

Defense Logistics Agency

Fiscal Year 2023 Historical Report



The Nation's Combat Logistics Support Agency

DLA History Program

Defense Logistics Agency

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Defense Logistics Agency

Message from the Director Fiscal Year 2023 Historical Report



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

18 January 2024

I write this endorsement of this Annual Historical Report, the fourth and final of my unexpectedly extended tenure as DLA Director, with a heart full of gratitude for the opportunity to lead such a remarkable group of professionals.


The accomplishments contained herein – the challenges met, the problems solved, the innovative advancements delivered – show what teams of intelligent, creative people and insightful, dedicated leaders can do when we put our collective minds and efforts toward the supporting the Warfighter and the Nation!

Some notable elements from the FY 2023 report:

- DLA Energy, working with U.S. Indo-Pacific Command, Joint Task Force Red Hill, the Navy, and federal and state regulators defueled the Red Hill Bulk Fuel Storage Facility. DLA's efforts were vital to protecting the health and well being of the citizens of Hawaii. This was a pivotal moment that supported the re-posturing of fuel in the Indo-Pacific AOR to enable resiliency and readiness for emerging requirements.
- DLA's support to the U.S. response to Russia's invasion of Ukraine has entailed DLA Troop Support provisioning American forces deployed to Europe with food, barrier material and medical supplies. In addition, DLA Logistics Operations and DLA Land and Maritime assembled and are working to fulfill a \$43.5 million repair parts package for U.S. Army Security Assistance Command to support the Ukrainian armed forces.
- DLA deployed the Warehouse Management System at 47 DLA Distribution centers and DLA Disposition Services sites. A product of the agency's multiyear digital-business transformation, this new technology simplifies material handling, aligns receipt and storage with other agency operations, and helps auditability. Implementation has been a joint effort, with DLA Information Operations, DLA Logistics Operations, DLA Finance, and DLA Human Resources all playing important roles. Our progress has been exciting to watch.
- DLA Aviation solved a great number of supply chain and manufacturer problems in FY 2023, including supplying longerons to keep Air National Guard F-15 Strike Eagles flying, replacing O-rings to fix B-52 Stratofortress ejection seat harness cables, and resolving a non-conforming rivet pin problem for KC-135 Stratotankers and E-3 Sentries.

As you will learn from reading the pages that follow, the pace never slows at DLA. I am proud of all the agency accomplished this year and all it is positioned to accomplish in the future. I leave the agency in good hands upon my retirement in early 2024.

Warfighter Always!


M.C. SKUBIC
Vice Admiral, SC, USN
Director

Defense Logistics Agency

Agency Historians

Fiscal Year 2023 Historical Report

DLA Historian	Dr. Colin Williams
DLA Troop Support	Mr. Christian DeLuca, Ms. Janeen Hayes
DLA Land and Maritime	Ms. Kristin Molinaro
DLA Aviation	Ms. Dominique Shelton
DLA Energy	Ms. Michelle Groat
DLA Disposition Services	Mr. Jeff Landenberger, Mr. Jason Shamberger, Ms. Dana Thornbury
DLA Distribution	Ms. Stacy Umstead
DLA Human Resources	Ms. Laura Fearing, Mr. Paul Ocasio
DLA Logistics Operations	Mr. Jacob Boyer
DLA Information Operations	Ms. Pati Barnhart, Mr. Bill Dasch
DLA Acquisition	Ms. Kim Villarreal, Mr. Gustavo Agosto-DaFonseca
DLA Finance	Ms. Natalie Hanrahan
DLA Joint Reserve Force	LCDR David Weinstein
DLA Inspector General	Mr. Andrew “Dutch” Duszynski
DLA Small Business Programs	Ms. Vicki Hahn
DLA General Counsel	Ms. Michele Pavlak
DLA Chaplain	SFC Michael Hyer, COL Thomas Brooks
DLA Intelligence	Ms. Linda Uehling
DLA Legislative Affairs	Dr. Cordell Francis
DLA Installation Management	Mr. Bill Carnegie, Mr. Jose Gonzalez
DLA Equal Employment Opportunity Diversity and Inclusion	Ms. Amanda Gauthier, Mr. Oscar Mariona-Acosta, Ms. Janice Samuel
DLA Public Affairs	Dr. Colin Williams
DLA Transformation	Mr. Jeff Shapiro

Defense Logistics Agency

Executive Summary

Fiscal Year 2023 Historical Report

1. Introduction

The Defense Logistics Agency (DLA) is the nation's combat logistics support agency. Headquartered at Fort Belvoir, it conducted over \$49 billion in wholesale and retail sales in FY 2023. DLA provides end-to-end management of eight supply chains and counts military services, federal departments, local governments, and international partners as customers.

2. Organization

a. The Defense Logistics Agency is the nation's second largest defense agency, as measured by employees. Its offices are grouped into a headquarters and six Major Subordinate Commands (MSCs).

b. DLA headquarters includes the Office of the Director; six functional, or "J" staffs; and ten Director, or "D" staffs. The Office of the Director and all D staffs except DLA General Counsel and DLA Chaplain report to the director through the agency chief of staff. Chief of Staff portfolio members are annotated with an "*" in below.

c. Office of the Director

- (1) DLA Chief of Staff Business Management Office*
- (2) DLA Enterprise Risk Management*
- (3) DLA Safety and Occupational Health*

d. "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)

e. "D" staffs include:

- (1) DLA Office of the Inspector General (DA)*
- (2) DLA Small Business Programs (DB)*
- (3) DLA General Counsel (DG)
- (4) DLA Chaplain (DH)
- (5) DLA Intelligence (DI)*

- (6) DLA Legislative Affairs (DL)*
- (7) DLA Installation Management (DM)*
- (8) DLA Equal Employment Opportunity Diversity and Inclusion (DO)*
- (9) DLA Public Affairs (DP)*
- (10) DLA Transformation (DT)*

f. Major Subordinate Commands include:

- (1) DLA Troop Support, headquartered in Philadelphia, Pennsylvania.
- (2) DLA Land and Maritime, headquartered in Columbus, Ohio.
- (3) DLA Aviation, headquartered in Richmond, Virginia.
- (4) DLA Energy, headquartered at Fort Belvoir, Virginia.
- (5) DLA Disposition Services, headquartered in Battle Creek, Michigan.
- (6) DLA Distribution, headquartered in New Cumberland, Pennsylvania.

3. Key Personnel

a. The below chart depicts key leaders as of September 30, 2023.



b. Key Leadership Changes

(1) On October 18, 2022, Army Maj. Gen. Bowlman T. Bowles III replaced Ms. Kristen Kremer as DLA Joint Reserve Force director.

(2) On January 23, 2023, Ms. Ruth M.S. Vetter, DLA general counsel, was reassigned on a temporary basis as acting deputy general counsel for personnel and health policy for the Defense Department, an assignment made permanent in June 2023. Mr. Jon. L. Lightner replaced her on an acting basis.

(3) On January 31, 2023, Dr. George D. “Geo” Duchak, chief information officer, retired. Ms. Karyn A. Runstrom replaced him on an acting basis.

(4) On May 7, 2023, Mr. John K. Muller departed DLA Legislative Affairs to become the next DLA deputy chief of staff. Dr. Cordell C. Francis, DLA Legislative Affairs deputy director, replaced him on an acting basis.

(5) On May 31, 2023, Mr. J. Arthur “Art” Hagler, chief financial officer, retired. Mr. Shawn Lennon, DLA Finance deputy director, replaced him on an acting basis.

(6) On June 15, 2023, Army Col. Landis C. Maddox assumed duties as DLA Troop Support commander. He replaced Army Brig. Gen. Eric P. Shirley.

(7) On June 29, 2023, Navy Capt. Brian J. Anderson assumed duties as DLA Energy commander. He replaced Air Force Brig. Gen. Jimmy “Vegas” Canlas.

(8) On July 11, 2023, Army Col. Adrian J. Sullivan assumed duties of DLA Europe & Africa commander. She replaced Army Col. Faith M. Chamberlain.

(9) On July 27, 2023, Army Col. Michelle M. Agpalza assumed duties as DLA CENTCOM & SOCOM commander. She replaced Army Col. Gerald M. “Gerry” Acosta.

(10) On August 2, 2023, Mr. Adarryl M. Roberts assumed the duties as chief information officer. He replaced Ms. Karyn A. Runstrom.

(11) On August 11, 2023, Air Force Command Chief Master Sergeant Alvin R. Dyer assumed duties as DLA senior enlisted leader. He replaced Army Command Sergeant Major Tomeka N. O’Neal.

(12) On August 14, 2023, Mr. Michael L. Johnson assumed duties as DLA legislative affairs director. He replaced Dr. Cordell C. Francis.

(13) On August 18, 2023, Ms. Susan J. Goodyear was selected as DLA’s next chief financial officer. She replaces Mr. Shawn Lennon, who returns to the deputy role.

4. Total Personnel

On September 28, 2023, DLA had 25,103 employees (23,925 civilian, 515 active-duty military, and 663 reservists).

5. Historical Narrative

It is impossible to state with certainty which of the Defense Logistics Agency’s many FY 2023 efforts will prove most consequential in years to come. Given the threat Russia’s aggression in Ukraine poses to NATO, however, the agency’s support to U.S. European Command is a good candidate. Still, the defining action may end up being assistance given to governmental partners countering an expansionist China and an ever-militant North Korea. Then again, the passage of time may elevate DLA’s modernization efforts and enabling of the Defense Department’s carbon

pollution-free energy initiatives to historical primacy. These latter efforts sought efficiency, leveraged the agency's industrial base knowledge, and absorbed substantial workforce hours.

The agency's support to EUCOM encompassed two related missions. The first was commodity and service provision to America's NATO contingent. Army stockage replacement, fuel provision, and hazardous waste removal increased over FY 2023 while the last of the prior year's subsistence backlogs was reduced early in the year.

EUCOM executed its second mission through the Security Assistance Group-Ukraine. DLA's support to SAG-U grew over the year as the focus shifted from transferring end items to maintaining them. In July, DLA Logistics Operations assembled a \$43.5 million Class IX package for the U.S. Army Security Assistance Command to order and DLA Land and Maritime to fulfill. Repair parts for widely used systems such as the Abrams main battle tank and M777 howitzer were obtainable; those for older weapon systems such as the M113 armored personnel carrier and Hawk surface-to-air missile system required inventive acquisition solutions. At year's end, DLA Distribution had delivered five of what it expected to be eight shipments.

The tyranny of distance more than diminishing suppliers made logistics challenging in the Indo-Pacific area of responsibility. DLA strengthened America's position in the region by reinforcing sites along lines of communication. Several were in Australia. DLA Disposition Services established capabilities for hazardous waste removal and excess equipment sales in Darwin. The agency prepared to support marine rotational forces in that city and repairs for Collins- and Virginia-class submarines at Perth on the country's west coast. In addition, DLA Troop Support provided subsistence to the continent through its western Pacific prime vendor contract. DLA Whole of Government reported sales of \$27 million to the country in FY 2023 and this figure is expected to rise as the security partnership America signed with Australia and Britain in 2021 results in new business for DLA Land and Maritime, DLA Distribution, and DLA Energy.

DLA reinforced other Indo-Pacific sites as well. In FY 2023, DLA Distribution brought its warehouse utilization program to Guam. Warehouse utilization is important on the island given competing demands for space from the Navy, Air Force, Army, and Coast Guard. DLA Troop Support, learning from its experience with subsistence prime vendor shortages in Europe, sought to buy down risk with its Guam Class I solicitation. DLA Troop Support also agreed to position items for a 300-person base camp on behalf of 8th Theater Support Command and to provide uniforms for the Papua New Guinea Defense Force. Additionally, DLA Distribution worked with the Navy to implement a material processing center on Okinawa and DLA Energy finished the fuel point upgrade in the Marianas it had started with U.S. Naval Facilities Engineer Systems Command last year.

Environmental considerations elevated the attention paid to another fuel support point over the year, as concern for the single-hulled tanks at Red Hill in Hawaii evolved into a plan for afloat storage. In addition to preventing another spill, the rationale for transferring Red Hill fuel to tankers was to increase the Navy's flexibility in the Indo-Pacific. The process began in FY 2023 with cleaning pipelines and repairing pumps. As approved by the Environmental Protection Agency and briefed to Congress, defueling was complete in the first quarter, FY 2024.

The Navy and DLA gained a new partner in bulk petroleum management. The agency made inter-theater storage decisions before Section 352 of the FY 2022 National Defense Authorization Act vested that authority in U.S. Transportation Command. TRANSCOM accepted its new responsibility deliberately, welcoming a DLA cell at its headquarters and enacting policies that maintained the agency's materiel management, the services' Title 10 responsibilities, and the customer's access to fuel.

DLA's alignment with the National Defense Strategy was not limited to Australia, Guam, or petroleum positioning. Two of America's biggest challenges are domestic battery production and a reliance on economic competitors. DLA Land and Maritime began weaning the Defense Department off this reliance in FY 2023. It wrote a charter for tactical energy storage and began developing a plan for its implementation. Another problem was the War on Terror practice of using the Marine Corps as a land-force supplement to the Army. DLA helped the service adopt a force structure better suited for the Indo-Pacific by disposing, transferring, or donating tanks, artillery, and other heavy weapon systems. Finally, DLA Troop Support provided twenty pallets of food to the *USS Carter Hall* when the ship recovered the Chinese surveillance balloon that floated across the United States in February.

China and Russia were not America's only security threats in FY 2023. North Korea continued launching ballistic missiles 70 years into the armistice ending the Korean War. In addition to supporting an exercise in South Korea called Ulchi Freedom Shield 23, DLA awarded a maintenance, repair, and operations contract for the peninsula. America also kept forces in Kuwait, Syria, and other parts of the Middle East. DLA Distribution continued developing its Western Area Network to ensure provision in this region while DLA Disposition Services used contracts in Kuwait and Qatar to reduce the theater's excess equipment. Finally, famine and faction in Africa triggered violence that affected American security. DLA's footprint on the continent grew in FY 2023 with DLA Troop Support's new subsistence prime vendor contract for the east coast.

To ensure DLA allocated resources to geographic areas in proportion to their strategic importance, DLA Logistics Operations wrote the agency's first Global Posture Plan. The plan was the direct result of last year's decision to establish a futures-orientated directorate in the agency. In addition to Ulchi Freedom Shield 23 – which DLA participated in as well as supported – the new directorate took part in Defender 23, an exercise in Romania focused on the Russian threat; Integrated Advance, which simulated a humanitarian crisis in U.S. Southern Command's area of operations; the Quartermaster Liquid Logistics Exercise, which stressed agency fuel points worldwide; and Africa Lion, which spanned four countries and involved over 8,000 participants. Additionally, DLA rehearsed internal procedures at the Agency Contingency Operations Readiness Exercise, held in Michigan in mid-July.

The global posture plan addressed the customer-facing side of agency business; the vendor-facing side also received attention in FY 2023. DLA's challenge in this area was expanding the contractor base. The agency once conducted business with 14,000 companies; today, it works with 8,500. Major subordinate commands addressed this decrease by working with DLA Acquisition and DLA Small Business Programs to deepen vendor pools and increase contract competition. DLA Acquisition also changed its electronic processes so companies could conduct

business with the agency more easily. Another effort was the Supply Chain Alliance Conference DLA Aviation and DLA Land and Maritime co-hosted with the National Defense Industrial Association in May. Over 350 vendors and Virginia Governor Glenn Youngkin attended.

DLA Aviation registered other successes in FY 2023. In January, it saved millions of dollars by providing longerons for Air National Guard F-15 Strike Eagles. That same month, inspectors identified defects in B-52 Stratofortress ejection seat harness cables caused by moisture and salt being trapped beneath O-rings. Even though the cables themselves were not the problem, DLA Aviation committed to replacing every one in the fleet. A third problem was non-conforming rivet pins for KC-135 Stratotankers and E-3 Sentries. Although the manufacturer was to blame, DLA Aviation partnered with the Air Force Logistics Management Center to increase communication between the organizations, improve the process for identifying critical safety items, and change settings in DLA's Enterprise Business Systems. Other successes included helping return CH-47 Chinooks to flyable status and writing an emergency contract to replace cracked propeller blades on C-130H Hercules.

Through its digital-business transformation, DLA is leveraging emerging technologies to transform its business processes and become more efficient. One effort was "bots," programs that automate keystroke-intensive functions such as form filling. Although not new, bot usage increased 20% over the fiscal year, generating more than \$285,000 in savings. Other D-BX efforts included improving Enterprise Resource Planning, updating catalog functions, and modernizing the way DLA Troop Support manages its four supply chains. One effort with almost unlimited potential is Enterprise Data Architecture. Pooling data will allow the agency to benefit from artificial intelligence.

While all D-BX measures were important, one was particularly significant. As of September 30, 2023, DLA had deployed the Warehouse Management System at smaller depots and domestic DLA Disposition Services sites. Large and overseas facilities will receive the system in FY 2024. Led by DLA Information Operations and supported by DLA Logistics Operations and DLA Human Resources, WMS installation increases efficiency and makes DLA Distribution and DLA Disposition Services more audit ready.

Occasionally, efficiency can come from an agile response as opposed to a long-term investment. DLA Troop Support was fortunate enough in FY 2023 to benefit from testing equipment the Food and Drug Administration's laboratory in Philadelphia no longer needed. Items worth \$450,000 at time of purchase were gladly accepted by DLA Troop Support, giving its testing center the ability to identify unknown compounds.

Other improvements required money. DLA's ability to invest in itself has been limited since the Defense Department restricted the defense-wide working capital fund in 2019. Not only does the agency have to keep its cash balance within narrow bounds but its obligating authority is doled out in small allotments. DLA Finance worked through these restraints to revamp the agency's process for presenting the director with improvement opportunities. It also composed language for the FY 2024 National Defense Authorization Act that clarified the audit process for working capital funds.

One investment matches WMS in potential. DLA Energy has long been involved in alternative fuels. In FY 2023, this focus shifted to installations. In pursuance of Section 327 of the 2019 National Defense Authorization Act, the agency worked with the Office of the Deputy Assistant Secretary of Defense for Energy and U.S. Air Force to investigate steps needed to be taken to install a Nuclear Regulatory Commission-approved micro-reactor on Eielson Air Force Base in Alaska. DLA Energy also evaluated responses to carbon pollution-free energy solicitations for a deregulated market in Texas and regulated ones in North and South Carolina. Additionally, Brendan Owens, assistant secretary of defense for energy, installations, and environment, announced that DLA's energy savings contract for Kadena Air Base in Japan received a Secretary of Defense Environmental Award in April 2023.

While not on par with Red Hill, remediating per-and polyfluoroalkyl substances remained an environmental concern in FY 2023. Even though the government approved a fluorine-free replacement for the aqueous film-forming foam DLA Troop Support had been managing for decades, stocks of the older carcinogenic material still needed to be destroyed. DLA Disposition Services began accomplishing this difficult task through Clean Harbors, a company with high-temperature incinerators throughout the United States.

One reason DLA succeeded with carbon pollution-free initiatives, global planning, and NATO support was the calm leadership of Vice Adm. Michelle C. Skubic, who was in her third year as agency director. Supported by Vice Director Brad Bunn and an executive board that remained relatively stable throughout the year, Skubic chose consistency over change for change's sake. That said, necessary change did occur. DLA Logistics Operations reorganized so it could focus on the future as well as the current fight. DLA Headquarters transferred DLA Document Services from DLA Information Operations to DLA Disposition Services for functional and geographic reasons. Meanwhile, DLA Distribution consolidated all hazardous material processing at DLA Distribution San Joaquin in California. Finally, the DLA Joint Reserve Force analyzed how it could use labor more effectively.

The result of this controlled change has been progress along the lines of effort in Skubic's strategic plan. One sign of success was the increased willingness of services to involve DLA in the design of major end items. The U.S. Army Tank-automotive and Armaments Command worked closely with DLA Land and Maritime on the joint land tactical vehicle. The Air Force and DLA explored the possibility of bringing DLA Aviation in early on developments such as the next generation air dominance fighter. At the same time, the DLA Nuclear Enterprise Support Office's tight relationship with the strategic community resulted in sustained readiness. Finally, while DLA had not yet procured parts for the F-35 Lightning II, its storage of them was increasingly important to the Air Force, Navy, and Marine Corps.

The support DLA provided weapon systems remained consistent and important despite the necessary attention directed toward Ukraine, China, and Red Hill. Also consistent over the year was all DLA did for its federal, state, and local partners. While not comparable to the agency's COVID-19 response, whole-of-government efforts tamed forest fires and supported communities devastated by floods, hurricanes, and tornadoes. The year's biggest responses were to Hurricane Ian, which struck Florida late in FY 2022 but carried over into FY 2023, and the Hawaii firestorm, which devastated Maui in early August 2023.

The fiscal year ended with the agency both recognized and analyzed. Impressively, DLA secured its ninth joint unit meritorious award. DLA Human Resources organized a ceremony on August 11, 2023, to highlight agency actions in response to COVID-19 and natural disasters. At the same time, the Defense Management Institute examined DLA practices for Congress and the Defense Department. As with the many reviews to which it has been subjected in the past, the agency will use the process to get better. Its goal has always been to integrate, not duplicate. Whatever efforts from FY 2023 turn out to be most consequential, DLA ended the year poised to continue serving as America's combat logistics support agency.

Defense Logistics Agency

DLA Troop Support Fiscal Year 2023 Historical Report



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

October 17, 2023

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Submission of DLA Troop Support FY23 Annual History Input

As the Commander of Team Troop Support, I am constantly in awe of the dedication and commitment of the workforce here. Their ability to deliver optimal, global supply chain solutions to enable ready, lethal Warfighters and support our other valued partners, is unparalleled. They work tirelessly to make sure that our customers have what they need, where and when they need it, to complete their mission.

The accomplishments listed in the following pages are just a highlight of the activities performed in FY23 that resulted on \$20.37B in sales. With four distinct supply chains, this shows the breadth and depth of our support to the military and our Whole of Government partners.

As we move forward in FY24, we will continue to support and enable the DLA Strategic Plan and align with DLA's Critical Capabilities and Lines of Effort.

I am confident that Team Troop Support is capable, ready, and willing to overcome any obstacles that may arise, and we will continue our legacy of providing unwavering support to the Warfighter and other valued partners.

A handwritten signature in black ink, reading "Landi Maddox", is positioned above the printed name and title.

LANDIS C. MADDOX
Colonel, USA
Commander

1. Introduction

The Defense Logistics Agency (DLA) Troop Support FY 2023 Annual Historical Report outlines actions taken across Troop Support's four supply chains – Subsistence, Clothing and Textiles, Construction and Equipment, and Medical – and the Product Test Center Analytical during FY 2023 to support customers around the globe.

DLA Troop Support collaborates with military services, combatant commanders, and industry partners to balance service requirements with industry capabilities in order to meet warfighter demands. In FY 2023, DLA Troop Support managed over 2.9 million items and processed 27 million orders for 77,000 global customers through a network of 3,600 suppliers.

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

a. Mission

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

b. Vision

A world-class organization and trusted industry partner that provides innovative, responsive and fiscally sustainable supply chain solutions.

c. Values

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

2. Organization and Total Personnel

DLA Troop Support is one of six DLA major subordinate commands and operates four distinct supply chains: Subsistence, Clothing and Textiles, Construction and Equipment, and Medical. Sales for FY 2023 totaled \$20.37 billion, (Subsistence: \$2.9 billion, Clothing and Textiles: \$1.7 billion, Construction and Equipment: \$6.7 billion, Medical: \$9 billion). Staffing includes 2,147 civilians and 47 military personnel.

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

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

3. Key Personnel

a. Headquarters

- (1) Col. Landis Maddox, USA, Commander: June 2023-present
- (2) Ms. Kishayra J. Lambert, Deputy Commander: July 2022-present
- (3) Mr. William J. Kenny, Executive Director, Contracting and Acquisition Management: August 2010-present
- (4) Mr. Robert A. Ratner, Chief of Staff: July 2010-present

b. Subsistence supply chain

- (1) Capt. Timothy Griffin, USN Director: July 2022-present
- (2) Gary Shifton Deputy Director: August 2021-Present
- (3) Lourdes Valentin Supplier Ops Director: November 2018-present
- (4) John Sheehan Customer Ops Director: July 2016-present

c. Clothing and Textiles supply chain

- (1) Col. Matthew Harnly, USAF Director: July 2021-present
- (2) Dave Johns Deputy Director: September 2021-present
- (3) Steven Merch Supplier Ops Director: August 2016-present
- (4) Bruce Carson Customer Ops Director: July 2019-present

d. Construction & Equipment supply chain

- (1) Capt. John Montinola, USN Director: July 2022-present
- (2) Thomas Grace Deputy Director: April 2016-present
- (3) Marko Graham Supplier Ops Director: July 2018-present
- (4) Howard Page Customer Ops Director: July 2016-present

e. Medical supply chain

- (1) Col. Bruce Argueta, USA Director, Medical: July 2018-present
- (2) Beth McMaster Deputy Director: August 2019-present
- (3) Debbie Bakeoven Customer Ops Director: September 2023-present
- (4) Dan Keefe Supplier Operations Director: May 2016-present

f. Procurement Process Support

- (1) Vacant
- (2) John Fafara

Director:
Deputy Director: August 2018-present

g. J3/J5 Operations and Plans

- (1) Col. William Prince, USA
- (2) Patrick Owens

Director: July 2022-present
Deputy Director: December 2018-present

h. Product Test Center Analytical

Jamie Hieber

Director: July 2014-present

4. DLA Troop Support FY 2023 Command Accomplishments

a. Awards and other Recognition

(1) The Medical supply chain obtained the Office of Management and Budget Best-In-Class designation for a fourth medical acquisition program, Medical/Surgical Prime Vendor.

(2) DLA Troop Support was honored with the Employer Support of the Guard and Reserve's "Above and Beyond Award," presented by ESGR Chair Emeritus retired Army Maj. Gen. Wesley Craig on October 7, in Philadelphia, for its outstanding support to National Guard and reserve members.

(3) DLA Troop Support as a whole, two of its teams, and four of its employees brought home gold, silver, and bronze medals during the 2023 Philadelphia Federal Executive Board Excellence in Government Awards ceremony in Philadelphia May 4.

(a) DLA Troop Support received the inaugural Federal Executive Board Member Spotlight award for its exemplary contributions throughout the year.

(b) The DLA Troop Support's Medical National Prime Vendor team won gold in the "Innovation Award" category.

(c) The J3/5 Ukraine Contingency working group won the gold award in the "Outstanding Team" category.

(d) Individuals from the Construction and Equipment supply chain, Clothing and Textile supply chain, and the Command Support Office won the silver award in the "Outstanding Achievement," "Platinum Service Award," and "Leadership Award" categories and the bronze award in the "Outstanding Coach/Mentor" category.

b. 2023 DLA Troop Support Hall of Fame Inductees

Every year, former DLA Troop Support employees are nominated for induction into the DLA Troop Support Hall of Fame for significant long-term contributions or outstanding

customer service and exemplary work ethic. Inductees must be at least two years removed from the organization, and no more than ten years separated.

(1) Robert Emhof provided exceptional service to the various DLA Troop Support supply chains over his 42-year federal career and was instrumental in numerous innovative efforts that saved the organization time and money. He was one of the best and most respected procurement analysts in DLA Troop Support. He has a keen mind and was known for methodical attention to detail. He was an expert in acquisition strategy and one of the founding fathers of commercial prime vendor contracting at DLA Troop Support.

(2) Gina Vasquez served as the director of subsistence supplier operations. As such, she was responsible for the acquisition and logistics management of subsistence items to include garrison feeding, operational rations, produce, and market ready requirements for the military services. During her time as the DSO, Subsistence's average yearly support was of approximately \$2.7 billion with operations running 24/7/365 worldwide with direct delivery contracts in war zones and frequent contingency and emergency support requirements.

(3) U.S. Army Maj. Gen. Gavin A. Lawrence served as commander of DLA Troop Support from 2019 through 2021, leading five diverse supply chains towards mission success. While each supply chain had unique challenges and different business models, Lawrence synchronized their operations to provide efficient and effective support to both warfighters and whole-of-government partners, especially during the COVID-19 pandemic.

5. DLA Troop Support Supply Chain FY 2023 Accomplishments

a. Warfighter Always

(1) As FY 2023 began, Russia's war against Ukraine continued to dominate Eastern Europe. DLA Troop Support continued to support European Command, the warfighter, and our allies through the Ukraine Security Assistance Initiative. All four supply chains were heavily involved in the initiative, while DLA Troop Support's Ukraine Contingency Working Group consolidated efforts. The group met weekly with headquarters, supply chains, Air Support Operations Center, DLA / U.S. Transportation Command division, and DLA Distribution to integrate information flow. As of September 30, 2023, DLA Troop Support had provided approximately \$448 million in sales, with about \$414 million of potential sales in the pipeline.

(a) Subsistence sales were approximately \$92.9 million. The supply chain's focus has been on replenishing operational rations and filling prime vendor orders.

(b) The Clothing and Textile supply chain has provided multiple tent, helmet, and tarpaulin shipments to Continental United States (CONUS) and Outside Continental United States (OCONUS) customers in support of Ukraine, with a total value of approximately \$85.8 million.

(c) The Construction and Equipment supply chain focused on replenishing force protection and barrier materiel at the OCONUS depot and fulfilling customer direct special operations equipment orders worth \$248.5 million.

(d) The Medical supply chain filled Army Prepositioned Stocks-2 and U.S. Army Medical Materiel Command Europe orders. Five USAI orders of tourniquets, bandages,

responder kits, and warrior aid litter kits have been delivered to Poland, total support of \$20.5 million.

(e) Troop Support continues to support our warfighters and allies as they prepare for a range of contingencies.

(2) DLA Troop Support Indo-Pacific received a list of materials on November 15 for a 300-man base camp from 8th Theater Sustainment Command in support of "set the theater" initiatives and as part of Pacific Pathways. This initiative is critical in refining (and ultimately resourcing) the logistical and sustainment requirements for the theater. 8th TSC intends to purchase this material in the Philippines as part of its effort to establish stocks forward. As this requirement is refined, DLA Troop Support Indo-Pacific and the Construction and Equipment supply chain will continue partnering on similar initiatives. These include:

(a) Working with DLA Research & Development on leveraging BIZNET for local sourcing and R&D efforts to develop vendor base for rapid-setting cement (Office of the Secretary of Defense-funded project—approved by Small Business Investment Research)

(b) Possibly using blanket purchase agreements to cover remote locations (out of the Maintenance Repair and Operations program's reach).

(c) Registering demand to strengthen case for increased depot storage.

(3) The Subsistence supply chain expanded its reach when the Southern Arab Peninsula and Nations Eastern Africa contract was awarded January 13 to Valiant Integrated Services, LLC. The three-year contract will support Army, Air Force, and Navy customers in the area. Worth an estimated \$265 million, the contract expands global sustainment support.

(4) The Medical supply chain, in collaboration DLA Contracting Services Office, awarded the first medical freight transportation contract for medical shipments over 300 lbs. to fourteen countries, Hawaii, Alaska, and Puerto Rico. All six vendors bidding on the solicitation were awarded a contract: UPS, Delta, Northern, ATI, Western Global and Amerijet each received at least one transportation lane. Separate awards were made for ambient and hazardous material. Each country has a primary and secondary backup for each item so DLA Troop Support Medical can readily surge support. The indefinite delivery/indefinite quantity contracts have a 12-month base and two 12-month options. They have an effective date of February 1, 2023 and a collective maximum of \$45 million. Medical personnel held meetings with all carriers as well as with supporting prime vendors. The warehouse management team collaborated with the medical supply chain to ensure the new carriers and rates are loaded into the system prior to going live.

(5) A contract for the Clothing and Textiles universal third-party logistics (U3PL) program was awarded July 11 to Industries of the Blind located in Greensboro, North Carolina. This new 3PL contract replaced a memorandum of agreement with the Kentucky Logistics Operations Center (KYLOC). IOB Greensboro will assume responsibility for individualized military uniform support for the National Guard, Reserves, Junior ROTC, and other Army, Air Force, Navy, and Marine Corps activities. The U3PL contract provides warehousing, storage, logistics, sewing, and embroidery, and distribution support to these C&T customers. There will be a gradual transition, so KYLOC will continue to support our customers for several more months. The intent is to provide the same service that the customers have always received. Support will start to transition in November with the final customers transitioning in April 2024.

(6) A former top-ten highest backordered item, the life preserver yoke, dropped out of the top 100, as Construction and Equipment worked with Switlik Survival Products to eliminate back orders. The life preserver yoke is a high-buoyancy, twin-chamber, constant wear life preserver worn by Marines and military aviators flying helicopters and fixed-wing aircraft.

(7) Clothing and Textiles awarded six contracts for the MOLLE 4000 rucksack set – five under the authority of 10 USC 2304(c)(2) as implemented by FAR 6.302-2 (Unusual and Compelling Urgency) – as an unplanned demand item due to readiness requirements in Europe. The item was entered into the Army’s Retained Issue Program in August 2022. Deliveries will be completed no later than August 2024. This is an indefinite-delivery order, indefinite quantity contract and is in place for three years with a maximum available quantity of 450,000 each. In total, C&T will have eight contracts concurrently delivering through August 2024 for around 40,000 per month. These awards not only allow C&T to meet Army needs but also added new manufacturers, two of which are HUBZone small businesses, to the MOLLE industrial base which previously consisted of only two large businesses.

(8) Throughout the year, Construction and Equipment continued to work on a transition plan for firefighting foam with the military services and DLA Logistics Operations. The plan includes phasing out Aqueous Film Forming Foam and replacing it with Fluorine Free Foam. The replacement is necessary because AFFF contains per- and poly-fluoroalkyl substances. C&E will manage the new F3 national stock numbers once the Navy Engineering Support Activity approves manufacturing sources. They will then procure the foam for the services (August 2023). C&E plans to fill customer requirements by direct vendor delivery while simultaneously building inventory across the DLA Distribution network.

(9) Clothing and Textiles held monthly meetings to discuss the U.S. Space Force physical fitness and dress uniform rollouts. Dress uniform items including coats, sweaters, hats, and ties are being looked at for possible fielding and all have come back with favorable ratings of 75% or a 4-star review. The USAF/SF Development Center cited continued supply chain challenges in moving forward with contracting and fielding plans and expects dress uniform orders to be submitted to C&T by end of 2023. Customer account specialists remain engaged with planning, acquisition, and communicating with USAF/SF personnel.

b. Support to the Nation

(1) In July of 2022, the Federal Emergency Management Agency (FEMA) asked DLA Troop Support to develop a ration with a three-year shelf life that could support victims of natural disasters such as hurricanes, earthquakes and floods. FEMA approved the survivor daily ration and vegetarian survivor daily ration as replacements for the humanitarian daily ration, and DLA Troop Support awarded contracts to three assemblers (AmeriQual, SoPakCo, Wornick) on December 1, 2022. The ten unique meal packages contain a full day’s worth of food for an adult and are expected to save \$66.5 million every three years, as well as reduce storage space by approximately 180,000 square feet. Orders for 3,360 cases of SDR and SDR-V each, a value of approximately \$525,940, were delivered to a FEMA warehouse in Maryland on April 28.

