replaces a 2007 legacy fuel agreement and expands the scope of support – authorizing all product types both on land and at sea and allows better interoperability between the U.S. and Peruvian Navies; it is essential to support major combined exercises such as RIMPAC and UNITAS.

Shoulder-to-shoulder, the Armed Forces of the Philippines and the U.S. military operated together in the 35th annual BALIKATAN exercise April 1-12. Throughout the exercise, DLA Energy provided six types of fuel and delivered 234.7K gallons to the U.S. military services at 18 different sites.

Drawing a record number of attendees and an action-packed agenda, the DLA Energy 2019 Worldwide Energy Conference was held at the Gaylord National Hotel and Conference Center in National Harbor, Maryland May 20-22. The 2019 WWEC theme was “Building Stronger Partnerships” and provides the opportunity for stakeholders, interagency and industry partners to gain insight into the future of energy industry. More than 2.3K personnel attended the event.

e. People and Culture.

DLA Energy hosted Deputy Assistant Secretary of Defense for Logistics at DLA Energy Headquarters for the inaugural Senior Leader Mentor Session in October 2018. Ms. Dee Reardon spoke to Energy's GS-12 through GS-14 acquisition workforce about the type of acquisition reform we are facing and how we can be agents of change.

The DLA Energy Commander recognized 117 Energy employees for achieving DAWIA Certifications on October 18.

After years of advancing in the rankings, this year DLA beat the competition to win the Fort Belvoir Commander's Cup for the first time. Thirty-five DLA Energy athletes played a significant role in helping earn the win.

In November 2018 DLA Energy Commander and Deputy Commander announced the release of DLA Energy video on Denison Culture Climate Survey results. The 2018 DLA Energy Culture Climate results were 22 points higher than the 2016 Culture Climate results with an average score of 83.

Great effort went in to making DLA Energy a better place to work. We implemented three workforce councils (Culture Council; Supervisory Council; Training Council), created the DLA Energy Career Management Portfolio, and spurred the growth of DLA Energy nominees for the Executive Development Program – all aimed at developing the DLA Energy workforce.

Four former employees were inducted in the third annual DLA Energy Hall of Fame in October. Inductees honored in the ceremony were:

- (1) Kathryn Fantasia, former director, Direct Delivery Fuels
- (2) COL (ret) Robert Jarvis, former commander of Defense Fuel Region Middle East, Bahrain
- (3) Carol O'Leary, former director, DLA Finance for Energy
- (4) Paul Rogers (posthumously honored), former deputy director of the Environmental Division, DLA Installation Support for Energy



To increase our workforce's knowledge of the DLA Energy mission we hosted an Energy Overview Course. We are targeting 100% participation for the course which includes all government civilian employees, active duty/reserve personnel, and employees who have arrived in the last 12 months to include the Pathways to Career Excellence (PaCE) Program.

DLA Energy initiated a series of Virtual Town Halls with members of our workforce that are geographically separated from the DLA Energy Headquarters to address associated region-specific perspectives. This included DLA Energy Okinawa, DLA Energy Hawaii, DLA Energy South-West Pacific (Guam), DLA Energy Japan, DLA Energy Korea. This effort will mitigate the effects of reduced workforce interaction at DLA Energy Regional Command locations due to resource constraints affecting senior leader travel.

In March, DLA Energy hosted ten OSD Sustainment Fellows. We focused on DLA Energy's support to the Warfighter and my perspective on leadership and work/life balance.

DLA Energy personnel participated in a recruitment opportunity at George Mason University in April. The event provided general information on career fields available, the Pathways to Career Excellence (PaCE) program, and utilizing USAJOBS to search for DLA Energy job announcements. The experience provided George Mason University students firsthand insights into career opportunities available at DLA Energy.

DLA Energy Procurement Process Support Directorate hosted its semi-annual DAWIA/DAC Ceremonies in April. Acquisition professionals were recognized for their achievements for the following categories/certifications: Level I, II, and III Certifications Contracting, Production Quality and Manufacturing and Life Cycle Logistics Career Fields (57); Membership into the Defense Acquisition Corps (DAC) (8); Contracting Officer Warrants (3); Petroleum Commodity Certifications (3); and Completion of Supplier Operations Pilot Rotational Program (5).

On May 7 DLA Energy Deputy Commander Mr. Guy Beougher was selected for the Senior Executive Service (SES) position of Deputy Director, DLA Logistics Operations (J3). Mr. Bruce Blank will serve as the Acting Deputy Commander for DLA Energy until a permanent backfill is in position.

Ms. Sharon Murphy was selected to join the 2019 DLA Hall of Fame, which recognizes former DLA civilian and military team members who made significant and lasting contributions to DLA and its mission. Ms. Murphy spent 28 years with DLA Energy, joining the Defense Fuel Supply Center in 1985. Over the course of the next 28 years, Ms. Murphy served in various leadership positions culminating in her role as DLA Energy Aerospace Energy Director, where she retired in 2013.

A new DLA Energy command video *DLA Energy provides the power*, was introduced for the first time to the DLA Energy 2019 Worldwide Energy Conference audience.

Recent DLA Energy Changes of Command include:

- (1) June 7, 2019: DLA Energy Americas North Change of Command
- (2) June 21, 2019: DLA Energy Okinawa Change of Command

- (3) June 24, 2019: DLA Energy Europe & Africa Change of Command
- (4) June 26, 2019: DLA Energy Americas East Change of Command
- (5) July 25, 2019: DLA Energy Middle East Change of Command

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# Defense Logistics Agency

## DLA Disposition Services

### Fiscal Year 2019 Annual Historical Report



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

October 17, 2019

MEMORANDUM FOR DLA HEADQUARTERS, ATTN - Historian

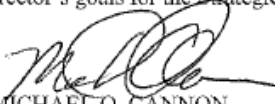
SUBJECT: Submission of DLA Disposition Services FY19 Annual History Input

As we embarked on the FY19 Dynamic Operating Plan, I wrote in my guidance to the staff that I looked forward to working together towards making it a landmark year. I noted that our dynamic environment presents many challenges, that my initiatives were broad and organizationally demanding, but believed each success would bring us closer to meeting DLA's Strategic Goals. The attached pages show highlights from those successes as DLA Disposition Services continued to adapt and innovate to meet ever changing requirements affecting the Defense Logistics Agency's mission.

We always consider the warfighter first and look for the most efficient and economical ways to do so while also looking out for our people. We continually encourage our people to work safely and passionately in support of the mission. Our Battle Creek Alignment is an example of how we have listened to our field sites and adapted the staff structure here to better support them and the warfighters. We studied our processes to ensure we focus our time and resources on those that we have to do and avoid duplication of effort.

We have harnessed technology to work more efficiently. The deployment of the Hazardous Material Management System-Hazardous Waste Disposal, the RTD Photo App and Mobile Office will all help field personnel process turn-ins and provide better information to encourage more reutilization. Our use of the DLA Dashboard and the development of a "bot" to monitor our inventory for items to fill critical weapon systems maintenance needs will also help us do more to support the mission.

We hope that as people read these pages they will see a workforce ready, willing and able to do all it can to exceed the DLA Director's goals for the Strategic and the People and Culture Plans.

  
MICHAEL O. CANNON  
Director

Attachment:  
1-Annual History Input

## **1. Introduction:**

DLA Disposition Services operates from 103 locations throughout the world supported by a leadership team in Battle Creek, Michigan. The field sites receive, classify, segregate, demilitarize, account for and dispose of excess materiel received from warfighters and other customers. Then, by facilitating customers' reuse of serviceable excess, DLA Disposition Services reduces their need to purchase new materiel. In FY 19, materiel with an estimated acquisition value of more than \$27.5b was turned in to DLA Disposition Services. From that material, there were 145.4K requisitions that requested 5.3M usable items worth more than \$2.5M in original acquisition value. The items were provided for reuse by the military services, transfers to other federal agencies or donations to state and local governments plus eligible non-profit agencies. Among DLA Disposition Services' operations is oversight for the demilitarization and disposal of remaining property through transfers, donations and sales, or its ultimate disposal – as is the case with hazardous waste. Public sales generated approximately \$94M of revenue, which reduced the warfighter's service level bill. The fiscal year presented new challenges and opportunities for the DLA Disposition Services team that required engaged leadership, individual initiative, and constant communication from everyone. As in the past, the workforce overcame challenges and met the FY 19 objectives through mission focus, resiliency and outstanding teamwork.

## **2. Organization:**

The command shifted from a legacy organizational structure at the start of FY 19 to a new process-centric model in June as part of the Battle Creek Alignment initiative.

## **3. Key Personnel and Personnel Changes**

- a. Tina Maier departed as Customer Support director and became DSD Europe and Africa director
- b. Mark Aicher moved from Transformation director to become Customer Support director
- c. Connie Nowicki moved from Finance director to become Transformation director
- d. Isaac Stanley became Finance director
- e. Darran Duncan retired as Operations director
- f. Arthur Welsh became Operations director
- g. Timothy Dauten became Chief of the Law Enforcement Support Office.

#### 4. Total Personnel

The global operations of DLA Disposition Services are staffed by 1,328 civilians, 13 active duty military (10 filled) and 113 local nationals and augmented by six Reserve units. These numbers do not include the 25 members of the Law Enforcement Support Office funded by DoD.

#### 5. Historical Narrative

##### a. Warfighter Support

###### (1) Battle Creek Alignment

The Battle Creek Alignment initiative made additional changes to better support the people in the field supporting the warfighter. The initiative studied all of the processes performed by the staff to first ensure work was not being done that was not required nor beneficial and then realigned in a process centered structure that avoids duplication of effort. A team of regional deputy directors and other experts helped identify the processes, which were reviewed by a second team from the Battle Creek staff to match them against requirements from regulations and public law. The second team gathered input from supervisors to match the best job series and grade to each position needed to perform all of the processes. Supervisors were given training to help them notify employees where they would be placed in the new alignment and how the transition would work. A stand down day was used in May to offer training to all employees to educate them on processes, who owns them and who manages them. With union concurrence, employees began transitioning to their roles under the new alignment June 21 when operational control went to the supervisors of the processes. The new alignment is expected to reduce costs and improve efficiencies in supporting field operations.

###### (2) Optimize Disposal Service Representatives Support

The DSR provides a direct link between customers and DLA Disposition Services. The DSR is often the first contact for turn-in customers and can advise on all disposal support available to meet customer needs. When a DSR is unavailable, customers can use the digital DSR page on the website for research on services. The site helps customers contact the Customer Interaction Center if they still have questions. There is also contact information for the DLA Enterprise Help Desk to resolve technical problems in accessing online systems like searching for usable property.

###### (a) DSR - High Visibility Support

We continually identify generator requirements, provide training and tailored disposal solutions by contacting local commands for customer outreach. We coordinate warfighter requirements with site visits by regional directors and major command support representatives. Our goal is to meet 90 percent of the customer's requirements. Accomplishments achieved in this area by the third quarter included:

### (b) DSR University

Training continues to ensure each DSR receives the same information and has the same access to online references to offer customers consistent and accurate information regardless of which DLA Disposition Services site is contacted. Updates to training material in FY 19 includes information on Receipts in Place, expanded Demilitarization as Condition of Sale, Controlled Item Inventory Codes II-IV, and security classification stickers. New interactive training was developed based on student recommendations. ICE surveys specific to DSR University were created to allow live feedback. The first max capacity DSR University class sessions occurred in July 2019. Lessons learned were captured to enhance future courses.

### (3) Divestiture support

Efforts continued throughout the year to help the services divest themselves of excess items to improve readiness and enhance their auditability.

#### (a) Army

DLA Disposition Services worked with Army leaders during fiscal 2014 and 2015 to plan how best to support the need. There was a large Clean Sweep effort at Fort Hood in early 2018, but by FY 19 it was back to normal operations for the most part. The lessons learned in these earlier efforts helped achieve success with the other services in FY 19.

#### (b) Navy Material Accountability Campaign (NMAC)

DLA Disposition Services has a strong partnership and alliance with the Navy that enhanced support efforts for the Navy Material Accountability Campaign (NMAC)/divestiture planning. To date, we have participated in senior leader Navy Road Shows or Table Top Exercises at twelve locations. Briefings consist of showing the Navy Disposition Services capabilities, all with a positive result. Several of our site locations are actively engaged in providing unit level training and assisting with their turn-ins of property.

Leadership has taken an active role in supporting the Navy N4, CNIC, BSOs and others in the development of a NMAC/divestiture planning documentations to provide greater emphasis on the importance of Disposition Services having an active role to ensure success over the next few years. Disposition Services is a non-voting member of the Command Property Officer Working Group as well as our area managers are part of the installation level Council of Captains (CoC). Our involvement in providing disposal language, disposal aids such as the Digital DSR, Smartbook, importance of proper disposal and our capabilities is evident in the Navy's document and published Playbook.



From the last Navy/DLA Day, a Disposition Services/N4 Working Group was established and meet monthly. Participants from all over the Navy call in to ask questions, raise concerns and our Customer Wait Times and No Shows are provided to show improvement against the metric. Held an Industry Day in June for Puget Sound, WA with great participation from industry. We are continuing to work closely working with Puget Sound on their scrap sales/barge removals and the sale of batteries.

We have developed monthly metrics, provided to the N4 and BSOs to show Navy turn in. In FY 19 the Navy increased their turn in quantities by 26 percent over FY 18 and an increase of 12 percent in turn in documents/workload. We anticipate the turn in numbers to continually grow as they go through audit and execute the NMAC Operations Order with specific timelines to complete their inventories and excess property no longer needed.

(c) Marine Corps

As home of Marine Corps Logistics Command and Marine Depot Maintenance Command/Production Plant Albany, the Marine Corps Logistics Base Albany, Georgia, is a focal point for aiding the Corps divestiture efforts. The divestiture effort was completed with DLA personnel supporting the Marines having processed receipts for 224 rolling stock and 771.6K for non-rolling stock items, year to date. The extra effort contributed to the 5.4M pieces the Corps turned in overall with an ACQ value of over \$1.2B.

(4) Increase Warfighter Readiness through improved Reverse Logistics

This aligns with the DLA strategy map under the Readiness and Lethality objective and is a DLA strategic imperative, directly given to DLA Disposition Services. Our focus is on internal operational/efficiency improvements to better support Warfighter readiness through coordinated Disposal Release Order (DRO) drops and increasing on-the-shelf rate of targeted components and reducing unprocessed receipts. Our goal with regard to customer wait time (CWT) is a reduction of 10 percent from FY 18, until we meet a 14 day metric. The CWT for FY 18 was 18.1 days. As of September 30, 2019, our CWT was 10.5 days (-42 percent) thus exceeding our goal of a 10 percent reduction.

Customer Wait Time	
<u>Fiscal Year</u>	<u>Days</u>
FY 19	10.5
FY 18	18.1
FY17	N/A

Our on-the-shelf rate (OSR) goal is to increase by 5 percent from that of FY 18. The OSR FY 18 baseline is 20.7 percent and as of September 30, 2019 we were at 21.7 percent, thus reaching our planned goal.

On The Shelf Rate	
<u>Fiscal Year</u>	<u>%</u>
FY 19	21.7
FY 18	20.7
FY17	19.0

The goal for unprocessed receipts is to achieve a 10 percent reduction from our FY 18 baseline. Our baseline for FY 18 was 88.8K DTIDS/5.7 days. As of September 30, 2019 our unprocessed receipts were 111.3K DTIDS/7.7 days which is an increase of 20 percent. Because this is a “snap shot in time,” we are looking at Network Optimization and major realignment to assess how best to meet this goal in the near future and beyond.

Unprocessed Receipts		
<u>Fiscal Year</u>	<u>DTIDS</u>	<u>Days</u>
FY 19	111,339	7.7
FY 18	88,837	5.7
FY17	168,102	11.1

Our accomplishments in this area included developing and designing 12 of 22 large field activity workflows; completed Network Optimization; creating a Smartbook with performance metrics; automating Visitor Control Log; developing Dashboard Tiles; executing DCOS at Sierra (10M lbs.) and Eglin (3M lbs); and designing an On-the-Shelf Robotic Process Automation.

#### (5) Enhanced Processing For Weapons Parts

We have worked to create a DLA Disposition Services Center of Excellence in weapon disposal solutions. This involves an increase in capability/capacity to receive and process all weapon parts at our Anniston, Alabama, site. In March, Operations worked with the Disposal Policy Working Group for new language in the 4160.21-M, which identifies the requirement for the services to send their Controlled Item Inventory CODE II-IV directly to DLA DS Anniston and DLA DS fund. Commodore Crunch (the successor to Captain Crunch) is a massive shredder used for cutting up rifles, pistols, etc.) is expected to be at Initial Operating Capability in April 2020.

#### (6) Photo App

Reutilization, Transfer and Donation (RTD) program customers have always wanted as much information as possible on the condition of items they are considering to ensure the acquisition would be worth the effort. Customers outside of DoD must pay for shipping and donation customers who go through a state agency for surplus property usually have surcharges to pay, so they want to be sure the item is in good shape. They want to see photographs during the selection process. But using digital cameras takes added time and effort to get images loaded and put into the RTD Web system. The development of the RTD Photo App during previous fiscal years allowed for its deployment in FY 19 to all locations inside the continental United States and the start of deployment to sites outside of the continental United States. The app exploits the mobile phone camera features, as well as barcode scanning and talk-to-text features of DLA-issued iPhones and greatly speeds the process of displaying images of available property items to customers on the RTD Web site. The app allows images to be sent directly from the iPhone into the RTD Web server and greatly expedites the flow of information to customers. It is easily acquired by authorized users' phones through the DLA Apps Store. User roles for people using the app must be requested through the Account Management and Provisioning System. Details on the roles needed and how to request them are part of the training materials distributed during FY 19 to help employees use the app effectively. Overall, the program manager reports excellent feedback from employees who say that this app is really going to save time and users love it.

#### (7) Mobile Office

DLA Disposition Services moved closer to fielding mobile offices kits after a briefing and prototype demonstration in Battle Creek, Michigan, October 11, 2018. The mobile office demonstrated was designed to fit in a vehicle's front passenger seat, backseat or in the trunk of the typical vehicles used by DLA Disposition Services. The mobile office unit is designed to contain a laptop locked onto an adjustable arm and a label printer that creates the standard labels attached to property being turn in by warfighters. Using a government-issued iPhone as a hot spot or a local Wi-Fi signal, disposal service representatives can use the mobile office wherever property is located to receive items in place, take and process photos, input items into DSS, and print property labels – all on site, all in one trip. The initiative expedites the input

of the customer's information and faster relief from accountability for item turn-ins. DLA Disposition Services Director Mike Cannon said the project could save employees in the field time as well as improve service to customers, plus avoid unneeded repeat site visits. During FY 19 thirty mobile office units were deployed at selected sites across the DLA Disposition Services enterprise as well as a few DLA Distribution sites as part of the pilot program.

#### (8) Contained/stored AFFF removals (PFOS/PFAS)

DLA support to DoD includes a worldwide Defense Material Disposition Program, including disposal of DoD hazardous property. Disposition Services uses licensed contractors to remove certain types of waste that have been held in tanks, containers or other controlled storage on military facilities. The most common materials are waste oils and other waste associated with motor vehicle and aircraft operation.

Multi-year contracts were awarded starting in 2016 for removal of firefighting foam stored at military bases. The discovery that some components of AFFF were a matter of health and pollution concern had led military units to want to dispose of the foam formulation in place at the time.

In FY 19 DLA Disposition Services continued support to the armed forces by awarding follow-on AFFF removal contracts as the original contracts expired. The new contracts offer removal and disposal of contained AFFF materials for the armed forces and Department of Homeland Security.

DLA does not serve in a regulatory role in executing environmental support responsibilities. Under EPA and DoD policy, and, specifically, RCRA standards, a supported DoD activity determines if its wastes are, or are not, regulated and how they may be properly disposed of.

DLA Disposition Services contracts with licensed contractors who have demonstrated the ability to handle, transport, treat and dispose of wastes in accordance with regulatory standards set by federal, state and local authorities. Trained environmental specialists are used by DLA Disposition Services to execute its responsibilities in compliance with applicable standards.

#### b. Global Posture

##### (1) Maturation of Expeditionary Capabilities

Our support in contingencies is based on having all personnel and cargo arrive in accordance with the supported operations order when we deploy. Our OCORT 2019 training was another successful test as we developed OCONUS exercise objectives in coordination with DLA-E/A. We secured a liaison officer position with the training audience's C2 staff.

(a) SABER GUARDIAN 19

After securing funding and filling manpower rosters, we deployed personnel in support of SABER GUARDIAN 19, a US Army Europe (USAREUR) Southern Campaign focused, regional exercise and part of the Joint Exercise Program. Personnel and property were deployed for two weeks to Camp Bondsteel in the Republic of Kosovo during June 2019, which represented agency planning and training efforts over several years. Regional disposal representatives provided the same high level of support and response to Camp Bondsteel as they do elsewhere -- arranging for hazardous waste removal from Kosovo or by advising on property shipments to one of the agency's 10 permanent disposal offices in the region. Expeditionary equipment needs were methodically identified, tweaked and improved as personnel rehearsed a mix of skills required to operate in potentially austere environments. Support was provided for the first time from one of the four standard Expeditionary Site Sets.

(b) Mobile Demil / Expeditionary Support (ESS)

One of four Expeditionary Site Sets was pre-positioned in Germany in early 2019. Another set was shipped to the Indo-Pacific region, one set is in Kuwait and two sets remain in the United States. The sets can be quickly deployed to erect a full-service site and begin accepting and processing defunct or unwanted equipment within 100 hours of arrival.

(c) Overall AOR support

We have made physical improvements to sites in Afghanistan and Africa to enhance operations. We have shifted copper shipments from Afghanistan to Kuwait versus Germany. We conducted bi-weekly meetings with 1st TSC, ARCENT to support DELIBERATE RESOLVE. We are performing Receipt-in-Place actions in the UAE, formulating scrap sales and providing as-needed DSR visits to UAE and Jordan.

(d) Indo-PACOM focus

We have identified designated mission essential personnel and conduct weekly interactions to include participation in exercises / real world events such as the PACIFIC SENTRY EX with DLA Indo-Pacific. We are ensuring the Pacific region is postured for quick response to real world contingencies / exercises in the Pacific region. An operation planner has been added to support exercises.

c. Strong Partnerships

DLA Disposition Services exceeded Small Business Initiatives expectations for the past two years in its successful effort to use small business contractors which contributed to Sheryl Woods, DLA Disposition Services' associate director of small business, receiving the award as DLA Acquisition Support Professional of the Year at the annual awards program in December

2018. The figures below show the command is on track to make FY 19 the third consecutive year it has met or surpassed all goals for small business contracts.

Category	Goal	Achieved YTD
Small Business	57.00%	81.83%
Small Disadvantaged Business (SDB)	16.43%	29.08%
Woman-owned Small Business (WOSB)	20.82%	40.48%
Service-disabled Veteran-owned (SDVOSB)	4.80%	5.86%
Historically Underutilized Business Zone (HUBZone)	2.15%	5.31%

Nine events were conducted to help employees and vendors. The events included new Contracting 1102 employee training, seven Small Business Administration-hosted webinars on various program/topics plus the SBA Michigan District Office and the Office of Government Contracting gave an overview and legislative/regulation update. Strategic engagements included 10 enterprise and local outreach events.

Four new firms were awarded disposition operation support contracts to do business with DLA that added an estimated total \$4.8M for all performance periods. As the year progressed the program continued to be recognized for its support of the DLA Enterprise Small Business Team. In February 2019, there was announcement that DLA Enterprise Small Business Team earned the Director's 4th Quarter Strategic Goals award for FY 18 in the category of Strong Partnerships. Two months later, the DLA Enterprise Small Business Team was presented the "Champion of Veterans Award" by the National Veteran Small Business Coalition held in San Antonio.

d. Whole of Government

(1) Solidify General Services Administration Disposal Partnership

We have used FY 19 to gain knowledge of General Services Administration (GSA) disposal programs for specific commodities (weapons, furniture and electronics) to identify best business practices to determine which agency has the best disposal solution for increasing efficiencies and saving tax dollars. We used agency web links and developed rotational programs to increase knowledge and improve relationships. We created relationships with GSA through routine meetings to identify Best-in-Class practices. Key initiatives include a staff exchange/rotation, revision of the A or D SOP based upon GSA Best Practices, Sales Contracting Officer training using the GSA model, and streamlining the Computers for Learning application process. Successes are shared through the executive leadership of GSA and DLA.

## (2) Improve Humanitarian Outreach

We provided requested DoD excess property to affected states and/or agencies to support disaster relief efforts. Our approach is to establish preliminary contact with anticipated affected areas to provide property listings and relief supplies available after Presidential declaration. We are updated our Humanitarian Outreach Preparation SOP for facilities, equipment, and personnel to act within 12 hours from a Presidential declaration 95% of the time and achieved a 100% rate. Response time for disasters has exceeded the 95% metric, and also reached 100%.

DoD Humanitarian Assistance			
<u>Fiscal Year</u>	<u>QTY</u>	<u>LINES</u>	<u>ACQ VALUE TOTAL</u>
FY 19 YTD thru August 31st	14,822	584	\$6,421,728
FY 18	12,306	481	\$3,918,019

US Aid			
<u>Fiscal Year</u>	<u>QTY</u>	<u>LINES</u>	<u>ACQ VALUE TOTAL</u>
FY 19 YTD thru August 31st	125,449	2,660	\$21,405,054
FY 18	53,363	3,977	\$29,223,792

## (3) Response / Storm / Disaster Preparedness

We train deployable personnel to support DLA disaster assessment teams. We also maintain equipment to support the disposal mission in disaster areas. During FY 19 we maintained 100 percent of RDTs on 24 hours deployment and 100 percent of quarterly FEPASS updates. Personnel from Eglin AFB deployed to support the DLA Rapid Response Team in the aftermath of Hurricane Michael. An excess semi-trailer was also provided to Tyndall to provide office space.

Among our accomplishment this fiscal year was coordinating relief for Arkansas, Mozambique, Offutt AFB and those impacted by Hurricane Michael (Tyndall AFB), which included providing property listings after Presidential declaration within 12 hours 100% of the time; provided 153 items worth \$2.5M in FY 19 YTD.

Additionally, our site leader in Djibouti said that elements of the Combined Joint Task Force-Horn of Africa used the site's on-hand stock of used and excess equipment and acquire some helpful items to augment their response mission needs to Cyclone Kenneth. This property included four 5,000-watt electrical generators, a "water buffalo" portable industrial



water tank, and tarps for protecting their equipment, and white boards for planning and coordination sessions. A high-clearance cargo truck provided to the Forest Service's Fire Fighter Support Program helped rescue people during Nebraska's worst flooding in 50 years. An excess 5-ton truck was used to rescue a motorist from flooding near Anson, Texas. Likewise, law enforcement agencies like South Carolina's Horry County Police Department were able to use excess equipment obtained from the 1033 program to prepare for Hurricane Dorian.

<b>Disaster Relief</b>			
<u>Fiscal Year</u>	<u>QTY</u>	<u>LINES</u>	<u>ACQ VALUE</u> <u>TOTAL</u>
FY 19 YTD thru August 31st	162	33	\$2,180,148
FY 18	247	21	\$400,912

#### (4) Improve Recovery Process of Critical Items

We have worked to create an automated process within DSS/EBS to identify available property for recoupment, increasing warfighter readiness. We do this by identifying systemic requirements and coordinating with DLA headquarters and other MSCs. By the end of the third quarter, we processed over 30K recoupment orders valued in excess of \$81.3M. We are also reaching out to offer training to military services and nation account managers, as required, on available property searches and want list creation.

#### (5) Special Programs

##### (a) Computers for Learning

DLA Disposition Services continues to manage the DoD's Computers for Learning program. The program transfers excess information technology assets to pre-kindergarten through 12th grade schools and educational non-profit entities. Success stories for FY 19 include Layton Christian Academy with 150 students from pre-school through 12th grade who needed an updated computer lab. The academy received 60 working laptops from Hill AFB, Utah. The laptops needed new hard drives and the replacement of some missing power cords, but the lab was successfully updated for \$2.5K compared to the \$56.0K spent previously to upgrade two other computer labs. Overall, 540 requisitions placed 5.8K items worth \$3.9M.

(b) Law Enforcement Support Office (LESO)

DLA Disposition Services manages DoD's Law Enforcement Support Office program, which facilitates the transfer of excess DoD property to law enforcement agencies across the United States and its territories. These transfers allow more return on investment for taxpayers, especially in the case of controlled items like tactical vehicles that would otherwise have been destroyed. Since inception, the program has transferred more than \$6.9B of property. Currently, more than 8K law enforcement agencies have enrolled in the program. In FY 19, 21.9K requisitions were received to transfer 338.9K items worth \$293.5M (based on initial acquisition cost) to law enforcement agencies.

(c) Firefighters

DLA Disposition Services also continues to support the Forest Service's Federal Excess Personal Property program. That program offers Forest Service-owned property on loan to state foresters for wildland and rural firefighting. Most of the property is excess equipment that belonged to the DoD and was transferred to the Forest Service by DLA. It is loaned to state coordinators by the Forest Service for firefighting purposes. The property is then loaned to the states foresters, who may place it with local departments to improve local fire programs. During FY 19 there were 5.7K requisitions asking for 133.9K pieces worth \$139.7M (based on initial acquisition cost)

e. Accountability

(1) Turn in customer training on previously classified property

We have worked to reduce the number of generators attempting to process previously classified items by 5% from FY 18. Tools to enable this reduction include:

- (a) New classified items fact sheet flyer
- (b) Developed PowerPoint training slides
- (c) Added flyer and training slides to DDSR Website
- (d) Major command training to diverse audiences
- (e) Senior leader briefs at military service/DLA days
- (f) Moving forward, we will continue to offer customer training for

increased visibility; pass information through a newsletter, customer visits, etc.; provide refresher training during DSR University and monitor data trends.

(2) Divestiture role

As previously noted, support to the services during their divestiture efforts plays a large role in their accountability and auditability. DLA Disposition Services Director Mike Cannon joined Thomas W. Harker, assistant secretary of the Navy for financial management and comptroller, and VADM Dixon Smith, deputy chief of naval operations, fleet readiness and logistics, at NAS Jacksonville, Florida, for an audit roadshow March 27 and 28. Army Col.

Wayne Bondy, DLA Disposition Services Deputy Director, supported roadshows on the West Coast as well.

### (3) Deploy Hazardous Material Management System-Hazardous Waste Disposal

Deployment of the Hazardous Material Management System-Hazardous Waste Disposal (HMMS-HWD) began in March followed by after training in May for environmental protection specialists from across DLA Disposition Services in San Antonio, Texas, to learn about the system. During fall 2018, personnel prepared for the deployment with testing of the system by a functional team of numerous DLA Disposition Services environmental specialists and the Operations Directorate's Environmental Branch. They were joined by experts from a software developer and staff from DLA Information Operations. The testing included the use of data from turn-in documents and hazardous waste profile examples, plus the use of the new hazardous waste electronic turn-in document portion of HMMS along with receipt, delivery order request, issue, manifesting and payment. It provides complete tracking, management and reporting for hazardous waste. It also satisfies federal, state and local reporting and compliance requirements for government facilities. The visibility allows users to manage material from before it comes into a facility until the waste is manifested and shipped to a treatment, storage or disposal location for final disposition.

## f. People & Culture

### (1) Culture Action Team

DLA Disposition Services Culture Action Team has representatives from every region in the field (Pacific, Central, Europe & Africa, North-East, South-East, Mid-America, West) plus each directorate in Battle Creek as well as the Sexual Assault Response Coordinator and the employee's union. The team met in Battle Creek in November 2018 to perform qualitative analysis of the Denison data from the 2018 Denison Survey. The Disposition Services Culture Action Plan was submitted to DLA and approved in March 2019. This overall plan provided strategic guidance to J-Code Directors and DSDs as they created their local culture action plans.

### (2) Enhanced Safety

Protecting the safety of DLA personnel has included the following initiatives:

#### (a) MHE Rodeo

DLA Disposition Services continued to teach material handling equipment operators safety and operating skills during the October 2018 MHE Rodeo. "Pallet Ballet," "Killer Crossover," and "Basket Slalom" courses were challenging and forced consistent use of safety rules.

- (b) Realignment of safety under the Chief of Staff's office.
- (c) Established MSC leads at all field activities.
- (d) Coordinated with DLA headquarters on safety manuals.
- (e) Currently on track to complete all required annual inspections.

### (3) Equal Employment Opportunity & Diversity

The Equal Employment Opportunity, Diversity and Inclusion program executed a robust plan to train all agency employees. Working within budget constraints that limited travel, the staff made face-to-face training available to all agency personnel in Battle Creek HDI Federal Center, reaching more than 1,200 local employees and 11 field sites. The staff also expedited processing on reasonable accommodation requests to complete them all within 45 days or less for the first time on record, averaging only 8 days to process against a goal of 45 days. A year-long Special Emphasis Program Calendar improved quality, participation and collaboration. Among the calendar events were six high-impact, special observance programs all conducted under-budget. Several events received local newspaper coverage; increasing favorable relations with the local community.

### (4) Sexual Assault Prevention

The Sexual Assault Response Coordinator worked with the Equal Employment Opportunity, Diversity and Inclusion program to incorporate training for the Prevention of Sexual Harassment plus Sexual Assault Prevention and Response during field training sessions at 11 locations that consolidated several other field sites. Outreach and information supported the expeditionary civilian and military workforce to include briefings for the Expeditionary Leadership Summit, regular and advanced courses in expeditionary operations, a contingency training exercise, and one-on-one pre/post deployment check-ins for individual deployers. Four awareness programs were executed during Sexual Assault Awareness month, which all increased participation and engagement. Assistance was given during Teal Tea event in Columbus, Ohio. Internal partnerships were enriched by participating in the DLA Federal Women's Program, DLA Spring into Safety Event, and Women's Equality Day Program. External partnerships were enhanced by collaborating with the Sexual Assault and Domestic Violence Counsel of Calhoun County and other community events.

### g. Enterprise Enablers

By using artificial intelligence tools, we hope to use a "bot" to automate the review of inventories to increase RTD / Sales and decrease expenses for debris from scrap/abandonment or destruction. We use DSS Smart Business Rules to drive disposal decisions, which helped achieve

the on-the-shelf rate improvement mentioned earlier. Five of the nine elements of the BOT were accomplished by adding business rules in DSS. The remaining four elements are currently being developed by Information Operations in coordination with BOT Team members from the Operations and Business Support directorates.

# Defense Logistics Agency

## DLA Distribution

### Fiscal Year 2019 Annual Historical Report



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

NOV 13 2019

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: DR. COLIN WILLIAMS  
SUBJECT: FY19 DLA Distribution Annual History Report

Attached, please find DLA Distribution's FY19 Annual History Report submission.

Our point of contact for any questions is Ms. Stacy Umstead, Deputy Chief of Staff,  
(717) 770-2880.

  
TWILA C. GONZALES, SES  
Deputy Commander

## **1. Introduction**

In FY 19, the DLA Distribution team achieved extraordinary results responding to natural disasters at home, strengthening support to the Combatant Commands abroad, and investing in people and processes throughout the global storage and distribution (S&D) network. In short, Distribution effectively and efficiently provided the best S&D value to the Nation's Warfighters and Whole of Government partners. These efforts were informed by the 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.

## **2. Organization**

### **a. Mission**

DLA Distribution's mission is to provide an agile, global DoD Distribution network that delivers effective and efficient distribution solutions which enable readiness and extend the reach of the combatant commands, military services, and other valued customers. As a DLA major subordinate command, 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. DLA Distribution offers supply chain solutions through a broad range of services including storage, distribution, customized kitting, specialized packaging, transportation support, and technology development. The command is connected with operational and industrial partners and integral to the National Military Strategy. Nearly 10K highly skilled employees provide timely distribution services to customers around the globe. In FY 19, DLA Distribution processed over 18M receipts supporting operations worldwide, including combat operations, humanitarian assistance missions, Whole of Government (WOG) partners, and military exercises.

### **b. Vision:**

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

### **c. Quick Facts:**

- (1) Oversees 24 distribution centers worldwide with expeditionary capability.
- (2) Employs approximately 10K employees consisting of 7.8K civilians, 127 active duty military, 190 reserve military and 1.6K contractors.

- (a) Stores 2.4M items, valued at more than \$110b.
- (b) Services 249K customers worldwide.
- (c) Maintains 130 scheduled truck routes.
- (d) In FY 19, processed over 18M transactions.

d. CONUS Locations

(1) DLA Distribution Albany, Georgia

Director: Mr. Andre Charlton  
Deputy: Vacant

DLA Distribution Albany is a tenant of Marine Corps Logistics Base (MCLB) Albany, GA. It is the primary source of storage and distribution for secondary repair parts and expendables for the Marine Corps Maintenance Facility on MCLB Albany, GA.

Albany stocks a wide range of items commonly ordered by the military services and other DoD customers, to include: meals ready-to-eat (MREs), construction materials, electrical supplies, electronic components, and secondary repair parts. In addition, DLA Distribution Albany performs preservation, packaging, stock readiness inspection, marking, and materiel re-classification. Along with these responsibilities, DLA Distribution Albany handles transportation functions and processes trans-shipments for the entire base.

(2) DLA Distribution Anniston, Alabama

Commander: LTC Martin E. Wennblom, USA  
Deputy: Mr. Guy Taylor

DLA Distribution Anniston, Alabama, provides distribution services for combat weapons systems, small arms weapons, and missile systems to all services. It maintains materiel to support weapons and combat systems, including radioactive, hazardous, consumables, major end items, and secondary repair parts.

DLA Distribution Anniston's primary mission is to support the maintenance mission of Anniston Army Depot. It is collocated with the Army's only small arms repair facility. The center receives, stores, and issues material by land (truck and rail), sea, and air for worldwide distribution. DLA Distribution Anniston, Alabama, also demilitarizes small arms, weapons systems components, and other items.

(3) DLA Distribution Barstow, California

Director: Mr. Matthew J. Balogh  
Deputy: Mr. James Lucowitz, Jr.

DLA Distribution Barstow, California, is composed of distribution facilities at two locations, eight miles apart, Nebo and Yermo Annex. The headquarters, administration,



receiving, shipping, storage, and most wholesale worldwide distribution support facilities are at Nebo. Most outdoor storage and logistical off-load and on-load support for the Fort Irwin Army Training Center and Marine Logistics Command Fleet Support Division operations are at Yermo.

DLA Distribution Barstow can accommodate inside storage for a variety of commodities. Major items currently provided inside storage are electronic parts and components, radioactive material, clothing and textiles, helicopter replacement and repair parts, and equipment such as engines, transmissions, helicopter blades, shafts, reduction gears, and wire cable. The center also operates a container manufacturing section proficient in the design and construction of lumber, plywood cleated, fiberboard, and special purpose containers for shipment or storage. Containers may be custom constructed to meet customer requirements.

#### (4) DLA Distribution Cherry Point, North Carolina

Director: Mr. Robert (Kevin) K. Taylor  
Deputy: Vacant

DLA Distribution Cherry Point, North Carolina supports the 2nd Marine Air Wing, numerous Marine Aviation Logistics Squadrons, MCAS Cherry Point, the largest Marine Air Station in the world, and the Naval Air Systems Command's Fleet Readiness Center, or FRC-East, Cherry Point, as well as military and government customers worldwide. The center provides full service distribution support for both wholesale and retail processes, to include receipt, stow, issue, inventory, COSIS, and transportation.

DLA Distribution Cherry Point performs specialized packaging, preservation, and crating of aircraft components. It operates three Preservation, Packaging, Packing, and Marking satellite operations in FRC East and is integral to the FRC East production line, which refurbishes DoD aircraft, components, including the custody, preservation, handling and shipping of aircraft parts, components, and engines. The center supplies all the preservation and packaging, hazardous material packaging, central receiving, rigging operations, ordnance transportation certifying, and transportation management requirements to Warfighters in the local area.

#### (5) DLA Distribution Corpus Christi, Texas

Commander: LTC Justin M. McGovern, USA  
Deputy: Mr. Jeremy Beckwith

DLA Distribution Corpus Christi, Texas, serves as the primary wholesale distribution point in support of helicopter repair for DoD and Foreign Military Sales customers. It receives, stores, packs, preserves, issues, and arranges transportation for assigned supplies and

equipment. Items processed include repair parts for end items such as small aircraft and helicopters, avionics, electronics, as well as industrial, petroleum, chemical, radioactive, and other hazardous materials.

DLA Distribution Corpus Christi serves as the property officer for all assets in storage. Other services include loading and unloading helicopters and other priority cargo from C-17, C-5A, C-141, and C-130 aircraft operated by Air Mobility Command and local delivery of aircraft components and other items.

(6) DLA Distribution Hill, Utah

Director: Mr. James McArthur  
Deputy: Mr. Preston Kriegshauser

DLA Distribution Hill, Utah, is located at Hill AFB, Utah, which is home to the Ogden Air Logistics Center, or ALC. Its employees perform key distribution operations to include receiving, storage, packing, shipping and disposal of military weapon system spare parts. The center supports two fighter wings and the maintenance performed by Ogden ALC. Priority distribution support is provided for Minuteman and Peacekeeper missiles; Emergency Rocket Communication System; F-16 Fighting Falcon; A-10 Thunderbolt; C-130 Hercules; and Air Force overhaul and repair of landing gear, wheels, brakes, and tires.

DLA Distribution Hill, Utah, also assembles the Army's Deployable Medical Systems, or DEPMEDS. These self-contained, portable units can range in size from a single general-purpose lab to a 164-bed hospital containing 12K line items. Medical Assembly and Shelter Repair personnel also overhaul and repair of International Standards Organization (ISO) approved shelters.

(7) DLA Distribution Jacksonville, Florida

Director: Mr. Richard Adderly (Acting)  
Deputy: Mr. Richard Adderly

DLA Distribution Jacksonville, Florida, is the hub for the South East United States. Its mission is to receive, store, issue and provide single point of entry for customer turn-ins to Disposition Services. DLA Distribution Jacksonville ensures that its major customer, the Fleet Readiness Center Southeast, or FRCSE, has the right material, at the right place, at the right time, and at the right price. The airplanes, engines, and components repaired at the FRCSE are critical for Warfighters around the world. DLA Distribution Jacksonville supports the Expeditionary Warfare Center (EXWC), US Navy Naval Air Systems Command (NAVAIR), and the National Aeronautics and Space Administration, and U.S. Customs Service. It has detachments in Mayport, Florida, and Gulfport, Mississippi.

(8) DLA Distribution Norfolk, Virginia

Commander: CAPT Thomas Neville, SC, USN

Deputy: Ms. Christine Johnson

DLA Distribution Norfolk, Virginia supports a diverse customer base that includes homeported and transient ships - from aircraft carriers to destroyers and submarines - as well as Navy industrial activities and shore establishments on and around the world's largest Navy base in Norfolk, Virginia. DLA Distribution Norfolk increasingly supports local Air Force and Army installations and has a growing role in special operations and humanitarian missions. The center serves customers worldwide with particular emphasis on EUCCOM, CENTCOM and SOUTHCOM.

DLA Distribution Norfolk operates the largest Navy Material Processing Center in the world, providing customized material sorting, receipt processing, and delivery services to over 150 units in the Hampton Roads region, including aircraft carriers, surface combatants, Military Sealift Command vessels, and submarines. It contains a consolidation and containerization point and a dynamic cross-dock facility that receives, processes, consolidates, and containerizes export cargo. This center is an official government port supporting inbound and outbound cargo for all Services and most commodities. The center has detachments at Cheatham Annex, Little Creek, and Portsmouth in Virginia and New London in Connecticut.

(9) DLA Distribution Oklahoma City, Oklahoma

Director: Mr. Dennis Goodnight (Acting)  
Deputy: Mr. Dennis Goodnight

DLA Distribution Oklahoma City provides a full range of distribution services in support of the Oklahoma City Air Logistics Complex, Tinker Air Force Base, and other global customers. Its core services include receiving, storage, packaging, and issuing military supplies. Support to the Oklahoma City Air Logistics Complex is primarily for programmed depot maintenance on aircraft and engines. It is available around the clock.

On-base customers include the 552nd Air Control Wing, U.S. Navy Strategic Communications Wing One, the 507th Air Refueling Wing, and the Oklahoma City Air Logistics Complex. Off-base shipments support customers worldwide with systems and commodities procured by DLA and repaired at Tinker Air Force Base.

(10) DLA Distribution Puget Sound, Washington

Commander: CDR Evelyn Lee, SC, USN  
Deputy: Ms. Susan Lucio

DLA Distribution Puget Sound, Washington is located in Bremerton, Washington, with site locations at the Trident Refit Facility in Bangor, Washington, and Naval Station

Everett, in Everett, Washington. The center in Bremerton is a tenant command on Naval Base Kitsap and located next to Puget Sound Naval Shipyard. Puget Sound supports local and worldwide customers through material receipt, stow, issue, and delivery; incoming and outgoing material movement; shipping services and transportation solutions; inventory maintenance; regional pick-up, delivery, and movement for the DRMO at Joint Base Lewis-McChord and other sites; and material processing services to various home-ported and transient ships.

Puget Sound is the U.S. Navy's second largest shipyard and intermediate repair facility and the only one of its kind on the West coast. Employees receive and ship products ranging from 200K-pound ship propulsion shafts to miniature electronic components. The center supports work force requirements in Washington, San Diego, Guam and Japan. It is known for its Nuclear Propulsion and Submarine materiel support.

(11) DLA Distribution Red River, Texas

Commander: LTC Seth M. Olmstead, USA  
Deputy: Mr. Fred Hildrich

DLA Distribution Red River, Texas's primary mission is to provide distribution services and tailored logistics solutions to the Warfighter and other customers. The center provides Class IX repair parts and secondary items for tracked and wheeled vehicles, aircraft and major weapon systems. These services are housed in a state-of-the-art distribution facility where items are received, stored, packaged/marked and shipped all under one roof.

DLA Distribution Red River also has a large Class VII major end item distribution mission. The Army has designated DLA Distribution Red River as the storage site for its Bradley Fighting Vehicle Systems, Multiple Launch Rocket Systems, High Mobility Artillery Rocket Systems, and High Mobility Multipurpose Wheeled Vehicles. In support of these systems, the center builds and maintains basic issue items and components. These kits include wrenches, vehicle jacks, tie-down ropes and cables, and other maintenance-related items. The center is also the primary distribution point for the Single Channel Ground and Airborne Radio System.

DLA Distribution Red River is home to the DLA Distribution Expeditionary Team, a deployable and scalable capability that can receive, store, issue, transship and maintain in-transit visibility of military supplies.

(12) DLA Distribution Richmond, Virginia

Director: Mr. John M. Pearson  
Deputy: Mr. Ben Harvey

DLA Distribution Richmond, Virginia, receives, stores, maintains, manages, and distributes material to U.S. forces worldwide, while also providing premium services for DLA Disposition Services and the Foreign Military Sales program.

The center serves as DLA Distribution's hazardous center of excellence for material with Environmental Protection Agency-conforming storage space. It is DoD's primary

repository for ozone depleting substances, and includes a compressed gas reclamation and cylinder refurbishment operation.

In January 2014, DLA Distribution Richmond absorbed the primary functions of DLA Distribution Mapping. Today, the center is responsible for the inventory and worldwide physical distribution of maps, charts, and other geodetic material for DoD. It stores 82,600 map items at its location.

#### (13) DLA Distribution San Diego, California

Commander: CAPT Jerome R. White, SC, USN

Deputy: Mr. Lazaro Street

DLA Distribution San Diego, California, is located on Naval Base San Diego. It receives, stores, ships, and issues items, as well as performing related functions such as transshipment, preservation, packaging, packing, marking, emergency support operations, and reclassification. As a part of this mission, DLA Distribution San Diego provides tailored distribution services through its material processing center. Items processed include depot level repairables, electronics, hazardous material, ship and aviation repair parts, and small boats/amphibious craft. The center's primary customers include ships home-ported in San Diego and major shore commands, Fleet Readiness Center Southwest (FRCSW), Southwest Regional Maintenance Center, and smaller activities in the Southwestern United States.

A large portion of DLA Distribution San Diego business is receiving, storing, and issuing depot-level repairable for FRCSW, one of the Navy's largest repair facilities. The center also supports operations from Fleet and Industrial Supply Center Port Hueneme. Port Hueneme is the primary logistical support center for the U.S Antarctic's Research Program, as well as Navy's Mobile Construction battalions in the Pacific. DLA Distribution San Diego has detachments at Point Loma, Port Hueneme, and North Island, California.

#### (14) DLA Distribution San Joaquin, California

Commander: Col Tiffany N. Harris, USMC

Deputy: Ms. Jodie Johnson-Micks

DLA Distribution San Joaquin, California, is DoD's western Strategic Distribution Platform and DLA's primary distribution point to the western United States, Pacific Ocean, and Indian Ocean. The center coordinates global materiel distribution and other logistics activities in support of U.S. forces worldwide. San Joaquin stores and manages DLA and Service materiel and optimizes downstream supply chain activities in order to deliver what the Warfighter needs on time. The Distribution Center stores over 383K stock numbers valued at over \$7.8B.

Warfighters in United States Pacific Command are supported through DLA Distribution San Joaquin's consolidation and containerization point, which operates like a cross-docking, freight-forwarding business. More than one-third of DLA Distribution San Joaquin's shipments are transported on trucks. Service Components on the west coast receive same day or overnight deliveries, while customers as far away as Pennsylvania can be supported in 72 hours. DLA Distribution San Joaquin also assembles Unitized Group Rations, a heat and serve meal for military personnel.

Defense Depot San Joaquin received the Commander in Chief's Installation Excellence Award in 2018, Phyllis C. Campbell Award for Superior Performance in 2017, and DLA Distribution Center of the Year for 2017. It was recognized as a Distribution Center of Excellence that year.

(15) DLA Distribution Susquehanna, Pennsylvania

Commander: COL James M. Callis, USA

Deputy: Mr. Brent Barnes

DLA Distribution Susquehanna, Pennsylvania is a dual-sited operation, headquartered in New Cumberland, Pennsylvania, with additional facilities in Mechanicsburg, Pennsylvania. It coordinates material management and distribution of critical items including military and commercial repair parts, industrial materials, medical supplies, tires, and aerial delivery equipment. It serves as the eastern strategic distribution platform for the DoD and primary distribution point for U.S. Military and Federal agencies in the eastern U.S. In addition, it serves as the consolidation & containerization point for supplies headed to Central & South America, Europe, North Africa, and Southwest Asia.

DLA Distribution Susquehanna is home to the largest distribution processing facility in DoD. The 1.7M square foot Eastern Distribution Center handles 25 percent of DLA Distribution's total receipt, storage, and issue of materiel. Susquehanna is the only center that receives, inspects, stages, and consolidates material for U.S. Army Security Assistance Command. Additionally, it acts as a freight forwarder for Greece, Iraq, and Romania. It has detachments at Mechanicsburg, Pennsylvania, and Whitehall, Ohio.

(16) DLA Distribution Tobyhanna, Pennsylvania

Commander: LTC Samuel Smith, USA

Deputy: Vacant

DLA Distribution Tobyhanna, Pennsylvania, located at Tobyhanna Army Depot, supports the DoD communications/electronics industry by providing both retail and wholesale distribution support. TYAD is the largest, full-service communications / electronics maintenance facility within the DoD. DLA Distribution Tobyhanna receives, stores, and issues communications; command and control systems; computers; intelligence/electronic warfare material; and satellite communications systems in its Wholesale Distribution Operations Division. The center is noted for special electronics operations such as the Electro-Static

Discharge Control Program in which sensitive parts are protected through proper handling, packaging, marking and storage procedures.

The Retail Distribution Operations Division performs supply, storage, material movement, and distribution responsibilities in support of Tobyhanna Army Depot workloads. The center is responsible for planning, programming, managing, and accomplishing the receipt, storage, inventory, preservation, packing, and marking of Army major-end-items such as wheeled and tracked vehicles. In addition they store secondary items such as repair parts, engines, transmissions, generators, and heaters. Retail and wholesale warehouse facilities provide for general purpose, heated, HAZMAT, radiological, industrial gasses, and bulk stock storage. They contain satellite terminals, radio and radar systems, telephones and switchboards, anti-intrusion devices, airborne surveillance equipment and navigational instruments, electronic warfare, and many other types of unique and specialized systems.

(17) DLA Distribution Warner Robins, Georgia

Director: Ms. LaSand Kinnaird (Acting)  
Deputy: Vacant

DLA Distribution Warner Robins, Georgia, distributes supplies to all branches of the military at locations all around the world. More than half the work completed at the distribution center is in support of the Warner Robins Air Logistics Center. The organization's \$11B inventory includes parts and equipment for the F-15, C-130, C-5 and C-17 aircraft, target acquisition systems, and most airborne electronic warfare systems.

e. OCONUS Locations

(1) DLA Distribution Bahrain

Commander: CDR Joseph H. Peth, SC, USN  
Deputy: Ms. Karen Lundy

DLA Distribution Bahrain, Southwest Asia, maintains forward-positioned stock and provides multi-modal distribution to all branches of service operating in CENTCOM. It serves as the single theater distribution platform in CENTCOM. Located adjacent to Khalifa Bin Salman Port, the center performs standard distribution operations to include receipt, storage, shipping, and issuing as well as inventory control, care of stock, packaging, and preservation.

Bahrain books contract transportation service for the Trans Arabian Network (TAN) that serves units in Kuwait, Jordan, UAE, Oman, and Kingdom of Saudi Arabia. The TAN enables supplies to be sourced out of Bahrain and delivered using surface routes instead of aircraft from Germany, reducing both costs and customer wait time.

Material processing centers in Bahrain perform core business functions on fleet requisitioned materiel such as receiving; customized sorting; temporary storage; customized delivery options; expedited shipment tracking; and freight forwarding functions. Materiel in storage includes Class IX repair parts; Class II components, clothing, office, and housekeeping supplies; Class III packaged petroleum products; and Class IV barrier and construction materials. Distribution Bahrain offers extensive classified and unclassified mapping products and navigational aids for land, air, and maritime use.

(2) DLA Distribution Europe

Commander: LTC Jonathan Ackiss, USA

Deputy: Ms. Crimson Smith

DLA Distribution Europe, located in Gernersheim, Germany, is DLA Distribution's largest distribution facility in Europe and a forward deployed theater distribution platform. The center provides surge capability during transition to war, joint theater distribution, and support of DLA and service-managed materiel to service components and government partners throughout Europe, Africa, Afghanistan, and Qatar. Strategically positioned near the Rhine River and Ramstein Air Base in central Europe, it takes advantage of air, road, rail, and barge transportation, enabling the break-bulk mission performed by the theater consolidation and shipping point.

DLA Distribution Europe operates the highest value Army Supply Support Activity (SSA) in EUCOM by receiving, storing, and distributing strategically placed materiel for the Army Prepositioned Stock (APS2) and Operation Atlantic Resolve units in Europe. Commodities distributed by DLA Distribution Europe are repair parts, barrier and construction material, clothing and textiles, packaged POL, rations, mail, and humanitarian relief support.

(3) DLA Distribution Guam, Marianas

Director: Mr. Franklin P. Leon Guerrero

Deputy: Vacant

DLA Distribution Guam, Marianas, is a tenant command located on US Naval Base Guam. DLA established the center on 1 October 2004 to provide forward stock positioning and enhanced physical distribution services to the military community on Guam and customers in the western Pacific theater of operations. Its storage and distribution facilities are strategically positioned to reduce transportation costs and Customer Wait Time (CWT).

DLA Distribution Guam is a Government-Owned Contracted-Operated site that performs standard distribution functions to include receipt, storage, stock readiness, and issues. Additional functionality includes seavan surface and air inbound/outbound shipments, air and surface theater consolidation shipment point, material processing center, emergency walk-through requisitions; packing, packaging, preservation, and marking; transshipment services; and cold chain management.



Commodities stored at DLA Distribution Guam, include repair parts, ozone-depleting compressed gases, consumable items, hazardous material, Navy Level 1/Subsafe material, and depot level repairables. The center maintains Humanitarian Assistance/Disaster Relief items in an event of a disaster in the Asia/Pacific region.

#### (4) DLA Distribution Korea

Commander: LTC James M. McGee, USA  
Deputy: Ms. Macy Ooka

DLA Distribution Korea provides United States Forces Korea (USFK) with critical logistics capabilities including storage and distribution, the theater consolidation and shipping point, transportation planning management, logistics planning and contingency operations, and material movement tracking and expediting. DLA Distribution Korea executes diverse missions in support of service component customers including joint theater distribution, multi-stop direct delivery, cross-dock, in bound/out bound surface containers, total delivery service, and retrograde. It stocks and maintains more than 14K Class II, IIIP, IV, and IX DLA-managed items, to include maps, retail stock, and war reserve stock. The center also provides transportation protective service to the 731st Air Mobility Squadron (AMS) and sensitive item escort (excluding ammunition).

Located on Camp Carroll in Area IV, DLA Distribution Korea is essential to unit readiness and the Warfighter's ability to "Fight Tonight." USFK is committed to building a new distribution facility with significantly increased capabilities. The center oversees a contractor-owned contractor-operated facility in Busan. Facilities include climate-controlled storage for MREs (Class I) and a general purpose warehouse for Class IV.

DLA Distribution Korea works in conjunction with DLA Indo-Pacific, the 19th Expeditionary Sustainment Command and other partners to validate and refine theater operational plans. Joint and combined ROK-U.S. exercises including KEY RESOLVE, Combined Logistics over the Shore, and ULCHI FREEDOM GUARDIAN enable the transition from armistice to contingency. Since 2005, a dedicated team of Korean Nationals remains the heart and soul of DLA Distribution Korea. It has a detachment in Busan, Korea.

#### (5) DLA Distribution Pearl Harbor, Hawaii

Commander: CDR Sean Andrews, SC, USN  
Deputy: Vacant

Located at the gateway to the Pacific, DLA Distribution Pearl Harbor, Hawaii, joined the DLA Distribution network on 7 April 1999. The center provides distribution support

for home-ported ships, industrial/shore commands, transiting battle groups, the Army's 25th Infantry Division, 3rd Marines, and the 15th Air Base Wing.

DLA Distribution Pearl Harbor is home to the largest preservation and packing facility on the island, supporting the Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility as well as other Navy, Marine Corps, Air Force and Army activities. DLA Distribution Pearl Harbor professionals pack and crate items such as propellers, periscopes, gears, and shafts.

Over the last several years, DLA Distribution Pearl Harbor, Hawaii, has seen remarkable mission growth to its storage and distribution portfolio, to include air cargo entering Hickam AFB, the Mapping Support Office, retail operations in support of Pearl Harbor Naval Shipyard, receiving and warehousing, and job readiness cell kitting.

**(6) DLA Distribution Sigonella, Italy**

Commander: CDR Vincent V. Erno, SC, USN  
Deputy: Mr. Michael Watt

DLA Distribution Sigonella, Italy, is strategically located in the Mediterranean Sea. Able to provide the full complement of physical distribution services and ideally located on Sicily, the center stands ready to support service components and other federal agencies south of the Italian Alps.

DLA Distribution Sigonella was established on 1 April 2004 to provide forward stock positioning and enhanced physical distribution for an expanding customer base. Collocated on Naval Air Station, Sigonella, DLA Distribution Sigonella's customers include the Aviation Support Division, Aviation Intermediate Maintenance Division, two P-8 Squadrons, the 7th Tactical Reconnaissance and 324th Expeditionary Reconnaissance Squadrons, and ships operating in the Mediterranean. Specialized handling and support services include managing hazardous materials, depot-level part storage and distribution, and material packing and shipping. Sigonella also provides expedited requisitioning and centralized receiving support to the military community throughout the Mediterranean. Detachment locations: Rota, Spain; Djibouti, Africa.

**(7) DLA Distribution Yokosuka, Japan**

Commander: CDR Allen Rivera, SC, USN  
Deputy: Mr. Jamie Sternadel

DLA Distribution Yokosuka is strategically located to provide joint distribution support throughout the Western Pacific, Indian Ocean and the Persian Gulf. Its headquarters and primary site are located on the U.S. Naval Base in Yokosuka; detachments include the Yokohama North Dock; U.S. Naval Base in Sasebo; Okinawa site on Marine Corps Base Camp Kinser; and Marine Corps Air Station Iwakuni.

The center services warships of the carrier strike group homeported in Yokosuka; the expeditionary strike group homeported in Sasebo; U.S. Navy vessels transiting the 7th Fleet Area of Responsibility; major DoD industrial shore commands; and military bases in Japan, Singapore, Diego Garcia, and the Middle East. Additionally, DLA Distribution Yokosuka

participates in contingency plans for Far East scenarios. The center also provides transportation protective service to the 730th Air Mobility Squadron and the escort of sensitive items.

DLA Distribution Yokosuka is composed of 24 facilities with 3.7M cubic feet of covered storage and 61K square feet of open storage. The center has general purpose, humidity controlled, secure, hazardous material, freeze, and chill warehousing capabilities. Commodities distributed include repair parts, depot level repairables, bottled gasses, lumber, navigational aids, and hazardous materials. Services include transshipments, disposition, ozone-depleting bottle collection, cold storage, and specialty warehousing for Level 1 SubSafe submarine repair metal stock, as well as large items such as ship propellers and aircraft assemblies. Detachment locations: Sasebo, Iwakuni, Okinawa and Yokohama, Japan.

f. DLA Distribution Expeditionary

Commander: MAJ Edward P. Strzalkowski, USA

DLA Distribution Expeditionary is a strategic distribution enabler that supports military services and combatant commands in worldwide contingency and Humanitarian Assistance/Disaster Relief (HA/DR) operations. Expeditionary teams stationed at Red River, Texas; San Joaquin, California; and Susquehanna, Pennsylvania enhance the distribution global network capability in austere environments.

Expeditionary Distribution core functions are theater consolidation and shipping, material processing, forward distribution, and incident support. For incident support, expeditionary teams operate CONUS ISB's with Federal Emergency Management Agency and/or Joint Task Force Commanders during a HA/DR event. In such an event, the expeditionary team operates OCONUS ISB's with or in conjunction with the United States Agency for International Development, the Office of United States Foreign Disaster Assistance, and the Joint Task Force Commanders.

g. Theater Consolidation and Shipping Points

(1) Okinawa TCSP

As a result of the Disposition/Distribution (D2) continuous process improvement, DLA Distribution J5 established an IPT with DLA Distribution Yokosuka, Japan, proposing a theater consolidation and shipping point operation to cross-dock materiel from the sea port of debarkation and aerial port of debarkation for delivery to customers on the island. The desired end state would also provide in-transit visibility to Okinawa customers, decrease customer wait time, and eliminate the need for customers to pick up material. The DLA Office of Operations Research and Resource Analysis conducted a Business Case Analysis (BCA) that favored the establishment of a TCSP at MCB Camp Kinser.

FY 19 funding initiatives in support of the Okinawa TCSP include \$80K for information technology and \$249.7K for an additional vertical lift module in building 600. American Engineering Corporation received the contract award to install the IT network, IOT meet initial operational capability for the consolidation and shipping point. In June 2019, UNICOR completed the assembly of one vertical lift and conducted training with the employees at DLA Distribution Yokosuka, Japan at Okinawa, on the operation of the new lift.

(2) Sigonella TCSP

DLA Distribution created a TCSP capability at DLA Distribution Sigonella, Italy (DDSI) to provide redundant capability in case EUCOM sustainment requirements exceed DLA Distribution Europe's capacity or the facility becomes inoperable. Continuing efforts from 2018, the TCSP team at DDSI provided the system capabilities and coordinated training to the local workforce in order to reach initial operating capacity in April 2018. DDSI continues to work to acquire additional facility space to allow for potential long-term operations. In May 2019, we tested the TCSP capability as part of SABER GUARDIAN 2019.