(2) The Clothing and Textile’s Shelter and Tentage team supported FEMA when its warehouse in Alabama suffered tornado damage. FEMA put in an urgent request for a large area maintenance shelter. Customer Ops and Contracting quickly collaborated with the Whole of Government division to define FEMA’s requirements and accelerate the quotation process, resulting in an award to Celina within two business days.

(3) In continued support of the nation's ongoing COVID-19 efforts, the Medical supply chain provided up to \$803 million worth of COVID antigen test kits to the Department of Health and Human Services by an indefinite delivery/indefinite quantity contract awarded to four domestic vendors in November 2022. The contract replenished the strategic national stockpile, which supplements states, tribal nations, territories, and large metropolitan areas during public health emergencies. The Medical supply chain ordered 180 million kits from vendors in December 2022, a \$503.6 million expenditure. The kits were delivered to seven SNS warehouse locations throughout the country.

c. Trusted Mission Partner

(1) The Product Test Center procured \$450,000 of in-the-box lab equipment from the Food and Drug Administration Philadelphia District laboratory at no cost. The equipment includes a liquid chromatography / mass spectrometer (worth \$197,000 at time of purchase) that will enhance PTC's ability to identify unknown compounds and finishes. This item also comes with a nitrogen generator, allowing the PTC to produce nitrogen at no cost to DLA.

(2) Members of the Clothing and Textile supply chain met with the Air Force Security Assistance and Cooperation directorate's incoming Israeli liaison officer to strengthen relationships between DLA and Israeli representatives. The meeting revolved around items DLA has to offer the Foreign Military Service community and uniforms for Israeli Air Force service members. Israel is seeking to expand its ordering of organizational clothing and individual equipment from DLA. C&T provided a listing of the federal supply classes it manages, including the airman battle uniform which is no longer used by domestic forces. The Israeli liaison also expressed interest in other Troop Support product lines.

(3) Clothing and Textile representatives met with Papua New Guinea Defense Force customers on August 3 to discuss dress uniform support ahead of the nation's 50th Independence Day anniversary in September 2025. In May 2023, the Deputy Secretary of Defense authorized support for 15,000 dress uniforms up to \$7 million. The meeting was to assist in decision making for over 47 items, including sizes for dress shirts, trousers/slacks, headwear, shoes, socks, belts and insignia. The meeting furthered the relationship between Papua New Guinea and the United States, which had just signed a defense cooperation agreement.

d. Modernized Acquisition and Supply Chain Management

(1) At the beginning of CY 2023, the Product Test Center Analytical introduced augmented reality headsets for performing remote inspections of DLA Troop Support Clothing and Textile suppliers. The headsets will communicate with tablets in the PTC in Philadelphia. Inspections can be performed in real-time or through recorded footage. Implementing AR headsets into the workflow of contractors will allow the PTC to perform random remote inspections tailored to each vendor.

(2) To ensure the military medical community has the best products and services, the Medical supply chain worked with industry to create an active pharmaceutical ingredient quality assurance platform. Developed through DLA's Small Business Innovation Research program, the Provenance Pharmaceutical Solutions software catalogs and tracks medications for the warfighter. The program helps plan for potential supply chain interruptions and ensures medication is compliant with the Trade Agreements Act. PPS can now map all 200 drugs on the

FDA's essential medicine list and is used in the field to train medical operations teams. DLA plans to extend PPS support to all pandemic and emergency stockpiles. The program will eventually partner with the Department of Health and Human Services to support the national strategic vaccine stockpile.

(3) To develop automation in military dining facilities, the Subsistence supply chain has been researching equipment capable of assisting with the preparation, processing, and/or cooking of food. This research seeks to identify and test solutions that improve efficiency and permit the services to improve allocation of labor resources within military dining facilities. Subsistence currently has a contract in place for ten robots to prepare fresh meals in various dining facilities. One robot is at Travis Air Force Base preparing fresh salads while another is scheduled to be installed at Fort Meade for the same purpose. Additional sites are pending.

(4) In FY 2023, DLA Troop Support submitted its inputs for the first-ever DLA Global Posture Plan. This "as-is" snapshot was developed after a Combat Support Agency Review Team review in 2020. This document is intended to illustrate how DLA is postured across the globe in terms of forces (personnel), footprints (facilities, vendor platforms, vendor capacity), and agreements.

e. Future of Work

The Continuous Process Improvement team's onboarding process program has reduced the time it takes to introduce new employees from over a month to about a week, an 83% improvement. The first full implementation of the new process resulted in an estimated \$148,401 in cost offsets from time savings, which creates allows the Command Staff Office to complete other mission efforts. CPI estimates approximately \$445,202 in cost savings over the next three years for Pathways to Career Excellence (PaCE) employees transferring within DLA Troop Support.

f. People and Culture

A favorite DLA Troop Support tradition was reinstituted this year when employees and families attended Troop Support Family Day on August 3 at Morey's Pier in Wildwood, New Jersey. This is the first time the event has taken place since 2019 (due to the pandemic). Approximately 900 employees and family members attended the festivities.

The organization's Culture Improvement Teams were also reinstated events throughout the year aimed at improving the climate of the workforce, enhancing morale, and enriching the workplace. Events included pep rallies, sports competitions, and chili cook-offs.

Defense Logistics Agency

DLA Land and Maritime Fiscal Year 2023 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 FY23 Annual History Submission

Fiscal Year 2023 was marked by increased demand from U.S. troops and allies supporting operations in Ukraine at a time of heightened economic adversity. The DLA Land and Maritime workforce rose to the challenge superbly, balancing performance and prioritizing readiness to fulfill requirements enabling a ready, lethal force around the globe.

The accomplishments listed in the following pages are highlights of a year capped by our highest sales in a decade as DLA Land and Maritime worked collaboratively to achieve strong supply chain results and measurable improvements. Notably, DLA Land and Maritime is leaning forward on the electrification of weapon systems and partnering globally in development of a stronger electric battery sector. This effort will ultimately position the enterprise to better meet future DOD requirements. The DLA Land and Maritime small business sector continues to see strong achievement through industry outreach efforts. In FY23, we awarded over \$2.2 billion to small businesses – marking a significant increase over the previous fiscal year and representing 54% of total eligible contracting dollars awarded.

Efficient logistics support represents the backbone of every successful military force and DLA Land and Maritime remains committed to our longstanding mission delivering superior service to America's warfighters and our valued partners.

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GAIL E. ATKINS
Brigadier General, USA
Commanding

Attachment:
2023 Land and Maritime History Submission

1. Introduction

Defense Logistics Agency Land and Maritime shifted from constrained enterprise procurements to balanced performance while simultaneously fulfilling increased demands resulting from Ukraine support operations in FY 2023. DLA Land and Maritime delivered exceptional supply chain results during a turbulent year which saw a 23% increase in purchase requests and 17% overall cost inflation. It orchestrated this achievement through collective actions aimed at greater synchronization with partners, improved standardization of process flows, and closer collaboration with the military services.

Despite economic adversity and world events, DLA Land and Maritime remained focused on DLA's land and sea-based weapon system supply chains. Nearly 2,700 employees at 30 locations worldwide, to include depot-level repairable detachments, Army and Marine Corps industrial sites, and U.S. Navy shipyard detachments, purchased material, monitored inventory, maintained technical data, and assured the quality conformance of approximately 2.5 million parts for more than 21,000 military customers and federal and civil agencies. DLA Land and Maritime sales reached \$4.4 billion in FY 2023.

a. DLA Mission

Deliver readiness and lethality to the Warfighter Always and support our Nation through quality, proactive global logistics.

b. DLA Vision

As the Nation's Combat Logistics Support Agency and valued partner, we are innovative, adaptable, agile, and accountable – focused on the Warfighter Always.

c. DLA Why

To serve the Warfighter and our Nation!

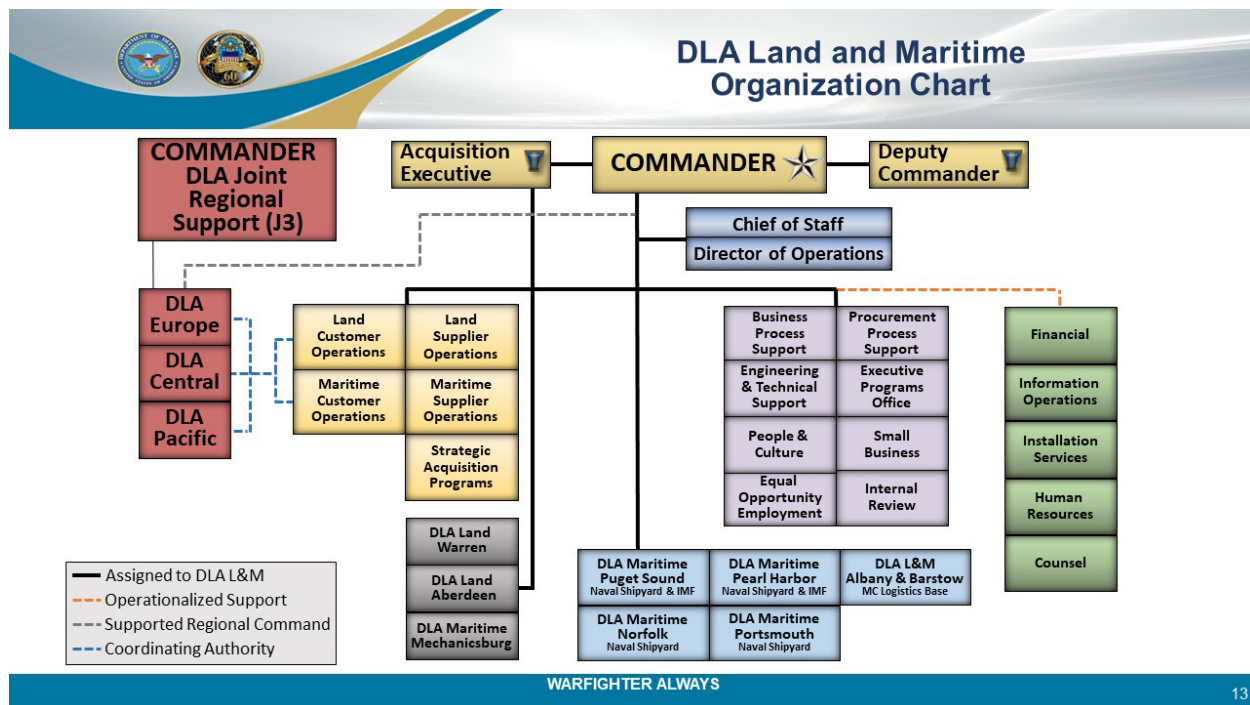
d. Core Values

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

d. The DLA Land and Maritime Way

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

2. Organization:



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3. Key Personnel



16

- a. DLA Land and Maritime Commander: Army BG Gail Atkins, July 2022 – Present
- b. Deputy Commander: Mr. Kenneth Watson, SES, October 2019 – Present

c. Acquisition Executive

- (1) Mr. Mark Brown, SES, March 2018 – May 2023
- (2) Mr. Doug Nevins (Acting), May 2023 – present

d. Chief of Staff: Air Force Col. Craig Lowery, June 2022 – present

e. Director of Operations

- (1) Mr. Griff Warren, May 2018 – October 2022
- (2) Mr. Todd Lewis, October 2022 – present

4. Historical Narrative

a. Warfighter Always

Throughout FY 2023, DLA Land and Maritime delivered on its core supply chain mission, providing the highest level of support to operational forces around the globe. The command executed over 348,000 contracts and 9 million requisitions, with sales topping \$4.4 billion. The Land team managed over 900,000 items with a spend of \$1.6 billion and executed 5.9 million requisitions worth \$7.3 billion. The Maritime team managed 1.6 million items with a spend of \$1.7 billion and completed 3.1 million requisitions worth \$5.5 billion. Foreign Military Sales amounted to \$407 million and supported 80 nations.

The key effort for the year was supporting U.S. European Command as it helped deter Russian aggression in Ukraine. Despite obligation authority challenges, DLA Land and Maritime executed 100% of service-identified short notice priorities totaling \$400 million. DLA Land and Maritime tracked and monitored \$41.6 million of the overall \$43.5 million Ukraine Security Assistance Initiative Class IX sustainment package. The command continued provisioning modern and legacy weapon systems through EUCOM entities. DLA Land Customer Operations expedited customer support to the Remote Maintenance Operations and Distribution Center – Ukraine and to 21st Theater Sustainment Command with repair parts for eighteen critical weapon systems including the M1 Abrams tank, M2 Bradley fighting vehicle, M777 howitzer, M142 High Mobility Artillery Rocket System, MIM-104 Patriot surface-to-air missile system, and M915 truck. Collaboration with the Security Assistance Group – Ukraine and Army Materiel Command is ongoing.

As usual, DLA Land and Maritime's procurement was driven by customer demands, primarily military customers but also DOD agencies and other governmental entities. The command leveraged efficient and creative processes to meet rapidly changing demands. It reinforced military readiness through procurement that demonstrate strong results. One example was the interconnection equipment suite of contracts. Totalling \$808 million, these contracts secured wiring harnesses, cables, connectors, accessories and installation kits for DOD organizations worldwide. Spending doubled in the third year of this multi-award, multi-year vehicle as contracting offices leveraged these landmark contracts, with awards doubling from \$53.7 million in FY 2022 to \$111.9 million in FY 2023. Additionally, nearly 73% of overall spend in FY 2023 was awarded to small businesses, emphasizing the command's commitment to fortifying the industrial base.

DLA Land and Maritime's support to service depot-level repairables did not waver in spite of world events, as evidenced by DLA Land Aberdeen's "Gateway-to-Sustainment" 10-year award contract. This contract went to eleven vendors with a combined ceiling of \$3.2 billion. It will accelerate sustainment across a broad spectrum of systems including computers, communications, cyber, intelligence, surveillance and reconnaissance supplies and services. This holistic solution supports the U.S. Army Communications-Electronics Command, DLA, and other government agencies as well as allowing for greater collaboration with industry.

Collaboration remains imperative as DLA Land and Maritime prepares for future challenges. Our national defense relies on the safe and reliable operation of the nuclear reactors powering Navy aircraft carriers and submarines. DLA Land and Maritime re-committed to this vital strategic capability by providing dedicated customer support to the Navy's nuclear reactor program (21N). DLA Land and Maritime achieved the agency's goal of 95% material availability for this program eleven of twelve months in FY 2023. Land and Maritime supply chains experienced unforeseen challenges affecting material availability (MA) that decreased traditional support, including supplier disruptions, raw material shortages, reduced obligation authority, and late deliveries by vendors. DLA Land and Maritime remains dedicated to consistent communication and collaboration with industry and partners to ensure a sustained, repeatable supply chain. To this end, the command thoroughly reviewed 21N support to identify variables affecting acquisition performance, supply chain fragility, and demand variability. The review resulted in full staffing and an \$8 million targeted investment of fast-moving parts.

DLA Land and Maritime's commitment to service priorities saw strong support to organic depots and shipyards, with MA across all ship availabilities at 83% and pre-availability stock on hand at 95% across nearly 238,000 requisitions. In FY 2023, the Naval Shipyard Code 500 effort made significant progress toward meeting Navy Sea Systems Command's goal of 100% of availabilities on time. Code 500s were resourced for full operational capability (FOC) in first quarter, FY 2023. Following FOC, DLA and Navy captured best practices to ensure the right organizational structure, metrics, and processes were adopted. Efforts are underway among DLA, Naval Sea Systems Command (NAVSEA), and Naval Supply Systems Command (NAVSUP) to finalize a strategic memorandum of agreement.

As the Navy works to replace aging Ohio-class submarines with twelve Columbia-class submarines, DLA Land and Maritime remains focused on supplying the repair parts required to support this nuclear-powered ballistic missile capability. Precise provisioning is a top priority. A weapon system support manager was assigned to the class in 2021 and serves as a charter member of the Columbia-class supply support working group. This group brings together Navy and industry colleagues to ensure timely fielding of this new strategic weapon system. In August, DLA Land and Maritime hosted the working group and briefed the weapon system support program, request for engineering support, stockability, provisioning, supply support requests, and special program requirements, while Navy attendees provided a program timeline and updates to engineering and sustainment, critical pathways, and platform stowage. Proactive provisioning must ensure all required parts are ready for fast cruise, slated for December 2026.

b. Support to the Nation

DLA Land and Maritime remained focused on advancing DLA's acquisition, storage, distribution, and surge capabilities with its tactical energy storage initiative, support to federal agencies, and civilian deployment program.

DLA Land and Maritime launched a tactical energy storage initiative in FY 2023. The DLA Tactical Energy Storage Working Group charter was signed on October 3, 2023. DLA Land and Maritime is developing an enterprise strategy for energy storage management. Batteries and battery items remain DLA Land and Maritime's top profit center, generating \$315 million annually.

A healthy battery supply chain is essential for military capabilities and national security. DLA Land and Maritime continues supporting efforts to develop better electric vehicle battery sector and value chain. Command representatives attended the U.S.-Zambia Electric Vehicle Battery Council workshop in Lusaka, Zambia, alongside government, industry, and academia from around the world. As the Defense Department's representative, DLA solidified tactical energy storage and U.S. Africa Command's strategic campaign objectives through expanded relationships with partner nations.

DLA Land and Maritime executed critical battery support, obligating \$20.2 million to support 68 critical batteries containing 18650 Lithium-Ion cells. These buys will reduce the risk of foreign cell availability until U.S. and Canadian sources can be established. Two years of customer requirements were purchased to mitigate shelf-life concerns, and stock position will continue to be reassessed as sources permit.

Each year, DLA Land and Maritime plays a vital role in providing and maintaining life-saving battery support to the U.S. Forest Service. In FY 2023, DLA Land and Maritime issued over 281,000 battery packages to firefighters, with 60% of the critical reorder point stocked at a commercial warehouse in California for routine requisitions, and 40% of the CROP stored at San Joaquin's depot for emergency orders.

Demonstrating agile deployment capabilities, DLA Land and Maritime led a successful civilian deployment recruitment drive to increase participation and gain highly qualified candidates. The program saw a significant increase in applicants and qualified candidates. In FY 2023, the program helped deploy nineteen DLA Land and Maritime personnel to five countries. It remains critical to providing supporting DLA's global response requirements.

c. Trusted Mission Partner

Enhancing trust within the military services starts with understanding their priorities. As a trusted mission partner, DLA Land and Maritime embodies next-generation customer service ethos through transparency, accountability, and collaboration. In FY 2023, DLA Land and Maritime evinced its commitment to this effort by collaborative industry engagements, strong strategic relationships, and significant small business achievements. Relationships with industry partners and customers led to readiness improvements in FY 2023. These partnerships have proven beneficial, invigorating the nation's industrial base while driving measurable improvements in the command's operational efficiency. In a notable example, DLA Land and Maritime partnered with DLA Aviation to launch the DLA Supply Chain Alliance conference.

Building upon DLA Land and Maritime's biennial Supplier Conference and Exhibition, the DLA Supply Chain Alliance conference is a new partnership between the two major subordinate commands that expands the popular exhibition into a premiere event and joint venture. The inaugural conference was held in Richmond, Virginia, and planning is underway for the 2024 conference in Columbus, Ohio. The 2023 conference focused on "Building Resilient Supply Chains, Revitalizing Domestic Manufacturing and Fostering Growth" and drew hundreds of military, government, and industry leaders. Through candid and constructive dialogue,

engagements like the DLA Supply Chain Alliance fortified government-industry relations, enhanced readiness, and drove warfighter support.

DLA Land and Maritime deepened working relationships with service counterparts at Army Materiel Command, CECOM, U.S. Army Tank-automotive and Armaments Command, U.S. Army Aviation and Missile Command, U.S. Marine Corps Logistics Command, and NAVSUP to ensure customer-centered outcomes. DLA Land Customer Operations attended the Bradley Weapon System Support summit at Red River Army Depot (RRAD) for a productive dialogue on presidential drawdown requirements, production plans, sourcing, and program challenges. The summit established a workload schedule that balances supply and capacity with Army readiness needs and the Ukraine sustainment mission.

The DLA Land and Maritime Office of Small Business Programs handily exceeded FY 2023 small business goals, awarding over \$2.2 billion to small businesses – marking a 13.4% increase over FY 2022 and representing 54% of eligible contracting dollars. Socio-economic goals for service-disabled veterans, small-disadvantaged businesses, and women-owned small businesses were eclipsed, while HUBZone garnered \$121.4 million in awards, only 0.2% shy of the annual goal. The Small Business Office continued partnering with the acquisition workforce to engage industry and expand the industrial base. It continued its robust outreach in FY 2023, conducting sixty events targeted at forging relationships, training, and matchmaking.

The Strategic Acquisition Programs directorate managed six strategic supplier alliances and nine supply chain alliances to improve support and drive cost savings. More than 122,000 national stock numbers (NSNs) are covered under long-term contracts, with an annual value of \$1.2 billion. In FY 2023, the directorate awarded nearly 6,000 national item identification numbers (NIINs). Throughout the year, supplier relationship managers engaged with stakeholders to address on-time-delivery, improve communications, reduce backorders, and confront obsolescence. The directorate negotiated with AM General for its possible participation in the small business mentor-protégé program. AM General was recently awarded the joint light tactical vehicle contract worth \$4.7 billion and program participation could increase DLA Land and Maritime's small business supplier base.

The Global Tires Program team engaged with the DLA Warstopper Program to analyze natural rubber and its implications for surge and sustainment. The team collaborated with Accenture to study natural rubber using the Amida tool. Additionally, members of the F-35 Pathfinder program collaborated with invested partners on how to provide tires through GTP to F-35 partner nations. D&G Support Services will conduct a tire program support study to review how the enterprise acquires, reuses and disposes of tires.

d. Modernize Acquisition and Supply Chain Management

As stewards of American taxpayer money, DLA is increasingly challenged to employ results-driven practices. Skillfully managing taxpayer resources promotes national readiness. DLA Land and Maritime championed audit compliance and supported annual process walkthroughs in FY 2023, meeting all audit and A-123 risk management objectives. Business process reviews resulted in zero findings and no open due outs. An agency management review of over 400 topics revealed a compliance culture, with 55 out of 60 objectives achieved.

DLA Land and Maritime's Counterfeit Material-Unauthorized Product Substitution (CM/UPS) program is DLA's oldest and only full-time CM/UPS team identifying and blocking these bad actors. This multidisciplinary team consists of professionals from acquisition, legal,

tech-quality, the product test center, and the Defense Criminal Investigation Service. In FY 2023, CM/UPS doubled convictions, processed 61 suspension and debarment actions, and announced \$7.75 million in recoveries from criminal restitution orders and civil settlements. The team also recovered \$416,000 in previously issued criminal restitution orders and civil settlements. This brings the CM/UPS team's 37-year total to over \$250 million.

e. Future of Work

Creating a safe and secure work environment is vital to increasing workforce retention and attracting diverse talent. DLA Land and Maritime continued adapting and redefining work models in FY 2023 that will sustain a diversified and competitive workforce.

DLA Land and Maritime bolstered ongoing efforts to recruit and retain talent by focusing on skillsets critical for the future. Most notably, the command reinvigorated the recruitment pipeline for the Pathways to Career Excellence (PaCE) corporate internship program. This effort grew trainee output by 55% over FY 2022 and led to DLA Land and Maritime onboarding its largest ever PaCE class of over 100 personnel in spring 2023.

Additionally, centralized customer operations training cells were implemented in both supply chains to increase velocity and competency by 60 days, keeping pace with evolving needs. DLA Land Supplier Operations stood up functional area training cells – FLEX teams – within each division focused on equipping new employees with the knowledge and skills to contribute to the DLA Land and Maritime mission. Prior to the creation of FLEX teams, supervisors and employees were challenged to balance their existing production workload with the need to train newer personnel. This centralized training strategy will eliminate risks to employee development and allow traditional teams to focus on production.

5. Conclusion

DLA Land and Maritime achieved phenomenal results in FY 2023, accelerating support to EUCOM while balancing performance with fiscal outcomes to keep pace with evolving needs in a constrained procurement environment.

DLA Land and Maritime enhanced supply chain productivity beyond expectations, preserving defense working capital fund solvency while minimizing impacts to service readiness. Maintaining a track record of sustained warfighter support and providing the best value to the customer demanded we continue balancing these critical outcomes while moving forward in partnership with service stakeholders, partners, and industry.

As world events evolved and shaped FY 2024, DLA Land and Maritime remained steadfast its commitment to keeping the nation ready for armed conflict, natural disasters, and other national emergencies.

Defense Logistics Agency

DLA Aviation

Fiscal Year 2023 Historical Report



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

October 15, 2023

MEMORANDUM FOR DLA HEADQUARTERS, ATTN – Historian

SUBJECT: Submission of DLA Aviation FY22 Annual History Input

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

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SEAN K. TYLER, Brig Gen, USAF
Commander,
DLA Aviation & Defense Supply Center Richmond

Attachment:
1-Annual History Input

1. Introduction

DLA Aviation, the aviation demand and supply chain manager for DLA, employs more than 4,000 civilian and military personnel in 22 locations across the United States and one overseas location. Air Force Brig Gen Sean K. Tyler commands DLA Aviation from Richmond, Virginia.

DLA Aviation supports 2,341 weapon systems and is the U.S. military's integrated material manager for more than 1.8 million repair parts and supply items in support of fixed- and rotor-wing aircraft. DLA Aviation has nine major product lines: engines and airframes; instrumentation and gauges; electrical hardware; chemicals and petroleum products; green products; industrial gases and cylinders; ozone depleting substances; topographic, hydrographic, aeronautical maps/charts; and industrial plant equipment services.

Positioned alongside its military customers, DLA Aviation manages industrial support activities at Robins Air Force Base, Georgia; Tinker AFB, Oklahoma; Hill AFB, Utah; Marine Corps Air Station Cherry Point, North Carolina; Naval Air Station, North Island, California; and NAS Jacksonville, Florida.

DLA Aviation executes depot-level reparable procurement operations at Robins, Tinker, and Hill Air Force Bases; Naval Supply Systems Command Weapon Systems Support, Philadelphia; and at Redstone Army Arsenal, Alabama. DLA Aviation also operates the federal government's only industrial plant equipment maintenance, repair and overhaul facility at Mechanicsburg, Pennsylvania.

DLA Aviation had \$5.6 billion in demand value during FY 2023, processing 3.7 million customer orders and conducting business with 3,284 suppliers in support of its 12,678 customers.

2. Organization



a. Command Team

- (1) Commander: Air Force Brig Gen Sean Tyler
- (2) Deputy commander: Mr. Charlie Lilli
- (3) Acquisition Executive: Ms. Cathy Contreras
- (4) Chief of Staff: Ms. Tanya Hill

b. Office Directors

- (1) Strategic Acquisition Programs: Mr. Christopher Davis
- (2) Business Process Support: Mr. Spencer Shaffer
- (3) Procurement Process Support: Ms. Martha Tuck
- (4) Supplier Operations Commodities: Ms. Daniele Kurze
- (5) Supplier Operations OEM: Mr. Travis Beasley
- (6) Audit and Process Compliance: Mr. Steve Mason
- (7) Planning Programs: Mr. Kent Ennis
- (8) Engineering: Mr. Floyd Moore
- (9) Customer Operations: Col Daniel Willison

c. Operationalized Support

- (1) DHRS Customer Account Manager: Mr. Dylan Spohn
- (2) J6 BRM: Mr. Martin Steiner
- (3) J8R: Mr. Jason Buys
- (4) Counsel: Mr. Steven Davis
- (5) Installation Operations: Mr. David Gibson

d. Industrialized support activity commanders

- (1) Warner Robins, GA: Col Brian Myer
- (2) Oklahoma City, OK: Col Robert Magee
- (3) Ogden, UT: Col Ernest Cage
- (4) North Island, CA: CDR Fred Albesa
- (5) Jacksonville, FL: CDR Brandon Palmer
- (6) Cherry Point, NC: LCDR David Odom

e. Depot-level reparable procurement directors

- (1) Huntsville, AL: Mr. George Scheers
- (2) Oklahoma City, OK and Warner Robins, GA: Ms. Sharita Culp
- (3) Philadelphia, PA: Mr. Chris Mosher
- (4) Ogden, UT: Mr. Mark Strawn

3. Key Personnel, and Organizational Changes

a. In July 2023, the Supplier Operations directorate's testing and forward presence team moved from the Supplier Support division to the Contract Administration division. The Vendor Facing division realigned half of the division to the Supplier Support division to enhance contract administration (does not require a general order).

b. Mr. Dylan Spohn became DLA Aviation's human resources customer account manager on April 10, 2023. He replaced Ms. Theresa Wolfe.

c. Air Force Col. Ernest Cage assumed command of DLA Aviation at Ogden, Utah, June 30, 2023. He replaced Air Force Col. Jason Okumura.

d. In 2020, Defense Supply Center Richmond was awarded a \$98 million construction project to turn the installation into a state-of-the-art facility capable of supporting the modern warfighter. Demolition of Building 33 on Defense Supply Center Richmond, Virginia, was completed summer 2019 as part of Phase 2 for the Defense Logistics Aviation Operations Center. The Phase 2 building, when finished, will be a 281,064 square-feet, almost a mirror image of Phase 1. The projected completion date is planned for July 2024.

4. Total Personnel

a. DLA Aviation workforce: 4,181 civilians/64 active-duty military and 39 reservists/149 contractors

b. Aviation employees at Richmond, Virginia: 2,127 civilians/51 active-duty military/71 contractors

c. Aviation employees at 22 geographically separated sites: 2,054 civilians/13 active-duty military/78 contractors

5. Historical Narrative

a. Warfighter Always

(1) DLA Aviation launched the Naval Industrial Alignment Campaign (NIAC) in January 2023. The NIAC aims to increase material availability so Commander, Fleet Readiness Center (COMFRC) can better meet production commitments, decrease material costs, and increase buying power. This work is organized along three lines of effort, each led by an experienced member of the DLA Aviation team.

(2) DLA Aviation's Planning Programs directorate identified a disconnect between how availability (fill rate) is tracked and COMFRC customer experience. As a result, the command developed a new metric, "work order effectiveness," defined as the percent of closed work orders in which requisitions were delivered within three days of sales order creation. The availability line of effort focused on increasing work order effectiveness through initiatives targeting the root causes of misses. These included improving logistics processes and distribution agreements, reevaluating how we incorporate Naval demand into wholesale buying, and refreshing acquisition advice code operations to ensure they are updated as required.

(3) DLA Aviation's Procurement Process Support directorate pricing analysis found that costs grow more slowly for parts on long term contracts than for those transactionally purchased. In other words, long term contracts lock in better pricing and compress cost growth. The affordability line of effort focused on reducing part cost growth by moving more National Item Identification Numbers onto long term contracts and engaging top suppliers in whole-of-portfolio negotiations.

(4) DLA Aviation's Customer Operations directorate, Navy Customer Facing division, learned that processes are not standardized across sites, highlighting an opportunity to apply best practices across the organization and empower industrial support activity (ISA) personnel to be more efficient and effective. ISAs focused on reducing indirect materiel costs by rolling out standardized processes and system enhancements, incorporating current best practices wherever possible.

(5) DLA Aviation's Engineering directorate's Hazardous Information Programs division continued world-class support for hazardous material handling across DoD by entering 5,612 safety data sheet records into the DoD repository, also known as the hazardous material information resource system (HMIRS), and 59,971 delivery orders into HMIRS for hazmat items procured via long-term contracts at DLA Aviation and DLA Troop Support. In addition, the Hazardous Information Programs division answered 1,268 customer technical inquiries and reviewed 2,495 HMIRS records for quality assurance and quality control.

(6) The Wheel Program

(a) The Wheel program served as a junior leadership consortium granting new supervisors exposure to processes outside their technical expertise and showing them how their work affects other areas. There were four offerings of the Wheel held in FY 2023.

(b) 36 new supervisors completed the training FY 2023.

(c) During FY 2021, DLA Aviation changed the Wheel from two week in-person training to a three-day virtual program because of the global pandemic. During FY 2023, the Wheel resumed in-person training over a two-week period with a three-day session during Week One and a four-day session during Week Two. Week Two's session consisted of a visit to one of DLA Aviation's forward operating sites. The goal of the Wheel is to show new supervisors how disciplines (the spokes) are attached to the strategic plan (the hub), and supported by the Command Support, Business, and Procurement Process Support directorates, as well as and Human Resources (the tires).

(7) Flash Mentoring and Job Shadowing

(a) DLA Aviation's flash mentoring program allowed all employees from junior apprentice through seasoned professional to discuss career goals, gain developmental opportunities, and receive guidance. Flash mentoring was held once a quarter at all DLA Aviation sites. Employees participated via government Zoom.

(b) DLA Aviation held eleven orientations for more than 300 new employees in FY 2023. These orientations gave employees agency and command overviews, frames-of-reference, and real time information regarding policies, plans, and programs.

(c) In April 2023, more than 250 DLA Aviation employees from all sites attended the first biannual Leadership Academy. The target audience was GS 11s-13s in non-supervisory positions. The course was intended to provide tailored training to those with supervisor/manager aspirations. The training focused on leadership/self-development and employee management/development.

(8) Equal Employment Opportunity, and Diversity (EEOD)

(a) EEOD jointly conducted face-to-face biennial EEO training with the sexual assault coordinator for all 4,000+ DLA Aviation employees, supervisors, and managers (Richmond and site-locations). This comprehensive biennial training included sessions on the EEO complaint process, diversity, inclusion and accessibility, reasonable accommodation, preventing sexual assaults, and properly responding to victims of sexual assault.

(b) As a response to survey comments requesting training be made available to supervisors at the beginning of their tenure, the EEOD began facilitating the Employment Learning Innovations's Civil Treatment for Leaders course for newly hired supervisors in April 2023. The training will be offered every quarter and is now included in the new supervisor LMS training schedule. Civil treatment training continues to be provided upon request and was presented in Oklahoma City in February 2023.

(c) Upon request, the EEOD office presented in-person sign language classes in Mechanicsburg March 6-10. The class improved communication for all employees to include those hard of hearing.

(d) EEOD participated in the DLA Pathways to Career Excellence (PaCE) intern program and new employee orientations, and conducted prevention of sexual harassment, workplace harassment, and hostile work environment training along with reasonable accommodations.

(e) EEOD personnel conducted communication and sensitivity training for employees in Richmond and Oklahoma City. This training focused on how people communicate, biases, and building productive teams.

(9) Training and Recruitment

(a) The Business Process Support directorate (BA) successfully completed foundational training for twenty-nine PaCE employees, thirty-one direct hires, and four interns across four disciplines: customer account specialist, materiel planning, product specialist, and resolution specialist. The four interns made up the first BA class to complete the traditional PaCE program track since 2019. In addition, DLA Aviation successfully recruited its first intern from the Department of Defense College Acquisition Intern program. The program is a 10-week course designed to expose students pursuing relevant undergraduate degrees to the DoD workforce and provide them real-world experience in acquisition career fields. The training team on-boarded sixteen more DLA Richmond PaCEs and, for the first time ever, three Ogden customer service support PaCEs.

(b) The Business Process Support directorate joined DLA's Joint Reserve Force to develop an historical analysis tool looking at five years of tickets within each division. BA administrators teamed with their military counterparts, many who hold software service jobs in the private sector, to develop a comprehensive data set in Microsoft Power BI. This dataset was then analyzed for process improvement areas where dashboard and automated services could eliminate man-hours. This project will continue into FY 2024 and ultimately out-briefed to senior leadership.

b. Support to the Nation

(1) In February 2023, DLA Aviation implemented initial operational capability at Kadena's Support Center Pacific. The command established a geographically separate unit under DLA Aviation Ogden that provides supply, storage, and distribution support. The transition to integrated operation enables strategic capability and returns assets directly to customers; improves demand planning and stock positioning; and reduces repair turnaround times.

(2) DLA Aviation's Customer Operations directorate's Army Customer Facing division (QAE) continued its outreach efforts, expanding the program to include military students attending their perspective professional military education at Fort Gregg-Adams (logistics) and Fort Eustis (aviation maintenance). QAE military and civilian customer account specialists visited multiple Active Army Combat Aviation brigades, Army National Guard Aviation Support flight facilities, and Army commands, educating them about DLA and assisting them with readiness concerns. Additionally, QAE leaders attended three Army Aviation Association of America readiness forums as part of small business outreach. Lastly, QAE leaders participated as panel members in support of the U.S. Army Aviation and Missile Command's (AMCOM's) 101 conferences.

c. Trusted Mission Partner

(1) Repair and rebuild operations at DLA Aviation's Industrial Plant Equipment Services division (IPESD) at Mechanicsburg, Pennsylvania, executed seventeen repair trips with

over eleven scheduled to different locations. The plant completed twelve machine rebuilds and associated installations at customer locations. We also made facility and capability improvements as well as additional assorted machining and material handling equipment. The Richmond IPESD pre-award team awarded twenty-four contracts at \$28,330,366; another ten will be completed by the end of the fiscal year for additional \$7,372,827. The total will be about \$35,703,194. The new procurement post-award team closed 43 contracts so far this year for \$41,468,985.76 and is on track to close a few more by end of FY 2023.

(2) QAE, in conjunction with the Engineering directorate, continued supporting AMCOM's additive manufacturing (AdvM) efforts. In FY 2023, QAE supported AMCOM AdvM summits every six months at Huntsville, Alabama. QAE's participation was integral to developing Army Aviation's AdvM policy as it relates to DLA-managed items.

d. Modernized Acquisition and Supply Chain Management

(1) The Engineering Support to Captains of Industry (COI) Contracts team and Engineering Technical Managers (ETMs) continued to update technical language within the COI contracts, updating critical safety item and product quality deficiency report requirements. The team successfully negotiated acceptance of standardized technical language for the F-15 COI statement of work which was awarded December 2022 and the F/A-18 statement of work in April 2023. Standardized language has also been negotiated for COI projects with cognizant Air Force and Navy offices to include for the C-130.

(2) The Business Process directorate (BA) developed an additional five automated dashboards within QLIK (25 overall), a data and analytics integration software suite. These applications provided near real-time research capability for weapon system readiness, materiel availability, unfilled order and delinquent purchase order reduction, purchase request productivity, retail support enhancements, and critical DLA Aviation focus areas such as U.S. European Command's support for Ukraine.

(3) The Business Process directorate additionally used citizen development to implement automations through robotic process automations, or BOTs. To date, Business Process Support and Procurement Process Support have automated nine manual processes, garnering an expected savings of 26,000 manhours annually. There are another four automations currently in development with a potential annual manhour savings of 1,000 with another 23 automations in queue with an estimated 8,000 manhour savings.

(4) The Business Process directorate helped develop the Strategic Source Alliance dashboard in QLIK, providing customers additional views and deep dive data. The directorate moved four standard reports into the software, resulting in the cancellation of 31 recurring tasks previously performed by contractors and approximately 15 to 20 monthly ad hoc requests. Customers are now able to pull those reports on demand. BA provided three QLIK training sessions to Strategic Acquisition groups and several one-on-one sessions to customers.

(5) The Business Process directorate additionally automated a major portion of contractor material availability analysis for aviation consumables performance based logistics lot-payment contracts. The analysis had previously been done in Excel workbooks, took days to complete, and subjected the process to keystroke errors and data entry mistakes. The new SQL code takes less than an hour to generate the initial report without the risk of any errors. This automation will save nearly 1,000 man-hours once all projects have been implemented.

(6) The Business Process directorate continued to leverage SAS and PowerBI to reduce the manual work involved in producing business case analysis (BCA) deliverables. Notable enhancements included historical material availability trend analysis tabs on a PowerBI dashboard, item-level escalation factor inputs to the BCA simulator, and incorporating lead-time variability into BCA simulations. In addition to the BCA work, BA also leveraged SAS to automate a more strategic sourcing plan tracking workload, reducing the manual work involved in preparing steering group briefings and recurring long-term contract deliverables. These enhancements saved nearly 1,500 man-hours annually.

(7) The Business Process Support directorate developed and delivered DLA Aviation WMS end-user training for business process analysts, resolution specialist, PaCErs, and process health personnel. Multiple sessions of the three-day course covered WMS navigation along with interfaces for enterprise resource planning central component and WMS extended warehouse management.

(8) The Business Process Support directorate worked closely with J341's Lead-time Systems Program office to develop a lead-time freeze date BOT to purge expired lead-time freeze dates. This BOT solved a logic problem which failed to update lead-times if the date had passed and there was a tactical buy. The team was able to get the BOT into production and it is now running it on a quarterly basis. As a component of DLA Aviation's Productivity Campaign for FY 2023, this effort saves 60 hours of manual work every year.

(9) The Supplier Operations directorate developed contract administration local operating procedures and modified processes for efficiencies, new tools, and an external vendor website.

e. Future of Work

DLA Aviation will continue to promote a more diversified senior workforce through training and promoting awareness of opportunities. DLA Aviation continues to look for opportunities to lower costs while minimizing effects on readiness.

Defense Logistics Agency

DLA Energy

Fiscal Year 2023 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 FY23 Annual History Input

This 2023 history submission is dedicated to the DLA Energy employees who continue to remain committed to the Warfighter and Whole of Government's mission readiness by providing resilient energy solutions.

The Energy workforce is leading the charge, whether it be working with U.S. Transportation Command on the transition of the Executive Agent role for Class III Bulk Petroleum (per NDAA 352), continuing to support the administration's clean energy initiatives, or preparing for the closure of Red Hill. The simple truth is that we stand at a pivotal point in the Department of Defense's (DoD) and nation's readiness and resiliency. The products and services DLA Energy provides enables DoD to prevent, or if necessary, engage an adversary at any place—be it under or on the sea, on the ground, in the air or in space. It is a responsibility we do not take lightly as we do everything to prepare for the aggressors in an increasingly complex global environment.

As the 41ST Commander of DLA Energy, it is a privilege and honor to be part of this organization. As we move forward in FY24 and beyond, I am confident that the 1,500+ DLA Energy Family, in more than 30 locations worldwide, is capable, ready, and willing to take on any challenge and overcome any obstacles the future holds. We will continue our legacy of providing unparalleled and unwavering support to our Warfighters, Whole of Government customers and allied partners.

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JOSEPH.10055094 ANDERSON.BRIAN-JOSEPH.10
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Date: 2023.10.27 14:43:47 -0400
BRIAN J. ANDERSON
CAPT, SC, USN
Commander

1. Introduction

FY 2023 included changes and challenges to the DLA Energy supply chain. In February 2023, the U.S. Transportation Command (TRANSCOM) reached initial operating capability as the Department of Defense (DoD) single fuel manager. The Office of Secretary of Defense (OSD) is now working to rescind DLA Energy's role as the DoD executive agent for Class III bulk petroleum, a role DLA Energy held for nearly 19 years. DLA Energy is standing up the DLA Energy Support division at Scott Air Force Base (AFB) to partner with TRANSCOM. The command retains its role as DoD's integrated materiel manager for bulk petroleum.

DLA Energy additionally supported the administration's clean energy initiatives in FY 2023 by partnering with the military services and whole-of-government partners to pursue carbon pollution-free electricity (CFE) goals. As the DLA Energy workforce continues to make progress on renewable energy, its commander and Supplier Operations directorate met senior leaders from the OSD Climate office and Office of the Deputy Assistant Secretary of Defense for Environment and Energy Resilience (ODASD (E&ER)) for monthly updates. The Electric Reliability Council of Texas (ERCOT) was selected as the deregulated pilot, and the North and South Carolina Duke territory was selected as the regulated pilot.

As efforts to close Red Hill fuel tanks in Hawaii continue, DLA Energy is partnering with Joint Task Force-Red Hill (JTF-RH) to remove fuel safely. On July 2, 2023, the INDOPACOM commander approved the plan for DLA to put ten tankers on contract no later than September 15, 2023. The tankers will transport fuel to locations identified in the final environmental assessment prepared pursuant to the National Environmental Policy Act, which is expected to be finalized by August 31, 2023.

Following the postponement of the 2022 Worldwide Energy Conference (WWEC), DLA Energy secured space at the Gaylord National Hotel and Convention Center, National Harbor, Maryland, for April 22-24, 2024. The WWEC typically attracts over 2,000 attendees and 120 trade show vendors. It is DLA Energy's premier supplier and customer engagement event and has been part of the command's history for decades.

The DLA Energy Supplier Operations directorate hosted a smaller Energy Industry summit, with over 230 attendees, at the Hilton Mark Center in Alexandria, Virginia, on May 24-25, 2023. This summit allowed industry partners to ask questions and assist us with identifying "Energy Solutions for the Future." Guest speakers included the federal chief sustainability officer, the DoD chief sustainability officer, and the DASD (E&ER).

As always, we are proud of our workforce's commitment to providing globally resilient energy solutions to the warfighter and whole of government. No matter what curveball is thrown our way, we continue to provide uninterrupted support.

2. Organization (as of September 30, 2023):

- a. Commander: CAPT Brian Anderson, USN
- b. Deputy Commander: Mr. David Kless, SES

- c. Chief of Staff: COL Benjamin Kilgore, USA
- d. Commander's Action Group: Ms. Rachel Dunlap
- e. Director, Supplier Operations: Ms. Gabriella Earhardt
- f. Director, Customer Operations: Col Michael Boswell, USAF
- g. Director, Facility Sustainment Directorate: CAPT Tim Bellott, USN
- h. Director, Business Process Support: Mr. Thomas Turets
- i. Director, Procurement Process Support: Mr. Jacob Moser
- j. Director, Strategic Policy & Programs: Mr. Robert Gagnon
- k. Director, Quality Technical Directorate: Ms. Patricia Wilkins
- l. Commander, DLA Energy Americas: COL Josiel Carrasquillo, USA
- m. Commander, DLA Energy Americas East: LTC Thad Douthitt, USA
- n. Commander, DLA Energy Americas West: CDR Anas Maazouzi, USN
- o. Commander, DLA Energy Americas North: Maj Daniel Mortiz, USAF
- p. Commander, DLA Energy Middle East: LTC Jamie Pittman, USA
- q. Commander, DLA Energy Europe & Africa: LTC Leslie Shipp, USA
- r. Director, DLA Energy Indo-Pacific: Mr. Scott Thomas
- s. Commander, DLA Energy Indo-Pacific Southwest Pacific: CDR Scott McCarthy, USN
- t. Commander, DLA Energy Indo-Pacific East Pacific: CDR Konrad Krupa, USN
- u. Commander, DLA Energy Indo-Pacific Japan: Lt Col James Smith, USAF
- v. Commander, DLA Energy Indo-Pacific Korea: LTC Dennis Han, USA
- w. Commander, DLA Energy Indo-Pacific Okinawa: Maj Kevin Knutson, USAF

3. Key Personnel

a. On June 29, 2023, DLA Energy bid farewell to its commander, Brig Gen Jimmy Canlas, USAF, when he relinquished command to CAPT Brian Anderson, USN. Seven other key personnel changed out this summer:

- b. LTC Benverren Fortune, USA, relinquished command of DLA Energy Europe and Africa (E&A) to LTC Leslie Shipp, USA, on May 22, 2023.
- c. Maj Tony Anderson, USAF, relinquished command of DLA Energy Indo-Pacific Okinawa to Maj Kevin Knutson, USAF, on June 6, 2023.
- d. LTC Alberto Cordova, USA, relinquished command of DLA Energy Middle East to LTC Jamie Pittman, USA, on June 7, 2023.
- e. CDR Christopher Radke, USN, relinquished command of DLA Energy Indo-Pacific South-West Pacific to CDR Scott McCarthy, USN, on June 8, 2023.
- f. LTC Christopher Masson, USA, relinquished command of DLA Energy Americas East to LTC Thaddeus Douthitt, USA, on June 26, 2023.
- g. CDR William Jakubowicz, USN, relinquished command of DLA Energy Indo-Pacific East Pacific to CDR Konrad Krupa, USN, on July 21, 2023.
- h. DLA Energy Chief of Staff Col Keith Mecham, USAF, relinquished command to COL Benjamin Kilgore, USA, on August 11, 2023.

4. Total Personnel

As of September 30, 2023, DLA Energy had 1,143 personnel (1,081 civilians and 62 military).

5. Historical Narrative

DLA Energy Indo-Pacific continues to work with the JTF-RH on closing Red Hill fuel tanks. In November 2022, the closure plan addressed pre-cleaning procedures, the sequence and process for cleaning tanks and pipelines, the management of resulting sludge, the method of permanent closure, site assessment and investigation, coordination, and outreach. In February 2023, Supplement One included prescriptive tank cleaning specifications, procedures to verify tanks are clean, a pipeline cleaning statement of work, waste management procedures, a process for updating the Facility Response plan, an updated beneficial non-fuel reuse plan and critical path method, a schedule, and responses to the January 11, 2023, Hawaii Department of Health (DOH) comments on the initial tank closure plan. Supplement Two came out May 2023 and provided the removal plan for three main fuel pipelines, a third-party assessment of the long-term structural integrity of the tanks, surge tank cleaning procedures, and responses to DOH and the Environmental Protection Agency. Defueling is scheduled to start October 16, 2023.

DLA Energy E&A continues to support Ukraine with an international agreement, bulk petroleum products, and contracting actions. The team continues to evaluate host nation and U.S. fuel storage gaps at Drawsko Pomorskie Training Area (DPTA) and Powidz Airbase, Poland. The team discussed expanding existing capabilities or designing new tactical petroleum terminals to support the expected fuel requirement spike in Poland. DPTA is primed for an upgrade to support a projected 3.78 million U.S. gallons (USG) requirement, while Powidz requires a 7.56 million USG tactical terminal.

DLA Energy coordinated the implementation memorandum resulting from FY 2022 Section 352 of the National Defense Authorization Act (NDAA), which established TRANSCOM as the single manager for global bulk fuel management and delivery. This document provided clarity on responsibility changes and guidance to service components and combatant commands (CCMDs).

On October 7, 2022, the DLA Energy Installation Energy division – with support from and in coordination with the supplier advocate and the DLA webmaster – launched a CFE webpage. The webpage is a one-stop-shop for DLA Energy industry and whole-of-government partners, customers, and members of the general public who want to learn more about how DLA Energy supports the administration’s clean energy goals. Users can find relevant links to Executive Order 14057I, CFE fact sheets, definitions, and interactive graphics.

6. DLA Lines of Effort

DLA Energy’s mission is to enable readiness by providing globally resilient energy solutions to the warfighter and whole-of-government partner and to be the trusted leader in innovative energy solutions. DLA Energy’s goals are aligned with DLA Strategic Plan lines of effort, which are:

a. Warfighter Always

On October 12, 2022, Installation Energy supported the Eielson AFB Alaska micro-reactor pilot preproposal conference with the Office of the Deputy Assistant Secretary of the Air Force for Environment, Safety, and Infrastructure (SAF/IEE). The request for proposal (RFP),

real estate, Nuclear Regulatory Commission application design and licensing process, and the environmental footprint of Eielson AFB were discussed, and those in attendance had the opportunity to tour the power plant. Council for the Alaska Micro-Reactor Program stakeholder meetings are held quarterly and led by the SAF/IEE. These events ensured frequent and transparent communications with federal, state, local, and tribal communities. A notice of intent to award was issued on August 22, 2023.

The Facility Sustainment directorate (FSD) Program Management and Engineer Environmental and Property divisions obligated \$1.77 billion in sustainment, restoration, and modernization (SRM) funds for Army, Navy, Air Force, and Marine Corps fixed fuel infrastructure at 391 installations and 496 fueling sites across the globe. In conjunction with the military services and military construction agents, FSD oversaw the cleaning, inspecting, repairing, and return to service of 104 large fuel storage tanks. Investment in the DoD fixed fuel infrastructure funded 1,476 large SRM projects and 5,688 minor repair service orders. FY 2023 SRM projects included: Eareckson Air Force Station, Alaska, fuel pier repairs (\$177 million, 61% FSD, 39% Air Force); Dyess AFB, Texas, replace 6,000 linear feet of fuel transfer piping (\$41.5 million); Kunsan Air Base, Korea replace North-South JP8 transfer pipeline (\$11.4 million); Naval Supply Systems Command Fleet Logistics Center Jacksonville, Florida, minor construction and repairs to Fuel Pier 111 (\$10.1 million); Naval Air Facility El Centro, California, repair and replacement of multiple system facilities including: fuel transfer and stripping pumps, product recovery tanks and pipelines (\$11.4 million); Advanced Undersea Test and Evaluation Center, Andros Island, Bahamas, replace Above-Ground Storage Tank Tanks 2072 and 2073 and associated piping (\$7.4 million). The FSD recurring maintenance and minor repair program executed 2,262 site visits (668 Air Force, 926 Army, 546 Navy, and 122 Marine Corps). The directorate's focus on proactive maintenance enables the military services to maintain their fixed fuel infrastructure in the highest state of operational readiness.

The FSD Environmental branch provided over \$91.7 million for compliance and restoration actions at defense fuel support points (DFSPs) across the globe. The FSD fuels automation team supported contract actions worth \$73 million for automatic tank gauging, automated fuel handling equipment, and other automation associated with the inventory and distribution of DLA fuel.

The FSD Property branch worked with the military departments to oversee 496 DFSPs, consisting of 17,737 real property records throughout the Air Force, Army, Navy, Marines, and Space Force. It managed a program that accounted for 80% of DLA-managed real property assets with a plant replacement value (PRV) of \$81 billion. The branch reconciled 8,085 real property records and performed physical inventories of nineteen DFSPs consisting of 1,119 real property assets with a PRV of \$9.3 billion. In addition, it processed \$21.5 million in DLA Energy military construction. The team worked on six host tenant agreements with military departments to ensure DLA Energy's rights and obligations for 830 RP assets, with a \$2.9 billion PRV were documented in support of the military department/DLA's mission.

DLA Energy Middle East customer operations provided 51 USGs of fuel worth \$200 million to 29 direct delivery sites across nine countries in support of Operations INHERENT RESOLVE and SPARTAN SHIELD.

DLA Energy Middle East Supplier Operations managed 15 DFSPs in six countries and facilitated the sale of 160 million USG of fuel, worth \$609 million, to DoD service components, NATO, and other allied foreign militaries in six countries throughout the U.S. Central Command (CENTCOM) area of responsibility.

During FY 2023, the DLA Energy Readiness Research and Development (R&D) program funded 20 ongoing projects totaling nearly \$30 million. These projects cover bringing R&D solutions to issues within the span of the Class III bulk fuel and energy supply system, to include fuel thermal/storage stability, fuel-equipment compatibility, fuel additive measurement, and alternative fuel certification and usage.

The Americas region participated in many exercises. During April 11-19, 2023, DLA Energy Americas participated in two CCMD Tier 1 exercises with TRANSCOM GLOBAL THUNDER (GT-23) and North American Aerospace Defense Command (NORAD) and US Northern Command (NORTHCOM) VIGILANT SHIELD (VS-23), providing Class III bulk support and expertise and assisting with synchronized joint bulk petroleum operations.

Exercise GT-23 was designed to provide realistic actions and mitigation plans against simulated adversaries to identifying areas needing improvement. It was designed to train the NORAD & NORTHCOM (N&NC) staff and subordinate service components on homeland defense missions. Exercise VS-23 synchronized the Canadian joint operations command, other American combatant commands, services, appropriate US government agencies, and allies, demonstrating a readiness and ability to defend both Canada and the US.

DLA Energy Americas supported Quartermaster Liquid Logistics Exercise 23 from June 12-23, 2023, allowing U.S. Army Reserve (USAR) units to exercise wartime skills. Participating reserve units delivered over 1.6 million USG of jet fuel to customers in the Americas area of operation and USAR fuel system support points. The DLA Energy Quality Technical directorate initiated a supply chain study to evaluate distribution and storage effects on fuel system icing inhibitor resulting in several recommendations for DoD. After the delay/postponement due to COVID, the directorate restarted quality systems management visits in the Middle East, Europe & Africa, and Americas Energy regions.

DLA Energy is changing focus from the 20-year War on Terror in the Middle East to the Indo-Pacific area of responsibility (AOR). DLA Energy Indo-Pacific supported numerous exercises. Indo-Pacific South-West (IPSW) supported COBRA GOLD 2023 in Thailand from February 27-March 10, 2023, and SALAKNIB 2023 in the Republic of the Philippines from March 13-April 4, 2023.

DLA Energy Indo-Pacific Korea participated in FREEDOM SHIELD from March 12-23, 2023, the most important Joint Chiefs of Staff training event in the Korean Theater of Operations. The objective was to assess DLA Energy's ability to support bulk petroleum requirements through combined movement requests, redistribution orders, and tanker slate requirements. DLA Energy Indo-Pacific Korea coordinated the first FUELEX in ten years with the U.S. Army, Daehan Oil Pipeline Company, and DFSP contractors. Soldiers from the 194th Division Sustainment Support Battalion transferred 300,000 USG of JP8, allowing DLA Energy Korea to return to required stock levels, validate an alternate receipt capability, and exercise contingencies. Additionally, DLA Energy Indo-Pacific Korea transported over 3.5 million USG of jet fuel via local commercial transportation contracts to DFSPs throughout the Korean Peninsula.

DLA Energy Indo-Pacific Japan provided fuel sustainment for the first bed down of the MQ-9 weapon system in Japan. The bed down included providing a solution to provide fuel for the MQ-9 in an isolated location. DLA Energy Indo-Pacific Japan used a DLA Energy trucking contract to obtain JP5 and diesel from DFSP Akasaki (Sasebo) and/or DFSP Hakozaki (Yokosuka) and transported it to Japan Maritime Self Defense Force Base Kanoya. The fuel was stored in leased containers run by USAF personnel. Total fuel capacity with the container fuel

solution is over 64,000 USG of JP5 and 14,000 USG of diesel. DLA Energy Indo-Pacific Japan has provided over 302,000 USG of JP5 and 35,000 USG of diesel to support this one-year mission at Kanoya.

DLA Energy Middle East supported eight direct delivery sites in Syria with 8 million USG JP8 and ground products valued at \$30 million while simultaneously supporting four main operating sites in Iraq with 31 million USG JP8 and ground products valued at \$103 million. Additionally, DLA Energy Middle East provided inventory reporting emergency petroleum, oils, and lubricants via the daily situational report and continually addressed challenges with on-ground units, the US embassy, vendors, and Iraq/Syria military personnel.

In support of the military services' worldwide bulk petroleum requirements, the DLA Energy Bulk Petroleum Products team awarded 39 contracts valued at \$8.5 billion to cover performance periods beginning in FY 2023 for the four major bulk petroleum purchase programs; Inland East Gulf Coast, Rocky Mountain West, Western Pacific and Middle East and Atlantic, Europe, Mediterranean.

b. Support to the Nation

DLA Energy and the JTF-RH have been fully engaged in ensuring that unpacking does not conflict with deliveries of CL-IIIB to DFSP Joint Base Pearl Harbor Hickam. The draining of surge tanks took place July 17-28, 2023, with over 480,000 USG removed. DLA Energy has provided tours of the Red Hill Bulk, while assisting in a two-night defueling open house.

FSD provided support to JTF-RH and the defueling throughout FY 2023. FSD was designated the funds holder for both the Red Hill Transfer (RHT) fund (\$119.5 million allotted to DLA in FY 2023) and the Red Hill Recovery fund (\$614 million to be allotted to DLA in FY 2023 and 24). FSD embedded a program manager and an engineer in the JTF-RH repair directorate to ensure DLA provided quick and uninterrupted support. The \$119.5 million from the RHT fund was obligated for repairs and environmental support throughout INDOPACOM.

During September 23-October 19, 2022, the Americas region deployed its Task Force Americas (TFA) to support Hurricane Ian Federal Emergency Management Agency (FEMA) relief efforts. TFA worked in support of Hurricane Ian FEMA relief, pushing 104 tank wagon and tank trucks, dispensing 1,532 USG of propane, 396,000 USG of diesel, and 224,000 USG of gas in support of Florida and federal first responders. The team supported an incident support base at Robins Air Force Base, Georgia, as well as fuel points at Immokalee, Florida, and Lakeland, Florida. DLA Energy Americas East quality assurance representatives (QARs) surveyed these locations and paved the way for TFA.

In December 2022, DLA Energy issued solicitations for the purchase of CFE to support installations and federal agencies in two key regions of the U.S. Notices of opportunity have been issued for North and South Carolina associated with the green tariff program offered by Duke Energy and a RFP for the purchase of CFE in the region operated by the ERCOT.

On May 31, 2023, DLA Energy issued an RFP within the Duke Energy Progress electric utility territory. The RFP provides the Department with the ability to procure CFE for facilities located behind Duke's vertically integrated markets located in North and South Carolina.

On July 27, 2023, DLA Energy awarded two contracts that supplied 92 million USG of F76, JP5, JAA, and JA1 to locations across the United States with a performance period of October 1, 2023, through July 31, 2024. The total estimated contract value is ~\$391 million.

c. Trusted Mission Partner

On October 19, 2022, DLA Energy participated in the Washington Headquarters Services (WHS) environmental, sustainability, and energy event at the Pentagon. The objective was to raise awareness of installation energy upgrades and technology. DLA Energy Installation Energy division highlighted our energy and sustainability services by displaying several energy savings performance contracts and on-site renewable energy generation contract successes.

From October 22-November 14, 2022, the DLA Energy Americas Region supported the DoD Fuel Mission to support the U.S. embassy and U.S. Agency for International Development (USAID) in Port Au Prince, Haiti. After months of unchecked gang violence and disruptions to commercial fuel deliveries in Port Au Prince, the Department of State (DoS) submitted two requests for assistance to DoD for procuring and delivering 40,000 USGs of diesel to the U.S. embassy and 80,000 USGs of diesel fuel to USAID Partners in Port Au Prince. Two C-130s conducted daily resupply missions from Homestead Air Reserve Base (HARB), Florida, directly to the Port Au Prince International Airport. Fuel was off-loaded into U.S. embassy and USAID fuel trucks and delivered to storage tanks. This was a herculean effort involved the Office of the Secretary of Defense (OSD), DoS, USAID, Combatant Commands (CCMDs), service control points, DLA Energy, and numerous other partners. DLA Energy Americas continues to oversee and manage fuel support. DLA Energy direct delivery coordinated the diesel fuel contract at HARB. Most impressively, the interagency agreements team completed an interagency agreement with USAID in less than five days.

DLA Energy Aerospace supported Firefly Aerospace's Alpha FLTA002 rocket launch on October 1, 2022, providing 300,000 cubic feet of gaseous helium and 200 cubic feet of gaseous nitrogen. The Alpha FLTA002 successfully reached orbit and deployed customer payloads, lifting off from Vandenberg Space Force Base (VSFB), California. Firefly is the first company to reach orbit from U.S. soil in only its second attempt and the first and only U.S. commercial space company with a rocket ready to take customers to space in the 1,300 kg payload class.

DLA Energy Aerospace supported the United Launch Alliance Atlas V rocket launch from Cape Canaveral Space Force Station, Florida, on October 4, 2022, by providing 341 lbs. of high-purity hydrazine (HPH) and 26,000 USG of rocket propellant-1. The Atlas V rocket carried the SES-20 and SES-21 satellites in a dual satellite configuration to deliver TV, radio, and critical data transmission services for the Federal Communications Commission. DLA Energy Aerospace supported the United Launch Alliance when it launched an Atlas V rocket from VSFB, California, on November 10, 2022, by providing the (centaur/second stage) of the Atlas V rocket with 1,075 lbs. of HPH and fueled the JPSS-2 satellite with hypergolic propellants. The Atlas V rocket carried the National Oceanic and Atmospheric Administration's Joint Polar Satellite System-2 (JPSS-2) and the National Aeronautics and Space Administration's (NASA) low-earth orbit flight test of inflatable decelerator (LOFTID) from space Complex-3. The JPSS-2 is a polar orbiting satellite that helps forecasters predict weather three to seven days in advance. The LOFTID satellite is an inflatable heat shield technology demonstrator that could help NASA land super-heavy payloads on Mars one day.

DLA Energy Aerospace supported SpaceX Falcon 9 Rocket-Ispace Hakuto-R mission 1 from Cape Canaveral on December 11, 2022, by providing 10 lbs. of HPH, 575 lbs. of monomethyl hydrazine, and 920 lbs. of nitrogen tetroxide. The launch consisted of a commercial Japanese robotic moon lander and a NASA hitchhiker micro-payload called Lunar Flashlight that will seek signs of water/ice. DLA Energy Aerospace supported the Commercial ViaSat-3 high-

speed internet satellite launched on the top of a SpaceX Falcon Heavy Rocket from Cape Canaveral on April 30, 2023, by providing 152 lbs. of HPH which the space vehicle will use to maintain its geosynchronous orbit. ViaSat is an American company that the DoD contracts to provide satellite communications, tactical networking, and cybersecurity solutions, a range of multi-band, Flexible SATCOM terminals and electronic warfare-resistant networks to the warfighter, in addition to its commercial home and aircraft internet services.

On February 3, 2023, DLA Energy Indo-Pacific IPSW conducted personalized wide-area workflow usage training via Microsoft Teams to five personnel of the 3rd Marine Expeditionary Force (III MEF), a forward-deployed expeditionary force at Camp Courtney, Okinawa, Japan. The III MEF personnel supported Exercise BALIKATAN 2023, the most prominent annual bilateral exercise in the Philippines with the U.S. from March 23- April 28, 2023.

Once BALIKATAN 2023 concluded, the G-4 of the I MEF met with the DLA Energy Indo-Pacific IPSW at Anderson AFB, Guam, to get a detailed synopsis of IPSW capabilities as it relates to bulk fuel movement on-island and beyond, as well as other topics including critical logistics issues and ongoing support operations within the U.S. Indo-Pacific Command AOR.

DLA Energy Indo-Pacific Okinawa delivered over 75 million USG of multiple fuel grades to the Air Force, Army, Navy, Marine Corps, and our Japanese partners. Additionally, DLA Energy Indo-Pacific Okinawa was able to secure \$12 million in funding to obtain two new landing craft mechanized vessels to support DFSP Okinawa's off-shore petroleum operations. DLA Energy Indo-Pacific Okinawa overcame significant challenges, to include reconfiguring the multi-buoy mooring system, infrastructure issues of the underwater fuel lines supporting the single-point mooring buoy, and coordinating the timed replacement of the buoy two months ahead of schedule. Despite these challenges, DFSP Okinawa has continued to deliver on time, on specification fuel to meet every customer demand without a single spill.

DLA Energy Middle East, along with the CENTCOM liaison officer, joint petroleum officer and US Naval Forces Central Command logistics and readiness staff aggressively worked on JP5 support courses of action for partner nation aircraft supporting the World Cup soccer tournament in Qatar.

DLA Energy, in collaboration with the Joint Staff J4 Joint Petroleum Office hosted the five-day Joint Petroleum Week (JPW) from February 6-10, 2023. The JPW consisted of the Joint Petroleum Seminar, the EA Component Steering Group meeting, the Joint Petroleum Working Group meeting, and the Installation Planning Review Board (IPRB). The JPW brought together VIPs and over 200 petroleum subject matter experts from across the DoD fully in person for the first time since 2020. This year's theme was "Changes in the Global Bulk Fuel Management" and featured discussions about TRANSCOM's new role as single fuel manager for DoD. During the IPRB and component commands (COCOM) briefings for FY 2027 construction funding, the IPRB 21 voting members funded four projects totaling \$158 million and placed another four projects in 20% design status in case any of the designated projects cannot be executed.

DLA Energy attended the Petro 23 conference from March 27-30, 2023. Employees attended sessions with petroleum industry leaders, garnering insight to quality and safety business practices used in the commercial sector. The conference gave DLA Energy quality program managers and chemists an opportunity to have one-on-one engagements with the warfighters DLA supports.

In FY 2023, DLA Energy's Strategic Policy & Programs directorate successfully executed the Joint Petroleum Course, a pivotal achievement for the Joint Petroleum Enterprise. Over eight in-person sessions were held at Fort Gregg-Adams (formerly Fort Lee), Virginia, and

117 students graduated. Notably, the process to secure accreditation for this significant offering has been set in motion.

DLA Energy participated as an exhibitor at the Pentagon Earth Day event hosted by ODASD (E&ER) and the WHS Pentagon Environmental Office. This year's theme was "Invest in Our Plant, Protect our Future."

DLA Energy Indo-Pacific Japan supported the commander of U.S. Forces Japan in his vision to lower financial costs for military, contractor, and civilian personnel living in Japan. The DLA Energy Indo-Pacific Japan team worked with the Army and Air Force Exchange Service and Navy Exchange to generate requirements for four separate locations. In April and May 2023, DLA Energy Direct Delivery Fuels division awarded a 6 million USG of regular unleaded contract worth \$18 million to Misawa Air Base, Yokota AB, Ikego, and Yokosuka gas stations.

DLA Energy executed a hybrid 2023 Acquisition Workforce symposium at the McNamara Headquarters Complex on Fort Belvoir, Virginia, in June 2023, where it welcomed more than 400 employees in person and virtually. The three-day symposium presented the workforce an opportunity to hear over 32 speakers from across DoD and industry. This event deepened stakeholder understanding of acquisition workforce requirements and strategies. The acquisition professionals networked with colleagues within and beyond their career fields.

On July 26, 2023, the Nigerien military took control of its government and all the nationalized energy in the country. DLA Energy E&A was the first to report Jet A and diesel fuel supply chain disruptions all the way to the Joint Chiefs of Staff. DLA Energy E&A assisted AFRICOM, U.S. Army Southern European Task Force, and Joint Special Operations Command planning teams with energy solutions for bases in the country. DLA Energy provided real-time reporting of Class III deliveries until the COCOM could develop a C2 structure for the crisis.