3. Key Personnel:



- a. Commander: RDML Kevin M. Jones, SC, USN
- b. Deputy Commander: Ms. Twila C. Gonzales, SES

- c. Chief of Staff: Mr. Perry Knight
- d. Deputy Chief of Staff: Ms. Stacy L. Umstead
- e. Director, Current Operations (J3): COL Frederic Maddox, USA (Acting)
- f. Director, Distribution Future Operations (J4): Mr. Paul Abel
- g. Director, Future Plans (J5): Mr. Scott Rosbaugh
- h. Director, Acquisition Operations (J7): Mr. Gene Surmacz
- i. Director, Organization Management (J9): Mr. Ed Visker
- j. Director, Business Development (BD): Mr. Joe Faris
- k. Equal Employment Opportunity Officer (EEO): Ms. Yvette Harris
- l. Public Affairs Officer: Ms. Dawn Bonsell
- m. Financial Operations (J8): Mr. Charlton Albright
- n. General Counsel: Mr. John Karns
- n. Human Resources Services: Ms. Darlene Ferrante, Customer Account Manager
- o. Information Operations (J6): Mr. Kevin Hand, LNO and NE Regional Manager
- p. Installation Support for Distribution: Mr. William Holtz

#### **4. Historical Narrative**

##### **a. Dynamic Operating Plan**

DLA Distribution Office of Future Plans (J5) led a cross-staff group to refine the FY 18-19 Dynamic Operating Plan (DOP). The FY 18-19 DOP referenced the 2019 Strategic Plan Implementation Guide (SPIG) and follows the five Lines of Effort (LOEs) in DLA's Strategic Plan. DLA Distribution's Commanding Officer, Rear Admiral Kevin M. Jones, signed the FY 18-19 DOP on 16 October 2018. The Director was briefed on all Distribution FY 18-19 DOP initiatives on 18 March 2019. Lt. Gen. Williams was pleased by Distribution's 21-point improvement in the culture survey between 2016 and 2018. Some of the Director's areas of concern included the 100 percent inventory audit, modernization, Warehouse Management System (WMS), and Reform.

##### **b. Warfighter First**

###### **(1) Distribution Kitting Operation:**

DLA Kitting provides program management and oversight of kit assembly for Medical, Organic, and Subsistence kits. Kitting offers tailored logistics through automated and integrated systems that transform customer requirements into a single, useable end item product, enabling customers to order multiples of a single NSN with a single requisition. Kitting functions are performed at 10 Distribution sites; five located in the Eastern US and five in the Western US.

(2) Modernization Efforts

(a) Warehouse Management System/Transportation Module:

Due to Distribution Standard System (DSS) being 24 years old, difficult to update, and expensive to maintain, DLA selected WMS/TM as the new Distribution automated system. An Agile Software Development Approach was pursued. The approach included adaptive planning, continuous process improvement, and a way to respond to changes in the Warfighter environment. DLA Distribution implemented its initial phase at Corpus Christi site in June 2018. The phase covered storage and distribution, receiving, issues, and inventory and transportation functions.

The WMS project is currently governed by a Pivot approach. Two years ago, requirements were identified that were not comprehensive of the actual need for the new WMS system. During the Pivot, J4 identified categories that represent the end-to-end processes DLA Distribution is currently using. The receiving category has been discussed in a face-to-face meeting. From this meeting, stakeholders will develop a new timeline with well-defined requirements for the SAP team to determine whether the requirement is standard in the SAP software or if it would need customization. Anything that is deemed custom will need to go through Business Process Reengineering (BPR) at DLA Headquarters to determine if it is necessary. This Pivot will direct the way forward, helping determine an accurate timeline.

(b) Transportation Modernization System:

TMS is commercial transportation software that TRANSCOM is prototyping to test end-to-end transportation integration. DLA and TRANSCOM are both modernizing their transportation capabilities and working together to determine a common end-state. DLA's modernization is the Warehouse Management System / Transportation Module (WMS/TM); TRANSCOM's modernization is the TMS Prototype. The DLA/TRANSCOM Governance Council finds solutions to best integrate the two initiatives. In participating in the TMS Prototype, DLA is guided by the following principles: DLA will continue to manage warehousing functions, DLA will remain the shipper, DLA will determine when to pick/pack, DLA will select mode of transportation, and DLA will use the TMS for transportation planning and automated carrier selection.

DLA and TRANSCOM teams collaborated on several iterations and options for DLA's participation in TMS; DLA based its decision on the following factors: TMS is not auditable, transactions tested in production are subject to DLA financial statement audits, and TMS requires manual processes that are currently systemic in DLA systems. TMS requires 400 hours of J6 technical support and J8 manual, financial reconciliation and would do little in the way of enhancing the agency's modernization efforts. Key DLA actions are building the data interface for system-to-system data exchange, determining prototype assessments, developing a change management / training plan, and drafting documentation to mitigate audit risks.

(c) Supply Discrepancy Report (SDR) Validation Photo Pilot:

Distribution led an SDR Validation and Photo Pilot at DLA Distribution Susquehanna and DLA Distribution San Joaquin from October 2018 to November 2018. The goal was to provide a better understanding of how to write SDRs and prevent erroneous suspensions of materiel. Together, the centers looked at over 2500 SDRs. The photo pilot showed that time to disposition could be reduced from 192 days to ~10.5 days. By providing photos, the Item Managers could see the discrepancy, helping them provide final disposition more quickly; it will also reduce interim dispositions. In addition, better verbiage and correct discrepancy codes were being used.

(d) Technology/Automation/Robotics:

As a part of PBR-20, Distribution J4, in conjunction with DLA J6, submitted a Business Case Analysis (BCA) for modernization initiatives. DLA Headquarters approved the BCA and subsequently awarded \$325M. DLA Distribution J4 is responsible for working with stakeholders and customers in identifying initiatives designed to transform business processes by leveraging technology, automation or robotics. DLA Distribution has tested wireless Bluetooth mobile printers and found that, by integrating this technology with tablets, a 35 percent productivity gain could be realized in key areas. New ruggedized tablets coupled with scan capability and other features are anticipated for initial deployment by first quarter FY 20 and full deployment by end of FY 20. The J4-BT Integration Division is working to accompany this project with a mobile office on wheels. An enhanced battery pack and inverter will provide mobility for a full shift without charging.

In FY 19, discussions arose regarding our wireless infrastructure across the enterprise, largely from issues experienced in rolling out tablets and printers at distribution centers. In 3rd quarter of FY 19, Distribution J4 BT partnered with J6 R&D, Massachusetts Institute of Technology (MIT), and Johns Hopkins University (JHU) to assess DLA's Warehouse Wireless Infrastructure. Unfortunately, neither MIT nor JHU could provide testing or upgrades due to contract stipulations. J4 BT and HQ J64 have partnered to address this issue.

Warehouse automation projects are managed under a J6 OT Acquisition strategy. This strategy ensures an awareness of cybersecurity vulnerabilities and outlays funding, maintenance, and sustainment commitments. The Distribution J4 Automated Material Handling Equipment Pillar Lead has helped develop an Enterprise Capabilities Requirements Document (ECRD) and standard operating procedures to address customer requirements for warehouse automation. The ECRD seeks to reduce induction, packaging, and shipping times; unique identification and tracking of major end items; and a real-time locating system for sensitive materiel.

DLA Distribution J4 has pushed other modernization efforts by working with the Distribution Modernization Program Office. This is a HQ J6 program that routinely meets with Distribution senior staff to ensure collective voices are heard as Distribution explores how to leverage technology to streamline distribution operations. In 2018, research began on



how to use voice technology in a Distribution center. A voice pilot continues at DLA Distribution San Joaquin; through testing it has been demonstrated and ensured a “good pick” path. J4 has streamlined the training format and process which, when coupled with a quick equipment setup and connections guide, will have users online and operational in a matter of minutes. Voice technology will continue to evolve and is designed as a seamless solution. Based on industry standards, using voice technology in key areas will result in an efficiency increase of approximately 40 percent. Success at San Joaquin will be the catalyst for deploying voice technology where it makes sense throughout DLA Distribution and the enterprise.

DLA Distribution J4 also partnered with DLA HQ J6 Research and Development (R&D) to identify Small Business Innovation Research that provides opportunities for small, high-tech U.S. businesses and academia to provide innovative research and development solutions critical to the DLA. This research would provide DLA a first look at technologies such as Augmented Reality, Google glasses, and robotics picking automation designed to increase efficiency, effectiveness, productivity, and support to the Warfighter. In FY 19, J4 BT explored reducing repetitive motion in the Distribution San Joaquin’s Unitized Group Rations area. San Joaquin operates three 18-person assembly lines that can box meals simultaneously. Vecna was selected under the SBIR to showcase robotic picking technology at Distribution San Joaquin during 2nd quarter of FY 19. Their presentation was characterized as a tote retrieval system. Further collaboration with HQ R&D has allowed Distribution to test automated vehicle guided and automated storage as specific site identified capabilities.

(e) Engineered Standards (ES):

Beginning in FY16, the DLA Distribution J4 standardization team took an aggressive stance to develop, maintain, and implement engineered standards along with the deployment of a systemic manage and measurement system. Thirteen CONUS Distribution Centers were visited over a two-year period in support of maintenance scheduling which focused on capturing how process changes impacted engineered standards (ES), whereby ES times could then be updated. Engineered standards maintenance was completed at DLA Distribution Pearl Harbor; the four remaining OCONUS Distribution Centers have not yet been completed. The Interim Metrics Tool (IMT) was designed as a testing protocol to use ES blended rates and production sheets to obtain production and workload to calculate the four key measures (i.e., % on standard, % utilization, % productivity and % performance) that would be used to alert managers where adjustments need to be made for optimal productivity and provide employees awareness of the production status. The IMT was successfully deployed at DLA Distribution Tobyhanna and was the precursor to the Agency Workload Leveling System, (AWLS).

In 2019, Distribution J3 began creating a new labor management tool AWLS 2.0 that incorporates engineered standards, workload and time stamps for managers to use to manage workload and personnel in Distribution process areas.

Engineered standards baseline data will continue to be used to measure process improvements as a result of integrating new technologies, automation and robotics in our daily distribution production areas.

Standard Organizational Structure was a fundamental pillar of DLA Distribution Modernization Program. The goal was to align and integrate structure, people,



processes, technologies and infrastructure to facilitate effective mission accomplishment and strategy achievement. The objective was to develop standardized Distribution Center organizational structures for DLA CONUS and OCONUS Distribution Centers and Continue Government Authority. Over a four-year period, Standard Organization Structures were developed for Tobyhanna, Norfolk, Oklahoma, San Joaquin, Anniston, Corpus Christi, Albany, Puget Sound, Cherry Point, Guam, Hill, Jacksonville, Red River, Barstow, Yokosuka, Susquehanna, Warner Robins, Bahrain, San Diego and Richmond.

Standard Structure buckets are: Extra Large (XL), Large (LG), Medium (MD), Small (SM), Extra Small (XS) and CGA. The goal is 80% standardization among each group. A collaborative leadership group from eight Distribution centers developed the baseline standard structure. Standard Structure aligns the organization into three distribution cost categories: Mission, Mission Support and Support Services (G&A).

The DLA Operational Technology Acquisition (OTA) Business Process Analyst (BPA) has implemented an enterprise-wide framework to ensure that existing and future operational technologies meet cyber security regulations and provide an enterprise-level AMHE management capability that will improve procurement and maintenance costs. The framework is based on standardized Enterprise Capability Requirements Document (ECRD) which sets forth the Key Performance Parameters for the acquisition of future AMHE. The framework establishes seven operational technology pillars: Security; Fire Protection; Petroleum, Oil & Lubricants; Building Control Systems; Utility Control Systems; Material Handling, and Other. DLA has identified DLA Distribution J4-BT as the overall proponent for the Material Handling Pillar.

While the role and responsibilities of a pillar lead continue to evolve, the pillar lead's primary responsibilities consist of maintaining the AMHE Enterprise Capability Requirements Document (ECRD) and reviewing AMHE acquisition requests. As requests come into the Pillar, they are looked at to validate that the item contains operational technology, and that the technology being acquired is in line with the AMHE ECRD. Requests are then forwarded to the DLA OTA BPA who works with the customer to develop specific IT/cyber security requirements and include those requirements in the acquisition documents. As the AMHE Pillar Lead, J4-BT has been at the forefront in implementing this new process.

### (c) Continuous Process Improvement (CPI)

#### (1) Stock Readiness

Suspended Stock continues to be a major project for the Enterprise. In 2011, suspended materiel was at \$2.1B. This number was a result of AOR draw downs and the commensurate increase in returns to DLA of predominantly Service-owned materiel. In 2013, as a result of IPTs with the Services and DLA Supply Centers as well as Tiger Team initiatives, suspended stock was at an all-time low of \$900M. However, over the next two years, suspended stock increased to \$2.2B. This was due to increased stock screenings (Amphenol, CAGE

Compromise, FSG 80, etc.) that resulted in discrepant materiel as well as additional returns from the field. In January 2018, Distribution, working closely with the Services and MSCs, was able to facilitate obtaining disposition instructions from the MSCs and Services in order to remediate or dispose of suspended assets stored at the Distribution Centers. Currently, the Enterprise is at \$1.9B of Suspended Stock and holding. The team continues to follow-up with the Services and MSCs to obtain disposition instructions on aged SDRs/SQCRs. During FY 19, DLA Distribution Centers closed over 100K SDRs and SQCRs, with a total dollar value of close to \$4B. The team distributed hundreds of Safety of Flight and Safety of Use messages to the Distribution Centers. In addition, they distributed and tracked thousands of special inspection requests and stock screening inspections for potentially defective stock. These efforts ensured that materiel is ready for the Warfighter.

(2) Commercial and Government Entity (CAGE) Compromise:

In FY 19, DLA HQ worked an issue regarding suspect parts entering the supply chain that resulted from the decision to allow auto awards for low dollar/high demand materiel. To resolve this issue, DLA Distribution conducted stock screenings starting with the most vital materiel: nuclear material, critical safety items, and weapons systems. During a screening, the CAGE code on an item's MIL-STD-129 label was compared to the list of effected CAGEs. If a match was found, then the item was segregated and suspended. An SQCR was written to request disposition. In all, 34K inspections covering 16.8M items were tracked, and 11.3K SQCRs created. The effort cost distribution centers nearly \$13M but the result – materiel of suspect quality removed from entering the Supply Chain – was worthwhile.

(3) Workload Prioritization:

Over the last two years, large projects have taken precedence over normal operations. Recent projects include Navy 21-N Suspended Stock and Cashflow/OAR DLA High Priority Back Orders. The Navy 21-N Suspended Stock project started with DLA Director's commitment to a 95 percent MA goal for the Navy Nuclear Reactor Program (21-N). Distribution J4 provided each site with a list of 21-N suspended stock and disposition instructions. The distribution centers had 24 hours to complete disposition and report closure to the DLOC. The Cashflow/OAR - DLA High Priority Back Orders project was a result of cash flow issues. DLA HQ planned to use suspended materiel in DLA custody to fill backorders so on-hand cash could be used for other buys. The MSCs evaluated suspended stock with backorders for a potential upgrade to an issuable condition code. Distribution has completed close to \$400M dollars in workload.

(4) Paperless Processing at Non-Paperless Distribution Sites:

To prepare for the Warehouse Management System (WMS), DLA Distribution decided to implement paperless processing at its sites still using paper. After receiving training from Distribution J4 personnel, Anniston, Barstow, Hill, Korea and Red River have all converted to paperless operations.

(5) Department of Defense's Serialization Efforts:

In support of DoD's General Equipment Capital Assets (GECA) serialization, Distribution J4 has trained distribution sites prior to, during, and after serialization within the Distribution Standard System (DSS). Along with on-site training, Distribution assisted in the collection and recording of existing serial numbers. Distribution J4 continues to support the implementation of capabilities.

The serialization effort supports DoD requirement to track GECA at the serial number level from cradle to grave. To support the Army, DSS was scheduled to be updated in three phases. Initial work began at DLA Distribution Tobyhanna due to its high volume of materiel requiring serialization. Later, it rolled out to other sites. Before DSS serialization went live at each site, all serialized assets had to be identified and serial numbers captured. The data was recorded in a J6 database to prevent delays in processing the materiel. Additionally, Distribution J4 provided training on how to capture serial numbers using the J6 tool.

(6) Global Combat Support System (GCSS)-Army Mapping:

To prepare sites for audits, Distribution observed, mapped and created SOPs for the Army GCSS. DLA Distribution took this measure to ensure that its team in Germany would be auditable as no SOPs were available from the system owners. SOPs for processes ranging from receiving to warehousing to inventory were created and provided to the site.

(7) DLA Distribution Mapping System (DDMS) to Distribution Standard System (DSS) Migration:

Distribution J4 has been supporting J6 and DLA Troop Support integrate the DDMS system with DSS to support the auditability of the mapping process. Distribution J4 joined the discussions after J6 was tasked with replacing the existing mapping system. DLA Distribution and DLA Aviation will use the mapping system in the future.

(8) J4 Warehousing Subject Matter Expert Working Total Package Fielding (TPF) Project:

Distribution J4 participated in discussions to update the TPF process for Foreign Military Sales as the Army moves their processing into the Defense Logistics Management Standards (DLMS) transactions. Additionally, reports have been updated to provide more useful data.

(9) Accountable Officer Position Description Review:

DLA Distribution J4 Inventory Team assisted DLA J1 with updating the Accountable Officer's (AO's) Position Description (PD). The goal is to develop a standardized PD for all AOs to ensure duties and responsibilities are clearly stated, and qualifications for the position are documented for future qualified vacancy fulfillment.

(10) Delayed M02 Continuous Process Improvement (CPI) Event Update:

DLA Distribution J4 participated in the Air Logistics Center (ALCs) CPI to reduce order fulfillment response times resulting from delayed "MO2" (release of inbound Materiel Release Orders (MROs) transactions to DSS.

This CPI event is an off-shoot of the ALC local delivery CPI that was conducted in FY 18. One of the finding was that MROs were being delayed in DSS. MO2 is a DSS status code for MROs waiting to be released for pick. For workload planning, DSS holds MROs until the site releases them for processing. This new CPI is looking at ways to prevent local delivery MROs from being held to a point where the site cannot meet the delivery metric agreed upon by DLA.

b. Global Posture - Prepared for Immediate Action

(1) Expeditionary

(a) SABER GUARDIAN:

DLA Distribution Sigonella, Italy, demonstrated its newly-acquired TCSP capability during SbG19, a Southern European regional exercise. Air cargo from three Army SSAs was consolidated on 19 air pallets and routed from Norfolk to Sigonella by Air Mobility Command. Sigonella's TCSP then processed the pallets for onward movement by truck and small parcel. An AAR identified ways to improve the Defender 2020 exercise next year.

(b) TALISMAN SABER:

TALISMAN SABER is a biennial exercise between Australia and the United States. The exercise took place in Australia from 11-24 July 2019. The Navy requested the DLA Distribution Expeditionary team participate by setting up 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 OPLAN tasks for CCMDs. The team supported a F35 POP since Navy units had F35s. At the request of PACFLT, DLA also forward-stocked six small common-use NSNs, which the Navy requisitioned during the exercise. Other units were supported when feasible.

(c) DONG MAENG (19-01 & 19-02):

DLA Distribution supported INDO-PACOM by participating in two Joint Chiefs of Staff (JCS) sponsored training events in the Republic of Korea (ROK). DONG MAENG 19-01, formerly KEY RESOLVE, was held in March 2019, and Dong Maeng 19-02, formerly ULCHI FREEDOM GUARDIAN, was held in August 2019. The Distribution plans team, in conjunction with Commander, DLA Distribution Korea, participated at Camp Humphreys and Camp Carroll respectively. In addition to full spectrum planning and simulated execution operations, the training provided opportunities to enhance customer support. Great strides were made in identifying and resolving challenges related to war reserve maps, forward positioned Class IV, and employment of DLA Distribution Expeditionary (DDXX) capabilities

(d) Joint European TPFDD Sustainment (JETS):

A Strategic Planner from DLA Distribution J5 attended the 21st Theater Sustainment Command (TSC) JETS 1.0 Results Workshop. This workshop synchronized assessments and assumptions for the deliberate planning of logistics; sustainment; and Joint Reception, Staging, Onward Movement, and Integration (JRSOI) in support of EUCOM efforts. DLA Distribution gathered operational and strategic insights on customer requirements for storage and distribution and coordinated support efforts. Additionally, a strategic planner from DLA Distribution J5 attended the JETS Main Planning Conference (MPC) from 4-6 September 2019 in Kaiserslautern, Germany. The MPC was a continuation of the EUCOM-led, 21st Theater Support Command-executed, war-game and provided an opportunity for synchronizing planning across the Service components and the supporting JLENT.

(e) AUSTERE CHALLENGE:

DLA Distribution provided an LNO to US Marine Forces Europe (MARFOREUR) G4 in support of Austere Challenge 19-2, a EUCOM exercise. During the exercise, the LNO provided knowledge of the capabilities DLA brings to the fight and developed a relationship with our service partner. In addition to performing the duties of an LNO, he participated in several operational planning teams with the Marine Corps and various Commander, Joint Forces Marine Component Command entities..

(f) ARDENT SENTRY:

In May 2019, the NORTHCOM planner participated in Ardent Sentry, a Tier 1 Command Post Exercise (CPX) focusing on Defense Support to Civil Authorities, CONPLAN 3500, and the NORTHCOM New Madrid Seismic Zone Playbook.

(g) POSITIVE RESPONSE/GLOBAL THUNDER:

NORTHCOM/STRATCOM exercise Positive Response/Global Thunder 19 (October/November 2018.) The DLA Distribution J5 NORTHCOM planner wrote the DLA portion of an exercise scenario in which an airliner crash produced a conflagration at DLA Distribution San Joaquin, CA (DDJC).

(h) GLADIATOR SHIELD:

CYBERCOM Operation GLADIATOR SHIELD (May 2019). Distribution J5 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.

(i) STEADFAST BADGER: (July/August 2019): The STRATCOM planner represented DLA Distribution in this exercise that explores logistics resilience in a complex global security environment.

(2) Trans Arabian Network (TAN):

DLA transitioned its logistics posture to match CENTCOM'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 its enduring facility in Bahrain from 373.9k square feet to 679.2k 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.

During FY 19, DLA Distribution's Short-Term Transportation Contract (STTC) demonstrated from October 1, 2018 to June 30, 2019, 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 and DLA Distribution Europe. Once TAN proved to meet or exceed existing Susquehanna and Europe logistic response time on the Arabian Peninsula, DLA decided to shift the cost to the MSC that manages the material transported. In conjunction with J8, a manual TAN cost recovery method was developed. During FY 19 \$409k was recouped from the MSCs and STTC delivered 152 trucks. From October 1, 2018 to June 30, 2019, the STTC saved the Services \$6.9m.

On July 1, 2019, DLA Distribution transitioned from the STTC to the DLA Distribution Transportation Contract (DDTC). In FY 19, the DDTC delivered 69 trucks to Kuwait averaging 10.95 days and 15 trucks to other CENTCOM destinations averaging 16.7 days. On July 24, 2019, management of the DDTC contract transferred from the J5 to the J3.

(3) Material Processing Center (MPC) closure at Salalah, Oman:

On December 17, 2018, NAVCENT withdrew the requirement for the MPC in Salalah, Oman due to low operational demand. A J5-led integrated planning team (IPT) quickly developed courses of action, risk mitigation, and Plan of Action and Milestones (PoAM) in order to close the MPC no later than May 31, 2019 when the contract extension expired. A collaborative effort between DLA Distribution J3, J5, J6, J7; DLA Distribution Bahrain; DLA Energy LNO; Patricio Enterprises (contract service provider); and NAVCENT CTF 56.1 successfully executed all actions per EXORD 19-005 (Disestablish Oman Material Processing Center) and DLA task order. The Salalah MPC closed on May 31, 2019.

(4) DLA Distribution Sigonella, Italy at Djibouti, Africa MOA, Global Combat Support System-Army (GCSS-A) Reimbursement:

On October 1, 2016, DLA Distribution achieved IOC of DLA Distribution Djibouti, Africa. Per United States Army Region Africa (USARAF) request, DLA Distribution incorporated a Global Combat Support System - Army (GCSS-A) capability into the Djibouti platform. In late April 2018, AFRICOM Deputy J4 engaged the AMC G3 to request a dialogue to “resolve funding SSA operations.” 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 November 2018, AFRICOM J4 submitted their unfunded request to AFRICOM J8 to cover the FY 19 cost of the GCSS-A in Djibouti. To resolve funding issues, DLA Distribution developed a Memorandum of Agreement (MOA) between USARAF, DLA E/A, and DLA Distribution at Djibouti that was signed June 24, 2019. This MOA allows DLA Distribution to receive a ~\$2.5M payment from USARAF for services rendered in FY 19. The agreement 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 document, which was signed August 14, 2019, and has allowed DLA Distribution to be reimbursed for services performed.

(5) III Marine Expeditionary Force (MEF) assistance at Darwin, Australia:

On December 7, 2018, the III MEF Assistant Chief of Staff G-4 sent a memorandum to DLA INDOPACIFIC requesting support for a temperature controlled storage capability. The request was to source, procure, and provide a permanent storage solution for the operational rations of the Marine Rotational Force – Darwin (MRF-D); currently no such capability exists. The III MEF further clarified their requirement by identifying two options they would like to explore. The preferred option is a hardstand infrastructure that would accommodate 300+ warehouse pallets of UGR, MRE and Ultra High Temperature (UHT) milk, estimated at 6K-8K square feet. The second option of support would be procurement of twenty 20-foot,

climate-controlled ISO containers with comparable square footage. In this scenario, the containers would be permanently located on the Matilda Lines at Robertson Barracks, Darwin, Australia. DLA Distribution personnel completed the development of a COA decision brief in coordination with the III MEF G4 Food Services Officer. Upon further review of the developed courses of action and associated costs, the III MEF G4 Assistant Chief of Staff decided to utilize the local contracting office to procure facilities without labor costs. As of May 2019, DLA Distribution fulfilled its obligations in response to the III MEF customer request to provide courses of action in support of operational rations climate controlled storage.

(6) Ogden Air Logistics Complex (ALC) Kadena Air Base (AB):

The Ogden ALC Support Center Pacific (SCP) is looking to improve the supply chain processes and maintenance requirements in order to better support Kadena AB, Okinawa, Japan. The J5 INDOPACOM planners conducted a site survey of the Ogden ALC at Hill AFB. Ogden ALC personnel explained their operations and how DLA supports their mission. They provided an overview of the current processes required to order repair parts for the 525th Electronics Maintenance Squadron (EXMS) on Kadena AB, Okinawa. The Ogden ALC is looking at DLA to provide a similar support solution to what currently exists on Hill AFB for the 525th EXMS. J5 planners conducted a mission analysis and COA development and presented some actions to the Ogden ALC that need resolution before DLA can assist. At the end of May 2019, J5 personnel accompanied DLA Aviation and Ogden ALC personnel to Okinawa in order to walk the spaces of the SCP on Kadena AB, as well as walk through DLA Distribution Yokosuka, Japan at Okinawa, warehouses. The visit to Okinawa allowed stakeholders to physically explore and thoroughly discuss the granular details of DLA Distribution's wholesale support to DLA Aviation's retail support for the Air Force customer.

(7) Continuity of Operations (COOP) Agreement:

In order to obtain redundancy for critical systems in a continuity event, the J5 Continuity of Operations Team drafted a set of reciprocal MOAs with Naval Sea Systems Command (NAVSEA) and Naval Supply Systems Command (NAVSUP) at Naval Support Activity, Mechanicsburg, and the PA Department of Military and Veterans Affairs/PA National Guard at Fort Indiantown Gap. DLA J6 collaboration made the MOAs possible by allowing non-DLA users to access the DLA network once the proper certificates have been added to their tokens. Now, if NAVSEA, NAVSUP, or the PNG lose access to SIPR or NIPR, their Emergency Relocation Group can displace to Bldg 430 and continue mission essential functions. Conversely, if DLA Distribution loses access, its ERG can displace to the partner stations. This redundancy was achieved administratively; there were no additional cost to taxpayers.

c. Strong Partnerships

(1) F-35



On January 4, 2019, the F-35 Joint Program Office (JPO) formally integrated DLA into F-35 sustainment when it named the Agency as the Product Support Provider (PSP) for North American warehousing and, in partnership with TRANSCOM, global transportation. As a result, DLA Distribution's Business Development (BD) team spent the balance of FY 19 leading or otherwise facilitating a steady battle rhythm of face-to-face, working group meetings, and site surveys with key government (JPO, DLA HQ, USTC) and industry (Lockheed Martin, Pratt & Whitney, Rolls-Royce) stakeholders. F-35 warehouse and transportation PoPs involving DDOO and DDHU were successfully executed in the summer of 2019. The close of FY 19 saw the BD team coordinating site surveys at the other four (San Diego, Jacksonville, Cherry Point, Warner Robins) affected F-35 sites while setting conditions for IOC execution in January 2020.

Since the designation on January 4, 2019, DLA Distribution has begun to execute a Proof of Principle (PoP) of select F35 Prime Vendor shipments. The J5-led IPT modified the DDHU support contract 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 OCONUS originating shipments in support of Initial Operating Capability (IOC) of the F35 program during FY 20.

## (2) Public Private Partnerships

The close of FY 18 saw the Business Development team leading the final negotiation stages of the Agency's first-ever PPP, which in fact occurred in March 2019 when DLA and Thales Defense and Security, Inc. (TDSI) officially partnered in support of the USMC's H-1 rotary wing depot-level maintenance program at FRC-Southwest. In the partnership, DLA Distribution San Diego provides secure and dedicated warehouse space in its warehouse on NAS North Island, as well as touch labor to process TDSI-owned material in their WMS. DLA Distribution commander presided over the ribbon cutting on North Island on June 6, 2019. As FY 19 came to a close, DLA Distribution was in the final stages of negotiation on its second PPP, one involving Parker Aerospace and DLA Distribution Corpus Christi in support of rotary wing maintenance at Corpus Christi Army Depot.

## (3) Research and Development (R&D):

J5 in collaboration with the J4 R&D team closed out two of the last three remaining projects in the portfolio with the completion of the Battery Desulfation Project and the Lithium-Ion Battery Upgrade Project. The Director, Enterprise Maintenance Technology, Office of Deputy Assistant Secretary of Defense Maintenance Policy and Programs (ODASD MP&P) funded the one-year desulfation study in order to determine if chemical additives could improve

the performance of lead-acid batteries while also extending the lifespan. ODASD MP&P had been approached by vendors making these claims and the director thought it prudent to independently test the chemical additive before committing defense funds to a large purchase.

The Lithium-Ion Battery Upgrade Project executed a test and comparative evaluation of six lithium-ion (LIBs) batteries and twelve lead-acid batteries (LABs) over a one-year period at DLA Distribution Susquehanna, and DLA Distribution San Joaquin in order to determine if replacing lead-acid batteries and propane with lithium-ion batteries could decrease forklift battery total life-cycle costs, decrease safety risks to workers, reduce energy consumption, reduce operational downtime, and increase forklift operational readiness rates. This project was jointly funded by ODASD MP&P and HQ DLA J3.

By the end of the respective projects, the data was conclusive. For the Desulfation Project, it was determined that the desulfation additive provided no performance edge to treated LABs. The Lithium-Ion Project demonstrated that LIBs are more energy efficient, have a faster charging time, are lighter, and have higher capacities and specific energies. They also are non-hazardous, have a longer lifespan and shelf life, produce less noise and no emissions, and have an overall lower cost of ownership when compared to lead acid batteries and propane-powered forklifts.

(4) Defense Freight Transportation Services (DFTS) Contracting Officer Representative (COR):

DFTS is the U.S. TRANSCOM Acquisition (TCAQ) managed contract that provides transportation for all locations in CONUS, Alaska and Canada. DFTS also provides transportation to the port of embarkation for all overseas destinations. DLA Distribution oversees and manages the DFTS contract by providing the COR. Crowley is the service provider for the DFTS contract and has approximately 20K sub-vendors they work with in order to provide transportation services for DLA.

Crowley delivered 296K loads during FY 19 and achieved 98 percent for on-time response, pickup, on-time delivery, and incident free delivery. Their 3G Transportation Management System (3GTMS) was available for 99 percent of the time each month. Crowley met all their other contract goals, usage rates for small business, disadvantage business, veteran owned small business, women owned small business, certified hubzone small business and service disabled veteran owned small business.

d. Whole of Government

(1) Federal Emergency Management Agency (FEMA):

Hurricane Florence Support: DLA Distribution Susquehanna expertly coordinated with local and regional transportation carriers / customers impacted by Hurricane Florence in September 2018. Throughout Hurricane Florence's changing path and timing, Susquehanna adjusted all applicable dedicated truck routes daily impacting over 650+ DoDAACs and held MROs for Customer impacted at locations in Virginia, North Carolina and South Carolina from September 2018. Susquehanna initially held material followed by a strategically metered flow to

the region as customer bases returned to normal operations during September and into October 2018.

DLA Distribution provided Humanitarian Assistance and Disaster Relief (HA/DR) support to FEMA in response to Hurricane Dorian that struck the U.S. East Coast in August 2019. In response, DLA Distribution Expeditionary rapidly deployed teams to Fort Bragg, North Carolina and Maxwell Air Force Base, Alabama to establish FEMA Incident Support Base (ISB) operations. DLA Distribution J9 coordinated the deployment of 52 Expeditionary team members (8 military, 44 civilians) in support of the two ISB operational sites. The Expeditionary ISBs processed and inventoried 1K trailers of HA/DR materiel, including over 10M liters of water and 9.1M commercial packaged meals. Other supporting efforts included Distribution Centers at Albany, Georgia and Norfolk, Virginia shipping 9.2K cases of MREs; J3 Transportation coordinating movement of 1M commercial meals to ISB sites; and DLA Distribution Albany, Georgia supporting 6K displaced Marine recruits from Parris Island, South Carolina.

#### (2) U.S. Forest Service:

DLA Distribution San Joaquin was a key player during the Wild Fire Season (March to August) as they provided critical materiel support for the National Fire Cache System and other Federal, State and Local customers who participated in the government-wide wild fire firefighting effort in western CONUS. In FY 19, San Joaquin shipped ~25K MROs in support of the Fire Mission while maintaining an average receipt to ship time at less than 24-hours. San Joaquin stores approximately 370 NSNs owned and managed by DLA Troop Support for this effort. DLA San Joaquin's dedicated support to the nation continued to prevent further damage and injury from wild fires out West.

#### (3) EUCOM Deliberate Plans:

During FY 19, DLA Distribution continued to support the U.S. EUCOM Deliberate Plans review cycle by completing inputs to the DLA Support Plan, participating in EUCOM-led wargames, and coordinating with the Services to refine their theater distribution requirements. Distribution completed inputs to the DLA Support Plan by holding cross-functional operational planning teams to develop the Distribution Concept of Operations to support EUCOM's priority deliberate plan. Additionally, the Distribution J5 participated in EUCOM-led wargames hosted by The Naval War College and The National Geospatial Agency respectively to refine staff estimates of supportability and identify risks and their appropriate mitigation strategies. The year-long planning effort included multiple site surveys and coordination meetings across the EUCOM Theater with every Service Component. Highlights included site surveys to the United Kingdom, Norway, Belgium, Germany, and Poland as well as participation in the 21st Theater Support Command led Joint European TPFDD Sustainment

(JETS) Working Group and Wargame. The Distribution J5 Planning Team will close out FY 19 by briefing a Logistics Supportability Analysis to the DLA Director to gain approval for the overall DLA Support Plan to EUCOM's priority deliberate plan.

e. Always Accountable

(1) Acquisition Operation:

In FY 19, Acquisition Operations awarded 3K actions valued at \$306.5M, the second highest value of obligations recorded by the organization.

(2) Trans Arabian Network:

Acquisition Operations executed a long-term contract for transportation requirements in the TAN to respond to increasing customer requirements.

(3) Contracting Office:

Recompeted and awarded two requirements for Distribution Operations at Government-Owned/Contractor Operated locations in Guam and Jacksonville.

(4) DLA Distribution Industry Day:

DLA Distribution held its second Industry Day at the Susquehanna Club in New Cumberland, PA. Seventy-one vendors attended the event; DLA Distribution received and supported 190 attendees at the two-day event.

(5) Small Business Program:

The Small Business Program exceeded its overall Small Business goal, achieving 68.87 percent of obligations to Small Business against a 60 percent goal. Additionally, all Socioeconomic goals were met for FY 19: Small Disadvantaged Business – 47.32 percent (Goal 42 percent); Woman-Owned Small Business – 28.03 percent (Goal 26.13 percent); Service-Disabled Veteran-Owned Small Business – 8.26 percent (Goal 5.25 percent); HubZone – 3.12 percent (Goal 3.00 percent); Small Business < SAT 87.44 (Goal 79.83 percent). The competition goal was met in FY 18; the office competed 93 percent of awarded dollars against an 88 percent goal.

(6) Local Compliance Programs

(a) Pricing Review Program (Average Score of 99 percent)

(b) Contract Quality Review (Average Score of 99 percent)

(c) Contracting Officer Warrant Program (Average Proficiency Score of 96.5 percent for active iv. Contracting Officer's in Calendar Year 2019 to date)

(d) Quality Assurance Program:

The Contract Quality Assurance Program Office (CQAPO) maintains the Quality Assurance (QA) program at all DLA Distribution centers. The CQAPO maintains daily interaction with over 180 assigned QA team members at all locations to ensure a standardized approach is applied to oversight of distribution operations. During FY 19, the QA team members completed 17K surveillance activities, identifying 795 problem areas. Of the 17K, the CQAPO Analysts completed almost 7K oversight reviews. With on-site training visits to all Distribution Centers, the CQAPO successfully converted from the Quality Management System Integration Tool (QMSIT) to HighGear. This transition was completed twelve months ahead of schedule to accommodate J6's mandate to decommission the application server at New Cumberland where QMSIT resides. HighGear offers a better platform for developing and implementing meaningful and customizable workflows for the QA program with the added benefit of being able to query and report on any data contained in the database.

(e) Agency Management Review (AMR)

DLA Distribution Acquisition Operations (J7) participated in the AMR in April 2019, which involved the review of 65 transactions (61 were compliant). DLA Distribution had a transaction compliance score of 94 percent, an administrative requests score of 97 percent, thus achieving an overall score of 96 percent.

(7) DLA Distribution Acquisition Planning and Assistance Team:

In FY 19, DLA Distribution Acquisition Planning and Assistance Team completed 243 Acquisition Assistance Projects, working the following packages: Guam, Corpus Christi, Cherry Point, Jacksonville, San Diego, Work In Process Control Area, Pearl Harbor Navy Ship Yard, Voice Pick, DLA Distribution Transportation Contract (TAN), and San Joaquin Installation Support. Completed 37 Technical Evaluations, and completed 168 requests for contract modifications. Additionally, DLA Distribution Acquisition Planning and Assistance Team managed Acquisition Planning, and COR/Alternate COR duties for the Global Distribution Expeditionary Contract to include 40 Task Orders and planning efforts to support mission requirements throughout DLA Distribution center locations and the support for Operations in the EUCOM, CENTCOM, PACOM, and AFRICOM AORs.

(8) Audit Readiness/Sustainability:

Distribution continued to support the DLA FFSA while embarking on the first ever within DLA, Internal Controls based audit and Agreed Upon Procedures audit. The Control-based audit was focused on Military Service-Owned Items in DLA Custody (SOIDC) and while

the outcome was not as desirable as hoped, the learning benefits DLA in the long run. LA Distribution is reassessing internal controls and will be ready to excel at this type of financial audit in the long run.

(9) 100 percent Physical Inventory:

Distribution embarked on a first-ever 100 percent physical count inventory. It developed a detailed plan of action and executed the inventory of 2.3M NIIN (item) inventories which equates to approximately 684M individual items that were counted. Distribution accomplished the task in line with monthly and annual milestones and ended the first year baseline at 87 percent accuracy for worldwide operations.

(10) Military Construction Program (MILCON):

The DLA Distribution MILCON Program Priorities Package was provided to DLA HQ in May 2019, outlining the 2020-2025 proposed allocation of \$311.9M. Of this allocation, \$81M is granted from the OSD for Europe Deterrence Initiative (EDI) Projects at DLA Europe. In addition, five projects were under construction during FY 19 at the cost of \$130.1M. Seven projects were in design at the cost of \$263.9M.

(11) FY 18 Update for DDNV (NAVSTA / NNSY) Hazmat Warehouses:

In September 2019, OSD provided official notification of funding affected by the administration's decision to use Section 2808 of Title 10, U.S. Code to fund border barrier projects. DLA wants to request construction funds again, however due to delays we would likely need additional funds added to the PA to support. Both project sites have unresolved issues with poor local soils, stormwater requirements, and lack of firewater infrastructure. The initial project concept schematics were heavily overdesigned, however DLA PM was unsuccessful in having NAVFAC or the A/E (Clark Nexsen) to redesign by the contract requirements to get costs to the CCL established in the design contract. DLA has proposed these projects to OSD for the project development agreement (PDA) alpha test to assist in improving communications with NAVFAC. OSD has concerns using these projects, however given numerous site issues, DLA PM believes the exercise is warranted.

(12) D2 Integration Initiative:

On February 22, 2019, the DLA Director determined the remaining DLA Disposition Services sites that partially combined operations with DLA Distribution (otherwise known as D2) would revert back to DLA Disposition Services so as to align activities closer with DLA's strategic objectives. The transition entailed a cooperative effort between the respective organizations, and J1, J8, and Installation Operations. As per DLA OPORD 19-07, the initial goal was to have the transition complete NLT April 1, 2019; however, this deadline was unable to be met, with a revised OPCON transition date being directed in FRAGO 17-07-001. The guidance of the transition was to utilize the "MOA between DLA Distribution and Disposition

Services – Implementation of DLA Facilities Integration Initiate (D2),” in compliance with the initial transition of equipment and personnel to form the ‘as is where is’ methodology for the reversion.

Union Notification occurred on March 25, 2019. This milestone was critical as the reversion teams were under the restriction of not executing or distributing the POAM to the sites or SMEs until the bargaining Unions were notified. On May 1, 2019, the MOA between DLA and AFGE was signed and detailed the intent that operational control of work requirements by Disposition Services would be effective on the second pay period post signing of the MOA. HQ DLA subsequently released FRAGO 19-07-001 directing the OPCON implementation date on May 26, 2019 for the 174 identified FTE.

Disposition Services assumed Operational Control of the 174 identified FTEs on May 26, 2019. Administrative Control of the identified FTEs was handed to Disposition Services on October 13, 2019. All personnel were reverted on the ADCON date, regardless of their labor affiliation. The process for the transfer of Local Nationals in Signonella and Okinawa is expected to be complete over the coming months with a letter yet to be signed and released by the Director Disposition Services to initiate the transfer.

On August 9, 2019, DLA Installation Management at Battle Creek and DLA Installation Management Distribution signed a memorandum authorizing the transfer of real property and general equipment. The Disposition Services J3 and Distribution J3 reached an agreement for the transfer at Richmond. All facility transfers are complete.

#### (13) Distribution Estimate Tool:

In FY 19, Distribution J5 continued its partnership with J-67A, Analysis Center of Excellence to build a Distribution Estimate Tool. Intent is to have a model that translates Time Phased Force Deployment Data (TPFDD) into volume through the distribution network. The tool will allow planners to see wartime requirements, identify gaps, and model solutions for those gaps as they develop support plans for Combatant Commander Operations Plans. J-67A conducted visits to Distribution Centers in New Cumberland; Norfolk, Camp Carrol, Korea; and San Joaquin. J5 executed the first test of the IOC model in August 2019. As the project transitions to FY 20, the team will conduct visits to Japan and Bahrain, which will allow the team to meet FOC criteria within the next FY.

#### f. People and Culture

##### (1) Organizational Culture

###### (a) Performance Management:

Entering the second cycle of DPMAP, DLA and DLA Distribution have continued to grow in program execution. DLA Distribution successfully participated in a cross-unit planning committee to redefine the standard supervisory performance elements. It offered meaningful suggestions and communicated the Federal Wage Grade Supervisor perspective, succeeding in reducing mandatory performance standards from four to three.

**(b) Functional Community Management (FCM):**

The Distribution Deputy Commander is the Functional Community Manager for the Warehousing Community and Transportation under the life Cycle Logistics Community. In FY 19, DLA Distribution participated in two FCM Bi-Annual Meetings designed to guide workforce planning efforts ensure they are aligned with mission requirements. These twice-yearly meetings detailed specific initiatives and promoted DoD workforce forecasting, planning and shaping strategies.

**(c) Critical Succession Positions:**

DLA Distribution is currently re-examining its senior leader positions to evaluate the Accountable Officer (AO) positions. The intent is to identify all hard-to-fill and/or unique positions as critical and then track their fill, turnover, and vacancy rates.

**(d) Operation Warfighter:**

Operation Warfighter (OWF) is a Department of Defense internship program that matches qualified wounded, ill, and injured Service members with non-funded federal internships in order for them to gain valuable work experience. This process assists with the Service members' reintegration to duty or transition into the civilian work environment.

**(e) Workforce Recruitment Program:**

The Workforce Recruitment Program (WRP) is a federal recruitment and referral program that connects federal employers with college students and recent graduates with disabilities for summer internships and permanent jobs. In FY 19, Distribution utilized seven allocations, hiring students at San Joaquin, Susquehanna, Anniston, and Corpus Christi. Participants may be enter Distribution's workforce roles when their program ends.

**(2) Workforce Development**

**(a) Mentor Program:**

Distribution completed a Pilot Mentor Program in July 2019. The program fostered employee development, career enhancement, knowledge transfer, and a broader understanding of DLA Distribution and its missions. It facilitated partnerships between 16



mentors and protégés. The mentor relationship enhanced communication, conflict resolution, leadership, and time management. Evaluations indicated 96 percent positive feedback.

(b) High Performing Leadership (HPL):

HPL, piloted in FY 15, has continued to evolve. The current course includes modules on setting the direction, job instruction, job relations, and quality control. HPL recognizes that management matters and offers concrete actions supervisors can take to improve overall performance and culture. HPL requires that our leaders know their work and can lead, teach, and improve. To date, more than 850 supervisors have been trained.

(3) Training Operations:

DLA Distribution training operations include a focus on the Warehouse Management System and Distribution Standard System.

 <b>Functional Training</b> 		
<b>FY18</b>	<b>Courses Delivered</b>	<b>DLA Distribution Workforce Participants</b>
Dist Ops Functional Tng Courses	507	5466
Leadership Courses	3	34
<b>FY19</b>	<b>Courses Delivered</b>	<b>DLA Distribution Workforce Participants</b>
Dist Ops Functional Tng Courses	538	5783
Leadership Courses	8	91

WARFIGHTER FIRST

(4) Coaching:

DLA Distribution used the coaching program in FY 19 to develop leaders, motivate employees, and increase productivity. Using DLA's In-House Coaching Program, employees were matched with coaches trained through the International Coach Foundation accredited programs. Coaches worked individually with employees to improve their leadership capability and offer inspiration.

(5) Ask the Pros:

Distribution launched “Ask the Pros” in response to supervisory development needs. Virtual meetings comprised of panel members from EEO, Legal, Human Resources and other support organizations are held monthly to provide information on topics ranging from Ethics, Onboarding, Leader Responsibilities, and Training, among other.

(6) Awards

In 2019, more than 900 DLA Distribution employees received awards:

Award Name - FY 19	Count
Exceptional Civilian Service Award	6
Meritorious Civilian Service Award	23
Superior Civilian Service Award	41
Distinguished Career Award	142
Certificate of Achievement	53
Commendable Service Award	8
Gold Letters	20
Silver Letters	20
Global War on Terrorism Medal	2
Presidential Letters	1
EOQ Nominations	87
Strategic Goals Nominations	27
Global Distribution Excellence	235
Retirements	254

(a) In 2019, DLA Distribution Susquehanna received the Commander in Chief’s Annual Award for Installation Excellence

(b) Two DLA Distribution employees entered the DLA Hall of Fame: MG Michael J. Lally, III (Ret) and Mr. Patrick McCormick.

(7) Distribution Expeditionary Manpower 2019:

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

(a) Joint Reserve Force (JRF):

The JRF assigned to DLA Distribution consists of five Navy units, one Army Reserve Element, 22 Air Force and three Marine individual mobilization augmentees. During FY 19, JRF personnel provided 15,137 man-days of support. DLA Distribution has an authorized Joint Reserve Force (JRF) of 191 personnel (36 Army; 130 Navy; 22 Air Force; and 3 Marines).

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

The team of Expeditionary Civilians supporting DLA Distribution consists of 219 volunteers in several grades and series. Additionally, Distribution has two deployable depot teams located in San Joaquin and Susquehanna. Each team consists of 49 team members.

In FY 19, the San Joaquin Expeditionary team participated in the TALISMAN SABER 19 exercise in Rockhampton, Australia. TALISMAN SABER is a bi-annual combined joint multilateral field training exercise that provides a training venue for forces from Australia, Japan, U.K, New Zealand, and Canada to conduct high end operations.

FY 19 was the first full year Distribution J9 began supporting the newly-acquired Expeditionary Civilian deployments. These positions were previously managed by DLA under the DoD Civilian Expeditionary Program. To date Distribution has deployed 20 civilians under the program with several others in the pre-deployment phase.

#### (c) Expeditionary Training:

In FY 19, Distribution J9 led an Expeditionary Academy at San Joaquin. During this event, 18 JRF personnel along with the Expeditionary personnel from San Joaquin were trained on equipment and computers. The Expeditionary Academy aligns Distribution's reservists to DLA's contingency missions in order to augment the Expeditionary Team in support of a Theater Consolidation Point, Material Processing Center, Forward Deployed Warehouse, and a FEMA ISB.

Due to the increasing mission demands for HAZMAT certified personnel, one HAZMAT Academy was held at Susquehanna in order for JRF members to receive their HAZMAT re-certifications. Because of this effort, the Distribution reserve force was able to complete extremely critical missions at multiple distribution centers.

In order to ensure the JRF personnel are fully trained on MHE, two MHE academies were held in FY 19. During the first MHE Academy, 18 reservists were certified. The second academy resulted in 12 reservists being certified. This academy was extremely important due to the reserve members from EDSU-NV being tasked with supporting a critical mission at DLA Distribution Sigonella in August 2019 which required all be licensed.

# Defense Logistics Agency

## DLA Human Resources (J1)

### Fiscal Year 2019 Annual Historical Report



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

MEMORANDUM FOR DLA HISTORIAN

SUBJECT: Submission of DLA Human Resources (J1) FY19 Annual History Input

While DLA exists to support the Warfighter, the foundation of our agency's success is simple: our people. This great organization could not carry out any of the important objectives outlined in the DLA Strategic Plan without an effective, motivated, focused, and capable workforce.

The initiatives undertaken by J1 during FY19 are bound by a common thread, LTG William's guiding leadership principle: If you take care of your people, the mission will happen.

The professionalism and dedication of the J1 workforce is reflected in our pride in the accomplishments outlined in this submission.

We expanded the Agency's partnership with USTRANSCOM by implementing a successful Human Resource Servicing Pilot, which we hope is a model for expanded customer opportunities moving forward. Our Emerging Leader Certificate Program is strengthening DLA's bench of highly skilled leaders to guide us into the next decade and beyond. Identifying Critical Succession Positions will also help ensure DLA is positioned to continue its reputation as a world-class organization, while the foundation we build with a new Master Labor Agreement and institutionalization of effective performance management principles will provide a sturdy framework for the challenges of the future.

I am proud of our J1 workforce and the strong partnerships we've built and nurtured with leaders and employees at all levels of DLA and among our DoD customers, and I look forward to continuing to lead change in supporting the DLA Strategic Plan and DLA People and Culture Plan.

A handwritten signature in black ink, appearing to read "Brad Bunn", is positioned above the printed name and title.

BRAD BUNN  
Director  
DLA Human Resources

## **1. Introduction**

### **a. General:**

DLA's ability to attract, develop and retain a diverse, skilled and agile workforce is vital to our continued mission as America's Combat Logistics Support Agency. Our workforce is highly skilled and committed to meeting the needs of the Warfighter, but there is always an opportunity to improve, particularly in our rapidly changing, global environment.

In FY 19, DLA Human Resources (J1) took a number of steps to improve and sustain the effectiveness and efficiencies of its service to customers, civilian and military, internal and external to DLA. J1 also used key operating goals, metrics, and other tools used to regularly monitor its performance and ensure DLA's workforce had the capabilities to meet present and future mission requirements.

DLA J1 also continued to position itself to provide the best possible support for our HR customers in other DoD organizations. At the end of FY 19, DLA J1 provided reimbursable HR services to:

- (1) Defense Advanced Research Projects Agency (DARPA)
- (2) Defense Civilian Personnel Advisory Service (DCPAS)
- (3) Defense Commissary Agency (DeCA)
- (4) Defense Human Resources Activity (DHRA)
- (5) Defense Media Activity (DMA)
- (6) Defense Manpower Data Center (DMDC)
- (7) Defense Security Cooperation Agency (DSCA)
- (8) Defense Security Service (DSS)
- (9) Defense Threat Reduction Agency (DTRA)
- (10) Missile Defense Agency (MDA)
- (11) U.S. Transportation Command (TRANSCOM)

J1 FY 19 pursuits were shaped by fiscal realities facing DLA, including emerging austerity measures and necessary cash-saving measures. J1 expanded utilization of the Director's Dashboard to impart critical operational information, and other strategic initiatives reflected an emphasis on increasing efficiencies, revalidating workforce investments, and pursuing initiatives that fostered an engaged, high-performing workforce. As DLA leaders rapidly responded to the emerging needs and expectations of customers and other stakeholders, J1 stood ready to help them choose the right mix of human capital strategies to achieve their workforce goals.

b. Mission:

In support of the DLA mission, DLA Human Resources finds, hires, trains, and sustains a mission-ready workforce for DLA and our HR customers, using world class policies, processes, programs, and tools.

c. Vision:

In support of the DLA vision, DLA Human Resources is recognized as simply the best human resources organization in the Federal Government. We set the standard for:

- (1) Taking care of our customers;
- (2) Partnering with leaders, unions, and employees to solve problems;
- (3) Training and developing our people to be mission-ready;
- (4) Innovating and adapting HR policies and programs to enable DLA to meet its mission; and
- (5) Accomplishing our mission in a cost effective, audit-ready way.
- (6) J1 is the **single best place** to work if you are an HR, training, or administrative professional.

d. Values

- (1) Integrity: Honest and trustworthy, we follow through on what we promise.
- (2) Resiliency and Diversity: Flexible, responsive, recoverable, and able to quickly adapt to changing business environments while achieving outstanding results. Composed of people from varied backgrounds. We celebrate and leverage our differences to deliver innovative and effective outcomes.
- (3) Innovation: We pioneer new ideas, devices, and methods. Working with each other, customers, and stakeholders to provide solutions that are unique and creative.
- (4) Accountability: Obligated and willing to accept responsibility. We are accountable to the DoD and our customers, just as our workforce is accountable to the DLA mission to provide effective and efficient global solutions to Warfighters and our other valued customers.
- (5) Excellence: Extremely high quality. We take pride in providing first-class solutions on time, every time.

## 2. Organization:





### 3. Resources and Key Personnel

<b>Resources</b>	
<b>J1 Full Time Equivalents (FTEs) (Authorized)</b>	784
Working Capital Fund	74%
Reimbursable	26%
<b>Major J1 Population Centers</b>	
Whitehall	474
New Cumberland	159
Fort Belvoir	95
San Joaquin	21
Philadelphia	15
Richmond	12
Battle Creek	10
<b>Key Leaders</b>	
<b>Leader</b>	<b>Position</b>
Mr. Brad Bunn	Director, DLA Human Resources (J1)
Mr. Billie Keeler	Deputy Director, DLA Human Resources (J1)
Ms. Chaletta McCoy	Staff Director, Human Capital Program Development (J12)
Mr. Daryl Roberts	Staff Director, Labor and Employee Relations Policy (J13)
Ms. Laurie Hall	Staff Director, Human Resources Policy (J14)
Ms. Cheryl Steptoe-Simon	Staff Director, Human Capital Business Integration (J17)
Mr. Stephen Herrmann	Director, J1 Business Office
Mr. Michael Beaupre	Administrator, DLA Human Resources Services (DHRS)
Ms. Jill Dixon Cromer	Director, DHRS, DLA Customers
Mr. Derek Saunders	Director, DHRS, DoD Customers
Mr. Peter Marchesani	Director, DHRS, Enterprise Operations
Ms. Rochelle Anderson	Director, DHRS, DLA Training
Ms. Kathryn Roberts	Director, DHRS, HR Information Systems
MS. Lisa St. Peter	Director, DHRS, Travel and Payroll
Ms. Dawn Burton	Director, DHRS, Benefits
Mr. David Tighe	Director, DHRS, Military Personnel and Administration
Ms. Donna Estep	Director, DHRS, Injury Compensation
<b>Key Staff Members</b>	
Mr. Stephen McClanahan	EA to the Director
Ms. Kathleen Rhem	HR Communications Manager
Ms. Renee Ferrante	SAPR Program Manager



#### 4. Historical Narrative

Several of J1's key FY 19 initiatives are described below, categorized as supporting either (1) the DLA Strategic Plan or (2) the DLA People and Culture Plan. Three of these J1 initiatives were designated as "FY 19 Imperatives" by the DLA Director. Those initiatives are marked as such.

<b>Key J1 Initiatives Supporting DLA Strategic Plan</b>	
Line of Effort 3 Strong Partnerships	<ul style="list-style-type: none"><li>• Transition TRANSCOM HR Servicing</li></ul>
Line of Effort 5 Always Accountable	<ul style="list-style-type: none"><li>• Sustain Audit Readiness for Hire to Retire (H2R)</li></ul>
<b>Key J1 Initiatives Supporting DLA People and Culture Plan Objectives</b>	
Objective 1 Develop Leaders	<ul style="list-style-type: none"><li>• Evaluate Segments of Key Leader Programs</li><li>• Implement Enterprise Leader Development Program (ELDP) Level 2 Emerging Leader Certificate Program</li><li>• Develop and Implement Senior Leader Orientation Course</li><li>• Sustain Succession Management for Critical Succession Positions (CSPs)</li><li>• Implement DLA In-House Coaching Program</li></ul>
Objective 2 Resource the Enterprise	<ul style="list-style-type: none"><li>• Execute Direct Hire Authorities for FY 19 allocations</li></ul>
Objective 3 Manage the Talent	<ul style="list-style-type: none"><li>• Build and Strengthen Key Competencies</li></ul>
Objective 5 Fortify the Culture	<ul style="list-style-type: none"><li>• Develop and Execute Culture/Climate Action Plans [FY 19 Imperative]</li><li>• Prepare and Execute Renegotiation of DLA-AFGE Master Labor Agreement (MLA) [FY 19 Imperative]</li></ul>
Objective 6 Perform and Reward	<ul style="list-style-type: none"><li>• Institutionalize the DoD Performance Management and Appraisal Program (DPMAP) Across the Agency [FY 19 Imperative]</li><li>• Evaluate Effectiveness of DPMAP in DLA</li></ul>

a. Key J1 Initiatives Supporting DLA Strategic Plan

(1) LOE 3, Strong Partnerships: Transition TRANSCOM HR Servicing

J1 implemented the HR Servicing Pilot between DLA and TRANSCOM for staffing and employee benefits functions. This broadened insight into TRANSCOM and DLA mission and functions, allowing us to provide better HR servicing for TRANSCOM civilian personnel. Tangible outcomes included reducing time to fill and eliminating transactions processing backlogs, increasing mission readiness of the organization.

(2) LOE 5, Always Accountable: Sustain Audit Readiness for Hire to Retire (H2R)

J1 maintained a great standing on the H2R Examination for payroll, FECA, EOPF, Benefits and Travel. This standing reflects improved time, data, and quality of monthly payroll reconciliations. It allowed us to sustain internalized standards, contributed to organizational learning, and encouraged shared values.

b. Key J1 Initiatives Supporting DLA People and Culture Plan Objectives

(1) Objective 1, Develop Leaders: Evaluate Segments of Key Leader Programs

In 2019, J1 conducted a leader competency assessment and will develop action plans based on the results; hosted the biennial DLA Building Your Roadmap to Success Leadership Forum in May 2019 at DLA Headquarters; and continued monthly Enterprise Senior Leader Discussion Forums for ELDP Level 4 supervisors and managers.

(2) Objective 1, Develop Leaders: Implement Enterprise Leader Development Program (ELDP) Level 2 Emerging Leader Certificate Program

The ELDP Level 2 certificate program was developed to build and sustain a highly skilled and motivated pool of team/work leads with understanding on conflict management and improved awareness of situational leadership. The program promotes organizational learning and improved employee engagement. In FY 19, the pilot group completed the initial cohort and the implementation team completed an AAR. The program officially launched for all DLA in April 2019.

(3) Objective 1, Develop Leaders: Present Senior Leader Orientation Course

The Senior Leader Orientation Course (SLOC) is an in-person, classroom-based, instructor-led course that covers the full breadth of DLA missions; organizational structure; command and control relationships, roles, and responsibilities; current operations; strategic priorities; customer interaction philosophy; Defense-Wide Working Capital Fund (DWWCF) business model; and key administrative and management processes, such as managing civilians

through the DoD Performance Management and Appraisal Program (DPMAP), labor relations and key tenets of the DLA Master Labor Agreement (MLA), IT, travel, etc. Two iterations in FY 19 included a total of 54 senior leaders, both military and civilian, ranging in rank and grade from GS-14 to SES and Major (O4) to Major General (O-8).

(4) Objective 1, Develop Leaders: Sustain Succession Management for Critical Succession Positions (CSPs)

DLA uses career development programs and succession management initiatives to develop candidates with the skills needed to inspire greater confidence and productivity in the workforce. Improving succession management efforts results in an increased number of internal candidates and reduced time to fill critical vacancies. This is vital to maintain agency leadership continuity. We created a TMT tracker for annual CSP review, created and updated new CSP marketing materials, and developed an enterprise-wide CSP Annual Report.

(5) Objective 1, Develop Leaders: Implement DLA In-House Coaching Program

In FY 18, DLA set out to create a coaching culture that fosters a continuous learning environment for all levels of leadership. FY 19 saw the program pilot come to a successful completion. Information gathered from pilot participants is currently being evaluated. Future plans include increasing the number of highly qualified International Coach Federation (ICF)-trained coaches in DLA. This will help ensure DLA is developing and maintaining a motivated and productive workforce, increase partnerships and networks, and promote employee engagement.

(6) Objective 2, Resource the Enterprise: Execute Direct Hire Authorities for FY 19 allocations

Maximizing use of direct-hire authorities authorized by Congress and prescribed by DoD allows DLA to attract a more diverse workforce. These authorities help with rapid targeted recruitment of better-qualified applicants. This involved reviewing allocations and identifying targeted recruitment needs, determining and executing recruitment strategies for Recent Graduate allocations, and determining how best to redistribute unused allocations.

(7) Objective 3, Manage the Talent: Build and Strengthen Key Competencies

The focus of this objective is to assess competency models and develop or refresh career maps to enhance civilian workforce management. This will assist in meeting the needs of current mission requirements, identify critical competency gaps and develop strategies to close the identified gaps. In FY 19, five competency models and two career guides were

created/refreshed. Also in FY 19, J1 hosted two DLA Functional Community Managers Bi-Annual meetings as informational sharing venue for the DLA FCMs and other stakeholders.

(8) Objective 5, Fortify the Culture: Develop and Execute Culture/Climate Action Plans [FY 19 Imperative]

J1 provided support to the Agency and individual organizations in developing, implementing and monitoring concrete action plans to address opportunities for improvement identified in the 2018 DLA Culture/Climate Survey results. During FY 19, J/D Code and MSC organizations developed, implemented and communicated culture/climate action plans to their workforces to facilitate increased organizational effectiveness, stronger survey scores, and increased employee satisfaction. At the same time, J1 began preparing for the 2020 DLA Culture/Climate Survey, which will be launched in March 2020.

(9) Objective 5, Fortify the Culture: Prepare and Execute Renegotiation of DLA-AFGE Master Labor Agreement (MLA) [FY 19 Imperative]

Preparing for and executing the enterprise strategy for renegotiating the AFGE-DLA MLA was conducted in anticipation of the previous MLA's expiration. This is the first time in more than a decade the complete MLA was open to renegotiation. During FY 19, DLA completed and delivered draft proposals to AFGE Council 169 and engaged in the negotiation process in two-week periods with two weeks off in between negotiating sessions. Upon completion in FY 20, we are seeking a new MLA that balances the need to be mission-focused, agile and responsive in a dynamic national security and business environment while sustaining a positive, people-focused workplace climate and culture that provides employees a credible venue to voice concerns about workplace rules established in the collective bargaining agreements.