In FY 2023, the DLA Energy Business Process Support directorate implemented the new electronic point of sale (EPoS) system. EPoS replaces the existing automated fuel service station (AFSS) system used at more than 400 DFSPs with a more secure system that reduces paper documents and the rework of transactions while enhancing the agency's response to auditors. The system also includes a mobile capability to capture flightline and other fuel custody transactions. The application is currently in the deployment phase, with full operational capability targeted in FY 2025.

DLA Energy QARs carried out five secured fuels missions throughout the European Theater in support of the President of the United States's visit to the United Kingdom, Ireland, Poland, and Finland. All operations consisted of the sampling and analyzing fourteen R-11 mobile refueling units in multiple locations. These secured fuels analyses were conducted with support from two commercial petroleum laboratories: a Polish Air Force fuels laboratory and an U.S. Air Force fuels/airspace laboratory. The secured fuels missions permitted the president to attend the 2023 NATO summit, hosted in Lithuania, and visit to Helsinki, Finland, to show support for NATO's newest member.

The DLA Energy Customer Operations directorate managed 437 fuel purchase authorizations supporting federal agencies, DoD, federal contractors, and other non-DoD customers requiring fuel at worldwide DFSPs with sales exceeding 195 million USG.

DLA Energy Middle East provided fuel support via acquisition and cross-service agreements (ACSA) and foreign military sales (FMS) to exercises and events in support of Israel's inclusion in CENTCOM. Exercises AGILE TUSKEGEE, JUNIPER OAK, and ROCK FLAG supported on-ground forces and equipment in Israel for live fire and combat training aircraft missions. Additionally, DLA Energy's FMS program supported 70 million USG JP8 and

14 million USG diesel deliveries to Israel, for a total value of \$157 million. DLA Energy Middle East also coordinated the revalidation of a direct delivery contract for diesel to Israel site 512, supporting U.S. military construction at the site.

DLA Energy organized and coordinated the NORAD and NORTHCOM Canadian Fuels Summit held at Fort Belvoir, Virginia, from October 26-27, 2022, with the Canadian Armed Forces partners on bulk fuel collaboration and explored opportunities for continued partnership.

DLA Energy Quality Technical directorate led efforts to update the NATO petroleum committee vision on future fuels relevant to sustainable aviation fuel and other alternatives.

d. Modernized Acquisition and Supply Chain Management

On January 20, 2023, DLA Energy Indo-Pacific IPSW participated in a ribbon cutting ceremony with the U.S. Naval Facilities Engineering Systems Command-Marianas to celebrate the successful completion of an SRM project modernizing and upgrading an AFSS for government-owned vehicles. The new AFSS has a fuel capacity of 56,000 USG, an increase from 20,000 USG, for motor gasoline and diesel fuel. The project is valued at over \$5.3 million.

From July 1-25, 2023, DLA Energy Americas continued “setting the theater” in Alaska with the first ever rail shipment, successfully testing alternate receipt capabilities from DFSP Anchorage, Alaska, to DFSP North Pole and Eielson AFB. The JP-8 discharge at Eielson AFB was the first iteration of rail receipts since the completion of the Eielson AFB pump house, and operators validated the pumps’ capacity to meet demand.

DLA Energy Indo-Pacific East Pacific facilitated the award of a 1 million barrel storage contract in under ten months. Island Energy Services (IES) held a ceremony to commission the launch of the contractor-owned, contractor-operated DFSP West Oahu, on August 31, 2023. IES, headquartered in Kapolei, is a Hawaii-based fuels logistics and marketing business providing petroleum products to the State of Hawaii. The five new fuel storage tanks provide a capacity of 1 million barrels, with modifications to the existing four tanks providing additional 300,000 barrels. These newly built and existing tanks, with supporting fuel infrastructure (i.e., mooring systems, pipelines, and tank truck load racks), provide the capability to store and distribute fuel to the DoD warfighter on the Island of Oahu in lieu of Red Hill.

DLA Energy supported U.S. Army Garrison (Camp) Humphreys with the opening of an AFSS providing retail and bulk fuel sales on July 3, 2023. The facility houses four diesel and two unleaded tanks adjacent to a 140,000 barrel JP8 tank farm. The AFSS nearly triples overall dispensing capability and is located to shift tactical vehicles out of the general civilian traffic routes and the general base population. Finally, Facilities Area Sub-Committee Task No. 3248 was extended until December 31, 2025, facilitating the continued use of the commercial South-North pipeline to support DFSP Ulsan and DFSP Pyeongtaek.

During FY 2023, the DLA Energy Readiness R&D program funded 20 ongoing projects totaling nearly \$30 million. These projects cover bringing R&D solutions to issues within the Class III bulk fuel and energy supply system, to include fuel thermal/storage stability, fuel-equipment compatibility, fuel additive measurement, and alternative fuel certification and usage.

e. Future of Work

As DLA employees returned to the workplace a few days a week, DLA Energy participated in the DLA future of work pilot, scheduled to last one year from January 1, 2023.

The pilot is focused on mission requirements, decisions, and support to the warfighter as well as internal and external customers. The “Presence with Purpose” strategy balances the benefits of hybrid work with the benefits of in-person collaboration, focusing on where, how, and why work gets done. It’s more than creating an effective team; it’s also about creating, developing, and mentoring a highly engaged team, as well as identifying and developing future leaders.

Commander’s Action Group: The general order for the new commander’s action group (CAG) was signed on July 24, 2023. This order transforms the DLA Energy Manpower and Administration Support office and portions of the Strategic Policies and Programs directorate. The intent is to organize DLA Energy’s structure to support better the DLA Energy command staff. The CAG will generate strategic communications, correspondence, and messaging to the command, DLA Governance boards, and senior leader engagements.

f. DLA Critical Capabilities: People and Culture

From October 17-21, 2022, DLA Energy equal opportunity and diversity (EEO), sexual assault response coordinator, and safety support staff visited DLA Energy Japan. The purpose of the visit was to meet with DLA Energy leadership, provide in-person EEO and prevention of sexual harassment/sexual assault prevention and response (POSH/SAPR) training, conduct climate assessments, hold face-to-face meetings, and conduct environment and safety scans. Additionally, the EEO/sexual assault coordinator (SARC) team visited Yokota and Camp Zama EEO and SARC offices for introductions, support agreement reviews, and collaboration.

Seven members of the DLA Energy Supplier Operations directorate, Installation Energy division, were awarded the 2022 Federal Energy and Water Management award in Contracting by the Department of Energy (DoE) Federal Energy Management Program (FEMP) on October 26, 2022. The team was recognized for awarding four task orders valued at \$176 million, providing over \$118 million in third-party investment to implement 24 energy conservation measures, including the use of the CFE through renewable energy distributed generation.

Three former employees were inducted into the DLA Energy Hall of Fame in a ceremony at McNamara Headquarters Complex, Fort Belvoir, Virginia, on October 31, 2022. Linda Barnett, the former deputy director of DLA Energy Customer Operations; Paul Dupoise, a former logistics management specialist of DLA Energy Operations, Plans, and Operations directorate; and Kate Straub-Jones, the former chief of Acquisition Workforce Development and Intern Center, were inducted into the class of 2022.

The DLA Energy Acquisition Workforce and Development team won the Acquisition Support Professional of the Year Team award at the annual DLA employee awards. The team was selected for creating and demonstrating innovative thinking by being the first MSC within DLA to use, implement, and sustain the DoD College Acquisition Internship Program (DCAIP). The success of this program continues due to DLA Energy’s deliberate recruitment: the candidate pool grew over 150% with approximately 2,600 applicants during this cycle. Programmatic returns have been realized as well with students hired from DLA Energy’s formalized agreements with colleges and universities. In this 2023 cycle, DLA Energy has converted five DCAIP participants into current Pathways to Career Excellence trainees, thus furthering the investment. In only its third year, the team spearheaded the effort to expand the program by facilitating the participation of DLA Aviation, in the 2023 cycle.

To address the Human Capital gap identified during the Bulk Petroleum Enterprise mission analysis, the DLA Energy Quality Technical directorate improved quality training by

combining key relevant material from three courses into one quality assurance representative course. The Quality office also provides instruction to service personnel prior to deployments.

The DLA Energy Acquisition Workforce Development division celebrated Women's History Month by hosting several guests on March 30, 2023. The national theme for 2023 was "Celebrating Women Who Tell Their Stories."

On April 17, 2023, Kadena AFB, Japan, was one of nine awardees to receive the 2023 Secretary of Defense (SECDEF) environmental awards during the Earth Day event held at the Pentagon for its Energy Savings Performance Contract (ESPC). The ESPC is managed by DLA Energy. This project will generate more than \$153 million in guaranteed cost savings over the performance period. The keystone of the \$85 million project is a new generator and microgrid utility system, enabling Kadena AFB to sustain operations and meet critical mission requirements effectively during utility disruptions.

On May 19, 2023, DLA Energy celebrated employees, including regional commanders, deputies, and families, at the annual Spring Festival at Fort Hunt Park, Virginia. More than 300 people gathered for food, fun, and friendly competition. Nine commanders and directors prepared a song for a lip sync contest with the DLA Energy E&A team taking home the "Golden Microphone" performing Celine Dion's "It's All Coming Back to Me Now." Sixteen teams from across DLA Energy enterprise participated in the 2nd Annual Cornhole Klassic, with DLA Energy Utility Services taking home the trophy. Overall, the event built morale in an informal setting.

Fifteen DLA Energy nominees were accepted to attend Executive Development Program courses. These courses aim to develop DLA's current and future leaders, prepare them to manage leadership challenges, and develop leadership competencies critical to maintaining supply chain excellence.

Finally, in keeping the lines of communication open with the DLA Energy employees, the command held quarterly all hands and supervisor town halls as well as regular virtual chats with the DLA Energy commander and deputy commander through "Coffee with the Commander" and "Donuts with the Deputy" sessions. The DLA Energy Public Affairs Office published a biweekly newsletter (The Energy Connection) to keep our team connected.

Quarterly lunch and learns were provided virtually to all employees, where guest speakers present presented on various topics, such as the Employee Assistance Program.

7. Key Leader Engagements

DLA Energy E&A conducted key leader engagements with 21st Theater Sustainment Command commanding general, MG James M. Smith, on October 20, 2022, to discuss the fragility of the CLIII (B) fuel supply chain over winter. The discussion covered product availability, truck/driver shortages, status reporting, and support to the Balkans region. DLA Energy E&A also met with US Africa Command's new logistics commander, RDML George Bresnihan, in October 2022 to discuss our organizational structure, fuel contracts, challenges, initiatives, and how AFRICOM and DLA Energy E&A can work together.

The DLA Energy commander and a team of five DLA Energy leaders visited Bahrain from December 5-7, 2022, to engage vendors and the DLA Energy Middle East team. The team met with Bahrain Petroleum Company officials regarding fuel operations in Bahrain and received a tour of the refinery. While in the Middle East, Brig Gen Canlas held a town hall with employees

at Naval Support Activity Bahrain and coined eight for their contributions. During the trip, the team traveled to Abu Dhabi, United Arab Emirates (UAE) to meet members of the US embassy, CENTCOM, and Abu Dhabi National Oil Company to discuss concerns with US and UAE taxes and continued contract support for the US exemption to the UAE 5% value added tax, the application of the James Zadroga 9/11 Health and Compensation Act 2% tax, and a potential alternate solution to procure bulk petroleum through the use of an ACSA.

From November 1-3, 2022, the DLA Energy commander and deputy hosted a senior leader offsite, with 35 DLA Energy leaders participating from around the globe. The theme was “Preparing for the Future is Now.” Presentations from our J3 and J1 counterparts, as well as Dr. Colin Williams, DLA historian, provided an overview of DLA and U.S. Army logistics. This afforded the group a greater appreciation for the importance of logistics and a baseline understanding prior to a group tour of the U.S. Army Museum.

In February 2023, DLA Energy hosted Mr. Brad Bunn, DLA vice director (DV), providing him a “Deep Dive” into fuel and other energy commodities supporting the warfighter. DLA Energy leaders told the DLA Energy story and showed the detailed work that goes into sourcing global inventory requirements. During this “Deep Dive,” the DV recognized six of DLA Energy’s top performers.

During the inaugural “Energy Week” from May 15-19, 2023, DLA Energy’s current, outgoing, and incoming commanders and senior leaders gathered in person for working group sessions and classified briefings. The themes were strategic planning and contingency preparation. The first part of the week was the DLA Energy pre-command orientation, and the end of the week was a senior leader strategic offsite. Incoming and outgoing military commanders and civilian leaders built and strengthened relationships across all energy regions and synchronized activities. With the theme, “Logistics at the Speed of Relevancy-Gaining the Edge at the Tip of the Spear,” DLA Energy senior leaders from the headquarters and regions focused on issues impacting success during contingencies and national emergency responses. Also included in the two-day meeting was an update on NDAA 352 implementation and Enterprise resource management.

Defense Logistics Agency

DLA Disposition Services Fiscal Year 2023 Historical Report

SEP 18 2023

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Submission of DLA Disposition Services FY23 Annual History Input

As we come to the end of Fiscal Year 2023, I want to take a moment to reflect on the initiatives and priorities that have guided our organization throughout the year.

One of our key focus areas was the implementation of WMS across our organization. This system is a valuable tool for managing inventory and streamlining operations. We made significant progress in its development to ensure we are leveraging all of its capabilities.

I am also proud to acknowledge the important role our MSC played in EUCom's support for Ukraine, assisting in the management of hazardous waste and disposal. Our team worked diligently to ensure these critical functions were carried out safely and efficiently to this very important mission.


We also prioritized culture and training with the implementation of Foundational Training for all new employees that covered our MSC history along with the how and why we do things. This has helped foster a stronger sense of community and purpose among our team.

Workforce safety initiatives remained a top priority for us. We continued to provide ongoing training for employees and made significant investments in new equipment and resources to ensure that we maintained the highest standards of safety.

We remained focused on our R&D efforts in FY23 as we remained committed to innovation and exploring new ways to improve our processes and systems.

Finally, I want to highlight the start of the realignment of Document Services under DLA Disposition Services. This provided us with greater operational control and helped us to better serve our customers. It was an important step forward for us, and we are excited about the opportunities that it has brought.

As we look back on FY23, I am proud of what we have accomplished together as an organization. The team's talent, dedication, and drive have enabled us to achieve great things.



Michael O. Cannon, SES, DoD
Director

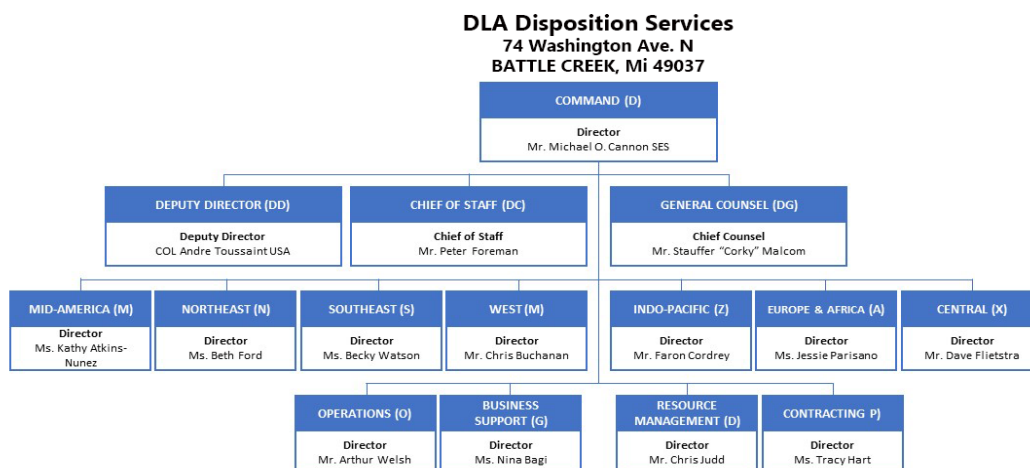
1. Introduction

DLA Disposition Services continued to support warfighters at more than 60 global locations, with its operational and leadership based in Battle Creek, Michigan. Field sites are responsible for the receipt, accountability, classification, segregation, demilitarization, and disposal of excess material from the Defense Department and other government customers.

During FY 2023, DLA Disposition Services received material with an original value of \$32.45 billion. From this stock, the team processed 87,928 requisitions, resulting in 3.3 million usable items with an original value of \$1.4 billion. These items were provided for reuse by military services, transferred to federal agencies, or donated to state and local governments and eligible non-profit organizations. The command also generated revenue through public sales. In FY 2023, these sales totaled \$83.23 million, offsetting much of the service-level billing incurred by the military services.

DLA Disposition Services embraced progress by adopting the Warehouse Management System (WMS) in FY 2023. This SAP-based inventory management system replaces the distribution standard system and optimizes warehousing and transportation processes. The system underwent vigorous end-to-end testing at the Training and Operations Simulation Center in Battle Creek, Michigan, to ensure a seamless implementation.

2. Organization



3. Key Personnel Changes

As FY 2023 progressed, DLA Disposition Services witnessed notable transitions in leadership:

- a. Nina Ekblad became director of business support, moving from her previous position as the people and culture director, following Mark Aicher's retirement from the agency.
- b. Mr. Dave Flietstra took command of Disposition Services Central Region, succeeding Army LTC Vincent Felix, who retired from military service.

c. DLA Document Services Director Richard TeBeau was realigned under DLA Disposition Services.

4. Total Personnel

DLA Disposition Services was authorized 1,532 civilians, 13 active-duty military members, 102 local nationals, and six military reserve units consisting of 200 service members, all under the guidance of a Senior Executive Service member. These figures exclude the 25 members of the Law Enforcement Support Office, whose funding comes from DOD.

5. Historical Narrative

a. Document Services Realignment

A thorough evaluation of DLA's evolving priorities determined that DLA Document Services does not rely on information technology as much as it used to and could be moved from DLA Information Operations to DLA Disposition Services, which is functionally and geographically similar. Realignment occurred April 1. A general order will follow.

b. DoD 4160.21 Restructure

DLA Disposition Services continued supporting the Office of Secretary of Defense (OSD)-DLA effort to rewrite the DoDM 4160.21, Defense Materiel Disposition Manual. Noteworthy accomplishments for the .21 Working Group in FY 2023 were writing the Disposal Policy Working Group charter, drafting language for special case commodities, consolidating same/comparable policy, and standardizing terms and language. The working group twice updated Pentagon leaders on plans of action and milestones. Next steps for the team are to restructure the manual, incorporate the charter, and consolidate policies by volumes. The project is estimated to end by April 2024, with publication scheduled for 2025.

c. Major Exercises Supported

DLA Disposition Services participated in major exercises throughout FY 2023, providing crucial support to rotational forces in the U.S. European Command (EUCOM) and INDO-PACOM areas of responsibility. In February and June 2023, the team played significant roles in two exercises within the INDO-PACOM region. During FREEDOM SHIELD 2023 at U.S. Army Garrison (Camp) Humphreys, South Korea, DLA Disposition Services deployed a member of the DLA Rapid Deployment Team while at PACIFIC SENTRY 2023 in Camp Smith, Hawaii, DLA Disposition Services deployed a planner.

In July 2023, DLA Disposition Services hosted DLA's inaugural Agency Contingency Operations Readiness exercise. This expeditionary operations event saw planners coordinating, hosting, and executing a comprehensive operation involving personnel from DLA Disposition Services, DLA Distribution, DLA Information Operations, and the DLA deployment team. The exercise focused on training expeditionary capabilities.

d. Hazardous Waste Incineration

In response to a critical need arising in April 2020, DLA Disposition Services addressed hazardous waste disposal requirements within the 90-day timeframe as mandated by the Resource Conservation and Recovery Act. With contractors lacking incinerators, moving hazardous waste from generator facilities within the specified time became challenging. Failure to meet this deadline exposed base commanders to daily fines or necessitated requesting extensions from regulators.

To address this issue, DS awarded four regional incineration-only contracts to Clean Harbors, a company with operations throughout the contiguous United States. One contract was for the Northeast U.S. was awarded in January 2023; three more for the West Southeast, and Mid-America regions of the U.S. followed in March. These strategically-awarded contracts proved instrumental in preventing generators from exceeding their 90-day storage limitation.

e. Sales Metrics By Category

The Public Sales division generated \$83.23 million in FY 2023, offsetting a significant portion of service-level billing incurred by the military services. The Public Sales division sold surplus property and scrap materials at both domestic and overseas locations.

Here is a breakdown of the sales metrics by category:

Commodity	QTY	(\$)
Surplus Property Sales	244,764 DTIDS	\$43.92 million
Traditional Sales	532 DTIDS	\$5.7 million
Scrap	284 million lbs.	\$17.9 million
Electronic Scrap	23.1 million lbs.	\$15.7 million

6. Support to the Nation

a. CENTCOM AOR Hazardous Waste Removal

In March 2023, DLA Disposition Services successfully obtained export, transit, and import consent approvals as mandated by the Basel Convention Treaty for the transboundary movement of hazardous waste from Al Asad Air Base, Iraq, to Germany. Hazardous waste at Erbil was consolidated at Al Assad Air Base in May 2023. The contractor removed 131,000 kilograms of material, responsibly managing their safe disposal.

b. Ukraine Operational Overview

To strengthen NATO's military presence, DOD deployed additional troops to Eastern Europe. DLA Disposition Services supported this deployment by sourcing requisitions,

providing thousands of usable items valued at millions of dollars. Items procured included HMMWV ambulances, palletized loading systems, floating bridge sections, balaclavas, and various medical supplies, clothing, individual equipment, and vehicle components.

c. Reutilization, Transfer, and Donation

Throughout FY 2023, qualified customers made an estimated 87,928 requisitions, resulting in the acquisition of over 3.3 million usable items with a combined value of \$1.4 billion in original acquisition cost. These items were provided for reuse by the military services, transferred to other federal agencies, or donated to state and local governments, as well as eligible non-profit agencies. The importance of reusing and repurposing these resources is highlighted in the following graphs.

FY 2023 Estimated RTD Data

	Numbers Requisition	Monthly Average Req	Each	Acq Val
Army	7,939	662	178,135	\$265,665,028.50
Navy	10,548	879	202,457	\$62,317,850.25
Air Force	9,408	784	169,886	\$381,175,477.51
Marines	2,242	187	81,168	\$44,456,098.54
Coast Guard	22	64	64	\$217,375.36
DLA (S and U Dodaacs)	24,101	2,008	765,579	\$75,881,052.57
Transfer	5,296	441	791,213	\$61,476,514.34
Donation	13,762	1,147	297,786	\$189,916,464.76
LESO	6,079	507	143,582	\$155,352,565.55
Fire Fighter	1,751	146	29,562	\$60,829,629.80
CFL	175	204	2,447	\$2,401,074.95
FMS	1,835	153	410,401	\$79,282,853.56
VA	3,747	312	176,760	\$10,058,332.46
HAP	738	62	16,179	\$4,776,159.19
Other DOD Agencies	285	24	2,357	\$1,893,336.89
FY Total	87,928		3,267,576	\$1,395,699,814.23

d. Body Armor

In 2022, DLA Disposition Services demilitarized over 629,000 lbs. of body armor, which were initially destined for landfills. Recognizing the value of these materials, DLA Disposition Services has transferred 70,459 pieces of unserviceable body armor to Program Executive Office Soldier since April 2022. This initiative redirected weight away from landfills, contributing to environmental sustainability.

PEO Soldier is working in collaboration with a strategic materials contractor to manufacture new body armor plates from the recycled material. As of April 2023, the transfer of these plates to PEO Soldier has been concluded. DLA Disposition Services awaits the outcomes to determine the future role in this productive partnership.

e. Border Wall

DLA Disposition Services helped the U.S. Army Corps of Engineers divest \$375 million excess border wall material. To date, DS has processed in excess of 3,200 line-items, amounting to 1 million pieces worth \$169 million. Additionally, 686 Material Release Orders have been issued, encompassing 148,556 pieces valued at \$43 million. Collaborative efforts continue to ensure the effective management and repurposing of this surplus material.

f. F-35 Support

The F-35 Lightning II Program is the most expensive acquisition program undertaken by DOD. DLA Disposition Services provided demilitarization and disposal services across the F-35 enterprise. This comprehensive support encompassed the production, sustainment, and follow-on development of the F-35 program and its fielded systems.

As the designated demilitarization and disposal product support provider for the F-35, DLA Disposition Services continues to support the military services, F-35 partners, and F-35 prime contractors throughout the life of the program, as well as adhering to environmentally responsible disposal policies.

DLA Disposition Services processed 5,374 F-35 invoices for FY 2023. Property was received at eight DLA Disposition Services locations servicing four countries and five states.

7. Trusted Mission Partner

a. Law Enforcement Support Office (LESO) - Year in Review

In support of over 500 state, local and federal law enforcement agencies (LEAs), LESO approved more than 6,331 requisitions for more than 143,480 items with an original acquisition value of \$159 million for FY 2023. Currently, over 6,500 state and local LEAs across 48 states and four territories are enrolled in the program, with 5,500 agencies having property on loan. DLA's LESO Program also extends to twelve federal agencies, which have over one million items worth more than \$819 million.

Over the fiscal year, LESO conducted program compliance reviews (PCRs) in 27 states and visited 524 individual LEAs within 25 states and two U.S. territories. These PCRs enabled

the team to inventory 5,644 small arms, 184 high-profile vehicles, 34 aircraft, and 9,931 pieces of general property.

To foster collaboration and enhance training, the annual LESO National Training Seminar was conducted August 2023, in Battle Creek, Michigan.

LESO worked closely with DLA J-345 and DLA Disposition Services's general counsel to implement Presidential Executive Order 14074 (Section 12) from May 2022 through June 2023. LESO received 52 of the 52 signed state MOA Addendums, with Vermont withdrawing from the program.

The LESO annual inventory period runs from July through September, ensuring accurate records and efficient management of assets under the program's purview.

b. Small Business Recap

DLA Disposition Services demonstrated exceptional commitment to supporting and promoting small and small disadvantaged businesses (SB/SDBs) throughout FY 2023, surpassing the overall small business goal, SDB, WOSB and SDVOSB goals, one of three MSCs to do so. In recognition of the agency's dedication, DLA was honored as the "Agency of the Year" at the SBA 8(a) Annual Conference in February.

FY 2023 Goals vs. Achievement

Small Business:	60.00%	64.24%
SDB:	22.00%	22.53%
WOSB:	5.00%	23.75%
SDVOSB:	3.00%	5.95%
HUBZone:	3.00%	2.42%

DLA Disposition Services maximized opportunities for small and small disadvantaged businesses, conducting on-site visits, training events, industry days, and conferences. Responding to the OMB memo M-22-03, the command increased SDB participation in contracts, resulting in significant awards to SDB contractors across various projects.

All DLA Disposition Services contracts were reviewed to assess whether more contracts could be made available for SDB participation. In the operational contracting division, the statewide MHE contract was broken out into regional contracts, resulting in four awards to a new entrant, a SDVOSB/SDB contractor.

DLA Disposition Services's commitment to equity in federal procurement aligns with the President's E.O. 13895 and underscores our dedication to small businesses and traditionally underserved entrepreneurs.

c. Ship Recycling

In FY 2023, DLA Disposition Services provided sales contracting support to Naval Sea Systems Command for dismantling five ships. The Navy is overseeing the contract and dismantling process, which is taking place in Brownsville, Texas. The ships slated for recycling include ex-Yorktown (CG-48), ex-John L. Hall (FFG 32), ex-Nicholas (FFG 47), ex-Samuel B. Roberts (FFG 58), and ex-Underwood (FFG-36). The contractor is responsible for towing the

ships from the Philadelphia Navy Yard, Pennsylvania, to their facility in Brownsville, Texas. As of now, two of the five ships have been recycled.

8. Modernized Acquisition and Supply Change Management

In FY 2022, Line of Effort 4.2.1 End-to-End Enhanced Contract Management was introduced to strengthen the end-to-end management of sales and procurement contracts. Continuous improvements in contract management practices occurred during FY 2023. The Contracting directorate took proactive steps to ensure all new DLA Disposition Services employees received comprehensive training on the role contracts play in the command's mission. A milestone was achieved with the first-ever Block 3 training, provided in-depth knowledge of the roles of contracting officer's representative (COR)-sales point of contact (SPOC). The training incorporated real-life case studies and interactive activities.

To enhance collaboration and knowledge-sharing, the inaugural DLA Disposition Services Industry Day involved all three contracting divisions and brought together 89 individuals representing 39 companies from various locations, including the U.S., Kuwait, Germany, and the Netherlands.

Sales and Requirement Branch personnel also attended the Industry For Scrap Recycling Institute conference in April, where they gained insights into the scrap recycling industry. This valuable experience will help them refine scrap contracts to attract more industry interest. Contracting officers and sales contracting officers continue to engage with CORs and SPOCs in the field, providing them with a firsthand understanding of operations.

9. Future of Work

a. Future of Work

As the country and DOD emerged from three years of COVID-19, DLA and DLA Disposition Services facilitated the return of employees to the workplace while maintaining high standards of support for the warfighter. In February 2023, DLA Disposition Services implemented "presence with a purpose." This approach offered a flexible and consistent work arrangement allowing for both traditional onsite presence and telework based on what is most appropriate for each task or project.

b. Field Site Improvements and Expansions

Despite challenges posed by the COVID-19 pandemic, the facilities Sustainment, Restoration, and Modernization program continued to progress. Several key improvements and expansions have been accomplished:

(1) Camp Pendleton, California

The facilities team negotiated a new property location at the San Onofre Nuclear Generating Station Mesa. This acquisition increased warehousing space from 40,000 to 100,000

sq. ft. and expanded the outside storage area to 27 acres. The property will be shared with Marine Corps Logistics Command.

(2) Barstow, California

A new warehouse doubled the available warehouse space from less than 60,000 to 130,000 sq. ft. Additional space enables greater material processing capacity and enhances the work environment for agency employees.

(3) Fort Cavazos, Texas

Construction began with the goal to increase throughput and storage capacity.

(4) Fort Meade, Maryland

Current projects, including acquiring more warehouse space, constructing a three-sided building for MHE, and yard renovations, are nearly complete. The final step, rainwater storage environmental approvals, will be executed immediately upon completion, with the project expected to wrap-up by early FY24.

(5) Columbus, Ohio

The site is planned to become a "super-sized" location, with the U.S. Army Corps of Engineers working on the 65% construction design for Building 44. This project will reflow the warehouse, enhancing efficiency and property processing capabilities. The final design anticipated in early FY 2024 and construction to follow shortly thereafter.

c. Safety Vest Pilot

To address the need to reduce MHE mishaps within the agency, the Mid-America regional Safety and Occupational Health specialist identified that OSHA requires personnel to wear high-visibility apparel in industrial work settings. Recognizing the benefits of such practices in commercial industrial operating businesses, the Mid-America Region Director believed that improving personnel and visitor visibility through high-visibility vests could enhance safe work practices and MHE operations.

To test the efficacy of the high-visibility vests, a pilot was approved for all regional personnel from January 9 through the end of July 2023. The pilot aimed to assess the effect of OSHA-compliant high-visibility vests across the agency. Results were inconclusive and, as a result, no specific course of action is being taken.

d. Back to Basic Training

The People and Culture Strategic Plan Critical Capabilities identified foundational training for all DLA Disposition Services employees as a key goal. Three distinct blocks of employee training were developed to enhance the workforce's identity and technical proficiency. Foundational Block One Training had been delivered on a monthly basis since January 2023

using the government Zoom virtual platform for every new employee joining DLA Disposition Services within their first 60 days. Functional Block Two Training will focus on job-specific training for various job series/specialties. Courses for environmental protection specialist, management and program analyst, program manager, and equipment specialist are currently in development. Positional Block Three training will be tailored to specific positional duties. Advanced material handling equipment skills, nuclear waste-related material guidance, contracting officer representative, sales point of contact, resource analyst, and action officer duties are scheduled for development.

e. Workforce Safety Focus Efforts

DLA Disposition Services has taken steps to prioritize workforce safety:

- (1) Completed the Volunteer Protection Program “STAR” recertification at the Hart-Dole-Inouye Federal Center.
- (2) Conducted initial deliberate risk assessments at each location, implementing a five-part risk management process to identify and control hazards.
- (3) Underwent an agency management review by DLA Headquarters, with four findings identified and promptly corrected.
- (4) Completed all annual inspections to ensure compliance with safety regulations.
- (5) DLA Disposition Services provided a presentation about the employee engagement marketing efforts that were vital to retaining STAR status with OSHA at the Voluntary Protection Programs Participants’ Association conference in South Bend, Indiana, in June.

10. People and Culture

a. Culture - Year in Review

DLA Disposition Services prioritized an inclusive and open work environment. Deputy Director Army Colonel Andre L. Toussaint introduced “T’ Time with COL Toussaint,” a monthly event encouraging employees to engage in candid conversations. This initiative has fostered a culture of open communication, where all participants were viewed as equals with their thoughts and opinions valued.

The culture team organized two conferences throughout the year, one in Q1 and another in Q4, providing opportunities for collective discussions and collaboration. The team used director's call events to communicate information about upcoming surveys, actively involving the staff in shaping the organization's future. The team encouraged participation on the Federal Employee Viewpoint Survey by using visual aids, posters, written and oral messaging.

Additionally, the team organized monthly “Brown Bag Luncheons” to facilitate discussions on local culture and provide to strengthen the connection between leadership and employees. Newsletters were regularly distributed, keeping staff informed and prompting a sense of unity. Bi-weekly meetings were established while regional and directorate all-hands meetings ensured broad participation and engagement.

11. Fiscal Stewardship

a. Audit Readiness

In response to Notice of Findings and Recommendations (NFR)-198, a business process analyst at DLA Disposition Services authored a non-concur memorandum for J-82, effectively closing NFR-198. The non-concur was based on an Ernest & Young's misunderstanding, leading to an inaccurate reflection of DLA's responsibilities for reporting cash advances owned and managed by the Defense Security Cooperation Agency for use in Foreign Military Sales transactions. The non-concur submission was coordinated and submitted in lieu of a corrective action plan, resolving the matter satisfactorily.

12. Digital Business Transformation

a. Warehouse Management System

DLA Disposition Services deployed the MSC's first WMS at the San Antonio, Texas. As of the end of FY 2023, nineteen sites are using the system. This marked the command's first experience in an agile deployment methodology, which involved collaboration among DLA Human Resources, DLA Logistics Operations, DLA Information Operations, contractors, and DLA Disposition Services. The sustainment group has helped to resolve over 400 incidents, implement three change requests, and correct 65 break fixes. DLA Information Operations has also worked with the subject matter experts to outline requirements for the precious metals recovery program and small arms serialized parts. These requirements will be put into the system during the coming fiscal year. The project's success can be attributed to effective communication, achieved through weekly team meetings, news articles, internal emails, town halls, all-hands, and internal employee notifications.

b. Research & Development (R&D) Efforts

Three major research and development efforts took place in FY 2023.

(1) DLA Disposition Services at Richmond, Virginia, evaluated an autonomous floor scrubber, affectionately known as "Rosie the Robot." After a thorough review, the decision was made to reset and retest.

(2) DLA R&D and U.S. Army Corps of Engineers are working together on a visual representation of optical scanning and image recognition interface to Federal Logistics Information Services.

(3) Ongoing bi-monthly meetings with DLA Information Operations and DLA Logistics Operations on lithium batteries continued as the agency works with the Department of Energy and Office of the Secretary of Defense (OSD) on defining the term "advanced batteries" and how it will apply to strategic material recycling. DLA Strategic Materials is determining which commodities should be recovered/recycled and the challenges with FLIS and the DD1348-1A that may arise in having those specific batteries consistently identified.

Defense Logistics Agency

DLA Distribution

Fiscal Year 2023 Historical Report



DEFENSE LOGISTICS AGENCY
DISTRIBUTION
5430 MIFFLIN AVENUE
NEW CUMBERLAND, PENNSYLVANIA 17070-5008

NOV 17 2023

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Submission of DLA Distribution FY 2023 Annual Historical Report

Defense Logistics Agency Distribution's FY 2023 Annual Historical Report submission is a culmination of the hard-fought accomplishments of our resilient workforce. Our dedicated and talented team of more than 10,000 military, civilians, contractors, and foreign nationals overcame challenges and capitalized on opportunities together, to support our military services, other federal agencies, and Whole of Government partners. Their commitment and perseverance were evident as DLA Distribution successfully implemented the Warehouse Management System at 10 additional CONUS and OCONUS distribution centers and a Recruitment Training Center while sustaining world-class service to our mission partners.

I am proud to acknowledge DLA Distribution's continued support of Whole of Government with acquisition, storage, transportation, and distribution of additional Covid-19 test kits, personal protective equipment, medical equipment, vaccines, wildfire supplies, and materiel. DLA Distribution continues to work towards achieving our vision of leading Department of Defense global distribution into the future through modernized capability, agile organization, a highly-skilled workforce, and compelling innovation in support of the Warfighter.

It is with gratitude to our extraordinary team that I endorse DLA Distribution's submission for inclusion in DLA's FY 2023 Historical Report. Warfighter Always!

A handwritten signature in black ink, appearing to read "Perry L. Knight", is written over the typed name and title.

PERRY L. KNIGHT, SES
Deputy Commander

Attachment:
1-Annual History Report

1. Introduction

DLA Distribution, a Major Subordinate Command (MSC) within the Defense Logistics Agency, is the Department of Defense's storage and distribution provider. Servicing customers worldwide, DLA Distribution provides storage and distribution solutions, transportation planning and management, logistics planning, and contingency support operations, using a global network of 24 distribution centers and 41 other locations across seven countries.

a. Statistics

During FY 2023, DLA Distribution employed approximately 10,000 logistics professionals (federal government civilian and military, contractors, and foreign nationals) and supported 46,000 customers. Occupying 41 million square feet across 539 buildings, DLA Distribution carried 2.2 million line items and managed 15 million wholesale and retail transactions. DLA Distribution's shipments totaled 6.7 million orders, weighed 1.2 billion pounds, and reached 94 countries.

b. Distribution Core and Unique Capabilities as Department of Defense's Joint Storage and Distribution Provider:

(1) Storage and distribution: wholesale and retail receipt, store, issue material; inventory; kitting; cold chain; preservation; packaging; packing and marking; material processing center (MPC); theater shipping consolidation point

(2) Transportation planning and management: transportation requirements for DLA storage and distribution locations and vendors

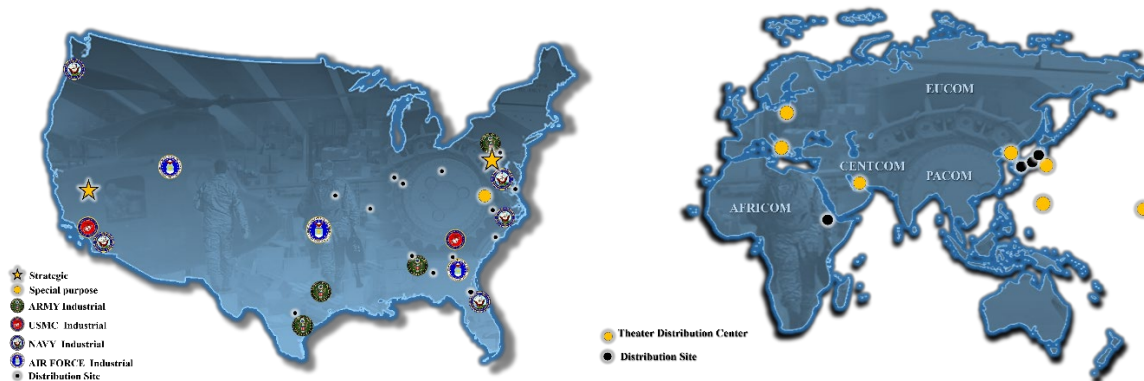
(3) Customer service: materiel movement tracking and expediting

(4) Storage and distribution program management: performance, acquisition, infrastructure, equipment, safety, and compliance

(5) Logistics planning and contingency operations: deployable distribution center; contingency storage and distribution contracts; flexible support for surges; and fluid workforce

2. Organization

DLA Distribution is a global network spanning more than 50 locations across 20 states and seven countries. Additionally, the organization has a deployable capability known as the expeditionary team (DDXX, or "distribution center in a box"), which provides an in-theater, agile, and flexible distribution option while reducing reliance on strategic airlift.



3. Key Personnel

a. DLA Distribution Headquarters Senior Leaders and Staff:

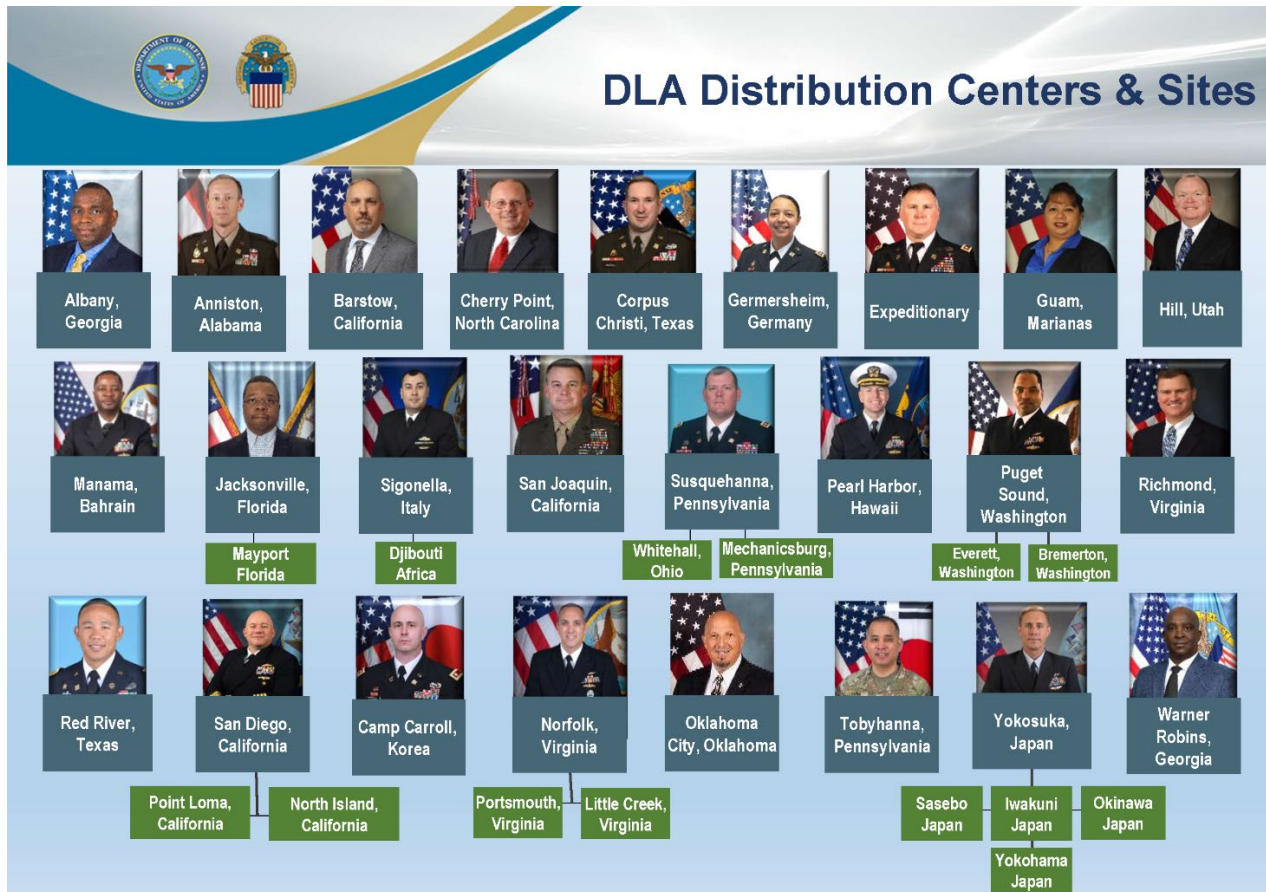
DLA Distribution Headquarters

Commander
 RADM Grafton D. Chase, SC, USN

Deputy Commander
 Mr. Perry Knight, SES

 DLA HR Ms. Annie Firth	 Network Integration COL Brian Richie, USA	 Distribution Center Ops Mr. Brad Bellis	 Network Process Management Mr. Paul Abel	 Chief of Staff Mr. Gene Summacez	 Plans, Training & Modernization Mr. Joe Farls	 Acquisition Operations Ms. Meg Ross	 DLA Finance Mr. Charlton Albright	VACANT Compliance, Financial Audit, Infrastructure Management
 DLA Info Ops Mr. Mike Kochera	 Equal Employment Opportunity Ms. Carrie Cash	 Office of Strategic Programs Col Paul Arkwell	VACANT SAPR-West SAPR-East	 Installation Management Mr. Vic Montefour	 Office of Insp. General Mr. Bill Rigby	 General Counsel John Kams	 Intelligence Mr. Brian McCartin	 Sm. Business Ms. Carrie Baker

b. DLA Distribution Center Senior Leaders:



4. Distribution Implementation Plan

In FY 2023, the DLA Distribution Office of Strategic Plans developed Campaign Plan FY 2030, a foundational document that nests with DLA Strategic Plan 2021-2026 and prepares the command for initiatives outlined in its dynamic operating plan (DOP) for FY 2024-2025. The office tracked, measured, and evaluated progress against DOP execution. The DLA Distribution commander oversaw weekly governance briefs that updated key initiatives to ensure the organization was working toward the desired end state. He communicated expectations through his fiscal year guidance, which propagated the philosophy of “one team, one mission, one heading, one standard.”

In FY 2023, DLA Distribution operated in a fiscally constrained environment resulting from a reduction in workload and increasing rates. The decline in workload led to a net operating loss which required the command to meet customer requirements with fewer resources while finding offsets, all while achieving its obligations for auditability. DLA Distribution’s vision remains to lead Department of Defense (DoD) global distribution into the future by leveraging modernized capability, an agile organization, a highly skilled workforce, and compelling innovation.

DLA's FY 2024-2028 program budget review (PBR 2024) responded to the rate-workload problem through modernization and the warehouse management system (WMS), the implementation of which is essential to achieving cost reduction goals and improving DLA Distribution's financial posture. DLA Distribution progressed towards its FY 2023 goals through active leadership; unity of effort; customer focus; and aligning with services, DoD, and whole-of-government requirements.

5. DLA Strategic Plan

The following are FY 2023 accomplishments in support of the DLA strategic plan and DLA Distribution's DOP:

a. Warfighter Always

Performance remained historically consistent, despite challenges with WMS implementation and unexpected workload surges. DLA Distribution met or exceeded performance goals for 71% of core wholesale issue, receipt, and denial metrics.

(1) INDOPACOM Plans

(a) Guam

DLA Distribution Guam-Marianas (DDGM) participated in the October 2022 Guam warehouse planning charrette. The charrette revealed that Guam needed 102,000 square feet of additional space. The destruction caused by Super Typhoon Mawar triggered a relief package that required a new warehouse for DDGM to serve primarily as an MPC. Guam is projected to support \$2 billion in military construction over the next 7-8 years, and an additional 7,000 service members in the next 5 years.

(2) EUCOM Plans

In FY 2023, DLA Distribution provided wholesale and transshipment services to U.S. European Command (EUCOM). The command processed 188,000 materiel release orders (MROs) worth more than \$1.2 billion for both the theater and Security Assistance Group – Ukraine (SAG-U). The EUCOM J5 planned contingencies around Russia's invasion of Ukraine. Specific efforts included supply chain design, expansion of U.S. Army Europe and Africa (USAREUR-AF) sustainment sites to the Baltics and Romania, and capacity analyses of distribution centers at Gernersheim and Sigonella.

In support of the DLA director's Line of Effort 1.1.2, planners completed the surge manpower requirements associated with EUCOM's priority plan. After hundreds of hours analyzing time-phased force deployment data, the plan was approved. Afterward, EUCOM planners moved from surge manpower analysis to surge equipment analysis, which defined DLA Distribution requirements. Planners then transitioned the distribution surge model to INDOPACOM and the China problem set.

EUCOM planners collaborated with Naval Supply Systems Command and U.S. Naval Forces Europe to reduce logistics response time (LRT) for vessels in EUCOM's high

north. Stakeholders conducted a proof of principle electronically linking DLA Distribution Europe's inventory to U.S. Naval Forces Europe's (NAVEUR's) supply point in Crombie, Scotland. This change in sourcing logic allowed DLA to cut LRT in half. Additionally, the team allowed the Navy to leverage DLA Distribution Europe's theater consolidation and shipping point to transship cargo to Crombie. The routing change used DLA's scheduled trucks, avoiding cargo holding times in the United Kingdom. The teams' actions postured DLA Distribution to participate in NAVEUR's working group studying the logistical implications of supporting two carriers in the high north.

DLA Distribution also helped DLA Headquarters work with Office of the Secretary of Defense (OSD) on a proof of principle for the NATO Logistics Stock Exchange (NLSE). DLA Distribution is postured to distribute selected materiel through the NATO common item material management system throughout Europe.

Lastly, EUCOM planners completed the inaugural European regional vision plan. The EUCOM team completed area development plans for DLA Distribution Europe, DLA Distribution Sigonella, Italy, and DLA Distribution Djibouti, Africa. The combination of the regional vision plan and area development plans posture DLA Distribution for DLA Headquarters's global posture plan.

(3) CENTCOM Plans

In FY 2023, DLA Distribution J5 plans recognized an opportunity to realign DLA's U.S. Central Command (CENTCOM) posture. The approach entailed developing a posture for the competition continuum while focusing on theater reset and declining customer demands. J5 leveraged its relationship with U.S. Army Central Command (ARCENT), 1st Theater Support Command, and U.S. Army Contracting Command Rock Island to develop common user land transportation assets (CULT) solutions with next generation delivery service and the U.S. Transportation Command (TRANSCOM) Universal Service Contract 9. Work will culminate with ARCENT CULT becoming a viable intra-theater transportation capability. Posture planning efforts became known as the future distribution support to CENTCOM (FDSC) plan. FDSC aims to increase efficiency and reduce costs by shifting operations from Bahrain while retaining logistics response times. DLA Distribution planners continued developing suitable locations that supported operations plan (OPLAN)-concept of operations plan (CONPLAN) strategy; remained sustainable from competition, to return-to-base, to reconstitution; and maintained survivability.

(4) SOUTHCOM Plans

DLA Headquarters, DLA Troop Support, and DLA Distribution represented DLA at the U.S. Southern Command (SOUTHCOM)-U.S. Army South (ARSOUTH) Support Plan 6120 tabletop exercise (TTX) at Joint Base San Antonio, Texas, from June 21-23, 2023. The three-turn (reception, staging, onward movement, and integration; force flow; and sustainment) TTX identified sustainment friction points within phases 0, I, and II, and created a shared understanding of Joint Task Force-Migrant Operations at Naval Station Guantanamo Bay, Cuba. An essential enabling objective of the TTX was to synchronize DLA support with rapidly executable options. Planned DLA support centered on distribution capabilities, primarily DDXX,

as well as a 150-line-item migrant support package managed by the Troop Support supply chains.

(5) Global Posture Plan

DLA Distribution provided information on forces, footprint, and agreements for the inaugural DLA global posture plan (GPP). The GPP assessed the enterprise's current network of capabilities against future warfighter requirements. Through GPP development, DLA Distribution synchronized planning with DLA INDOPACIFIC and INDOPACOM J4, incorporated the DLA Distribution network into INDOPACOM's concept of sustainment, and identified shortfalls.

(6) Exercises / Operational Training

(a) Freedom Shield 23 and Ulchi Freedom Shield 23

Freedom Shield 2023 took place in March, with a follow-on exercise, Ulchi Freedom Shield 2023 (UFS23) occurring in August. DLA Distribution deployed personnel across the Republic of Korea during both events to provide embedded support to warfighting components as well as U.S. Forces Korea (USFK) and logistics enterprise counterparts. DLA Distribution's participation was vital to evaluating the agency's operation in a contested logistics environment.

(b) Agency Contingency Operational Readiness 2023

From July 16-29, 2023, DDXX, along with two members from J6's contingency IT team, deployed to DLA Distribution Norfolk, Virginia (DDNV), to participate in an Agency Contingency Operations Readiness 2023 (ACOR 23). DDXX personnel established an on-site command post, received MPC training, and worked alongside DDNV employees to process more than 5,400 lines in support of real-world MPC operations. DLA Distribution built upon FY 2022's Agency Contingency Operational Readiness Exercise. The event helped ensure DLA Distribution's expeditionary teams were successfully trained and appropriately postured.

(c) Pacific Sentry 2023

Three DLA Distribution personnel participated in Pacific Sentry, a week-long INDOPACOM Tier-1 exercise at Camp Smith, Hawaii. DLA Distribution provided support and expertise to this U.S.-Australian bilateral event, which rehearsed, practiced, and projected allied strength across the INDOPACOM. DLA Distribution linked agency supplies, services, and expeditionary capabilities to partner requirements for multiple warfighting operations.

(d) EAGLE RISING 2.5

DLA Distribution exercised humanitarian assistance and disaster response readiness in FY 2023 by participating in Federal Emergency Management Agency's Eagle Rising event. Eagle Rising (ER) is an integrated continuity exercise for all federal executive

branch departments and agencies. ER exercises allow the executive branch to implement national continuity concepts to ensure the preservation of our government and the continuance of its essential functions. DLA Distribution used the training to validate the agency's interagency agreement with FEMA. DDXX participated in the FEMA Eagle Rising 2.5 disaster recovery field exercise at Maxwell Air Force Base in Montgomery, Alabama, from April 24-28, 2023. Participants practiced all aspects of an incident support base (ISB) mission: opening, receipt, commodity shipping, delivery, records management, closeout, and retrograde.

(7) Distribution Expeditionary Manpower 2023

DLA Distribution used several resource pools to support exercises, deployments, operational support, surges, contractor-to-contractor transitions, and other initiatives requiring additional manpower. The network integration team ensured deployers were medically qualified, trained, and sent to the appropriate location.



(8) Joint Reserve Force (JRF)

The JRF assigned to DLA Distribution consisted of 5 Navy units, 1 Army reserve element, 22 Air Force, and 2 Marine individual mobilization augmentees. During FY 2023, sixteen JRF personnel provided 12,097 man-days of support through deployments, annual

training, and sustainment to 14 distribution centers and 5 combatant commands. Reservists from Virginia, Pennsylvania, Oklahoma, California, the Army Reserve Element (ARE), and non-organic personnel supported operations in Kuwait, Djibouti, Germany, Poland, and Italy. Additionally, 36 reservists supported exercises Pacer Goose, UFS23, ER, Pacific Sentry, and ACOR 23. Finally, DLA Distribution reservists manned the hurricane support team in Red River, Texas, with nine personnel from the Navy, Army, and Air Force.

DLA Distribution reservists supported CONUS distribution centers at Hill, Utah; Norfolk, Virginia; Oklahoma City, Oklahoma; Puget Sound, Washington; Red River, Texas; San Diego, California; San Joaquin, California (DDJC); Susquehanna, Pennsylvania (DDSP); Tobyhanna, Pennsylvania; and Warner Robins, Georgia. In a new partnership, the 1100th TASM-G Army Reserve unit provided 23 reservists to support Tobyhanna, Pennsylvania. Total Reserve support to CONUS sites in FY 2023 equated to 3,527 man-days.

Overseas distribution centers at Guam, Marianas; Okinawa, Japan; Pearl Harbor, Hawaii; and Sigonella, Italy also received reserve assistance. Twenty-one reservists supported Pearl Harbor, Hawaii, for a combined 4,516 man-days. This included a reserve team which worked warehouse operations and one reserve officer who served as the temporary retail division chief. Total OCONUS reserve support in FY 2023 equated to 8,570 man-days.

(9) Expeditionary Civilians

Expeditionary civilians (ECs) supporting DLA Distribution consisted of 187 volunteers in several pay grades and job series. ECs assisted many CONUS distribution centers in FY 2023, providing MPC support, location identification program support, customer returns, hazmat, crane assistance, backlog assistance, and WMS implementation.

In FY 2023, DDXX established two teams to assist with WMS implementation. These civilians came from DDJC and DDSP. DDXX members coached DLA Distribution staff and provided WMS instruction at Manama, Bahrain; Cherry Point, North Carolina; Tobyhanna, Pennsylvania; and Red River, Texas. DLA Distribution relied on capability based and regular volunteers to assist with many internal missions. Civilian volunteers supported OCONUS and CONUS distribution centers in Hawaii, North Carolina, Pennsylvania, Utah, Texas, Virginia, Washington, Bahrain, Germany, Italy, and Japan. Five civilian volunteers also deployed to Kuwait and Germany.

(10) Expeditionary Training

The FY 2024 individual training plans combined distribution operations training and expeditionary training and increased readiness for our JRF and DDXX teams. Training focused on distribution, base ordnance depot (BASEORD), and tailored operations. DDXX training focused on core functions, MPC, theater consolidation shipping points, and the incident support base. This training was required per DLA Distribution's BASEORD which provided guidance on deploying DDXX teams. BASEORD training enabled each member to maintain his skillset. The expeditionary academy has been a successful platform for individual and BASEORD training. DLA Distribution network integration and J5 training coordinated tailored training for JRF members who supported distribution centers before they put boots on ground.

(11) Support to the F-35:

At the close of FY 2023, DLA Distribution actively supported a growing F-35 program with storage and distribution at seven distribution centers. More than 30,000 part numbers with more than five million pieces of government-owned inventory transitioned into DLA Distribution's network. The program concluded FY 2023 with approximately 950 F-35s in service against a program end state of more than 3,000.

DLA Distribution established a WMS-based, transportation booking process which leveraged TRANSCOM commercial and organic capability to ship materiel to Air Force, Navy, and Marine Corps units flying the F-35. Approximately 65,000 shipments were processed under this new automated process in FY 2023.

DDJC's wholesale inventory continued to grow as it received Lockheed Martin-managed material from its third-party warehouse in Fort Worth, Texas. DLA Distribution Oklahoma City, Oklahoma, which had the largest F-35 footprint, planned to relocate warehouse operations to a larger building with better capacity to accommodate the growth in the F-35 propulsion mission. At DLA Distribution Cherry Point, North Carolina, the receipt of Rolls Royce inventory represented a new mission set to existing F-35 maintenance support programs at Fleet Readiness Center East.

At DLA Distribution Jacksonville, Florida, initial operating capability for its propulsion-related warehouse activation was achieved June 23 for power mod maintenance at Fleet Readiness Center Southeast. Upon receipt from maintenance, the team at DLA Distribution Hill, Utah, leveraged its organic packaging capability to produce custom crates for the F-35 canopy and landing gear. DLA Distribution Warner Robins, Georgia, expanded its F-35 support as new maintenance activations were executed throughout FY 2023. The F-35 Distribution program team participated in numerous deployment planning and tabletop exercises with the Office of the Secretary of Defense (OSD), the joint petroleum office, partner nations, and TRANSCOM.

(12) Operation Pacer Goose

Distribution Norfolk, Virginia (DDNV) supported another successful Pacer Goose mission by helping onload / offload almost 1 million pounds of materiel in 85 lifts from the general cargo vessel MV Ocean Giant. DDNV completed unloading pallets and loading containers ahead of schedule at its Home Pier 8 on Naval Station Norfolk, Virginia. Offloading containers of various sizes, along with flatbed trailers and flaptracks, was also completed.

(13) Support for U.S. Marine Corps industrial supply integration

DLA Distribution continued supporting the DLA-USMC industrial supply integration initiative at Albany, Georgia, and Barstow, California. It participated in the joint working group and collaborated with other stakeholders to implement full WMS operation.

(14) DLA Distribution Kitting Operations

DLA Distribution kitted medical, organic, and subsistence kits, which are comprised of DLA and / or service components. Kitting offers tailored logistics with automated

and integrated systems to transform customer requirements into a single, useable end item. Kitting functions are performed at twelve distribution sites; five in the eastern U.S., five in the western U.S., and two OCONUS. In FY 2023, kitting at DLA Aviation, DLA Land and Maritime, DLA Troop Support, and the USA Medical Material Development Activity consisted of 904 build directives totaling 255,816 kits in 56,086 lines worth \$26.1 million.

(15) Public-Private Partnerships

The Public-Private Partnerships (PPP) program progressed throughout FY 2023. Two significant events took place in December 2022. First, DLA Distribution and Northrop Grumman successfully concluded negotiations for the program's fifth and final authorized PPP, in support of B-1 bomber radar system maintenance at the Oklahoma City Air Logistics Center. While the 2023 National Defense Authorization Activity did not contain language that would have made the PPP program permanent, it did extend the authorities one additional year, to December 23, 2023 (but without adding additional pilots).

Following nine months of research, Government Accounting Office (GAO) released its legislatively mandated review of the PPP program in March 2023. Two of GAO's three recommendations required DLA/OSD collaboration. As FY 2023 concluded, both remained pending ahead of their respective FY 2024 suspense dates. DLA Distribution completed GAO's third recommendation, rerunning the PPP cost analysis in accordance with DoDI 7041.03, in May 2023. It was approved by OSD and communicated to GAO more than a month before the suspense.

(16) Recruit Training Centers

DLA Distribution played a key role at recruit training centers (RTCs) in FY 2023, overseeing 6,474 unique items worth an estimated \$72 million. In FY 2023, RTCs processed 1.9 million MROs worth \$306 million. They inducted approximately 98,000 receipts worth \$302 million. Raw material shortages resulted in delays in uniform deliveries to the third party and RTC sites. Despite delays, the sites maintained an average bag fill rate of 99%. DLA Distribution ensured adherence to standard processes, resulting in better materiel control and stock visibility and replenishment models which calculated accurate order quantities. DLA Distribution has begun installing WMS at RTCs. The new system has built-in controls that will ensure greater inventory accuracy. This will aid in stock replenishment and result in higher first-time fill rates.

(17) Operating Materials and Supplies Inventory

DLA Distribution completed a 100% wall-to-wall inventory of operating materials and supplies material at Navy Shipyards Puget Sound, Washington; Pearl Harbor, Hawaii; and Norfolk, Virginia. These inventories included 376,000 inventories and resulted in an accuracy rate of 98.9%.

(18) Nuclear inventory

DLA Distribution supported Norfolk Naval Shipyard's inventory by performing a 100% count of material at the site under nuclear custody. The April 2023 to September 2023 inventory was 10,000 national stock numbers (NSNs) and 431,000 individual items.

(19) Seasonal Flu Vaccine Distribution

DLA Distribution delivered 3.4 million influenza vaccines to service members, their dependents, and veterans for the 2022 / 2023 season.

b. Support to the Nation:

(1) Whole of Government (WOG)

(a) Department of Veterans Affairs (VA):

In the summer of 2020, DLA Distribution began supporting the VA's personal protective equipment storage and distribution mission. Support evolved over the following three years in reaction to the VA's needs. Third party distribution centers initially used to support VA were disestablished, allowing DLA Distribution to transition to its organic network. Today VA support occurs at two locations, DDSP and DDJC. The two centers stood ready to support contingencies with ~2,500 pallet positions at each location. DDSP continued storing fast-moving blood tubes and over-the-counter COVID-19 test kits.

(b) Deployable medical assistance team (DMAT) storage:

In summer 2022, DLA Distribution Oklahoma City, Oklahoma, (DDOO) began storing DMAT items for the Department of Health and Human Services's Assistant Secretary for Preparedness and Response (ASPR). DMAT teams provided high-quality rapid-response medical care when public health and medical emergencies overwhelmed state, local, tribal, or territorial resources. ASPR requested DLA support in prepositioning DMAT supplies in FEMA Region 6, which included Louisiana, Arkansas, Texas, Oklahoma, and New Mexico. DDOO's capabilities aligned well with the DMAT mission. In July 2023, ASPR requested the same services at DLA Distribution Pearl Harbor, Hawaii (DDPH). DDPH received two DMAT caches and immediately shipped them to Maui, Hawaii, in support of fire relief efforts.

(c) Department of Transportation Maritime Administration Program:

In early FY 2023, the Department of Defense's Maritime Administration (MARAD) requested storage and distribution services for its five-ship, national security multi-purpose vessel (NSMV) program. MARAD had ~1,000 lines of NSMV shipboard spares that were candidates for DLA Distribution storage. DDSP received these items, including large parts such as propellers and anchors, and will ship them to any NSMV vessel in need.

(2) Wildfire Support

During FY 2023, DDJC shipped 25,269 line items for the wildfire mission with a high-priority performance average of 0.82 days and routine performance average of 1.35 days.

c. Trusted Mission Partner

(1) Financial Savings

DLA Distribution closed FY 2023 with \$1,228.5 million in obligations and \$1,673 million in revenue. FY 2023 expenses and net operating result were below projections and will positively impact future year rates. DLA Distribution exceeded savings targets of \$154 million, compared to the PBR 21 FY 2023 baseline.

(2) Physical Inventory Counts

DLA Distribution closed its FY 2023 physical inventory on September 30, 2023. DLA Distribution completed counts on 100% (2,220,095 NIINs) of the open population. Inventory accuracy was 98.8% by individual items and 95% by national item identification number (NIIN). Our FY 2024 physical inventory count of 1.7 million NIINs has begun.

(3) Audit Response Teams

In FY 2023, DLA Distribution's audit response team provided 1,931 files of evidential matter to military service audit teams on 24 separate requests. The team supported 10 service site visits for physical counts, business process walk-throughs, and testing. Distribution centers hosted four independent public accountant site visits and DoD inspector general observers in support of the agency's financial statement. DLA Distribution responded to 120 'FSA Provided by Client' requests, submitting evidential matter totaling 179,000 pages.

(4) Audit-Service Owned Inventory in DLA Custody

DLA Distribution financial audit team worked closely with the service-owned inventory in DLA custody (SOIDC) officer and KPMG consultants to validate internal controls and identify risks in WMS fielding. The team performed process reviews at six distribution centers. These reviews honed the process maps and identified gaps.

(5) Unitized Group Rations (UGR) Audit

From March 21-23, 2023, DDJC hosted the annual UGR audit. Participants included DDJC leadership, DLA Headquarters, DLA Distribution, DLA Troop Support, the Joint Culinary Center of Excellence, U.S. Army Combat Capabilities Development Command, Public Health Activity, and the U.S. Army Medical Center of Excellence. No deficiencies were found.

(6) Packaging Storage Consolidation and Containerization Center

Packaging Storage Consolidation and Containerization Center and DLA joint inspections revealed improvements in care of supplies in storage (COSIS) programs in FY 2023. DLA Distribution is postured for major improvements in FY 2024.

d. Acquisition and Supply Chain Management

(1) Acquisition Operations Contract Awards and Small Business Goals

In FY 2023, DLA Distribution awarded 2,310 actions valued at \$256.6 million. Acquisition operations awarded a task order against the global distribution expeditionary contract (GDEC) for storage and distribution in Bahrain. Additionally, it awarded a contract for third-party logistics (3PL) hazardous material services for Corpus Christi Army Depot at DLA Distribution Corpus Christi, Texas. Two professional services support contracts were awarded to support to DLA Distribution Headquarters: WMS support services for J4 system deployments and the former business development office for network optimization.

DLA Distribution's fourth industry day was held June 14, 2023, using a virtual platform. More than 185 individuals participated in interactive briefings from representatives with DLA Distribution and DLA Acquisition, APEX accelerators, and DLA Information Operations.

The small business program exceeded its overall goal, achieving 74% of obligations against a 60% target. Additionally, all socioeconomic goals were met with the exception of HUBZone (2.95% against 3.0% goal). Noteworthy achievements include service-disabled veteran-owned small businesses almost doubling from FY 2022 (15.5% in FY 2023 and 8.25% in FY 2022), small disadvantaged businesses doubling our goal (50.5% against 25%), and woman-owned small businesses hitting 18.5% against 3%. The competition goal was nearly met (87.55% of awarded dollars against an 88% goal) due to significant obligation increases to AbilityOne (5.52%, up from 2.80% in FY 2022) and 8(a) (1.74%, up from 0.07% in FY 2022).

(2) Audit Readiness

DLA Distribution Acquisition Operations continued growing programs for contractor-operated distribution centers (and other similar service contracts) to ensure they met requirements for audit readiness, standardization, and process excellence. In coordination with DLA Distribution's audit readiness / compliance team and the Future Operations directorate, DLA Distribution Acquisition incorporated standard process changes and audit requirements with a better-defined warehousing practice, along with trend analyses on performance. In FY 2023, the requirement for a change to inventory accuracy measurement from 98% (NIINs) to 99.5% (individual items) with the exclusion of 5300 material was incorporated into contracts to meet audit requirement. There was also a significant re-write of the physical inventory sections of performance work statements. Changes were incorporated as sites transitioned to WMS.

(3) Acquisition Planning and Assistance:

In FY 2023, the DLA Distribution Acquisition planning and assistance team completed 371 acquisition assistance projects and worked three distribution center contract re-compete packages (DDGM, DDNB, and DDJF), Warner 3PL chemical management services (CMS) support, J4 professional services, Business Development Office support, and 32 other commercial contracts. Additionally, the team worked on 70 evaluation boards, 19 market research projects, and completed 134 requests for contract modifications. The team also performed contracting officer representative (COR) / alternate COR duties for the GDEC, 3PL CMS Support, and Warner 3PL CMS contracts. The GDEC executed 28 task orders supporting DLA Distribution centers, humanitarian support, and support planning in various areas.

(4) Quality Assurance Program

The Quality Management Program Office (QMPO) maintained the quality assurance (QA) and quality control (QC) programs at DLA Distribution contractor-operated locations. The QMPO scheduled recurring QA and compliance tasks for government-operated locations. It maintained near daily interaction with 200 assigned quality assurance team and DLA Distribution leadership staff members at all locations to ensure a standardized approach was applied. During FY 2023, quality assurance team members completed more than 11,000 operational performance surveillance activities, more than 100,100 compliance checks, and more than 1,100 oversight reviews. The QMPO managed all aspects of the quality management tool (QMT) via the HighGear application. HighGear will transition to ServiceNow in the near future.