(10) Objective 6, Perform and Reward: Institutionalize DPMAP across the Agency [FY 19 Imperative]

J1 provided ongoing DPMAP guidance and assistance to DLA leaders, organizational POCs, and the workforce. During FY 19, J1 facilitated DLA's successful enterprise DPMAP Summit, resulting in comprehensive briefs on key policies, requirements, DoD changes, and lessons learned. Program improvements based on Summit outcomes included more formalized training and job aides for MyPerformance super users.

(11) Objective 6, Perform and Reward: Evaluate Effectiveness of DPMAP in DLA

DLA has worked to leverage DPMAP to improve employee engagement, enhance accountability, and create a high-performing culture. We have emphasized awareness of individual performance expectation, desired results, and the importance of supporting organizational goals. To this end, J1 has completed DPMAP compliance reviews, including of

Supervisor and Team/Work Lead performance plans, random samples of performance elements, timeliness with DPMAP cycle milestones, and end-of-cycle award results.

## **5. Conclusion:**

In FY 19, J1 pursued the above-described initiatives and many others to sustain and improve its service to our diverse and growing customer base. In focusing on providing HR services that efficiently and effectively enhanced DLA's preparedness for current and future mission areas, J1 focused on supporting the DLA Strategic Plan and DLA People and Culture Plan.

DLA J1 leaders are preparing the agency to meet the anticipated challenges of DoD HR reforms and legislative proposals, including changes in the HR services delivery model.

J1 is posturing for growth and preparing for an expansion of DLA HR services by building on our strong foundation, recognizing external drivers, and anticipating increased DoD direction.

# Defense Logistics Agency

## DLA Logistics Operations (J3)

### Fiscal Year 2019 Annual Historical Report



**DIRECTOR  
LOGISTICS OPERATIONS  
DEFENSE LOGISTICS AGENCY**



Fiscal Year 2019 was another busy year for DLA and the J3 directorate. This annual history report captures the numerous accomplishments of the J3 in the many varied mission areas including:

- Maturation of the DLA Readiness Dashboard
- Transformation of the Joint Logistics Operations Center to the Agency Synchronization Operations Center
- Continued Whole of Government support, including Humanitarian Assistance/Disaster Relief response to hurricanes at home and abroad
- Expansion of the Agency's partnership with the Department of Veterans Affairs
- Supporting the DoD in its mission with Customs and Border Protection
- Designation of F-35 Product Support Provider roles for North American Regional Warehousing and Global Transportation and Distribution in partnership with TRANSCOM
- Establishment of a DLA Supply Chain Security Strategy
- Developing a Space Systems Portfolio in support of the standup of USSPACECOM

In addition to these important tasks, the J3 team was engaged in a wide range of critical Agency-wide efforts, including Operation Agency Resolve, the ongoing effort to obtain a clean audit opinion, and preparation for the Defense Wide Review with Secretary of Defense Dr. Mark Esper.

It was a year of transformation and expansion of the support provided by DLA marked by unprecedented challenges in the way the Agency conducts business. The J3 team remains committed to the Agency's strategic priorities, our customers, and of course the Warfighter. We look forward to building on these initiatives in 2020.

*Signed/Oct. 15, 2019*

ALLAN E. DAY  
Major General, USAF  
Director, Logistics Operations

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graph TD
    J3[DLA Logistics Operations (J3)  
Director  
Maj Gen Allan E. Day] --- J31[Operations  
Executive Director  
Mr. David Kless]
    J3 --- J32[Mission Support (J32)  
Acting Executive Director  
Mr. Kevin Kachinski]
    J3 --- J33[Logistics Policy & Strategic Programs (J34)  
Executive Director  
Mr. George W. Atwood III]
    J3 --- J310[Nuclear Enterprise Support Office (J310)  
Executive Director  
Col Scott Ritzel]
    J3 --- J31P[DLA Indo-Pacific (DLA I-P)  
Commander  
CAPT Kristin Acquavella]
    J3 --- J3E[DLA Europe/Africa (DLA E/A)  
Commander  
COL Krista Hoffman]
    J3 --- J3C[DLA CENTCOM & SOCOM (DLA C&S)  
Commander  
COL Hattie Richardson]
  
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The organizational chart for DLA Logistics Operations (J3) is structured as follows:

- DLA Logistics Operations (J3) Director**  
Maj Gen Allan E. Day
  - Operations Executive Director**  
Mr. David Kless
  - Mission Support (J32) Acting Executive Director**  
Mr. Kevin Kachinski
  - Logistics Policy & Strategic Programs (J34) Executive Director**  
Mr. George W. Atwood III
  - Nuclear Enterprise Support Office (J310) Executive Director**  
Col Scott Ritzel
  - DLA Indo-Pacific (DLA I-P) Commander**  
CAPT Kristin Acquavella
  - DLA Europe/Africa (DLA E/A) Commander**  
COL Krista Hoffman
  - DLA CENTCOM & SOCOM (DLA C&S) Commander**  
COL Hattie Richardson

a. Defense Logistics Agency (DLA) Logistics Operations (J3) Leadership

Fiscal Year 2019 (FY 19) was a year of change for DLA Logistics Operations, starting with its leadership. In June 2019, Maj Gen Allan E. Day took over as Director of Logistics Operations (J3), replacing Maj Gen Mark K. Johnson, who retired in April 2019. Maj Gen Day came to DLA after serving as Air Force Materiel Command's Director of Logistics, Civil Engineering, Force Protection, and Nuclear Integration, and he previously served as the Commander of DLA Aviation from March 2015 to June 2017.

In May 2019, Mr. Guy C. Beougher, Senior Executive Service (SES), assumed his new role as DLA Deputy Director of Logistics Operations (DJ3), succeeding Mr. Michael Scott, SES, who assumed his duties as DLA's Vice Director. Mr. Beougher returned to J3 after serving as the Deputy Commander of DLA Energy from May 2017 to May 2019. He had previously served as J3's Executive Director of Operations.

Other key leadership roles also changed during FY 19. Mr. Kevin Kachinski became the Acting Executive Director of Mission Support in May 2019 when Mr. Patrick J. Dulin was named Acting Director of DLA Information Operations (J6). COL Hattie L. Richardson assumed command of DLA CENTCOM & SOCOM in January 2019, and COL Krista Hoffman replaced COL Theodore Shinkle as the Commander of DLA Europe & Africa in June 2019.

The changes continued beyond the J3's leadership. A two-year process to transfer functions between J3 and J6 culminated in Spring 2019, as DLA Research & Development and the DLA Office of Operations Research and Resource Analysis moved to J6 and DLA Logistics Information Services and the DLA Customer Interaction Center (CIC) moved to J3. The CIC was placed under the Operations Executive Directorate (J31), while LIS joined the Logistics Policy and Strategic Programs Executive Directorate (J34).

**b. DLA Logistics Operations Mission:**

DLA J3 is responsible for management of DLA's nine end-to-end supply chains. It provides logistics and materiel process management policy, guidance, and oversight. It integrates strategic, operational, and tactical perspectives with command and control functions to influence the supply chains. J3 serves as the principal planner for DLA business operations. In addition, it oversees Operational Contract Support (OCS), the daily operations throughout the Enterprise, and engages headquarter staffs and MSCs to gather and interpret customer requirements.

The J3 maximizes readiness and logistics combat power by leveraging enterprise solutions. To fulfill this mission, it relies on the following organizational elements: Operations Executive Directorate (J31), Joint Contingency Acquisition Support Office Executive Directorate (J32), and Policy and Strategic Programs Executive Directorate (J34).

The Director of Logistics Operations provides a single focal point for theater combatant commanders, their Service components, and coalition forces. He manages DLA's overseas customers through DLA Europe and Africa, DLA Indo-Pacific, and DLA CENTCOM and SOCOM. These O-6 level regional commands have directional authority of all DLA entities and DLA employees operating in or assigned to their region.

**c. J31 – Operations Executive Directorate**

The Operations Executive Directorate coordinates and integrates DLA's Logistics capabilities with Combatant Commands (CCMDs), Military Services (MILSVCs), the Joint Staff, other Defense Combat Support Agencies, and designated Federal agencies. It provides integrated situation understanding of all levels of operations, command and control (C2) functions for contingency operations and natural disasters, and adaptive planning. The directorate supports customer outreach activities, Help Desk services, customer interaction analytics, and forward deployed support.

**d. J32 – Mission Support Executive Directorate**

The Mission Support Executive Directorate provides Operational Contract Support (OCS) to Geographic Combatant Commanders and U.S. Special Operations Command through planning, joint training, and initial mission support to ensure compliance with the law. The directorate partners with OSD, Joint Staff, MILSVCS, DoD and federal agencies.



e. J34 – Logistics Policy and Strategic Programs Executive Directorate

The Logistics Policy and Strategic Programs Executive Directorate oversees development and dissemination of enterprise-wide policy for fulfillment, planning, stock positioning, retail sustainment, asset management, transportation, distribution network, disposition, technical/quality functions, and business cycle processes. The directorate engages with OSD, Joint Staff, and military Service leadership to refine strategic programs and initiatives. It conducts analysis and provides DLA leadership with insights that shape policy development and support decisions. The directorate develops strategies for creating, obtaining, managing, and integrating logistics data for dissemination to DoD, Federal agencies, and the North Atlantic Treaty Organization (NATO).

f. NESO/J310 – Nuclear Enterprise Support Executive Directorate

Serves as HQ DLA's leading face for all DLA-related nuclear enterprise issues. It coordinates all internal DLA support to include development of the DLA nuclear enterprise specific policies, procedures and strategic messaging.

g. DLA CENTCOM & SOCOM, DLA Europe & Africa, DLA Indo-Pacific

DLA's regional commands represent the DLA Director within their assigned geographic regions. They perform as Enterprise points of contact for DLA overseas customers. They act as lead for Enterprise customer engagement in their respective theaters of operation with responsibility for planning, coordinating, and the monitoring operations and ensuring customer satisfaction.

h. FY 19 Funding and Personnel Goals and Actuals

	<b>FY 19 Goals</b>	<b>FY 19 Actuals</b>
Civilians (FTEs)	775	745
Active Duty Military Authorized	108	99
Reserve Military Authorized	75	71
	(In Millions)	(In Millions)
Labor (Direct only)	\$77.3	TBD
Contracts	\$13.6	TBD
Travel	\$1.7	TBD
Training	\$.3	TBD
Other	\$.6	TBD
Total	\$93.8	TBD

## **2. Contingencies and Humanitarian Assistance/Disaster Relief Support**

DLA J3 led the Agency in the response to five disaster relief missions in FY 19. By far the most involved was for Hurricane Dorian. Hurricane Dorian formed on August 24, 2019 and gradually strengthened as it moved toward the Lesser Antilles. On August 31, Dorian became a Category 4 hurricane. On 1 September, it reached Category 5 intensity, with maximum sustained winds of 185 mph and a minimum central pressure of 910 mb (26.87inHg). The ridge of high pressure steering Dorian westward collapsed on 2 September, causing Dorian to stall just north of Grand Bahama for about a day. A combination of cold water and an eyewall replacement cycle weakened Dorian to a Category 2 hurricane on the next day. On the morning of 3 September, Dorian began to move slowly north-northwest. It subsequently completed its eyewall replacement cycle and moved over warmer waters, regaining Category 3 intensity by midnight of 5 September.

The DLA ASOC activated its hurricane contingency battle rhythm on August 29, This battle rhythm continued until September 13 when NORTHCOM had their final DoD Synch in support of Bahamas HADR support.

DLA spent a total of \$14M in FEMA mission assignments (MAs) and support to NORTHCOM. At the high point of the response, DLA had 73 personnel deployed. These employees established Expeditionary Deployable Depot Operations at Maxwell Air Base in Alabama and Fort Bragg, North Carolina. The Maxell team processed 669 trailers for onward movement while the Fort Bragg team processed 268 trailers. Other DLA-provided support included 1M meals; 144 generators; and 71 vehicles carrying 70K U.S. gallons of diesel, 40K gallons of gasoline, and 12K gallons of propane.

DLA also responded with emergency-like urgency to the crisis on our national border. In support of Customs and Border Protection, the J3 team led the Agency in fulfilling 75 requisitions for Class IV (barrier and construction material).

## **3. Regional Commands**

### **a. DLA CENTCOM & SOCOM**

#### **(1) Background:**

DLA CENTCOM & SOCOM is integrated with the Combatant Commands, postured to anticipate requirements in coordination with DLA Headquarters and MSCs in order to meet emerging and future sustainment requirements in the CENTCOM area of responsibility (AOR).

(2) Highlights:

- (a) COL Hattie Richardson took command in January 2019.
- (b) DLA Logistics Information Services support to SOCOM material cataloging requirements.
- (c) SOCOM Global Logistics Overview.
- (d) Defense Property Accountability System for SOCOM weapon systems and equipment.
- (e) DLA Aviation programming and strategy for CV-22B Osprey aircraft readiness.
- (f) DLA support to CENTCOM “setting the theater” planning, executing, and sustaining requirements in response to Iranian aggression within the region.
- (g) Supported Operations INHERENT RESOLVE (OIR), SPARTAN SHIELD (OSS), FREEDOM’S SENTINEL (OFS), RESOLUTE SUPPORT, and CONTINUOUS RESOLVE (OCR).
- (h) Major Exercises: EAGER LION 2019, INTERNAL LOOK 2019.
- (i) Conducted Joint Strategic Support Board wargames.
- (j) DLA Forward-Stocking Initiatives.
- (k) Oversaw the Northern Distribution and Trans-Arabian Networks.
- (l) CL I: Subsistence Prime Vendor (SPV) throughout the AOR.
- (m) CL III(B): DLA Energy-Middle East fuel and petroleum support throughout the AOR.
- (n) CL IV: Requirements in support of operations throughout the AOR.

b. DLA Europe & Africa

(1) Background:

DLA Europe & Africa is operationalized as DLA’s forward deployed logistics integrator, synchronizing DLA Enterprise capabilities and resources to ensure a Warfighter level of readiness and lethality.

(2) Highlights:

- (a) COL Krista Hoffman replaced COL Theodore Shinkle in June 2019.
- (b) Facilitated \$7.5M of services for War Reserve materiel storage facility
- (c) Coordinated \$3.4M of Special Operation Equipment to U.S. Air Forces Europe Security Forces
- (d) Established CL I warehouse in Poland to support Operation Atlantic Resolve
- (e) Supported Southern Exercise Campaign 19 with CL I and CL IV
- (f) Expanded relationships with Polish and Bulgarian Ministries of Agriculture

(g) Exercised establishment of a second Theater Consolidated Shipping Point (TCSP) at DLA Distribution Sigonella, during SABER GUARDIAN 19, opening an alternative sustainment node and providing operational flexibility to EUCOM.

(h) Brought teams of Reserve Component service members on orders to work inside Distribution Centers during times of peak workloads related to exercise, rotational force activity, and anticipated Local National leave periods

(i) Partnered with the 21st Theater Support Command (TSC) to execute a Proof of Principle (PoP) shipping two containers via river barge to MK Romania in order to test barge capabilities for the 21st TSC. The barge transited through seven countries and three main rivers – the Rhine, Main, and Danube – and the Europa Canal. This PoP is an effort to reduce traffic on the west to east road network in Europe.

#### c. DLA Indo-Pacific

##### (1) Background:

DLA Indo-Pacific is operationalized as DLA's forward deployed logistics integrator; synchronizing DLA Enterprise capabilities and resources to ensure a Warfighter level of readiness and lethality.

##### (2) Highlights:

(a) Supported over 33 exercises within the U.S. Indo-Pacific (INDOPACOM) including successful deployment of DLA Distribution Expeditionary Capability in support of TALISMAN SABER.

(b) Successful move and consolidation of DLA's South Korean footprint to Camp Humphreys, adding robust capability including an operational SIPR DLA Korea Logistics Operations Center

(c) In support of the U.S. Pacific Fleet requirements, successful Proof of Principle to strengthen allies/partners and interoperability with CL I support via Subsistence Prime Vendor to the Japan Maritime Self-Defense Force.

(d) Support for Super Typhoon Yutu and deployment of team in support of the Federal Emergency Management Agency and Navy Region Marianas

#### **4. Line of Effort: Warfighter First**

a. Initiative: 1.1.1 Support Services efforts to code and map parts to NE weapon systems, including Nuclear Command and Control Communications (NC3) and Integrated Threat Warning/Attack Assessment (ITW/AA) systems.

(1) Background:

The DoD Weapon System Support Program (WSSP) facilitates cost effective and responsive supply chain support to sustain the readiness of Service weapon systems. The program allows each Service to identify National Item Identifier Numbered (NIIN) parts and material by criticality and essentiality. DLA manages approximately 424K NIINs in support of 10 NE weapon systems.

(2) Description:

DLA utilizes the *Nuclear Support Tile* on the Director's Readiness Dashboard to provide the current readiness status of key NE performance indicators.

(3) Outcome:

The NE Office established comprehensive portfolios for DLA support to NC3, ITW/AA, and Space systems. Currently, DLA is tracking over 200 systems. In addition, it identified key NC3 users, added their information to the NE Executive Dashboard, collaborated with the Air Force and Navy to for organic support to NC3 systems; and established WSDCs for 65 of the potential 185 organically supported NC3 systems.

b. Initiative: 1.1.2 Enhance DLA support to USSTRATCOM and its components as they work to achieve NE performance readiness goals.

(1) Background:

In 2016, NESO conducted recommended a \$204M investment in safety-level inventory for AF and Navy NE weapon systems. The DLA Director approved the recommendation and MSCs implemented procurement actions. NESO increased participation in USSTRATCOM Operational Planning and Exercises to identify equities and vulnerabilities. The command devised a strategy to meet 95 percent customer Focused Metrics (CFM) MA goals by October 2021.

(2) Description:

In pursuance of this strategy, J310 developed strategies to achieve a 95 percent CFM MA.

(3) Outcome:

DLA investments resulted in NE weapon system MA improvements. In particular, the Agency achieved a 24 percent increase in AF and Navy CFM NE parts between FY 15 and FY 18 with only a 0.7 percent decrease in CFM MA. At the end of April 2019, CFM MA performance has been above 95 percent.

c. Initiative: 1.1.3 Codify DLA supply chain support to the NE

(1) Background:

DLA codified its support to the DoD NE in the DLA Charter and by developing policy outlined in DLA Instruction 3150, *DLA Support to the DoD Nuclear Enterprise*. This instruction details the labor and resources DLA dedicates to NE-related supply chains, demand chains, and business process areas.

(2) Description:

By issuing DLA Instruction 3150, NE collaboration with AF and USN improved and forward presence and formal agreements in support of the NE Warfighter were established.

(3) Outcome:

J310 established a Memorandum of Agreement with the Air Force Nuclear Weapons Center (AFNWC), assigned a DLA NLO at the AFNWC, participated in service NE Weapon System Reviews, and revitalized Service PBAs.

d. Initiative: 1.2.2 Additive Manufacturing

(1) Background:

The Office of the Secretary of Defense issued a Directive Type Memorandum (DTM), titled “Interim Policy and Guidance for the Use of Additive Manufacturing (AM) in Support of Materiel Sustainment” in March 2019. The DTM outlines procedures, roles and responsibilities to ensure advancement of AM in support of warfighter readiness.

(2) Description:

J344, Technical & Quality Assurance, leads AM efforts. Activities will result in new policy and procedures to support viable AM business offerings. Collaboration with the Services will define the technologies and capabilities needed to implement AM.

(3) Outcome

DLA R&D and Logistics Operations established an integrated approach to operationalize AM. In addition, J344 established its AM leadership. Current plans are for the DTM to be replaced by permanent OSD policy by March 2020.

e. Initiative: 1.2.4 Industry Metric Visibility

(1) Background:

In October 2017, DLA acknowledged the requirement for a consolidated Readiness Dashboard using data from the Military Services. DLA deployed the dashboard in March 2018, using near real-time reporting of Service readiness for designated weapon systems and DLA equities. J3 has conducted weekly internal and external readiness briefings since November 2017 to evaluate the reporting. In FY 19, the focus shifted to Service/DLA Industrial performance impacting weapon system readiness. The industrial performance metric tile with daily automated data updates is projected to be fully developed by the end of 3<sup>rd</sup> quarter.

(2) Description:

DLA continues to work with the Services and OSD Chief Management Officer to align our daily mission capable, availability, and total inventory reporting on the DLA Service Readiness Dashboard with monthly Service-OSD reporting. DLA continues consolidating current data feeds in our Enterprise Data Warehouse to create and maintain a centralized repository of real-time, actionable data to support detailed analytical analysis. The Readiness Dashboard provides a refocus and operationalizes the way DLA provides support to the Services.

(3) Outcome:

J3 efforts have resulted in weekly internal and external focused readiness briefings with senior leadership conducted to evaluate near real-time performance and reporting. In November 2018, DLA started reporting Defense Readiness Reporting System (DRRS) quantitative assessments for Class IX repair part support using Service weapon system platform Non-Mission Capable Supply (NMCS) rates for DLA. Since October 2017, the Dashboard development team has deployed over 61 tiles highlighting mission critical data impacting Service readiness and daily DLA operations. Recently deployed tiles include Army and Navy-Maritime Industrial, Recruit Training Center Bag Fill Rate, Audit Task Force and Agency Performance Review.

f. Initiative: 1.3.2 Support A&S Transform Sustainment

(1) Background:

As Army Sustainment Command (ASC) implemented the new Common Core Authorized Stock List (ASL), it coordinated with DLA to explore the feasibility of moving DLA-owned stock closer to the Warfighter. ASC decided to compare the alternative approaches of forward stocking and a distribution model that increased frequency of deliveries. A similar test was conducted by the Marine Corps.



## (2) Description:

ASC selected Fort Carson, Colorado, to test the forward stocking model and Fort Drum, New York, to test the distribution model. Fort Carson was identified because it supported three brigade combat teams, each with a different ASL. Fort Drum was selected because of its proximity to DLA Distribution Susquehanna. The distribution model was implemented in March 2018 and forward stocking in April 2018. In May 2016, Headquarters Marine Corps asked for DLA's assistance to address findings of the Strategic Prioritization Process Initiative that identified the Marine Corps need for an enterprise approach and standardization of processes for consumable item management.

DLA partnered with the Marine Corps on two Proofs of Principles for improving support to the Corps's Supply Management Units (SMU). SMUs provide intermediate-level consumable material support to the Marine Expeditionary Force (MEF). They are capable of deploying and provide material for deploying units.

## (3) Outcome:

For the Marine Corps, both PoPs evaluated DLA's capabilities in assisting to right-size the MEFs' intermediate-level inventory, reduce material turned into DLA Disposition Services while leveraging the Defense Working Capital Fund and DLA's expertise of consumables. This effort provided unprecedented insight into the retail demands better informing supply (procurement) decisions. The process was collaborative, with DLA making recommendations on stocking objectives, while the SMUs make the ultimate decisions on levels based operational requirements. The Camp Pendleton I MEF SMU tested the effectiveness of using DLA tools and models to provide recommended range and depth. The Marines then decided whether to accept the recommendations and adjusted stock accordingly using Service funding. DLA recommended Requisition Objective and Reorder Points to the I MEF SMU utilizing retail level demand history and an offline version of DLA's Inventory Policy Optimization (IPO) planning tool. I MEF focused on the demand supported items (2.2K NIINs) aligned to 9 Principle End Items. DLA's initial recommended inventory totaled \$700K and identified excess of \$2M.

For the Army, ASC worked with DLA J34 and Distribution to establish a dedicated route to Fort Drum and arrange for an additional scheduled weekly delivery. Fort Drum and Tobyhanna Army Depot shared a weekly truck from DDSP. DLA Distribution Transportation team established two scheduled weekly trucks to Ft Drum as volume supported the additional truck. The deliveries to Drum added a 5th stop on the installation. Army decided to route all priority shipments from DDSP on the trucks rather than use parcel post. Distribution removed Tobyhanna from the joint route and added a scheduled truck to support their requirements.

DLA worked with the Army to identify candidates for forward stocking. The joint Army-DLA team agreed to focus on CL IX Acquisition Advice Code (AAC) D/H/Z items that were maintenance significant, high demand, and high priority. Army provided 3 years of

consumption data to DLA. As Army upgraded equipment in the past 3 years, DLA gave greater weight to current consumption. DLA provided Army an initial list of approx. 10K lines of items for review. Army eliminated more than 5K lines recommending 4.1K lines for forward stocking. DLA used Inventory Policy Optimization to estimate an inventory investment of \$12.5M was required to support the lines—DLA used the Materiel Returns Process to transfer the SMS materiel in the LRC to DLA.

DLA is working with ASC to develop plans to support the future LRC construct. ASC will implement the plan starting in FY 19 with sites that are relatively easy to implement. Some routes support multiple installations and services—these are complex to decouple and will be placed toward the end.

g. Initiative: 1.3.3: Identify and Prevent Counterfeit/Nonconforming Parts

(1) Background:

As part of DLA's continual effort to mitigate supply chain threats DLA executed the following actions in FY 19, J3 implemented an enhanced supplier validation procedures for DLA suppliers seeking export-controlled technical data for DLA procurement requirements. The additional controls significantly mitigate the risk that unauthorized suppliers will access unclassified military critical technical data.

(2) Description:

J3 also revised DLA Instruction 4000.04 "Counterfeit Material Prevention and Mitigation" and completed a reach and development project that demonstrated that value of using digital technology to in lieu of manual processing. Other efforts included working with J6 to develop and deploy an automated data solution to support the DoD IG Defense Criminal Investigative Service's (DCIS) data analytics capability. The solution was instrumental to helping DCIS identify supply chain threats.

(3) Outcome:

The digital platform digitized the collection, analysis and storage of supply chain security documentation for electronic parts and export controlled technical data. The web-based technology significantly reduced supplier errors when submitting their documentation to DLA, and enabled DLA personnel to more effectively evaluate the documentation for approval.

h. Initiative: 1.5.1: Assess and Improve DLA Systems, Performance, and Service from the Warfighter Perspective

(1) Background:

In October 2017, DLA completed a review of customer support through the Strategic Logistics Education Development (SLED) program. The review showed gaps in DLA

support and provided suggested areas for improvement. The review identified there was a significant gap in providing consistent training to customer-facing personnel and our customers on DLA's product, services, and self-help tools. The review identified there was not a centralized place for the customer or vendor to find all the information readily to support the customer, so many customers were simply calling the Customer Interaction Center since it could lead them to a solution.

(2) Description:

J3 decided to synchronize efforts across the agency to ensure E2E support and gauge effectiveness to deliver. It set a goal of examining the Enterprise from the perspective of the Warfighters to determine if we meet their standards of support. Through active engagement and ongoing dialogue, we will make DLA more effective in improving Warfighter readiness and lethality.

(3) Outcome:

J3 used a customer facing survey to determine tools DLA customers need the most. In addition, it used suggestions from DLA SLED program to make the DLA public webpage easier to navigate and improve the customer experience.

i. Initiative: 1.6.1: Develop Space Systems Portfolio (FY Imperative)

(1) Background:

DLA established Strategic Plan Initiative "Space" in June of 2018 to identify its current space equities and synchronize Agency efforts in support of USSTRATCOM and impending US Space Command. At the same time, NESO established the "Space Portfolio" as an FY 19 Strategic Plan Initiative consistent with the 2019 National Defense Authorization Act (NDAA) requirement to establish US Space Command as a Sub-Unified Command under USSTRATCOM. The Space Portfolio includes a portion of the NC3 (MILSATCOM), Missile Warning & Defense, AF Satellite Control Networks, Space Based Infrared Systems, Weather, Global Positioning Systems, Sensors, and Launch, Ranges & Networks Systems

(2) Description:

On behalf of the Enterprise, J3 strives to provide responsive end-to-end supply chain support for the Nation's organically supported Space Enterprise (SE) systems, prioritize DLA's support to the SE, and conduct WSDC and NIIN assessments for all space systems.

(3) Outcome:

J3 assigned a LNO at HQ AFSPC, Peterson AFB, continually providing direct facilitation and synchronization of DLA support at the strategic, operational, and tactical levels. In addition, it built a robust SE portfolio that captures customers across DoD/Whole of Government. The portfolio includes associated WS, supply chains, and health assessments for supported SE systems.

j. Initiative: 1.7.2 Transform DLA Storage and Distribution (FY Imperative)

(1) Background:

During FY 19, DLA continued to explore methods to reduce costs and improve readiness. This initiative is a part of larger DoD Logistics Reform efforts. Transform DLA Storage and Distribution consisted of three conceptual levers: 1. Increasing Direct Vendor Delivery (DVD) commodity procurement; 2. Warehouse Modernization; and 3. Improving warehouse business practices. This initiative has a savings/cost avoidance goal of \$128M by 2024.

(2) Description:

Current estimates (FY 19-24) for Lever I will save \$105.1M; Lever II investments will cost \$182.6M; and Lever III (process improvements) will save \$23.2M. Combined, the levers equate to a savings of \$54.3M.

DLA investigated potential DVD opportunities in two phases. In Phase I, DLA J3 and MSCs investigated commodities that had an apparent presence in the open commercial marketplace. Current estimates hold that phase I activities will have a net savings of \$77.1M. Phase I commodities include Federal Supply Group (FSG) 80 (Paints, Sealants, and Adhesives) and FSG 53 (Hardware and Abrasives). Phase II includes commodities identified by a DLA internal survey of commodities and a survey conducted by McKinsey and Company. Rough estimates of phase II commodities hold a potential net savings/cost avoidance of \$28M.

DLA's internal survey identified eight FSGs for Phase II of commodity optimization: FSGs 85 (toiletries – Troop Support), 31 (Bearings – Aviation), 59 (Electric Components – Aviation), 66 (Laboratory Instruments – Aviation), 81 (Containers and Packing Supplies – Aviation), 20 (Ship and Maritime Equipment – Land and Maritime), 59 (Electric Components – Land and Maritime), 61 (Electric Wire, Power and Distribution Equipment – Land and Maritime).

After this survey, McKinsey Company, working with DLA J6, applied machine learning techniques to identify commodities that may see readiness gains from DVD support. McKinsey Company identified nearly 13K NIINs – many of which were part of pre-existing phase I and phase II efforts. In January, J3 tasked MSCs to include McKinsey survey results in ongoing phase I and phase II efforts. Business Case Analyses (BCAs) for Phase II commodities expected from the MSCs in July 2019.

BCAs conducted have collectively concluded that firms are willing to assume a greater role DLA's commodities, but at an increased cost. Increased DVD support may raise DLA rates over time. DVD and other methods placing inventory outside the DLA network lower warehouse throughput without lowering DLA's fixed costs, increasing the cost of items handled by the DLA network. Per DLA's Presidential Budget Request (PBR) submission for 2020 and 2021, fixed costs will increase due to capital investments in modernizing DLA's Distribution network. In addition, J3 has noted customer and Distribution concerns that commodities currently supported by DVD have had issue meeting delivery time requirements.

In October 2018, J3 added Distribution Modernization as a Lever II initiative. Distribution Modernization consists of four major tasks: modernizing the Eastern Distribution Center, implementing tablets with printers, implementing voice technology, and implementing real time location system (RTLS). These investments, if successful, will reduce 350 FTEs from Distribution's workforce by FY24. While the reduction will offset some of the costs of the investments, per the PBR20, Distribution Modernization will still cost of \$182.6M by FY 2024.

In January 2019, the McKinsey Company identified possible Lever III business process improvements that could increase the cost effectiveness of DLA Distribution operations. DLA Distribution is investigating these improvements and estimates that they could result in savings of \$23.2M by FY 2024.

### (3) Outcome:

DLA expects FSG 80 to be supported via DVD and that this support will result in net savings/cost avoidance of \$61.5M (by 2024) and improve MA to 90 percent. DLA is waiting on market feedback to determine the feasibility, potential costs, and savings for CBI and FSG 53. It is conducting further analysis in Phase II commodities to determine the feasibility of DVD support.

## k. Initiative: 1.7.3 Transfer Retail Supply, Storage, and Distribution to DLA

### (1) Background:

Base Realignment and Closure (BRAC) 2005 consolidated Supply, Storage and Distribution (SS&D) functions of DLA Distribution Depots co-located with the same functions at 13 Service Maintenance Depots. While not included in the recommendation, Storage and Distribution (S&D) functionality was consolidated at Red River Army Depot, Pearl Harbor Naval Shipyard and Portsmouth Naval Shipyard with co-located DLA Distribution Depots in 2010. The Air Force (AF) transferred S&D functions, and supply responsibilities for DLA-managed consumables at the Air Logistics Complexes (ALCs). Prior to inventory transfer, there was \$3.42B in total consumable inventory (AF and DLA) at the three ALCs. Today, DLA holds \$2.38B in inventory at the 3 ALCs.

The Services used different approaches to implement the BRAC recommendation at aviation depots and shipyards. The Navy transferred SS&D functions at the three Fleet Readiness Centers (FRCs). Prior to conversion, there was \$1.27B in total consumable inventory (Navy and DLA). DLA capitalized all consumable inventory totaling \$205M, regardless of materiel management. Today, DLA holds \$.99B in consumable items at the 3 Navy FRCs. The four shipyards transferred S&D functions and the related staff. Navy ceased transfer of supply functions because of system functionality issues. The Army and Marine Corps transferred S&D functions and supporting personnel, but did not transfer inventory. The two Services determined their materiel was not retail inventory but work-in-process directly supporting depot production.

As Army Sustainment Command (ASC) implemented the new Common Core Authorized Stock List (ASL), it coordinated with DLA to explore the feasibility of moving DLA-owned stock closer to the Warfighter to reduce lead-time and inventory investment. ASC owned the inventory held by the Installation Supply Support Activity (ISSA) Logistics Readiness Centers (LRC) supporting base operations. ASC decided to run a proof of principle to test alternative approaches of forward stocking versus using a distribution model that increased frequency of deliveries to offset elimination of LRC inventory.

(2) Description:

BRAC SS&D changes brought about realignment and consolidation to achieve greater supply chain integration by eliminating duplicate DoD logistics activities operating in the same facility. They provided a foundation for DoD to leverage joint opportunities, increase synergy and reduce redundancy across the Department. Moving the point of sale closer eliminates the need for the Services to invest in inventory until consumption by the warfighter or maintainer. The Services are beginning to understand the benefit and are examining other opportunities to expand logistics functionality into their operations.

(3) Outcome:

DLA effectively integrated SS&D functions with the ALCs and FRCs. DoD inventory investment was reduced by \$1.283B since implementation began in 2009--\$1.04B for the Air Force sites and \$280M for the FRCs. DoD reduced end strength by 105 FTEs, accomplished by eliminating duplicative processes—63 FTEs at AF sites and 42 at Navy sites. The consolidated Order Response Time (ORT)—the key metric for the ALCs—averaged 91.7 percent for the previous 6 months for the 3 sites, exceeding the 90 percent goal. The 6 month average ORT ranged from 92.3 percent at Oklahoma City to 89.3 percent at Warner Robins. Overall FRC Gross Demand Plan (GDP) Fill Rate—Navy’s key metric—exceeded the goal of 90 percent. GDP Fill Rate averaged 91.7 percent for the past six months, remaining consistently above 91 percent for 11 of the past 12 months. 6 month fill rates range from 92.7 percent at Cherry Point to 89.5 percent at North Island.

1. Initiative 1.8.1: Work to Improve Accuracy for Demand Planned Items

(1) Background:

Roughly 125K line items managed by DLA are collaboratively planned with the Services in order to match procurement to service needs.

(2) Description:

On May 1, 2019 DLA conducted a Demand Planning Summit in order to work with the Services to improve upon demand planning accuracy. This is especially important in a constrained obligating authority environment in order to direct limited resources where most needed to ensure support to key readiness vital systems.

(3) Outcome:

DLA had over 100 participants and received inputs allowing for significant refinements to the demand projections. While accuracy won't be known for some time, this creates robust inputs, including knowledge and insights of many disparate organizations.

## **5. Line of Effort: Global Posture**

a. Initiative: 2.2.1 Single Face to the Warfighter

(1) Background:

This initiative ensures all Warfighter-oriented and agency customer-facing teams are synchronized in a united effort to connect requirements with DLA capabilities.

(2) Description:

DLA's solution was to build a framework to resource, train, and equip customer-facing teams. Doing so presented a single point of entry for all support and services. A sub-task of this initiative was to conduct a Military Partner Feedback Survey. The purpose of this survey was to retrieve feedbacks from warfighters who are strategic, operational, and tactical level customers from all Services to retrieve feedback as in a united effort to connect requirements with DLA capabilities.

(3) Outcome:

By this initiative, J3 learned that it needed more effective messaging and greater customer awareness.

b. Initiative: 2.2.2 Joint Logistics Operations Center Transformation (FY Imperative)

(1) Background:

In FY 19, DLA began to transition the Agency's Joint Logistics Operations Center (JLOC) to the Agency Synchronization Operations Center (ASOC) to combine the Center's contingency logistics operations with business operations across the DLA Enterprise.

(2) Description:

This effort integrated personnel, processes, and systems to support the real time sharing of data, information, and resources; development of actionable logistics intelligence; and informed decisions.

To accomplish this transformational effort, representatives are engaged in day to day operations that leverages the use of virtual tools to enhance communications and deliver a synchronized capability for the enterprise. ASOC personnel participate in Fusion Cells/IPTs/Working Groups to analyze issues and develop COAs to solve issues and track to completion.

(3) Outcome:

An Enterprise capability that operates in both the unclassified and classified environments representing all DLA components that are applicable to supporting contingency operations as well as business operations that manage and support our external partners.

c. Initiative: 2.4.1 Improve Operational Contract Support Capability to Meet Combatant Command Requirements

(1) Background:

OCS is "the process of planning for and obtaining supplies, services, and construction from commercial sources in support of CCDR-directed operations through the related contract support integration, contracting support, and contractor management functions." OCS doctrine originated as a response to Congressional mandates, (e.g., 2007 NDAA, Section 854), the Gansler Commission Report findings, multiple Government Accountability Office (GAO) reports, and lessons learned reports from Operation IRAQI FREEDOM, Operation ENDURING FREEDOM, and Joint Task Force Horn of Africa. Current doctrine states that "OCS planning and execution require a programmatic approach on behalf of the JFC and supporting CCMDs, Service components, CSAs, and their associated contracting organizations."

DoD established the DLA Joint Contingency Acquisition Support Office (JCASO) in 2010 in response to Congressional scrutiny into issues associated with planning, managing, and accounting for contractor services and contractor personnel during contingency operations. JCASO is responsible for performing OCS planning, joint training, and short-term deployable OCS expertise in support of contingency operations with a focus on CCMD, sub-



unified command, and SOCOM support. Per DLA General Order No. 11-16 (effective date August 9, 2016) JCASO's mission includes a specified task to "Engage and collaborate with OSD, Joint Staff, military services, and other DoD organizations on OCS initiatives."

(2) Description:

OCS Tutors: The JCASO OCS Tutor Initiative supports the line of effort to advance DLA's global posture through expanded solutions (Objective 2.4) by effectively improving OCS capabilities. While DLA funded the base year of the contract as a "proof of principle" for FY 18, in FY 19 the Services (and SOCOM) were responsible for funding an option year to validate the benefits of the initiative.

All but one Service funded the option year, contracted OCS tutors supported the U.S. Air Force, U.S. Army, U.S. Marine Corps, and Special Operations Command. JCASO expanded the use of tutor support to address DLA's Combat Support Agency OCS equities by incorporating an OCS integration capability into the Agency Synchronization and Operations Center and by collaborating with JSJ4 and OSD to improve OCS knowledge management.

(3) Outcome:

OCS Tutors: Progress is 85 percent as of May 14, 19 based on delivery of 157 out of 185 total required contract deliverable reports. Tutors for USAF are integrating OCS equities into Air Force Instructions (AFIs) and career field training for 48 functional areas. Tutors for the Army injected OCS into Army unit mobilization training, conducting 12 engagements with active and reserve unit staffs, with 8 more planned. Tutors revised USMC Expeditionary Logistics training in collaboration with the Marine Corps Logistics Operations Group. The tutor supporting Special Operations Command Pacific (SOCPAC) has developed or refined Annexes W for two OPLANs, two CONPLANs and two Campaign Support Plans, and is training SOCPAC staff on Time Phased Force Deployment Data (TPFDD) analysis and OCS Defense Readiness Reporting System tools. Finally, tutors supporting DLA have helped develop OCS integration capabilities in the ASOC and improved OCS knowledge management through OCS-Connect in-collaboration with the Joint Staff J4.

OCS REI: Contractor performance started April 1, 19. In support of contract deliverables (systems and tools to visualize CSD and methodologies to assess associated risk), the REI team is working with the EUCOM J4 OCSIC to facilitate and establish OCS-related boards and working groups, develop OPLAN Annex W appendices, and assisting with programs such as Vendor Threat Mitigation (VTM)/Vendor Vetting capability aligned with REI objectives. Recently, the REI team's analysis of EUCOM, 21 TSC, and DLA trucking requirements identified the "Top 5" most-relied upon companies to help prioritize VTM efforts.

## 6. Line of Effort: Strong Partnerships

a. Initiative: 3.1.2 Enhance Joint Logistics Enterprise partnerships with seamless integration and unity of effort between TRANSCOM and DLA.

### (1) Background:

Following release of the 2018-2026 DLA Strategic Plan, the enduring partnership between Transportation Command (TRANSCOM) and DLA was comprised of three recurring initiatives. The first was to sustain integration of DLA Rapid Deployment Teams (RDT) into TRANSCOM exercises, alerts, and deployments. Second, DLA sought to refine initial milestones, conduct Executive Steering Group (ESG) meetings. Finally, the agency wanted to integrate DLA's Warehouse Management System (WMS) with TRANSCOM's Transportation Management System (TMS).

### (2) Description:

Participation in three TURBO DISTRIBUTION exercises and collaboration on the Transportation Management System secured the DLA-TRANSCOM relationship.

### (3) Outcome:

Initiatives are enduring. WMS/TMS interoperability is progressing towards fall 2019 completion.

b. Initiative: 3.2.1 F-35 Lightning II Joint Strike Fighter (JSF) Sustainment Support Efforts (FY Imperative)

### (1) Background:

The F-35 Lightning II is a fifth generation fighter aircraft, with stealth, autonomic logistics, and firepower for the Navy, Air Force, Marines, eight Partner Nations, and four Foreign Military Sales (FMS) customers. At program inception, the F-35 Joint Program (JPO) designated Lockheed Martin Aerospace (LM) and Pratt and Whitney (P&W) with sustaining the F-35 Air System and F135 Engine for the life of the program under a Contractor Logistics Support (CLS) strategy. As aircraft began flying, sustainment issues arose and costs increased, prompting the DoD to reexamine the CLS decision. DoD evaluated requests for information, and began a relationship with DLA to help reduce life cycle costs and improve aircraft availability. The relationship started initially with a cataloging effort in support of F-35 disposition requirements, and has grown to include warehousing and transportation Product Support Provider (PSP) services. Additional areas of opportunity with fuel support, common consumables support, and disposal support exist and are being explored with the JPO.

## (2) Description:

In 2012, the JPO contractually tasked LM and P&W with providing the necessary technical/logistics data to screen for existing National Stock Numbers (NSNs) and initiate cataloging for disposition of 70,8K items. DLA reviewed 77 percent of the NSN candidates, but required additional data from LM and P&W to get to 100 percent. Work has ceased, since the contract with this scope of work expired December 31, 2018. DLA continues to work with JPO on a path forward and requirements needed to obtain the necessary technical data for cataloging. A Technical Data Package working group is being formed by the JPO with DLA as a key participant to establish data and logistical information requirements in support a provisioning and cataloging effort with the intent to develop an organic sustainment strategy.

On January 4, 19, JPO formally designated DLA the PSP for North American Warehousing, and DLA in partnership with TRANSCOM as the PSP for Global Transportation and Distribution. DLA and TRANSCOM formed working groups for the development of requirements, service level agreements, and transition plans to move the warehousing and transportation workload from contractor support to organic.

On February 15, 2019, DLA and LM Aero signed a Memorandum of Understanding that established DLA as an additional source of supply to LM in support of the F-35 program. The agreement provided LM with a new avenue to procure common consumable parts already supported by DLA.

JPO is working on additional PSP assignments for Disposition Services and Common Consumables support, with DLA standing by to discuss these PSP opportunities.

## (3) Outcomes:

DLA reviewed/cataloged 54.5K F-35 items, of which 7.4K are common with other platforms. PSP implementation will assist in bringing the F-35 program in-line with standard DoD practices by leveraging existing DoD transportation and warehousing infrastructure with proven processes and capabilities. By utilizing an organic PSP solution, the program will grant increased visibility and better oversight over the storage and movement of sustainment assets. Over time, DLA support will contribute to increased performance and increased asset visibility while driving solutions to lower sustainment life cycle costs.

DLA and LM identified 958 items LM has interest in purchasing directly from DLA. This work resulted in a signed Memorandum of Agreement between LM and DLA.

c. Initiative: 3.2.2 Engage Early in the Major Defense Acquisition Program (MDAP) Process

## (1) Background:

In 2016, DLA recognized the need to engage with program offices early in the acquisition life cycle process to assist with developing efficient life cycle sustainment solutions and provide information on DLA support capabilities. As a result, DLA established the Major Defense Acquisition Programs Section in J32, with the goal of creating and maintaining partnerships with the Services and Whole of Government organizations (as applicable) for all new MDAPs.

(2) Description:

In FY 19, J32P identified 22 programs to begin engagement with; however, funding and OSD-level decisions reduced the list to 17. J32P then developed a DLA value presentation to support discussions, and established contacts with Weapon System Support Managers and Business Development Managers at the MSCs for subject matter expertise and support as required.

J32P established procedures for maintaining communications with the program offices, and requirements for reviewing the Defense Acquisition Management Information Retrieval system for new programs for DLA engagement.

(3) Outcome:

J32P established active, regular DLA involvement in 7 of the 17 Pre-MDAP program offices. The remaining Pre-MDAP programs were assessed to be too early in the acquisition life cycle. In addition, J32 established procedures to monitor these programs for status changes that would necessitate active involvement. In FY 19, the 7 programs with active DLA involvement included LPD 17, San Antonio Class Amphibious Transport Dock (Navy); LRSO, Long Range Stand-Off Weapon (Air Force); GBSD, Ground Based Strategic Deterrent (Air Force); Mk21A, Reentry Vehicle (Air Force); ITEP, Improved Turbine Engine Program, (Army); ACV 1.1, Amphibious Combat Vehicle Phase 1, Increment 1 (Marines); and WCC, Waterways Commerce Cutter, (Coast Guard).

d. Initiative: 3.2.3 Performance Based Logistics Center of Excellence

(1) Background:

To provide increased performance to the Warfighter while reducing costs, DLA established an outcome-based strategies solution concept and adopted a goal of establishing the Agency as a Performance Based Logistics (PBL) Center of Excellence (COE). The desired end state was to establish and maintain organic DLA capability to develop, execute, and deliver Performance Based arrangement solutions by FY 20.

(2) Description:

In FY 19, DLA took multiple major actions toward establishing the PBL COE. J32 facilitated formal training at the MSCs in PBL concepts and development, training over 90 personnel. In coordination with J31, J32 developed a Position Description (PD) for a PBL Program Manager (PM) that the MSCs are actively using to manage their PBL programs. Next, J32 coordinated the effort to enhance DLA's Business Case Analysis (BCA) capability through a phased plan to acquire, test, and deploy a BCA tool capable of supporting business decisions for PBL and other complex Tailored Logistics Solutions. Additionally, J32 and J8, along with PBL stakeholders across DLA, are engaged in a contractor-supported effort to assess and correct gaps in PBL auditability and process alignment across multiple functions. Finally, J32 has drafted a Supplier Initiated Order (SIO) concept of operations (CONOPS). The SIO CONOPS will be finalized pending findings from the PBL Auditability and Process Alignment effort which will assess SIO as one of six DLA PBL models.

(3) Outcome:

DLA is an established Performance Based arrangement provider, recognized as a lead expert in this area, supporting DoD and Interagency performance outcomes by providing greater product support performance, efficiency, and productivity to our partners.

## **7. Line of Effort: Whole of Government**

a. Initiative: 4.2.2 Provider of Choice for U.S. Coast Guard (USCG)

(1) Background:

Developed a Whole of Government Plan of Action and Milestones (POA&M) and integration timeline to execute a uniform supply and distribution support mission for the USCG.

(2) Description:

USCG requested assistance with modernizing their uniform procurement, warehousing, and distribution processes. In December 2018, the UDM work group was established with the goal of developing and implementing steps to move USCG away from the current system, and have DLA be the provider of choice for all Clothing and Textiles (C&T) items going forward. Two successful test orders were executed in March 2019 with direct delivery to the USCG Recruit Training Center and Base Exchange as proof of concept.

(3) Outcome:

DLA, in coordination with USCG personnel, completed cataloging and inventory of key C&T items. USCG is now positioned to reduce the warehousing footprint associated with the UDM mission, and also realize efficiencies and cost savings as result of the partnership with DLA.

## 8. Line of Effort: Cross Cutting Initiatives

### a. Initiative: Supply Chain Security

(1) Background:

In April 2019, the DLA Director tasked J3 to establish and lead a cross-functional team to develop the Agency's Supply Chain Security Strategy. The DLA J3 asked Col Scott Ritzel to lead the effort. Col Ritzel established a 25-person cross-functional team and conducted weekly working group meetings to develop the Agency's strategy.

(2) Description:

DLA's Supply Chain Security Strategy is the roadmap for how the Agency will address supply chain security challenges across the enterprise. This cross-cutting effort underpins the Agency's ability to support the Warfighter. Interruption of DLA supply chain operations compromises our nation's ability to deliver combat power and execute critical missions.

DLA's Supply Chain Security Strategy is designed to establish an architecture that comprehensively addresses supply chain security from an enterprise perspective. The architecture consists of five broad components; (1) threat identification and risk prioritization, (2) offensive risk mitigation, (3) defensive risk mitigation, (4) resilient supply chain operations and (5) prevention, detection, protection and defense of the Agency's Global Supply Chain. To develop such an architecture, DLA will concentrate on four Strategic Focus Areas:

- (a) Institutionalize Supply Chain Security across the DLA enterprise
- (b) Maintain integrity and access to key data
- (c) Partner with valid, reputable vendors who produce quality supplies and services
- (d) Strengthen the resiliency of systems, processes, infrastructure and people

The Strategic Focus Areas are "strategy bins" that house supply chain security-related initiatives that are mapped to objectives in the Agency's Strategic Plan. The initiatives put the strategy in motion by actuating the Strategic Focus Areas for the purpose of developing the architecture.

Key and essential to the overall strategy is integrating Supply Chain Security into the Agency's Mission Assurance portfolio and Enterprise Risk Management (ERM) Framework.

This effort underwrites DLA's ability to execute its Mission Essential Functions during peace and war, regardless of the nature of disruption.

A prototype Supply Chain Security (SCS) Scorecard has been developed and is being refined to create a live feed within the DLA Dashboard. This involves engaging J- and D-codes and the MSCs, as owners of critical mission areas which need to be clearly defined and reported within the scorecard. Additional focus has been placed on the eight new, and four existing, SCS initiatives within the DLA Strategic Plan so that each is actively worked to operationalize the various facets of SCS within the Agency.

The Chief Risk Officer has established an interim Cybersecurity Working Group which will assess and leverage the initial efforts behind the Operation GUARDIAN SHIELD (OGS) operational risk assessment, with a much broader scope. The Cybersecurity Working Group will create the Agency's initial Cybersecurity Risk Profile for review by the DLA Senior Management Council. Enterprise Risk Management (ERM) will explore these five areas with participation from functional experts:

- (a) OGS Maturity
- (b) Supply Chain Security Strategy (Cyber Initiatives)
- (c) Information Technology System "Burn-Down" Advancement
- (d) Information Technology Cloud Migration Advancement
- (e) Assured Logistics Cyber Center integration into ERM framework

(3) Outcome:

The DLA Director approved the strategy in June 2019. Public Affairs published the strategy online to the DLA Today Strategic Plan site and circulated a news article to formally announce the publishing. The approval of the strategy consolidated supply chain security activities under DLA/J31 (Mission Assurance) as the Office of Primary Responsibility. DLA established the ERM Program Office and appointed Col Ritzel as the Chief Risk Officer for the Agency on July 1, 2019. The overall focus of the ERM Program Office is to identify and prioritize the Agency's most critical risks to ensure senior leader resourcing decisions are consistent with the Agency's most critical objectives.

## **9. Additional Initiatives**

### **a. DLA Readiness Dashboard**

(1) Background:

DLA Readiness Dashboard concept development began in October, 2017 with the initial Service Readiness tile deploying in March, 2018. The goal of the Readiness Dashboard

has been to operationalize DLA support and improve Service Readiness rates. Director-led Weekly Readiness Reviews (WRRs) were initiated in April, 2018 and continue to the present.

(2) Description:

All MSC initial baseline tiles, Whole of Government metrics, and Service Industrial metrics reporting capabilities were successfully deployed in FY 19. Initial Qlik visualization capabilities were tested and deployed for DLA Distribution Internal reporting establishing the template for Agency Performance Review (APR) metrics automation and tiles.

In FY 19 we continued to automate back-end dashboard data feeds to facilitate Big Data, predictive analytics, and artificial intelligence. In support of the ASOC and continuing DLA Director imperatives, we are aggressively pursuing all opportunities to highlight and address DLA impacts on Service readiness as we continue operationalizing DLA's support to the Services.

(3) Outcome:

DLA continues to operationalize Service support using the real-time readiness and support data provided by the DLA Readiness Dashboard. Our goal for FY 20 is to automate all Agency Performance Review (APR) metrics leveraging Qlik visualizations along with history, trending, statistical process control (SPC) and predictive analytics capabilities. We also plan to tab the Service Readiness Dashboard by MSC and staff sections.

b. Suspended Stock

(1) Background:

The Office of the Secretary of Defense expressed interest in the reduction of DoD suspended stock. As a result, DLA has established an enterprise Suspended Stock Integrated Planning Team (IPT) to work these issues.

(2) Description:

The Enterprise Suspended Stock IPT developed a root cause action plan with focus on preventing recurrence of suspended stock and process validation. DLA tracks these actions monthly during the EOPC. The plan focuses on actions associated to the following major categories: training, investigation, customer relations, and vendor compliance. DLA has established permanent Forward Presence at DDSP, establishing standardized data analytics for the enterprise to help with the research and tracking of performance measures, initial implementation of monthly and quarterly NFR controls with the MSCs to address timeliness and accurate processing of SDRs.



(3) Outcome:

Since the establishment of the Suspended Stock IPT (Oct 2017), DLA managed suspended stock decreased by \$123M (27 percent) and overall DoD suspended stock has been reduced by \$338M (15 percent).

c. Whole of Government Expansion - Veterans Affairs

(1) Background:

DLA has provided medical supply chain commodity support to Veterans Affairs (VA) for nearly ten years. Over the past year, VA has requested a more robust partnership with the DLA.

DLA's partnership with the VA is estimated to produce a cost avoidance in Pharmaceutical National Contracts (\$182.3M), Radiology/Imaging Contracts (\$26.9M), and Electronic Catalog (ECAT) (\$17.3M). VA and DoD are leading the Office of Management and Budget (OMB) Category Management efforts in each area. The total federal spend is \$20B annually...making the VA a significant partner in the Whole of Government portfolio.

The DLA Director met with the Secretary of the VA, HON Robert Wilkie on Jan 15 2019. Secretary Wilkie made it clear that DLA will play a large role in meeting his goals, which includes working with DoD to create a continuum of service for veterans, treat the VA as DLA's 5th service customer, transform current VA logistics into a more effective logistics system, and make logistics a major component of a modern 21st century VA organization.

(2) Description:

DLA has five significant initiatives with the VA that directly support Medical Category Management.

- (a) Extension of DLA's Electronic Catalog (ECAT) to the VA
- (b) Joint Acquisition of Radiology and Imaging Capital Equipment.
- (c) Joint National Pharmaceutical Contracts.
- (d) Prototyping the use of the Defense Medical Logistics Standard Support System (DMLSS), leveraging DLA Ecommerce programs, at the Federal Health Care Facility, North Chicago and potentially additional VA facilities in the Northwest.
- (e) Exploring the extension of DLA's Medical/Surgical Prime Vendor (MSPV) Program

The VA and DLA began a DMLSS prototype at the Federal Health Care Center in North Chicago on March 1, 2019 extending MSPV via web-based ordering to the joint VA/DoD

facility. The DLA Director accompanied the Deputy Secretary of VA for a ribbon cutting ceremony at the Captain James A. Lovell Federal Health Care Center in North Chicago on March 7, 2019. The DMLSS prototype initiated DMLSS support and will lead to the VA using the DLA Medical Logistics programs in October 2019.

(3) Outcome:

Extension of the MSPV Program to the VA is a critical reform initiative efforts extending DLA MSPV reducing credit card purchases and other inefficient practices. The VA is considering DLA MSPV support because VA prime vendors remains challenged to meet the needs of its medical treatment facilities.

The VA Medical/Surgical spend is approximately \$745M a year across its 21 Veteran Integrated Services Networks consisting of 160 Medical Centers and 610 clinics throughout the United States. The DLA MSPV would provide the VA with access to 356K medical/surgical and small equipment items from 694 vendors. DLA MSPV Program provides next day delivery in the continental United States (CONUS) DLA's industry-low Prime Vendor distribution fees range from 0.3 percent to 2.8 percent which offsets DLA's 3 percent Cost Recovery Rate for CONUS customers.

d. Culture Action Plan

(1) Background:

The workforce was surveyed in March and April 2018, and results were released in September 2018. Of the 953 personnel assigned to J3 at the time, 567 took the survey, a response rate of 59 percent.

(2) Description:

Across J3, respondents indicated a high level of clarity and alignment. In the four areas measured by the survey, the organization trended positive, with percentile increases in every area. The large number of personnel from new organizations in Battle Creek impacted those improvements. While 2-Digit and Regional organizations implemented Culture Action Plans for their activities, the J3 plan centered around continuing actions that led to the improvements measured over the 2016 survey, targeting Coordination and Integration, Capability Development, Senior Leaders, the Defense Performance Management and Appraisal Program (DPMAP), Creating Change, and Communication.

After the new J3, Maj Gen Allan Day, and Deputy J3, Mr. Guy Beougher, assumed their roles, adjustments were made to the plan. Underlying issues like leading a geographically-dispersed, remote workforce came to the fore, and Town Hall forums were developed for any site at which either senior leader visited that included J3 personnel. Additionally, J3 Town Halls were expanded to two sessions to allow live participation for personnel unable to attend the primary time. Additionally, J3 began developing a J3 101 course

to help on-board new personnel and give them insight into leadership philosophy, organizational priorities, and business processes.

(3) Outcome:

The DLA workforce will take its next Culture Climate Survey in spring 2020.

# Defense Logistics Agency

## DLA Information Operations (J6)

### Fiscal Year 2019 Annual Historical Report



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

MEMORANDUM FOR DLA COMMAND HISTORIAN

SUBJECT: DLA Information Operations (J6) Annual History – Fiscal Year (FY) 2019

I am pleased to submit the J6 Annual History Report for FY19. This report highlights the hard work of our dedicated J6 team members who work tirelessly to support the Warfighter and the DLA Mission.

In this age of rapidly changing technology, the Information Operations team manages to adapt technology to complete projects using innovating methods and solutions in order to get the mission accomplished. We are on the cutting edge of emerging technology, and in some areas such as cloud first initiatives, “as a service” adoption, and data center closures, we are leading the way in the Department of Defense.

I am honored to be a part of the great work J6 performs on a daily basis serving with excellence and a willingness to go beyond expectations to satisfy our customers across the Nation and around the world.

WILLIAMS.LINDA.L  
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LINDA L. WILLIAMS  
Acting Deputy Director  
DLA Information Operations

Attachment:  
As stated

## **1. Introduction:**

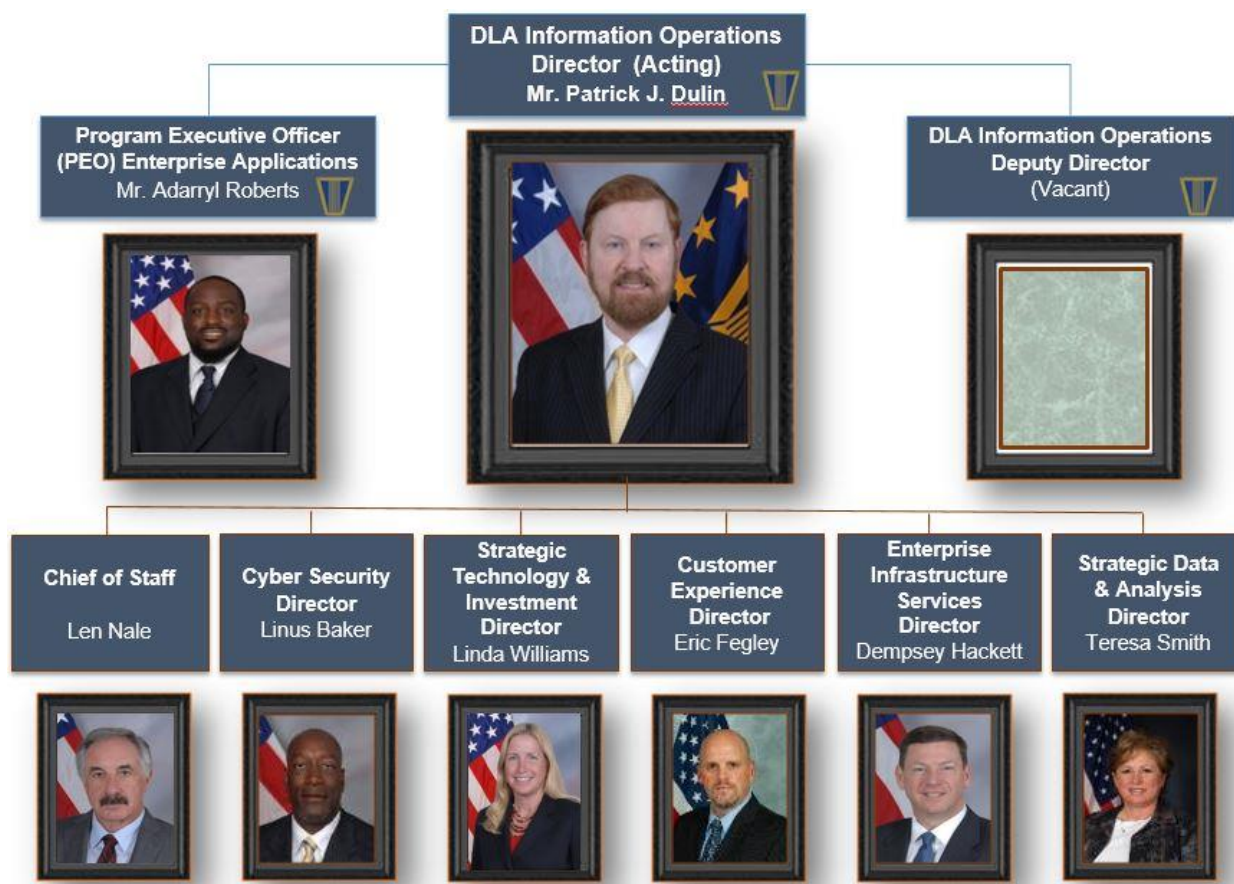
DLA Information Operations (J6) is DLA's knowledge broker, providing comprehensive, best practice Information Technology (IT) support to the DoD and DLA.

### **a. Summary of J6 Key Events and Accomplishments**

- (1) Deployed 23 new tiles/enhancements in the DLA Enterprise Dashboard. Additions included whole of government sales by FY, service readiness supply chain/depot visibility, daily obligation tile, DLA IT availability, audit, and backorders status.
- (2) Deployed 45 new "bots," saving 127.8K hours, or 80 FTEs, per year.
- (3) Closed 36 print facilities, avoiding \$6.9M /year, only 2 of 76 left to close.
- (4) Completed 11 LAN consolidations, increasing security while reducing network footprint.
- (5) Achieved a 98.2 percent compliance for DoD Cyber Scorecard metrics.
- (6) Procured 200 Topaz licenses.
- (7) Modernized/consolidated desktop support and asset management with an \$80M, 3-year contract.
- (8) Invested \$24M to improve the speed of warehouse operations by 30-40 percent.
- (9) Implemented "Desktop 2.0" for 6.3K devices, giving users a better work experience, enhancing cyber security, and reducing swap out times from hours to 15 minutes.
- (10) Closed three large DLA Datacenters, 75 percent of the goal of closing all 23 datacenters by 2021.
- (11) Decommissioned or migrated 402 applications, decommissioned 1,197 physical and 1,506 virtual assets (rolling total), achieved \$15.6M in savings.