(5) Government Purchase Card

In FY 2023, DLA Distribution completed more than 6,500 government purchase card (GPC) transactions and in-depth reviews on 1,729 transactions. Of the transactions reviewed, there were 62 documented findings for a 98% compliance rating. GPC account program coordinators conducted virtual and in-person training for GPC billing officials and cardholders. DLA Headquarters conducted its annual GPC program management review (PMR) in March 2023. In the year prior, DLA Distribution Acquisition GPC account program coordinators trained GPC billing officials and cardholders, conducted a 100% review of appointments and training certificates, and increased the percentage of reviewed transactions. These efforts earned DLA Distribution a compliance score of 95% on the FY 2023 PMR.

(6) Centralized Ordering Process

The purchase request creation team at DLA Distribution Acquisition was formed in 2015 to elevate the processing of all orders (local procurement and MILSTRIP) from distribution center to DLA Distribution headquarters. The team has served as an intermediary between customers and J7 contracting and has significantly improved processing time. This centralized input process facilitated ordering like items using unique material numbers for long-term contracts. The PR creation team monitored, prioritized, and worked incoming requirements; answered customer questions; developed requirement justification submission policies; and ensured customer compliance. The team generated 4,201 orders in FY 2023.

(7) Accountable Property

The DLA Distribution Acquisition's accountable property program managed 7,500 general equipment assets with an acquisition value of nearly \$500 million at 24 distribution centers. Two accountable property managers (APMs) oversaw accountable records at distribution sites, ensured data accuracy, and worked with site accountable property officers (APOs) to complete monthly and annual inventory requirements. They also prepared for inspections and audits and provided training. In FY 2023, DLA Distribution completed 100% of monthly inventories. APMs trained all APOs on policy updates, monthly inventory processes, and documentation requirements.

e. Modernization

(1) WMS

WMS has refreshed the distribution standard system (DSS) by streamlining storage, distribution, and transportation to align with industry standards, creating a single system for all of DLA. WMS provides greater visibility and control as well as real time logic for inventory tracking, cross-docking, and order fulfillment. It is a commercial off-the-shelf, SAP-based, product that combines inventory management and transportation on a single platform, reducing complexities and streamlining processes. The transportation management module will complement DLA's 21st century capabilities in transportation planning, optimization, and freight tendering. DLA Distribution implemented WMS at ten distribution centers and one recruitment training center in FY 2023.

(2) Voice Pick Technology

During FY 2023, DLA Distribution gained momentum with voice pick technology. Voice stow functionality was delivered to all fifteen sites in Third Quarter, FY 2023. DLA Distribution and DLA Information Operations began discussing how to align future voice technology with WMS.

(3) Augmented Reality (AR)

In FY 2023, DLA Distribution Anniston, Alabama (DDAA), initiated a technical kick-off for the optical character recognition and augmented reality phase IIB project. Subsequently, the following actions were completed: OCR/AR system requirements review (SRR), AR silo-standalone wireless infrastructure extension at DDOO, and complete install at DDAA. DLA Distribution also conducted three OCR tests, successfully capturing weapon serial numbers at DDAA. Its next tasks are the system function requirements for receipt to stow.

(4) Predictive Analytics – Audit Readiness Requirements

DLA Distribution explored predictive analytics to address audit readiness and assist distribution centers with identifying inbound material. DLA partnered with the Navy Post-

Graduate School to develop a program using Navy purchasing history to predict material inbound to the material processing center at Norfolk. The Navy Post-Graduate school partnership will continue through FY 2024.

(5) Automated Inventory

Six automated inventory vendors were awarded small business innovation and research or broad agency announcement phase I contracts to conduct automated/autonomous inventory feasibility studies. Each vendor will visit a distribution center and plan an automated inventory solution. Phase II pilots will be determined after completing the study.

(6) 5G Network

The 5G test lab at DLA Distribution Albany, Georgia, stood up in Fourth Quarter, FY 2022. The 5G smart warehouse created a 5G backbone to increase connectivity, information throughput, and reliability. Multiple devices were tested on the network in FY 2023, including DLA Distribution's first technology effort to connect augmented reality and optical character recognition to the 5G network.

(7) Wireless Printers and Tablets

In FY 2023, DLA Distribution began Phase II deployment of wireless printers and tablets. This effort allowed supervisors to conduct business from the floor. A total of 488 printers and 163 tablets were deployed. DLA Distribution began planning for Phase III, during which lighter tablets with embedded camera technology and 5G compatibility will be deployed.

(8) Eastern Distribution Center (EDC)

DLA Distribution's EDC is DoD's largest warehouse complex at 1.8 million square feet. The ongoing \$265 million modernization effort will change how material is received, stored, and processed. The four-year implementation project includes new, automated equipment controlled by an industry-leading warehouse execution system. This solution provides goods-to-person technology that will support current and surge workloads (268% of median). Once complete, the EDC will have an 139% increase in systemic throughput, 239% increase in pick-rates, 20% labor production improvement, 100% materiel location accuracy, and 70% increase in order verification. The team installed all of the receiving area automation and started installing equipment in other areas. DLA Distribution stakeholders designed software interfaces for more than 300 processes and developed a system description of operations to enhance the EDC's capabilities and capacity. DLA Distribution invested in a robust organizational change management program to communicate changes to the workforce.

(9) Location Identification Program

Throughout FY 2023, the infrastructure management division oversaw storage management and WMS transition. Over 800 incident tickets and support requests submitted by centers were resolved and four formal change requests to update DSS were provisioned. DLA

Headquarters and DLA Distribution collaborated to improve guidance related to storage management, inventory, and WMS warehousing, to include updates to DoDM 4140.70 *Procedures for Storage and Material Handling*, DLA 4000.02 *DLA Physical Inventory Control Program*, DLA 4145.12 *Storage and Material Handling*, and DLA SOP 4145.03-007 *WMS Storage Bin Location Management*.

Storage management initiatives were completed at the end of FY 2023. This included software to implement detailed slotting plans and infrastructure development. Initial training packages enhanced warehouse layout planning, material handling equipment, and space utilization analysis. Eight storage management surveillance elements were established to increase monitoring and resolve problems.

(10) Storage Compliance

DLA Distribution obtained waivers for 696,000 cubic feet of items coded “covered storage space required,” saving customers \$5.5 million. DLA Distribution identified erroneous storage coding for multiple launch rocket system and other equipment, resulting in savings of \$2.2 million. A collaboration with the Army resolved blank codes for 2,317 NSNs which ensured items were placed in the proper storage. Additionally, the validation and update of global weight and cube (GWC) dimensional data for 55,452 NSNs maintained accuracy. Packaging storage and containerization center (PSCC) validated the GWC dimensions of 527 NSNs with DLA Distribution, which resulted in \$1.25 million financial credit.

(11) Stock Readiness - Suspended Stock

During FY 2023, DLA distribution centers closed 100,000 supply discrepancy and storage quality control reports with \$8.5 billion in value and 13.7 million individual items. Observations from the joint PSCC and DLA inspection of DLA Distribution facilities and the COSIS programs were positive. Errors were a narrow subset of the total population and easily remediable. DLA Distribution continued strengthening stock readiness by improving instructions in material-specific procedures. DLA Distribution sites will reinspect all service owned material stored outside in FY 2024.

f. Future of Work

(1) Continuous Process Improvement (CPI) program

DLA Distribution leverages CPI to promote a data-oriented approach to problem solving that allows for regular assessment of operational capabilities, reduction of operational and performance gaps, and implementation of best practices. In FY 2023, DLA Distribution continued efforts to create a culture of problem solvers across the enterprise. Ninety DLA Distribution employees completed CPI courses in FY 2023, 12 attending green belt training and five achieving certification. Additionally, DLA Distribution completed seven chartered projects and five non-chartered CPI tasks. During FY 2023, it participated in joint and enterprise-level CPI projects such as vendor compliance with DLA Land and Maritime; direct vendor delivery; DEMIL F, and unauthorized returns. The command also supported efforts by the General

Services Administration to improve the national supply chain through reducing mis-routed and frustrated cargo. Project highlights include:

(a) The Germersheim dedicated truck project focused on improving load-time capability for dedicated trucks and reducing on-site truck time. By doing so, it reduced driver wait fees, facilitated on-time customer delivery, and increased output capacity.

(b) The DLA Distribution non-ratings-based award project focused on reducing the time it takes to issue monetary awards.

(c) The Distribution Albany retail mapping project identified opportunities for reducing manual processing. DLA Distribution Albany immediately implemented improvements through a redesigned workflow that reduced pick list consolidation processing time and walk travel distance per travel activity.

(2) Network Optimization

Capitalizing on the organization's modernization initiatives and TRANSCOM's commercial air transportation capabilities, DLA Distribution continued transforming its distribution network into a more agile model. The command executed stock positioning changes to minimize OCONUS replenishment of small, parcel-eligible Class IX stock which allowed qualifying OCONUS stock to attrit naturally. This strategy created space for new material and placed inventory at optimal locations. Additionally, DLA Distribution removed 10,000 inactive, DLA-owned NIINs from DLA Distribution Bahrain, reducing inventory 10,500 NIINs. It also relocated the Hazardous Center of Excellence from Richmond, Virginia (DDRV) to DDJC. The relocation consisted of 4,099 stock transfer orders – sunseting the \$5 million per year service contact at DDRV.

(3) Warehouse Utilization

Throughout FY 2023, DLA Distribution continued supporting OSD's warehouse utilization (WU) initiative. Previously referred to as the nontactical warehouse initiative, WU will optimize DoD's warehousing network. WU identified four service locations for execution: Anniston, Alabama (Army); Tinker AFB, Oklahoma (Air Force); Barstow, California (Marine Corps); and San Diego, California (Navy). The Marine Corps added Albany, Georgia, and the Navy added Jacksonville, Florida. In FY 2023, OSD added DDJC and Cherry Point, North Carolina. An additional WU effort included developing a LiDAR 3D scanning capability to enable rapid warehouse utilization assessment and a dashboard to capture utilization rates across the DoD.

g. People and Culture

(1) DPMAP

More than 99.9% of DLA Distribution personnel met or exceeded their performance goals during the 2022-2023 appraisal cycle.

(2) Functional Community Management (FCM)

DLA Distribution continued its partnership with DLA Headquarters human capital development to refresh the logistics and warehousing communities. DLA Distribution led an FCM distribution facility specialist (GS-2030) survey.

(3) Communities of Practice

Entering FY 2023, DLA Distribution recognized it faced increasing rates, a net operating result (NOR) loss of \$250 million, volatile workload patterns with unpredictable revenue streams, and the potential loss of customers. To combat these challenges, the command developed quality, productivity, human capital management, resource management, and infrastructure communities of practice that integrated information and decision making across directorates. Chaired at the directorate level, each community performed environmental scans, tracked metrics, identified gaps, established priorities, executed improvement plans, maintained stakeholder buy-in, established predictive measures, and executed timely course corrections. Communities of practice reduced resourcing, costs to the customer, and NOR loss while posturing the command for further cost reduction targets in FY 2024.

(4) Training

DLA Distribution's training priorities in FY 2023 included WMS and audit. The command's rollout team provided classroom and hands-on training while ensuring employees understood the benefits of modernization. More than 25% of DLA Distribution's workforce was trained on WMS by the close of FY 2023.

(5) Recruitment

In FY 2023, DLA Distribution continued battling private sector recruitment and retention. The command used DLA and DoD social media platforms to increase employment interest. The DoD civilian careers skilled trades and crafts virtual career fair was the highlight recruitment event of the year. Representatives from DLA Human Resources, DLA Distribution Headquarters, and four distribution centers engaged more than 80 geographically dispersed visitors through the virtual *Brazen* platform.

(6) Direct Hiring Authority

DLA Distribution continued to use direct hiring authority to fill critical shortages of skilled workers at nearly all CONUS locations in FY 2023. The job series most frequently filled under the authority was 6900, warehousing and stock handling.

(7) Summer Internship Program

DLA Distribution continued its summer internship program, welcoming 31 summer hires in FY 2023. Distribution centers worked with community partners to recruit applicants. Interns learned DLA Distribution's mission and goals from employees.

(8) Awards and Recognition

(a) 55th DLA Annual Awards

Seven employees and teams representing DLA Distribution were recognized in a variety of categories.

(b) Commander in Chief's Annual Award for Installation Excellence

DDJC was selected as the FY 2023 recipient of the Commander in Chief's Annual Award for Installation Excellence. Defense Secretary Lloyd Austin announced the award.

(c) Employee of the Quarter

Four DLA Distribution employees were selected for DLA employee of the quarter (two from Fourth Quarter, FY 2022, and two from First Quarter, FY 2023).

(d) Director's Strategic Goals Award

Three DLA Distribution nominations won the Director's Strategic Goals Award (one from each of the first three quarters of FY 2023).

(9) Safety and Occupational Health (SOH)

The SOH office, in partnership with distribution centers, used the risk assessment to understand hazards, issues, and concerns, and to develop plans for controlling risks. To minimize redundancy, templates and sample documents were consolidated into an online library. Progress with SOH modernization ensured framework, structure, and staffing were appropriate for all locations. A revised framework was developed to focus on MSC safety policies, procedures, and programs. Additionally, core requirements were standardized.

The SOH office continued collaborating with DLA Distribution leadership and DLA Human Resources to oversee, evaluate, and support centers during the COVID-19 pandemic. This included monitoring public and center case rates, public vaccination status, transmission rates, and community level status. The SOH team, in collaboration with the DLA Distribution headquarters, human resources customer account manager, and general counsel, developed processes, guidance, and evaluations for emerging situations.

(10) Radiation Protection Program

The Radiation safety staff implemented alternate training and communication methods. It completed work on the radiation protection officer database which benefitted all distribution centers. No Nuclear Regulatory Commission inspections were completed this year; nonetheless, the radiation safety staff continued to assist the commission.

(11) Equal Employment Opportunity

The DLA Distribution Equal Employment Opportunity (EEO) office focused on the workforce during FY 2023. A proactive program fostered a work environment free from discrimination; ensured EEO was provided to all persons regardless of race, color, religion, sex, national origin, age, or disability; and provided a workplace where employees were treated with dignity and respect. The EEO office performed a self-assessment to eliminate barriers preventing equal employment opportunities in the workplace.

The DLA Distribution EEO office used its skilled personnel to process discrimination complaints and reasonable accommodation requests. It made the reasonable accommodation processing more efficient and effective. Additionally, DLA Distribution EEO hired a workforce recruitment program participant and a reemployed an annuitant to assist with complaints. DLA Distribution's Office of General Counsel provided legal sufficiency reviews for acceptance letters, dismissal letters, and reports of investigation. DLA Distribution significantly improved informal complaint processing time in FY 2023. EEO office specialists reported claims initiated through the anti-harassment program manager in the Labor and Employee Relations office via the HR anti-harassment mailbox.

Special Emphasis Programs ensured minorities, women, and people with disabilities were provided equal opportunity in employment. The program encouraged DLA employees to appreciate, value, understand, and celebrate social and cultural similarities and differences. Programs highlighted in FY 2023 included: Martin Luther King, Jr, birthday; Black History Month; Women's History Month; Holocaust Remembrance Day; Asian American Pacific Islander Heritage Month; Women's Equality Day; National Hispanic Heritage Month; National Disability Employment Awareness Month; National American Indian Heritage Month; and a multi-cultural observance.

Defense Logistics Agency

DLA Human Resources (J1) Fiscal Year 2023 Historical Report



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

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: HISTORIAN

SUBJECT: Submission of DLA Human Resources (J1) FY2023 Annual History Input

FY2023 saw the DLA workforce transition to post-pandemic conditions and beginning return-to-the-office (RTO) initiatives. J1 assisted agency leaders in managing a large, dispersed, and diverse workforce under challenging and evolving conditions. Throughout the year, J1 continued its outstanding support of DLA team members and customers in other agencies who were dealing with varied concerns and work conditions.

In FY2023, J1 remained front and center in DLA's post-pandemic transition while also maintaining day-to-day functions. We reenergized our focus on innovation and transformation to best respond to the needs of our customers, including making sure they have access to vital human resources (HR) services.

I take a great deal of pride in how the members of our J1 team support each other and the rest of the DLA family.

In the coming year I look forward to J1 continuing to serve as a strategic partner to DLA organizations and leaders as they navigate the RTO posture. We are striving to create more agile, sustainable, cost-effective, and future-ready HR solutions to enable our customers to meet their missions and goals most effectively and efficiently. And we are doing this while fostering a diverse, inclusive, equitable, and accessible environment where our own team members can rise to their highest potential.

I want our customers to enjoy working with us and to see us as a provider of excellent service. I know this team is up to the tasks at hand.

One J1 and Warfighter Always.

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Date: 2023.12.15 17:24:04 -0500

SHARYN J. SAUNDERS
Director
DLA Human Resources

1. Introduction

a. Overview

Fiscal Year (FY) 2023 was a year of significant transition for DLA Human Resources (J1), with a reorganization, the retirement of Deputy Director Ms. Bobbie Sanders, the turnover of five senior staff directors, the move to post-pandemic conditions, and the beginning of return-to-the-office initiatives all presenting the need for change and adjustment. Operationally, J1 assisted agency leaders in managing a large, dispersed, and diverse workforce while exporting its skills, knowledge, and abilities to other agencies. As of the end of FY23, DLA J1 provided reimbursable human resources (HR) services to:

- (1) Defense Advanced Research Projects Agency (DARPA)
- (2) Defense Commissary Agency (DeCA)
- (3) Defense Contract Management Agency (DCMA)
- (4) Defense Counterintelligence and Security Agency (DCSA)
- (5) Defense Human Resources Activity (DHRA)
- (6) Defense Media Activity (DMA)
- (7) Defense Security Cooperation Agency (DSCA)
- (8) Defense Threat Reduction Agency (DTRA)
- (9) Missile Defense Agency (MDA)
- (10) National Reconnaissance Office (NRO)
- (11) Office of the Chairman of the Joint Chiefs of Staff (OCJCS) and the Joint Staff
- (12) Space Development Agency (SDA)
- (13) U.S. Transportation Command (TRANSCOM)
- (14) Washington Headquarters Service (WHS)

b. Mission

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

c. Vision

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

d. Values

We live the DoD core values of leadership, professionalism, and technical knowledge through dedication to duty, integrity, ethics, honor, courage, and loyalty. To us, this translates to:

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

2. Overview of J1 Resources and Key Leaders

Major J1 Population Centers	
Whitehall, OH	504
New Cumberland, PA	159
Fort Belvoir, VA	132
San Joaquin, CA	24
Philadelphia, PA	15
Richmond, VA	11
Battle Creek, MI	14

Key Leaders	
Leader	Position
Ms. Sharyn Saunders	Director, DLA Human Resources (J1)
Ms. Lisa Stevens	Chief of Staff, DLA Human Resources (J1)
Mr. Leonard (AJ) Jones	Staff Director, Workforce Planning (J12)
Ms. Kelley Gallop	Staff Director, Labor & Employee Relations (J13)
Ms. Leigh Ann Massey	Staff Director, HR Policy & Accountability (J14)
Ms. Cheryl Steptoe-Simon	Staff Director, Enterprise Integration (J17)
Mr. David Tighe	Staff Director, Military Personnel
Ms. Melissa Lalonde	Staff Director, DLA HR Operations
Ms. Kate DeDobbelare	Director, DLA Customers
Mr. Derek Saunders	Director, DoD Customers
Mr. Frank Yacono	Staff Director, Enterprise Support
Mr. Brandon Miller	Director, Payroll and Travel
Ms. Yolanda Howell	Staff Director, DLA Training
Ms. Kelsey Anderson	Director, Business Management Office

Key Staff Members	
Ms. Tanja Collins	Executive Secretary to J1 Director
Mr. Adam Russell	HR Strategic Communications Manager

3. J1 Key Initiatives

a. J1 Re-Organization

Effective June 23, 2023, J1 reorganized to be more agile in its response to mission change. In particular, it disestablished the DLA Human Resources Services Office so its subordinate offices now report directly to the director of human resources.

b. Return to the Office Initiatives

On September 29, 2023, J1 announced the end of the one-year hybrid workplace pilot. Starting on January 2, 2024, employees must work in-person no less than 60% of their scheduled hours. Telework is approved for only Mondays and/or Fridays. Supervisors adopted this schedule November 5, 2023. Those on remote telework agreements for approved reasonable accommodations or hired remote in hard-to-fill jobs are not affected.

c. Workforce Planning

J1 conducted the bi-annual meetings with functional community managers (FCMs), FCM points of contact, and stakeholders to share information and best practices.

d. DLA Culture/Climate Survey

J1 led an effort in FY 2023 to assess culture in the organization by utilizing two surveys: the culture/climate survey and the Federal Employee Viewpoint Survey (FEVS). The pandemic necessitated a change in the FEVS timeline. It was decided that the FEVS would commence during the spring 2023. J1 then shifted the launch date for the DLA culture/climate survey from early spring to late summer 2023 to prevent the surveys from being conducted simultaneously.

To ensure the success of this endeavor, human capital program development personnel from J1 and DLA Public Affairs updated messaging and the culture/climate survey communications plan. Culture champions were informed about this initiative, and messaging was revised to communicate purpose and significance.

e. Warehouse Management System (WMS) Training

The team supported the agency's digital-business transformation (D-BX) by providing transitional training. Transitional training aligned with WMS deployment (FY 2023–2025) for DLA Aviation, DLA Disposition Services, DLA Troop Support, and DLA Distribution, to include nine recruit training centers. J1 supported four commands at 57 sites: 5,209 training hours and 3,733 students for CY 2023.

f. DLA Pathways to Career Excellence (PaCE) Program

J1 onboarded 270 PaCERS in FY 2023. It held two virtual orientations for 346 attendees and graduated 228 PaCERS.

g. Enterprise Operations – People and Culture

(1) Federal Employee Retirement System Coding

After a Defense Civilian Personnel Data System report identified official personnel records with potential federal employee retirement system coding errors, the DLA benefits team reviewed 986 records identified as potential errors. It found:

- (a) 56 employees were due refunds.
- (b) 70 employees owed money.

Records were corrected and employees notified. Those employees identified as potentially indebted were provided with step-by-step guidance and dedicated points-of-contact. This process is expected to take months to complete.

h. Sexual Assault Prevention and Response (SAPR) Program

April 2023 marked the sexual assault awareness and prevention month (SAAPM)'s 22nd anniversary. DoD's theme this year was "Step Forward. Prevent. Report. Advocate." DLA aligned with this theme during training and events. A key highlight was the director's video, which showed the director taking a "step forward" to issue a call to action.

Since the 2016 establishment of the DLA SAPR program, DLA has conducted an annual DLA Director's SAAPM proclamation signing event. In lieu of the event this year, the J1/SAPR program opted for a platform that would allow the director to speak openly to the workforce.

i. JMUA submittal

J1 collaborated across the agency to write a joint meritorious unit award (JMUA), a Secretary of Defense award presented to the entire workforce. It packaged the award, carefully ensuring all criteria were met, and routed it through DLA and the Office of the Secretary of Defense. The entire process took over a year. The team had everything staged, to include orders, pins, streamers, the certificate framing order, and ready-to-send instructional emails. Its team worked closely with DLA Public Affairs and the director's staff to develop a video for the award ceremony.

j. The DLA Labor and Employee Relations Policy Division

Through DLA Human Resources Services (DHRS), J1 tasked DLA major subordinate commands and their respective human resources customer account managers with collecting and consolidating bargaining unit status code data, consistent with the 'White House Data Call' in April 2022. The managers reviewed spreadsheets, identified anomalies, and reported findings to the DHRS labor and employee relations program manager who reviewed the data, sought clarification, updated employee records as necessary, and made final reports to the Defense Civilian Personnel Advisory Service (DCPAS).

DLA then clarified unit descriptions and began the reviewing DLA's largest union, AGFE Council 169. Upon completion of the AFGE Council 169 review, J1-3 will review DLA's smaller unions.

k. Targeted Strategic Recruitment

To support Initiative Critical Capability A1.2.1: Resource the Enterprise – recruit and retain a diverse, talented, and skilled workforce, the directors of DLA Human Resources Operations and DLA Customers formed a targeted recruitment team to execute the targeted

recruitment initiative. The team is analyzing labor markets and developing innovative ways to attract new employees. It seeks to use new recruiting products, tools, and talent systems to modernize the agency's recruitment strategy.

4. Miscellaneous

a. Military Personnel (MilPers) Centralization

DLA J1 Military Personnel (MILPERs) is conducting a pilot with the Army to determine if positioning military technicians (MILTECHs) in directorates ensures full-spectrum HR. MILPERs supported the Army from August 2023 through August 2024 from headquarters. So far, centralization is proving successful. If success continues, the recommendation will be to relocate a minimum of one MILTECH from each service to the headquarters. This headquarters plus-up will improve command and control and increase collaboration. The impact to civilian military technicians at the commands and regions will be minimal.

b. Established Presence in Advana:

Advana is an environment maintained by DoD chief data and analysis officer that offers secure data science, analytics, and visualization tools. It allows users to build customizable dashboards that communicate results to multiple audiences. Its introduction at J1 represents a transformative leap in data analysis proficiency.

c. Employee Recognition

The 55th Annual Employee Recognition Awards Ceremony on January 26, 2023, recognized the following personnel were as the 10 Outstanding Employees of the Year, DLA's highest annual recognition for current employees:

- (1) Juan Moralez Martinez, DLA Distribution
- (2) Philip Rolfe, DLA Disposition Services
- (3) Robert Nobach, Jr, DLA Logistics Operations
- (4) Steven Richards, DLA Aviation
- (5) Melissa Rodriguez, DLA Energy
- (6) Carolyn Toney, DLA Land and Maritime
- (7) Erich Gabris, Office of the Director
- (8) Col Michael Hansen, DLA Acquisition
- (9) Maj Krystal McGuinness, DLA Logistics Operations
- (10) Adam Tutolo, DLA Troop Support

The DLA Hall of Fame Class of 2023 was recognized May 18. Inductees were:

- (1) Kay Bushman, former Senior Counsel, DLA Energy
- (2) Alma Charles, former Supplier Operations Division Chief, Aviation
Commodities Division, DLA Aviation

- (3) Thomas Daley, former Deputy Director, DLA Troop Support Subsistence, DLA Troop Support
- (4) David Falvey, former Executive Director/Program Executive Officer, DLA Information Operations
- (5) Major General Mark Johnson, USAF (Ret), former Director, DLA Logistics Operations
- (6) John Kurtz, former Director, DLA Distribution Finance, DLA Distribution

d. Senior Leader Orientation Course

The Senior Leader Orientation Course overviews agency organization, operations, programs, and policies to incoming leaders. J1 Enterprise Support conducted the in-person event from September 18-20, 2023, in the McNamara Auditorium. Over fifty students participated in the three-day course.

5. Conclusion

The J1 team improved its service to our diverse customer base throughout the year while supporting agency personnel as they returned to the office.

J1 is building on a strong foundation of supporting DLA's mission-ready workforce and external HR customers and looking for creative ways to leverage agility and integration. J1 leaders are focusing on innovation and transformation to continue serving as strategic partners with our customers, both inside and outside DLA.

The team remains committed to adding strategic value, gaining trust, and managing priorities.

Defense Logistics Agency

DLA Logistics Operations (J3) Fiscal Year 2023 Historical Report



**DIRECTOR
LOGISTICS OPERATIONS
DEFENSE LOGISTICS AGENCY**



In Fiscal Year 23, DLA Logistics Operations (J3) tackled many global challenges and embarked on premier logistics operations to the Warfighter. While continuing to support U.S. forces on NATO's Eastern Flank responding to Russia's war in Ukraine, J3 provided unparalleled support across multiple efforts, including support to the Security Assistance Group-Ukraine; publishing DLA's first-ever Global Posture Plan; advancing Logistics Common Operating Picture (LOGCOP) efforts; and leveraging exercises and wargames to prepare for logistics in a contested environment.

This annual history report captures these J3 accomplishments and many more, including:

- Publishing the Agency's first-ever Global Posture Plan, which formalizes the tasks associated with supporting strategic deterrence and combatant commands' operations, activities, and investments.
- Tracking the progress of J3 equities in the DLA Strategic Plan while adjusting efforts to meet operational requirements and assessing feedback to support future strategic planning efforts.
- Implementing DLA General Order 11-22, which reorganized the J3 Directorate to strategically realign offices to better support the Warfighter and establish the J35 Plans Executive Directorate.
- Working with stakeholders to execute the \$43.5M CLIX Ukraine sustainment/support package as part of the Supportability 1.0 initiative.
- Reviving DLA's focus on metrics using the Agency Performance Review and driver tree analytics.
- Transforming the Agency's partnership metrics to ensure alignment with Warfighter outcomes.
- Participating in contested logistics wargames with the Military Services to better understand the challenges associated with peer threats across the spectrum of operations.
- Enhancing the partnership with the United Kingdom Ministry of Defence, including working toward a Terms of Reference to formalize this strategic relationship.
- Operationalizing LOGCOPs for subsistence and bulk fuels and driving the development of a repair parts visualization proof of principle.
- Standing up a new National Account Management office supporting the U.S. Space Force
- Obtaining an additional \$1.69B in obligation authority to support military service weapon system readiness at 85% material availability in FY24 and FY25.
- Implementing the Warehouse Management System at 48 sites.

In FY23, J3 remained agile, adaptable, and accountable while meeting challenges and opportunities to support the mission efficiently and effectively. While FY24 will bring new and unforeseen events, my deputy, Ms. Kristin French, and I are confident that J3's focus on supporting current operations, preparing for future operations, and developing our workforce will pay dividends in our support to the Warfighter, DLA, and the nation in the years to come.

A handwritten signature in dark ink, appearing to read "J.D. Noble".

J.D. NOBLE
Rear Admiral, SC, USN
Director, Logistics Operations/Commander, Joint
Regional Combat Support

1. Organizational Overview

a. DLA Logistics Operations (J3) Leadership

(1) In FY 2023, DLA Logistics Operations continued under the strong management of the entire J3 leadership team, led by RADM Doug Noble as the director of logistics operations and commander of joint regional combat support, with the support of the deputy director of logistics operations, Ms. Kristin K. French. J3 has 786 personnel consisting of 643 civilians, 74 active-duty service members, and 69 reserve service members.

(2) FY 2022 saw personnel changes within the J3. Mr. George W. Atwood III left his role as executive director of Logistics Plans and Policy to serve as the deputy director of DLA Acquisition. He was replaced by Ms. Emily Vogeler upon her appointment to the senior executive service (SES). Mr. Steve Kinskie was appointed to the SES and took over as the executive director of the newly established DLA J3 Plans Executive Directorate (J35). Mr. Patrick Kelleher left his role as executive director of DLA Operations (J31) to join the joint staff. Mr. Kinskie ended the year as the interim J31 in addition to his J35 duties. Regarding the regional commands, CAPT Patrick Blake remained in command of DLA Indo-Pacific, while COL Michelle Agpalza and COL A.J. Sullivan took command of DLA CENTCOM & SOCOM and DLA Europe & Africa, respectively.

(3) The reorganization of J3 was completed in November 2022 with the signing of General Order 11-22. Among other changes, the General Order disestablished the J32 Mission Support Executive Directorate and established the J35 Plans Executive Directorate.

b. DLA Logistics Operations Mission

(1) DLA Logistics Operations (J3) provides logistics and materiel process management policy, guidance, and oversight, while integrating strategic, operational, and tactical perspectives and providing command and control for contingency operations and adaptive planning to influence the agency's eight end-to-end logistics supply chains. J3 is the principal strategic, operational, and tactical planner for DLA business operations. Additional responsibilities include oversight of the daily operations of all J3 activities, and engagement with DLA Headquarters directorates and Major Subordinate Commands (MSCs) to gather and interpret customer requirements. J3 also serves as the DLA enterprise logistics functional community manager.

(2) J3 maximizes readiness and logistics combat power by leveraging enterprise solutions. To fulfill this mission, organizational elements are aligned under J3 to include Operations Executive Directorate (J31), Logistics Policy and Programs Executive Directorate (J34), and Plans Executive Directorate (J35).

(3) The director, DLA Logistics Operations provides a single focal point to combatant commands (CCMDs), their service components, and allies or designated partners for all DLA liaison and logistical planning. The J3 serves as the commander, joint regional combat support and adjudicates disagreements among regional commands, MSCs, and J/D codes. The J3 manages the overseas customer interface network of DLA Europe & Africa, DLA Indo-Pacific, and DLA CENTCOM & SOCOM. He also oversees three O-6 level regional commanders (DLA Europe & Africa, DLA Indo-Pacific, and DLA CENTCOM & SOCOM), exercising regional command responsibilities for DLA Enterprise operations monitoring, coordination, and planning,

as well as synchronizing the logistics support and service missions of all DLA activities globally for CCMDs.

c. J31 – Operations Executive Directorate

(1) J31 coordinates and integrates DLA's logistics capabilities with CCMDs, military services, the joint staff, other defense combat support agencies and designated federal agencies. Additionally, J31 provides integrated situation understanding of all levels of operations, command and control (C2) functions for contingency operations, and natural disasters in order to influence the end-to-end logistics supply chain.

(2) The operations executive director (J31) serves as the deputy commander, joint regional combat support, and adjudicates disagreements in the absence of the J3.