## **2. Organization:**

## J6 Organization Chart



**Figure 1. DLA Information Operations (J6) Organization**

a. Changes:

(1) Established the Research & Development, Engineering, and Technical Support (J62L) portfolio in October 2018. This included the former Enterprise Engineering and Technical Services organization and OPCON of J68 Research and Development organizations into one cohesive organization.

(2) Consolidated the DISA Liaison and Hosting Office (J6L) mission and resources under Enterprise Infrastructure Services (J64).

### 3. Key Personnel

The chart below lists key personnel as of September 30, 2019.

TITLE	NAME	TENURE DATES
<b>CIO Office (J6):</b>		
Director/DLA Chief Information Officer (Acting)	Patrick Dulin	March 18, 2019 – present
Director/DLA Chief Information Officer	Kathy Cutler	Departed March 15, 2019
Deputy Director	Vacant	
Chief of Staff	Len Nale	September 5, 2019 – present
Chief of Staff	Linda Williams	June 2018 - September 4, 2019
<b>Strategic Technologies and Investments (J6T):</b>		
Director/Chief Technology Officer	Linda Williams	August 15, 2019 - present
Director/Chief Technology Officer	Jeff Charlesworth	June 2017 - August 14, 2019
Deputy Director	Jeff Charlesworth	August 15, 2019 - present
Deputy Director (Acting)	Steve Costner	June 2018 – August 14, 2019
<b>Customer Experience (J6X):</b>		
Director	Eric Fegley	October 2017 - present
Deputy Director	Ernie Sparages	October 2017 - present
<b>Cybersecurity (J61):</b>		

Director	Linus Baker	September 2010 - present
Deputy Director (Acting)	Suzanne Fairley	October 2017 - present
<b>Program Executive Office, Enterprise Applications (J62):</b>		
Program Executive Officer (PEO)	Adarryl Roberts	September 12, 2019 - present
Program Executive Officer (Acting)	Ken Fielding	March 11 - September 11, 2019
Program Executive Officer	Bill Tinston	Departed March 10, 2019
Deputy Program Executive Officer	Ken Fielding	July 2012 - present
<b>Enterprise Infrastructure Services (J64):</b>		
Director	Dempsey Hackett	December 2018 - present
Deputy Director	Mark Jackson	March 9, 2014 - present
<b>Strategic Data and Analysis (J67):</b>		
Director/Chief Data Officer	Teresa Smith	December 31, 2017 - present
Deputy Director	Richard TeBeau	December 31, 2017 - present

#### 4. Total Personnel

The following J6 workforce totals are current as of September 30, 2019.

Civilians	2,294
Contractors	3,090
Military	6



## **5. Accomplishments - Aligned to Strategic Plan**

### **a. Warfighter First**

#### **(1) Modern Desktop 2.0**

(a) By March 2019, J6 had provided 4.1K DLA employees with a user managed computer (UMC) that met the criteria of improving user experience and maintaining a secure cyber posture as promised in the DLA's Plan Enterprise Enablers Lines of Effort - Technology Initiative 7.3.6. By June 2019, a UMC virtual desktop network was in place at most DLA sites in the continental United States. A wireless network existed at all these sites and a UMC wired network was in place at Philadelphia and Ft. Belvoir. This duplication permits greater mobility for users in DLA offices and allows them to bring in their personal UMC.

(b) In September 2019, J6 procured over 5K zero clients for users. It also supported the transition of the remaining 2.2K thin client users to the Modern Desktop 2.0 while reducing DLA's patch management requirements. J6 achieved the FY 19 goal of deploying 6.8K UMCs.

#### **(2) Modernized Enterprise Help Desk**

In January 2019, an evaluation board finalized the proposals for a modernized enterprise help desk. DLA Legal reviewed submissions, modified them, and, on January 30, sent them to DCSO-P. In February 2019, General Dynamics IT and TekSynap were awarded the contract. In May 2019, Regional Tier 2 enterprise helpdesk, Energy helpdesk, and asset management contracts started transferring to the enterprise delivery contract. The Pacific and West-Northern regions were the first to transfer on April 1. The DLA Energy Helpdesk was the last on September 8.

(3) Enterprise Dashboard – Added over 20 tiles or enhanced capabilities to change how DLA manages its business

#### **(4) Standardized Network**

(a) Completed 11 LAN consolidations to improve support and increase security. The resulting network is centralized in regional architectures.

(b) Sustained global operations, providing 99.63 percent network availability.

(5) In May 2019, completed the migration of the B-KOP application to both the DLA Azure Staging and Azure Test/Development environments.

(6) In July 2019, migrated the training, knowledge, and opportunities application to the DLA Azure Staging environment.

(7) In July 2019, completed the EAGLE application cutover from DISA Ogden to the DLA Azure environment. Declared full operating capability on August 20, 2019.

(8) In November 2018, Equipment Management Solutions provided multi-function device support for the 38th Parallel Healthcare Training Symposium in South Korea.

(9) Proposed multi-function device service for DoD be consolidated under Equipment Management Solutions as part of a DLA reform initiative. If adopted, this proposal will designate DLA as the mandatory source for office document devices, saving DoD an estimated \$247M annually.

(10) To improve service to OCONUS Navy customers, Equipment Management Solutions worked with the Navy ONE-Net Program Office to update accreditations on devices provided by DLA as well as new devices. DLA assisted the Navy's forward deployed and overseas components by providing 12 families of multi-function devices.

(11) Central Document Services (Reform Initiative)

(a) Implemented a new service delivery model where customer relations specialists used a consultative approach to provide services and source workload. J6 closed 74 brick and mortar facilities and reduced 222 civilian positions by placement or adjudication.

(b) Improved readiness through greater online access to print facilities and quicker product delivery. Total projected savings are \$34.5M over 5 years.

(12) Deployed general fund and a time and labor reporting capability for over 56K DISA employees in DAI Increment 3, Release 1, and developed a defense working capital accounting capability for use by Defense Counterintelligence and Security Agency.

(13) Virtual Desktop Infrastructure (VDI)

(a) Increased VDI daily use from 10K to 12K.

(b) Upgraded VDI operating system from Windows 2008 to Windows

2016.

(c) Passed cyber penetration testing, validating standardization and VDI image security.

(d) Streamlined VDI and stability through software upgrades and reducing non-essential components, lowering the annual overall cost of sustaining VDI.

(e) Initiated efforts to transition VDI on SIPR out of DLA HQ environment and into DLA Datacenters to improve accessibility and reliability. VDI and image upgrades are expected to align with current VDI offerings on NIPR by Fourth Quarter, FY 19.

(f) In Third Quarter, FY 19, DLA pursued commercial cloud options for future VDI capabilities. Several proofs of concept are currently underway.

(14) Office 365

(a) Implemented Microsoft features within the Security and Compliance Center (SCC). Features include eDiscovery, which provides the ability to search email; Skype for Business conversations; and SharePoint Online data.

(b) SCC Auditing provided user activity reports in SharePoint Online and Exchange Online, and provided dashboard top insights and recommendations.

(c) Initiated Office 365 ProPlus testing and prepared for implementation. Office 365 ProPlus includes Word, Excel, PowerPoint, etc.

(15) Cloud Consolidation/Efficiency – In July 2019, completed a “lift and shift” of the V applications suite from DISA milcloud to the Microsoft (MS) Azure cloud. This transfer served as a pilot for future DISA to MS Azure cloud migrations.

#### b. Global Posture

In March 2019, Equipment Management Solutions submitted a proposal to be the worldwide supplier of 3D printers and consumables for DoD.

#### c. Strong Partnerships

(1) J6 implemented Subsistence the Navy’s Total Order & Receipt Electronic System (STORES), simplifying order import.

(2) The Enterprise Business Standards Office (EBSO) created its first ever campaign plan to govern how the DoD accelerates logistics business capability. Initiatives included establishing a logistics data lake, implementing blockchain, treating data as a logistics business processes enabler, and eliminating DOD-unique requirements.

(3) EBSO began managing cataloging data and transaction standards for the DoD logistics enterprise. Defense Logistics Information Services (DLIS) had performed this mission prior to the transfer. The policy and procedure standards, along with the chair of the Federal Catalog Committee, remain with DLA J3.

(4) Established a management structure to monitor logistics business compliance. The structure consists of Defense Automatic Addressing System (DAAS) metrics measuring usage of legacy 80 character transactions. It also includes a DoD-level integrated process team to assess implementation of new Defense Logistics Management Standards capabilities in DoD and other parts of the federal government. Lastly, EBSO re-established a customer outreach position in Third Quarter, FY 19, to communicate with customers and provide assistance.

(5) In May 2019, the Information Governance and Compliance Office obtained permission to establish an information governance council under the DLA chief information officer director of the general counsel office.

(6) In April 2019, Equipment Management Solutions met with OMNI Business Systems and HP to arrange equipment testing and substitute end of life multi-function devices offered on our current CONUS contract.

(7) Equipment Management Solutions conducted quarterly meetings with Trident Engineering & Procurement Inc., Cartridge Technologies, Inc., Xerox Corporation, Konica Minolta, Inc., and Lexmark International, Inc. The directorate designed these meetings to keep an open dialog with our primary multi-function device vendors.

(8) Equipment Management Solutions completed comprehensive testing with J62, J64, and DLA Distribution for replacing DSS Printers in warehouse facilities. It also addressed maintenance issues associated with the single-function printers currently in use across the agency and proposed a single model to replace all existing models.

(9) Hosted the DFAS Principal Deputy Director to discuss the six DLA programs that include DFAS as a stakeholder.

(10) Hosted the May 2019 DLA/Defense Information Systems Agency (DISA) Enterprise Business System (EBS) in-progress review in Columbus, Ohio.

#### **d. Whole of Government**

(1) IT Reform collaborated with DISA to plan the 4ENO Initiative. The goal is to consolidate common IT services across DoD agencies.

##### **(2) Contingency IT**

(a) In October 2018, NTS assisted contingency IT operations by providing radio support for Hurricane Michael relief at Maxwell AFB, AL.

(b) In the third and fourth quarters, NTS provided spectrum management support for Operation TALISMAN SABER in Australia. NTS synchronized mobile radios, radio frequency identifications, local area networks, and satellite phones with the host nation.

(3) Enterprise Business Standards Office, with support from the DAAS, modernized the electronic DoD Activity Address Directory website. This site serves as a single entry point for the Services, defense agencies, and federal civilian agencies to establish, update, and delete activity address codes and associated information. The application can interface with data sources to establish authorities (i.e., procurement, shipping, requisitioning, and billing) for key Department of Defense Activity Address Codes (DODAACs).

(4) In October 2018, Equipment Management Solutions became the primary office print device supplier for the US Coast Guard. The office will optimize and replace almost 10K printers with 4.6K DLA multi-function devices in the next three years. This shift to DLA will net the Coast Guard an estimated \$17M in annual savings.

(5) In March 2019, Equipment Management Solutions became the General Services Administration (GSA) preferred provider for multi-function devices on the GSA Hallways acquisition portal.

(6) Throughout FY 19, worked with J1 to implement DLA's Learning Management System (LMS) for other Fourth Estate agencies receive human resources services. In July 2019, implemented LMS for the Defense Security Cooperation Agency.

(7) Defense Retired and Annuitant System 2 (DRAS2)

(a) In October 2018, DRAS2 was accepted into the DoD NDAA 2018 Agile 873 Pilot Program. Under the oversight of OUSD Acquisition and Sustainment (A&S), the congressionally mandated program acquires lessons learned to inform future acquisition policy.

(b) On February 7, 2019, DRAS2 demonstrated new software functionality to the Defense Finance and Accounting Service (DFAS) Director, and OUSD(C) staff.

(c) On April 11, 2019, J6 halted DRAS2 development due to unavailability of funds.

e. Always Accountable

(1) Successfully maintained the DLA J6 Technology Roadmap by validating applications, verifying software transition, and adding emerging technologies and document vendor lifecycle support.

(2) Command Cyber Readiness Inspection (CCRI)

(a) J61 led CCRI events throughout the year and passed all of them.

(b) In Second Quarter, Network and Telecom Services (NTS) participated in San Joaquin and Columbus CCRI inspections and exercises. The team mitigated findings within the required timeframe.

(c) The Equipment Management Solutions Division assisted San Joaquin CCRI preparations by providing multi-function device support, ensuring no loss of functionality when Server 2016 STIGs were applied.

(d) Equipment Management Solutions helped load multi-function device updates on USCG multi-function devices.

(3) Enterprise Business Standards Office (EBSO) began decommissioning / retiring the Military Standard Requisitioning and Issue Procedures (MILSTRIP) and Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) manuals. During FY 19, EBSO began migrating core procedures and data to the Defense Logistics Management Standards manual.

(4) EBSO conducted discussions with the maintenance community to establish a data architecture for autonomic logistics. The database will be used to harness data through predictive analytics and establish a supply chain that reduces logistics delays.

(5) Addressed six notice of findings and recommendations (NFR).

(6) Facilitated 275 documentation requests in support of the FY 19 audit; requests included 11 at the enterprise level and 264 at the system level.

(7) The Enterprise Configuration Management (ECM) governance structure continued overseeing Change Management and Configuration Management. In December 2018, it updated the Configuration Control Steering Group charter.

(8) Updated all enterprise configuration management directives, including:

- (a) Enterprise Configuration Management Plan, v6.1, August 2019.
- (b) Enterprise Configuration Management Standard Operating Procedure,

Nov 2018.

Instructions.<sup>1</sup>

- (c) Configuration Control Working Group Charter Template, v8 and
- (d) Pre-Approved Change List and Maintenance Instructions.
- (e) Distributing an approved ECM Glossary of Terms and Definitions.

(9) The configuration control working group held eight meetings and distributed two enterprise configuration management updates.

(10) Ninety-two percent of systems use the change management module in ITSM remedy software to monitor changes throughout a development life cycle.

(11) One hundred percent of DLA systems have an approved supplemental implementation guide for audit purposes; 100 percent of these are maintained in the Document Automation Content Services repository.

(12) As the office of primary responsibility for configuration management, J6 provided guidance and oversight for SSAE-18 audits (5 systems) and financial statement audits (8 Systems). It conducted general controls testing for systems identified as having financial impacts (6) or meeting the criteria of a service provider system (4). No faults were identified.

#### f. People and Culture

(1) The CIO held general town halls for the entire J6 workforce and directed town halls for the Battle Creek, Ogden, Tracy, and New Cumberland. With other J6 leaders, he briefed innovation, audit, customer support, DoD and Fourth Estate IT reform, workforce transformation, artificial intelligence, robotic process automation, and climate culture.

(2) Enhanced User Capabilities

- (a) In November 2019, upgraded the Virtual Private Network (VPN).
- (b) Prepared sites for VDI via the user managed computer initiative.
- (c) Completed VTC refreshes at 11 sites to enhance teleconference capabilities. Supported 18.9K VTC events with a 99.75 percent connectivity rate.
- (d) In July 2019, added web real time communication to DLA VDI.
- (e) Connected 61 DLA phones to DISA EVoIP.
- (f) Created a Section 508 service offering in Single Point of Entry (SPOE) under Communication and Collaboration Services.

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<sup>1</sup> Instructions for CCWG Charter Template, Version 8.0, September 2018

(g) Implemented a documented repeatable process for assistive technology upgrades. Delivered “DLA Section 508 Office Assistive Technology Software Release Process Description” and associated templates.

### (3) Expanded Mobile Capabilities for DLA Users

(a) Transitioned VMWare Airwatch to VMWare Workspace, enabling multi-platform management for tablets, laptops, and other mobile platforms.

(b) Evaluated Android-based OS devices for integration into DLA’s enterprise mobility environment. Worked with CITRIX, VMWare and SAMSUNG vendors to address functionality and security.

(c) Worked with DLA Distribution, Disposition, and Installation Support customers to procure next generation tablets.

(d) Made available DLA internal applications and customer requested capabilities. Provided SNAPTrack App to help Disposition Services customers with depot yard asset visibility. Provided Cisco Meeting to help collaboration across the enterprise.

(e) Evaluated the incorporation of Microsoft O365 Office to mobile devices. Continued integrating Skype for Business with the mobile platform. Initiated a feasibility study to see if DLA should replace Skype for Business with Microsoft TEAMS.

(f) November 2018, authored the Equipment Management Solutions & Customer Relations Specialist Roles and Responsibilities to reduce divisional silos. This document outlines responsibilities in the partnership between the two J67 divisions, ensuring customers get the best service possible.

(g) February 2019, added a capability within Employee Activity Guide for Labor Entry (EAGLE) to pay civilian employees retroactively.

(h) October 2018, replaced the legacy Employee Benefits Information System with the latest version of the Government Retirement and Benefits Platform. In February 2019, added retirement estimate requests to the platform.

(i) In August 2019, automated the Voluntary Leave Transfer Program in EAGLE.

### g. Enterprise Enablers (Innovation, Data Management, Technology and Cybersecurity)

(1) Completed 50 robotic process automations since October 2018. The digital workforce is contributing approximately 80 FTEs worth of labor. Designed and tested the first unattended configuration within DoD.

### (2) IT Reform - Data Center Consolidation

(a) Closed 4 Data Centers in FY 19; 17 of 23 closed to date.

- (b) Migrated 177 Applications/environments to the Cloud.
- (c) Provided OSD weekly progress updates on migrations.
- (d) Migrating all applications from milCloud 1.0 to commercial cloud.
- (e) Completed non-DLA DoD DACS application migration for OSD.

(3) Defense Automatic Addressing System (DAAS) – Routed over 5 billion transactions, processed 22 million transactions daily, processed over 38K customer requests and maintained over 700 agreements with customers. In March 2019, relocated the CCR from Dayton to the IT Operations Center in Columbus. Supported the establishment of 40 DLA Hazardous Material Management System-Hazardous Waste Disposal sites since December 2018.

(4) Data Management & Predictive Analytics

(a) Made progress in Enterprise Data Warehouse (EDW) implementation. In November 2018, completed SAP Lumira Sandbox, upgraded BWoH OS to SUSE 11.4, completed Hadoop production environment, and deployed Data Visualization capabilities. Completed 50+ corrective actions to improve EDW (HANA) data loads in all.

(b) In the process of composing service readiness data for the EDW. Deployed a tiles powered by service data exchanges for each service aligned by weapon Systems and supply chains with drill-down capabilities. Developed way to access the service and DLA data driving readiness metrics. Deployed a nuclear tile using customer focused metrics.

(5) Cybersecurity

(a) Worked with J7 to ensure vendors operate in accordance with DoD cybersecurity standards. Provided cyber evaluation support to critical contracts.

(b) Completed objectives of Joint Forces Headquarters – DoD Information Network (JFHQ-DODIN) Operation Gladiator Shield (OGS 2019) to map IT resources to identified Mission Relevant Terrain – Cyber (MRT-C).

(c) Prioritized the remediation of high-risk vulnerabilities by providing a weekly Top-10 actionable list and focusing efforts on exploitable vulnerabilities, resulting in > 95 percent remediation of high risk vulnerabilities within 120 days.

(d) On June 12, 2019, awarded a contract for the installing Automation Fuel Systems. The contract included cybersecurity concerns.

(6) Innovation & Agile Development

In January 2019, made significant changes to DLA CAS Lookup Application. Created a program to automate processes to collect data from active directory and populate DLA Lookup database, avoiding the need to store data on an intermediate server.

(7) Distribution Modernization Program (DMP)

(a) Released to production 24 out of 51 Warehouse Management System (WMS) road map capabilities. This technical refresh of the Distribution Standard System (DSS)



will streamline storage and distribution processes to align with the industry standard, creating a single warehousing system for all of DLA.

(b) Conducted a successful voice pick pilot at DLA Distribution San Joaquin. Delivered the first incremental release for the final phase on July 1, 2019. The voice initiative addresses many of the automation requirements identified by DLA Distribution.

(c) J6 tested the Real Time Location System (RTLS) concept at DLA Distribution Red River, to track semi-trailers, Bradley Fighting Vehicles, High Mobility Multi-Wheeled Vehicles, Heavy Expanded Mobile Tactical Trucks, Palletized Load Systems, Family of Medium Tactical Vehicles, Mine Resistant Ambush Protected vehicles, and Multiple Launch Rocket Systems. RTLS is a GPS based technology that enables continuous asset visibility, accountability, chain of custody, and on-time and on-command reporting.

(d) Started an effort to migrate all existing SAP Enterprise Resource Platform (ERP) applications to the cloud in pursuit of a Software-As-A-Service model. Established an integrated process team with affected DLA organizations. Started work on the DLA strategy development, acquisition documentation, and business case for program budget review. Began cloud readiness activities using existing resources and developed an initial technical roadmap in coordination with SAP.

#### (8) Rationalized and Migrated Applications to Cloud

(a) Migrated the Task Management Tracker (TMT) from DISA to Microsoft Azure. Stood up the Azure development/testing, stage and production regions for DLA Today, Strategic Materials Sales, Strategic Materials Contracting, Defense Criminal Investigative Reporting System, LOGDRMS, and Hotline.

(b) Migrated the Message of the Day on DLA Today to Microsoft Azure. Migrated BLOGS to eWorkplace SharePoint Online to consolidate applications.

(9) Stood up the Center of Planning Excellence (CoPE). Transitioned 20 employee positions and 7 applications/systems spanning NIPR and SIPR.

#### (10) Research & Development (R&D)

The R&D program, a DLA innovation enabler under Strategic Plan LOE 7.1, seeks disruptive technologies that have potential game-changing implications. R&D manages 14 programs comprised of 190+ projects across the MSCs, supply chains, and functional process leads. We successfully delivered innovative and responsive solutions to Warfighters and other valued customers, to include:

(a) Demonstrated how 3D Model Technical Data Packages could be used to manufacture parts additively.

(b) Subsistence Network (SUBNET) – Determined measures to ensure milk quality and shelf life consistency. Researched the future of the subsistence prime vendor through the lens of emerging technology and improved in-transit visibility. Demonstrated the capability to use visualization and modeling and simulation, of operational rations in the supply chain, and started to develop MRE optimization and inspection modules for better MRE packaging performance.

(c) Castings – In FY 19, the DLA R&D casting program focused on the military’s evolving requirements for cost and time savings. The casting projects focused on a wide range of technical focus areas including: improved metal casting manufacturing processes, improved metal casting tooling, simulation tool for predicting performance and manufacturing processes, nondestructive evaluation and testing, alternative or improved materials, and procurement solutions. Currently there are 33 active projects in these focus areas.

(d) Forgings – In FY 19, the DLA R&D forging program completed five existing projects, including the “Forging Process Improvement Using Intensive Quenching Immediately after Forging Operations are Completed” (DFIQ). In partnership with IQ Technologies, the technology was implemented in forge shops. The project focused on creating a miniaturized version of existing mobile IQ systems for use on parts coming directly off the forge. Placing the unit in a forge shop resulted in reduced energy consumption, lead times, and cost.

(e) Battery Network (BATTNET) – The DLA R&D BATTNET program received the 2018 DoD Manufacturing Technology Achievement Award for Supply Chain Improvement for its lithium-ion replacement for the tube-launched, optically-tracked, wireless-guided (TOW2) Missile Guidance System (MGS) Nickel Cadmium battery. In collaboration with the US Army Close Combat Weapon Systems Project Office, R&D demonstrated an integrated power system to replace equipment for the TOW2 MGS. The office also developed domestic lithium-ion cells optimized for soldier conformal (flexible) wearable batteries. These batteries provided a 55 percent energy density increase (performs longer) at a 20 percent lower cost.

(f) Advanced Microcircuit Emulation (AME) – Developed additive manufacturing (AM) techniques in Phase I of AM for Microcircuit Cases. Transitioned to Phase II in which a fully qualified manufacturing capability will be developed and transitioned to production. Continued to develop manufacturing capability to emulate 20-volt operational amplifiers. Planned for transition in FY 20, these amplifiers represent the first linear/analog capability in a program that has previously been limited to digital microcircuits. This program has a historical return on investment of 8:1.

(g) Military Unique Sustainment Technology (MUST) – The MUST program is addressing the GAO recommendation to establish a “knowledge based approach” to developing and acquiring combat uniforms and individual equipment. MUST is developing technologies to reengineer the joint process and build a foundation for technical data modernization. This program will enable DLA and its industrial base to benefit from Industry 4.0.

(h) In FY 19, Defense Logistics Information Research (DLIR) expanded the DoD Program Management Offices (PMOs) and Engineering Support Activities (ESAs) that validated 3D technical data. DLIR then began research to identify criteria used to determine if 2D line drawings should be converted into a 3D model. Started to evaluate processes and tools to convert legacy technical data into a modern 3D model-based format.

(i) In FY 19, R&D worked with Strategic Distribution and Disposition to begin an augmented reality pilot at DLA Distribution, Oklahoma City. The pilot superimposes a computer-generated image on a user's view of the real world. Conducted research and evaluated warehouse wireless networks to determine compatibility with emerging technologies. Assessed system integration of autonomous guided vehicles in the distribution centers. Also, conducted an AutoStore test pilot project to make warehouse operations more reliable, sustainable and cost effective while potentially improving safety.

(j) Weapon Systems Sustainment (WSS) leads the R&D effort for assuring supply chain integrity through its Counterfeit Risk Reduction program. During FY 19, the program provided information on second and third tier suppliers to help develop a Vendor Network Mapping Capability. Developed a proof of concept for digital platforms to collect data securely for the Counterfeit Detection and Avoidance Program, Joint Compliance Program, and Trade Security Control processes. Explored technologies in artificial intelligence to support the DLA Director's goal of realizing a 30 percent improvement in the accuracy rate for critical parts forecasting. Supported laying the groundwork strategy for implementing AI, began projects to improve the current demand forecasts, to incorporate Service maintenance data in forecasts, and to improve lead-time estimation.

(k) The Energy Readiness Program (ERP) focused on determining R&D solutions for ongoing issues affecting fuel, fuel additive quality, and operational requirements. ERP was provided \$7M in Congressional funding to develop technologies to produce hydrocarbon biofuels from cellulosic (woody biomass) matter. This effort will assist in developing up scaled woody biomass-to-fuel processes, a step that will establish a biofuels industry in Maine and surrounding area. This industry will bolster the domestic supply for military grade fuel products.

(l) Supported the DoD Nuclear Enterprise, Small Business Innovation Program, by focusing FY 19 resources on the Nuclear Enterprise Support Office (NESO) effort. Because NESO is aligned to OSD and the Nuclear Enterprise, OSD provided \$24M to reverse engineer hard-to-source and obsolete parts. These efforts expanded sources of supply, enhanced life-cycle performance, accelerated product availability, increased competition, and enabled small businesses to support the nuclear enterprise.

(m) Sustained and improved the DLA Portfolio and Architecture Tool Suite. This solution uses the MEGA commercial-off-the-shelf software to standardize architecture data within the DoD framework.

(n) Revised and improved the Enterprise Architecture policy (DLA Instruction 8000.01) by reducing architecture development requirements.

(o) Developed a concept to identify and expand architecture data across J6; completed a proof of concept with J67 in December 2018. Identified 24 use cases, 76 data sources, and 3.3K data elements to develop a data dictionary and increase awareness of how data can be used to improve decision making.

(p) Advanced the DLA Enterprise Architecture Management Maturity Framework assessment (delivered on April 12, 2019) by addressing requirements for architecture development. Clarified DLA requirements for segment reference and enterprise reference architectures. Identified all models by scope, current version number, date of last update, date of next update, CM name of model, model location (in DPATS or external), value line of each model, and model POC. On March 4, 2019, established clear goals and metrics for improving solution architectures.

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# Defense Logistics Agency

## DLA Acquisition (J7)

### Fiscal Year 2019 Annual Historical Report



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

OCT 10 2019

MEMORANDUM FOR THE DLA HEADQUARTERS, ATTN – Historian

SUBJECT: Submission of DLA Acquisition (J7) FY19 Annual History Input

I am pleased to submit J7's FY19 Annual History. The DLA Acquisition Enterprise is one of immense scope and scale. With almost \$44B in contract obligations, over 3M awards and a variety of acquisition programs and vehicles covering nine unique supply chains, DLA's acquisition mission is unlike any other in the Department. While the day to day contracting activity occurs largely at the MSCs, the staff of the J7 Acquisition Directorate provides the guidance, oversight and assistance that is necessary to keep the "DLA Acquisition Machine" running smoothly and efficiently.

Throughout FY19 we continued our efforts to drive efficiencies related to DLA operations and DOD Reform, strengthened our commitment to compliance, developed the Acquisition Workforce, built upon our strong relationship with Industry, sustained a procurement business system that is unmatched in DOD, showed significant progress on our journey to Audit Readiness and worked with the MSCs and the J-codes to deliver superior acquisition solutions and protect the DOD supply chain. In addition, the DLA Contracting Services Office (DCSO) and DLA Strategic Materials, J7's operationalized arms, provided essential contracting support to DLA business operations and administered the Defense National Stockpile, a strategic national asset.

Our mission, priorities and actions are driven by the DLA Strategic Plan and its companion documents. Each year we make considerable effort to ensure that the J7 Acquisition Road Map and J7 Culture and Climate Plan are aligned with the DLA Strategic Plan to ensure consistency of message and of purpose. In the following pages, it is my hope that readers will see an organization with a wide-ranging mission set but a singular focus of serving the Warfighter and the Nation.

  
MATTHEW R. BEEBE  
Director, DLA Acquisition

Attachment:  
1 – Annual History Input

## **1. Introduction**

This DLA Acquisition executes its mission of sustaining Warfighter readiness and lethality by delivering proactive global acquisition solutions in peace and war.

## **2. Organization**

DLA Acquisition (J7) is comprised of three distinct organizations:

### **a. J7 Headquarters (HQ):**

DLA's Acquisition Directorate and staff element. Responsible for providing HQ guidance and oversight of DLA's acquisition workforce and procurement system. Provides support to J7 Director and Deputy Director to carry out their executive functions, including Senior Procurement Executive (SPE), Component Acquisition Executive (CAE), Head of the Contracting Activity, Senior Services Manager (SSM), Competition Advocate and Enterprise Business Cycle Owner (EBCO).

### **b. DLA Contracting Services Office (DCSO):**

One of two operational components of J7. Supports internal Agency business operations through its contracting capabilities. Responsible to plan, organize, direct, and manage procurement and contract administration for the acquisition of highly-specialized Electronic and Communication Services, Research and Development, Logistics Management Services, Knowledge-Based Services, Facility Related Services and Financial Management Services, and materials in support of DLA internal operations and to other federal agencies.

### **c. DLA Strategic Materials:**

One of two operational components of J7. Operates the Defense National Stockpile and supports U.S. Government efforts to decrease and preclude dependence upon foreign sources or single points of failure for strategic materials in times of national emergency. Provides acquisition and retention of stockpile materials; conversion and upgrade of stockpile materials to prevent obsolescence; development and qualification of domestic sources of strategic materials; recycling of strategic materials from end-of-life Government items and disposal of excess stocks for operational funding.

## 2. Organization:

a. The J7 organizational structure is depicted in the following chart:



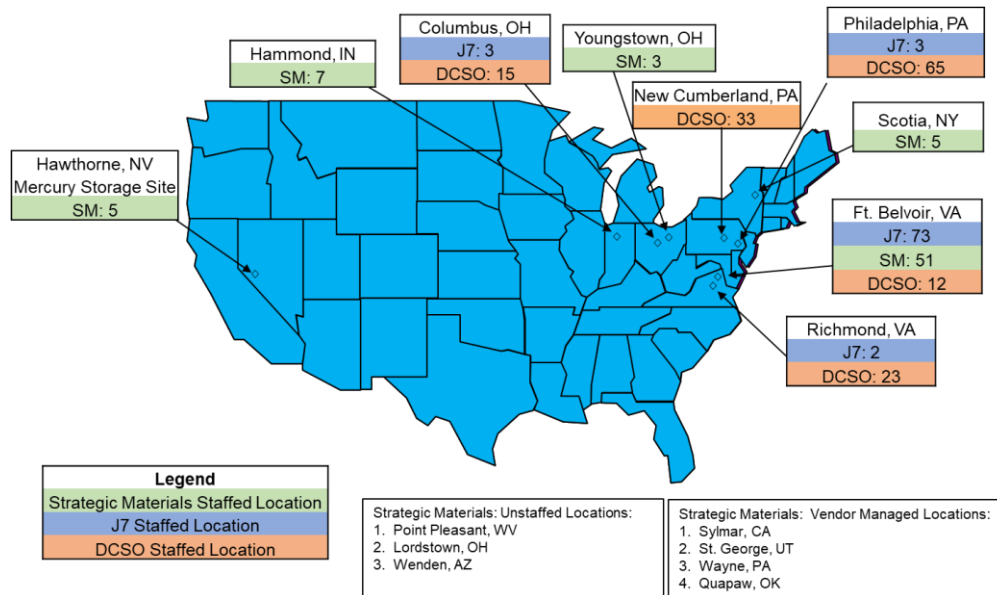
b. FY 19 Organizational Changes:

In January 2019 the former J75, Services Contracting Division, was merged into the existing J73 Operations Division when the former J73 Division Chief retired. After an organizational assessment of current missions, priorities and staff levels, the J7 leadership determined the services contracting functions would be best supported under J73 Operations. Ms. Mullori assumed the role of Chief, J73.



c. J7 Presence:

J7 has personnel physically located across the United States as depicted below:



### 3. Key Personnel

J7 key personnel include the Executive Leadership Team (Director, Deputy Director, and Chief of Staff), J7 HQ Division Chiefs, the Directors of DCSO and Strategic Materials, as well as the DLA Ombudsman. Key personnel and their dates of tenure are depicted below:

Name	Current Position	With J7 Since:
Matthew Beebe	J7 Director (2014 to Present)	2014
Roxanne Banks	J7 Deputy Director (2014 to Present)	2014
Col James (Jim) Wilkie	J7 Chief of Staff (Mar 2019 to Present)	2019
CAPT Chad Burke	J7 Chief of Staff (May 2018 to Feb 2019)	2017
Kim Villarreal	Chief, ASG (Jul 2018 to Present)	2007
COL Angela Wannamaker	Chief, Business Office (Jun 2017 to Present)	2017
Betty Hoapili	Chief, J71 (Jul 2017 to Present)	2017
Kathy Hammer Wells	Chief, J72 (Jul 2013 to Present)	2010
Kevin Burke	Chief, J73 (Jun 2015 to Jan 2019)	2014
Joy Mullori	Chief, J73 (Sep 2012 to Present)	2012

Glenn Starks	Chief, J74 (May 2009 to Present)	2007
Rusty Wells	Chief, J76 (Jun 2014 to Present)	2008
Col Jack Nemceff	Deputy Chief, J76 (May 2019 to Present)	2019
Mickey Zayas	Chief, J78 (Aug 2013 to Present)	2001
Col James (J.D.) Davis	DLA Ombudsman (Oct 2017 to May 2018)	2017
Tim Stark	DLA Ombudsman (May 2018 to Present)	2008
Lillian Gardner	Director, DCSO (Apr 2010 to Present)	2010
Ronnie Favors	Director, DLA Strategic Materials (Mar 2010 to Present)	1988
Eric Mata	Deputy Director, DLA Strategic Materials (Aug 2016 to Present)	2014

#### 4. Total Personnel:

	On-Board/ Authorized	HQ	DCSO	SM
<b>Civilians</b>	<b>299/301</b>	<b>81/76</b>	<b>148/153</b>	<b>70/72</b>
<b>Active Duty Military</b>	<b>3/6</b>	<b>3/6</b>	<b>0</b>	<b>0</b>
<b>Active Reservists</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Contractors</b>	<b>15</b>	<b>13</b>	<b>0</b>	<b>2</b>

J7 HQ is subject to Management Headquarters Activity (MHA) reductions and has been working throughout FY 18 and FY 19 to manage mandated reductions while limiting the level of risk to J7 mission performance. The FY 20 MHA target for FY 20 is 74.

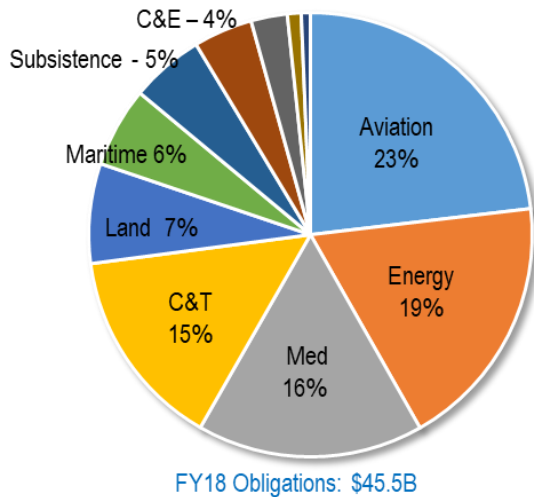
#### 5. Historical Narrative

##### a. 2019 Enterprise Business Summary

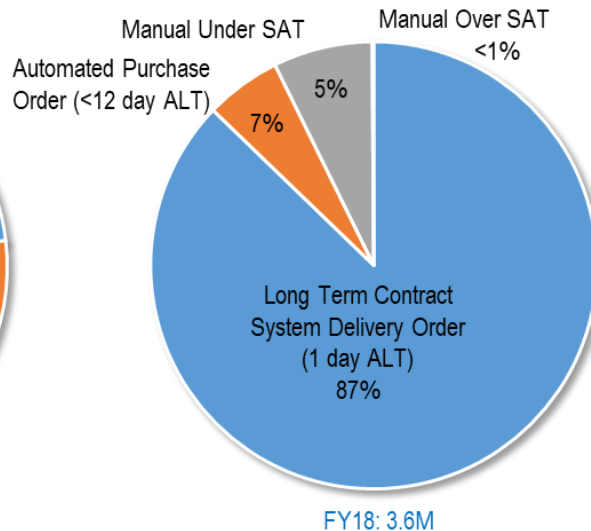
J7 HQ provides oversight and guidance to enable effective operation of the DLA Acquisition Enterprise. The size and scope of that Enterprise is reflected in the Agency's overall procurement activity, primarily through contract obligations and contract actions. In FY 19, DLA obligated \$43.7B and issued 3.4M contract actions, representing a 3.96 percent and 5.56 percent decrease from FY 18. Other significant enterprise procurement metrics include a Small Business obligation rate of 38.25 percent, which exceeded the FY 19 OSD Small Business goal of 30.5 percent. DLA has exceeded its overall Small Business goal for seven consecutive years. Total DLA Small Business obligation (over and above eligible Small Business contracts for purposes of goal calculation) was \$15.2B. AbilityOne obligations for FY 19 were \$580M. DLA completed 70.9 percent of obligated dollars and 91.4 percent of actions. DLA is the DoD leader in terms of volume and speed of supply commodity procurement. DLA awards nearly six times the contract awards of all the Military Services combined. DLA's automated procurement capabilities are the equivalent of ~5,000 procurement FTEs.

b. FY 19 at a Glance

**FY19 Obligations \$43.7B**



**Contract Actions 3.4M**



c. J7 Culture & Climate

The J7 organization has established a robust Culture & Climate Program through which the organization builds its strategic plans and drives organizational and process improvement, using the Denison model as a foundation. The program is led by the J7 Culture Champion, supported by the J7 Project Management Office Lead and contractor master black belt support. The Culture Champion leads the Acquisition Culture Climate Team (AC<sup>2</sup>T), which is comprised of

Acquisition Culture Climate Agents (AC<sup>2</sup>As), who are representatives from the J7 divisions, DCSO and Strategic Materials.

d. Major activities for FY 19 included:

(1) Distributed 2018 Denison results to the J7 workforce. Compared to 2016, J7 had a 21 percent average increase for each of the 12 measured indexes (total of 250-point strength increase from 837 in 2016 to 1,087 in 2018). Whereas the 2018 goal was to achieve 4th-quartile index scorings for each of the 12 indexes, the 2018 results significantly exceeded the goal with an average index value of 90.58 percent!

(2) Conducted offsites with the AC<sup>2</sup>As to analyze the 2018 culture survey results and develop the FY 19 culture focus areas for the FY 19 J7 Culture Plan.

(3) Conducted multiple individual offsite/workshops with division/organization AC<sup>2</sup>As to develop respective division/organization Culture Action Plans.

(4) Reinstated the J7 Peer Award Program.

(5) Developed and executed a separate interim Culture & Climate survey with a visual circumplex for Climate similar in appearance to the Denison Culture circumplex in order to gain information reflecting J7 workforce Esprit de Corps. The interim survey also serves as a Strengths/Weaknesses/Opportunities/Threats tool to develop both the FY 20-21 AC<sup>2</sup>T Roadmap and the FY 20-21 Acquisition Roadmap and FY 20 DOP.

e. J7 Acquisition Roadmap (ARM)

In addition to the DLA Strategic Plan, J7 is guided by the internally developed ARM strategic planning document that lays out J7 priorities and initiatives. It is a compliment to the DLA Strategic Plan and includes all Director Imperatives, J7 initiatives from the Strategic Plan Implementation Guidance (SPIG) and J7 developed initiatives included in the DLA Acquisition Dynamic Operating Plan (DOP). The first ARM was created in 2015; ARM 3.0 was published in June 2018. ARM metrics are maintained in the ARM Dashboard, a centrally maintained electronic dashboard, accessible to all J7 employees and providing current status of all ARM metrics. Clicking on an individual metric will take a user to the detail information and POA&M for that metric. The J7 leadership reviews the dashboard with J7 management and OPRs quarterly.

f. FY 19 Summary

The remainder of this Historical Narrative is a summary of the activities of the major J7 organizational and/or business functions, as aligned under the DLA Strategic Plan and ARM.

(1) Warfighter First

(a) Reform:

J7 was involved in several Defense Reform initiatives during FY 19. The most significant for J7 was Enterprise Buying. This initiative was identified as a Chief Management Office (CMO) Logistics Reform Initiative and the basic objective is to identify major categories of fragmented, unconsolidated spend across the Department and explore opportunities for having a single organization act as the procuring activity for the Department. Rationale for the initiative is based on a McKinsey analysis that showed there is \$16B in fragmented, unconsolidated commodity (non-weapon system) spend that could be procured more efficiently, with potential annual savings of \$800M to \$1B. In May 2019, Acting Secretary of Defense Shanahan directed OSD(A&S) to proceed with implementation of the initiative. DLA, via J7, is responsible for execution of the initiative and has established a working group comprised of representatives from DLA and the Military Services' logistics communities. As of September 2019, DLA continues to work with representatives to obtain Service data for analysis

and to support the development of a transition plan for specific categories of items. The initiative is being monitored through the Reform Management Group (RMG). Consolidation opportunities will be facilitated and determined by the RMG.

In addition to Enterprise Buying, J7 and DLA supported the Chief Management Officer and the Category Management Reform team in its effort to execute Category Management “Sprints” that identify potential savings from more efficient procurement of categories of the Department’s \$200B of annual spend. DLA provided full-time MSC support to CMO efforts and facilitated DLA involvement with CMO and the independent consultants who were performing the analyses. Sherry Welmer (DLA Land & Maritime) and Kaitlyn Faillace (DCSO-Philadelphia), completed their details in April 2019 and were followed by Randall Dortch (DLA Aviation) and Brendan Close (DLA Troop Support). Sprint 1 focused heavily on DLA with \$13.5B of the \$15B analyzed coming from DLA. As of September 2019, DLA has concurred with the consultants’ recommendations for \$748M of savings from the categories of spend analyzed in Sprint 1 and 2. The Sprint process will continue in FY 20 and beyond. J7 will monitor the planned execution of recommendations, track actual savings to be reported back to CMO and will continue to identify additional categories of DLA spend for analysis.

A variety of J7 representatives provided input and assistance to the DLA Reform team and the consultants on a number of topics related to the Agency’s Cost Transparency/9.5 in 5 initiative, ensuring that the team had a sound understanding of DLA procurement systems, processes and organizational structures. A major area of collaboration was the Service Contract Reduction effort, whereby J7 worked with requirements owners in the J/D-codes and MSCs to review, validate and set reduction targets that will contribute to operational cost reductions and support the planned Cost Recovery Rate reductions. This effort will continue in to FY 20 along with the broader Cost Transparency initiative.

#### (b) Acquisition Metrics:

In coordination with the MSCs and J3, J74 continued to monitor and adapt various acquisition metrics that reflect the overall effectiveness of the acquisition process and drive improvements in readiness. Those metrics include Administrative Lead Time, On Time Delivery, Time Definite Delivery, Automated and Long Term Contracting (LTC) rates, and LTC renewals. J74 has developed metrics for consumables and reparable, to ensure Enterprise awareness of these different lines of business. After several years of oversight and reporting to OSD, J74 institutionalized the CSART review of TDD compliance. J74 also finalized a Production Lead-Time (PLT) instruction, the result of a multi-year continuous process improvement project that will provide guidelines and instruction to the MSCs to reduce PLT. J7 coordinated throughout the year with J3 and J6 to incorporate acquisition metrics on the Director’s Dashboard, providing a more comprehensive view of readiness and the factors that contribute to it.

(c) Strategic Contracts (STRATCONs) and Red Teams:

J73 continued to execute and refine the STRATCON program during FY 19. STRATCONs are acquisitions for Agency requirements that may involve significant risks to schedules or performance, have a critical impact on the Warfighter or Whole of Government and Coalition partners, or represent a significant financial or programmatic investment. The program is operated collaboratively among the MSCs, J3, and J7, with MSC Commanders designating specific STRATCONs, and J3 and J7 jointly ensuring Agency leadership awareness through discussion at Quarterly STRATCON Reviews with the Director, on a case by case basis at Agency Readiness Reviews and as displayed on the Director's Readiness Dashboard. FY 19 Quarterly STRATCON Reviews were October 4, 2018; January 10, 2019; April 4, 2019; and August 6, 2019.

Acquisition red teams are intended to provide a thorough corporate perspective and oversight for aspects of acquisitions that potentially pose significant risks to schedule, performance, or the Agency. Identification of candidates for a Red Team review is selective, focused on mitigating risk. In FY 19, red teams completed reviews of Troop Support SPV Europe/Africa in October 2018, Aviation AeroControlex in November 2018, Land & Maritime Global Tire Program in February 2019, and Troop Support FSG-80 in March 2019.

(d) Supply Chain Security:

J7 continued collaboration with MSCs and J Codes in this area in FY 19. In late December 2018, protection efforts of new and revised Export Controlled Technical Data were center stage. J7 developed revised business processes with J3, J6, Aviation, Land & Maritime, and Troop Support for soliciting and awarding requirements. An enhanced export control validation process with vendors was established and it provided additional security related to handling sensitive technical data.

J7 also engaged in DLA's first ever Supply Chain Security Strategy (SCSS). Starting in late April thru late June, J7 provided input for inclusion in the overall DLA SCSS that was released by the DLA Director in early July. J7 sponsored two initiatives to support furtherance of the DLA SCSS. The initiatives address increasing the DLA acquisition workforce's knowledge and operation of supply chain risk management (SCRM) tools and optimizing use of cybersecurity as discriminator in source selection/awards. Estimated completion dates have been created.

(2) Global Posture

(a) Agency Synchronization Operations Center (ASOC):

J7 played an active role in the Agency's stand-up of the ASOC, providing several military and civilian representative to ensure reach-back and coordination with J7 to address acquisition related questions and status, and to ensure inclusion and consideration of the "acquisition perspective" in Agency operations. Specifically, J7 personnel supported wargame series Steadfast Badger and Gladiator Shield and participated in the J3 led Joint Concepts

Integrated Process Team, which was established to synchronize Joint concepts such as Operational Contract Support and Vendor Threat Mitigation. J73, the primary J7 liaison to the ASOC, provided acquisition related advice on Trade Agreements Act (TAA) compliant dehumidifiers for the USAF, Athletic Footwear to support USMC, support to Customs and border Protection (CBP), Operation Agency Resolve (OAR) and the establishment of the Defense Wide Working Capital Fund Working Group to review processes on obligation authority and cash and policies.

(b) Global Logistics Support Capability (GLSC):

GLSC was a FY 18 and FY 19 Director's Imperative. The purpose of GLSC was to provide greater depth for DLA core capabilities in contingencies (both Humanitarian Assistance/Disaster Response (HA/DR) and conflict) through the delivery of 4PL Global Support Services Integration, Customer-Facing Support Services, Materiel/Demand Planning Support Services, and Disposition Support Services. The intended outcome was a capability that would allow for sustained support to the DLA mission, or provide limited, temporary service functions, when requested by the military services. Investments in customer readiness and DoD budget restraints drastically reduced DLA's cash position in FY 19; given the current financial challenges, Agency leaders determined that the best path forward was to cancel the GLSC solicitation. DLA will continue to support this mission utilizing organic resources to absorb any unforeseen contingency operations.

(3) Strong Partnerships

(a) DLR Strategy:

On January 24, 2019, the J74 hosted a DLR Summit to bring together all of the DLR entities at HQ DLA to discuss topics that impact that community and discuss best practices in the field. Discussions covered topics such as DLA and services system integration, operational and strategic metrics, tactical workload management, leveraging DLA consumables, forecasting and demand planning, DLR and DCMA data collection, the funding process for DLR support, and the reduction of operational/material cost of DLA support. The Summit was heavily attended and highly praised by all participants, which included top level managers of the sites, working level specialists, and J8 finance personnel who manage and control the DLA Cost Recovery Rate. J74 and the summit attendees continue to communicate with the DLR sites to gain insight into issues that need attention.

Another major component of DLA's DLR strategy is systems integration efforts with the Air Force, Army, and Navy. The outreach efforts with the Army and Navy were slow going, while the Air Force integration discussions moved forward during FY 19. DLA and Air Force personnel established a DLR integration group that performed a gap/fit analysis on

open requirements, as well as began development of integration ROMs. The next step is to establish an integration schedule. Current estimate is that integration activities will complete in mid FY21.

**(b) Industry Engagement:**

The first DLA Industry Day was held on September 19, 2018 at DLA HQ and hosted 174 industry partners representing more than 120 companies. Each of the Services were represented by several members of senior military leadership. A general session was held at the beginning of the event and was followed by breakout sessions that addressed DLA's missions, challenges, and opportunities for future collaborations between DLA and industry.

Following the success of the first DLA Industry Day, the second DLA Industry Day was held on July 31, 2019 with 180 industry partners, representing 124 companies. These companies accounted for \$17.9B in FY 18 DLA spend. Presentations were made by the Hon. Lord, LTG Williams, MG Day and Mr. Beebe. Additionally, a panel was held and moderated by Mr. Scott with representatives from each of DLA's MSCs.

The Hon. Lord spoke to the Department's priorities, supply chain security and importance of the industrial base. In addition, the Director highlighted the breadth of DLA support, the improvements the team has made over the last year in Material Availability and weapons systems down for DLA parts, while acknowledging not all systems were improved. DLA also provided demand projections for the coming year and translated that into projected opportunities for industry. The MSCs followed the main assembly with breakout sessions that spoke specifically to their area of operation and additional breakouts were hosted by services acquisition SMEs and a group for Innovation in Supply Chain Management-Artificial Intelligence and Cybersecurity.

FY 19 marked the first time DLA has conducted an industry spanning feedback survey. The DLA Supplier Feedback Survey is a first of its kind in government, supplier focused survey. The survey was designed to capture and analyze suppliers' perceptions of DLA as a business partner, asking respondents to rate DLA in four different categories: DLA's communication, growth and profit potential when working with DLA, the DLA/Supplier relationship, and DLA's effectiveness. The survey was launched September 6, 2018, and closed on November 30<sup>th</sup>, 2018. In total, DLA sent the survey to 7,800 suppliers and received 2,999 responses, for a 38% response rate. DLA scored highest in "Trustworthiness" and lowest in "Innovation." Results from the survey can be segmented in various ways, including by MSC, type of business and size of business. DLA expects to issue a similar feedback survey at least every two years.

**(c) Industrial Base/Warstopper:**

DLA has a well-established industrial base program that identifies, assesses, and mitigates industrial base and readiness risks across all DLA MSCs. The Warstopper program has an historic ROI of 7:1 for program investments. In FY 19 the program made \$31.1 million in industrial investments. The projected ROI for FY 19 is a \$224.8M cost avoidance to war reserve material. Significant investments in FY 19 include: \$21.8M in medical



readiness to include over \$8M in medical equipment, \$1.3M in aging aircraft obsolescence management, \$0.7M in buffer materials to include titanium, steel, and bearing grade steel, and \$0.4M in TF33 engine obsolescence management. In FY 19 the program completed a report to Congress and 11 industrial base studies on fragile and critical focus areas. An Industrial Base High Visibility Risk Indicator metric was integrated into the Director's Dashboard, identifying critical items with the most vulnerability from an industrial base perspective and enabling Agency leaders to ensure proper mitigations are in place to ensure readiness of these items.

#### (d) GAO/DODIG Audits:

FY 19 was another active year of working with the DLA External Audit team, MSCs and DLA Public Affairs coordinating site visits, requests for information and responding to audit recommendations and subsequent media requests. The most notable audit was DoDIG's "Review of Parts Purchased from TransDigm Group." As a result of close coordination between J7, the MSCs, Counsel, Legislative Affairs and Public Affairs, clear messaging and advocacy for DLA contracting officers, DLA was able to turn what could have been a very damaging and inflammatory report directed at DLA and Service personnel into one that focused Congressional and media attention on the predatory business behavior of this company. As a result of the audit, TransDigm officials were called to testify before Congress, along with DoD officials. J7 provided information and support to HON Kevin Fahey, Assistant Secretary of Defense for Acquisition & Sustainment, in preparation for his testimony. In addition to the audit response and media inquiries, J7 engaged in senior level discussions with DoD officials to discuss the ways in which intellectual property and pricing risk related to sole source items can be mitigated. These efforts will continue into FY 20.

#### (4) Whole of Government

##### (a) General Services Administration (GSA) Relationship:

DLA and the GSA engage in a number of collaborative forums to share information, identify good-for-government initiatives, identify potential supply chain improvements, and foster a beneficial working relationship. J7 is an integral member of these forums. Through these collaborative engagements, DLA was able to streamline DLA FEDMALL commercial catalog contracts to eliminate redundancy and drive savings and efficiencies by leveraging existing GSA contracts and supply support methods. Through data scrubbing, J7 worked with GSA to remove GSA-managed items from FEDMALL and directed customers to the appropriate GSA buying platforms.

J7 has also been able to shape the GSA Commercial Platform Initiative (CPI) e-commerce program to ensure DLA and DoD concerns are reflected in the proof-of-concept plan put forward by GSA in their report to Congress in April 2019. Through the

embedding of a J7 procurement analyst with the GSA CPI team during the key period of market research and report writing, DLA was able to ensure representation of interests and concerns in the program's development. Six overarching DLA concerns were reflected in GSA's plan to Congress.

Once the report to Congress was issued and GSA began to develop the CPI proof-of-concept acquisition, J7 ensured continued engagement by assigning a procurement analyst to continually engage with the GSA team through weekly phone calls and periodic meetings. Based on information from these engagements, DLA J7 worked with all DLA stakeholders to review the GSA acquisition documents and provide recommendations to the GSA acquisition team as it developed and refined the acquisition strategy.

**(b) Category Management:**

Category Management refers to the practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the Government's acquisition programs. The result is more effectively managed contract spending through a balance of Government-wide, agency-wide, and local contracts; reduced unnecessary contract duplication and cost avoidance; and continued achievement of small business goals and other socioeconomic requirements. In FY 19 DLA continued to support and participate in OMB's Category Management program, achieving a Spend Under Management figure of \$13.8B and spend on Best In Class contracts of \$1.7B. As OSD, through A&S and CMO, becomes more involved and invested in Category Management as a Reform topic, we expect to see changes in DLA's level of engagement with OMB.

**(5) Always Accountable**

**(a) Services Acquisition Reviews:**

J7 continued to build and further develop robust processes for the Services Acquisition Functional Area. J73 accomplished significant milestones during FY 19, including issuing the DLA Manual on Services Acquisition in June. The Quarterly Service Validation Reports have gone through three successful submission cycles to CMO. Working with requirements owners, J73 successfully completed the yearly Annual Portfolio of Services Reviews. During the last four years, these reviews have served as an effective assessment to ensure oversight and help capture efficiency targets for all the DLA Services Acquisition Portfolios requirements. The data collected at these reviews facilitated reporting of efficiencies as directed by the CMO and DLA has successfully met the 5% efficiencies target for the last three years.

**(b) Pricing:**

J7 has been engaged in several pricing-related tasks and events this year. Starting with the Department level, representatives from J72 and the MSCs were part of the DPC Sustainment Profit Policy Team which resulted in a DLA Pilot at DLA Aviation and DLA Land

& Maritime. J72 also been a part of the DPC High Risk Pricing CADRE, which was stood up in response to the TransDigm audit and subsequent Congressional inquiries into the company's business practices. J7 continues to provide the following reports to DPC: Truth In Negotiations Act (TINA)/Cost Accounting Standards (CAS) annual report for Congress, Undefined Contract Action semi-annual reports, and the new Other than Certified Cost and Pricing Data Refusal (which was initiated in response to the TransDigm audit). J7 also provides the Contract Audit Follow-Up semi-annual reports to DoDIG.

This year J7, in collaboration with J6, rolled out the Enterprise Pricing Tool Suite for the buying and pricing community. Currently this Tool has over 1200 users. J72 also continued its very successful partnership with Defense Acquisition University on the DLA Pricing Class, completing 28 classes with ~600 attendees. J72 sponsored the 5<sup>th</sup> Annual Pricing Summit with several MSC attendees, completed the Annual Price Trend for Automated and Manual Awards, and approved the Annual Inflationary Factor for the Automated System. Team members completed several Agency Management Reviews, STRATCON, and price escalation reviews as well, over 750 individual reviews with ~400 data sets.

All tasks in Strategic Plan Implementation Guide (SPIG) Objective 5.1.2 Execute Enterprise Pricing Strategy and SPIG Objective 5.4.1 Execute Enterprise Pricing Oversight were completed in accordance with the J7 Dynamic Operating Plan. J72 fully executed its 2019 pricing strategy, completing data analysis to isolated negative trends in pricing and develop mitigation strategies to address findings. J72 also developed and implemented updated policy/guidance to address findings. This year also brought a new collaborative relationship with Army pricing and we have engaged in several pricing data exchanges with them this year.

#### (c) Market Intelligence:

In support of industry engagement efforts and with the objective of using industry information to better inform the Agency's acquisition strategies, J74, with support from the R&D Program Office, has established the Applied Market Intelligence in Defense Acquisition (AMIDA). The program objective is to enhance the Agency's market intelligence capabilities and to bring the organization in line with industry best practices, both from a data collection and analysis perspective (technical), as well structurally within the organization. AMIDA's technical component includes utilizing market data and software, report, and models, while the organizational approach includes the implementation of a hub and spoke model, employing market specialists at each of the MSCs, and ensuring industry partners have a "place at the table."

A pilot with Subsistence has been underway since August 2018, with a planned completion of November 2019. In addition to shaping the AMIDA effort, the pilot results will document success stories and value added. It will also prototype a dashboard that integrates external market intelligence data sources with internal DLA data that will provide the acquisition community a centralized location to access data and perform supply chain-specific

analyses. DLA's goal is to implement commercial supply chain AMIDA in 2020. In the interim a pilot with a non-commercial (i.e. hardware based) MSC is also planned.

(d) Operation Agency Resolve:

Beginning in early June, J7 started convening a MSC and J6 working group to determine what criteria could be modified to facilitate Obligation Authority (OA) conservation. Various automated processes were adjusted to promote manual intervention capabilities allowing the selective funding of requirements to slow down the OA burn rate. Reporting tools were developed to assist in monitoring funding eligible requirements as well as ability to reprocess requirements that fail funding. J7 continued twice a week discussions during the remainder FY 19 to address hot issues and concerns.

(e) Audit:

Audit activity continued to be a major focus area for J7 in FY 19, for both the J78 Audit and Process Excellence team, who oversaw the more Enterprise focused program management aspects of Audit, as well as J7 staff in all three J7 organizations, as they worked to develop, test and close audit findings within their respective functional areas.

In FY 19, J78 implemented and tracked Corrective Action Plans (CAPs) to correct the identified control weaknesses. There were a total of 128 J7 CAPs, covering General Fund (GF), Transaction Fund (TF), and Working Capital Fund (WCF) - which are led by J7, J3 and J8. Of the 128 CAPs, 51 are targeted for completion by FY 19, 32 by FY 20, 44 by FY 21, and 1 by FY 22. Evaluation and testing for CAP closure will continue into FY 20.

J78 reestablished the Managers Internal Controls (MIC) Program in concert with the new Enterprise Risk Management (ERM)/Internal Control Program Management Office (PMO). The MICP will ensure efficient and effective management of government resources to protect against fraud, waste, and abuse. Development of the internal control infrastructure with the ERM/IC PMO Program Office will continue into FY 20. Some of the first actions for MICP were an assessment of risk to identify internal control vulnerabilities, appointments for Assessable Unit Managers (AUMs), Sub-Assessable Unit Managers (SAUMs), and the creation of risk control matrices.

The Military Interdepartmental Purchase Request (MIPRs) Program Management Office (PMO) responsibility was realigned from J75 to J78 when the J73 and J75 divisions merged in January 2019. The MIPR PMO provided precise program policy, systemic oversight, training and audit compliance for over 700 users across the DLA enterprise that generated 7,100 line item reimbursable and assisted acquisition MIPR orders for a total of \$2.4B. The Outbound MIPR Program Management Office (PMO) team successfully completed FY 19 with an 88 percent DLA aggregate enterprise EBS timeliness metric (historical milestone). The metric is a key performance indicator of the accuracy, velocity and completeness of MIPR order execution from MSC and J-Codes to Intragovernmental trading partners for goods and services in direct support of the DLA Warfighter Support mission. The MIPR PMO team has consistently improved this metric by 16 percent since FY17, through relentless customer engagement and confident of achieving the 95 percent enterprise goal for FY 20.

The MIPR Program Manager (PM) also actively participated in multiple DLA G-Invoicing Core team strategy meetings and training events in FY 19. As the P2P (DLA as buyer) lead, the MIPR PM provided extensive inputs and outputs regarding Enterprise Business System change requirements and facilitation of unique order requirements for Energy, Troop Support and Aviation.

(f) Agency Management Reviews (AMRs):

J7 continued to play an active and leading role in AMRs. In FY 19, J7 supported AMRs at DLA Aviation and DLA Land and Maritime. The Acquisition review areas cover nine topics that fall within the Procure to Pay Enterprise Business Cycle Owner Annual Operating Review. J7 began supporting the DLA Acquisition led cross process review of Quality Notifications in the Supply Discrepancy Report process. Moving forward J7 will continue to work with DLA Logistics Operations to refine the program and links to Audit Readiness and Enterprise Risk Management.

(g) Senior Procurement Executive (SPE) Visits:

J7 continued its successful practice of conducting bi-annual visits by the DLA SPE, Mr. Beebe, with the HCA of each MSC and Contracting Activity. The visits provide Mr. Beebe an opportunity to engage with MSC acquisition teams on the three SPE “pillars” of Acquisition Workforce, Compliance and Strategic Acquisition. The visits, which generally last a day to a day in a half, include a workforce focus group comprised of acquisition personnel who have a chance to engage directly with the DLA SPE, presentations and active dialogue with SME’s for the activity’s compliance programs, and robust discussion with the activity’s senior leadership on their key strategic acquisition initiatives. The visits continue to be productive engagements, and provide a continuous feedback loop to strengthen the working relationship between HQ J7 and the field acquisition teams.

(6) People & Culture

The J71 Acquisition Workforce Development Division’s mission is to provide plans, guidance, and direction to professionalize, manage, and sustain DLA’s 9000+ member AWF. FY 19 was an active year for the division as it worked various initiatives and programs to strengthen DLA’s capability to meet new and emerging requirements.

At the end of FY 19, DLA AWF had a total of 9,082 members across 10 acquisition career fields, all requiring professional certification and continuous learning. The largest populations are in Contracting/Purchasing (4,104), Life Cycle Logistics (3,198), and Production, Quality, and Manufacturing (1,039). Of this workforce, 242 positions are designated as Critical Acquisition Positions (CAPs) based on significant supervisory, managerial, or lead

acquisition responsibilities. Of those CAPs, DLA designated 21 as Key Leadership Positions (KLPs) having a significant level of responsibility and authority that is key to the success of a program or effort. These positions warrant special management attention and oversight for qualification and tenure requirements.

J71 manages the Defense Acquisition Workforce Development Fund (DAWDF) for the Agency. Working with the MSCs and J-codes, the division ensures budget submission and execution to fund initiatives and activities that support the Agency's strategic acquisition workforce goals. In FY 19, DLA executed 100 percent of its \$6.4M budget, netting DLA a 21 percent increase for FY 20 over the FY 19 baseline budget.

DAWDF funding provided for the hiring and/or retention of 67 interns, ensuring a succession pipeline in key areas. Over the FY, DAWDF also funded advanced education classes, leadership training, career field/competency training, and professional conference/symposium attendance.

Targeted DAWDF also supported DLA's Contracting Officer Warrant Program Summit and a Cost and Pricing Summit, including representatives from all MSCs. Discussions included current improvement opportunities, proficiency reviews, lessons learned from Agency Management Reviews, and MSC progress on Audit/Corrective Action Plan assignments. This forum enhanced DLA's collective acquisition capability which directly impacts support to the warfighter and overall readiness.

DAWDF funds also supported a major element of DLA's Strong Partnerships LOE of the Strategic Plan. Two flagship industry-focused programs were offered to varying grade levels of DLA's AWF - the University of Virginia "Insights into Industry" course and the University of North Carolina "Understanding the Government-Industry Relationship in Sustainment" course. The goal of both programs is to develop DLA acquisition and sustainment professionals who better understand industry performance drivers, financial and decision making processes, and incentive programs. Efforts to further expand DLA's DAWDF program in FY 20 will increase opportunities for even greater participation.

Another major FY 19 workforce initiative was DLA's participation in Talent Exchange Programs. Joining DoD Human Capital Initiative's inaugural Public-Private Talent Exchange program, DLA's first participant from DLA Troop Support spent five months with Deloitte, where he gained a better understanding of business operations and challenges and learned about innovative practices that stimulated change ideas for DLA. Shortly thereafter, DLA's Training with Industry Program deployed an additional five DLA employees to FedEx, Microsoft, UPS, Amazon and Caterpillar. DLA's AWF Development team is closely tracking the ROI as the attendees return, share what they've learned with others, and DLA management taps into their increased capabilities with more challenging assignments.

J71 also partnered with J1 to leverage a Competency Assessment for the Contracting (GS 1102/1101C) Career Field. The survey assessed nine technical and three leader competencies. The 38% response rate identified skill gaps for focused training and/or hiring. In addition, J71 and J1 are working to create a career guide for the GS 1105 Purchasing Career Field to identify assignments, education, and training needed for growth and advancement via career paths. The guide will enable informed decision making necessary for effective recruitment and retention strategies, improved succession planning, and targeted workforce development strategies.

(7) DLA Contracting Services Office (DCSO)

FY 19 represented another active year of supporting DLA business operations and providing contracting support to various external customers. Specific FY 19 Accomplishments included:

- (a) 109,243 actions with more than \$1.15B in obligations
- (b) Automation rate of 94 percent
- (c) Maintained a Time to Award average of 90 percent compliance
- (d) \$623M+ in Small Business obligations, obligation rate of 56.6 percent against a 44 percent goal, exceeded goals.
- (e) 85.6 percent in competed dollars, exceeding 82 percent competition goal for FY 19
- (f) AbilityOne obligations of \$29.5M
- (g) Held a DLA J6 Enterprise Technology Services Industry Day on Nov 15, 2018 with 63 vendors
- (h) Held an Automated Fuel Handling Equipment Energy Automation Operational Technology Sustainment Industry Day 6-7 Feb 2019 with 7 vendors

Significant actions from DCSO's operational sites included:

(a) Through Jul 31, 2019, the DCSO Philadelphia (DCSO-P) office awarded 45 task orders against the JETS multiple award Indefinite Delivery Indefinite Quantity (IDIQ) contract. Total awards amounts exceeded \$258M. Including post-award actions, DCSO-P obligated over \$285M against the JETS IDIQs in FY 19. One of the requirements competed through JETS was for the Enterprise Service Delivery (ESD) requirement, which resulted in two task orders valued at over \$79M for a three-year period. ESD includes the management of customer relationships and IT customer service to DLA and Non-DLA users worldwide. The successful awardees, General Dynamics Information Technology and TekSynap proposed an innovative solution to traditional help desk services through the use artificial intelligence software.

(b) The DCSO Richmond (DCSO-R) office re-competed the DLA Wireless contract utilizing the Navy's "Best in Class" Spiral 3 IDIQ for the first time. Historically, DLA wireless contracts have been awarded to two carriers, each on a sole source basis due to "perceived" coverage area and existing equipment. The Spiral 3 contract requires that wireless be competed among all 3 IDIQ holders. As a result of competition under Spiral 3, a single DLA wireless award was made at a price of \$3.4M, approximately \$3.6M below the Government estimate which was based on historical pricing.

(c) In accordance with the inter-service support agreement between DCSO and the Defense Contract Audit Agency (DCAA), DCSO-R awarded a new IT operation &

maintenance contract for the entire DCAA enterprise to include 5K+ employees at over 100 locations worldwide. The contract was awarded directly to Creative IT Solutions LLC., an 8(a) native tribal enterprise, to include a one-year base period and one-year option period totaling \$21M. Extensive market research and negotiation efforts, resulted in a realized savings of \$1M (4.7 percent negotiated reduction in price) to the DCAA. The contract was awarded on time, preventing a lapse in service or unnecessary extension to the current contract (awarded and managed by GSA), and resulted in a contractor turnover period with minimal discrepancies and no degradation in service to DCAA.

(d) The DCSO Columbus (DCSO-C) office awarded three multiple-award IDIQ contracts for Automated Fuel Systems Installation (AFSI) in support of DLA J62 Energy Applications requirements transitioning from the Naval Information Warfare Systems Command, formerly the Space and Naval Warfare Systems Command. The IDIQs will award approximately \$93M over the next five years. This contract will support the DLA worldwide mission to provide petroleum and related support worldwide to include installation, integration, logistics, maintenance and life-cycle management and technical support. Proposals were received from three vendors who were all found technically acceptable and awarded a contract.

#### (8) DLA Strategic Materials

DLA Strategic Materials' FY 19 activities supported the organization's mission to decrease and preclude dependence upon foreign sources or single points of failure for strategic materials in times of national emergency. Examples of accomplishments supporting that mission include:

(a) Developed and Submitted the FY 19 Congressional Report on Strategic and Critical Material Requirements (over 140 materials reviewed).

(b) Development and Submission of FY 19 Operations & Planning Report.

(c) Achieved Small Business and Competition goals set by DLA for Strategic Materials for acquisition actions; maintained Small Business and Competition information for sales actions.

(d) Maintained 90 percent or better GPC compliance for entire FY 19.

(e) Held successful Industry Day this year at the George Mason PTAC to expand and educate supplier base.

(f) Corrected 100 percent Agency Management Review FY 18 Notice of Findings and Recommendations.

(g) Executed R&D program for Li Ion Recycling.

(h) Planned and Pursued Strategic Energetics Reserve in partnership with Army PEO and OSD/Industry Policy.

(i) Completed programmatic and facility upgrades for Nuclear Regulatory Commission (NRC) compliant radiological storage at Scotia, NY.

(j) Initiated new material inspection requirements within current inspection program. Performed re-verification of material weights in support of audit advancement.



(k) Completed all sales for High Carbon Ferromanganese from Lordstown, OH, removed all remaining material, completed environmental conformational site testing, ended the current lease September 30, 2019.

Every year, Strategic Materials must deliver several congressionally mandated reports. These reports have repeatedly proven valuable to not only standard stakeholders, but other senior level DoD activities, and were routinely referenced by senior government officials and used as a source to address media inquiries related to increased interest in Rare Earth Elements. FY 19 saw the merger of the Operations Report and Annual Materials Plan, resulting in greater efficiency. The Requirements Report was expanded to include additional materials on the initial watch list, resulting in a more comprehensive report, identifying additional at risk materials and offering proposed solutions.

A major initiative in FY 19 was the proposal for a Strategic Energetics Reserve (SER). This was a coordinated effort with PEO Ammo and OUSD IP to establish a SER due to capacity and supply issues for critical energetics produced at Holston Army Ammunition Plant. DLA is pursuing a small scale \$10M SER acquisition for FY 20 using emergency acquisition authorities and will pursue \$250M in authority and appropriations for FY 22. This funding buys approximately 52K munitions. The DLA-SM issue paper requesting these funds was denied in both FY 20 and FY 21 and plans are under way to resubmit for FY 22.

The Material Management Directorate provided oversight of all activities related to receipt and storage of approximately 1.3B pounds of National Defense Stockpile inventory. Strategic Materials managed receiving and shipping of material (including management of hazardous materials), transportation, safety and health at staffed locations, ensured environmental stewardship programs at inventory storage locations, repackaged mercury in Hawthorne, Nevada, and made significant progress on an environmental remediation project in Somerville, New Jersey. Storage facility improvements included: installation of a parking lot in Hawthorne, Nevada; fire suppression and high efficiency lighting upgrades (to reduce energy costs and increase safety) in Hammond, Indiana; upgraded intrusion detection systems in Hammond, Indiana and Scotia, New York; creation of a secure contained storage area in Scotia, New York for low level radioactive materials; initiation of a Nuclear Regulatory License and creation of a radiological dosimetry program to meet regulations and protect the safety and health of employees.

Material upgrades were completed to ensure inventory met DoD requirements and specifications for tin and germanium. Strategic Materials reclaimed 240K pounds of cleaned and sorted nickel-based super alloys and accumulated an additional 950K pounds to be processed in 2019 & 2020, returning high dollar government excess material back to DoD.

Strategic Materials initiated environmental remediation clean-up at its former Somerville Depot, a site used to store Stockpile materials including chromite, zinc, aluminum, lead, ferrochrome, bauxite, and mercury. The clean represents a major accomplishment for Strategic Materials, addressing all contamination of concern in the soil and groundwater from

previous activities. The end result of remediation will be the conversion of this contaminated site into one that is uncontaminated and can be productive again. The remediation builds off work done in previous years, when Strategic Materials conducted environmental investigations to identify the types and amounts of contaminants in the soil, groundwater, surface water, and sediment contamination. Overall this project will clean approximately 25 acres of contaminated soils and sediments, and clean the groundwater. The remediation activities will be complete in FY 20.

DLA Strategic Materials awarded contracts for the acquisition of boron carbide, electrolytic manganese metal, and completed the strategic acquisition of tantalum. Research and development into the development and qualification of domestic sources resulted in approval of studies of antimony trisulfide, potassium hydroxide for use as a coolant and pH control in nuclear reactors and substitute ablative materials substitute for carbonizable rayon fiber. The Strategic Materials Recovery and Reuse Program (SMRRP) concluded another successful year of operations with anticipation of further expansion of these services. The ability to reclaim strategic materials at reduced cost and return to the domestic industrial base has economic, environmental and security benefits. Recycling strategic materials from end-of-life Government items furthered the recovery and moved toward processing of germanium from thermal infrared optical equipment and specialized high-temperature and lightweight, high-strength alloys from jet engines. Sales programs were conducted for materials such as metallic chromium, ferromanganese, ferrochrome and tungsten ores and concentrates for the disposal of excess materials.

In addition to daily operations, audit sustainment and support was a major focus area. Strategic Materials completed 100 percent inventory inspections and three-dimensional surveys, with volume and weight calculations, of all bulk materials; in-depth re-verification of 46 active commodities, and the development of a roll-forward inventory process to further validate material inventory accuracy.

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# Defense Logistics Agency

## DLA Finance (J8)

### Fiscal Year 2019 (FY14) Annual Historical Report



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

OCT 10 2019

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY, HISTORIAN

SUBJECT: Submission of the DLA Finance FY 2019 Annual History Input

It is my pleasure to serve as the Director, DLA Finance and the Chief Financial Officer (CFO) for the enterprise. During my short tenure with this dynamic organization, I have enjoyed my senior financial advisor role and serving the Director, LTG Darrell K. Williams, in helping to achieve the DLA Strategic Goals. The attached report presents many accomplishments this year, especially related to having fiduciary responsibility over \$45 billion in resources.

In accomplishing our financial role, we always consider the Warfighter first and seek new opportunities to reduce costs in these challenging and austere times. We have many challenges ahead of us as we continue to support the Warfighter and lead financial related efforts to helping the DLA accomplish its strategic themes.

  
J. ARTHUR HAGLER  
Director, DLA Finance  
Chief Financial Officer

Attachment:  
As stated

## **1. Introduction.**

The DLA J8 organization served as the principal advisor to the Director and was the primary advocate for the Agency when working with the Office of the Secretary of Defense (Comptroller) and the Office of Management and Budget. J8 provided Financial Management expertise and intellectual capital to DLA to facilitate meeting DoD's mission requirements. The organization performed the full spectrum of financial management services to include accounting, budget, audit remediation and sustainment, process management, process health, financial policy, and human performance and strategic planning for its workforce. DLA Finance operated with integrity and accountability in a cost-conscious culture and maintained strong, agile relationships with its internal and external partners while upholding its fiduciary responsibility to the taxpayer.

J8 is headquartered at Ft. Belvoir, VA. The HQ Staff Directors report directly to the DLA Deputy CFO. J8 also has offices located at the Major Subordinate Commands (MSCs) and those offices are named to coincide with the Supply Chain or Activity they support; (e.g., DLA Finance Troop Support or DLA Finance Distribution). The MSC Comptrollers report directly to the DLA CFO. Each Major Subordinate Command office follows a basic organizational framework that mirrored their HQ counterpart with separate Accounting, Resource Management, Process Management and Process Health Divisions who report directly to the site Comptroller. In late FY 19, in order to manage DWCF cash balances, DLA Finance purposely paused specific hiring actions to enable under-execution of resources and continues to control and manage the use of overtime, compensatory time and travel

### **a. Key Accomplishments:**

- (1) Obtained and managed approximately \$45B in resources (obligations incurred in three funds: Defense Wide Working Capital Fund, General Fund and Transaction Fund) to support the DLA mission which generated \$43B in revenue
- (2) Developed Cash Management strategy to maintain DWWCF solvency
- (3) Continued Audit Engagement and Remediation efforts
- (4) Continued financial transformation efforts
- (5) Obtained resources and funding for additional finance personnel in support of the audit
- (6) Acted as the lead for DLA and for the Department of Defense with Treasury in G-Invoicing implementation using innovative solutions and robotic technology
- (7) Performed daily cash monitoring focusing on shorter cycle times between material purchases and sales
- (8) Proposed changes to legislation (10 USC 2208); lifting a \$1B cap for advances

(9) Established a Posting Logic Team as a strategic audit initiative with the objective of identifying posting logic deficiencies, designing corrective action plans, and submitting requests for changes in the Enterprise Business System (EBS), and/or policy drafts for procedural modifications to remediate deficits and achieve compliance with Generally Accepted Accounting Principles

(10) Participated with the Real Property Task Force to validate asset values within the financial system of record (EBS)

(11) Supported Federal Emergency Management Agency (FEMA) for Hurricane Florence and Typhoon Yutu, and other DOD contingency operations

(12) Coordinated the initiation of Excess, Obsolete and Unserviceable (EOU) inventory posting logic development, organizing the effort into multiple phases to include EOU inventory posting, revenue transactions, and budgetary considerations

(13) Provided financial guidance and support for the implementation of DLA Disposition Services Headquarters Realignment, Network Optimization, and Roll-Back of D2 (between DLA Disposition and DLA Distribution Services)

(14) Corrected employee access to the financial system to ensure appropriate segregation of duties

(15) Led the change in Office of Secretary of Defense guidance for useful life and capitalization threshold required creation of new asset classes in EBS

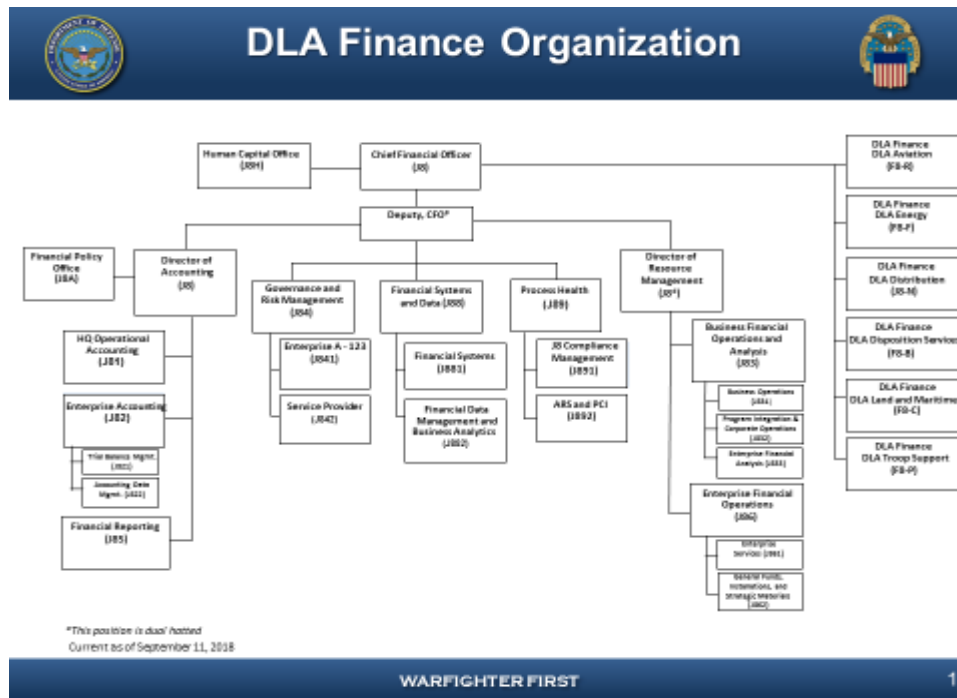
(16) Participated in Enterprise Transparency Reform initiatives

(17) Developed a new pricing inquiry tool

(18) Advanced audit support; developed 133 corrective action plans associated with 89 Notices of Findings and Recommendations related to the FY 2018 financial statement audit

## **2. Organization.**

J8 continued operating as a virtual enterprise throughout FY 19. The CFO recognized the need to transform the DLA Finance organization to a high performance entity capable of sustaining accurate and reliable financial reporting and clean audit opinions, providing consistently high accounting and financial performance that met or exceeded DLA stakeholder expectations while operating with high standards for efficiency and financial effectiveness. Financial transformation was guided by leadership vision and commitment around nine key areas: financial reporting, accountability, audit findings/remediation, internal controls, risk management, human capital, performance management and process management. The CFO recognized that the transformation process was a long-term commitment and one that would take years to accomplish, with top priority given to remediating deficiencies identified by financial statement audits performed by Ernest and Young, an Independent Public Accounting firm. For FY 19, the DLA Finance organization was authorized 768 positions. DLA received disclaimers of opinion for all three funds for consecutive years, FY 2017, FY 2018 and FY 19.



With the assistance of Klynveld Peat Marwick Goerdeler advisors, DLA Finance restructured their operations to improve management’s span of control and operational capabilities, skills mix, support to the supply chain customer base, balance workload equitably, meet audit objectives, limit risk, and reduce costs. They were organized into three distinct processes, Accounting, Resource Management and Process Management. Risk Management and Process Health, in support of A 123 and audit, were also core competencies. This re-alignment:

- Addressed staffing shortages; improved training and skill sets; evaluated positions, reviewed grade structures, aligned duties, and job roles; strengthened the use of the performance management system, and improved opportunities for employee professional development and growth
- Improved financial and accounting processes with primary emphasis on remediating deficiencies cited by the auditor in the areas of policies, procedures, and internal control; developed policy and procedures to ensure consistency in approach in order to improve entity level controls
- Focused on new tools and technology such as an automated budgeting tool, daily cash management, site specific trial balances and artificial intelligence.
- Provided a governance structure to provide better communication, guidance, support and consistent decisions to the finance managers and their workforce.

### 3. Key Personnel:

#### a. Overview:

Consistent with the DLA Strategy, DLA Finance upheld the DLA Director's commitment to develop leaders, resource the Enterprise, manage the talent, fortify the culture, reward performance and build connections. In FY 19, DLA Finance promoted 81 employees, almost 13 percent of the total staff. The DoD recently started a Financial Management (FM) strong, trained, agile and ready (STAR) Program that aligns with the Department's Strategic plan. This program aims to increase the organizational effectiveness of the DoD organizations involved through exposure to best practices and alternate FM solutions. DLA Finance had four participants in this program. The benefits of the program are fourfold:

(1) Deliver a deeper understanding of what it means to be a professional member of the DoD FM workforce, and gain a greater appreciation of the implications and impacts of FM work.

(2) Reinforce the important roles that FM civilians have in inspiring meaningful contributions to the team and fostering a more effective workplace.

(3) Encourage civilians to proactively engage in career development through focused professional development opportunities that provide new possibilities, new knowledge, and new skill areas.

(4) Enhance retention of staff and nurture participants' skills by consistently and actively promoting professional development opportunities.

#### b. The CFO and DCFO:

The DLA Finance organization was headed by two Senior Executive Service officials: Ms. Gretchen V. Anderson, the CFO and Ms. Jean Cox, the Deputy CFO. Both executives retired in FY 19 after a two year tenure. During their time, they (1) served as the lead spokesperson on all DLA financial management matters, (2) maintained effective financial management and control for the DLA enterprise, (3) assured DLA compliance with federal financial management laws and regulations and DoD financial regulations, (4) assured the availability of budgetary resources necessary to perform DLA's mission, (5) assured that agency funds were managed and controlled in accordance with federal laws and regulations and DoD financial regulations, (6) assured DLA's annual financial statement reports were produced, (7) directed the administration of agency financial management, operations, reporting, and compliance functions, (8) acted as the agency's financial management process owner, assuring that financial systems and processes were effective, efficient, and compliant with federal laws and regulations and DoD financial regulations, (9) determined financial mission resource requirements and efficient allocation of resources, and (10) managed and administered office of management and budget (OMB) circular A-136 requirements for financial reporting.



c. HQ Staff Directors:



**Staff Director, Human Capital Office (J8H), Mr. Steve Turley**, developed and maintained the J8 Human Capital Strategy and Plan, provided CFO communications support, maintained and coordinated J8 education and training requirements, coordinated J8 recruitment, retention, and hiring activities and served as J8's Culture champion.



**Accounting Officer, Ms. Karen-Opie-Toler and Mr. Joe Wilburn**

The Accounting Officer role was performed by Ms. Karen Opie-Toler and Mr. Joe Wilburn throughout 2019. Ms. Opie-Toler was selected to participate in the DoD STAR Program and was assigned to the Office of Under Secretary of Defense Comptroller for a six month period. Mr. Joseph Wilburn performed in this role for most of FY 19. The Accounting Officer directed the administration of enterprise accounting, financial reporting, financial analysis, and headquarters accounting operations. He provided executive advisory and analytical support to DLA/ J8 senior leadership, maintained Defense Finance Accounting Service Mission Work Agreement (MWA) and performs MWA compliance monitoring and Key Performance Indicators and process metrics for accounting operations and financial reporting.



**Staff Director, Financial Policy, Mr. Michael Witsman** developed, issued, and updated policy relating to financial operations and reporting, provided centralized J8 policy interpretation and guidance and coordinated policy guidance implementation with other J codes. During the 3rd quarter in FY 19, the Policy Office began reporting directly to the DCFO versus the Accounting Officer.



**Staff Director, HQ Operation Accounting Division (J81), Ms. Joy Stith** performed accounting analysis and financial reporting for DLA HQ programs, and maintained the accuracy of HQ EBS accounting information for three Funds: Working Capital Fund, General Funds and Transaction Fund. Ms. Stith was also responsible for the Accounting operations for all HQ staff offices and for funds management for the DLA.



**Staff Director, Enterprise Accounting Division (J82), Mr. Jason Buys** managed and performed DLA enterprise-wide accounting analysis and EBS trial balance management to assure the integrity of DLA financial reporting, reviewed and validated DLA reports prepared by DFAS, performed tri-annual review analysis and reporting, prepared EBS journal vouchers, provided financial accounting operational guidance, and developed and implemented standard process for the Agency regarding trial balance management



**Staff Director, Business Financial Operations and Analysis Division (J83), Mr. Kevin Abney** managed and coordinated DLA's Planning, Programming, Budget, and Execution (PPBE) process and budget reporting for the Defense-Wide Working Capital Fund, provided financial support for Material Supply Chains and Energy, developed and defended cost recovery rates and pricing, and administered DWWCF cash account and performed cash management.



**Staff Director, Governance and Risk Management Division (J84), Ms. Billie Sue Goff** provided leadership and compliance with OMB Circular A-123, provided program management for DLA's A-123, Enterprise Risk Management (ERM) and the Manager's Internal Control Program Requirements, served as Governance Risk and Compliance (GRC) Program Manager, and participated on the team to determine placement of the Enterprise Risk Management program. In late 2019, the Enterprise Risk Management function transferred to the DLA Chief of Staff.



**Staff Director, Financial Reporting Division (J85), Ms. Lori Smith** managed and coordinated DLA's financial statement analysis and reporting responsibilities and produces auditable financial statements, reviewed and validated financial statements, prepared the Annual Financial Report (AFR), coordinated and oversaw DFAS Defense Departmental Reporting System (DDRS), and monitored financial reporting tasks performed by DFAS on behalf of DLA in accordance with the DFAS/DLA MWA.



**Staff Director, Enterprise Operations Division (J86), Ms. Stephanie Wright.** Ms. Wright was also the acting Deputy CFO between May – July 2019. Managed and coordinated DLA's Planning, Programming, Budget and Execution process and budget reporting for the Operationalized Activities, DLA Strategic Materials, DLA General Funds, and the Capital Investment Program, provided financial and resource management support for Information Operations accounts, to include Document Services Business Area, and developed information on DLA Strategic Materials sales program,

operations budget and cash flow to House and Senate Armed Committee staffs in concert with DLA Legislative Affairs.



**Staff Director, Financial Systems and Data Division (J88), Ms. Joy Adams** provided financial information services and assures that DLA financial systems and processes perform optimally to produce reliable financial information and reporting, managed financial system job roles and access, developed, maintained, and reported DLA's financial system strategy and plan for achieving FFMIA compliance, provided financial data governance and integrity, developed and implemented J8 business and financial tools, and managed and coordinated EBS master data management responsibilities.



**Staff Director, Process Health Division (J89), Ms. Monica Harrigan** managed and coordinated DLA's financial compliance and audit response functions for accurate and reliable financial statement reporting and operational effectiveness, performed compliance reviews with Federal, DoD, and DLA policies and regulations, as necessary, managed and coordinated J8 FRM program requirements, reviewed and validated Corrective Action Plan (CAP) remediation, monitored and reported the status of DLA's financial statement audit findings (e.g., Notice of Findings and Recommendations), and coordinated, facilitated and supported J8 Process Cycle Integrator (PCI) responsibilities. In FY 19, Ms. Harrigan supported the Audit Task Force.

#### d. MSC Comptrollers

(J8 Finance Disposition/Battle Creek, Michigan), J8 Finance Land and Maritime (Columbus, Oh), J8 Finance Energy (Ft. Belvoir, VA), J8 Finance Distribution (New Cumberland, PA), J8 Finance Troop Support (Philadelphia, PA) and J8 Finance Aviation (Richmond, VA).

#### (1) The duties of an MSC Comptroller included:

- (a) Provide financial management and control in support of MSC programs and stakeholder mission requirements.
- (b) Administer the DLA Planning, Programming, Budgeting System for their supported Command.
- (c) Prepare, formulate, justify and execute the DWWCF budget for the MSC/SC supported.
- (d) Present, justify and support J83's defense of the budget estimates at budget hearings conducted by DLA, OSD and OMB.

(e) Implement DLA policy for standard pricing. Establish cost recovery rates, develop sales estimates and materiel obligation requirements.

(f) Ensure timely and accurate recording of accounting transactions in accordance with financial reporting requirements.

(g) Maintain accuracy of accounting information.

(h) Perform oversight of accounting services provided by DFAS.

(i) Serve as the MSC/SC J8 Subject Matter Expert (SME) on financial process health matters.

(j) Perform ongoing analysis of MSC/SC reporting requirements and effectiveness of internal controls.

(k) Serve as the MSC/SC J8 SME on financial system and process management matters.

(l) Ensure MSC/SC accounting and financial systems functional processes are integrated and perform as required.

(m) Provide support to MSC J8 financial offices on financial data validation and analysis issues and document requirements for CAPs/RFCs.

(n) Perform analysis and reconciliations of accounts.

(o) Participate in the DWWCF management of cash and cash conservation plans.

(p) Implement funds holder policy



#### e. Leadership Culture:

DLA Finance continued to have a strong culture as depicted in the Denison survey! Maintaining a positive culture and atmosphere is critical to DLA's core beliefs and values. J8 Leadership's goal was to ensure they created a positive work culture for all employees. J8 continued to use their Human Capital Advisory Group which played a major role in the positive survey results. They implemented recruitment and retention ideas to ensure a balanced workforce. They assisted the CFO in developing multi-functional financial specialists who understand business events that drive financial outcomes, created a communication plan and guidebook to facilitate knowledge transfer, standardized processes and consistent messages, implemented fair and equitable J8 Human Capital Policies and ensured consistency in measuring job performance and rewarding employees.

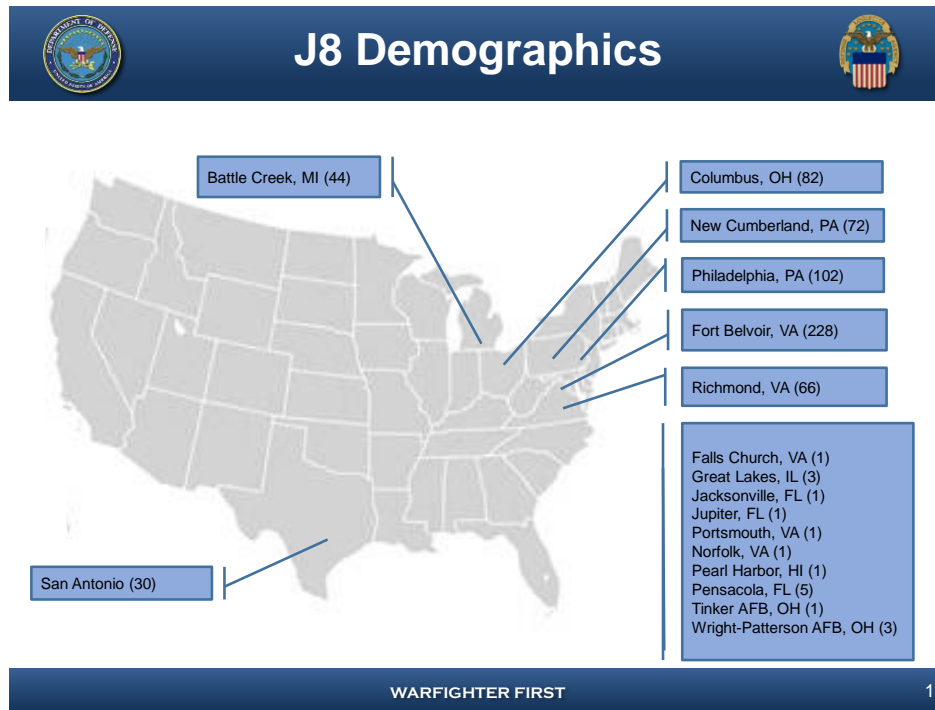
In FY 19, a new group, the Fresh Focus Group, was formed to engage in knowledge sharing and innovate resources for current and future initiatives such as professional development, networking, and retention for all DLA J8 personnel. The focus was on key factors that align with the J8 Culture Action Plan: Communication, Skills, Tools, and Empowerment. They brainstormed ideas on cost-effective and interactive communication tools. Also during this year, the MSC Comptroller at Land/Maritime, instituted a DLA Financial Community Culture Action Plan to develop leaders, resource the Enterprise, manage the talent, fortify the culture, perform and reward, and build connections. The plan leveraged DoD STARS program opportunities for DLA Financial Community potential leaders and brought a J8 Fresh Focus Group to engage in knowledge sharing and innovate resources for current and future professional development, networking, and retention initiatives.

Conducting Town Halls and Manager meetings to communicate vision, mission, values, and long term goals was an integral part of their strategy. DLA Finance also has participants in the DoD FM certification program with 100 percent of their staff certified within the required timeframe. DLA Finance also had their own organization specific mentor program. This program provided finance leaders with an enhanced competency base, built collective knowledge, aided in recruitment of high caliber talent, strengthened retention by providing an avenue for investing in a highly qualified, skilled workforce, fostered a cost-effective learning environment and promoted more inclusive management practices.

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

DLA Finance has requested additional resources to meet their transformation objectives. DLA Finance has authorized strength of 768 positions. However, the CFO and DCFO have strategically paused specific hiring actions to ensure they are well positioned to meet the Director's cost recovery rate strategy and to meet the cost management actions directed by the Defense Wide Review. At the end of FY 19, DLA Finance had 642 employees on-board with a

total of 584 Full Time Equivalents. Included below are the J8 resources by location across the CONUS.



## 5. Historical Narrative:

DLA Finance played an important part in supporting the Director's Strategic goals and five lines of effort. The J8 Director, as the CFO for the Agency, holds the responsibility for cash management. Throughout FY 19 DLA addressed the changes in the balance resulting from continued downward pressure related to readiness investments, fuel prices and other circumstances and implemented cash conservation measures to stabilize the DWWCF. Such measures included curtailing travel, training, overtime and compensatory time. More significant actions were also imposed such as lengthening payment time to their vendors. Other cash mitigation strategies (filling customer orders, funding orders that had short financial lead times, and reviewing suspended stock) were also applied.

### a. Warfighter First:

#### (1) Objective 1.4: Predictive Technology

(a) Initiative 1.4.1 – We increased the use of automated financial systems, tools, and applications to reduce cost, increase ability to attain and maintain DLA audit-readiness and increase productivity.

(b) Initiative 1.4.2 – Developed flexible pricing options that allow customers to choose the level of performance and service that best meets their operational and affordability requirements.

b. Always Accountable: Assured Supply Chain, Financial, and Process Excellence

(1) Objective 5.1: Cost Consciousness

(a) Initiative 5.1.3 – Put in place an improved cost savings/performance tracking process by the end of FY 19 to ensure monitoring and validation of savings and programmed cost avoidance reductions in execution.

Initiative

(b) 5.1.4 Provided organizational financial incentive ideas.

(c) Initiative 5.1.6 – Developed a cadre of financial analyst, trained in the latest cost analysis techniques, to analyze Agency business cases, examine business trends, forecast future business events, and benchmark business factors against private industry.

Strengthened organizational capabilities in the area of cost management and cost analytics. Fifteen managers/analysts completed coursework over 18 weeks headed by Dr. Dale Geiger, renowned author and educator on governmental cost management, case studies, and after action reviews. Techniques and lessons learned helped improve cost consciousness, cost identification, and cost allocation across DLA activities. By further understanding cost relationships, DLA was better positioned to further reduce costs and achieve savings.

(2) Objective 5.2: Auditability

(a) Initiative 5.2.2 – Comprehensive Financial Performance Analysis and Advice

On October 1, 2018, the Fund Control Instruction, DLAI 7200.01, instituted Agency-wide policy concerning the execution of DLA Working Capital Fund operations funding. The policy assigned roles and responsibilities to senior management, Fund Holders and their J8 Resource Managers. The instruction provides specifics as to the necessary documentation and mandatory training. As a part of this initiative, a central Fund Holder repository has been created to house the required documentation. The repository will be used as the Agency source for verification of legally appointed Fund Holders. Currently, J7 and J1 are using the repository for their programs that require Fund Holder verification. A Fund Holder Standard Operating Procedure is currently in development. Training was also developed.



(3) Objective 5.4: Mitigate Risks:

(a) Initiative 5.4.2 –Provided oversight and guidance for standardized risk management framework. Assessed, mitigated, and validated risks across the enterprise, to include resiliency and redundancy measures.

During 2019, J8 communicated with OSD Enterprise Risk Management group, gathering the most updated DoD policies on risk management. Through a standardized risk management framework, consistent and effective risk identification, and risk mitigation, DLA ensured world-class logistical support to our customers. J8 used the Enterprise Risk Profile to identify and assess current and potential risks relating to DLA's mission. Through risk assessments, DLA developed mitigation plans to manage potential negative impacts to support operations. Also performed a Risk and Internal Control Assessment of the GE Supplier Initiated Orders (SIO) agreement at DLA Aviation.

c. Achievements and Milestones

(1) Transformation:

(a) Implemented General Order 5-18 which restructured management roles and responsibilities at HQ and MSC levels.

(b) Established CFO financial improvement priorities in accordance with audit findings, OSD Comptroller goals and objectives, and DLA Director strategic plan and directions.

(c) Established top priorities: Posting Logic, the Agency Financial Report, Transaction Fund, and Cash Management.

(d) Completed an operational review of each J8 accounting and finance office to document gaps in capabilities and performance.

(e) Continued to hire and train our workforce to perform their job roles in accordance with the General Order missions and responsibilities.

(f) Achieved our staffing plan requirements as documented through the Business Case Analysis (BCA) and audit discoveries.

(g) Updated our job roles in accordance with current duties and responsibilities and implement role based training.

(h) Standardized our position descriptions and classifications across J8 offices and sites.

(i) Enhanced our accounting and business process analyst competencies and skillsets.

(j) Developed and implemented financial policies and procedures in accordance with audit findings.

(k) Continued to remediate financial systems deficiencies which limit essential account reconciliation and analysis at the enterprise, MSC/Supply Chain, and fund levels.



(l) Addressed deficiencies in producing complete Trial Balance information at the MSC/Supply Chain level.

(m) Explored the use of robotics to automate simple, repetitive processes.

(n) Developed improved financial and accounting analysis tools for our workforce.

(o) Produced General Ledger Account Code (GLAC) analysis tools and quick reference guides to facilitate accounting analysis and reconciliation.

(p) Enhanced Financial Analytics and Metrics functionality to provide additional data visualization and metrics analysis.

(q) Implemented enterprise and financial risk management processes that comply with OMB Circular A-123 requirements.

(r) Expected increases in controls testing were addressed through financial risk management guidance to the process health community at HQ and MSC levels. Prioritized financial improvement efforts to achieve audited financial statements for the Transaction Fund.

(s) Continued to take action to improve the accuracy of our cash balances and inventory valuation for the strategic materials GLACs and financial reporting. Developed corrective action plans for audit NFRs within OSD guidance and prescribed timeframes.

(t) Implemented the updated DFAS Mission Work Agreement to strengthen collaboration and monitoring of the reimbursable financial support.

(u) Improved our information and knowledge management repositories to support audit advancement and A-123 requirements.

(v) Implemented a plan of action to remediate accounting backlogs and achieve/sustain accurate beginning GLAC balances.

(w) Assessed internal control deficiencies that drive accounting backlogs and unsupportable beginning balances.

(x) Developed and executed corrective action plans to remediate internal control deficiencies.

(y) Collaborated with enterprise business cycle owners to remediate internal control deficiencies in our financial system feeders and interfaces.

(z) Applied temporary resources as necessary to eliminate backlogs and unsupportable balances once the corrective action plans have been tested and verified to be effective.

(aa) Strengthened communications and teamwork between HQ and MSC financial offices

(bb) Developed Agency Management Review process documents to conduct J8 reviews of Fiscal Year End Close process and the Management of Cash process.

(cc) Conducted Agency Management Reviews at DLA Aviation and DLA Land and Maritime reviewing scoped business processes.

(dd) Published policy to identify, report and investigate a potential Ant deficiency Act violation.

(ee) Developed a DLA Fraud Risk Management training for DLA J8 employees in November, 2018. As a basis for this training, J84 conducted a Fraud Risk assessment which utilized the American Institute of Certified Public Accountants (AICPA) audit standard (AU-C) section 240.04 criteria to identify any additional actions to build a more robust fraud risk awareness capability in DLA.

(2) Process Management:

(a) Plan to Stock (P2S) business cycle support:

i. Performed all database coding and data maintenance for the DLA Inventory Reconciliation for Inventory Stock on Hand General Ledger Account to improve DLA's Inventory reconciliation capabilities.

ii. Lead the EBS to Distribution Working group who continued to look at ways to improve the EBS to Distribution reconciliation.

(b) Enhanced the Enterprise QFAR (Quarterly Financial Analysis Report). Managed and coded an Enterprise QFAR rollout at the end of 2018. Continued to provide support and improvements.

(c) Continued development for Financial Analytics and Metrics, including Customer Statements and a Fund view; and implemented new functionality, including the Scorecard which gave the MSCs the ability to track progress at a high level month to month.

(d) Managed and distributed the Standing Priority List to numerous DLA J8 representatives.

(e) Identified transactions that were included in certain Job Descriptions (JDs) and provided updates as to where J88 stood with Segregation of Duties (SOD) evaluations of the proposed new EBS accesses.

(f) Ran complete Government Risk and Compliance (GRC) simulations.

(g) Worked with the Eliminations Team, J8 on the effort for customer master clean up. As a direct result, eliminations variances have been reduced by over \$100M.

(h) Acted as the Project Lead/Product Owner a systems change that increased the volume of collection postings and created a new interface for just disbursements.

(i) Obtained/reconciled transaction populations for high priority general ledger accounts.

(j) Implemented key reconciliations with 5 critical reconciliations still in process to uphold audit advancement.

(k) Represented DLA J8 on the Real Property upgrade contract with SAP.

(l) Established the automated interface from the Enterprise Business System to the Defense Repository for Common Enterprise Data.

(m) Provided significant analytical support to develop a data model that allows OSD to ingest DLA financial data and reconcile it to other DoD data sources.

(n) Worked with the Federal Reserve to update EBS processes for international disbursing regulations to ensure payments to United Arab Emirates and Australia could continue without interruption.

(o) Prepared the J8 Data Quality Plan Review to meet objectives of the Digital Accountability and Transparency Act of 2014, in accordance with OMB Memorandum M-18-16.

(p) Designed, tested and rolled out major changes for our FI-13 invoice interface. The changes improved invoice interface posting, enabling more efficient vendor payments.

(q) Supported the deployment of the EFD (Electronic Funds Distribution) as the Network Change agent for DLA, coordinating requirements for new user access and training; as well as verifying budget structures to be loaded into EFD master data for DLA.

(r) Implemented the following new reporting functionality:

i. The Scorecard: this gives MSCs the ability to track progress at a high-level month to month.

ii. Customer Statements: this functionality automatically generates customer accounts receivable statements that are required as part of the Accounts Receivable process.

iii. Fund View of all metrics: the key reports available in FAME were updated so that each could be viewed in terms of Fund Category.

(s) Improved processing of General Orders and re-developed guidance through CPIs.

(t) Data Clean-up: led data clean-up related to financial objects in regards to Financial Hierarchy.

(u) Led data clean-up related to Internal Order Numbers – over 10,000 IONs have been placed in closed status.

(v) J8 is the Financial POC for the TRANSCOM Transportation Management System (TMS) Prototype. J88 is working closely with J3 and J6 on DLA requirements and audit risk. P2P SPO participated in the TMS testing for AAFES release in April. DLA is utilizing TMS for Air transport from Defense Distribution San Joaquin to Defense Distribution Pearl Harbor starting October 2019.

(w) Worked with the Government Purchase Card (GPC) PMO to resolve Government Purchase card issues with US Bank's new contract (SP3). Hierarchy issues prevented statements from interfacing with EBS therefore it required manual intervention to process payment. As of June 2019, the majority of issues with US Bank have been resolved.

### (3) Financial Statement Audit Support

(a) Provided critical data supporting detailed transactions for the FY 19 Audit. Provided data along with coordinating and managing other requests for the audit.

(b) Worked with J6 to complete changes to EBS Finance roles by identifying the right changes, transactions, authorizations, segregation of duties risks, and mitigations needed to meet J8 requirements through implementation and testing. By understanding the end-to-end financial process, any potential risk may be mitigated either through a control, process change, or by shifting the offending transaction or authorization to a separate EBS role.

(c) Derived and evaluated System Change Requests (SCRs) submitted by other DLA activities and provided feedback and recommendations that ensured financial audit compliance.

(d) Updated and monitored mitigation strategies and controls that were due to expire and completed necessary steps prior to expiration as required to maintain audit readiness.

(e) Worked with the J8 Transformation Team updating the Yellow Pages directory in the Post Transformation. The process involved aligning hundreds of DLA employees with their correct job roles, requesting role changes, validation of employees not aligning with Process Health, and removing and or changing roles for Business Analysts where there was a risk or conflict with accesses in EBS.

(f) Supported a monthly FMBL (Financial Management to Budgetary Ledger) reconciliation and submitted tickets when needed to J6 on system issues.

(g) Led the automation of posting logic files for order to cash and procure to pay using robotic processing automation (RPA). This will help our central EM team gather EM samples quicker with fewer errors.

(h) Led the change in OSD guidance for useful life and capitalization threshold required creation of new asset classes in EBS

(i) Participated in the DoD Cash Accountability and Traceability Working Group to ensure EBS is following the Defense Cash Accountability Strategy to streamline the process and become a Treasury Central Accounting Reporting System daily reporter.

(j) Annual Pricing Updates to the 4.7 million+ DLA managed materials occurred. This action involves how new selling prices are calculated and made effective on 1 October of the Fiscal Year. The intent of the pricing strategy is to break even over time (no gain / no loss).

(k) Added multiple elements to our key reports (Accounts Payable, Accounts Receivable, Negative Payables, etc.) so they are easily exported out of Financial Analytics and Metrics. Elements include the Eliminations Federal/Non-Federal indicator, eliminations trading partner, and document types.

(l) Continued supporting DLA Legal in identifying suspect bank accounts where Vendor's banking information was compromised in SAM, which flows to EBS and can result in payments being made to false accounts.

(m) J8 is the lead for OSD's Vendor Invoice and Payment working group that was organized in FY 19 where Defense agencies discuss current vendor payment issues and

potential resolutions. Allows agencies to provide lessons learned to other activities and identify common issues across the DOD.

(n) Participated in many meeting and demos for Enterprise Warehouse Management. Completed EWM 101 training. Assisted in defining Capabilities, writing User Stories and Epics.

# Defense Logistics Agency

## DLA Joint Reserve Force (J9)

### Fiscal Year 2019 Annual Historical Report



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

J9  
October 21, 2019

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: DLA Joint Reserve Force (J9) Fiscal Year 2019 History

I have reviewed the JRF's submission for chronicling Defense Logistics Agency history for fiscal year 2019 and would like to forward my endorsement.

You may contact me with any questions at 571-767-7277 or [Kristin.Kremer@dla.mil](mailto:Kristin.Kremer@dla.mil).

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Date: 2019.10.21 15:22:42 -0400

KRISTIN D. KREMER  
Deputy Director  
DLA Joint Reserve Force

Attachment: DLA Joint Reserve Force (J9) Fiscal Year 2019 History

## **1. Introduction**

The Joint Reserve Force is led by a two-star Navy Reserve Director supported by a full-time staff of Army and Navy active-duty service members and civilian personnel. Under the Director and Deputy Director are several divisions: J91 (Personnel); J93/7 (Operations, Training, and Readiness), J95/8 (Joint Plans, Policy, and Finance), and Special Staff (Special Assistant to the Director, Public Affairs and Judge Advocate General). Reporting to the J9 Director are reserve joint team lead liaisons assigned to: DLA J9 Headquarters, DLA Headquarters J3, DLA Headquarters Joint Contingency Acquisition Support Office (JCASO), DLA Aviation, DLA Disposition Services, DLA Distribution, DLA Energy, DLA Land and Maritime, and DLA Troop Support.

## **2. Organization**

The Joint Reserve Force (JRF) (J9) mission is to provide DLA with trained and deployment-ready reservists for contingency operations and additive support requirements to include operational support, surge capability, and exercise support planning augmentation. JRF leadership advises the DLA Director regarding the development and application of JRF support, readiness posture, and Service policies affecting utilization of DLA-assigned reservists.

## **3. Key Personnel**

Two foci for J9's readiness efforts were billet vacancies and culture. Overall, the JRF service-wide billet fill rates exceeded 90%, with the J9 leadership team engaged to achieve 93 percent manning for the first time. The JRF had a robust culture during FY 19, in comparison to the 2018 Culture Climate Survey results, where significant increases occurred in 10 of 12 focus areas, the highest possible quartile for any organization within the agency.

### **Leadership Transitions**

- a. RADM Deborah Haven (USN) replaced by RDML Grafton Chase (USN)-October 2019
- b. CAPT Phil Armas (USN), JTL replaced by CAPT David Buehler (USN)
- c. CMDCM William Sherman (USN) replaced by CMDCM James Butler (USN)-April 2019
- d. SGM William Downey (USA) replaced by SGM Kevin Timmons (USA)-June 2019
- e. COL Julianne LeFevre (USA), JTL replaced by LTC Denis McDonnell (USA)
- f. CDR Dedric Jackson (USN), JTL replaced by COL Danita Ladson (USA)

#### 4. Total Personnel

##### a. Authorized Funded Billets

Navy Reserve	326
Navy Full-time Support	3
Army Reserve	191
Army Staff	5
Air Force Reserve	127
Marine Corps Reserve	14
Civilian Staff	6
Total	672

##### b. Billets Assigned by Location

DLA Headquarters J9	38
DLA Headquarters J9 Staff	14
DLA HQ JCASO	16
DLA HQ J3	30
DLA Central	4
DLA Europe & Africa	13
DLA Pacific	4
DLA Aviation	34
DLA Disposition Services	201
DLA Distribution	191
DLA Energy	52
DLA Land and Maritime	35
DLA Troop Support	40
Total	672

##### c. Full-time Staff

Full-time Equivalent	6
Army Guard Reserve (AGR)	5
Navy Full-time Support	3
Total	14



## 5. Budget

Budget Categories	Amount	Percentage
Labor (Civilian)	\$718,000	46.00%
Contracts	\$0	0.00%
Travel	\$25,241	1.64%
Supplies	\$2,831	0.18%
Training	\$17,928	1.16%
ATF Travel	\$67,000	4.34%
ATF Contract	\$713,000	46.68%
<b>Total</b>	<b>\$1,544,000</b>	<b>100%</b>

## 6. Historical Narrative

### a. FY 19 Summary of Accomplishments

The JRF amassed over 41,000 man-days of contributory support, averaging 48 reservists on contingency operations in U.S. Central Command and U.S. European Command areas of responsibility. On average, 73 reservists or 11% of the JRF were on orders supporting DLA and the Warfighter. Navy personnel participated in numerous mobilizations, annual training, and inactive duty for training periods to support exercises and missions, efforts which enabled DLA to clear \$34M in suspended stock, reduce Nuclear Reactors Program N21 unfilled orders, and support the DLA Real Property Task Force. The JRF had over 83 reservists participate in 12 exercises in FY 19, with Navy reservists comprising the majority of the DLA Support Team for Exercise SABER GUARDIAN as well as being a vital component of Rim of the Pacific, Overseas Contingency Operations Readiness Training, and Talisman Sabre/Pacific Sentry Exercise 2019.

The JRF Leadership developed several initiatives streamlining personnel accountability, morale, and administrative process improvement through several JRF Policy Letters:

- (1) Amplifying Guidance on Key Employee Administration (April 12, 2019)
- (2) HQ JRF Joint Military Award Submission Process (April 24, 2019)
- (3) Amplification of Service Policies Regarding Reasonable Commuting Distances and Lodging of Individual Mobilization Augmentees (IMA) (dated May 17, 2019)

- (4) Joint Reserve Force Accountability during Battle Assemblies (June 11, 2019)
- (5) Establishment of Joint Reserve Force Mobilization and Deployment Tour Length (July 17, 2019)

The JRF Annual Leadership Review was conducted March 15-17 at DLA Headquarters Fort Belvoir, VA. The event was attended by LTG Darrell Williams and BG Doug Cherry, 76th Division Deputy Commanding General, enabling new JRF leaders to interact with the DLA leadership, the J9 staff, and JRF leaders. Over 90 leaders from across the organization participated in strategic discussions, collaborative exchanges of techniques and procedures, and training and team building.

b. Army Reserve Element (ARE)

The DLA JRF Army component contributed to DLA real-world missions and key DoD training events. Army reservists across the DLA enterprise provided support for DLA mission requirements by participating in multiple exercises and DSCA events, the DLA Real Property Task Force, and Audit Task Force initiatives. At DLA Troop Support (Philadelphia), Army reservists provided 66 days of contributory support for subsistence, medical cold chain, construction and equipment, and industrial hardware supply chains.

c. JCASO

JCASO Mission Support Teams (MST) personnel participated in numerous exercises and supported operational efforts throughout FY 19, as listed below.

(1) Deployed Support: JCASO personnel deployed to Bagram in support of the U.S. Forces-Afghanistan (USFOR-A) OCS Integration Cell (OCSIC), Poland in support of Atlantic Resolve, Republic of Georgia in support Logistics Development (LOGDIV) 19, Hurricane Michael Support in Florida and Texas, South West Border support in Texas; and USAID/OFAD Support to Venezuela.

(2) JCASO participated in the following exercises:

- (a) INTERNAL LOOK 19
- (b) JACKAL STONE 19
- (c) AUSTERE CHALLENGE 19-1
- (d) AUSTERE CHALLENGE 19-2
- (e) VIGILANT SHIELD 19
- (f) PACIFIC SENTRY 19-2
- (g) 19-1 (ex. KEY RESOLVE)
- (h) TURBO CHALLENGE 19
- (i) JUDICIOUS RESPONSE 19
- (j) ARDENT SENTRY 19
- (k) INTEGRATED ADVANCE 19
- (l) PACIFIC SENTRY 19-3

(m) INDOPACOM LOG Wargame  
(n) DONG MAENG 19

d. DLA Aviation

JRF Aviation does not have an operating budget; all orders for Reserve support are funded by the Services, with each unit member performing their required Annual Training, contributing 453 days or 3631 hours of contributory/direct support to DLA Aviation.

(1) Leadership Transitions

(a) Col. Eric Rivera (USAF), JTL replaced by CMDR Patrice Higgins  
(USN)-Jan-July 2019

(b) Lt. Col. (USAF) Rebecca Schultz assumed JTL position August 2019

(2) FY 19 Summary of Accomplishments

(a) January 16-February 22, 2019

A Navy reservist supported the U.S. Navy Aircraft on Ground (AOG) mission at Richmond, VA and Norfolk, Virginia, providing a critical reach-back capability to DLA components in order to leverage defense-wide logistics capabilities within the AOG cell. The reservist expedited acquisitions and delivery of parts and consumables within the DLA network per the end-to-end supply chain lead's direction. The reservist coordinated with defense and industry organizations to facilitate rapid procurement and distribution of supply material required to repair and maintain Navy aviation and weapons systems.

(b) April 29-June 30, 2019

CW3 Leon Davis, Jr, U.S. Army Reserve, provided support as a Customer Logistics Site Specialist, where he conducted Quality Assurance duties in support of the DLA Aviation Army Customer Facing Division. He researched over 2.4K NSNs and assisted with unfilled order reduction efforts.

(c) Retail Demand Planning and Forecasting

Maj. Randy Gabriel and GySgt Mike Vetreno, U.S. Marine Corps Reserve, supported DLA Aviation as members of the Retail Demand Planning and Forecasting Integrated Product Team (IPT) which provided strategic organizational maintenance and program management inputs. Maj Gabriel and GySgt Vetreno provided subject matter expert

input, drafted and presented briefs to stakeholders, coordinated three planning conferences at Richmond and NAS Patuxent River and developed a repository for members to share RDPF documents.

**e. DLA Disposition Services**

DLA Disposition Services had a very successful FY 19, spearheaded by the organization's involvement in contingency exercises and mobilizations. Disposition Services continues to recruit strongly across all services, minimizing positional vacancies and ensuring that a strong and trained workforce stands ready to deploy in support of contingency operations.

**(1) Leadership Transitions**

SHCM Michael Bevel (JTL), HQ SEL replaced by LSCS (USN) Brett Landau-  
June 2019

**(2) FY 19 Summary of Accomplishments**

(a) DSU-1: Two U.S. Army Reserve non-commissioned officers were part of the first-ever Disposition Services mobile expeditionary site OCONUS deployment at Camp Bondsteel, Kosovo. The hugely successful exercise served as an evaluation tool for the viability of deploying Expeditionary Site Sets to austere environments and was a precursor to SABER GUARDIAN.

(b) DSU-1 and DSU-2: In June 2019, personnel were mobilized to participate in Exercise SABER GUARDIAN at Camp Bondsteel, Kosovo. Over 628K pounds of scrap materials and 655K pounds of hazardous waste were received and processed during a two-week exercise, with equipment and materials processed totaling \$1M.

(c) DSU-3: In June 2019, MAJ Mendenhall, U.S. Army Reserve, led command and control of the Overseas Contingency Operations Readiness Training exercise, which is Disposition Services' primary yearly training event.

(d) DSU-4 and DSU-5: In June 2019, fourteen personnel (8 from DSU-4, 6 from DSU-5) supported the Disposition Services OCORT exercise. These members processed 278 DTIDs and 411-line items totaling approximately 69K pounds of scrap material.

(e) DSU 6: In December 2018, the unit received the Navy Operational Support Center Jacksonville, FL Naval Reserve Unit Excellence Award for the medium-sized unit category.

**f. DLA Distribution**

DLA Distribution major initiatives and accomplishments focused around the FY 19 Strategy Map and DLA Lines of Effort. The JTL worked with the DLA Distribution J9 staff and Senior Leaders to increase deliberate planning processes and developed a FY 20 mission requirements list to improve the planning and prioritization of customer needs and inform budget/manpower requirements.

(1) Leadership Transitions

2019 CAPT Jim Shelton (USN), JTL, replaced by CAPT Alan Schmitt (USN)-July

(2) FY 19 Summary of Accomplishments

(a) June 5, 2018- September 30, 2019

Lt. Colonel Wawrzyniak (USMC) served as the DLA Distribution Liaison Officer between the Commander, DLA Distribution and the Commander of the Regional Command, providing expert storage and distribution advice and technical guidance to direct the design, development, execution, and promulgation of deliberate and crisis action plans for theater-wide sustainment of OSD, Joint Chiefs of Staff, Service Component Commands and the Department of State.

(b) January 7-September 30, 2019

Navy, Air Force, and Army Reservists supported DLA Distribution Pearl Harbor's request to assist with their wholesale operations performing emergency supply and warehousing functions due to manning shortages. A total of 13 DLA Distribution supported J3's request for assistance due to a critical shortfall in the civilian transportation series.

(c) January 14-February 23, 2019

Six Navy Reservists from EDSU-OO/WG performed a wide range of warehousing duties involving receiving, storing, selecting, and shipping materials at various warehouse locations. The reservists were required to use automated equipment such as computer terminals, bar code wands, and/or laser scanning equipment to read, store, query, route, and track data. They were also tasked with loading and unloading shipments from trucks and other material conveyances utilizing forklifts capable of lifting and moving materials weighing 15K pounds or more and manual pallet hand trucks.

(d) January 15-February 8, 2019

Twelve Navy Reservists from EDSU-JC supported DLA Distribution San Diego's request to assist conducting location surveys and completing data entry into DSS for proper inventory management and accountability.

(e) February 1-April 5, 2019,

DLA Distribution J5 requested reserve assistance in the closure of the MPC operation at Salalah, Oman. Four Navy Reservists supported this request, serving as Technical Points of Contact (TPOC) during the decommissioning of the MPC. TPOC oversaw government equipment packed and shipped; collected tokens and oversaw security and safety sweeps conducted by DLA Distribution Bahrain personnel. TPOC was responsible for providing status updates to Bahrain leadership and Distribution J5 and J7 as required.

(f) April 28-June 21, 2019

DLA Distribution provided 20 Navy and one Marine Reservist to bases in Sigonella and Germersheim in support of SABER GUARDIAN 19. While on orders the reservists were credited with sorting over 3,400 pieces of materiel; processing over 900 documents; conducting customs inspections on 450 items; picking 395 orders; stowing more than 130 pieces of materiel; and separating nearly 400 hazardous materials by class, compatibility, and Department of Defense activity address codes

(g) July 7-24, 2019 and August 12-23, 2019

DLA Distribution Norfolk requested reservists to receive freight, sort freight, and load/unload containers at the DLA Distribution Norfolk Container Consolidation Point freight station. Their request was filled by two rotations, totaling 14 JRF members, who were tasked with backfilling the civilian freight station employees who would be augmenting the stevedore operations for a ship loading operation in support of the U.S. Air Force's Pacer Goose, the Air Force's annual resupply mission for Thule Airbase in Greenland:

(h) July 13-24, 2019

CDR Kacey Lorson, EDSU-SP supported DLA Distribution's request for a liaison officer to augment the Combined Logistics Group at Rockhampton during TALISMAN SABER 19-A combined joint multilateral field training exercise that provides a training venue for forces from Australia, Japan, U.K, New Zealand, and Canada to conduct high-end operations.

(i) August 5-31, 2019

Fifteen Navy Reservists supported DLA Distribution Sigonella's request for backfill assistance to the 6th Fleet. JRF members' primary support was to MPC operations and also provided secondary support to other Distribution functional areas, including Pick, Pack, Stow, Quality Assurance, Receiving, Stock Readiness, and Transship. Work accomplished included receiving/distributing 7K -line items valued at \$1.5M and processing 981 Care Of Supplies-in-Storage using DSS.

(j) August 30-September 7, 2019

Five Reservists supported Hurricane Dorian relief efforts at Maxwell AFB. Two Reservists supported Hurricane Dorian relief efforts alongside DLA Distribution Expeditionary and FEMA at Fort Bragg.

g. DLA Energy

The Energy JRF provides support on an as needed basis. The Energy JRF continued support of the State Department and the Energy MSC through filling a Liaison Officer (LNO) requirement at the US Embassy in Kabul. Working in coordination with DLA-E (Middle East/Africa), this LNO worked to ensure the full support of the Energy enterprise to US Government operations in Kabul and across Afghanistan.

(1) FY 19 Summary of Accomplishments

DLA Energy contributed three Army reservists providing hurricane support by contributing to Headquarters operations and intermediate staging base activities in support of the Federal Emergency Management Agency (FEMA). The team reviewed designated acquisition documents to identify potential process risks and to help mitigate potential risk impacts. DLA-C/S provided a customer perspective to the process and leveraged the Regional Command's knowledge and understanding of plans and operations that could directly affect the implementation of future requirements.

h. DLA Land & Maritime

The JRF members are funding by their respective services in support of operations and training as delineated. Annual Training, Active Duty for Training, or Inactive Duty for Training is funding by individual services. Where applicable, the MSC – DLA Land and Maritime funds Personnel Force Innovation tours and Active Duty for Special Work. Across the JRF, each member has or will have satisfied his/her Annual Training in support of operational/regional exercise support between 14-29 days on or before September 30, 2019.

(1) June 3, 2019

CDR Michael Gomes participated in PACIFIC SENTRY 19. This was a Joint Exercise of DoD branches and the Australian military. CDR Gomes stood the starboard night watch as a Liaison Officer DLA INDO-Pacific Region LNO as an LNO to field white cell injects.

## (2) ULO Project Support

The Land and Maritime JRF integrated with the MSC to provide Unliquidated Obligations (ULO) Project Support by performing actions to close out aged delinquent contracts. Total value of the purchase orders vary monthly based on requirement as for example the May 2019 effort was \$1.1M of which a substantive portion is now in the process of being recovered due to contract delinquency or non-responsiveness from the respective vendors. They provided additional project support by sending 48 hour Demand Letters. Correspondingly, the total value of the purchase orders was \$558.2K and the large majority is now in process of being recovered due to contract delinquency from the respective vendors.

### i. DLA Troop Support

The Troop Support Joint Reserve Force provided a total of 2.2K hours of contributory support for FY 19, partnering with each of the five MSC directorates / classes of supply: Subsistence (Class I), Clothing & Textiles (Class II), Construction & Equipment (Class IV), Medical (Class VIII), and Industrial Hardware (Class IX), as well as the Troop Support Command and Control Center.

#### (1) Leadership Transitions

LTC Mark Seris (USN), JTL, replaced by COL Gregory Smith (USA)

#### (2) FY 19 Summary of Accomplishments

JRF personnel provided contributory support for the subsistence directorate for review of past-due receipts within the USDA Fresh Fruits and Vegetables Order Receipt System in support of U.S. Department of Agriculture (USDA)/DLA meal programs. JRF personnel provided guidance/support to invoice delinquent receipts to prevent unliquidated government obligations. Their efforts addressed 173 customer accounts with 1,493 individual requisition lines, resolving \$98K worth of unpaid vendor claims. JRF personnel also created 124 new USDA/school accounts within the Enterprise Business System to enable new customer participation in USDA/DLA meal programs.