(3) J31 assists the director, DLA Logistics Operations and commander, joint regional combat support as the single focal point to CCMDs, their service components, and coalition forces for all DLA liaison and logistical planning. J31 assists in the management of the overseas customer interface network. Additionally, J31 aids the commander in overseeing the three O-6 regional commanders, exercising regional command responsibilities for monitoring, planning, coordinating, and synchronizing logistics support and service missions of all DLA activities within each theater.

d. J34 – Logistics Policy and Programs Executive Directorate

J34 oversees the development and dissemination of enterprise-wide business and supply chain management policy for order fulfillment, planning, stock positioning, retail sustainment, asset management, transportation, distribution network, disposition, technical/quality functions, and business cycle processes. J34 engages with the Office of the Secretary of Defense (OSD), the joint staff, and military service leadership in partnership efforts related to logistics programs and initiatives. J34 conducts research and analysis and provides DLA leadership with insights to shape policy and support decisions. Additionally, J34 synchronizes enterprise-wide logistics research and development efforts and leads/supports projects related to DLA's audit readiness. J34 additionally develops logistics data strategies for creating, obtaining, managing, and integrating logistics data for dissemination to support the DoD, federal agencies, and the North Atlantic Treaty Organization (NATO). Additional responsibilities include managing strategic logistics programs and initiatives to improve logistics support to the warfighter.

e. J35 – Plans Executive Directorate

J35 leads agency planning efforts for Fight Tonight thru FY 2035 requirements related to CCMDs, military services, whole of government (WoG) and international partners; and in support of mission assurance/supply chain security, joint plans and exercises, strategic business and plans, and futures. J35 interfaces daily with J3, J31, and J34 and routinely interfaces with DLA J/D codes, the DLA political advisor (POLAD), DLA Major Subordinate Commands (MSCs), DLA regional commands, DLA national account managers (NAMs), DLA liaison officers (LNOs), OSD, the joint staff, CCMDs, military services, and WoG representatives. J35 relies on direct support from the DLA J6 chief data and analytics officer (CDAO), and DLA J6 Analytics Center of Excellence (ACE) to accomplish mission objectives. ACE support includes

data strategy and integration into J3 Operations; logistics supportability analysis (LSA); demand and surge planning for supplies, services, and/or personnel; modeling, exercise, and wargame support.

f. Regional commands (DLA CENTCOM & SOCOM, DLA Europe & Africa, DLA Indo-Pacific)

Regional commands represent the DLA director within their assigned geographic regions and perform as enterprise points of contact with DLA senior overseas customers (combatant commanders, senior service components, theater service headquarters, other U.S. government agencies and DoD activities, and designated multi-national organizations and allied countries). Regional commands also act as leads for enterprise customer engagement in respective theaters of operation with responsibility for planning, coordinating, and monitoring enterprise operations to ensure customer satisfaction. Regional commands are the supported commander for steady-state and contingency operations within each region to ensure all forward DLA activities and operations are integrated in support of CCMD and regional service component requirements. Additionally, regional commands are the supported commander for all regional staff entities such as DLA Equal Employment Opportunity, DLA Human Resources (J1), DLA Information Operations (J6), DLA Finance (J8), DLA Installation Management (DM), DLA General Counsel (DG) and the DLA Office of Inspector General (OIG). Regional commands ensure alignment of regional programs with DLA's overall strategy and vision, while directing and coordinating DLA mission support, logistics planning, enterprise senior customer engagement, and development of an overall strategy for regional customer engagement. Additionally, the regional commands monitor customer satisfaction and maintain situational awareness to provide real time situational reports to the DLA enterprise. Regional commands are also responsible for managing cross-cutting enterprise issues regarding DLA policies and strategies.

2. Operations, Contingencies, and Humanitarian Assistance/Disaster Relief Support

a. Support to Security Assistance Group-Ukraine

(1) Background

Beginning in February 2023, the Agency Synchronization Operations Center (ASOC), in coordination with DLA Europe & Africa and DLA Land and Maritime, was tasked with developing Class IX support packages to support future combat operations in Ukraine.

(2) Description

The ASOC worked with stakeholders to execute the \$43.5 million Class IX Ukraine sustainment/support package as part of the Supportability 1.0 initiative. In May 2023, the OSD Cross Domain Working Group approved the \$43.5 million Ukraine Security Assistance Initiative case as part of Supportability 1.0 and identified residual funding for use.

(a) The ASOC worked in coordination with U.S. Army Security Assistance Command (USASAC) and on June 16, 2023, USASAC submitted requisitions as a

non-cooperative logistics supply support agreement and subject to foreign military sales order processing.

(b) 2,269 NATO parts were ordered. USASAC assigned a project code to increase tracking visibility.

(c) Class IX items were consolidated in Mechanicsburg, Pennsylvania, then packaged and shipped via commercial air to Poland. These items were ultimately transferred to Ukraine via representatives at the U.S. Embassy to Ukraine.

(3) Supportability 2.0 was conducted in early May 2023, with no changes recommended to DLA. There were no changes to the authorized stockage list.

(4) Supportability 3.0 started in June 2023 as part of a 30-day sprint to develop a 12-month Class IX spares package. This effort resulted from a directed OSD Ukraine Long-Term Strategy Working Group, which identified 18 weapon systems. DLA Land and Maritime analysis included all donated weapon systems with observed demands. The 12-month simulated forecast produced a 7,820 NIIN profile totaling about \$261 million for the Class IX package.

(5) Outcome

The ASOC provided general Class IX sustainment update to the U.S. European Command J4 to familiarize him with the efforts of DLA and Army Materiel Command. The Class IX efforts culminated with a Aug. 9, 2023, brief to Dr. Vic Ramdass, deputy assistant secretary of defense for materiel readiness.

b. Wildland Fire Protection Program (WFPP) Support

(1) Background

DLA's global network and expertise in supply chain management enabled an agile and rapid response to the WFPP. Throughout the year, DLA planned, organized, and trained with interagency partners to prepare for these types of emergencies. DLA supported state and local organizations across 10 U.S. Forest Service (USFS) regions.

(2) Description

DLA provided logistics expertise and material to USFS, including nearly 319 national stock numbers (NSN) supplied to its interagency caches and DLA warehouses. DLA remained in close coordination with the USFS, state, and local partners by synchronizing the replenishment of critical items and providing routine support through FedMall. In 2023, DLA provided direct logistics expertise and material to the WFPP, including 116 customer interaction center emergency orders totaling over \$2.1 million. FY 2023 state and local sales totaled over \$5.22 million from FedMall orders.

(3) Outcome

DLA's LNOs participated in planning and coordinating efforts that provided uninterrupted support to firefighting operations before, during and after the fire season.

c. Disaster Support

(1) Background

DLA supports Federal Emergency Management Agency's (FEMA) headquarters and its ten regions. DLA's global network and expertise in supply chain management enabled an agile and rapid response to emergencies such as earthquakes, floods, hurricanes, and tornados. Throughout the year, DLA planned, organized, and trained with interagency partners to prepare for these types of emergencies.

(2) Description

DLA provided logistics expertise and material to FEMA and co-hosted a pre-scripted mission assignment review for nineteen assignments.

(3) Outcome

DLA provided \$49.9 million in support services and items that included 623,000 gallons of fuel, 84 leased generators, 3 million meals, and 34 DLA personnel deployed in support of FY 2023 FEMA flood and hurricane disaster responses in addition to establishing and sustaining FEMA readiness warehouse stocks. For FY 2023, DLA Distribution took part in FEMA's Eagle Rising 2023 exercise and DLA Energy supported the FEMA Contingency Fuel Contract drill in FEMA Region 8. Additionally, DLA provided FEMA with 67,200 survivor daily rations under the Economy Act.

3. Regional commands

a. DLA CENTCOM & SOCOM

(1) Warfighter Always: Support of Combatant Commander Campaign Plans and Integrated Contingency Plans

(a) Background

DLA CENTCOM & SOCOM (C&S) supported U.S. Central Command's (CENTCOM) four named operations: Operation Inherent Resolve; Operation Spartan Shield; Operation Yukon Journey and Operation Allies Welcome. In addition, CENTCOM has two major operations plans (OPLAN), and U.S. Special Operations Command (SOCOM) has one major OPLAN with integrated DLA phased support. Theater sustainment posture is transitioning from Arabian Gulf-centric to a Western Access Network (WAN) concept. DLA C&S is the only regional command supporting ongoing combat operations.

(b) Description

DLA C&S supports 35,000 personnel and multiple platforms and systems across 21 countries within the CENTCOM area of responsibility (AOR). Additionally, the

command supported Special Operations Forces (SOF) and SOF-specific systems across the globe. The regional command, DLA Support Team Middle East (DST-ME), and regional major subordinate commands (MSC) are integrated at key sustainment nodes to synchronize DLA capabilities, supply chain equities, and services with warfighter requirements.

(c) Outcome

DLA sustainment and services were seamlessly integrated into CENTCOM and SOCOM OPLANs, contingency plans, and named operations. The command maintained agile strategic lines of communication in theater. It enhanced logistics information and intelligence into the combatant command logistics common operating picture (LOGCOP) using data acceleration initiatives. Finally, it programmed capacity to enable rapid transition from current operations to a contested logistics environment.

(2) Warfighter Always: Partner with Customers at Wholesale/Retail levels to Address Service-specific challenges and Develop Solutions

(a) Background

The regional command refined the command-and-control structure to support the rapidly changing contested logistics environment and locations within theater.

(b) Description

In a resource-constrained environment and given the re-posturing of operational forces, the regional command focused on synchronizing sustainment and services to provide optimal logistics support.

(c) Outcome

DLA C&S continued to engage with customers, DLA Headquarters, and MSCs to align its organizational structure so best to sustain the warfighter in a contested logistics environment. DST-ME optimization continued to refine a flexible and agile command and control structure to respond to the expanded CENTCOM operations in support of the WAN development. In direct support to Combined Joint Task Force-OIR (CJTF-OIR) and U.S. Army Central Command (ARCENT), DLA C&S facilitated the packaging and removal of 15 containers of hazardous waste, totaling more than 347,000 pounds, from Iraq in accordance with U.S. environmental law and international Basel conventions.

In a resource-constrained theater, the regional command and MSC supply chains coordinated with service components to ensure continued alignment. DLA Distribution and the regional command, in coordination with CENTCOM and service components, proposed a future distribution network and implemented the Warehouse Management System (WMS) to support Middle East re-posture.

(3) Senior Leader Turnover

The command recognized the following senior leader changes: commander, DLA CENTCOM & SOCOM, Army COL Gerard M. Acosta to Army COL Michelle M. Agpalza; director, DLA Disposition Services Directorate-Central, Army LTC Vincent Felix to Mr. David Flietstra; DLA Energy-Middle East, Army LTC Alberto Cordova to Army LTC Jamie Pittman; DLA Distribution Naval Support Activity Bahrain, Navy CAPT Jeretta Dillon to Navy CDR John Olabode; DST-ME, Army LTC Christopher M. Rozhon to Army LTC Jeffrey R. Stevenson and Army LTC Jeffrey R. Stevenson to Army LTC Michael J. Martin.

b. DLA Europe & Africa

(1) Mission

Plan, coordinate and deliver synchronized logistics for U.S., allied, and partner forces to enable combat credible and resourced Warfighters in the U.S. European Command (EUCOM) and U.S. Africa Command (AFRICOM) AORs.

(2) Vision

A sought-after team leading joint logistics, developing relevant theater solutions, and delivering ahead of need.

(3) Priorities

(a) Provide agile joint logistics: DLA Europe & Africa (E&A) plans, coordinates, and synchronizes the feeding, clothing, fueling, equipping, supplying, printing, storing, disposing, and distribution of DLA-managed sustainment and services.

(b) We are one DLA: The regional command is an integrated and responsive team focused on the Warfighter.

(c) Enable the theaters' re-set: DLA E&A educates and informs theater enablers to facilitate transition from steady state to operations. The regional command creates flexible, reliable, and resilient options to mitigate risks associated with contested logistics while enabling interoperability with allies and partners.

(4) Warfighter Always

DLA E&A remains focused on contingency operations and exercise support across two theaters. These two focused efforts have merged over the past year. DLA E&A continues to provide joint logistics planning, synchronization, and execution to supported commands and their subordinate tactical units across Europe and Africa.

(a) Readiness

DLA E&A provided joint logistics for the Combined Joint Forces Land Component Commander (CJFLCC) through the delivery of DLA-managed supplies and

resources, resulting in increased readiness and combat credible forces. The regional command ensured materiel, supplies, and capabilities were positioned at the warfighter's point of need.

(b) Secondary effort

DLA E&A continued empowering its workforce, focusing on professional development, recognition, and talent management. The command reestablished an environment that is safe, healthy, and professionally rewarding.

(5) Accomplishments

(a) DLA E&A remained fully engaged supporting NATO's eastern flank and responding to crisis in Africa. The command delivered necessary supplies to U.S. Army Europe and Africa, U.S. Navy Europe, and U.S. Air Force Europe and Africa, as well as additional U.S. formations (V Corps, two rotational brigade combat teams and a combat aviation brigade) to bolster NATO's combat credible forces arrayed from Scandinavia to the Mediterranean Sea. DLA E&A experienced double-digit increases in most commodities and supply chains as a result. Across EUCOM, DLA E&A supported \$42 million (of the \$43.5 million) allocated for Class IX sustainment for the Ukrainian Armed Forces. DLA E&A Disposition Services executed foreign military sales cases for ambulances, HMMWVs, floating bridge sections, camouflage systems, winterization materials, textiles, and weapon systems. DLA Headquarters provided the regional command with 26 additional DLA civilian and military deployers. DLA E&A's MSCs coordinated the delivery of subsistence, fuel, construction and barrier material, textiles, Class IX repair parts, and medical supplies while simultaneously supporting steady-state operations in Europe and Africa.

(b) DLA E&A responded to a fluid and dynamic environment. The regional command prepared, supported, and managed DLA-provided materiel, supplies, and services in response to the Department of State-led evacuation of Sudan. DLA E&A provided tailored fuel solutions to SOF, the Air Force, and the Army in Africa as instability and demands impacted supported units on the continent. DLA E&A Energy delivered over 3 million gallons of fuel to Camp Lemonnier, Djibouti, in support of the military-assisted departure of U.S. civilians and DoS employees from Sudan. DLA E&A Disposition Services coordinated the removal of hazardous materials and waste from bases in Europe and Africa. DLA E&A Troop Support coordinated and adapted subsistence, construction materials, tentage, and provided MRO/SOE solutions based on supported command needs.

(c) In Niger, DLA E&A Troop Support worked with AFRICOM and U.S. Air Forces Europe and Africa to develop options for the resupply of subsistence and water. DLA E&A Disposition Services prepared seven 40-foot containers of hazardous material for export from Niger that were still in country awaiting diplomatic solutions to open ground lines of communication at the end of the fiscal year.

(d) DLA E&A was postured to plan, coordinate, and respond to joint logistics requirements from EUCOM and AFRICOM. As rotational and permanent units continued to span across NATO's eastern flank, the Arctic Circle, and the Cape of Good Hope, DLA E&A integrated with supported commands' logistics staffs and leaders. The command

established processes for supporting commands while ensuring DLA remains the joint logistics provider of choice in Europe and Africa.

(6) Senior Leader Turnover

DLA E&A experienced a significant turn-over of key personnel in FY 2023. COL Adrian J. (AJ) Sullivan replaced COL Faith Chamberlain as DLA E&A commander; DLA E&A military deputies transitioned from LtCol Matt Berridge to Navy CDR Brian Sailor to LTC James Jarvis to LtCol Jatan Bastola; the DLA E&A Energy commander, LTC Ben Fortune, was replaced by LTC Leslie Shipp; the DLA Distribution Sigonella commander, CDR Geno Dawson, was replaced by Navy CDR Ben Muniz; the DLA E&A Troop Support commander, LTC Tracey Yates, was replaced by Army LTC Fermin Gonzales; DLA Disposition Services E&A deputy, Mr. Lawrence Evans, was replaced by Mr. Omar Khlifi.

(7) Outcomes

DLA E&A remained the CCMD and service components' choice for logistics services and supplies. The command remained focused on exceeding customers' expectations. It evolved with the theaters' changing requirements while improving systems, processes, and personal relationships across the agency and supported commands.

c. DLA Indo-Pacific

(1) Mission

Provide a single DLA interface for U.S. Indo-Pacific Command (INDOPACOM) warfighters through a collaborative network of forward-positioned and United States-based DLA support capabilities.

(2) Operational Priorities

The Indo-Pacific theater is the world's most geographically diverse region, with long lines of communication that test DLA's ability to sustain the joint force in competition and crisis. To address these challenges, DLA Indo-Pacific, along with the DLA MSCs, continually assessed DLA capabilities and looked for opportunities to enhance support through joint initiatives. These initiatives were incorporated into DLA Indo-Pacific's operational priorities and included working with INDOPACOM and its assigned sub-unified and service component staffs, delivering logistics in a contested environment, adjusting to emerging warfighting concepts, enhancing warfighter relationships, and supporting crisis response.

(3) Red Hill Fuel Facility Defueling and Closure Efforts

Joint Task Force-Red Hill (JTF-RH) was established September 2022 to defuel Red Hill. DLA supported all JTF-RH operations, repair, and response planning. DLA helped craft the Red Hill defueling plan and supplements; participated in town halls and open houses; established a new contractor-owned, contractor-operated facility on Oahu; provided technical

expertise and funding to make facility repairs; supported a cyber assessment; procured self-contained breathing apparatuses, fire extinguishers, and monitoring well covers; and helped develop a concept of operations. The team also worked with Military Sealift Command to acquire tankers. DLA support was instrumental to achieving an October 2023 defuel start date.

(4) Joint Base Pearl Harbor Hickam Water Main Break

In October 2022, Joint Base Pearl Harbor Hickam (JBPHH) experienced its second major water crisis when a main water line broke, removing access to running water for operating forces and residents. Like with the Red Hill response, DLA Indo-Pacific integrated planners in the JBPHH Emergency Operations Center and facilitated a coordinated response from DLA Troop Support Pacific to provide bottled water to residents from local vendors. In total, DLA Distribution Pearl Harbor and DLA Troop Support Pacific delivered more than 20,000 gallons.

(5) Typhoon Support for Guam

Following Typhoon Mawar's landfall in June 2023, residents and U.S. forces on Guam experienced island-wide power outages, loss of communications, damage to airfields and port infrastructure, and water shortages. DLA Indo-Pacific remained integrated with INDOPACOM, U.S. Army Pacific (ARPAC), and FEMA to support the response and enable recovery, to include for DLA employees on Guam. DLA Distribution Guam and DLA Energy Southwest Pacific supported emergency responders on the island.

(6) Schofield Barracks Power Outage

Following a privatized power agreement with Hawaii Electric Company, 3,500 homes at Schofield Barracks began experiencing unscheduled electrical outages. As the contracting arm of the agreement, DLA Energy deployed personnel to Oahu to facilitate restoration of power. DLA I-P supported USARPAC throughout the crisis to ensure support was rendered and forces remained postured until a replacement transformer could be installed.

(7) Maui Wildfire Support

In August 2023, brushfires fueled by strong winds from Hurricane Dora led to tragedy on Maui, resulting in fatalities, vast numbers of displaced persons, and extensive property loss. DLA Indo-Pacific integrated with FEMA, INDOPACOM, and ARPAC to support emerging requirements as necessary. This is an ongoing effort.

(8) Exercise Support

Over FY 2023, DLA Indo-Pacific supported INDOPACOM, sub-unified command, and service component Tier 1-4 major exercises. For Tier 1-2 exercises, this included integrating planners in joint exercise life cycle planning events. DLA regional support included subsistence, fuels, disposal, and distribution. DLA LNOs, planners, and DSTs embedded with forward-deployed warfighters. Tier I and II level exercises supported were: Cobra Gold 23

(Thailand), Balikatan 23 (Philippines), Northern Edge 23-1/23-2 (Guam/Northern Mariana Islands), Freedom Shield 23 (Korea), Ulchi Freedom Shield 23 (Korea), Pacific Sentry 23 (Hawaii), and Talisman Sabre 23 (Australia). DLA Indo-Pacific also supported numerous Tier 3-4 service component exercises and dynamic operations, activities, and investments.

(9) Contingency Planning

INDOPACOM forces continually refined their warfighting concepts and strategies, often requiring new concepts of logistics support. DLA Indo-Pacific enabled INDOPACOM and service component initiatives to improve theater sustainment postures and concepts, all the while informing DLA Headquarters of changes. Contingency planning included integration in various INDOPACOM J4 functional and theater sustainment working groups. Additionally, DLA Indo-Pacific participated in numerous wargames and strategic-level planning sessions, including Unified Pacific Wargame, the Pacific Air Force (PACAF) combat support rehearsal of concept, the Naval Services Wargame, the Red Logistics Wargame, Navy, and Marine Corps Maritime Working Groups, the PACAF Long Duration Logistics wargame, the Navy Contested Logistics wargame, and various tabletop exercises on Korean theater operations.

(10) Completed Regional Initiatives

DLA Indo-Pacific made progress on five initiatives in FY 2023. First was DLA Disposition Services' Expeditionary site set relocation to Sagami Depot, Japan. Second was DLA Disposition Services becoming a member of the INDOPACOM environmental workgroup, supporting the disposal of hazardous waste. Third was full operating capability (FOC) of Defense Fuel Support Point West Oahu. Fourth was a personnel increase to align DLA Indo-Pacific with INDOPACOM. Finally, DLA Aviation Kadena Support Center Pacific (SCP) reached initial operating capability (IOC).

(11) Senior Leader Turnover

(a) Outbound Leaders

DLA Indo-Pacific transitioned into a series of changes-of-command and staff turnover, commencing with the regional military deputy, COL Brian Donahue; CDR Kara Langford, DLA Land and Maritime; CDR Christopher Radke, DLA Energy Guam; CDR William Jakubowicz, DLA Energy Hawaii-East; and Maj Anthony Anderson, DLA Energy Okinawa.

(b) Incoming Leaders

COL Dennis Williams, DLA IP Military Deputy; CDR Konrad Krupa, DLA Energy Hawaii-East; CDR Scott McCarthy, DLA Energy Guam; Maj Kevin Knutson, DLA Energy Okinawa.

(c) Key Billet New Hires

DLA IP deputy commander, Mr. Bruce Blank; CDR William Jakubowicz, JTF-RH LNO.

4. Initiatives

a. Visualize and Operationalize Global Inventory Data

(1) Background

With the Deputy Secretary of Defense's directive to transition data storage to Advana, DLA gained an unprecedented opportunity to access supply chain data across the services and within DLA itself. The phase one goal to visualize 100% real-time inventory data for all classes of supply across the DoD to the brigade level is within reach. DLA must understand what it has, where it is, and who needs it. The MSCs have created tools for facilitating better visualization for some classes of supply, and more are in the pipeline.

(2) Description

Operationalizing logistics data is a three-phased process, with each phase building on the successes of previous phases. The initial phase, visualizing logistics data across DoD, is well underway. Currently, visualization tools for Classes I, III, and IX are in use. Feedback and refined requirements from users will be incorporated into the second phase, automation. As DLA visualizes the global inventory in the context of customer demand, decision makers at all levels can make choices based on timely information. Analyzing the effect adjusting various parameters and priorities have on the agency's ability to meet customer demand becomes possible. Translating decisions into actions by allowing users to modify parameters in an automated "what if" environment and see immediate results adds to the toolset available to decision makers. The final phase of operationalizing inventory data adds analysis and prediction. Achieving this goal requires robust logistics data tools to delve into Advana's data stores. Effective forecasting requires understanding supply chains, global inventory, and the operational requirements. Although operational requirements have a foundation in historical data, forecasting future requirements depends heavily on training and operational plans for units.

(3) Initial versions of three logistics data tools were released early in the fiscal year. The ASOC began using these tools to aid decision making during operations and exercises.

(a) Global Rations And Prime Vendor Subsistence Enterprise Status (GRAPES): Class I Subsistence.

(b) Supply Chain App Logistics Enhancement (SCALE): Class III Petroleum.

(c) Event Visualization Assessment (EVA): LOGCOP tool.

(4) The Minimum Viable Product (MVP) proof of concept Class IX tool was released for initial user testing.

(5) Outcome

DLA has shown the ability to aggregate logistics data into easily accessed tools that support decision makers throughout the agency. The agency expects successes to continue.

b. Partner with Customers at the Wholesale and Retail Levels

(1) Background

Recommendation #177 of Base Realignment and Closure (BRAC) 2005 directed the transfer of supply, storage, and distribution (SS&D) functions at specified locations from the services to DLA.

All identified SS&D functions transferred to DLA as directed. The military services retained production functions (including on-site inventory and material identified as work in progress).

(2) Description

(a) Marine Corps

DLA industrial supply integration with the USMC maintenance depots at Albany, Georgia, and Barstow, California, reached IOC in October 2022. WMS went live at Albany, Georgia, in March 2023. The team was on track to implement WMS at Barstow, California, in October 2023.

(b) Air Force

Kadena SCP reached IOC in February 2023 and has set summer 2023 as the target for FOC, two years ahead of initial projections. The team worked closely with the Air Force to establish requirements for WMS implementation at air logistics complexes (ALCs). Working groups and weekly integrated project team (IPT) calls started in May 2023. The first ALC WMS deployment is scheduled for Tinker Air Force Base, Oklahoma, in August 2024.

(c) Navy

DLA supported the Navy's plan to create a single supply chain owner responsible to the Navy shipyard (NSY) commander. DLA, Naval Sea Systems Command (NAVSEA), and Naval Supply Systems Command (NAVSUP) partnered to begin the NSY Material Management System to ensure material availability for ship maintenance. This effort moved forward by implementing supply sustainment units, also called Code 500s, in all four NSYs.

(3) Outcome

Since 2009, DLA effectively integrated SS&D functions with Air Force ALCs and Navy Fleet Readiness Centers (FRCs). Efforts at these activities reduced DoD inventory

investment by \$1.283 billion since implementation began in 2009; \$1.04 billion for Air Force sites and \$280 million for Navy sites. DoD reduced end strength by 105 full time equivalents (FTEs) by eliminating duplication: 63 FTEs at Air Force sites and 42 at Navy sites.

The SS&D effort succeeded at ALCs and FRCs. As of June 2023, the six-month consolidated order response time – the key metric for ALCs – averaged 88% of materiel in two or fewer days, close to the Air Force goal of 90%. Overall FRC gross demand plan fill rate – the Navy’s key metric – averaged 92% of materiel in three or fewer days, above the Navy goal of 90%. All three sites track above the goal.

The SS&D deployment for Marine Depot Maintenance Command (MDMC) remained at IOC. The MDMC team streamlined processes and metrics to ensure successes similar to what was achieved at ALCs and FRCs. The MDMC team reduced backorders and ordered more material but remained off its submitted gross demand plan.

c. Implement the Extended Warehouse Manager Warehouse Management System

(1) Background

Since 2018, DLA has been modernizing its warehousing and distribution processes by transitioning from the distribution standard system (DSS) to WMS. WMS is a technical refresh of DLA Distribution and DLA Disposition Services daily processes and functions.

FY 2023 marked the end of the pilot site development at DLA Distribution Corpus Christi, Texas, and the initiation of the large-scale deployment. Throughout FY 2023, DLA deployed WMS at 48 DLA Distribution and DLA Disposition Services sites, including the F-35 Vendor Shipment Module in San Joaquin, California. Kadena, Japan, became the first domestic site to receive WMS on Feb. 13, 2023.

In parallel with the deployments, the J3 drove ongoing audit efforts and walked its independent auditor through WMS business processes. The audit team reviewed activity at Corpus Christi, Texas; Tobyhanna, Pennsylvania; Puget Sound, Washington; and Albany, Georgia. Audit knowledge sharing sessions will ensure DLA can respond to auditor feedback and understand corrective action plan development.

Regular engagement with the DLA vice director and military service partners fostered communication for all stakeholders, ensuring deployments stayed on schedule and support was retained at each location. To support the sustainability and of the WMS solution and address notice of findings and recommendations (NFR) IT-2021-WMS-002, J34 and J6 worked to complete a segregation of duties analysis of all active roles required to operate DLA Distribution warehouses. DLA initiated this analysis at the beginning of FY 2023; the warehouse management assessment was complete in June 2023, transportation module assessment in August 2023, and global trade services assessment in September 2023. These assessments reviewed over 600 transaction codes.

(2) Description

As of the end of FY 2023, the network is 39% deployed. Ongoing efforts to coordinate with military service partners guided the development of Jacksonville FRC on May 30, 2023, and Cherry Point FRC, North Carolina, in September 2023. Requirements and logistics

discussions centered on deployments at the Warner Robins and Tinker Air Force Base ALCs, scheduled for the end of FY 2024.

DLA Disposition Services continued to deploy with minimal issues. All implementations to date used existing functionality; deployment activities centered around site configuration. The latest sites to go live were DLA Disposition Services Jacksonville, DLA Disposition Services Meade, and DLA Disposition Services Puerto Rico on Sept. 25, 2023.

DLA Distribution Red River, Texas, was the largest site deployed to date. Given the center's size and scope, a significant backlog developed after going live. To minimize customer inconvenience, team members remained on site, addressing challenges with pack and helping reduce the backlog. This surge team was supplemented with additional volunteers and global distribution expeditionary contract support for 90 days, increasing the surge team to over two dozen personnel. The final DLA Distribution sites to go-live in FY 2023 were DLA Distribution Cherry Point on Sept. 5, 2023, and DLA Distribution Bahrain on Aug. 14, 2023.

(3) Outcome

The WMS implementation team deployed at 48 sites across both DLA Distribution and DLA Disposition Services as of the end of FY 2023 and was on track to meet the target of 67 by the end of the calendar year. The following sites received WMS in FY 2023.

	Title	Go-Live		Title	Go-Live
1	Distribution (FY 2022)	07/01/2022	25	DS Hill	06/19/2023
2	Litigation	10/31/2022	26	DS Norfolk	06/19/2023
3	Whitehall	10/31/2022	27	DS San Joaquin	06/19/2023
4	DS TOSC	11/14/2022	28	DS Sierra	06/19/2023
5	Everett	12/05/2022	29	DS Columbus	07/24/2023
6	Puget	12/05/2022	30	DS Holloman	07/24/2023
7	DS Corpus Christi	01/30/2023	31	DS Phoenix eRecycle	07/24/2023
8	DS San Antonio	01/30/2023	32	DS Scott	07/24/2023
9	Kadena	02/13/2023	33	DS STOW	07/24/2023
10	Albany	03/06/2023	34	DS Tucson	07/24/2023
11	DS Riley	03/20/2023	35	DS Tucson DEMIL	07/24/2023
12	DS Warner Robins	03/20/2023	36	Indiana DCOS/MCOS	07/24/2023
13	DS Whiteman	03/20/2023	37	Red River	07/24/2023
14	Pearl Harbor	03/20/2023	38	Bahrain	08/14/2023
15	F-35	04/16/2023	39	DS Atlanta eRecycling	08/21/2023
16	DS Pendleton	04/17/2023	40	DS Colorado Springs	08/21/2023
17	DS Richmond	04/17/2023	41	DS Ellsworth	08/21/2023
18	DS San Diego	04/17/2023	42	DS Lejeune	08/21/2023
19	Tobyhanna	04/17/2023	43	DS Liberty	08/21/2023
20	DS Barstow	05/15/2023	44	DS Minot	08/21/2023
21	DS Groton	05/15/2023	45	Cherry Point	09/05/2023

22	DS Letterkenny	05/15/2023		46	DS Jacksonville	09/25/2023
23	DS Susquehanna	05/15/2023		47	DS Meade	09/25/2023
24	Jacksonville	05/30/2023		48	DS Puerto Rico	09/25/2023

d. F-35 Lightning II: joint program office (JPO) product support provider (PSP) efforts

(1) Goal

Achieve FOC for North American Regional Warehousing (NRW), DLA Disposition Services, and Global Transportation and Distribution (GT&D) as the assigned F-35 PSP in support of F-35 JPO objectives.

(2) Background

DLA supported the F-35 program goals of increasing joint spares pool spare parts posture and supply chain visibility, achieving OSD/JPO sustainment affordability goals, and cataloging items. During FY 2023, DLA achieved NRW IOC by transitioning Batch 1 and 2 to DLA Distribution Center San Joaquin, CA (DDJC). The remaining inventory was on track to transition into DDJC by Dec. 31, 2023. As the fleet grows, DLA continues to increase the supply inventory scope at all seven assigned U.S. DLA Distribution centers. DLA, in partnership with TRANSCOM, achieved IOC for GT&D Phase 2B, implementing activities for U.S. forces at overseas locations by integrating the WMS transportation module. DLA Disposition Services achieved FOC as the F-35 PSP for demilitarization and disposal. As part of National Defense Authorization Act FY 2022 Section 142, transition of the F-35 program to the U.S. services, DLA provided parts and cataloging services to the Air Force and Navy. The services and DLA managed F-35 parts in support of the OSD Pathfinder test pilot.

(3) Outcome

As PSP for F-35 demilitarization and disposal, DLA ensured effective disposition of CONUS and OCONUS material supporting the F-35 enterprise.

e. DLA Industrial Base Campaign of Learning (DIBCoL)

(1) Background

DLA initiated the DIBCoL during FY 2023. This initiative, co-led by J3 and J7, established the foundation for deliberate analyses in support of agencywide decision making, while assessing DLA-dependent industrial base (DDIB) resiliency.

(2) Description

In May 2022, while attending the annual Naval Contested Logistics Wargame, RADM Noble realized DLA needed a wargame to perform focused DDIB analyses. He formed a cross-functional DDIB operational planning team (OPT) that convened May through September

2022 and included members from J7 Operations, J7 Warstopper, J7 Strategic Materials, J67A ACE, J351 Supply Chain Risk Management, J353 Plans and Exercises, J355 Strategic Plans and Futures, and Enterprise Risk Management. Because of the DDIB's size and scope, RADM Noble decided to expand the analyses from a single wargame to three sector wargames.

(3) Outcome

The first wargame, scheduled from October 16-20, 2023, will explore the clothing and textiles industrial base with the Center for Naval Analyses (CNA) providing analytic support. The second wargame, projected for April/May 2024, will explore the bromine water cartridge and related items' industrial base with RAND National Defense Research Institute (NDRI) providing contracted analytic support. The third wargame, projected for January/February 2025, will explore the aluminum smelting/castings/forgings industrial base with CNA and RAND-NDRI competing to provide contracted analytic support. The director's reserve fund provides \$1.5 million for the wargames through FY 2024. Approved in March 2023, a PBR 25-29 budget increase request will support the \$8.7 million J3 analytical support fund across the future years defense program.

f. Additive Manufacturing (AM) IPT Standup

(1) Background

In FY 2023, J3 stood up the DLA Additive Manufacturing Process Integration position (J343) to execute the DLA AM implementation plan (AMIP). This capability operationalizes research and development successes. The DLA director approved AMIP in June 2022. J34 led an IPT on business opportunities to integrate AM into DoD supply chains.

(2) DLA AM Process Integration

The DLA AM process integrator ensures AM equities are part of DLA operational plans. J34 integrates DLA concepts from legal, procurement, engineering, logistics, research and development, and information technology into OSD and DLA long-range AM planning efforts. The DLA AMIP is focusing on developing opportunities to provision the services with raw materials, printers, maintenance contracts, consumable items, machine installation, and training.

(3) Description

Beginning March 2023, the DLA AM IPT began executing the DLA AMIP. In the following months, it pursued outlined business opportunities. External engagements included the OUSD for Acquisition and Sustainment, OUSD for Research and Engineering (R&E), OSD Cost Assessment and Program Evaluation (CAPE) AM Study, support to the OUSD(A&S) Advanced Manufacturing Capability Advantage program, and the OSD AM Crisis Action Response wargame.

g. Per- and Polyfluoroalkyl Substances (PFAS)

(1) Background

PFAS chemistry was discovered in the late 1930s and included in many products commonly used by consumers, industry, and the government. Initially, only perfluorooctanoic acid/perfluoro octane sulfonate and aqueous film forming foam (AFFF) were the focus of National Defense Authorization Act (NDAA) actions and affected DLA but, as further discussions were held, the issue expanded to over 40 PFAS chemicals. DLA's initial connection to PFAS was through a lawsuit filed in 2020 stating that DLA and DoD violated the National Environmental Protection Act and Section 330 of the NDAA by incinerating AFFF. Since then, DLA has become an integral part of the PFAS initiatives and changes.

(2) Description: Below are descriptions of various topics DLA has played a role in for PFAS.