JRF personnel provided daily contributory support for the Medical Directorate cold chain vaccine mission during the 2018-2019 flu season, supporting the health readiness of DoD personnel and dependents worldwide. JRF personnel analyzed 2.8K TempTale readers during FY 19 (more than 75 percent of all monitors distributed by DLA), directly contributing to a low product loss rate of only 1.4 percent for the 2018-2019 flu season.

JRF personnel provided contributory support for the Clothing & Textiles Directorate to perform market trend analysis for military dress clothing contract option years that cumulatively saved 595 days of administrative lead time and a total of 1,125 production days over new procurement. This effort saved the government \$487.2K versus current market prices.



## **5. FY 19 JRF Lines of Effort (LOE) and Initiatives**

a. Accomplishments for Line of Effort: Warfighter First, Objective 1.2: Readiness and Lethality, Initiative 1.2.1: Provide Trained and Ready Joint Reserve Force.

DLA Aviation, JRF personnel, received training per their designated skill sets, with in-rate or technical training completed based on their career specialty. Currently, at least four personnel are DLA Aviation civilian employees and perform similar duties in their reserve and civilian capacity. Additionally, designated personnel completed the Material Management Contingency Training Course on September 23-28, 2019, at DLA Headquarters Fort Belvoir, with additional personnel receiving access to various DLA-specific applications such as FEDMALL and the inventory locator service website.

In FY 19, Disposition Services personnel participated in two significant large-scale exercises: Operation SABER GUARDIAN (June 2019) and Camp Bondsteel, Kosovo, an exercise that followed the first-ever OCONUS deployment of an Expeditionary Site Set (ESS) to conduct disposition processes in an austere environment. A team composed of military members and Disposition Services civilians collaborated to process over 1,995 line items of scrap materials totaling 628.4K pounds and valued at \$1.1M. The team also received and processed over 655K pounds of hazardous waste.

The exercise was successful in reducing the significant backlog of equipment and materials accumulated over several years of military operations in a region which previously lacked efficient or cost-effective means to dispose of used or worn property. The successful deployment and utilization of an ESS during SABER GUARDIAN served as a model for future missions and exercises.

Disposition Services conducted a successful Overseas Contingency Operations Readiness Training exercise at Battle Creek, MI, June 8-23, 2019, which included over 30 combined military and civilian participants and involved set-up, completion of Disposition Services operations, and ESS tear down at two sites. Overall, exercise participants were able to process 278 direct turn-in documents (DTID) and 411 line items totaling approximately 69K pounds of scrap material. The exercise was a true testament of the “one team, one fight” spirit, with additional emphasis on establishing strong partnerships and putting the warfighter first. Both exercises discussed above significantly contributed to the organization's efforts to build a cohesive team of trained, ready civilian and military personnel for the continued support of Disposition Services missions in Kuwait, Afghanistan, Qatar, and other areas of operations.

For DLA Distribution, the collaboration between the JTL, DLA Distribution J9 staff, and senior leaders greatly increased deliberate plans process engagements, resulting in the development of an FY 20 mission requirements list that improved the planning and prioritization of customer needs to inform budget and manpower requirements better.

Similar to DLA Aviation, DLA Land and Maritime, JRF personnel had multiple personnel in civilian employee roles that closely align with duties and responsibilities for which they perform in a reserve capacity. There were also assigned personnel with direct access to DLA systems and databases, as well as other resources for sustained MSC support. During FY 19, nearly 50 percent of assigned personnel received Counterfeit Detection and Avoidance Program (CDAP) training from a DLA Center of Excellence.

**b. Accomplishments for Line of Effort: Warfighter First, Objective 1.2: Readiness and Lethality, Initiative 1.2.2: Fill Mobilization Billets**

J9 HQ implemented the JRF SharePoint portal to provide JTL personnel a centralized means to document and actively track manpower and readiness metrics for increased visibility and briefing to DLA HQ J9 leadership. SharePoint use combined with active recruiting efforts resulted in an overall JRF billet fill rate increase from 88 percent in FY 18 to over 92 percent throughout FY 19. During FY 19 and across the entire DLA enterprise, the completion of 2 Air Force, 25 Army, and 57 Navy outside the continental United States (OCONUS) deployments/mobilizations in support of DLA missions across the globe occurred. Within the continental United States (CONUS), JRF personnel completed 76 Army Personnel Force Innovation, as well as 4 Marine Corps and 41 Navy Active Duty for Special Work tours. Mobilization processes and timelines were intricately mapped and codified for each service, actions that provided a ready reference for use across the agency to request capability-based reserve support.

DLA Energy, JRF personnel, supported the MSC and the U.S. State Department by filling a Liaison Officer requirement at the U.S. Embassy in Kabul, with continued rotational support expected. DLA Troop Support, JRF personnel supported 11 FY 19 deployments / mobilizations to Djibouti, Afghanistan, Kuwait, Bahrain, Hawaii, and other CONUS-based locations.

**c. Accomplishments for Line of Effort: Warfighter First, Objective 1.2: Readiness and Lethality, Initiative 1.2.3: Contribute to DLA Mission Success**

The JRF Aviation team is focused on providing order fulfillment support for MSC supply stock posture for the H60, MH60, F/A 18, MV22, H64, and Rhino F/A 18 Recovery and CH-53 Reset. Six Navy reserve personnel seamlessly augmented the DLA Aviation, Richmond team, meticulously researching approximately 6.8K national stock number and surplus items as well as expediting the emergency buy process. The efforts these members resulted in approximately 2,500 civilian workforce man-hours saved, led to the award of additional contracts, and greatly contributed to the return of aircraft to fully mission capable status.

Over 25 DLA Disposition Services, JRF personnel deployed in support of contingency operations in Kuwait and Afghanistan. The efforts of these individuals were paramount to supporting the reception, processing, and safe disposition of large quantities of equipment and materials in these theaters of operations. DLA Disposition Services' ability to provide trained personnel for immediate integration and contribution to locally-based teams reflects well on the organization's training programs and internal mobilization planning processes.

DLA Land and Maritime, JRF personnel, seamlessly integrated to support MSC operations and contributed the following deliverables:

- (1) Tiger team material processing: valued at approximately \$14.3M
- (2) Material upgrades: 404,308 line items valued at \$8.5M
- (3) Disposals: 5,111 line items valued at \$872K
- (4) Backorder lines cleared: 956
- (5) Backorder quantity cleared: 179.9K
- (6) Supply Discrepancy Report (SDR)/quality notifications processed: over 1K
- (7) Follow-up requests for market research surveys completed: approximately 500

DLA Troop Support, JRF personnel provided daily contributory support for the medical directorate cold chain vaccine mission during the 2018-2019 flu season, greatly enhancing the readiness of DoD personnel and dependents worldwide. Essential tasks included processing/interpreting data from TempTale vaccine shipping temperature monitors, investigating alarmed readers, and partnering with vaccine manufacturers and DoD customers for product resolution. During FY 19, JRF personnel analyzed 2,837 TempTale readers (more than 75 percent of all monitors distributed by DLA), directly contributing to a product loss rate of only 1.4 percent for the 2018-2019 flu season. Troop Support, JRF personnel also provided contributory support for the clothing and textiles directorate, conducting market trend analysis for military dress clothing contract option years that cumulatively saved 595 days of administrative lead time and a total of 1,125 production days over new procurement, facilitating continuous supply availability. This effort effectively saved the government \$487.2K when compared to current market prices. In addition, JRF personnel conducted Air Force clothing demand trend analysis as compared to all other services and meticulously prepared a shipment of high dollar value scanning equipment for Recruit Training Center use.

d. Accomplishments for Line of Effort: Global Posture, Objective 2.3: Expeditionary Capabilities, Initiative 2.3.1: Define JRF Rapid Deployment Capability

In FY 19, the Joint Reserve Support Team (JRST) concept was introduced, composed of reserve military personnel with various skills that create an essential element that provides logistics support to DLA customers around the world. Each 10-person team consists of a Commander, Deputy Commander, Operations Officer, Universal Customer Account Specialist, Class I Specialist, Class III(B) Specialist, Class IV Specialist, Disposal Specialist, Distribution Specialist, and general logistician. In order to effectively track JRF and JRST requirements, a JRF exercise support SharePoint portal was created, which provides JRF members information that reflects available opportunities to participate in exercises or annual training events in support of DLA/J9 missions and administrative support. In essence, the focus of the portal is to match JRF personnel with the required rank and/or skill sets listed for each opportunity, with JRF

personnel volunteering for opportunities with concurrence/approval from their assigned leadership.

To support each event, JRF members must ensure overall readiness through timely completion of all medical, dental, training, and other noted requirements, ensuring they are fully medically and physically qualified are prepared for rapid, worldwide deployment. JRF documents and personnel readiness status are tracked via the J9 SharePoint portal for all assigned members. Personnel are not fully qualified (medical / dental) for worldwide deployment are notified via their respective chain of command, with JTLs actively working within Service parameters for timely completion to ensure member participation in DLA exercises, deployments, and other events. As an example of event participation, in 2019, DLA Disposition Services showcased its ability to rapidly deploy and provide support for a Tyndall Air Force Base / Eglin Air Force Base retrograde operation. DSU-3 (Salt Lake City) provided 44 percent of the total assigned manpower and was able to execute the mission with minimal planning, due primarily to the short-fused nature of the support request. The team successfully completed the retrograde exercise, clearing a considerable backlog of equipment and materials to allow for receipt of newly acquired assets.

e. Accomplishments for Line of Effort: Global Posture, Objective 2.5: Joint Reserve Force Integration, Initiative 2.5.1: JRF Capability and Force Structure Assessment

In December 2018, the DLA HQ J9 Manpower Analysis Team was established to conduct a capability gap analysis (Phase I) for all Joint Reserve Force funded reserve billets (658). JTLs conducted a comprehensive review of each assigned billet (across all services) to address known capability gaps as well as to validate the current personnel fit (rate, rank, MOS, series, location, etc.) based on the current mission(s) and operational requirements. Each JTL provided recommended billet actions to the J9 Action Officer, which were reviewed and adjudicated by the DLA HQ J9 staff.

Based on the feedback received, 78 billet action requests were submitted for JRF Air Force, Army, Marine Corps, and Navy billets assigned to support DLA HQ, JCASO, J3, Disposition Services, Distribution, Energy, and Land & Maritime. Of the 78 requested actions, 64 military manpower change request documents were approved for submission to the DLA J9 Service leads for adjudication via their respective services. Following implementation, the current JRF billet structure will better align personnel, skillsets, and capabilities to meet the organization's mission in support of Major Subordinate Commands and Regional Commands. Each billet action request will be monitored by the J95 staff until complete, with DLA J9 planning to conduct a follow-on manpower review of currently assigned / funded billets in 2021 / 2022. Major milestones included the following:

- (1) December 2018: Establish a Manpower Analysis Team to conduct the JRF capability gap analysis
- (2) January 2019: Initiate a data call for each JTL to provide recommended revisions to currently authorized and assigned JRF billets
- (3) February 2019: JTL inputs received and consolidated

requirements

- (4) February – March 2019: J95 engagement with JTLs to clarify requests /
- (5) April 2019: JTL requests vetted through J9 Service Leads for adjudication
- (6) May 2019: Phase I brief conducted with J9 Deputy Director and Executive Officer
- (7) June 2019: Phase I debriefs conducted with JTLs
- (8) June 2019: Phase I brief conducted with DLA J9 Director
- (9) July 2019: Military Manpower Change Request documents were generated, signed, and distributed to J9 Service Leads for action
- (10) Ongoing: J95 follow-up with J9 Service Leads regarding completion of billet action requests

Phase II analysis began in March 2019, which consisted of a force structure review that required each JTL/MSO to determine the number of additional capability-based JRF billets to support operation plan requirements. Requests to increase JRF force strength by 321 billets were provided by DLA Disposition (89 billets), DLA Distribution (209 billets), DLA HQ J3 (18 billets), DLA Energy (4 billets) and DLA HQ JRF Staff (1 billet). This initiative was executed in close coordination with the DLA HQ Agency Synchronization Operations Center and DLA J3, which completed validation of DLA regional support team requirements to include locations, total number, and required capabilities / skillsets in order to determine the total number of positions that would be filled by active component, civilian, and reserve component personnel. This initiative will extend into FY 20 based on required capability gap analysis and JRF personnel alignment, which could ultimately revise the initial estimate of 321 additional reserve billets for OPLAN support in multiple areas of operation/responsibility.

JCASO's mission includes a specified task to "Engage and collaborate with OSD, Joint Staff, MILSVCS, and other DoD organizations on OCS initiatives." OCS Tutors: Progress is 85 percent as of May 14, 2019 based on delivery of 157 out of 185 total contract deliverable reports due. This initiative is a success story for the Department, DLA, and the warfighter. Some of the highlights of this effort include:

- (1) Tutors for USAF are integrating OCS equities into Air Force Instructions and career field training for 48 functional areas, in support of USAF DCR Implementation, and have improved OCS in plans at USAFE, AFNORTH, and AFSOUTH.

- (2) Tutors for US Army have injected OCS into Army unit mobilization training, conducting 12 engagements with active and reserve unit staffs this training year, with 8 more engagements approved by the Army POC and COR for the period between the May 14, 2019 report date and end of FY 19.

- (3) The Tutor for USMC revised USMC Expeditionary Logistics training in collaboration with the Marine Corps Logistics Operations Group to include OCS considerations.

(4) The Tutor supporting SOCPAC has developed or refined Annex Ws for 2 OPLANs, 2 CONPLANs, and 2 Campaign Support Plans, and is training SOCPAC staff on Time Phased Force Deployment Data analysis and OCS Defense Readiness Reporting System tools.

(5) Tutors supporting DLA have helped develop OCS integration capabilities in the ASOC and improved OCS knowledge management through OCS—Connect in collaboration with the Joint Staff J4

REI: Contractor performance started April 1, 2019. In support of contract deliverables (systems and tools to visualize CSD and methodology to assess associated risk), the REI team is working with the EUCOM J4 OCSIC to facilitate and establish OCS-related boards and working groups, develop OPLAN Annex W appendices, and assist with programs such as Vendor Threat Mitigation/Vendor Vetting capability aligned with REI objectives. Recently, REI team's analysis of EUCOM, 21 TSC, and DLA trucking requirements identified the "Top 5" most-relied upon companies to help prioritize VTM efforts.

The next milestone is for the REI contractors to provide a Plan of Action and Milestones (POAM) and report progress on a monthly basis to ensure the contractors are on track and aligned with the established stakeholders' objectives. Additionally, JCASO will regularly update the community of interest through established joint boards and working groups.

f. Accomplishments for Line of Effort: Global Posture, Objective 2.5: Joint Reserve Force Integration, Initiative 2.5.2: JRF Integration with Regional Command Plans

In January 2019, DLA HQ J95 engaged with each Regional LNO to request Geographic Combatant Command training requirements (online, resident, etc.) for all newly reporting personnel, specifically reservists who provide general, mission, and exercise support during a designated timeframe. This consolidated list would also assist in generating individual training plans for selected reservists assigned to DLA units that support each Geographic Combatant Command. As such, all geographic and service-specific training requirements were received, consolidated, and are now disseminated as part of the DLA JTL J3 monthly updates. Per DLA JTL J3's guidance, in FY 20, the JRF will take a capability-based approach to align JRF members to each DLA Regional Command vice the 2018 unit alignment approach, which did not clearly articulate the skillsets and capabilities contained in each unit to meet Regional Command requirements.

g. Accomplishments for Line of Effort: Strong Partnerships, Objective 3.2: DoD and Inter-agency Partnerships, Initiative 3.2.3: Increase JRF Joint Exercise Participation

FY 19 JRF exercise requirement requests began with 17 exercises supported by 123 reservists. By the end of FY 19 Q1, the requirement was reduced to 15 exercises supported by 94 reservists, based largely on political developments that suspended Ulchi Freedom Guardian. By the end of FY 19 Q2, DLA fund constraints substantially impacted operations throughout the agency, resulting in the cancellation of all remaining FY 19 exercises supported by JRF personnel. As a result, JRF personnel supported 12 exercises with a total of 83 reservists. As an example of exercise participation, Major Randy Gabriel, assigned to DLA Aviation, was

assigned to Larrakeyah Precinct (Base) in Darwin Australia from July 1 – September 30, 2019. He seamlessly integrated into the Marine Rotational Force-Darwin (MRF-D) Command Element staff, diligently addressing DLA and MRF-D noted challenges as well as supporting MRF-D Field Grade Officer requirements. He also reconciled fuel billing discrepancies between MRF-D Air Combat Element and DLA Energy, totaling nearly \$1M in non-invoiced fuel charges.

h. Accomplishments for Line of Effort: Whole of Government, Objective 4.1: Crisis Response, Initiative 4.1.1: Provide JRF Resources for Defense Support of Civil Authorities (DSCA) Events

In order to provide an immediate response to natural disasters in the United States, JRF personnel developed a holistic DSCA support plan which ensured ready and available support for any DLA mission requirements. Using the J9 SharePoint portal, multiple reservists volunteered to support various operations centers and relief efforts throughout the hurricane season. For DLA Aviation, there was approximately 5 personnel who volunteered to support DSCA/hurricane operations while DLA Distribution had 12 JRF members receive orders during FY 19 Q4 to provide operational support, conduct FEMA training, and serve as standby reserves for hurricane support.

i. Accomplishments for Line of Effort: Always Accountable, Objective 5.2: Auditability, Initiative 5.2.1: JRF Resources for Agency Audit Efforts

During FY 19, 20 reservists supported the DLA Real Property Task Force (RPTF) to ensure proper accountability of government resources and maintain good stewardship of taxpayer dollars. In addition, 16 reservists were assigned to suspended stock tiger teams, with their efforts resulting in successful clearing of \$34M of Condition Code “L” items. In a 30-day span, the RPTF Pacific West Region team conducted a complete physical inventory and validated over 230 real property assets with an acquisition value of more than \$108M. Five reservists were also assigned to the DLA Audit Task Force, ensuring DLA financial processes and procedures were Financial Improvement and Audit Readiness compliant per governing policies.

Troop Support JRF personnel provided contributory support for the industrial hardware directorate, conducting record management file research for contracts valued at less than \$25K in order to determine if proof-of-delivery was applied to linked items, thereby ensuring timely vendor payment. Their efforts resulted in 30 vendors receiving immediate payment functionality within the DLA Enterprise Business System (EBS).

j. Accomplishments for Line of Effort: People & Culture, Objective 6.5: Fortify the Culture, Initiative 6.5.1: Develop and Implement Culture Action Plan

During FY 19, the JRF exhibited a healthy culture, reflected by the 2018 Culture Climate Survey results (administered across DLA by Denison). It demonstrated considerable increases in 10 of the 12 observed areas and boasted the highest possible quartile for any organization. The JRF Focus Areas, based on survey results and comments, were communications (ties to leader engagement and coordination/integration), capabilities (direct support of capability development), and processes and integration. The 2018 overall results showed strong alignment with organizational goals and vision, understanding of customer needs, empowerment of team members, and support for risk-taking as well as demonstrated a positive shift from short-term to long-term organizational thinking/vision. JRF leadership continued to strive for improvement in the areas of communications, training, and process improvements, with teams focused on implementing the 2019 culture action plan. The JRF full-time staff greatly contributed to mission support efforts via the implementation of a SharePoint knowledge management repository, which provided real-time individual readiness metric visibility across the organization and its assigned billets.



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# Defense Logistics Agency

## DLA Installation Management (DM)

### Fiscal Year 2019 Annual Historical Report



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

October 31, 2019

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: Historian

SUBJECT: Submission of DLA Installation Management FY19 Annual History Input

As we embarked on the FY19 Dynamic Operating Plan, I provided in my guidance to the staff, that I looked forward to working together towards making it a landmark year. My initiatives were broad and organizationally demanding, but I believed each success would bring us closer to meeting DLA's Strategic Goals. The attached pages show highlights from those successes as DLA Installation Management continued to adapt and innovate to meet the ever changing requirements affecting DLA's mission.

We always consider the Warfighter first and look for the most efficient and economical ways to do so while also looking out for our people. We continually encourage our people to work safely and passionately in support of our mission.

We hope that as people read these pages they will see a workforce ready, willing, and able to do all that it can to exceed the DLA Director's goals for the Strategic and the People and Culture Plans.

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GORDON B. HACKETT III  
Director  
DLA Installation Management

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Attachment:  
Annual History Input

## **1. Introduction**

The Installation Management (DM) historical record outlines the actions DM took over the course of Fiscal Year 2019 to improve and sustain the effectiveness and efficiency of service provided to our customers, civilian and military, internal and external to DLA. It also provides the key operating goals, initiatives, metrics, and tools used to monitor regularly our performance to ensure we can meet present and future requirements.

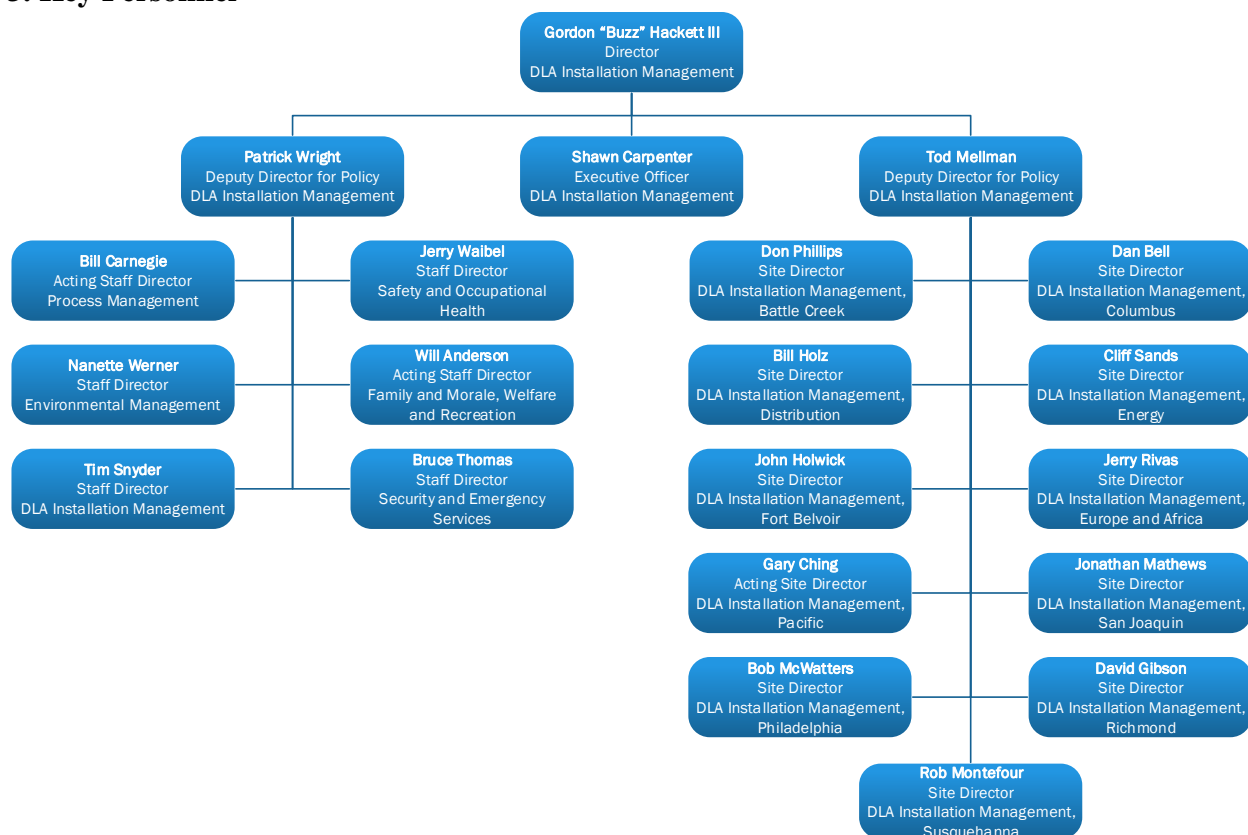
DM provides worldwide policy, program, and operational support in the areas of:

- a. Facilities and Equipment
- b. Safety and Occupational Health
- c. Environmental Management
- d. Security and Emergency Services
- e. Family and Morale, Welfare, and Recreation

## **2. Organization**

The mission of DM is to provide safety, security, installation and facilities management support policy to all DLA organizations. The staff enables DLA's Headquarters (HQ) Staff and Major Subordinate Commands (MSCs) to provide logistics support to the warfighter, DoD components, and other customers.

### 3. Key Personnel



There have been several changes over the last year to our key leadership positions. New individuals have been hired into the following key positions:

- a. Director, DLA Installation Management
- b. Deputy Director for Policy
- c. Deputy Director for Operations
- d. Staff Director, Process Management
- e. Staff Director, Facilities and Equipment
- f. Staff Director, Family and Morale, Welfare, and Recreation
- g. Staff Director, Security and Emergency Services
- h. Site Director, Energy
- i. Site Director, Europe and Africa
- j. Site Director, Pacific
- k. Site Director, Philadelphia

#### 4. Total Personnel:

Office	Authorized Civilians	On-Board Civilians	Military
DM Director's Office	4	9	0
Staff			
Process Management (DM-A)	13	12	0
Environmental Management (DM-E)	12	12	0
Facilities and Equipment (DM-I)	39	38	0
Safety and Occupational Health (DM-O)	6	8	1
Family and Morale, Welfare and Recreation (DM-Q)	0	0	0
Safety and Emergency Services (DM-S)	16	17	0
Sites			
Battle Creek (DM-FB)	63	58	0
Columbus (DM-FC)	276	254	0
Distribution (DM-FD)	47	47	0
Energy (DM-FE)	74	54	0
Fort Belvoir (DM-FF)	143	124	0
Europe and Africa (DM-FG)	33	31	0
Pacific (DM-FH)	47	46	0
San Joaquin (DM-FJ)	178	161	0
Philadelphia (DM-FP)	50	44	0
Richmond (DM-FR)	254	217	0
Susquehanna (DM-FS)	343	312	0
<b>Total:</b>	<b>1,598</b>	<b>1,444</b>	<b>1</b>

DM-Q has zero authorized FTEs, but maintains a Non-Appropriated Fund staff of 38 and the DM enterprise has 532 NAF employees.

#### 5. Historical narrative

##### a. OBJ 1.3: Supporting Initiatives

##### (1) Initiative 1.3.4: Strengthen the Organic Industrial Base Infrastructure

In October 2018, launched EBS software upgrades “back to standard” to correct standard reporting capabilities and enable future software updates

(2) Initiative 1.3.5: Reduce Cyber Risk to Installation / Facility Control Systems

b. OBJ 5.2: Supporting Initiatives

(1) Initiative 5.2.1:

Created and implemented a strategy for comprehensive 100 percent physical inventory count for inventory in stock and real property, and strengthen information technology security measures. Closed 10 percent of FY 18 Notice of Findings and Recommendations.

c. OBJ 6.4: Supporting Initiatives

(1) Initiative 6.4.2:

Maintain individual and organizational focus on the safety and security of our workplace. Achieved the highest performance levels by establishing, implementing and maintaining safeguards to protect all DLA personnel, facilities, mission, and resources from terrorism, vandalism, misuse, theft, assault, espionage, sabotage, unauthorized disclosure or loss. In a year of several incidents at military installations, no terrorist or major criminal incidents occurred against DLA.

During the Triennial NORTHCOM AT/Force Protection Program Review DM-S received outstanding results. NORTHCOM Assessors stated: "DLA continues to execute their program according to the NORTHCOM Commander's vision for AT/FP; all required components of the AT program are addressed – staff expertise and experience evident – DLA is the vanguard of the Mission Assurance construct – multiple new initiatives and program advancements." Coordinated, developed and supported various DLA Leader initiatives and functions:

(a) Supported installation full scale exercises, provided objective observations and made recommendations to improve processes.

(b) Developed and published the DLA AtHoc Mass Notification System instruction to guide the use of the AtHoc system within the Agency.

(c) Extended the use of AtHoc for network outages to all employees regardless of location. The action ensures a more effective and efficient use of J6 resources.

Coordinated with J31 responsibility for managing, coordinating, and overseeing the DLA Mission Assurance Working Group; formally chaired by the DLA Chief of Staff -- membership representation from MSCs and J/D codes; worked to provide smooth transition to include operational side of DLA.

Synchronized security risk management with DLA's ERM program. Provided security risk assessment methodology documentation to J8 ERM team and; highlighted key deficiencies during the Disposition Services Agency Management Review.

Persevered in obtaining M4 Rifle to the police weapons inventory as a force enhancer to improve our capability to respond during active shooter events. Worked directly with the DoD licensing team to become the only DoD Agency licensed to procure M4s.

(a) Built DLA two Instructions and four Manuals to exacting DoD Use of Force standards.

(b) Procured 48 M4 rifles for \$31K using US Army contract, a 30% cost savings for DLA compared to other alternatives.

(c) Actions were commended by DLA DM Director and processes were benchmarked by Pentagon Force Protection Agency.

Managed Agency Real-time Automated Personnel Identification System and Common Access Card (CAC) programs to high levels of excellence. Directly contributed to DM-San Joaquin receiving DMDC's RAPIDS Site of the Year and four sites receiving "High Flier" Certificate of Performance. Ensured timely execution of all required duties of DLA's Service Point of Contact for the Trusted Associate Sponsorship System (TASS). Oversaw completion of one no-notice audit to ensure Contracting Officer's Representative/Trusted Agent compliance with all contractor CAC requirements. Reissued DLAI 1000.13 to update and clarify guidance for DLA's TASS practitioners.

Authored several articles for DLA Today and Director, DLA Installation Management, Blogs: Crime Prevention, CTIP, criminal threats, mitigation and reporting procedures, emergency procedures and Fire Safety & Prevention.

(a) Promoted use of DLA iWATCH through articles, exercises, and tests to reinforce mechanisms for reporting suspicious activities across DLA. These personal protection and awareness blogs and numerous awareness articles are released by Public Affairs across social media, bulletins, newsletters, and DLA Today (DLA website).

(b) Inform workforce through blogs, articles and Did-You-Know on DLA Intranet. Tuned to the workforce targeting fire prevention, self-protection, and emergency communication.

Responded quickly and decisively on several real-world security events to include up channel reporting to DLA leaders...unyielding support for Supply Chain Security Cross-Cutting Efforts under Strategic Plan Objectives 1.3, 6.4, and 7.4.

Completed NORTHCOM AT/FP Program Review Self-Assessment in coordination with J3, J6, & DI – DLA is in full compliance with DoD and NORTHCOM program requirements as well as identifying DLA as a model for other DoD Agencies.

(a) Thirty-two Greenlights for 32 assessed Benchmarks.

(b) Managed the successful 100 percent completion of the required installation full-scale exercises and evaluations including an Active Shooter scenario. Ensured DM-S observed 100% full scale active shooter exercises and provided positive observations and areas for improvement.

Alternate administrator for the Agency's \$1.25M AtHoc Mass Notification System posed to ensure notification to 25K employees at seven locations.

(2) Initiative 6.4.3: Integrate employee protection programs designed to provide early detection of a potential Insider threat.

Conducted three AMRs and three SPRs to ensure DM S&ES programs are in compliance with DoD and DLA policies and regulations. The intent of the AMR/SPR are to provide management with an objective analysis to aid in identifying areas of vulnerability and which seeks to improve overall program and operational performance through corrective action plans.

(a) Successfully identified that MSCs are 90 percent compliant with S&ES policies (481 items compliant; 48 non-compliant).

(b) Identified areas to provide MSC Commanders and Directors and overall risk management picture of worldwide MSC operations in line with ERM.

Ensured 100 percent of required Higher Headquarters AT Vulnerability Assessments (IAW DoDI 2000.16). Supports DLA AMRs, with the intent to provide management with an objective analysis to aid in identifying areas of vulnerability and which seeks to improve overall program and operational performance through corrective action plans.

Reviewed and completed Risk and Control Program input ensuring up to date information for DLA Leader's to make strategic risk decisions as well as ensuring importance of program which was identified with DLA' Strategic Plan.

Continued to oversee the implementation and advancement of security technology projects to include ESS, Key Control, Common Operating Picture, Emergency Reporting; and the sustainment of Defense Biometric Identification System, E911/Computer Aided Dispatch (CAD), and RMS. Managed collaborative efforts under the Operational Technology Security Pillar, coordinating with J6, field customers while integrating physical security technology projects across the Enterprise (including ESS and Electronic Key Control).

#### **d. OBJ 6.8: Supporting Initiatives**

(1) Initiative 6.8.1: FY 19 Imperative - Safety Program Modernization: Support Agency efforts to modernize the Safety and Occupational Health Program to comply with DoDI 6055.01.

In October 2018, the appointed Occupational Safety and Health Manager chartered the SOH Working Group to execute the Director's FY 19 imperative to modernize the SOH Program. This group made up of the Chiefs of Staff for the MSCs, Installation Management Site Directors, and Installation Management SOH Managers. This group developed the implementation plan to modernize the SOH Program.

In January 2019, the DLA Director documented his decision on SOH modernization and to move the SOH staff and function to the MSCs and Regions. This document



confirmed the Agency desire to formally move forward with re-aligning the SOH staff to the MSC and Region Chain of Command.

In March 2019, the DLA Director was briefed on three high risks associated with DLA SOH Program. He documented the following decisions establishing the controls to lower the Agency risk. He approved controls to re-align the SOH staff at the Headquarters and the MSCs and Regions to ensure Commanders and Directors had access to SOH staff and could receive unfiltered advice to prevent injuries and illnesses. He approved controls to update the DLA SOH Program to make it a comprehensive program that addresses all the DODI 6055.01 requirements. He also approved the Agency implementing the risk management process to reduce workplace injury and illness.

In May 2019, the DLA approved the implementation plan to modernize the SOH Program. His decision included the Agency SOH Director reporting to the Deputy Chief of Staff and the MSC and Region SOH Managers reporting to their organization's Chiefs of Staff (Deputy Commander for Europe & Africa). The decision allows DLA to move toward achieving the Director's FY 19 imperative by October 1, 2019.

#### e. OBJ 7.4: Supporting Initiatives

(1) Initiative 7.4.1: FY 19 Imperative - Cybersecurity: Leveraging state of the art technology and tactics, techniques, and procedures designed to continuously monitor, detect, respond, and protect DLA's mission critical data and enabling technology capabilities against an ever growing, advanced, and persistent cyber threat.

(2) Completed Electronic Security System (ESS) sites surveys at the four DLA-hosted installations and Headquarters Complex in coordination with the United States Army Corps of Engineers. These surveys are a vital component of DLA's initiative to establish an enterprise ESS solution for the Agency. Managed 100 percent inventories of ESS equipment in coordination with the Army Corps of Engineers. Survey reports delivered by December 2018 in support of DLA's Enterprise ESS initiative.

#### f. Additional Initiatives and Accomplishments

##### (1) Family and Morale, Welfare, and Recreation

(a) Stand-up of the FMWR Training Center in Richmond Virginia. - A needs assessment survey that was conducted returned results that 80 percent of the Enterprise Workforce desired a centralized training center for employees. The training center has begun operations and intends to go through accreditation in FY 20.

(b) FY 19 saw the stand-up of the FMWR Plans and Analysis Office. In addition to Continuous Process Improvement and RIM, the PA&E Office implemented the following documentation and guidance: Updated Enterprise Strategic Plan, Create Annual

Operating Plan and subsequent reporting procedures, Enterprise People and Culture Plan, Enterprise Risk Management Plan (to include Enterprise COOP), Employee Career Pathing, and Multiple additional plans and analysis tools and guidance.

(2) Battle Creek

Improved Facility Condition Index by over 10 percent and, in the words of Disposition Services senior leadership, “Disposition Services couldn’t be happier (with the engineer effort)...we’ve turned a corner.” An overhaul of supporting engineer processes, prioritization and coordination procedures led by the Installation Management senior engineer with the Disposition Services customer improved the condition of structures across the customer base. Improved spend plan processes to focus on safety and security unique identifiers helped engineers focus on the highest priorities and has drastically reduced deficiencies

(3) Columbus

(a) DLA Installation Management at Columbus achieved a combined 97 percent obligation rate of DM-FC Defense Working Capital Fund (DWCF) operations budget totaling \$65.5 Million; obligated 98 percent of labor budget, 98 percent of Sustainment Restoration and Maintenance (SRM) funds, and an obligation rate of 95 percent of DWCF operations budget.

(b) DSCC was certified as a USA Tree City by the Arbor Day Foundation and Ohio Department of Natural Resources. The Tree City USA program is a nationwide movement that provides the framework necessary for communities to manage and expand their urban forest. DSCC has achieved Tree City USA status by meeting four core standards of sound urban forestry management: maintaining a tree board, maintaining a tree ordinance, spending at least \$2 per capita on urban forestry and celebrating Arbor Day. The Environmental Division is also working to prevent future planting of invasive species by implementing a tree permit system. The USA Tree City initiative is an example of a strong partnership with the Ohio Department of Natural Resources.

(4) Fort Belvoir

(a) Achieved a top line fiscal result that included a 98 percent EOY obligation rate for a \$52.9M budget to include over \$28.2M reimbursable funding, an overall reduction of overtime hours between FY17-18 by 2.28 percent, which equates to a \$18,593.09 savings, and under-executing the overtime cap by 11.62 percent.

(b) The key to employee and tenant satisfaction lies in synchronization and coordination across all levels. DM-FF maintains a robust internal and external communications engagement programs with seven quarterly site level town hall events that include separate sessions with the police and childcare shifts, and 41 additional engagements with the DLA D/J code, tenant command representatives, AFGE Union, and members of the US Army Belvoir garrison. These external engagements included Quarterly HQC Consulting Groups, a monthly Safety Management Council, monthly HQC Health and Fitness Council,

biannual AT/FP Threat Working Group, monthly facility coordination meetings, monthly HQC Child Development Parent Advisory Committee meetings, and quarterly security and emergency services exercise planning meetings and table top exercises.

#### (5) San Joaquin

(a) The MWR Recreation Program completed numerous projects to improve the quality of life for the employees of DLA San Joaquin. A newly renovated fitness center with state of the art equipment; running/walking track, and two basketball / tennis courts were constructed to offer additional fitness and recreation options to the workforce. In addition, three gazebos along with barbeque grills and benches were added to the installation to create functional recreation areas.

(b) Environmental Office accepted the Excellence in Commuter Options (ECO) award on behalf of DLA Distribution San Joaquin at the San Joaquin Green Team's Annual "REXPO" event. The ECO Award recognizes employers that have implemented strategies to assist employees with Smart Travel options such as carpooling, transit, biking, and walking, to improve air quality, reduce congestion, and save employees money.

(c) San Joaquin replaced a total of 1.7K fluorescent lighting fixtures in Warehouses 13, 14, 15, 16, and 28 with modern light-emitting diode (LED) High Bay lighting. In addition, DM replaced a total of 4K fluorescent lighting fixtures with LED strip fixtures in Warehouse 16 A & B. This replacement is reducing energy consumption by approximately 54.5 percent.

(d) DLA San Joaquin RAPIDS site recognized by Defense Manpower Data Center as one of the top three RAPIDS sites within DoD, May 2019. With a success rate of more than 95.7 percent, the Pass & ID office created a 0.5 percent annual increase in successful transactions despite a 43 percent increase in workload from the previous year. The staff created and maintained a pre-authorization list of all identified visitors to determine eligibility to access the installation. This required considerable administrative and organizational skills as monthly authorization lists for this period contained approximately 250-300 visitors per month.

#### (6) Philadelphia

(a) MILCON Project P1501 DLA Troop Support Headquarters – The current DLA Troop Support Headquarters (Bldg. 36) is old, energy-inefficient, and does not meet AT/FP criteria. MILCON PROJECT P1501 was awarded to construct a new Headquarters facility. The construction of the building exterior is essentially complete. Current construction activities include the installation of interior walls, and electrical, mechanical, and plumbing systems. The roof that is being installed will have a layer of soil and vegetation (plants) on top of it. This type of roof will help to control rainwater run-off and will also help to insulate the roof. Also for energy efficiency, a ground water geothermal well system will provide most of the

heating and cooling for the building using 24 wells, each about 400 feet deep under the parking lot. These sustainable design/energy conservation features will result in the building receiving the LEED Silver certification. The building will have four stories and will have approximately the same square footage (108,000 SF) as the current Headquarters building (Building 36). The building, which will be numbered Building 45, is approximately 70 percent complete and is scheduled for occupancy in the first quarter of FY-20. When the new building is complete, Building 36 will be demolished

(7) Richmond

(a) DLA Aviation Command and approximately 800 DLA Aviation employees moved into the new Building 46, DLA Aviation Operations Center Phase 1.

(b) Welcomed the Virginia National Guard Joint Forces Headquarters and Adjutant General for the Commonwealth of Virginia as a permanent tenant to Defense Supply Center Richmond (DSCR).

(c) Renovated the Community Center, Building S-27 ("The Barn").

(d) Completed an Elk Management plan in partnership with Virginia Dept. of Game and Inland Fisheries and U.S. Dept. of Agriculture resulting in improved herd management.

(e) Welcomed Defense Acquisition University as a permanent tenant at DSCR in Building 4, with a capacity for training 100 students.

(8) Susquehanna

(a) Expanded existing natural gas infrastructure to support 80 series buildings

(b) Six military construction projects were under construction in FY 19.

(c) The Antiterrorism and Force Protection Officers hosted a joint intelligence dissemination meeting with representatives from the Federal Bureau of Investigation, United States Department of Homeland Security, 360th U.S. Air Force Recruiting, U.S. Army Recruiting Battalion-Harrisburg, 4th District U.S. Marine Corp Recruiting, the U.S. Army War College, Naval Supply Activity-Mechanicsburg, Raven Rock Mountain Complex, Letterkenny Army Depot, Pentagon Force Protection Agency, and Fort Indian Town Gap Military Reservation

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# Defense Logistics Agency

## DLA Small Business Programs (DB)

### Fiscal Year 2019 Annual Historical Report



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

October 15, 2019

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: Office of Small Business Programs (DB) Fiscal Year 2019 History

I have reviewed DB's submission for chronicling Defense Logistics Agency history for fiscal year 2019 and would like to forward my endorsement.

You may contact me with any questions at 571-767-3297 or [Christopher.Hall@dla.mil](mailto:Christopher.Hall@dla.mil).

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CHRISTOPHER B. HALL  
Deputy Director  
Small Business Programs

Attachment: DLA Office of Small Business Programs (DB) FY 2019 History

## **1. Introduction.**

It is the policy of DLA to provide maximum practicable opportunities in its acquisitions to small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. Such concerns must also have the maximum practicable opportunity to participate as subcontractors in the contracts awarded by DLA, consistent with efficient contract performance.

The DLA Office of Small Business Programs (OSBP), also known as DLA-DB, was established in accordance with the Small Business Act of 1953, as amended, and DoD Instruction 4205.01, “DoD Small Business Programs,” to aid, counsel, assist, and protect the interests of small business concerns. DLA OSBP provides small business advocacy and promotes small business utilization to strengthen the competency, capability, and commitment of the industrial base that fulfills DLA’s mission as the Nation’s Combat Logistics Support Agency. During FY 19 DLA OSBP demonstrated an unwavering commitment to maximizing the contributions of small business in DLA acquisitions, while meeting the needs of the Warfighter and ensuring each tax dollar is spent responsibly. DLA OSBP guidance and vision propelled DLA to increase opportunities for small business, culminating in award of over thirty-eight percent of eligible contract dollars to small businesses for the year.

The Procurement Technical Assistance Program (PTAP) was established by section 1241 of the DoD Authorization Act for FY 1985 (Public Law 98–525) in an effort to expand the number of businesses capable of participating in government contracts. The statute assigns administration of the program to DLA and authorizes cooperative agreements with states, local governments, nonprofit organizations and other eligible program participants to carry out the program. Under the PTAP, cooperative agreement recipients establish Procurement Technical Assistance Centers (PTACs) that assist businesses in pursuing and performing under contracts with DoD, other federal agencies, and state and local governments. DLA OSBP is responsible for implementation of the PTAP, pursuant to Chapter 142 of Title 10, United States Code. On September 30, 2019, there were ninety-three PTACs operating under DLA OSBP oversight.

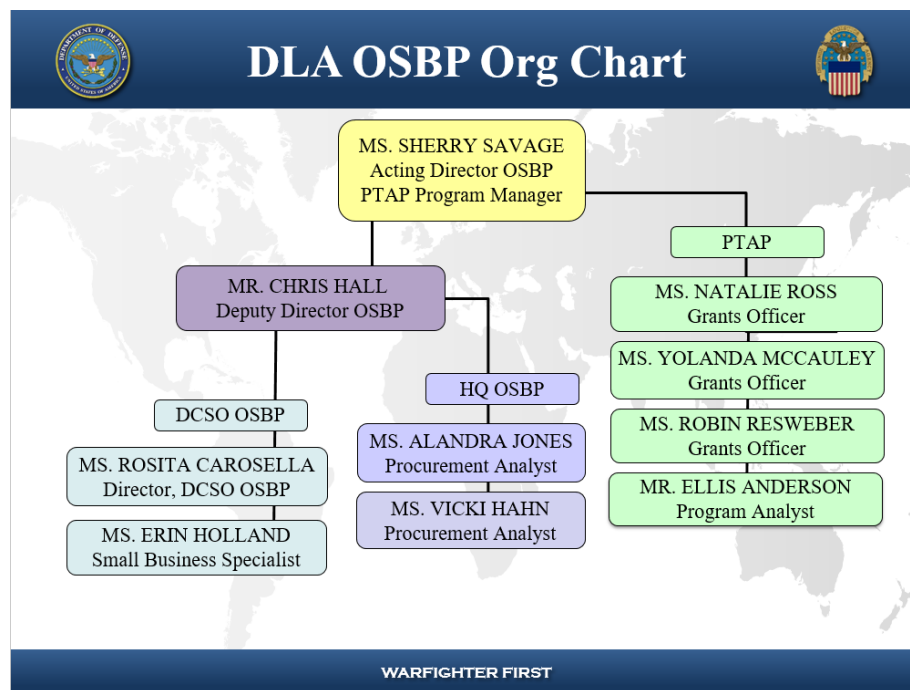
## **2. Organization.**

DLA OSBP was authorized twelve FTEs for FY 19, comprised primarily of GS-1102 personnel. For FY 19, DLA OSBP was subject to FTE reductions along with other components of DLA Headquarters and the twelve FTEs authorized was a reduction from fourteen authorized in FY 18, which will be further reduced to eleven for FY 20. The DLA OSBP Director left the agency in August 2019 and Ms. Sherry Savage served as OSBP Director (Acting) for the duration of FY 19.

Two of OSBP’s FTEs are stationed in Philadelphia to support the DLA Contracting Services Office. All other FTEs are stationed at DLA Headquarters in Fort Belvoir, where five primarily

support PTAP. This leaves five OSBP FTEs, including the OSBP Director and Deputy Director, who support and oversee operation of the DLA Small Business Program at the Headquarters Level.

Additionally, DLA's six MSCs each have a staffed small business office, but those personnel report through their various chains of command and not through headquarters. DCSO OSBP reports through DLA-DB because DCSO is a component of DLA Acquisition (J7), which is also part of DLA Headquarters. DCSO OSBP reports through DB rather than J7 to maintain separation between contracting and small business functions.



### 3. Key Personnel.

- Christina Young, Director, OSBP (May 2018 – Aug 2019)
- Christopher Hall, Deputy Director, OSBP (May 2016 – Present)
- Sherry Savage, Program Manager, PTAP (Sept 2016 – Present)  
Acting Director, OSBP (Aug 2019 – Present)

### 4. Total Personnel.

DLA OSBP was staffed with ten full-time personnel at the end of FY 19, all civilians. The OSBP Director's job was vacant and filled by Ms. Savage on an interim basis.



## 5. Historical Narrative

### a. DLA OSBP Strategic Roadmap

For FY 19, DLA OSBP published a Strategic Roadmap, which provided guidance and direction to DLA small business professionals, both at headquarters and the MSCs. The roadmap described four lines of efforts (LOEs) that OSBP leveraged to execute the DLA Small Business Program for FY 19 and provided the direction and guidance needed to achieve small business goals for fiscal year 2019. Below are the roadmap's LOEs and objectives, which are areas where DLA dedicated significant work and resources throughout FY 19.



#### (1) LOE 1: DLA Industrial Base

##### (a) Objective 1.1: Acquisition Planning

Contribute to acquisition strategy, market research and contracting processes and activities to ensure small businesses receive the maximum practical opportunity to provide innovative, cost-competitive and timely products and services to satisfy DLA requirements.

Acquisitions (b) Objective 1.2: Promote Small Business Participation in DLA

Identify proposed solicitations that involve consolidation or bundling of contract requirements and help structure contract requirements to facilitate competition by and among small business concerns.

(2) LOE 2: Strong Partnerships

(a) Objective 2.1: Industry Partnerships

Partner with industry to ensure a capable defense industrial base, generate innovative and efficient solutions, and maintain a secure and resilient supply chain. Sustain our partnerships with industry to help DLA and DoD address immediate needs and long-term challenges.

(b) Objective 2.2: Public Engagement

Proactively engage with the small business community to increase their knowledge of the DLA mission, requirements and opportunities. Outreach efforts will focus on recruiting viable participants in our supply chains or service centers and diversifying our vendor base to meet our goals for the small business programs.

(c) Objective 2.3: DoD and Interagency Relationships

Cooperate with DoD and interagency partners to develop solutions that optimize DLA OSBP support of major acquisition programs and policy objectives.

(3) LOE 3: People and Culture

(a) Objective 3.1: Investment in Small Business Professionals

Invest in the development of our teammates to strengthen our capabilities and develop an innovative small business workforce capable of professional and technical excellence in executing the DLA Small Business Program.

(b) Objective 3.2: Fortify the Team

Build and strengthen relationships throughout the DLA small business community and facilitate information sharing. Foster an organizational culture where employees are engaged and motivated to achieve mission excellence.

(4) LOE 4: Always Accountable

#### (a) Objective 4.1: Policy and Guidance

Evaluate, refine and propose policy to ensure maximum practicable opportunity for small businesses to participate in procurements, while prioritizing the accomplishment of DLA's mission; engage in the legislative and regulatory processes to ensure DLA complies with regulations and statutes and, when appropriate, recommend adjustments to improve the Small Business Program.

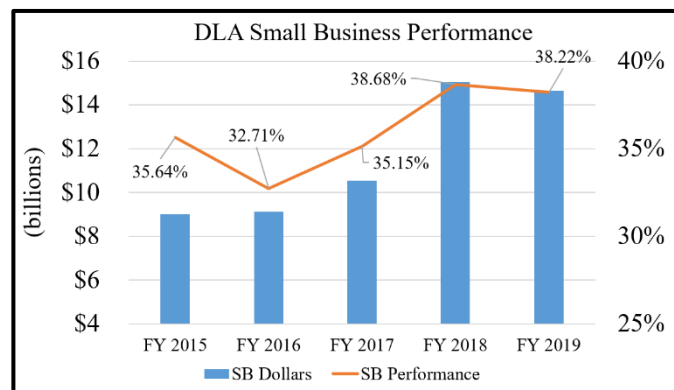
#### (b) Objective 4.2: Small Business Goals

Establish challenging and achievable small business procurement goals, monitor performance across all small business socioeconomic programs and implement initiatives to achieve our goals.

##### b. DLA Small Business Performance

Small business represents a critical component of DLA's diverse industrial base, which reduces risk in our supply chain and is essential to our ability to provide resilient and secure industrial support to the Warfighter. DLA has about 12K suppliers and eighty percent of them are small businesses.

For FY 19, DLA exceeded its small business goal for the seventh consecutive year, and promoted participation in acquisitions by Service-Disabled Veteran-Owned Small Businesses, Small Disadvantaged Businesses, Women-Owned Small Businesses, and Historically Underutilized Business Zone Small Businesses. DLA met its goals for each of the Small Business Socioeconomic Contracting Programs and exceeded 5 percent for the WOSB Program for the first time since FY 2015\*.



Provisional Small Business Accomplishments for FY 19* (as of 11 Oct 2019)			
Goal Area	FY 19 Goal	FY 19 Actual	
Small Business Prime Contracts	30.5%	38.2%	\$14.7B
Small Disadvantaged Business	5.0%	5.5%	\$2.1B
Women-Owned Small Business	5.0%	5.1%	\$1.9B
Service-Disabled Veteran-Owned Small Business	2.3%	3.4%	\$1.3B
HUBZone Small Business	1.8%	2.2%	\$833M

\*small business statistics are provisional and will not be finalized until February or March 2020

c. The Procurement Technical Assistance Program (PTAP)

Within DLA, OSBP is responsible for implementation of the PTAP and executes cooperative agreements with eligible program participants to establish the PTACs that assist businesses in pursuing and performing under contracts with DoD, other federal agencies, and state and local governments. PTACs provide day-to-day assistance to businesses in the form of services such as helping prepare bids/proposals, marketing to potential buyers, setting up or improving quality assurance and accounting systems, complying with cybersecurity requirements, and resolving payment problems.

Cooperative agreements, along with grants, are financial assistance instruments and are distinct from contracts in that the principal purpose of grants and cooperative agreements is to carry out a public purpose rather than to acquire property or services for the benefit or use of the Government. PTAP is unique in DLA as it is the Agency's only grants or cooperative agreements program. Funding for the PTAP and for DLA's administration of the program is provided by an annual Operations and Maintenance appropriation. For FY 19, Congress appropriated \$42.3M for the program, which was the most ever and was \$3.8M more than was appropriated for FY 18.

At the end of FY 19, there were 93 PTACs assisting business in 48 states, Washington, D.C., Puerto Rico, Guam and in the regions established by the Indian Affairs bureau of the US Department of the Interior. For FY 19, DLA OSBP obligated \$41.5M for the PTAC's use. As a cost sharing program, \$27M in non-federal funding was also committed by the states and other local entities. PTACs provided more than 169K hours of one-on-one counseling to 54K businesses and facilitated over 5,300 training and networking events. PTAC clients won 708K contracts and subcontracts worth more than \$26B. Based on the \$47K mean salary for US jobs (according to the US Bureau of Labor and Statistics) PTAC assistance facilitated the creation or retention of about 560K jobs.

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# Defense Logistics Agency

## DLA General Counsel (DG)

### Fiscal Year 2019 Annual Historical Report



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

MEMORANDUM FOR DLA, ATTN: Command Historian

SUBJECT: Submission of the DLA General Counsel FY 19 Annual History Report

It is a great honor to be back at DLA, an organization for which I have the utmost respect. I came back to a talented legal team with a history of providing exceptional service that is known throughout DoD for its expertise and excellence. As you will read in the following pages, our legal mission supports the DLA enterprise in its achievement of the DLA Strategic Plan while ensuring a focus on military readiness and supporting the Warfighter. The Office of General Counsel continues to deliver outstanding support to the DLA enterprise. We will meet future challenges while providing legal expertise for whatever lies ahead.

PAUSCH.MATTHE  
W.F.1230344210  
MATTHEW F. PAUSCH  
General Counsel

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## **1. Introduction**

The Office of the DLA General Counsel is the exclusive provider of legal advice, counsel, and representation for the DLA enterprise. The Headquarters Office of the General Counsel (DG) advises the DLA Director, the Vice Director, J1, J3, J5, J7, J8, J9, DLA Installation Support, and the Director's Staff on the full range of matters involving or affecting the Agency while ensuring compliance with laws and regulations.

The Office of the DLA General Counsel's mission is to deliver professional, candid and independent legal advice and services to the agency. As the largest Office of General Counsel in the Fourth Estate, we are comprised of a broad range of subject matter experts in many areas of the law. This legal enterprise consists of six major legal practices areas; international and operational law, administrative and civil law, ethics and standards of conduct, procurement fraud and business integrity, labor and employment law and acquisition law. These practices areas are organized under four divisions at Headquarters: international and operational law; administrative and civil law, which includes the ethics and standards of conduct program and the procurement fraud and business integrity program; labor and employment law; and acquisition law. The Office of the DLA General Counsel also oversees the delivery of legal services at the MSCs and activities. The timely and effective resolution of legal issues and challenges deriving from the legal practice areas contributes significantly to the Agency's achievement of its Strategic Plan and ensuring military readiness.

In FY 19, the Office of General Counsel developed its first DLA OGC Strategic Plan. As stated above, our mission is to deliver professional, candid, and independent legal advice and services to the DLA. Our vision is to be the DoD's premier legal office of one team composed of many highly motivated independent legal professionals, dedicated to excellence and aligned to support the Agency. Our commitments include a promise to deliver the highest-quality, timely, and responsive legal services; maintain and nurture the personal courage and experience necessary to ensure our clients receive well-reasoned, objective legal advice; cultivate an environment conducive to professional growth and excellence; foster a unified team through open, informal and collaborative working relationships with each other, and across the legal enterprise; and to be a continuously improving, flexible organization that anticipates and prepares for new requirements and missions.

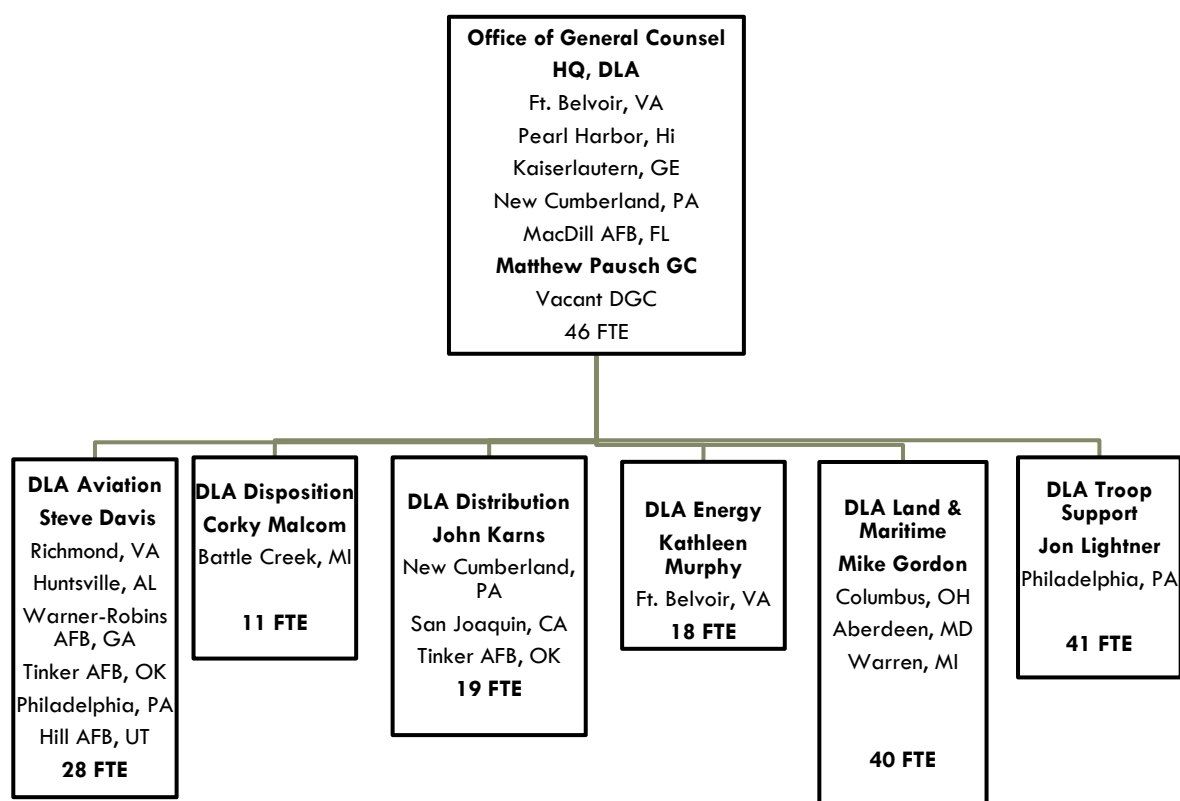
This year, DG welcomed back Matthew Pausch as the General Counsel on March 17, 2019. Mr. Pausch serves as the principal legal advisor to the Director, DLA, overseeing the headquarters and field legal offices, exercising professional direction over the attorney workforce, and acting as the program manager for Agency legal programs. Mr. Pausch came back to DLA after serving as Chief Counsel, U.S. Army Tank-automotive and Armaments Command, Warren, Michigan; he possesses in-depth knowledge of the DoD and DLA contracting and logistics mission, having served in a number of DLA OGC positions, including DLA Disposition Services Chief Counsel,

DLA Troop Support Deputy Chief Counsel, and Associate General Counsel at DLA Headquarters from 1989-2014.

Our previous General Counsel, Mr. James Coyne, retired October 31, 2018 and Mrs. Melinda Perritano, the Deputy General Counsel, served as Acting General Counsel from Mr. Coyne's retirement until Mr. Pausch's onboarding. Mrs. Perritano departed from federal service on April 13, 2019. Mr. Mark Cremin, Chief Counsel for International and Operational Law at OGC, and Mr. Steve Davis, Chief Counsel at DLA Aviation, both served as Acting Deputy General Counsel at different times during the year.

## 2. Organization and Personnel

Below is an organization chart of our DG Legal Enterprise. The Office of Chief Counsels are listed below the Office of General Counsel and their offices include the attorneys assigned to the supply chain sites that belong to the MSC.

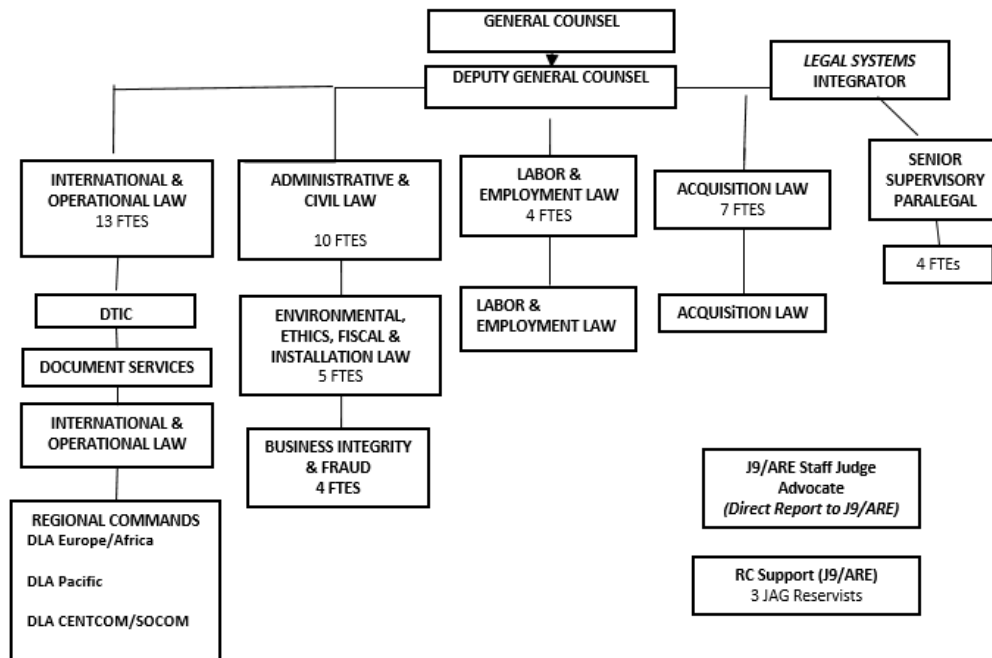




Below is an organization chart of our DG office at Headquarters, Fort Belvoir.

**DEFENSE LOGISTICS AGENCY OFFICE OF GENERAL COUNSEL**

**HEADQUARTERS, FORT BELVOIR, VA**



Enterprise DG Personnel Currently On-Board/Authorized for FY 19

	Civilians	Active Duty Military	Active Reservists
FY 19	184/184	4/4	3/3

### 3. Historical Narrative

Below are the descriptions of the mission and highlights of our practice areas for FY 19.

#### a. International & Operational Law Highlights

The mission is to be prepared for CONUS and OCONUS contingency operations by providing around the clock legal advice and service related to planned and unplanned DLA logistic support operations. We proactively provide legal advice and counsel to the J3, 4 SESs and 600 personnel worldwide to include 3 Regional Commands. We are the Agency experts in operational and international law, military justice and discipline, and serve as the primary legal advisors to the Inspector General, Public Affairs Office and the DLA Transformation Directorate. We foster and train an appropriate number of Agency attorneys specializing in disaster-preparedness and overseas contingency law. We provide legal advice and representation with respect to such matters as local law, customs, international agreements and federal employee and contractor rights in areas where humanitarian military operations are taking place.

In FY 19, DLA's International & Operational Law division supported disaster relief efforts, including response efforts related to hurricane Dorian, provided support to Custom Border Patrol on the southern border, participated in Operation KEY RESOLVE and managed the Agency's International Agreements Program. Additionally, we assisted clients in the restructuring the Joint Logistics Operations Center (JLOC) as the Agency Synchronization and Optimization Center (ASOC)

#### b. Administrative & Civil Law Highlights

The mission is to provide timely and effective advice in the areas of fiscal, environmental and safety, installation law, and general administrative law. Included in the administrative and civil law division are three programs that we execute for the Agency: the standards of conduct and employee ethics program; procurement fraud and business integrity program and the legislation program.

##### (1) Standard of Conduct and Employee Ethics

We implement the ethics program requirement specified in federal statutes and regulations, in accordance with Office of Government Ethics and Standards of Conduct Office program directives. The DLA General Counsel serves as the Designated Agency Ethics Official. We implement ethics program requirements specified in federal statutes and regulations and in the Office of Government Ethics and DoD program directives. We provide mandatory ethics training for employees, identify and train those employees required to file financial disclosure statements, and collect and review financial disclosure statements for legal sufficiency and potential conflicts of interests. We advise on employee disqualification statements, divestitures and post-employment restrictions. We report annually on ethics compliance to the Office of the Secretary of Defense and the Office of Government Ethics.

In FY 19 we ensured timely trained, filed and reviewed 5600 OGE 450 filers for all of DLA, 900 plus at HQs (35 OGE 278 Reviews), drafted PAO articles for Agency wide distribution on gambling, rules on gifts and the Hatch Act. We revised the DLA OGE 450 policy. Additionally, we reviewed and revised senior leader travel policy and reviewed industry engagement events for the Agency.

## (2) Procurement Fraud and Business Integrity

In our fraud remedies program, we examine indications of contract fraud or other improper conduct by contractors and offerors. We monitor and report on DLA-wide efforts to prevent, detect, deter and remedy procurement fraud and related irregularities. We coordinate administrative, civil and criminal remedies. We execute the suspension and debarment program on behalf of the Agency—our attorneys prepare suspension and debarment recommendations for the Suspending and Debarring official (the General Counsel) and hold meetings, when requested, with those parties facing suspension or debarment.

In FY 19, the Suspending and Debarring Official (SDO) issued 58 suspensions, 105 notices of proposed debarment and 95 debarments for a total of 258 ineligibility actions. We also entered into 5 administrative agreements. Administrative agreements are used as an alternative to suspension and debarment and provide that certain verifiable actions are taken in a prescribed timeframe, such as implementation of enhanced internal corporate governance practices and procedures and/or use of independent third-party monitors.

SDO ACTIONS	
FY 2016	152
FY 2017	211
FY 2018	163
FY 19	258

Our legislation program provides comments to the Office of Secretary of Defense Office of Legislative Counsel on legislative proposals advanced by DoD, its components and other Federal departments and agencies. We draft and advocate for legislative changes that will enhance DLA mission accomplishment and analyze the legal impact of proposed and new legislation. In FY 19, we were successful in streamlining

two annual National Defense Stockpile Congressional Reporting Requirements into one Reporting Requirement through our legislative program (Section 1411 of the FY 19 NDAA Public Law 115-232).

In FY 19 our installation support attorneys provided advice and counsel to assist with the Agency's Sexual Assault Prevention and Response Program implementation. Additionally, our installation support attorneys provide advice on all missions within the installations support directorate to include environmental, occupational health, safety, real property, security and emergency services and morale, welfare, and recreation (MWR) programs. This support included detailed legal and business advice to DoD and Navy stakeholders on the Red Hill fuel storage facility in Hawaii. The fiscal attorney participated in the various meetings on the Agency cash position, provided audit support in the Agency's ongoing FIAR audit efforts, and advised on potential Anti-Deficiency Act (ADA) matters, policies and investigations.

**c. Labor & Employment Law Highlights**

The mission of the labor & employment law division is to defend DLA before the Equal Employment Opportunity Commission (EEOC), the Merit Systems Protection Board (MSPB), the Federal Labor Relations Authority (FLRA), arbitrators and to assist Department of Justice attorneys representing DLA in federal court. We advise management officials on labor and employment matters to include disciplinary actions, policy issues and Office of Special Counsel or Congressional inquiries. We run for the Agency's Alternative Dispute resolution (ADR) program, which has approximately 80 DLA mediators, 23 of which are DG personnel. Below is a chart depicting the enterprise caseload for FY 19.

**DLA Labor & Employment Caseload**

	EEOC	MSBP	Arbitrations	Unfair Labor Practices (ULP)
FY 19	119	48	11	9

Note: These numbers reflect only the EEOC cases in which an administrative law judge has been assigned and do not include EEO complaints at the formal or informal stage pending assignment, nor do the numbers include cases in which the complainant has requested a final agency decision. Many informal and informal complaints are settled at the informal and formal stage without a hearing.

In FY 19 our labor & employment lawyers are supporting J-1 in the negotiations of a new Master Labor Agreement (MLA) which covers the large number of unions across the DLA

Enterprise, as the last MLA was negotiated several years ago. We are working with the Agency EEO office and J-1 to improve the Agency's reasonable accommodation process.

Our ADR program establishes procedures to anticipate and resolve actual and potential disputes at the earliest possible stage, thereby reducing the time, expense, delay, acrimony and other adverse consequences associated with adversarial dispute resolution processes. In FY 19, we continue to focus on promoting the benefits of ADR in various areas. We continue to foster relationships with key stakeholders leveraging our respective strengths for the good of the Agency. DLA uses ADR to address disputes that occur in the areas of EEO, workplace, labor, contracts and FOIAs.

<b>DLA ADR Actions</b>					
	Contracts	EEO	Labor	Workplace	Other
Total	0	114	39	4	4
Resolved	0	25	19	3	4
Unresolved	0	89	20	1	0

#### d. Acquisition Law Highlights

The mission of the acquisition law division is to support billions of dollars-worth of procurements for military service and federal agency support, including fuel, construction and equipment, medical and pharmaceuticals, subsistence, uniforms and clothing, weapon system repair and replacement parts, distribution services, disposition services, and contract actions for internal DLA support. We assist in the formation of acquisition policy and procedures. We analyze the mission impact of new acquisition statutes, regulations and policies and serve as the DLA legal member of the Defense Acquisition Regulation Council. Our office assists in the preparation and review of solicitation and contract documents in connection with major acquisitions and serve on selection panels, and assist contracting officers with negotiations.

We support the Director, DLA J7, and his staff in areas such as procurement policy, procurement actions, such as Justifications and Approvals requiring Senior Procurement Executive approval, procurement oversight and review, such as Red Teams, and assist with special interest reviews and inquiries, such as DoDIG audits and Congressional inquiries. We support the Director, J3 and the J3 staff in procurement-related areas such as F-35 support, Reform Initiatives, and GSA/Whole of Government issues. Our office supports the Director, DLA J6 and the J6 staff in program and procurement-related areas (e.g., support agreements), and provide legal support to cross-functional procurement-related programs such as Additive Manufacturing within DLA on a DoD working group.

In FY 19, we assisted and advised on the recompetes of the Subsistence Prime Vendor (SPV) Iraq, Kuwait, and Jordan and associated bridge contracts along with the recompetes of the SPV Afghanistan and associated bridge contracts. We provided advice and legal counsel on F-35 Joint Strike fighter support issues, implementation issues related to section 883 of FY National Defense Authorization Act for FY 2017 (Storage and Distribution Support to Weapon Systems Contractors) to include drafting the delegation of authority to the Director, DLA J3, and drafting contract terms and conditions for this test program. In the area of Other Transaction Authority – Prototype Projects, (OTA) authorized by 10 USC 2371b, we drafted a delegation of authority to the Director, DLA J7 and continue to assist in training efforts for the workforce.

We run the contract litigation program that defends the Agency position in the following fora: General Accountability Office (GAO) protests, Armed Services Board of Contract appeals and support Department of Justice attorneys in federal courts cases, including the Court of Federal Claims (COFC). DLA MSC Office of Counsel serves as lead counsel in most cases with oversight from HQ attorneys. Cases involved more than \$12B in dispute (which includes government claims).

#### DLA LITIGATION IN FY 19

Forum	Total Pending end of FY 19	Cases Filed FY 19	Cases Resolved FY 19
GAO Protests	13	154	156
COFC Protests	3	3	0
ASBCA	64	20	26
Courts	12	8	4

Since 2016, DLA OGC has spearheaded efforts to establish an Agency-wide Electronically Stored Information Disclosure & Discovery (ESIDD) program, which includes the discovery and disclosure of extensive volumes of ESI in eDiscovery, Investigations, Freedom of Information Act (FOIA) and Congressional Requests. DLA OGC has established several resources, policies and capabilities for the Agency on electronic discovery. We continue to collaborate with stakeholders including DLA J6 to acquire on-premises ESIDD software tools and further develop agency processes and policies. In January 2019, DG issued a policy memo that outlined DLA OGC professional responsibility obligations to understand technology and be responsible for his or her case ESI matters, including but not limited to implementing litigation holds, conducting defensible ESI searches and culling, and reviewing and analyzing ESI for privileges and other protections. This is a fast changing and challenging area of the law and all attorneys must understand these important issues to represent DLA competently and effectively.



# Defense Logistics Agency

## DLA Office of the Inspector General (DA)

### Fiscal Year 2019 Annual Historical Report



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

October 21, 2019

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: Office of the Inspector General (DA / OIG) FY19 History Report

I have reviewed DLA DA's (OIG) submission for chronicling the FY19 DLA history and would like to forward my endorsement with this memo.

The administrative POC for this action is Andrew J. Duszynski, Deputy IG for Operations, at 571-767-5417.

PIGOTT.STEVEN.  
D.1230763913  
STEVEN D. PIGOTT  
Inspector General (Acting)

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## 1. Introduction:

### a. Inspector General's Intent during FY 19

The Office of the Inspector General (OIG) operates to support mission readiness for DLA. The OIG provides organizational impartiality to support independent assessments of DLA's performance in any area. The OIG goal is to provide factual and timely information to support DLA leadership decisions on mission operations, protection of DLA assets, and care for the DLA workforce. Our unique ability to give a voice to DLA employees underscores the agency's commitment to its People and Culture goals. While the majority of effort for the OIG team is reactive to complaints, fraud schemes, or incidents, the OIG will prioritize proactive assessments to support decision-making and risk mitigation. Mandated reduction in staffing levels executed in FY 19, as well as significant attrition of authorized personnel throughout FY 19 will require the OIG to critically review tasks and requests for support and prioritize those that will best support DLA priorities and areas of risk. We will leverage an increase in joint Audit-Investigative efforts to provide more timely assessments to the Enterprise through inspections which are less resource-intensive and time consuming than formal audits. OIG prioritizes its resources to prevent, detect and report fraud, waste, abuse, and mismanagement through a variety of tools including the DLA Hotline Program. OIG assumes risk in the areas of Inspections and Audit execution.

### b. DLA OIG Mission

The DLA OIG mission is to sustain Warfighter readiness and lethality by providing DLA leadership with facts, analysis, and recommendations through the execution of the five functions of Defense Inspectors General—*teaching and training, assistance, audits, investigations, and inspections*—to mitigate agency risk, improve processes, ensure compliance, and optimize resources in peace and war.

### c. The OIG assists DLA Senior Leadership by:

- (1) Conducting Audits that support and inform the agency.
- (2) Conducting investigations to probable cause with impartial and unbiased findings and recommendations.
- (3) Conducting Inspector General (IG) reviews (investigations and audits) that facilitate a healthy and balanced work environment and DLA culture for all members.
- (4) Coordinating external Audit support, responses, and follow-up to close recommendations.

(5) Maintaining effective partnerships with Defense Criminal Investigative Organizations (DCIO) and Law Enforcement (LE) Organizations that support DLA, as well as other OIG.

(6) Managing the Hotline and Assistance Program in accordance with DLA and Department of Defense (DoD) requirements.

(7) DLA's auditors focus on high-risk areas and investigators conduct IG (administrative) investigations. Auditors and Investigators routinely work together as a team using their complimentary skill sets to find facts and develop recommended solutions to complex issues for management.

**d. Inspector General Support to the Command**

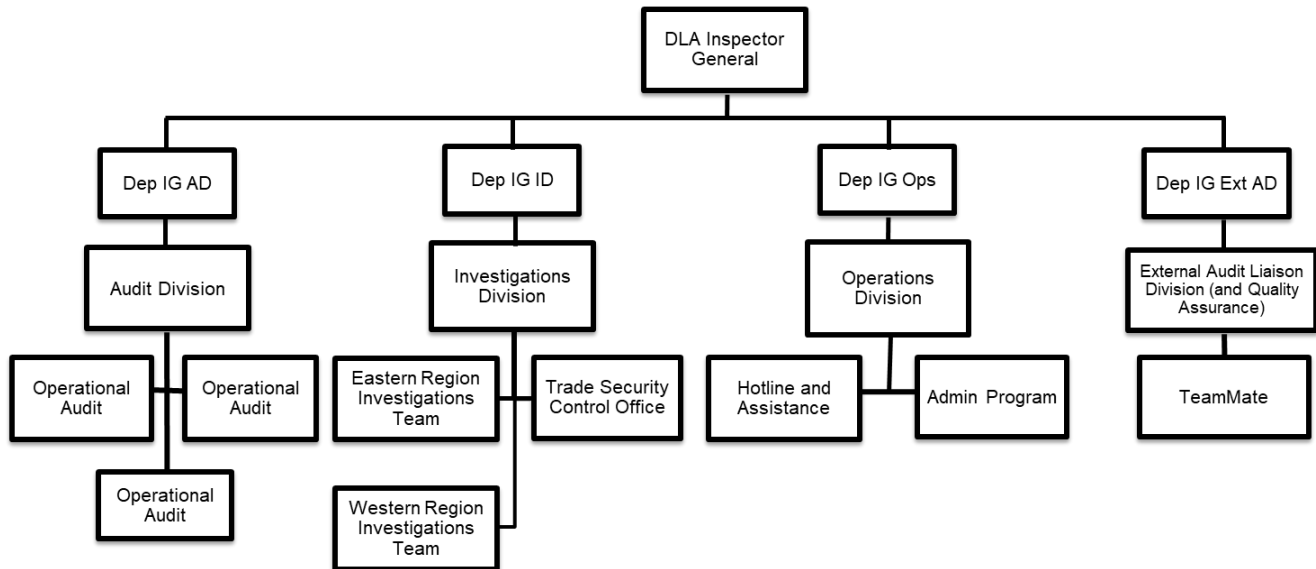
The OIG is organized to provide functional and regional support to the command. The majority of OIG Investigators and Auditors are operationalized and co-located to provide support the MSCs and Regional Commands. A small staff aligned with the DLA Headquarters provides oversight, manages the DLA Hotline, and provides liaison for all external audit activities. Heavy attrition of authorized personnel in the latter half of FY 19 (30 percent Auditors and 25 percent Investigators) may temporarily reduce support in some areas until hiring actions have been completed and new hires have been adequately trained and acclimated. A mission-tailored OIG allows for continuity and expediency of effort, confidentiality, and subject matter expertise (SME) within the OIG. The OIG will continuously review the capability of the DLA Hotline and External Audit Liaison functions, while structuring Investigator and Auditor coverage for the best enterprise-wide capability. DLA's worldwide area of responsibility poses a tremendous challenge in properly addressing Fraud, Waste, Abuse, and Mismanagement (FWAM) issues throughout the enterprise.

**e. Fraud, Waste, Abuse, and Mismanagement (FWAM)**

Combating FWAM requires an active collaborative effort. While the OIG operates independently, it relies upon the continuous support from mandated partnerships with Defense Criminal Investigative Services (DCIS), DoD Inspector General (IG) and meaningful relationships with other DoD Inspectors General offices and their associated criminal investigative agencies. The OIG works closely with the DLA General Counsel office to coordinate and determine the best course of action for each matter. The support provided by these entities allows the OIG to collaborate on investigative and audit efforts as well as receive operational support to identify the areas of greatest risk to DLA performance and efficiency.

## 2. Organization

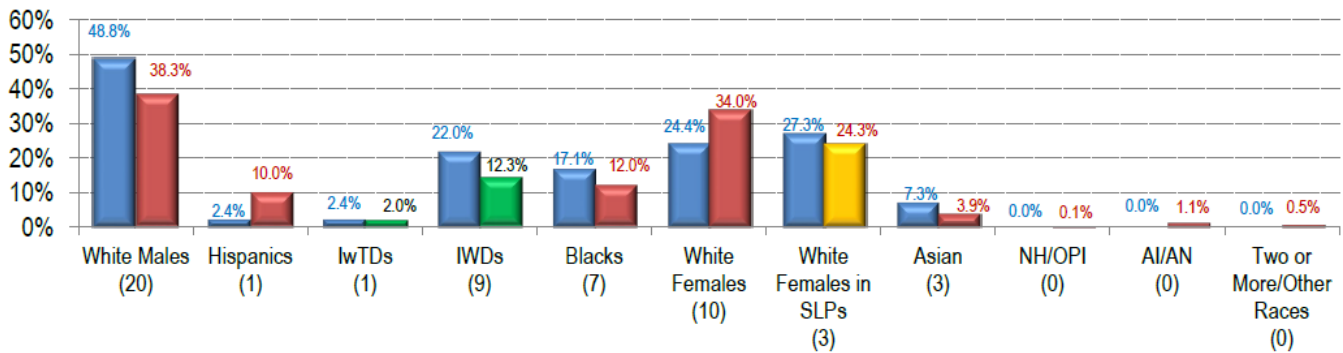
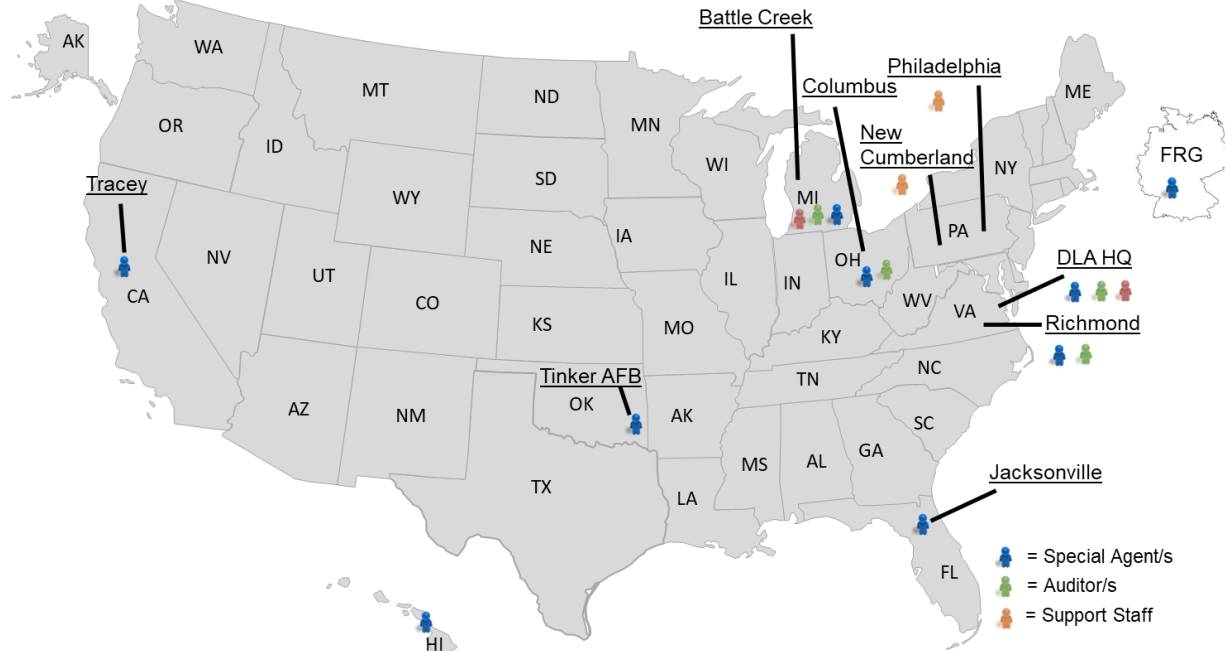
### a. Organizational Structure:



### b. People:

- (1) FTE Authorized/Actual 47/39.
- (2) Military Authorized/Actual 1/0.
- (3) Authorized 47 FTEs is comprised of GS-0511 and GS-0301 Auditors, GS-1811 and GS-1810 Investigators, GS-1805 Investigative Analysts, and a GS-0341 Administrative Officer.
- (4) OIG personnel are located at DLA Headquarters and each of the MSC HQ's; at the three Regional Commands in Kaiserslautern, Germany, Pearl Harbor, Hawaii, and Tampa, FL; and at two of our major facilities, San Joaquin, CA, and Tinker AFB, OK.

**Defense Logistics Agency  
Fiscal Year 2019 Annual History**



Participation Rate

DLA Goals for Individuals with Disabilities & Targeted Disabilities

Federal government workforce in SLPs reported in EEOC Annual Report for FY2010

NCLF – 2010 U.S. Census data representing persons in each of the respective demographic groups who are 16 years of age or over (except those in the armed forces) who are employed or are unemployed and seeking work.

**Reported Population:** DLA Office of the Inspector General (DA)

**Workforce Total:** 41

**ACRONYM GUIDE**

IwTDs = Individuals with Targeted Disabilities  
IWDs = Individuals with Disabilities  
Blacks = Black or African American  
SLPs = Senior level positions (GS-14, 15, & SES)  
NCLF = National Civilian Labor Force

**DLA Data Source:** DCPDS **As of:** July 01 2019  
**Fed Govt Comparative Data Source:** FY2010, EEOC Annual Report on the Federal Workforce, Appendix IV, Tables 2, A-1, A-3b,

c. Budget:

- (1) Total Budget: \$7,964,268
  - (a) Labor Budget: \$6,802,066
  - (b) Non-Labor Budget: \$1,162,202

d. Customers:

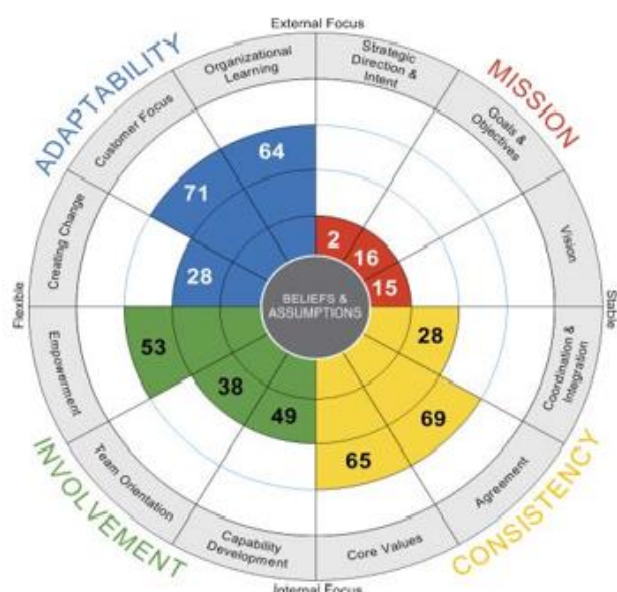
- (1) Warfighters and the Armed Services.
- (2) The American People (Taxpayers).
- (3) The DLA Director / Vice Director.
- (4) MSC and Regional Commanders.
- (5) The J-Code and D-Staff Principals.
- (6) Commanders and directors of DLA installations and activities worldwide.
- (7) Office of DLA General Counsel (DG).

e. DLA OIG Culture Action Plan:

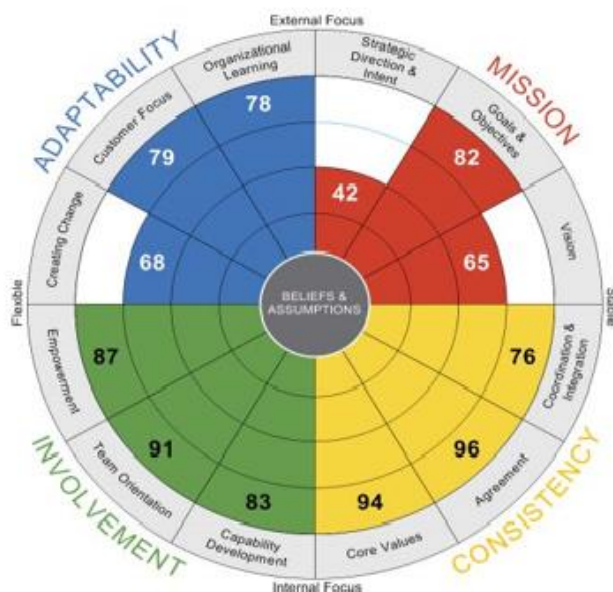
We were pleased with the significant improvement in our culture and climate as documented in the Denison Survey results. We assessed the results as follows: Significant overall improvement with respect to Mission culture trait but MHA reductions impacted Strategic Direction & Intent. As a result, we implemented the following actions;

- (1) Held 3-day course on Change Management on May 14-16, 2019.
- (2) Clearly linked OIG functional area objectives and results to DLA Strategic Plan on May 16-17, 2019.
- (3) Held Feedback Session on Indices Less than 75 percent on May 17, 2019.
- (4) Combined Investigator-Auditor activities – Cross functional teaming. (Project started May 21, 2019)

2016 DLA OIG Overall



2018 DLA OIG Overall



### 3. Function Areas and Services Provided

#### a. External Audit Division

The Deputy IG for External Audit (DIG External AD) oversees the External Audit Liaison Team and QA Program. The External Audit Liaison (EAL) team provides coordination and oversight of all audits performed at DLA by external audit and inspection agencies, most notably the DoD Inspector General and the Government Accountability Office (GAO). This includes the introduction of external audit teams to senior management to ensure appropriate resources is provided to the team, coordination of requirements and requests, reporting, tracking and closure of all findings and recommendations. EAL regularly report to senior management on the progress and status of ongoing external audit activities within each respective DLA organization. EAL seeks to identify emerging trends and areas of focus in the federal audit arena to better position DLA to self-assess its risks and vulnerabilities and take corrective actions on a proactive basis.

The EAL team also performs follow-up tracking and management of all audit recommendations resulting from both external and internal audit projects. The audit follow-up process provides DLA senior leadership with reasonable assurance that corrective actions from previously reported findings and recommendations are implemented in accordance with the timeline established by the responsible DLA organization, and that identified deficiencies have been corrected in a timely manner. DLA OIG Auditors and DLA management share responsibility for ensuring that actions taken correct the cited deficiency and reduce DLA's risk of mission failure, increased costs, and vulnerabilities to fraud, waste, abuse, and mismanagement of government resources.

The DIG External AD, as an additional duty, provides the required Quality Assurance function to provide reasonable assurance that the Audit Division and its personnel comply with professional standards and regulatory requirements during the performance of their audit projects. This is accomplished through reviews of the documentation supporting completed audit and attestation engagements and the resultant reports issued.

External Audits Supported	<b>118</b>
DoD IG	59
GAO	44
Service	15

b. Audit Division:

The Deputy IG for Internal Audit (DIG Internal AD) oversees the OIG Audit Division. The DLA OIG Audit Division (AD) is the command assurance activity that performs independent internal audits, attestations, inspections, and advisory services in accordance with Generally Accepted Government Auditing Standards and DoD IG requirements. The goal is to assist DLA leadership in improving efficiency, accountability, and program effectiveness, for both DLA and its customers.

The audits performed by DLA OIG AD are operational audits. DLA OIG AD does not perform financial statement audits, but can perform audits of financial processes and report on internal control, compliance with laws and regulations, and provisions of contracts and grant agreements as they relate to financial transactions, systems, and processes.

(1) Operational Audits

The audits performed by DLA OIG are operational audits. Operational audits provide conclusions based on our evaluation of evidence against stated criteria, such as specific requirements, measures, or defined business practices. Operational audits provide objective analysis so that management and those charged with governance and oversight can improve program performance and operations, reduce costs, and facilitate decision-making. Operational audits include DLA worldwide logistics and acquisition operations, to include but not limited to distribution, disposition, supply chain management, and overall DLA enterprise support. During 2019 the DLA OIG Internal Audit issued two inspection reports and one audit report. These products are summarized below.

(2) Audit of DLA Unmatched Collections and Disbursements:

We performed this management requested audit to identify significant root causes for the sample unmatched collections and disbursements, and determine if DLA has strategies in place to address the root causes. This was a collaborative audit with DFAS Internal Review.

(3) Inspection of DLA Distribution Small Arms Major End Item Rates:

Our inspection objective was to determine if documented procedures exist for calculating small arms major end item rates, and if rate calculations are supported and communicated to the Army.

(4) NWRM:

Upon inspection, we determined personnel at selected sites were appropriately received and processed as required by appropriate regulations and instructions, although there was, as always, room for improvement. Additionally, all four of the tested depots/sites properly identified the test item as NWRM. Some small, less important, areas of non-compliance were also identified and are currently being remedied.

(5) Audit of COR Roles and Responsibilities:

The objective of these audits (conducted at the MSCs and the Defense Contracting Support Office locations) is to determine whether contracting officer's representatives for service contracts perform their roles and responsibilities in accordance with regulatory guidance and procedures. Additionally, we will determine if contracting officers provide sufficient oversight of the contracting officer's representative's performance.

(6) Audit of COR Roles and Responsibilities for J6 Service Contracts:

This audit has the same objective as the initial COR audit; however, its scope limited to DLAJ6 Information Operations since they contract for over \$1B in services.

(7) Audit of Disposition Services Japan Compliance with Disposal Procedures:

The objective of this management requested audit is to determine if DLA Disposition Services sites in Okinawa and Sagami comply with disposal policy and procedures.

c. Investigations Division:

The Deputy IG for Investigations (DIG ID) oversees the Investigations Division. The Investigations Division (ID) conducts preliminary and IG (administrative) investigations of matters of interest to the DLA Director, DLA senior leadership, and DLA DG. In addition, ID coordinates with, refers criminal allegations to, and assists Defense Criminal Investigative



Organizations such as the Defense Criminal Investigative Service, Naval Criminal Investigative Service (NCIS), Air Force Office of Special Investigations, United States Army Criminal Investigations Command and other federal, state and local law enforcement agencies in their investigations where DLA is a party of interest. DLA OIG ID conducts investigations where DLA has an interest and when DCIOs or other investigative agencies decline to do so. Our DLA OIG Special Agents are regionally organized (Eastern and Western), operationalized, and co-located at DLA MSC, Regional Commands, and some major DLA activities (Oklahoma City, OK, and San Joaquin, CA) in order to effectively cover the enterprise.

As part of the Quality Assurance program, the Deputy IG for ID also oversees the program addressing the Investigations Division (ID). Investigative activity is monitored to ensure it complies with laws, directives, instructions, policies, and agreements.

#### (1) Investigations:

ID provides the full range of investigative services and support throughout the enterprise. Investigations are initiated, investigative plans are submitted and approved, and coordination is maintained with DG and J1 throughout the life of the investigation. If credible information leads to the belief a crime has been committed, the appropriate DCIO, Federal Law Enforcement Agency, or State or Local Law Enforcement Agency is notified and the complaint is offered to them as a matter pertaining to their primary area of jurisdiction. If they decline, we continue the investigation and report the results.

We started the year with 209 investigative actions open. We opened 231 and closed 200 leaving 240 under investigation or pending at the end of FY 19. For much of the year we had 12 working GS-1811-13 criminal investigators serving throughout the enterprise, supervised by two GS-1811-14 supervisory criminal investigators. The Investigations Division includes the Trade Security Controls Assessment Office discussed below and is supervised by the Deputy IG, ID, a GS-1811-15 supervisory criminal investigator. The DLA Hotline, Assistance, and Inspections programs started the FY under ID but was transferred to the new division (Operations Division) towards the end of the FY.

Our most significant investigation in FY 19 started in 2014 with a complaint from a concerned third party. Our IG assigned to our office in Pearl Harbor, HI, collocated with HQ, DLA Pacific, was instrumental in resolution of this significant and complex investigation that will ultimately result in nearly \$500M dollars in fines, recoveries, and restitutions. We anticipate as much as \$100M being returned to the DLA Working Capital Fund. Not only did he receive and refer the initial complaint, but when the investigation started moving, he was a key member of the team that successfully resolved the matter. South Korea-based companies SK Energy Co. Ltd., GS Caltex Corporation, and Hanjin Transportation Co. Ltd. have agreed to plead guilty to criminal charges and pay a total of approximately \$82M in criminal fines for their involvement in a decade-long bid-rigging conspiracy that targeted contracts to supply fuel to United States Army, Navy, Marine Corps, and Air Force bases in South Korea, and the Department of Justice.

## (2) Trade Security Control

Our Trade Security Controls Assessment Office (TSCAO) prevents illegal acquisition or other unauthorized transfers of defense and dual-use technology goods, services and munitions by or to individuals, entities and / or countries whose interests are adversarial to the United States. Trade Security Control (TSC) helps prevent those technologies, goods, services and munitions from being exported directly or indirectly into unauthorized areas designated by the Secretary of State, the Secretary of Commerce, or the Director of Foreign Assets Control. Investigations Division IG Special Agents and analysts conduct investigations and ensure the enforcement of TSC through assessing end use certificate requests to prevent the illegal transfer of Munitions List and Commerce Control List items. These activities include performing clearance checks (Integrity / Reliability checks) and End Use Certification on bidders prior to delivery of property and performing select Post-Sale Investigations (PSI) after delivery. TSCAO will expand operations to include export controlled intellectual property (technical data) in FY 20. This mission is to prevent unauthorized transfers of export controlled intellectual property. We were approved for five additional investigative analysts to support this mission in FY 21 and expect to start hiring additional analysts as this mission begins before the end of CY 19. This expanded effort on intellectual property directly supports DLA Supply Chain Security. ID conducts related investigations pertaining to the worldwide sales of surplus property by DLA Disposition Services.

TSC has seen a significant increase in J349 sales and a decrease in Disposition Services sales, which represents a major shift for us. Actual sales and assessments in TSC still remain 80-95 percent of our workload, though. The LESO ORI process continues and remains a substantial part of our mission. We have performed 5601 LESO ORI verifications this year. The time required per ORI is significantly less than a typical sale assessment. TSC, with the addition of a new employee, has also nearly completed our entire backlog of scanning as well and at this point we are strictly uploading. We have consistently met or kept ourselves below the 45 working day goal and our constantly trying to fix and improve DCIRS before our eventual transition to RMS. This combined with multiple initiatives, upcoming new processes and a solid three person team, TSC has had a successful 2019. Here are some statistics:

- (a) Temporary Clearances, Assessed: 664 / 55 mo.
- (b) Previous EUC's entered: 681 / 57 mo.
- (c) LESO ORI's: 5601 / 467 mo.
- (d) DCIRS Case Assists: 74 / 6 mo.
- (e) Scanned Backlog: 2400 / 200 mo.

### d. Operations Division

The Deputy IG for Operations (DIG Ops) oversees the Operations Division. The DIG Ops directly supports the IG through the synchronization of key OIG mission-related functional efforts under the umbrella of investigations, audits, assistance, inspections and Hotline. The foundation of this support is the Operations Division's administrative program that coordinates

all primary staff functions across OIG related to personnel, finance, training, security, travel, taskings, records management, and general administration. The administrative program supports all OIG employees at nine CONUS and two OCONUS locations, and serves as a liaison to all DLA HQC staff elements. The DIG Ops oversees the Enterprise Hotline and Assistance Programs and is directly involved in the synchronization of the OIG Inspections Program that is executed by subject matter experts of the Audit and Investigations Divisions.

#### (1) Hotline

The Deputy IG for Operations oversees the DLA Enterprise Hotline Program on behalf of the Inspector General. The DLA Enterprise Hotline Program provides DLA personnel with an alternative communication mode to report suspected fraud, waste, abuse, and mismanagement without fear of reprisal. DLA Hotline complaints are received through a web portal, email, phone or fax or in person. The DLA Enterprise Hotline Program operates in accordance with DLA I 7050.01. Complaints are received, considered, coordinated as appropriate with General Counsel, and then referred to ID or to the appropriate MSC, Regional Command, D or J Staff Point of Contact (POC) for either information or action. When investigations are required in support of an action referral, an examining official is appointed. Completion Reports are received and reviewed by the Hotline Program Manager (PM) before distribution, if required. The DLA Hotline PM acts as the liaison with the Defense Hotline Program. In FY 19, the hotline processed and resolved 206 complaints, 144 from the DLA Hotline and 62 referrals from DoD IG Hotline.

#### (2) Assistance

The Deputy IG for Operations also oversees the DLA Assistance Program. Personnel requiring assistance can make direct requests to any DLA OIG employee assigned IG duties, through the DLA Enterprise Hotline program. Anyone may request assistance of the DLA OIG, and the assistance function is a tool that the DLA Inspector General uses to provide DLA employees and stakeholders a resource for determining the best solution to any challenge that they may face. The purpose of the Assistance function is to help resolve issues for DLA employees and stakeholders so they can focus on their assigned mission of support to our nation's Warfighters, and to resolve issues that interfere with performance or resiliency.

#### (3) Inspections

The Deputy IG for Operations is directly involved in the synchronization of the OIG Inspections Program that is executed by subject matter experts of the Audit and Investigations Divisions. As part of our informal inspection process, OIG conducts IG reviews (investigations and audits) that facilitate a DLA work environment and culture that is both

healthy and balanced for employees. The DIG Ops synchronizes these efforts gaining support of Audit Division and Investigative Division as necessary. OIG supports the agency management review process as part of our formal inspection process.

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# Defense Logistics Agency

## DLA Intelligence (DI)

### Fiscal Year 2019 Annual Historical Report



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

#### MEMORANDUM FOR THE DLA HISTORIAN

SUBJECT: Submission of the DLA Intelligence FY19 Annual History Report

Fiscal Year 19 was another banner year for DLA Intelligence. Our Security Division worked diligently to establish and strengthen partnerships to influence effective workflow. It also saw a rise in workload while sustaining a reduction in employees. Our Intelligence Division provided Enterprise-wide intelligence support to ensure DLA decision-makers received the needed intelligence to make timely and informed decisions. Our Special Programs Office provided classified and sensitive support to the Military Services, other DoD components, Executive Branch agencies of the Federal Government, and non DoD and Federal Departments and Agencies.

As you read through the attached Annual History Report, you will have a better understanding of the important programs within DLA Intelligence and the support we provide the DLA Enterprise-wide. Through our historical narrative, you will note the support we provide to the focus areas in the DLA Strategic Plan is not limited to those we are the OPR in the People & Culture Plan, but to each focus area in the DLA Strategic Plan, and the new initiatives we introduced during the FY.

It is a good read!

SAMERGEDES.STE  
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Stephanie Samergedes  
Director, DLA Intelligence

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Attachment:  
1 – Annual History Report

## **1. Introduction:**

a. DLA Intelligence (DI) provides Enterprise-wide policy, program, and operational support for the following programs: Intelligence, Counterintelligence (CI), Special Security Office (SSO), Special Program Activities, Personnel Security (PERSEC), Information Security (INFOSEC), Operations Security (OPSEC), Industrial Security, Foreign Disclosure (FD), and the Insider Threat Program (InTP), to ensure DLA decision-makers:

- (1) Are aware of the sensitive international factors impacting current and potential support requirements;
- (2) Are informed of foreign intelligence entity collection operations targeting DLA equities worldwide;
- (3) Have awareness of foreign threat activity occurring wherever the DLA footprint resides;
- (4) Have confidence DLA personnel have received adequate training, security clearances, and security awareness to ensure unclassified and classified information is protected from compromise; and
- (5) Are equipped to detect, deter, and mitigate potential risks posed by trusted insiders to DLA networks, personnel, facilities, and operations.

b. DLA Intelligence plays a support role in the DLA Strategic Focus Areas of Warfighter First, Global Posture, Strong Partnerships, Whole of Government, and Always Accountable by:

- (1) Augmenting DLA's Enterprise awareness of the sensitive international factors impacting current and potential support requirements;
- (2) Focusing on implementing risk mitigation strategies; and,
- (3) Creating a more highly skilled, diverse, agile, proactive, responsive, and trained intelligence and security workforce that is complementary to the overall mission, goals and objectives of DLA.

c. In FY 19, DI's Security Division worked diligently to establish and strengthen partnerships to influence effective workflow. Further, the Security Division saw a rise in workload while sustaining a reduction in employees. Accomplishments included:

- (1) Assisting J1 (DHRS Columbus) in decreasing their unacceptable cases submitted to OPM by 8 percent through focused training on the completion of the Electronic Questionnaires for Investigations Processing (e-QIP) system;

(2) Assisting MSCs with coordinated OPSEC Assessments by the Joint Staff OPSEC Support Element (JOSE) and worked with MSC personnel to close gaps identified during assessments; conducted assessments on each MSC and three Depot level activities;

(3) Serving as principal advisor to the J1 for security clearance issues during monthly “Hot Topics” meetings;

(4) Enhancing timeliness rate and quality of submission on e-QIP submitted to OPM through process change; timeliness up 8 percent from FY 17, measured at 68 percent for this FY with a DLA goal of 70 percent; submitted over 7107 background investigation requests with only 100 deemed unacceptable, well below the 5 percent target established by OPM;

(5) Serving as key advisor to the J1 led position sensitivity validation. Worked with dozens of hiring officials on use of position designation tool; assisted Enterprise Position Description (PD) owners in determining sensitivity level and upgrading security clearance investigations for over 1123 people assigned to three separate PDs;

(6) Training Personnel Security specialists in making suitability determinations on personnel requiring unescorted access or information technology access. Formal training allows personnel to conduct Due Process for suitability issue cases sent down by the DoD Consolidated Adjudication Facility (CAF);

(7) Improving oversight of security programs through partnership with J3 and Installation Support during Agency Management Reviews. Took ownership of the process to approve space for classified use and discussion; significantly reduced the timeliness of approvals over the past quarter; and, integrated J6 Information Assurance and COMSEC programs into approval process for faster provisioning of equipment to process classified material;

(8) Publishing updates to several SOPs designed to reduce administrative burden on specialists. Updates approved and implemented in suitability, due process case processing, and the formal memorandums for access suspension;

(9) Implementing the Defense Information System for Security (DISS) on schedule with the DoD roll-out;

(10) Reaching IOC on a new internal security application which replaces two antiquated applications, about 60 percent functionality received from requirements documents;

(11) Promulgating new policy in PERSEC, OPSEC, and INFOSEC;

(12) Updating security clearance and background investigations on employees whose position sensitivity changed or their last investigation is not valid for the current eligibility and position sensitivity;

(13) Implementing an approval process for areas to process classified material outside secure spaces with assistance from J6 and DM;

(14) Leading discussion into whether DLA requires a NATO Sub-registry and a NATO certification for the local SIPRNet enclave;

(15) Coordinating with J6 in developing a process to reduce the number of personnel delinquent in completing Derivative Classifier training. Effective Sept 1, 2019 delinquent personnel will be notified that their SIPRnet account will be disabled within a specific time if the training is not completed as required. J6 will also provide DI with a daily SIPRnet account roster to ensure the Derivative Classifier training is assigned to new SIPRnet account holders via LMS;



(16) Working with MSCs having Local Nationals (LNs) on their roles. DI Battle Creek worked with DLA Disposition Services J5 to review 11 AMPS roles that had been historically accessed by DLA Disposition Services LNs assigned to DLA Europe/Africa and DLA Indo-Pacific. DI Battle Creek proposed solutions (reviewing current IT2 roles to see if they were in fact IT2; proposed establishing a secondary/tertiary role from the IT2 roles that could be IT3 for the LNs to access). The timeline established by DLA Disposition Services leadership did not allow either of these proposals to be vetted. DLA Disposition Services leadership requested a waiver until the two proposals could be validated. DI Battle Creek coordinated with DLA Disposition Services J5 on the waiver and DLA J3 approved the waiver;

(17) Participating in the OUSD Working Group in reviewing Job Analysis received from department OPSEC PM, Coordinators, and Officers resulting in establishing program criticality of tasks. Participation was by the DI Battle Creek INFOSEC/OPSEC PM;

(18) Participating in the Defense Security Service (DSS) Exam Developer Item Writing update for Physical Security Certification and updating the Certification Renewal Form. Participation was by the DI Battle Creek INFOSEC/OPSEC PM; and

(19) Assessing six J67 Document Services classified production operations for compliance with security policies.

d. In FY 19, DI's Intelligence Division continued to provide Enterprise-wide intelligence support to ensure DLA decision-makers received the needed intelligence to make timely and informed decisions. Accomplishments included:

(1) Updating the format for all current intelligence briefings and written products to ensure global situational awareness, better readability, and reduced redundancy;

(2) Enhancing overall Agency situational awareness by coordinating all Global Update intelligence briefings with relevant stakeholders;

(3) Reviewing the DLA Director's Priority Intelligence Requirements (PIRs) to include short, mid, and long-range requirements;

(4) Streamlining/modernizing intelligence procedures and applications to offset reduction in manpower;

(5) Ensuring broader Agency CI awareness by increasing the frequency of CI Awareness Training to all newcomer in-processing days;

(6) Developing a comprehensive CI strategy to provide CI support to the Agency's Supply Chain Security Strategy;

(7) Partnering with the TRANSCOM Foreign Entity Vetting (FEV) team to explore opportunities to collaborate and build organic capability for providing CI support to DLA supply chains;

(8) Assisting the DLA Foreign Visit Program Coordinator by conducting CI checks on all foreign visitors to the DLA enterprise;

(9) Ensuring MSC and RC leadership was appraised of the local CI threat by conducting liaison with pertinent CI services in an effort to include DLA as part of all future Service CI Threat Assessments;

(10) Ensuring the Agency was appraised of potential CI threats through foreign travel CI pre-briefs and debriefs of DLA travelers;

(11) Drafting and staffing a CI Policy Issuance in an effort to provide grounded and consistent guidance on all matters related to CI issues;

(12) Drafting and staffing a DLA CI Program Policy Memorandum for the DLA Director's endorsement and signature;

(13) Enrolling and graduating two division members from the Joint CI Training Academy's (JCITA) CI Research, Development & Acquisition (CIRDA) course;

(14) Serving as the principal advisor to the DLA Chief of Staff for CI and Insider Threat issues during bi-weekly updates;

(15) Serving as the principal advisor to the J1 for Insider Threat issues during monthly "Hot Topics" meetings;

(16) Continuing to educate the workforce on the Insider Threat program (within MSCs and RCs) by briefing leadership and supervisors on the criticality of timely reporting, the insider threat inquiry process, and insider threat behavioral indicators;

(17) Drafting and staffing a DLA Insider Threat Program Policy Memorandum for the DLA Director's endorsement and signature; and

(18) Enrolling three division members into required training in the National Insider Threat Task Force (NITTF) HUB Operations Course.

e. In FY 19, DI's Special Programs Office continued to provide classified and sensitive support to the Military Services, other DoD components, Executive Branch agencies of the Federal Government, and non DoD and Federal Departments and Agencies. Accomplishments included:

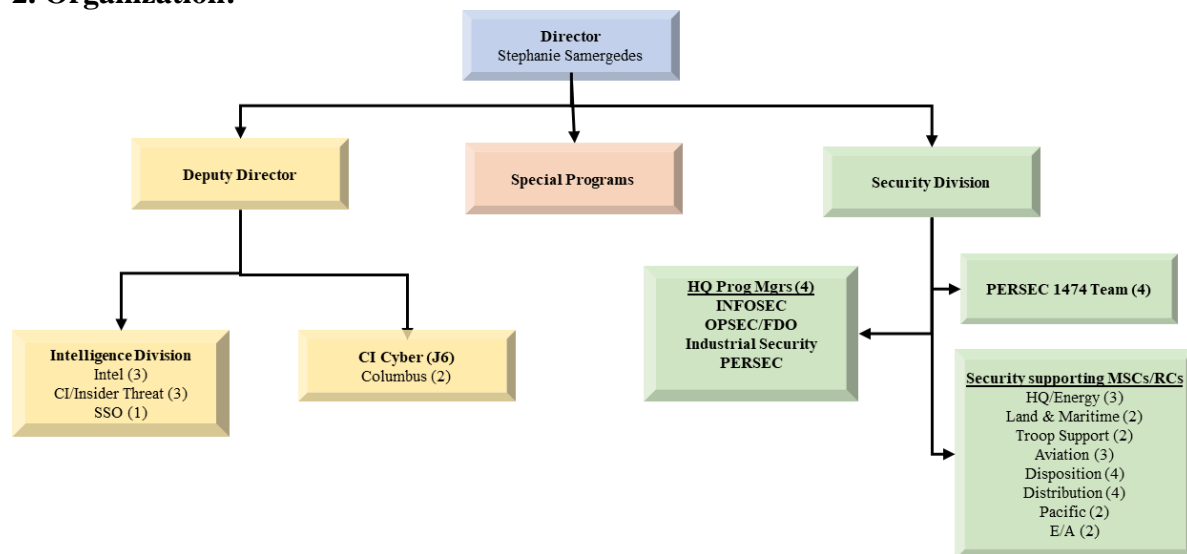
(1) Increasing DLA's Whole of Government services through sales purchases and services, supporting the Director's Strategic Plan.

(2) Reducing aged receivables significantly by training and partnering with the customers and DFAS on financial processes; developing and sharing tailored instructions on payments procedures; and, incorporating new G-invoicing requirements.

(3) Coordinating with DLA Energy and Fuel Purchase Agreement group to shorten the processing time for customer; and, providing the customer with easy-to-use templates to ensure accuracy and first-time approvals, improving turnaround times by 50 percent or more.

(4) Leading and/or hosting multiple meetings with various customers to field new requirements, discussing unique issues to ensure their anonymity and mission success, and presenting DLA capabilities and concerns to safeguard DLA's mission and relationships

## 2. Organization:



## 3. Key Personnel:

Key DI personnel include the Director, Stephanie Samerghedes (March 2010-present); Deputy, Adrain Clay (March 2010-present); Security Division Chief, Tim Sullivan (2015-present); Intelligence Division Chief, David Lovejoy (January 2019-present); and Special Programs Manager, Linda Uehling (2010-present).

## 4. Total Personnel:

a. We are in the midst of personnel reductions due to MHA cuts. We currently have 43 positions, with three reservists and two positions OPCON'd from J6. We have three required MHA reductions for FY 19. Positions taken were Personnel Security positions in Ohio and Philadelphia, thus far.

b. We were also fortunate enough to welcome some Mr. David Lovejoy, Chief, Intelligence Division. We have no contractor employees.

c. In the Intelligence Division, we welcomed two new CI/Insider Threat positions in FY 19, one of which is currently filled and one is the Intelligence Division Chief (Mr. David Lovejoy).

## 5. Historical Narrative:

### a. DI Operations

(1) Conducted quarterly VTC (Oct 1018; Feb 2019; July 2019) to update all personnel on new developments within DLA and to understand issues DI personnel may be having (alternate VTCs, one with HQC leading, the other with field personnel leading).

(2) Established culture climate working group to address issues identified during culture/climate survey and develop action plan to resolve problems. Working group is now year-round.

(3) DI Director is conducting sensing sessions with all employees to gauge the atmosphere of the organization and gather perspectives and identify concerns with climate and culture.

(4) Produced weekly FRIDAY NOTES to communicate directly with the staff (both at HQC and the field). Used this tool to apprise staff of new policy, reiteration of current policies, issues, force protection/ security/safety concerns, and to espouse teamwork and DLA values.

(5) Used DLA rotation program to train non-intelligence personnel in intelligence. Individuals (we requested one for FY 19) learn and are able to provide assistance with development of intelligence products. (Win-win for both sides).

(6) Published quarterly DLA Intelligence Newsletter alerting DLA Enterprise of security and intelligence items of interest.

### b. Security Division Operations

(1) DI added to new customers in FY 19: DSCA and DHRA.

DI is currently supporting almost 5K in personnel from other Defense Agencies with only one FTE assigned permanently. DI is working towards hiring a second FTE to handle reimbursable organizations.

(2) OPSEC Developments: Dashboard Review; OPSEC Assessments of Supply Chains; OPSEC assessments of Depots.

(a) The USDI provided the DLA Dashboard with a favorable review for classification management and process. DI continues to partner with the Joint OPSEC Support Element (JOSE) to assess specific supply chains utilizing open source activity reviews (OSRAs).

(b) Supported DLA Energy with OPSEC reviews of all presentation prior to their Fuels conference. Provided expert recommendations to keep sensitive information from being discussed with unauthorized personnel.

(3) PERSEC Developments:

(a) Continuous Evaluation implemented for DLA, impacts 16K personnel; Position Designation Review completed, processed 850 of 1200 new security clearances resulting from position re-designation.

(b) Continued focus on mitigating issues during security clearance processing resulted in a 40 percent reduction in adverse security clearance actions. Keeps Agency personnel in access and working vice having access suspended and work redistributed.

(4) INFOSEC Developments:

(a) Highlighted security violation concerns; wrote policy memo on mobile devices in DLA meetings; wrote Director's policy memo on security and information protection; and, received clean opinion on information protection on the Director's dashboard from USDI.

(b) Identified and implemented a process in coordination with J6 to identify personnel required to take annual Derivative Classification training. New process ensures personnel comply with DoD mandate and J6 has appropriate oversight over SIPRNet accounts.

(5) Keeping the Work Force Informed: the Health of the Agency, BLOGs, DI Newsletters.

(a) Published several articles on maintaining security clearance eligibility.

(b) Developed new annual training that incorporates 5 mandatory training events into a single module for employees. Test out option before taking module will allow employee to bypass training if they score 100 percent on knowledge test questions. J1 continues to develop program for implementation in FY 20.

(6) Industrial Security Developments:

Developed training for product specialists on requirements for vendors to handle covered defense information, a subset of sensitive information. Training commenced with over 200 product specialists briefed.

c. Intelligence Division Operations

(1) New Customers: DLA Troop Support Commander/Senior Staff (intelligence briefings, 3/week); Expansion to Insider Threat Population/Program.

(2) Current Intelligence Developments: Improved Global Update briefing format; Intelligence brief moved to the front of the daily Global Update; Improved INTSUM format; TOP SECRET Intelligence Book for senior DLA leaders.

(3) Counterintelligence (CI) Developments: DLA Director's Counterintelligence Policy Memo; Increased CI Awareness Training; CI Support to Foreign Visit Program; Pre-brief/De-brief of DLA employees on foreign travel; CI Inquiries; Military Department CI Organization (MDCO) liaison; Intelligence Information Reports; Mission Assurance Working Group member; PAO engagement.

(4) Insider Threat Developments: DLA Director's Insider Threat Program Policy Memo; Insider Threat Awareness Training, Supervisor Training, and Command Briefs; Insider Threat Working Group Meetings; DoD Insider Threat Management and Analysis Center (DITMAC) seminars; Mission Assurance Working Group member; PAO engagement.

(5) Keeping the workforce informed: Health of the Agency; DI Newsletters; PAO outreach; increased training of new DLA employees.

#### **d. DOD Intelligence Oversight (IO) Inspection**

(1) DLA Intelligence continues to have a strong Intelligence Oversight program. The appointed IO Officers perform their responsibilities for ensuring all DLA Intelligence personnel receive annual IO training and reporting any intelligence questionable activities.

(a) No questionable activities were reported or observed.

(b) No questionable intelligence activities reported or observed.

(c) DLA's IO representative verified that (100 percent) of personnel assigned to DLA Intelligence have received all required IO training IAW DoDM 5240.01.

(2) IO Program Developments: DLA Intelligence is in receipt of a draft classified report from the CMO regarding the IO inspection conducted a few months ago. However, it has some factually incorrect items and, as a result, DI is working with General Counsel and DLA OIG on how to respond to each of the findings and observations.

#### **e. Counterintelligence (CI) CYBER**

(1) DI in coordination with J6 continues to lead the way in CI Cyber operations with one of two OPCON'd CI Cyber Program Analysts. This CI Cyber Analyst continues to be the Agency Subject Matter Expert providing CI Cyber support to internal and senior agency officials. This analyst provides timely leads to other analytical groups within the Intelligence Community within 24 hours of receipt that may assist or provide additional resources/assets to establish DLA's integration into the cyberspace focused DoD community.

(a) He discovered multiple items of security concern and new threat vectors that could potentially impact DLA operations. He always sent out notifications of these vulnerabilities within 24 hours upon discovery, and in most cases, he delivered follow-on assessments within 48 hours from the original notification.

(b) His proactive threat hunting led to discovery that there was a corporation tracking multiple DLA users in an effort to de-anonymize their web traffic. The company was compiling the information to personally identify the users and their browsing habits, social media, and physical addresses. CI Cyber was able to identify the targeted DLA members and mitigate the company's efforts.

(c) He educated leadership on the ever evolving cyber threat by conducting multiple briefings to senior leadership, training DLA civilians and contractors, and communicating national threat items to a wide variety of personnel. He is frequently praised for providing enlightening and information rich material in a concise manner.

(d) He completed extensive research and sampling project on CAC card vulnerabilities to ensure that DLA's CAC cards did not contain an inferior encryption scheme that some CAC cards had at the time; during this project he coordinated with USCYBERCOM and other components on research and final findings. USCYBERCOM released a DoD wide notification about 48 hours after our CI Cyber Analyst notified them of the potential vulnerability.

#### f. Sensitive Support Operations

(1) Led the initiative to work the aged receivables (outstanding) bills directly with the sensitive support customers and financial team. Met with DFAS and DLA J8 to identify how the customer was submitting the payments incorrectly. Determined best method for non-DoD customers to pay via IPAC. Developed step-by-step instructions on how to fill out system fields so payments are processed in the right DFAS office; included in SOP/continuity book. Result: Aged receivables for this customer reduced significantly; fuel bills are in current FY only and other DLA support and services are almost completely cleared.

(2) Coordinated with a DLA office to provide shipments for a customer; provided written instructions to both parties, and tested procedures to ensure proper communication (results were very successful).

(3) Coordinated with DLA Energy and Fuel Purchase Agreement group to shorten the processing time for customer; provided the customer with easy-to-use templates to ensure accuracy and first-time approvals, improving turnaround times by 50% or more

(4) Formulated a system to track fuel purchase agreements to ensure updates are completed prior to the expiration date; this best practice process has given the customers time to submit the paperwork with no break in mission requirements

## 6. New Initiatives

a. Training. Consolidating four separate annual training briefings into one briefing with four modules, test opt-out also available. Pending J1 creation. Scripts and pre-tests written by SMEs and approved by Division Chief.

b. Agency Management Reviews (AMRs). Conducted AMRs on Disposition Services, DLA Energy, and DLA Aviation. Expanded assessments to include all DLA activities (J6, other MSCs located at site) to save on multiple TDYs to assess DLA activities.

c. Increased CI Awareness Training to new employees during all DLA Onboarding days.

d. Incorporated face-to-face Insider Threat Awareness training for Supervisors.

e. Developed a CI Strategy designed to provide CI support to DLA's new Supply Chain Security Strategy.

f. Developed a DLA World View briefing slide that gives the DLA Director and senior staff an increased global situational awareness of issues relevant to DLA.

## **7. DI Enterprise-wide**

a. Troop Support: Sensitive Compartmented Information Facility (SCIF) and open storage certification of newly constructed facility; JOSE Assessment of subsistence supply chain.

b. Aviation: SCIF planning, AMR completed. Identified significant deficiencies within or adjacent to locations where classified material can be discussed or projected over VTC. Provided mitigation to ensure classified and sensitive were protected.

c. Land and Maritime: SCIF accredited; SCI LAN installed and operational.

d. Distribution: SCIF accredited.

e. Energy: JOSE Open Source Assessment completed on Fuels supply chain.

f. Disposition Services: Assisted with proposal to destroy Special Access Programs (SAP) IT at request of DoD CIO.



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# Defense Logistics Agency

## DLA Legislative Affairs (DL)

### Fiscal Year 2019 Annual Historical Report



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

October 18, 2019

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: Office of Legislative Affairs (DL) Fiscal Year 2019 History

I have reviewed DL's submission which chronicles the Defense Logistics Agency's congressional and legislative history for fiscal year 2019. Please accept this as my endorsement.

You may contact me with any questions at 571-767-6150 or [robert.wimple@dla.mil](mailto:robert.wimple@dla.mil).

  
ROBERT T. WIMPLE  
Director  
Legislative Affairs

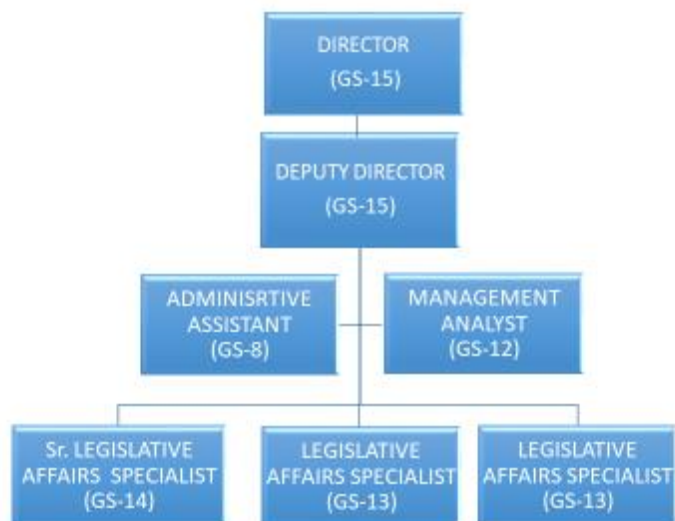
Attachment: DLA Office of Legislative Affairs (DL) FY 2019 History

## 1. Introduction

The mission of the Defense Logistics Agency's Office of Legislation Affairs (DL) is to provide executive-level advice and assistance to the Director, Vice-Director, Executive Board members and Field Activities on all matters regarding Congress, the White House and all national, state and local political activities bearing on Agency mission and operations. The vision of the office is to have continued proactive engagement with Members of Congress, Congressional Committees and their staffs to gain support for DLA's mission, programs and initiatives.

DL also provides full spectrum support to DLA Headquarters and Field Activities. Each legislative specialist is responsible for all congressional actions related to their specific portfolios. This includes congressional inquiries, Hill engagements (meetings/briefings) and hearing support. Congressional support is centralized within DL. The Field Activities, except Troop Support, have no dedicated legislative affairs specialists assigned to their organizations. However, there are designated legislative points of contact at each Field Activity who reside within either the General Counsel offices or the Command support staff group.

## 2. Organization



## 3. Key Personnel

The DL staff is comprised of seven full time employees; no contract staff. There are two GS-13 Legislative Affairs Specialist tasked with direct legislative activity and one GS-14

Senior Legislative Affairs Specialist who also provides direct legislative activity and is the lead for the legislative team. We have one GS-12 Management Analyst who provides information management and database support; one Administrative Assistant, and the Director and Deputy Director. The Director and Deputy provide direct support to the DLA Director, Vice, COS, PLFA Commanders, J-Code Directors, and D-Staff Directors. The Legislative Affairs Specialists directly support the Legislative Director and Deputy, and their Director's Staff Group, MSC, J-Code, and D-Staff customers.

#### **4. Historical Narrative**

##### **a. OSD Efficiencies Initiative**

On January 13, 2013, as a result of the OSD Efficiencies Initiative, the DL Deputy Director, Mr. Cordell Francis, is dual-assignment as the Special Assistant to the Assistant Secretary of Defense for Legislative Affairs. The agreement between OSD (LA) and DLA assigned the Deputy to OSD (LA) three out of five days per week.

##### **b. Congressional Engagements**

In 2019 the Legislative Affairs office conducted in excess of 3K Congressional engagements. Specifically:

(as of October 17, 2019)

- (1) 0210 – Congressional Inquiries
- (2) 0007 – Congressional Reports
- (3) 0000 – Hearings
- (4) 0032 – Briefings/Meetings/Telecons
- (5) 0004 – Budget Briefings
- (6) 1059 – Contract Announcements
- (7) 0014 – Congressional MILCON Notifications
- (8) 2880 – Direct requests for information (calls, emails, faxes, etc)

##### **c. Reports to Congress**

DLA wrote or contributed to Congressional Reporting Requirements for the Congressional Defense Oversight Committees.

d. FY 19 Budget

ITEM	ACTUALS
Labor	\$861,267
Training	\$600
Supplies/Equipment	\$4,733
Contract	\$60,000
<b>Total</b>	<b>\$926,600</b>

DL had a budget of approximately \$896K. The majority of the budget is labor (\$861K), followed by the only DL contract for Congressional Quarterly (\$60K) for information and research services. The contract was shared with J8, J3, and J7. The next largest DL expense is supplies (\$9K), and the remainder was absorbed by training.

e. FY 19 National Defense Authorization Act

The Conference Agreement on HR 5515, National Defense Authorization Act for FY 19 authorizes \$717.1B for the Pentagon and defense-related programs, \$16B more than FY 18 authorized level and 1.2 billion less than the president's overall request. The total includes \$639B for the Pentagon's base, non-war budget that is subject to spending caps and \$69B for uncapped Overseas Contingency Operations (OCO) to support operations in Afghanistan, the fight against the Islamic State, and the general war on terrorism. It includes a large increase in funding for nuclear weapons, including funds for a controversial new "low-yield" nuclear warhead, as well as additional funding for more ships, planes and armored vehicles.

f. FY 19 Legislative Proposals

DLA submitted three legislative proposals for inclusion in the President's FY 19 Budget Request to Congress. They would (1) authorize acquisitions for the National Defense Stockpile (NDS); would (2) amend the Strategic and Critical Materials Stock Piling Act to provide greater flexibility in the management of the National Defense Stockpile (NDS) by granting exemptions to congressional notification and reporting requirements before acquisition of small scale material buys of less than or equal to \$10M; and (3) combine two annual reporting requirements of the Stock Piling Act into one report.

g. FY 19 Consolidated Appropriations Act, P.L. 116-6

On February 15, 2019, H.J.Res. 31 became Public Law No. 116-6; The Fiscal Year 2019 Consolidated Appropriations Act. The Act made appropriations for the Department of Defense and other Federal agencies through September 30, 2019.

h. FY 19 Budget Briefings

DLA started the 2013 Congressional Year with the FY 2014 defense budget briefings after the President's Budget release to Congress on April 10, 2013.

i. DLA Issues of Congressional Interest

A number of DLA issues gained Congressional interest in 2019. A snapshot of the significant meetings and briefings are listed below.

(As of October 17, 2019)

<b>Org</b>	<b>Type</b>	<b>Date</b>	<b>Subject</b>	<b>Attendees</b>
DLA Small Business	Briefing	2/15/2019	FY 19 National Defense Authorization Act Conference Report - H.Rept. 115-874 (Sec.859) - Briefing on Authorization for Payment of Certain Costs Relating to Procurement Technical Assistance Centers	House Armed Services Committee
DLA Energy	Briefing	1/16/2019	Agreements/Fuel Billing and Collection Issues	Senate Armed Services Committee
DLA Logistics Operations (J-3)	Briefing	1/11/2019	Briefing - DLA 101 to Senate Armed Services Committee	Senate Armed Services Committee
DLA Strategic Materials	Briefing	1/22/2019	Rare Earth Elements Update	House Armed Services Committee
DLA HQ Legislative Affairs	Meeting	4/1/2019	HASC SASC Staffer Day at DLA HQC	House & Senate Armed Services Committees

DLA Finance (J8)	Meeting	5/17/2019	DLA Audit update	Senate Finance Committee
DLA Troop Support	Meeting	2/26/2019	Supplycore and Troop Support's MRO Japan/Korea Acquisition	Reps Adam Kinzinger (R-IL-16) and Cheri Bustos (D-IL-17) (R-OH)
DLA Distribution	MSC Congressional Visit	2/13/2019	Site Visit - Pennsylvania Lt Governor John Fetterman Visit to DLA Distribution HQ	Pennsylvania Lieutenant Governor John Fetterman
DLA Troop Support	Briefing	10/8/2019	Briefing - DLA Support to Veterans Affairs (VA) for Medical Surgical	House and Senate VA Committee
DLA Strategic Materials	Meeting	9/25/2019	Meeting - Noranda Chemical (Rare Earth Metals)	Rep Garrett Graves
DLA Distribution	MSC Congressional Visit	7/8/2019	Site Visit - Defense Distribution Center, New Cumberland - Local Health Clinic Operations	Rep Scott Perry (R-PA-10)
DLA Energy	Teleconference	3/21/2019	SASC Teleconference - Follow-up ACSA Way Ahead	Senate Armed Services Committee
DLA Troop Support	Teleconference	6/12/2019	State Minimum Wage Laws and Small Business Contracting	Rep Mike Bost (R-IL-12)
DLA Logistics Operations (J-3)	Teleconference	5/1/2019	Teleconference - F-35 Program Legislative Proposal	House Armed Services Committee

**Defense Logistics Agency**  
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DLA Logistics Operations (J-3)	Teleconference	5/14/2019	Teleconference - POGO Article: Demil of Humvees - Ground Vehicles	Senate Armed Services Committee
DLA Strategic Materials	Teleconference	5/23/2019	DLA Legislative Proposal Sec. 1413. Authority to Dispose of and Acquire Materials or the NDS	House Armed Services Committee
DLA Acquisition (J-7)	Teleconference	5/2/2019	Historically Underutilized Business Zone (HUBZone) Set Aside	Rep Elaine Luria (D-VA-2)
DLA Logistics Operations (J-3)	Teleconference	6/4/2019	Excess Property and Fire Fighter Program	Rep Kim Schrier (D-WA-8)
DLA Finance (J-8)	Teleconference	4/19/2019	MILCON Project Funding - Richmond Operations Center	House Armed Services Committee / Senate Armed Services Committee / Senate Appropriations Committee / House Appropriations Committee
DLA Troop Support	Teleconference	6/12/2019	State Minimum Wage Laws and Small Business Contracting	Rep Boozman (R-AR)
DLA Acquisition (J-7)	Teleconference	4/18/2019	Teleconference with OSD in Prep for HORC Hearing TransDigm	House Oversight Reform Committee



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# Defense Logistics Agency

## DLA Equal Employment Opportunity (DO)

### Fiscal Year 2019 (FY 19) Annual Historical Report



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

October 10, 2019

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY COMMAND HISTORIAN

SUBJECT: DLA Equal Employment Opportunity and Diversity (DO) 2019 Annual History Report

The DO's 2019 Annual History Report is approved and is being submitted with my endorsement along with the following attachments:

- General Order (GO 12-13) that reorganized the DLA EEO offices on 18 March 2014.
- The historic partnership Memorandum of Understanding between Gallaudet University and DLA that was signed on 25 March 2019.
- DLA's Fiscal Year 2018 Management Directive 715 report that was signed by the Director on 25 April 2018 by the Director of EEO and the DLA Director on 1 May 2018.
- DLA's Agency Management Review schedule for calendar year 2019-2020.
- Article from DLA Today on the Workforce Recruitment Program Ceremony, in which DLA won all four award categories for the first time in DLA's history.

The attached pages show highlights from these successes at DLA Office of EEO and Diversity through the past several years and allow DO to continue to meet the ever changing requirements affecting DLA's mission.

We hope that as people read these pages they will see a workforce ready, willing, and able to do all it can to exceed the DLA Director's goals for the DLA Strategic and Companion Plans.

SAMUELJANICE.104 Digitally signed by  
6995186  
JANICE SAMUEL  
Director  
Office of Equal Employment  
Opportunity and Diversity

Attachments:  
As stated

## **1. Introduction**

The DLA Equal Employment Opportunity/Diversity (EEO/Diversity) office is responsible for providing advice, assistance, and guidance to the DLA Director, the Vice Director, the DLA Executive Board, senior leaders, supervisors, and managers, on all matters relating to the (EEO) program, as well as proactive measures to develop and maintain a model EEO program. It also provides counseling, advice, and training to the workforce about the rights and responsibilities within the EEO process.

The EEO office is comprised of two branches: Complaint and Training Business Unit Branch and Affirmative Action/Special Emphasis and Analysis Business Unit Branch. For the enterprise DLA EEO Office at the McNamara Headquarters Complex, this translated to the disestablishment of the Policy and Compliance Division and establishment of the Complaints and Compliance Division, and the establishment of the Affirmative Employment Program/Diversity Division. The DLA HQ EEO Operations Division was renamed DLA Headquarters EEO Operations Division (DO-S).

In an effort to display a clear understanding and background of the DLA EEO/Diversity office, this report will provide historical information, which began since the reorganization in 2014, with programs and initiatives that continue into 2019.

### **a. Background Mandates**

The Equal Employment Opportunity Commission (EEOC) provides leadership and guidance to federal agencies on all aspects of the federal government's equal employment opportunity program. EEOC assures federal agency and department compliance with EEOC regulations, provides technical assistance to federal agencies concerning EEO complaint adjudication, monitors and evaluates federal agencies' affirmative employment programs, develops and distributes federal sector educational materials and conducts training for stakeholders, provides guidance and assistance to EEOC Administrative Judges who conduct hearings on EEO complaints, and adjudicates appeals from administrative decisions made by federal agencies on EEO complaints.

The EEOC regulations implement the federal workplace discrimination laws and are found in the Code of Federal Regulations (CFR). In addition, EEOC's significant regulatory actions are approved by the Office of Management and Budget, and are coordinated with other federal agencies. EEOC's regulations are published annually in Title 29 of the Code of Federal Regulations.

**b. Statutory Requirements**

The following laws, directives and executive orders are some of the key federal regulations and guidelines that are used in executing the EEO program:

- (1) Title VII of the Civil Rights Act of 1964, as amended.
- (2) Management Directive 715 (MD 715)
- (3) Management Directive 110 (MD 110)
- (4) 29 CFR 1614 – Title 29, Code of Federal Regulation, Part 1614.
- (5) 1614.301 Age Discrimination in Employment Act (ADEA)
- (6) 1614.203 Rehabilitation Act
- (7) 1614.202 Equal Pay Act (EPA)
- (8) Genetic Information Non-Discrimination Act of 2008 (GINA)
- (9) Age Discrimination in Employment Act of 1967 (ADEA)
- (10) Americans with Disabilities Act of 1990 (ADA), as amended.
- (11) Notification and Federal Anti-Discrimination and Retaliation Act of 2002.
- (12) Executive Order 13583, promote Diversity and Inclusion in the Federal

**Workforce**

- (13) Executive Order 13087, issued on May 28, 1998, Addressing Sexual Orientation Discrimination in Federal Civilian Employment

**c. Mission:**

The DLA EEO/Diversity office mission is to advise and assist the DLA Director on all aspects of the development and maintenance of a model EEO Program, and to ensure that DLA remains in compliance with the regulations and guidelines set by the federal government.

**d. Vision:**

The DLA EEO/Diversity office vision is to ensure that consistent programs of equality, diversity and inclusion are in place for all employees, which empower the workforce to achieve their full potential and unify the workforce to achieve the DLA mission.

**e. Mission Essential Tasks**

The mission essential tasks are divided within the EEO/Diversity office through specific duties assigned to the three different divisions identified below:

- (1) Complaints and Compliance Division (DO-C)

DO-C oversees the enterprise-wide Equal Employment Opportunity (EEO) complaints process. Issues agency-wide policy guidance and ensures standardization of agency processes. Issues final agency decisions, manage the agency appeals process, manages the

investigations contract, meets reporting requirements, and conducts EEO staff assistance visits through the Agency Management Review.

## (2) Operations Division (DO-S)

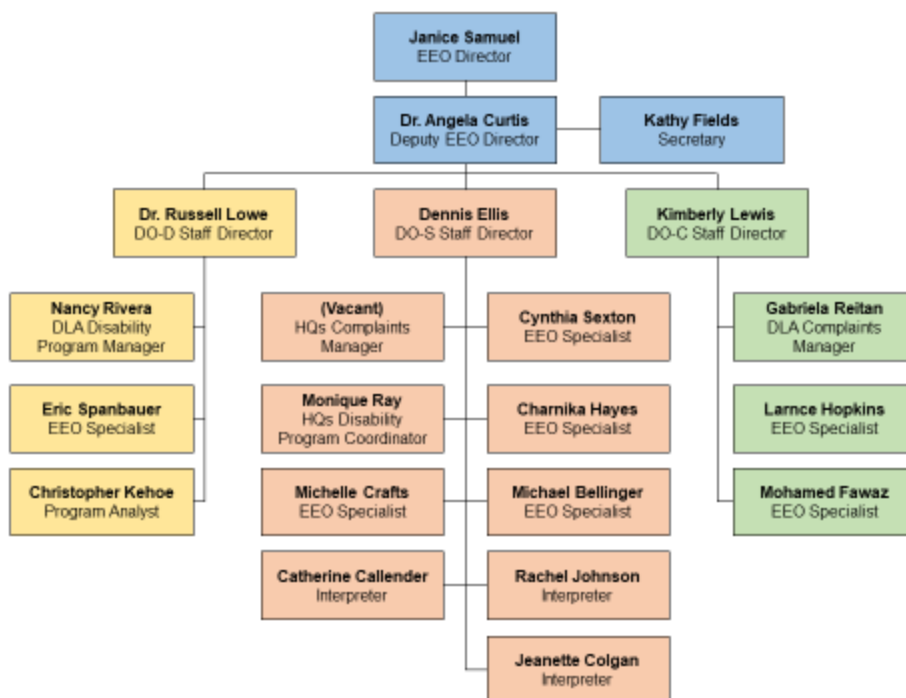
The DO-S serves as a champion of equality, opportunity, diversity and inclusion for DLA HQ organizations and other DLA-serviced agencies. DO-S partners with managers, supervisors, and employees to work towards empowering solutions that allow for achievement of full potential and successful execution of DLA's mission. In fulfilling the agency mission DO-S strives to help the workplace resolve conflict through alternative dispute resolutions and EEO complaint processing. DO-S assist employees and managers with identifying and fulfilling reasonable accommodations that will allow the successful performance of job functions for individuals with disabilities. DO-S also strives to help the workplace achieve a diverse, qualified and inclusive workforce, which represents the population of this country, while fulfilling DLA mission requirements.

## (3) Affirmative Employment Program (AEP) Diversity Division (DO-D)

DO-D advises and assists the EEO Director on all matters relating to the EEO program, Affirmative Employment Programs, Disability Awareness and Reasonable Accommodations, Diversity and Inclusion, and Special Emphasis Programs. DO-D develops, issues and implements DLA instructions (DLAIs) policies, and enterprise standard operating procedures (ESOPs) related to these areas of responsibility. DO-D is also responsible for preparing and submitting the DLA Management Directive 715 (MD-715) annual report, on the status of the EEO program, to the EEOC.

## **2. Organization:**

The organizational structure of the DLA EEO/Diversity office is made up of twenty-one positions, which includes the Director, the Deputy Director, one Secretary, three Staff Directors, eleven EEO Specialist, one Program Analyst, and three Interpreters.



- (a) EEO Director (DO) - Ms. Janice Samuel
- (b) EEO Deputy Director (DO-1) – Dr. Angela Curtis
- (c) Secretary – Ms. Kathy Fields
- (d) AEP Diversity Division (DO-D) Staff Director – Dr. Russell Lowe
- (e) Operations Division (DO-S) Staff Director – Mr. Dennis Ellis
- (f) Complaints and Compliance Division (DO-C) Staff Director -- Ms. Kimberly Lewis
- (g) DLA Disability Program Manager – Ms. Nancy Rivera
- (h) DLA Complaints Manager – Ms. Gabriela Reitan
- (i) DLA HQ Complaints Manager – Currently Vacant
- (j) DLA HQ Disability Program Coordinator – Ms. Monique Ray
- (k) EEO Specialist – Mr. Eric Spanbauer
- (l) EEO Specialist – Ms. Cynthia Sexton
- (m) EEO Specialist – Mr. Larnce Hopkins
- (n) EEO Specialist – Ms. Charnika Hayes
- (o) EEO Specialist – Mr. Michael Bellinger
- (p) EEO Specialist – Ms. Michelle Crafts
- (q) EEO Specialist – Mr. Mohamed Fawaz
- (r) Program Analyst – Mr. Christopher Kehoe
- (s) Interpreter – Ms. Catherine Callender
- (t) Interpreter – Ms. Rachel Johnson
- (u) Interpreter – Ms. Jeanette Colgan

### 3. Key Personnel Changes:

Key personnel changes:

- a. Dr. Angela Curtis was selected as the DLA EEO Deputy Director in March 2019.
- b. Ms. Kimberly Lewis was hired as the Staff Director of the Complaints and Compliance Division (DO-C) in March 2019.
- c. The DLA Operations Division (DO-S) Complaints Manager left DLA in the spring of 2019. This position is currently vacant.

### 4. Historical Narrative

Our accomplishments are centered on the DLA Strategic Plan, specifically the DLA People and Culture (P&C) Plan. The DLA People and Culture Plan states that *“The key to mission success is to continue our focus on people and culture and ensure our greatest resources, people, are engaged and motivated. Engagement is the emotional commitment our employees have to DLA and its mission. It is a key driver of higher retention, increased innovation and productivity, and decreased absenteeism.* Four of the eight objectives in the People and Culture Plan are addressed below:

#### a. Manage the Talent (Objective 3)

This objective is focused on concept to *“Develop, promote, and sustain initiatives to strengthen workforce competencies to meet emerging mission requirements.”*

##### (1) Standards for EEO Personnel

DO-S Specialists assisted DO with planning and implementation of an enterprise-wide training symposium. This symposium trained all DLA EEO Specialists and provided them with their required annual eight hour refresher training. All DO-S EEO Specialists attended this symposium and fulfilled their annual training requirement. This required eight hour annual refresher training, for all EEO specialist, continues to be obtained through various sources, such as training courses with the Equal Employment Opportunity Commission, the Defense Equal Opportunity Management Institute, and training offered by other Department of Defense and federal agencies.

##### (2) Training

DO-S purposed to increase its visibility to the DLA HQ workforce. In FY15, DO-S revised its new Employee Orientation (NEO) training. The prior training provided a basic

overview of the EEO program to familiarize employees with the functions of EEO. The newly revised training provides a more in-depth briefing aimed at ensuring that employees understand the fundamentals of EEO, know who to contact if an EEO issue arises, understand EEO rights, and are encouraged to utilize the RA and ADR processes. This training was implemented in August 2015.

DO-S created and published the handouts, “What You Need to Know About EEO” and “RESOLVE.” The first booklet explains the EEO process and explains protections afforded under EEO law. The second handout explains the ADR program and promotes mediation. These handouts continue to be provided to employees during EEO training and individual visits to the EEO Office. They often supplement what the workforce receives via in-person counseling and training.

### (3) Reasonable Accommodations for Supervisors, Managers, and Employees

DO-S continued to work with managers and employees of its serviced DLA organizations and DOD agencies on providing reasonable accommodations as needed. DLA Headquarters Affirmative Employment Program/Diversity and Inclusion Division (DO-D) created a new RA instruction, which outlines the procedures for requesting and processing RA requests. More than 40 RA requests were made and 43 were granted, equating to a 93.5 percent success rate. The average processing rate of those requests was 24.2 days. Eight of the 46 requests were closed beyond 30 days; however, cases could have remained active while waiting for medical documentation.

### (4) EEO Training for Supervisors, Managers, and Employees

In FY 18 and continuing into FY 19, DO-S offered training that provided an overview of the EEO Program and Reasonable Accommodations (RA) for DLA supervisors, managers, and employees.

### (5) Prevention of Sexual Harassment/Sexual Assault Prevention & Awareness (POSH/SAPR) for Supervisors, Managers, and Employees

In addition to the EEO and RA training for supervisors, managers, and employees, DO-S also partnered with DLA Human Resources to offer monthly Prevention of Sexual Harassment and Sexual Assault Response and Prevention Training, which began in FY 18 and is continuing into FY 19.

### (6) American Sign Language (ASL)

#### (a) Sign Language Interpreting:

Among the responsibilities of the EEO Operations Division is providing sign language interpreting services to McNamara Complex employees of DLA HQ and DLA



Energy, Defense Technical Information Center (DTIC), Defense Threat Reduction Agency (DTRA), and Defense Contract Audit Agency (DCAA).

The sign language interpreting needs within the McNamara Complex are met through both full-time staff interpreters and supported by contract interpreters on an ‘ad-hoc’ basis, which is managed by DO-S. While sign language interpreting remains the primary duty of the sign language interpreters, they also oversee the sign language interpreting contract, the scheduling of all customers interpreting services, DO’s support agreements, administration of the reimbursable funding, and billing for all DO’s services via both the DLA timekeeping system of EAGLES and manual submittals to finance.

To date in FY 19, a total of 3,444.58 hours of interpreting service have been provided between. Of the 3,444.58 hours DLA Headquarters made up 1,160 (33.69 percent) of the hours, DLA Energy made up 1,521.00 (44.16 percent) of the hours, DTRA at 651.25 (18.91 percent) of the hours, DCAA with 91.00 (2.64 percent) and DTIC with 20.75 (.60 percent).

To meet this end, a total of 1,384 interpreting requests required 361.75 hours’ worth of coordination and scheduling, of which DLA HQs have 526 (38.01 percent) of the requests, followed by DLA Energy with 532 (38.44 percent), DTRA at 307.00 (22.18 percent), DCAA 7 (.51 percent), and DTIC with 12 (.87 percent).

<b>SLI Hours</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 (to date)</b>
<b>Total</b>	3,560.25	4,163.23	3,874.25	3,444.58
DLA Headquarters	1759.50 (49.42%)	2,254.90 (54.16%)	1,557.25 (40.19%)	1,160 (33.69)
DLA Energy	922.25 (25.90%)	1132.68 (27.21%)	1,210 (321.23%)	1,521 (44.16%)
DTRA	565 (15.87%)	585.80 (14.07%)	893.75 (23.07%)	651.25 (18.91%)
DCAA	213 (6%)	111.30 (1.89%)	110 (2.84)	91 (2.64%)
DTIC	100 (2.82%)	78.55 (2.67%)	103.25 (2.67%)	20.75 (.60%)

<b>% of SLI Requests</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 (to date)</b>
<b>Total</b>	1,289	1,131	1,489	1,384
DLA Headquarters	666 (51.67%)	483 (42.71%)	628 (42.18%)	526 (38.01%)
DLA Energy	359 (27.85%)	377 (33.33%)	456 (30.62%)	532 (38.44%)
DTRA	172 (13.34%)	234 (20.69%)	391 (26.26%)	307 (22.18%)

DCAA	64 (4.96%)	26 (2.03%)	10 (.67%)	7 (.51%)
DTIC	28 (2.17%)	11 (0.97%)	4 (.27%)	12 (.87%)

(b) American Sign Language Course:

The newly hired sign language interpreters offered an Introductory American Sign Language (ASL) course within the McNamara Complex. The 11-week course was taught by several McNamara Complex deaf employees, and provided participants with a unique introduction to ASL from three deaf employees of various HQC organizations. The first iteration started October 13, 2016, and was open to DLA HQs, DLA Energy, DTRA, DTIC, and DCAA employees. When the series was announced, it amassed 35 registrants within the first three registration days, and 60 persons on the waiting list. The course was offered again to the McNamara Complex September 11, 2018 through November 13, 2018.

b. Perform and Reward (Objective 6)

This objective meant to “Sustain a results oriented performance culture that links individual performance and recognition to organizational goals and performance based actions.”

(1) DoD’s Outstanding Employee with a Disability Award

The purpose of this award is to recognize an outstanding DLA Civilian Employee with a Disability who demonstrated exceptional performance in support of the Agency’s mission. This Secretary of Defense Award, for Outstanding DoD Service Members and Civilians with Disabilities, honors those who support the DoD mission, including their exemplary professional contributions, and/or whose attributes best epitomize the qualities and core values of the Defense Logistics Agency. This includes individuals, who through their personal commitment and professional initiatives, have made demonstrable contributions in the recruitment, retention and advancement of Individuals with Disabilities (IWD) in the DLA civilian workforce, as well as assisted with the advancement of IWD, and served as role models and future leaders.

Several employees from DLA won this award between 2014 and 2019. The winners include an employee at DLA Land and Maritime in Columbus Ohio in 2014; an employee at DLA Distribution DLA Distribution at Tinker Air Force Base, Oklahoma in 2015; an employee at DLA Human Resources (J1) at Fort Belvoir, Virginia in 2016; an employee at DLA Land and Maritime, Small Business Office in Columbus, Ohio in 2017; an employee at DLA Distribution in Susquehanna in 2018; and an employee at DLA Distribution, Shipping Branch, Weapons Division in Anniston, Alabama.

(2) Secretary of Defense (SECDEF) Award in the Achievement of Individuals with Disabilities - Best Mid-Size Component Award

Every year the Under Secretary of Defense for Personnel and Readiness approves the Component award recipient for the Secretary of Defense Award for Achievement in the Employment of Individuals with Disabilities, by Best Military Department, Best Mid-sized

Component, and Best Small-sized Component. The winners are then recognized at the annual DoD Disabilities Awards Ceremony. DLA won this award in 2017, 2018, and was nominated to receive this award once again in 2019. The results of the 2019 nomination is currently pending and will be determined by August 2019.

### (3) WRP Awards

The Workforce Recruitment Program (WRP) is a recruitment and referral program that connects federal sector employers nationwide with highly motivated college students and recent graduates with disabilities who are eager to prove their abilities in the workplace through summer or permanent jobs. The U.S. Department of Labor's Office of Disability Employment Policy (ODEP) and the U.S. Department of Defense's Office of Diversity Management & Equal Opportunity (ODMEO) manage the program.

DLA uses the WRP as an important pipeline in the recruitment of individuals with disabilities and targeted disabilities. DoD has established a goal for 12 percent for Individuals with Disabilities and 2 percent for Targeted Disabilities.

This year DoD is recognizing Workforce Recruitment Program (WRP) participants, Outstanding WRP Coordinators, Outstanding WRP Recruiters, and Outstanding WRP Component awardees who have made significant contributions to the DoD workforce and have advanced the WRP as an affirmative employment program within the Federal government. In 2019 the WRP Awards has recognized DLA in every category (Component, Recruiter, Coordinator and Participant). DLA has won a total of nine times! Two times as the WRP Component, two times for the WRP Recruiter, two time for the WRP Coordinator, and three times for the WRP Participant.

In 2019, DLA Installation Support at Fort Belvoir, Virginia won by Participant, DLA Office of Equal Opportunity and Diversity at Fort Belvoir, Virginia won by Recruiter, DLA Disposition Services, at Battle Creek, Michigan won by Coordinator, and DLA won the award by Component. *Note: This is the first time in DoD history, DLA made a clean sweep in each of the four WRP annual awards categories within the same year, which included the WRP Component of the Year award for the second consecutive year.* DLA is the second largest WRP employer in the federal government.

### (4) Affinity Awards

An affinity group is a group formed around a shared interest or common goal, to which individuals formally or informally belong. Affinity groups are generally precluded from being under the protection or sponsorship of any government agency, and their purposes are primarily non-commercial. Affinity groups can be based on a common ideology, a shared concern for a given issue or a common activity, role, interest, or skill. DLA has employees who

are actively engaged in some of these affinity groups. In some cases, there are also chapters established at federal work sites.

Employees from DLA have been nominated and recognized for awards from some of these affinity groups, with winners selected in two of them over the past several years.

(a) LULAC Excellence in Service Award:

League of United Latin American Citizens recognizes excellence in public service in the advancement of education, economic, health and diversity accomplishments, particularly within underrepresented populations of the Nation. This award is provided to recognize these achievements of members in the Services and civilians of the Army, Marine Corps, Navy, Air Force, National Guard, Coast Guard, the Public Health Service and National Oceanic and Atmospheric Commissioned Corps. This criterion also includes Active, Reserve Guard and Civilians in support of the uniformed services.

This external award is given annually to recognize the achievements of persons contributing to the Hispanic community within DLA whose personal commitment and professional initiative have made demonstrable contributions in the recruitment, retention and advancement of Hispanics employees in the DLA workforce, and who have assisted with the advancement of Hispanic professionals, and served as role models and future leaders.

An employee from DLA Aviation in Richmond, Virginia won this award.

(b) Blacks in Government (BIG) Military Meritorious Service Award:

Blacks in Government Military Meritorious Service Award is an award to honor military members and DoD civilian employees who have supported the DoD mission, overseas contingency operations, or whose attributes best epitomized the qualities and core values of their respective Military Service or other DoD Component.

This external award honors DoD civilian employees and military veterans in government service, whose attributes best epitomize the qualities and core values of their respective federal/military service, and who promoted a positive image of those in uniform. This includes persons who have made demonstrable contributions in the recruitment, retention and advancement of African-American/Black employees in the DLA civilian workforce, and who have assisted with the advancement of black professionals, and served as role models and future leaders. This includes persons who have significantly increased the opportunity for participation of Historically Black Colleges and Universities (HBCUs) in Federal programs and enhanced the capacity to build and develop infrastructure to increase participation in DLA employment programs.

An employee from DLA Distribution from DLA Installation Management for Energy in Richmond, Virginia won this award.

c. Resource the Enterprise (Objective 2) Build Connections (Objective 7)

Objective 2 is to *“Recruit and retain a diverse, talented, and skilled workforce”*.  
Objective 7 is to *“Create an environment where employees share a common perspective*

*allowing them to work effectively across organizational boundaries, eliminate “silos,” and promote actions that are in the best interest of DLA as a whole.”*

#### (1) DLA Recruitment Cadre

The DLA Recruitment Cadre is associated with developing recruitment strategies, methods, and plans and sources to identify and attract qualified, diverse candidates for the full range of occupations in DLA. Cadre members focus on systematic corporate marketing strategies for selecting DLA’s future employees that acknowledge the complex economic and demographic factors that continue to evolve and impact the talent marketplace. The Recruitment Cadre must possess the following:

- (a) An understanding of and a commitment to the value and importance of public service
- (b) Professionalism
- (c) A commitment to understanding cultural diversity and developing a quality and diverse workforce
- (d) Enthusiasm
- (e) Good communication skills, and
- (f) Knowledge of and appreciation for what makes DLA an employer of choice

There is also a requirement for all cadre members to complete the annual DLA Recruiter refresher training.

#### (2) Partnerships/Outreach

DLA’s EEO/Diversity partnership and outreach efforts serve as pipelines, which will expand our pool of qualified candidates of Women, Minorities, and Individuals with Targeted Disabilities (IWTDs), into positions that are underrepresented in these areas within the DLA workforce. The following are some of the partnerships and outreach programs initiated by the DLA EEO office.

##### (a) Gallaudet University

DLA Director Army Lt. Gen. Darrell K. Williams and Gallaudet University President Roberta J. Cordano signed a historic memorandum of understanding to promote greater opportunities for qualified future graduates of the university to find full-time employment with DLA. The event took place in the historic Chapel Hall at Gallaudet University in Washington, D.C., on 25 March 2019. Gallaudet University is a leading institution of learning,

teaching and research for individuals who are deaf and hard of hearing. The school is known for recognizing and promoting American Sign Language and for its pioneering efforts to remove barriers that prevent individuals who are deaf and hard of hearing from fully participating in society.

(b) Operation War Fighter

Operation Warfighter (OWF) is a Department of Defense internship program that matches qualified wounded, ill and injured Service members with non-funded federal internships in order for them to gain valuable work experience during their recovery and rehabilitation. This process assists with the Service members' reintegration to duty, or transition into the civilian work environment where they are able to employ their newly acquired skills in a non-military work setting.

DLA partners with HR to attend OWF events. OWF enables Federal employers to familiarize themselves with the skill sets and challenges of wounded, ill and injured Service members as well as benefit from the talent and dedication of these individuals.

(c) Soldiers for Life/ Wounded Warriors

In FY 19, DO-S has entered into an informal partnership with the Fort Belvoir Soldiers for Life – Technical Assistance program in order to promote the agency at the SFL-TAP workshops for soldiers transitioning from active duty.

d. Diversity and Inclusion (Not one of the P&C Objectives)

DO-S continued its tradition of offering interesting SEP observances to the McNamara Complex. DO-S partnered with the other DLA organizations and DOD agencies at the McNamara Complex to offer observances that educated the workforce to culture uniqueness, issues, and other areas of interest. One observance was Black History Month, which included a trivia challenge, with teams representing McNamara Complex agencies answering questions related to Black History facts. Approximately 120 people attended the event to watch 14 contestants represent their agencies in this lively game.

e. Accountability and Compliance

Although this is not one of the DLA People and Culture plan objectives, these accomplishments have made a significant contribution to the success of our goal of developing and maintaining a model EEO program.

(1) EEO Investigations

Regulations require agencies to develop an impartial and appropriate factual record upon which to make findings on the claims raised by a complainant and complete its investigation within 180 days of the date of filing an individual complaint. In late September

2018, four Blanket Purchase Agreements were awarded to contractors to conduct EEO investigations within 60 days. This was done to improve the timeliness for completing investigations. In addition, guidance was provided to EEO offices on the required paperwork necessary for requesting contract investigators.

## (2) Final Agency Decisions (FADs)

Final decisions are made based on a complaint filed by an individual on the merits of each issue in the complaint, when an Equal Employment Opportunity Commission (EEOC) administrative judge (AJ) issues a decision, and when a complainant alleges a breach of settlement agreement. In FY 19, DO-C wrote 23 merit FADs based on the record. DO-C also wrote and issued 26 final orders following an AJ decision; issued one (1) final decision on damages; and four final determinations on breach of settlement agreement claims (Data as of July 1, 2019). In June 2019, two EEO Specialists were sent to the EEOC “Drafting Final Agency Decisions” course, and a tiger team was developed, to help to improve our timeliness.

## (3) Appeals Processing

Complainants have the right to appeal an agency's final action on a complaint of discrimination to the EEOC's Office of Federal Operations. DO-C responded to and processed 27 appeals filed with EEOC. Processing included review of the case file, preparation of documents, and assembling and preparing the case record for submission to EEOC.

## (4) Policy Statements

In November 20, 2018, a policy statement on Equal Employment Opportunity was signed by the DLA Director on workplace discrimination and/or harassment showing his commitment in ensuring a workplace free from unlawful discrimination. In June 2019, policy statements were refreshed to update the Sexual Orientation and Gender Identity Harassment and Discrimination, Diversity and Inclusion, Reasonable Accommodation, Prevention of Sexual Harassment, and a new Statement on Prevention of Sexual Harassment (POSH) and Sexual Assault Prevention and Response (SAPR) was also developed.

## (5) Alternative Dispute Resolution (ADR)

Upon receiving notice that DoD Investigations and Resolutions Directorate (IRD) would no longer conduct mediations at the pre-complaint stage of the process, DO-C provided guidance and information on the use of the DoD Shared Neutrals Program - a free service which provides neutrals for ADR proceedings to the DoD components – ensuring DLA complaints are being resolved at the lowest level possible.

(6) Reports (No FEAR Act Quarterly Reports/Statistical Report of Discrimination Complaints (462 Report))

DO-C analyzed statistical data pertaining to complaints of employment discrimination filed by employees as part of the No FEAR Act quarterly reports and ensured quarterly reports were posted on the DLA's public website. DO-C ran monthly 462 reports to evaluate data entry of complaint information, and verified the data was accurate. In October 2018, DO submitted a timely report to EEOC. Out of a total of 271 pre-complaints, DLA completed 228, settling 21 pre-complaints, with 104 not filing a formal complaint. ADR was offered to 190 of the 228 completed pre-complaints (83 percent). Out of 323 formal complaints, DLA closed 88 cases, investigated 59 complaints.

(7) Agency Management Reviews (AMRs)

In support of the DLA Director and Agency mission, DLA has established the AMR program as a comprehensive, cross-functional, formal evaluation of DLA's compliance with the laws, regulations, policies, and procedures covering operational activities throughout the agency. These reviews provide an objective analysis to assist management in identifying areas of vulnerability and improve overall program and operational performance. The program also aims to isolate trends and identify best practices across the agency to strengthen DLA's overall performance. These evaluations are conducted every three to four months at different Major Subordinate Commands (MSCs).

The DLA EEO office will continue to conduct AMR visits to do comprehensive evaluations and assess the EEO program and performance of the various MSC EEO offices. The last one was conducted at the DLA Aviation EEO office from March 4-8, 2019, for quality and assessment of work completed. Feedback was provided to the EEO office with best practices identified and recommendations for improvements. The next two visits are scheduled for August 5-9, 2019 at Land and Maritime and October 2019 at Troop Support.

(8) iComplaints Database

iComplaints is a database used to track all aspects of an EEO complaint. DO-C regularly attended the vendor's "user forum" to stay abreast of the latest updates to the software. DO-C also collaborated with J-6 when migrating iComplaints to a new cloud.

## 5. Conclusion

The United States government employs millions of men and women across the country and around the world. The ability of our government to meet the complex needs of our nation and the American people rests strongly on these dedicated and hard-working individuals. As a result of the increasing public expectations of government institutions, federal agencies must position themselves to attract, develop and retain a top-quality and diverse workforce that can deliver results and ensure that our nation continues to grow and prosper.



Equal opportunity in the federal workplace is one of the key factors to accomplishing this goal. In order to develop a competitive, highly qualified workforce, federal agencies must fully utilize all workers' talents, without regard to race, color, religion, national origin, sex, age, sexual orientation, or disability. Although the promise of workplace equality is a legal right afforded to all of our nation's workers, equal opportunity is more than just a matter of social justice, it is a national economic imperative. Therefore, federal agencies must make full use of our nation's human capital, by promoting workplace practices that allows opportunities for the best and brightest talent available. All workers must be able to compete on a fair and level playing field and have the opportunity to achieve their fullest potential.

Policies and practices that impede fair and open competition in the federal workplace can cost the American economy millions of dollars every year. The most obvious costs are out-of-pocket costs, from both the agencies and federal workers, in connection with workplace disputes. Some of the less obvious, but just as expensive, are those costs associated with decreased morale and productivity and the ineffective and inefficient use of human capital resources. These costs can and should be avoided. The Defense Logistics Agency (DLA) must continue to maintain a firm commitment to the principles of equal opportunity and make those principles a fundamental part of the entire DLA workforce culture.

Investing in our future is our most valued resource. Having a Diverse and Inclusive environment that draws on the different perspectives and skill sets leads to a more innovative and results driven culture. A commitment to equal opportunity, diversity and inclusion, is critical for DLA as a model equal employment opportunity employer. DLA's ability to attract, develop, and retain a diverse, skilled, and agile workforce is vital to our continued success as the nation's combat logistics support agency. DLA is committed to creating a culture of high organizational effectiveness that focuses on employee engagement, development, performance, and accountability.

# Defense Logistics Agency

## DLA Public Affairs (DP)

### Fiscal Year 2019 Annual Historical Report



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

October 7, 2019

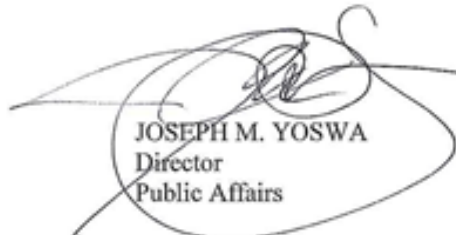
MEMORANDUM FOR DLA HEADQUARTERS, ATTN -Historian

SUBJECT: DLA Public Affairs Annual Report

DLA Public Affairs had a full year coordinating the major communication efforts of Agency's to proliferate our strategy, goals and programs to our audiences around the world. I could not be more proud of the award-winning articles, speeches, videos, editing, and visual support this talented team of communicators have produced this year. Likewise, I remain impressed with the steady growth in engagements the office's media team has responded to the developments and news stories of an eventful year.

The history of DLA Public Affairs is the reflection of DLA history writ large. Sometimes the office promotes Agency initiatives such as robotics, Procurement Technical Assistance Centers, and outreach to combatant and logistical commands. At other times, it answers queries from a small town newspapers to national media outlets wanting to know DLA's position on an IG report or how we're supporting law enforcement agencies.

Through our print and online publications and communications, DLA Public Affairs ensures that the public is given accurate information on the support this storied Agency provides the Department of Defense, allies, and other governmental agencies. As a group of veteran and civilian employees, the PAO shop sets Warfighter readiness and lethality as a priority. The following report highlights a few of the many ways it did so in FY 2019.

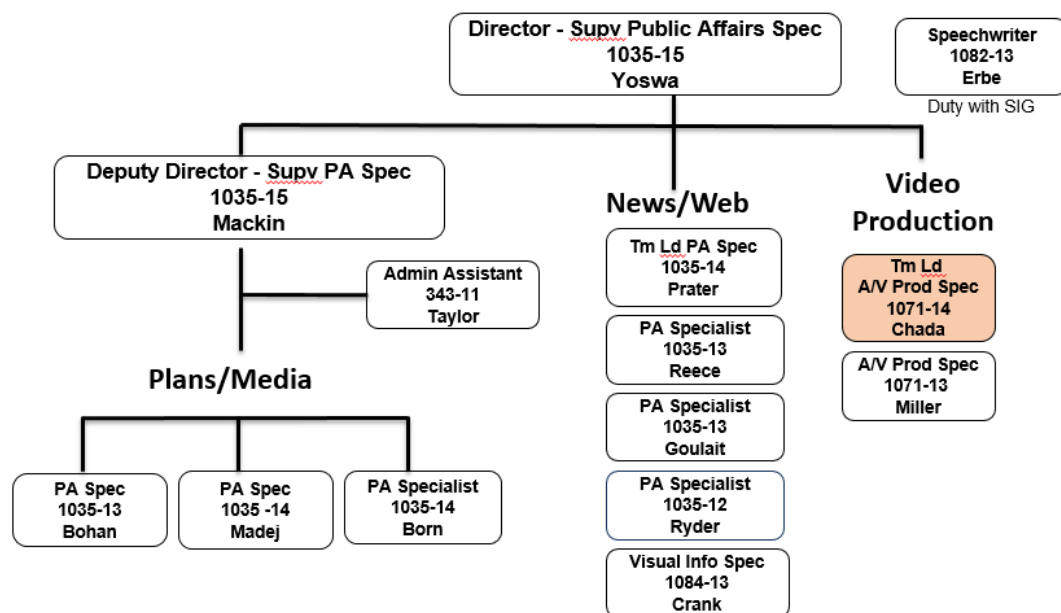


JOSEPH M. YOSWA  
Director  
Public Affairs

## 1. Introduction:

DLA Public Affairs supports the execution of the DLA Strategic Plan by sustaining / improving the reputation of DLA among key stakeholders, growing awareness of DLA's logistics capabilities throughout DOD and with federal/state agencies, and promoting cohesion within the DLA Enterprise workforce.

## 2. Organization:



as of 9/30/2019

## 3. Key Personnel:

DLA Public Affairs is led by Joe Yoswa (i.e., 10 December 2017 – present). His deputy is Pat Mackin.

## 4. Total Personnel:

The fiscal year ended with DLA PAO having fourteen GS employees and one contractor.

## 5. Historical Narrative:

The DLA Public Affairs Office (DLA PAO) had a FY 19 full of changes. Due to a shrinking staff and changes to the way people consume media, Director Joe Yoswa and Deputy Director Pat Mackin realigned the office's reporting structure, stopped printing DLA's workforce-oriented magazine, and shifted writers to digital/social media platforms. Staff members incorporated these changes while responding to queries, reporting on events, maintaining multiple websites, producing videos, and assisting the Director with speechwriting. As with the rest of the Agency, they had to work with reduced travel and funding, a consequence of efforts taken by DLA to increase the readiness of military services and combatant commands.

Two DoD initiatives drove PAO changes in FY 19. A decision made in late 2016 to reduce major headquarters throughout the Department resulted in PAO shrinking by seven employees, a reduction that led to a decrease in products and articles written by staff.

At the same time, DoD ordered a delayering campaign which required supervisors to have a one-to-ten ratio. Assisted by the drop in personnel from twenty-six to fourteen, Yoswa and Mackin began supervising all employees directly. Several employees had to rewrite their duty descriptions as a result of not being a supervisor.

The last employee to leave was John Bell, the editor of *LOGLINES*. Published six times a year, *LOGLINES* had been the office's printed vehicle for communicating with the workforce. Each volume included a message from the director, interviews with key leaders, articles about employees, coverage of events, and analysis of issues. After releasing its last regularly-scheduled issue in March – and one final publication would follow in September – the office began searching for other ways to inform DLA employees.

The answer was to rely more on websites and social media. Instead of the hard-copy magazine, DLA Today, DLA's homepage, Facebook, Twitter, YouTube, Flickr, and LinkedIn became the office's platforms for communicating with the agencies workforce, vendors and service customers.

Yoswa and Mackin did not change formats due to concerns about quality. In fact, *LOGLINES* and its authors won several Defense Media Merit Awards in FY 19. The magazine took second place for print publications, Beth Reece took first place in commentary for "A Veteran Reflects on Service, Pride in Fellow Service Members," and Nutan Chada took second place in short-form video for "One Team, One Mission, Connected with Data." PAO did not just win awards, it issued them. Run by Phil Prater, the DLA Journalism in Excellence Competition received an all-time high of sixty-eight entries. Participants included every public affairs office in the Agency. Awards were given in twelve categories.

Another DLA PAO accomplishment for FY 19 was the redesign of the front page of [www.DLA.mil](http://www.DLA.mil) the agency's public website. With J3's Customer Engagement Team, Christopher Goulait coordinated efforts, taking suggestions for the engagement team's draft layout creating it into a homepage focused on supporting customers, vendors and employees. He then used his

position as the agencies webmaster to reengineer pages so users could more readily find information, access programs, and interact with the Agency.

In public affairs, communicating with the public means answering media queries. Mr. Mackin's team of Michelle McCaskill, Melissa Bohan and Chris Born responded over 300 queries throughout the year. Topics included the Law Enforcement Support Office (LESO), a DLA component that provides excess equipment to state and local sheriffs and law enforcement offices; the F-35 joint strike fighter and DLA's role as the Global Transportation and North American Warehousing; and TransDigm, a company that was part of a DOD IG and subsequent congressional investigation for a business model that marked-up prices.

The PAO also managed messaging for the Agency's response to the changes in the way DoD managed the working capital fund and cash. These two fund resources allows the agency to operate and the margins designated by OSD required senior staff and subordinate offices to change the normal operating procedures. Dubbed Operation AGENCY RESOLVE, DLA PAO issued guidance through the orders process on leaders engagements with customers, employees, and industry/suppliers.

OAR's talking points to employees included the need to continue cost saving measures. As with the rest of the Agency, PAO had to cut training expenditures, a decision that prevented it from holding its annual conference. While the office searched for virtual training opportunities, the benefits gained from the annual assembling all the Agency's public affairs professionals in one location for training did not happen.

The office also fell subject to travel limitations, with its Video Production Team experiencing this restriction most acutely. To film video, the production team needs visuals, and the only way to obtain visuals is to travel to where employees work. Despite restrictions, the team still managed to finish twenty-five recordings, to include a new command video for DLA Energy and several additions to its Logistics on Location series. In addition, Nutan Chada, the team lead, spent a week filming DLA Distribution's Expeditionary Site Set Team dispose of excess property during Operation SABER GUARDIAN in Kosovo. Chada's video will market the Site Team to combatant commands.

The Director remained the Agency's key communicator in FY 19. Helped by speechwriter Chris Erbe, LTG Darrell K. Williams addressed industry partners, academic institutions, military units, and civic organizations throughout the fiscal year. In particular, he spoke at the National Industry for the Blind in November 2018, Gallaudet University in March 2019, the National Clothing and Textile Organization in March 2019, the Command and General Staff College graduation in April 2019, and the Central Florida Urban League in June 2019.

To help leaders other than the Director interact with external audiences, Yoswa and Mackin established an enterprise-wide Engagement Working Group. As outlined in “DLA Outreach and Engagement Strategy” – still in draft form at the end of the fiscal year – the working group will optimize “the overall strategic impact” of the Agency’s “collective outreach efforts” by advising employees who communicate outside the Agency. As planned, the group will rely on a web-based platform to collect requests and display them on a calendar. Its goal is to shape, manage, and standardize engagements with academia, businesses, communities, and other entities.

Standardization is also important across DLA’s multiple public affairs offices. While public affairs offices at MSCs helped promulgate the Agency’s story, they also engaged local audiences. DLA Troop Support PAO, for example, served not only as a proponent of five supply chains but also as a conduit to veterans’ organizations and other resident groups in northern Philadelphia. In addition to taking the lead on stories regarding F-35 parts acquisition, DLA Aviation PAO publicized its installation’s unique history. DLA Energy, while collocated with DLA headquarters, concentrated on topics particular to its business operations, to include supplying rocket fuel to NASA and hosting the biannual Worldwide Energy Conference in May. Likewise, DLA Land and Maritime, DLA Disposition Services, and DLA Distribution all pursued public affairs portfolios that both reflected and differed from that of headquarters.

Yoswa and Mackin synchronized these operations by lines of effort that aligned with the Director’s goals. By ensuring all entities sustained or improved DLA’s reputation among key stakeholders, they advanced the Director’s Strong Partnerships and Always Accountable efforts. By having all public affairs personnel grow in awareness of the Agency’s capabilities, they supported the his Whole of Government effort. Finally, Yoswa and Mackin promoted cohesion throughout the enterprise and supported the Director’s implementation guidance.

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# Defense Logistics Agency

## DLA Chaplain (DH)

### Fiscal Year 2019 (FY 19) Annual Historical Report



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

October 21, 2019

MEMORANDUM FOR DLA HEADQUARTERS, ATTN - Historian

SUBJECT: Submission of DLA Office of the Chaplain (DH) FY19 Annual History Input

The Office of the Chaplain is comprised of two Service Members with a focus on managing the Federal Supply Code "9925" Ecclesiastic Supply, while also supporting the DLA Director's efforts to ensure a spiritually resilient workforce. In support of managing the supply code, products like a quarterly newsletter and an all encompassing ecclesiastical supply catalog were developed as a means to provide relevant information to FedMall users. To ensure customers needs are addressed, a weekly meeting is held with Clothing & Textiles Directorate and Subsistence in DLA Troop Support. A working groups was established to improve the shelf-life of Korsher MREs from nine months to nearly 24 months. A review of Federally Approved Names was reviewed and a project was initiated for review of the entire supply line with the Cataloger. An After Action Review was conducted with Troop Support in the Spring revealing that 100% of orders for Easter and Passover were delivered on time. Several VA Chaplains were contacted to serve a test platform for VA chaplains using FedMall. The importance of the Ecclesiastic Supply can not be underestimated, as we meet the Title 10 religious Support requirements of the Warfighter and the Whole of Government.

While working on those projects to increase support to the Warfighter, the health of the agency was always in the forefront. The Office of the Chaplain was available and often advised the Command at all levels on matters of religion, morals, and morale. To ensure the spiritual resilience of the workforce was being cared for, the office provided literature and support to promotions, retirements, and command ceremonies to DLA and co-located agencies (DTRA and DCAA) and MSC. People and culture are, as the DLA Director says, "the secret sauce" of the organization and we strive to make things a little sweeter.

A handwritten signature in cursive script, reading "Robert E. Wichman".

ROBERT E. WICHMAN  
CHAPLAIN COLONEL, USA  
Defense Logistics Agency



## **1. Introduction:**

### **a. Mission:**

Provide religious logistics support for Religious Affairs personnel, enabling the free exercise of religion across the DoD. Provide confidential pastoral care and support to DLA employees.

### **b. Vision:**

World-class religious supply logistics in support of the spiritual wellbeing of the Armed Forces in peace and in war, around the clock, around the world

### **c. Values:**

- (1) Warfighter needs guide us
- (2) Integrity defines us
- (3) Diversity strengthens us
- (4) Excellence inspires us

## **2. Organization:**



DLA Command Chaplain  
Chaplain (Colonel) Bob Wichman



DLA Religious Affairs NCO  
Sergeant First Class Apollo Stoewer

## **3. Historical Narrative**

In FY 19, the DLA Office of the Chaplain (DH) focused on building the team and improving sales. There are many projects that require multi-year effort and coordination with several organizations within and outside of DLA. These initiatives are to support the DLA Director's Strategic Plan in the areas of Warfighter First, Global Posture, Whole of Government, Always

Accountable, and People and Culture. This effort has been ongoing even with the loss of the Individual Mobilized Augmentee Chaplain, CH (MAJ) Demetrius Walton at the end of the last FY, and the Command Chaplain and his NCO being new to the position.

People and culture are “the secret sauce” and the Office of the Chaplain supports this fully. Chaplain provides prayers or helps locate people to prayer for events that included Marine Corps Birthday at DLA Aviation in Richmond, VA, to the change of command at Troop Support in Philadelphia, PA, while supporting local events like DLA Energy’s award ceremony and dozens of promotions and retirements throughout the McNamara Complex. We also made several site visits to get a pulse of the MSC, supported four open house/org days, and support spiritual resiliency throughout the command.

Global Posture, Warfighter First, Whole of Government, and Always Accountable are on our minds in everything else we do. From visiting the Jewish Chaplains’ Conference to visiting individual VA Chiefs of Chaplains, we want to make the purchasing process easier with the right items. This means having a continuously updated Ecclesiastical Supply Catalog, getting WebFlis updated so data pulled to FedMall includes colloquial names to aid in search results. It also required that DH closely tracked all orders during holy days and help find solutions to unique issues that come up every year. The result has been continuous growth in purchases from DLA as the Warfighter learns that they can depend on DLA to provide the right gear when they need it!

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# Defense Logistics Agency

## DLA Transformation (DT)

### Fiscal Year 2019 (FY 19) Annual Historical Report



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

October 22, 2019

MEMORANDUM FOR DLA HISTORIAN

SUBJECT: DLA Transformation (DT) 2019 Historical Report

This memorandum serves as my endorsement of DLA DT's Fiscal Year 2019 Historical Report submission.

Please contact me if you have any questions by e-mail: [David.Opatz@dla.mil](mailto:David.Opatz@dla.mil), or phone: (571) 767-0441.

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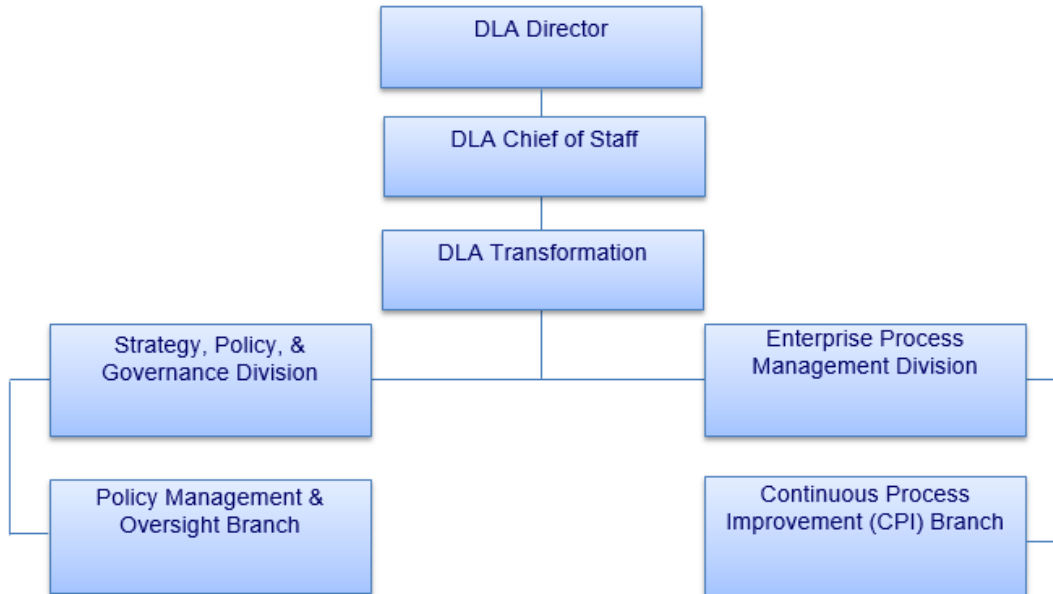
For: WILLIAM M. BOWERS  
Director  
DLA Transformation

Attachment: DLA DT Historical Report for FY 2019

## 1. Introduction:

DLA Transformation's mission is to advise and assist the DLA Director, Vice Director, and Chief of Staff with formulating and executing the Agency's strategy to meet and sustain logistics support capabilities for DoD and Whole of Government partners. The DLA Transformation Directorate develops the Agency strategic plan, executes governance, manages Agency policy, forms, and organizational alignment, and coordinates integration of special interest projects and improvements through Continuous Process Improvement and the Academia and Outreach Programs.

## 2. Organization:



## 3. Historical Narrative

This historical record describes DLA DT's FY 19 actions, accomplishments, and contributions that advanced the Agency's governance, improved operational effectiveness and efficiency, its ability to comply with higher-level laws and regulations, as well as leading innovation in the way we conducted business now and in the future.

a. Strategic Management System:

DLA DT made several improvements and accomplishments to the Agency's governance process through a refined Strategic Management System.



Process: Strategic Plan → Director's Intent (Annual Guidance) → SPIG → Individual Dynamic Operating Plans → DOP Reviews → AFRs

(1) Strategic Plan

In November 2017, DLA published the DLA 2018-2026 Strategic Plan. The Plan promulgates the Agency's future direction. A two-eight year plan that addresses the "What" DLA plans to do and the "Why." In April 2019, DLA amended the Strategic Plan to preserve the Agency's relevancy and alignment with OSD priorities. The amendment identifies the original five Lines of Effort (LOEs), two Critical Capabilities, three Cross-Cutting efforts, and delineates the 37 (including five new objectives) supporting strategic objectives. The new objectives are:

- (a) Space Enterprise
- (b) Support to DoD Reforms
- (c) Cybersecurity
- (d) Demand Projections
- (e) Transform Cost Structure to Reduce Rates and Improve Transparency

Cross-Cutting Efforts – There are three cross-cutting efforts: Auditability, DoD Reforms, and Supply Chain Security. These efforts support, impact, or significantly influence more than one LOE. They are recognized to ensure deliberate consideration, greater coordination, and synchronization during planning and execution, both within and external.

Critical Capabilities – There are two critical capabilities: People & Culture and Enterprise Enablers. They are crucial enablers to function as a center of gravity and, as such, essential to the accomplishment of the specified or assumed objective(s).

The updates include changes to the Director’s Intent to clarify the five lines of effort, and to better-align our Strategic Plan with Joint Doctrine terminology; that is, Critical Capabilities and Cross-Cutting Efforts.

There are two companion plans to the DLA Strategic Plan: People & Culture and Enterprise Enablers. These plans support the DLA LOEs and are essential for the DLA workforce to accomplish our strategic and operational environment.

## (2) Strategic Plan Implementation Guidance (SPIG)

SPIG is the product of focused planning efforts by the DLA Staff and MSCs to support execution of the DLA Strategic Plan. The SPIG is the Agency-level operating plan, which enables DLA to meet management and audit related requirements set forth in OMB Circulars Numbers A-11, A-123, and A-136.

The SPIG serves several purposes. First, it sets Agency priorities, issues new Director’s Guidance, and identifies annual imperatives for the Agency to accomplish during the fiscal year. Second, it synchronizes planning and execution. DLA DT garners Agency-wide representation through a working group, then assigns OPR and OCR relationships for Initiatives in support of the Strategic Plan. Third, it provides a mechanism to adjust priorities or focus areas as necessary. Last, it is the source document for the Strategy Map.

## (3) Dynamic Operating Plans (DOP)

The DOP is a two-year internal plan written at the individual MSC and J/D Code level. These plans are “dynamic” in nature; that is, they are refreshed as necessary based on new guidance, changing environments, J Code and MSC leadership turnover, etc.

## (4) Dynamic Plan Reviews

The Director leads DOP Reviews and individual organizations facilitate them. DLA organizations conduct these comprehensive reviews twice each year, and analyze DLA’s effectiveness and efficiency as the Combat Logistics Support Agency for DoD.

## (5) DLA Strategy Map

The DLA Strategy Map provides an Agency-wide Strategy Common Operational Picture (COP). It is an automated communication tool; that is, a visual representation that displays performance status of LOEs and CCs, Objectives, and Imperatives/Initiatives. It

provides web-based visibility to oversee progress on Strategic Initiatives. In addition, it has a drill-down capability to supporting initiatives to view tasks, metrics, or measures, and progress towards completing the initiative. The status of select imperatives or initiatives is a topic at Executive Board meetings, along with DoD reform initiatives and special focus areas.

**b. DLA Policy Letters**

DLA DT maintains the Agency repository for all DLA policy and procedural documents. These documents are necessary for the effective and efficient operation of the Agency and compliance with higher-level laws and regulations. In FY 19, we added a new type of document – Agency Policy Letters.

Policy Letters are concise, informative communication documents from the DLA Director, which clearly articulate his intent, expounds on initiatives and objectives important to the Agency, or add emphasis to established Agency policy.

The DT Director, the DLA Executive Officer, and the Strategic Initiatives Group (SIG) formed a working group on DLA Policy Letters and associated policy instructions, procedural documents, and organizational authorities with GS-15/O6-level representation that have broad knowledge of their organization to attend these special sessions, and the authority to speak on behalf of their Commander or Director. These meetings are in addition to the regular Policy Managers Working Group meetings sponsored by DT at the AO level. In accord with the Director's guidance and intent, our goal is to:

- (1) Cross-level enterprise policy and procedural documents.
- (2) Establish Director-level policy letters.
- (3) Identify the need for and write policy letters.
- (4) Focus on policy letters to advance Agency initiatives, imperatives, decisions, and enterprise policies.

Examples of new policy letters include:

- (1) "Director's Commitment for Risk Management and Internal Control."
- (2) "Policy Statement on Equal Employment Opportunity."

This is an exceptional opportunity for DLA organizations to garner the Director's support and highlight the organization's critical policies, goals, and initiatives. We also made it easy to find and read Agency policy letters. DLA DT established a "Policy Letters" folder in the DLA Policy and Issuances Repository. DLA personnel can access policy letters through a prominent link on the official DLA Issuances website.

**c. Agreements (G-Invoicing (G-INV))**

The way we buy and sell goods and services with our governmental trading partners will change soon. Currently, DLA conducts most reimbursable business using a funding document DD Form 448, "Military Interdepartmental Purchase Requests," or MIPRs. In this legacy



business process, reimbursable orders often have no official agreement between trading partners. Thus, there are no clear terms and conditions agreed on by both parties, and frequently key data elements are missing.

An audit on the Federal government's Intragovernmental Buy and Sell transactions uncovered a \$26B accounting discrepancy. To resolve this discrepancy, the U.S. Treasury built the G-INV system – to establish a standard process within the Federal Government.

G-Invoicing is a software platform to conduct intra-governmental buy and sell transactions. It is a way to exchange information between trading partners, negotiate the general terms and conditions of the Agreement, broker funding (orders) against agreements, exchange billing information, and validate invoices. It will result in a standard process that everyone must follow within the government. It will ensure:

- (1) Both parties agree with the terms and conditions up front.
- (2) Performance reporting (receipt and acceptance) is completed when goods or services are provided.
- (3) The buyer approves invoices in advance.
- (4) Effective processing of transactions without rejections.
- (5) Most important, it should eliminate many audit findings.

DLA Transformation is leading the effort for DLA. Federal agencies and DOD must use G-INV by June 30, 2021. To prepare the Agency to accomplish this goal, DLA DT updated policy, processes, and procedures on agreements, built a centralized Agreements SharePoint repository to manage the DLA Agreements program, and trained more than 800 employees.

#### d. Academia Engagement and Outreach Program

A new program for DLA, the Academia Engagement and Outreach Program was set up in FY 19, and links to DLA's vision as the Nation's Combat Logistics Support Agency: global, agile, and innovative; focused on the Warfighter first. To support this program, in 2019 we published Agency policy and provided outreach efforts to familiarize DLA personnel with the program's mission, intent, and goals.

The Agency recognizes that mission accomplishment requires close collaboration, partnerships, and strong relationships with critical stakeholders both inside and outside of the government. We must sustain these partnerships and synchronize efforts with these entities to help DoD and the Nation address immediate needs and long-term challenges. These engagements not only include academic institutions, but Research Organizations (for example, Federally Funded Research and Development Centers) and Think Tanks. The Academia Engagement and Outreach Program is pivotal to achieving this vision, and helps the Agency keep a strong strategic outlook on impacts affecting DLA's lines of business, identifying innovations, and addressing gaps.

It is through these engagements that DLA will improve our support to the Warfighter and Whole of Government by addressing our immediate needs and long-term challenges.