(a) Section 330 of the FY 2020 NDAA required DoD to ensure specific requirements were met when disposing of DoD PFAS-containing materials and AFFF by incineration. Section 343 of the FY 2022 NDAA required DoD to implement a temporary moratorium on incineration within 120 days unless DoD issued guidance to implement the Environmental Protection Agency (EPA) interim guidance and Section 330 of FY20 NDAA; or until EPA issued final guidance, which was not expected until late 2023.

(b) The Assistant Secretary of Defense (Energy, Installations and Environment) signed disposal guidance in July 2023, lifting the incineration ban. While incineration was included as an option, additional planning was necessary before operations resumed. DoD components were prohibited from resuming incineration of materials containing PFAS for at least 45 days.

(c) DLA had not incinerated since February 2022. While DLA Disposition Services' contracts allow contractors to dispose of AFFF at Resource Conservation and Recovery Act-permitted Subtitle D and Subtitle C landfills, only three Subtitle C landfills had accepted this waste due to challenges in managing leachates containing high levels of PFAS.

(d) DLA Installation Management Environmental Management led a programmatic environmental assessment (PEA) for the Defense Department on commercially available disposal and destruction technologies for PFAS-containing materials. The PEA developed screening criteria to identify appropriate technologies for further evaluation and eliminate technologies that do not support the DoD mission. It has a targeted a completion date of Dec. 5, 2023.

(e) Section 322 of the FY20 NDAA prohibited DoD use of AFFF with PFAS after Oct. 1, 2024, except for onboard oceangoing vessels. DoD will need to transition to PFAS-free firefighting agents over the next few years. The Navy developed the MILSPEC and was responsible for qualifying the vendors for the fluorine-free firefighting foam (F3) product. In 2023, DLA became a recurring member of the DoD PFAS Task Force Working Group. During one of the meetings for the AFFF transition, DLA shared that the agency is the integrated material manager (IMM) for AFFF and the new F3, therefore the sole source of the products.

(f) The services countered, stating the IMM designation doesn't apply to facilities and that the DFAR (208.7003-1) identified a partial IMM assignment if an organization

is involved in developing the product. With these two areas, the services could procure their own F3 product. DLA proposed two courses of action: if a service is procuring the product itself, then it must order through DLA, or if a service uses a performance-based contract, the IMM distinction does not apply, although the contract should state that DLA is an authorized source of supply for the contractors.

(g) With the partial assignment efforts, the Office of Deputy Assistant Secretary of Defense (DASD) Logistics took the lead, as it owns the policy for IMM. The DFAR does identify partial assignment, but the language was not coordinated and there was a DFAR case to research further.

(3) Outcome

This is a continuous engagement for all topics related to PFAS. Disposal guidance has been published along with a minimum 45-day extension on the incineration ban. Determination of what happens after the 45 days depended on the PEA, which is set to be published by Dec. 5, 2023. Additionally, DLA provided briefs on F3 procurement and timelines for execution.

h. Develop a Market Intelligence Capability to Manage Supply Chain Risk

(1) Background

The J3 Mission Assurance division worked multiple initiatives to assure the capability to identify, assess, report, and mitigate major threats, vulnerabilities, and disruptions to the global supply chain. DLA is supported by approximately 10,000+ suppliers for 4 million items across five material classes of supply and logistics services. Without the ability to identify supplier and sub-tier threats, vulnerabilities, and disruption events, DLA was unable to assure material availability, nor assure inventory and supplier investments will mitigate deficiencies.

(2) Description

The Mission Assurance division sought to address the susceptibility of DLA to global supply chain disruptions, threats, and vulnerabilities through research and development projects, participation in the DoD Supply Chain Risk Management working group, and policy.

(3) Outcome

DLA continues to work on implementing supply chain risk management.

(a) Completed research and development projects including the review and application of public, government, and other sources of information in machine learning models to determine material availability and readiness impacts from threats, vulnerabilities, and disruptions. The efforts also developed a portfolio view of mitigation actions, allowing full consideration of investments and comparative valuation of monetary and time-definite results. Future work will include full deployment across DLA supply chains.

(b) HON Christopher Lowman, assistant secretary of defense for sustainment, was briefed in November 2022, resulting in approval of the DoD supply chain risk management taxonomy. The taxonomy identifies twelve major categories of risk, enabling standardized reporting and collaboration. DLA incorporated the taxonomy in both internal programs. Policy development continued throughout FY 2023, with Defense Department coordination beginning in FY 2024.

(c) Visibility of suppliers, sub-tiers, and material dependencies was gained through a Government Services Administration contract for commercial information and analysis. Several illuminations were conducted, enabling visibility within weapon systems, supply chains, and specific items of concern. Continuing analysis of the commercial capabilities and DLA resulting actions will assure investments are value-added.

i. Mission Assurance – Continuity of Operations

(1) As the DoD's combat support agency for logistics, resiliency is important to DLA in serving the warfighter and whole of government in emergencies. The agency held a continuity of operations plan (COOP) exercise Oct. 25-27, 2022, as part of national-level exercise (NLE) Eagle Horizon 2022 (EH 22), focused on continuing operations in emergency situations. It was a fully integrated, functional continuity exercise testing the mission essential functions of government agencies in the event of a cyber-attack in the National Capital Region (NCR).

(2) For the first time since 2018, 17 members from DLA's Emergency Relocation Group (ERG) traveled to an alternate location for the exercise. Four employees participated remotely. The COOP exercise ensured communications systems, infrastructure, and other resources were available. It demonstrated the ASOC's ability to function at the remote location and serve as DLA leaders' conduit to business and operations outside of the headquarters. The exercise also tested customer support processes, procedures, and resiliency. It was the first of three exercises designed to progress resiliency capacity.

(3) DLA was directed to conduct internally focused command post exercises to test and evaluate DLA's ability to respond to, operate during, and recover from a loss of critical capabilities. The first exercise under this initiative was held on March 24, 2023. It was a four-hour tabletop exercise in which DLA's ability to respond, operate, and recover was evaluated from three perspectives (crisis management, alternate business processes (ABP), and information operations (IO)) in accordance with current policies and procedures. A ransomware attack affecting FEDMALL, Wide Area Workflow, and Electronic Data Access provided context. An after-action report (AAR) detailed the findings and offered recommendations.

(4) DLA participated in Positive Response 2023 (PR 23), an NLE that required DLA to activate its COOP. Select ERG personnel were required to relocate from their assigned locations from April 11-21, 2023, based on a cyber scenario resulting in denied communications in the NCR. The exercise rehearsed DLA ERG notification, deployment, integration, and build.

j. NATO Support and Procurement Agency (NSPA)/NATO Logistics Stock Exchange (NLSE) Efforts

(1) Background

The goal for J341 Planning and Order Fulfillment division regarding NLSE was to develop an automated and auditable process for the MSCs and partner nations to buy and sell approved items. Doing so would provide a framework for DLA to buy hard-to-get items not available through the normal supply chain. The second goal was to increase NLSE participation.

(2) Description

The NLSE is a fully secured, web-based application that supports the joint management of materiel among the common item (COMMIT) partnership nations. There are 24 member nations and two associate member nations. COMMIT is a set of tools developed by NSPA to assist customers and suppliers in putting into practice cooperative logistics concepts for item acquisition and management. These tools allow customers to exchange excess surplus spare parts and manage commonly held stocks. The team was tasked to develop an interoperable process that would allow Enterprise Business System (EBS) and NLSE to become more efficient. Efforts included:

(a) Letters to all NATO nations from NSPA's program manager and COMMIT partnership chairperson asking for increased participation. Involvement by the U.S. included the dismounted soldier equipment user group, the NLSE process team, the medical and pharmaceutical user group, the air system user group, the land system user group, and the Navy system user group. RADM Noble hosted NSPA's general manager in January 2023. DLA also deployed an LNO to DLA Europe & Africa to support NLSE and other NSPA equities.

(b) Through continuous process improvement and multiple working groups, J341 collaborated with stakeholders across DLA and NSPA to map the buying and selling process. NLSE is a tool to reduce backorders. In the past year, J341 assisted in finding procurement alternatives through NLSE with NATO-wide-call, eka, or surplus. In a parallel effort, J341, along with J31, the OUSD(A&S), and Defense Security Cooperation Agency sought clarification over unrestricted Circular 175 authorities to understand the limitations of selling transactions outside of FMS cases. OUSD(A&S) and the Department of State approved the sale of DLA-owned items as a proof-of-principle.

(c) The above-mentioned steps are manual. To achieve an automated and auditable process, DLA, as the U.S. representative to the COMMIT Partnership Committee (CPC), passed a resolution to implement interoperability between NLSE and EBS through the NATO Mail Box System. The budget was approved in Spring 2023. A deep dive on interoperability between NLSE and EBS was held at Defense Supply Center Columbus, Ohio, from July 10-14, 2023. It identified the work required needed to be completed. The development started in August, with testing in December 2023 and the Go-Live expected in January 2024.

k. Federal Logistics Information System (FLIS) Transformation

(1) Background

Public Law 81-152, the Federal Property and Administration Services Act of 1949, established a common logistics language known as the Federal Catalog program (FCP).

During the 1950s, Public Law 82-436, the Defense Cataloging and Standardization Act, assigned the creation and maintenance of the FCP to the DoD, which assigned DLA the responsibility for management and administration of the operations of the FCP. FLIS was implemented by DLA to manage FCP data. FLIS provides authoritative source data on over 7.2 million national stock numbers (NSNs) to more 60,000 military and civilian personnel across the DoD, federal and civil agencies, and international partners in 62 countries. FLIS foundational data enables over 8,000 procurement actions and 100,000 orders each day for annual sales in excess of \$42 billion.

(2) Description

Leveraging modern technologies through the SAP S4-HANA master data governance tool, an MVP implementation is targeted for 2026. The MVP's goal is to decommission mainframe FLIS processes to avoid Defense Information Services Agency infrastructure costs and meet the needs of FLIS stakeholders. The MVP and new technology solution is aimed at re-engineering DoD cataloging processes.

(3) Outcome

DLA awarded a contract to govern business requirements gathering through the second quarter of FY 2024, followed immediately by design.

l. Audit Sustainment and Process Health

(1) Background

One of the primary objectives of the Process Health team is to assist process owners and J8 with the development and sustainment of internal controls and processes that embrace continuous improvement as it relates to audit readiness. This includes implementing proven, repeatable processes and strategies to maintain savings and audit sustainment, as well as creating processes that are standard, free of redundancy, effective, efficient, and documented.

(a) The Process Health team manages all provided-by-client (PBC) listings, which includes audit-related data inquiries and observations that DLA's independent public accountant (IPA) assigns to DLA Headquarters and MSCs via the Audit Response and Sustainment team. In FY 2023, the Process Health team supported 251 PBCs, of which 213 satisfied the IPA by including complete data and information prior to the due date. In FY 2023, the team accomplished an on-time rate of 98.6% for PBC submissions, reflecting improvement when compared to 98.4% in FY 2022, 94.05% in FY 2021, and 87.46% in FY 2020.

(b) The Process Health team managed all observations, which included audit-related concerns that were observed by the IPA during site visits or other engagements. In FY 2023, the Process Health team received 14 Observations with a 100% on-time response rate.

m. DoD Naming Commission

(1) Background

On Oct. 6, 2022, the Secretary of Defense (SECDEF) released a memorandum titled “The Implementation of the Naming Commission Recommendations” in response to FY 2021 NDAA Section 370, which directed all DoD Activities to identify and dispose of property that commemorates the Confederate States of America (CSA) or any person who served voluntarily with the CSA. In the memorandum, SECDEF concurred with all of the recommendations of the naming commission, including the renaming plan. The SECDEF also noted that several of the naming commission’s recommendations are not subject to the congressional waiting period. The secretary therefore directed relevant components and agency heads to begin implementation immediately. The SECDEF charged all DoD and OSD components with providing additional guidance for implementing recommendations. J34 worked with DLA Installation Management, DLA General Counsel, and other stakeholders to publish a DLA operations order outlining the roles and responsibilities for DLA with respect to renaming.

(2) Description

The SECDEF memorandum provided guidance for the Department’s immediate implementation of the DoD Naming Commission recommendations not subject to the statutory waiting period. The memorandum also provided instructions to oversee the relevant components’ planning for renaming.

DLA established an internal working group led by DLA Installation Management. J345 Disposal Management was tasked with helping OSD draft the DoD Disposal and Disposition Guidance for items that are removed as a result of base name changes or honor a former CSA member. J345 worked closely with DLA Disposition Services to develop the guidance. The draft guidance aligns with DoDM 4160.21, Volume 1, “Defense Material Disposition: Disposal Guidance and Procedures” and DoDM 4160.28, Volume 2, “Defense Demilitarization: Demilitarization Procedures.”

(3) Outcome

DoD entities will retain Museum-quality historical artifacts with documented provenance assets in a DoD or installation museum collection. DoD entities will make all “unique property” that had a relatively high cultural or monetary value available for donation and gifting. All other assets that refer to the CSA or volunteers who served in the CSA will be mutilated in accordance with the DoD disposal guidance.

n. Provisioning, Cataloging, and Technical Data Memo to Services

(1) Background

Technical data requirements for military service weapon system acquisitions, sustainment, and life-cycle support, including the establishment of NSNs, is established in multiple statutes, DoD polices and international agreements, and is encapsulated by industry standards including SAE-GEIA-STD-007.

(2) Description

DLA Logistics Information Services coordinated with the ODAD(L) and the services to identify gaps in weapon system acquisition policy. The gaps identified deficiencies in the acquisition of technical data for emerging and existing weapon systems through life-cycle sustainment support. ODASD(L) simultaneously sponsored a legislative proposal to mandate technical data validation to support DoD cataloging prior to moving to Milestone C in acquisitions. The proposal was not supported due to redundancies in policy, but reinforcement of existing policy was required to ensure sustaining activities are set up for success.

(3) Outcome

On May 15, 2023, HON William LaPlante, USD(A&S), signed a memorandum to the secretaries of the Army, Navy, and Air Force, reinforcing requirements for provisioning, cataloging, and technical data management, citing federal statute and DoD policy regarding planning and acquiring relevant technical data to support life-cycle sustainment, and using SAE-GEIA-STD-0007.

5. Strategic Plan

a. Line of Effort (LOE) 1: Warfighter Always

(1) Objective 1.1: Improve end-to-end readiness and cost-effectiveness in support of combatant commander campaign plans and integrated contingency plans in competitive and contested logistics environments.

(a) Background

In 2020, the Combat Support Agency Review team recommended that DLA develop a global posture plan. Generally, only CCMDs develop posture plans. Nonetheless, with the evolution toward global integration, there is an increased need for planning documents that provide a global view of logistics support. Posture plans focus on forces, footprints, and agreements and are updated annually. J35, led by Mr. Christopher J. Rollins, initiated an OPT with representatives from all the MSCs, regional commands, and headquarters to develop the initial GPP. It included tasks that drive future changes to both operational and business processes and identify resourcing requirements linked to the National Defense Strategy (NDS).

(b) Description

RADM Noble signed DLA's first GPP on May 5, 2023. This GPP focused on DLA's current posture. It formalized tasks associated with supporting strategic deterrence and the CCMD's associated operations, activities, and investments (OAI). The FY 2024 GPP will focus on the to-be posture for FY 2025-2029. It will use national strategic documents and priorities to analyze sustainment requirements and resiliency by theater. Due to the projected contested logistics environment, distribution and the burden of transportation will be CCMD and service component responsibilities. Tasks in the GPP included analysis of sustainment and

storage/distribution requirements, DLA military construction priorities and investments, information technology support, supply chain risk management, and regional command organization and location.

(c) Outcome

As the posture effort moves forward, J35 will synch the actions among the responsible DLA organizations. J3 uses the governance process to inform future requirements, resourcing, risks assessment/mitigation, and posture planning. Future DLA strategic documents will include perspective and tasks that drive DLA to "look up and out," linking the agency's activities and investments to CCMD OAs and driving DLA to "look down and in" to drive changes to business processes.

(2) Objective 1.2: Partner with customers at the wholesale and retail levels to address Service-specific challenges and develop solutions.

(a) Background

DLA supported items with infrequent demand. Many of these items present challenges for inventory control and supply chain planning. It is difficult to categorize these items into a planning methodology that balances support for the customer and minimizes inventory footprint. As a result, the customer experiences longer order fulfillment times while DLA experiences increased inventory costs due to excess materiel and stockage of wrong parts. To improve DLA's customer support and address items with slow-moving parts, J34 evaluated business rules and aligned items to the appropriate planning methodology.

(b) Description

Peak Policy and Next Generation Inventory Models (Peak/NextGen) was selected as the appropriate planning methodology for improving planning and management of items with infrequent demand. J341 Planning developed standard, priceable processes that enabled the customer to decide the level of support required. Service-specific reviews were conducted of aged and slow-moving stock at each retail site, leading to solutions for optimal stockage locations.

(c) Outcome

Peak/NextGen has proven the appropriate management tool for items with infrequent demand. J34 improved material availability and decreased uneven item populations since the baseline was identified in February 2021. With the selection of Peak/NextGen as the standard planning methodology, J34 realized an increase in efficiencies of DLA's inventory investment. J34 also conducted a CPI event on the C-5 for low demand items, with response time improving from 70% before the project to 88% in FY 2023. As part of these initiatives, J34 moved 23,000 additional NIINs into the Peak/NextGen inventory planning methodology.

(3) Objective 1.3: Proactively Support the DoD Nuclear Enterprise (NE) and Space Enterprise (SE)

(a) Background

DLA provides effective and efficient logistics/materiel support solutions for both legacy and emerging NE/SE weapon systems in support of the nation's strategic deterrence. Additionally, DLA supports U.S. Space Force efforts to organize, train, and equip. Specifically, DLA codified procedures for optimizing customer support to U.S. Strategic Command (STRATCOM), U.S. Space Command (SPACECOM) and the services.

(b) Description

The NE/SE are national priorities, and DLA remained focused on ensuring it is postured for effective and responsive support. Additionally, DLA support to NE/SE major defense acquisition programs and weapon systems program managers remained strong. In FY 2023, DLA orchestrated DLA vice director's visit to Minot AFB, North Dakota. Discussions included sustainment strategies for the aging B-52 bomber fleet and the Minuteman III intercontinental ballistic missile, two legs of the nuclear triad. Additionally, the Nuclear and Space Enterprise Support Office hosted the first-ever NE/SE Integrated Support summit with DLA leaders. The event synchronized future efforts and information sharing. Other activity included establishing an NE/SE Integrated Support summit working group that identified DLA support gaps and redundancies; participating in STRATCOM Exercise Global Thunder 23; choreographing multifaceted risk assessments and analysis of the DLA Nuclear Weapons Related Material (NWRM) program, enhancing the agency's ability to detect, identify, and secure NWRM; revising DLA Instruction 3150, "DLA Support to the Nuclear and Space Enterprise;" serving as a key member of STRATCOM/NORTHCOM operational planning team established to improve CONUS operational support; and initiating discussions with the Missile Defense Agency to expedite weapon system designator code requests for the long-range discrimination radar system.

(c) Outcome

Responsive NE/SE sustainment and modernization support to key stakeholders and weapon systems.

b. LOE 2: Support to the Nation

(1) Objective 2.1: Implement a deliberate enterprise-wide approach to whole-of-government support.

(a) Background

DLA has established provides support to civil agencies (federal, state, and local), the DoD fourth estate, and allied nations for a total of 517 unique partner relationships. These organizations comprised 27 percent of DLA's revenue, or \$10.96 billion, in FY 2022

sales. This was an increase from the 26 percent of DLA total sales in FY 2021 and 20 percent in FY 2020.

In November 2022, J3 formally established J314, WoG, via DLA General Order 11-22, to build and sustain partnerships with federal agencies, state and local government and international customers for access to DLA's global network and expertise. This division collaborates with partner organizations and coordinates across the DLA enterprise to ensure efficient and effective support is provided to strengthen the nation's security and crisis response.

DLA's WoG business is not without challenges, as upfront costs to support partnerships could affect DLA's obligation authority and, thus, warfighter readiness. Additionally, a lack of scale in supporting specific WoG customer items may not accrue sufficient benefits if these products and services differ from warfighter requirements.

(b) Description

DLA leadership recognized the need, opportunities, challenges, and potential benefits that WoG business growth presented the agency.

(c) Outcome

All Objective 2.1 initiatives were completed, and the agency is executing LOE 2 in accordance with the WoG decision-making framework.

c. LOE 3: Trusted Mission Partner, Objective 3.1: Implement customer-centric performance metrics and predictive problem-solving culture.

(1) Background

J34 assisted J6D in finalizing the charter and milestones for Critical Capability C2, Advanced Analytics and Automation. The alignment group approved all FY 2023 partnership metrics and efforts to automate reporting for FY 2024. J34 completed all milestones under Initiative 3.1.2, Required Policy and Procedure Changes, and published a directive type memorandum for annual metrics and management objective setting. The team also drafted a DLA instruction for approval after FY 2024 changes are implemented. Additional measures included revising the format, content and focus of monthly agency performance review meetings to include driver tree analytics, predicted performance, and in-meeting problem resolution, as well as gaining approval for three of four service performance-based agreements (PBA).

(2) Description

Represented DLA on the ODASD Supply Chain Metrics Group (SCMG), focusing on DoD supply chain metric performance and exploring opportunities to improve outcomes. Helped establish the FY 2023 SCMG metric portfolio that consists of 23 metrics reviewed each month.

(a) Served as the secretariat for the APR, an internally focused review of metrics that are presented during monthly meetings with the DLA J3 and quarterly meetings with the DLA director/vice director.

(b) DLA dashboard and enterprise data warehouse (EDW): Consolidated the enterprise dashboard and the EDW requirements into a single prioritized list using a weighted scoring model to determine requirement priority.

(c) Continued maintenance and enhancements of deployed tiles on the enterprise dashboard, along with managing associated EDW development requirements. Updating service data feeds for sunseting systems for readiness reporting was the primary focus of maintenance.

(d) Continued EDW back-end development work on open requirements with J6 and prioritized new EDW requirements with significant workload focused on ADVANA data sharing in support of the Joint staff J4 LOGCOP effort.

d. Objective 3.3: Provide next generation customer service, including a customer feedback mechanism.

(1) Background

The DLA Logistics Operations Customer Support division is working three initiatives to re-engineer the end user's experience. One of these initiatives is 3.3.1: Implement new customer service management tool. Success in achieving this initiative depends on implementing next generation customer service capabilities available through ServiceNow, DLA's enterprise platform. To communicate the long-term goals and system requirements of customer relationship management (CRM), J31 worked closely with J6 program managers and industry partners (Accenture, ServiceNow, and Qualtrics) to craft a vision and a strategy. The enterprise operations planning council accepted this strategy on July 10, 2023.

(2) Description

The CRM is meant to provide customers with self-help tools, capture customer interactions, capture customer feedback, consolidate customer interactions/feedback into a single system, analyze customer data, provide data-informed solutions, expand system access to customers and suppliers, optimize the capture of customer interactions, optimize the capture of customer feedback, optimize the resolution of customer issues, and identify cost-savings from transitioning to self-help. Metrics include customer satisfaction and case resolution time.

(3) Outcome

With an approved long-term CRM strategy, the agency can focus on implementing CRM capabilities, establishing a centralized Customer Experience Office to consolidate customer feedback, and centralizing customer training.

Defense Logistics Agency

DLA Information Operations (J6)

Fiscal Year 2023 Historical Report



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

October 11, 2023

MEMORANDUM FOR DLA COMMAND HISTORIAN

SUBJECT: DLA Information Operations (J6) Content for the Agency's History Report, FY23

I am pleased to endorse the Information Operations (J6) contribution to the agency's FY23 Annual History Report. DLA is making progress in Digital-Business Transformation (D-BX) and Continual Modernization endeavors, supporting our business practices through resolute software and IT infrastructure transformation efforts, implementing data strategy to power effective analytics, and engaging in robust cybersecurity measures. This work is necessary for the agency's relevance in our constantly evolving environment.

In J6, we focus on the workforce and our customers through our guiding principles of TEAMWORK. We have a strong culture that helps drive innovation and practical change necessary for the agency's mission successes – fashioned through change management and setting expectations via easily understandable, people-energizing communications. Our culture and principles help shape our Information Operations vision, plans, and mission execution by our resilient team.

The following content is a summary of many J6 efforts during FY24 – those we have achieved and those underway – for the good of our warfighters and the whole of government. I am enthusiastic about J6's people, mission, and vision and where we fit with the Director's efforts and aspirations to sustain DLA as a truly capable combat logistics support entity serving our Nation. J6 moving forward.

Warfighter Always!

ROBERTS.ADARR
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Date: 2023.10.30 16:02:54 -0400

ADARRYL M. ROBERTS
Director DLA Information Operations
Chief Information Officer

Attachment:
As stated

1. Introduction

The information technology (IT) environment is constantly changing and evolving. Accordingly, J6 delivers relevant information and technology capabilities that enable the agency's combat logistics support to the nation, enhancing warfighter readiness and lethality now and in the future. J6 accomplishes this by employing a unified agency platform; leveraging data as a strategic asset for advanced analytics; ensuring the agency's networks, systems, and data are protected from emerging and complex cyber threats; and using artificial intelligence/machine learning and automation to deliver uncompromised logistics support to our nation's warfighters and the whole of government.

This segment of the history report aligns to the DLA Strategic Plan, particularly Critical Capability C, Digital-Business Transformation (D-BX). For D-BX, J6 focused on six tenets, namely: 1) sustaining performance during transition, 2) increasing standardization, 3) decreasing customization, 4) maximizing automation, 5) delivering a delightful user experience, and 6) resolving notices of findings and recommendations.

We, the J6, are a professional team! Our talented and dedicated workforce does its utmost to advance DLA's logistics mission and culture. Our people are valued in the agency and embody a culture that embraces change, champions innovation, values teamwork, and fosters mutual respect. We are DLA's J6 moving forward!

2. Org Chart/Changes

a. General Order (GO) 2-23: This order made organizational alignment changes to meet mission, needs, goals, and objectives. It decreased DLA Document Services divisions from five to three by disestablishing, establishing, and renaming them.

b. DLA Document Services was placed under DLA Disposition Services's operational control on April 2, 2023, until an order can be processed to align it there permanently.

3. Key Personnel

The following chart lists key personnel as of September 30, 2023.

TITLE	NAME	TENURE DATES
CIO Office (J6)		
Director/Chief Information Officer	George Duchak	September 30, 2019 - Jan 31, 2023
Acting Director/Chief Information Officer	Karyn Runstrom	February 1, 2023 - August 2, 2023
Director/Chief Information Officer	Adarryl Roberts	August 3, 2023 - present

Deputy Director	Karyn Runstrom	September 30, 2019 - January 31, 2023
Acting Deputy Director	Adarryl Roberts	February 1, 2023 - August 2, 2023
Deputy Director	Karyn Runstrom	Mar 3, 2023 - present
Chief of Staff	Roseanna Praydis	October 26, 2020 - present
Deputy Chief of Staff	Nelson Alvarez	February 26, 2023 - present
Chief Technology Officer	Colleen (Kelly) Morris	May 9, 2021 - present
Office of Chief Data & Analytics Officer (J6D)		
Director/Chief Data Officer & Analytics	Dr. Lindsey Saul	July 18, 2021 - present
Deputy Director	Nelson Alvarez	December 19, 2021 - February 25, 2023
Deputy Director	Teresa West	February 26, 2023 - present
Strategic IT Business Operations (J6T)		
Director	Jeff Charlesworth	October 1, 2021 - present
Deputy Director	Suzie Fairley	November 21, 2021 - present
Customer Experience (J6X)		
Director	Eric Fegley	October 2017 - present
Deputy Director	Kari Riskedahl	June 25, 2021 - present
Cybersecurity (J61)		
Director	Linus Baker	September 2010 - present
Acting Deputy Director	Travis Reid	November 2021 - February 11, 2023

Deputy Director	Travis Reid	February 12, 2023 - present
Program Executive Office, Enterprise Applications (J62)		
Program Executive Officer (PEO)	Adarryl Roberts	September 12, 2019 – January 31, 2023
Acting Program Executive Officer (PEO)	James Johnson	February 1, 2023 - present
Deputy PEO	Dr. Kenneth Fielding	July 2012 - Jul 25, 2023
Acting Deputy PEO	Carl Veigle	July 26, 2023 - present
Enterprise Infrastructure Services (J64)		
Director	Dempsey Hackett	Dec 2018 - present
Deputy Director	Mark Jackson	March 9, 2014 - present
Document Services (J67)		
Director	Richard TeBeau	July 26, 2021 - April 1, 2023
Logistics Research & Development (J68)		
Director	David Koch	February 11, 2020 - present
Deputy Director	CDR Jim Zakar	July 13, 2020 - April 21, 2023
Acting Deputy Director	LCDR Sean Mercier	April 21, 2023 – June 29, 2023
Deputy Director	CDR Aaron Smith	June 30, 2023 - present

4. Total Personnel

The following J6 workforce totals are current as of September 30, 2023.

Civilian	2,290
Contractor	3,915
Military	7

5. Critical Capability C (CC C): Digital-Business Transformation (D-BX)

a. Transformational IT Capabilities

(1) J6 began rationalizing the Subsistence Total Ordering and Receipt Electronic System (STORES) functionality into FedMall, providing a single platform for ordering and improving efficiency.

(2) On June 24, 2023, Defense Medical Logistics Standard Support - Wholesale migrated from servers at Defense Information System Agency (DISA) to DLA Azure.

(3) The Joint Contingency Expeditionary Services (JCXS) program management office (PMO) deployed the automatic document workflow pilot to select users on November 16, 2022.

(4) The DB-X team launched the deployment phase of the axe monitor automated scanning tool which assesses web application compliance with Section 508 of Rehabilitation Act of 1973; the team engaged PEO offices managing 19 critical applications and over 100 parent and child applications.

(5) The DB-X team continued providing Section 508 testing and support to J62 portfolios [Defense Agencies Initiative (DAI) G-invoicing, Federal Logistics Information System (FLIS), Warehouse Management System (WMS), JCXS, Enterprise Business System (EBS)]. It provided key document support such as test and evaluation master plans. It is working a strategy to engage J62 PMOs in testing all applications through full lifecycle. The team managed an up-to-date list of applications and testers.

(6) The DB-X team gave leaders a new visual analytics capability to support decision-making protocols. The IT-Pedia connector will maintain data integrity.

(7) The DB-X team decommissioned the DLA approved hardware and software list, eliminating cost and reducing footprint.

(8) The DB-X team collaborated with the single sign-on PMO, J6 PMOs, and J6 leadership for use of active directory, AMPS, and Okta as the approved identity, credentials, and access management (ICAM) course of action. It completed a survey of DLA systems to determine enterprise ICAM capabilities and provide consistent ICAM services.

(9) The DB-X team began engaging with the Defense Automatic Addressing System (DAAS) PMO and the J6 architecture team developed new process workflows outlining how internal and external stakeholders engage with API Gateway and API Management.

(10) The DLA Distribution Warehouse Management System (WMS) template was deployed to 13 of 58 sites, bringing the total deployed to 14. The DLA Disposition Services template was deployed to 34 of 64 sites.

(11) The F35 transportation capability was migrated from the legacy vendor shipping module (VSM) to VSM-WMS.

(12) Citizen developers completed two federated use cases in FY 2023. The use cases resulted in bots that automatically updated the J6 budgeting tool.

(13) The DLA enterprise Robotic Process Automation (RPA) program finished FY 2023 with a 20% increase in automations. Projected annual savings for 153 automations equate to more than \$285,413. These 153 automations run unattended, making DLA a leader within the federal government in this category. Citizen developers from DLA Aviation, DLA Land and Maritime, and J6T contributed to 29% of this growth.

b. Advanced Analytics and Automation

(1) The Analytics Center of Excellence (ACE) collaborated with students at the University of Arkansas to research lead time variability to enhance ACE's planning, procurement, and inventory model, Archer. This collaborative research is a component of ACE's membership in the Center of Excellence for Logistics and Distribution. The university's team successfully developed probability distribution models for acquisition lead time and production lead time. Work in the coming year will incorporate this variable parameter in the Archer model.

(2) SAS Viya improves the capability of DLA's data and analytics teams to conduct advanced analytics, predictive problem solving, machine learning, and improved root cause analyses. ACE provided testing support for the new SAS Viya system in the Sage environment. The new system has provisioning of individual user accounts, versus organization-based provisioning which allows for better tracking of resource usage. In June, SAS Viya transitioned to the production stage with corresponding AMPS roles, making the additional capabilities of that system available to all analysts. SAS Studio remains in operation for the rest of 2023 while analysts transition to the new SAS Viya system.

(3) ACE delivered initial operating capacity for the DLA cash balances analytics model to J8. The cash model projects cash balances and other financial metrics over the budget cycle. It includes "what-if" analysis based on J8-defined scenarios and gives DLA the ability to assess changes in variables such as obligations, sales and demand, and changes in patterns and rates by supply chain. ACE transitioned ownership of the model to DLA J8 and trained J8 members on managing data, running code, and interpreting results. Full operating capability was met in March 2023.

(4) DLA published its first ever artificial intelligence (AI) strategy in October 2022. The strategy's purpose was to build an initial end-to-end AI capability that supports training, deployment, and governance across DLA in a safe and effective manner. Three focus areas define the scope of this strategy: internal, analytics AI, and AI dependencies. These focus areas force the agency to target resources at specific and achievable objectives. Once established, DLA can expand its AI strategy to more complex implementations.

(5) The Enterprise Data Warehouse (EDW) aligned with DLA's strategic capabilities plan and OSD data sharing policies. DLA data was shared with Advana through an additional six interfaces established over the last twelve months.

(6) Advana

In June 2022, DLA hosted the first-ever "Advana Day" with executives and analysts from DLA, the joint staff, OSD, TRANSCOM, and Advana. DLA developed several

internal applications to be leveraged by the broader DOD logistics community. The Global Rations and Prime Vendor Subsistence Enterprise status integrates supply chain fitness reports and includes information that allows DLA Troop Support to answer queries. The energy supply chain application logistics enhancement for Class III (B) meets the DLA Energy commander's request for a global operating picture of bulk products. The event visualization assessment tool enables a comprehensive assessment of DLA's direct and indirect equities during events that may cause supply chain disruptions. Finally, DLA Disposition Services's Hazardous Material Management System (HMMS) tracks disposal actions and task orders.

(7) The DB-X team developed a data dictionary policy in April.

(8) EDW completed the first three phases of data simplification in support of S/4 integration.

(9) The DB-X team integrated 100+ new business data and analytics capability requests into EDW. EDW expanded DLA's advanced business analytics suite.

(10) The DB-X team produced a generative AI use memorandum for distribution to the workforce. The memo addresses emerging concerns about information security and operational risk.

(13) DLA partnered with the Logistics Management Institute on the metadata tool research and analysis project. This project provided baseline data for selecting a metadata management tool for DLA.

(14) In February, DLA was the first DOD partner to publish its QLIK application for supporting supply business health metrics on material denial rates in Advana.

(15) In partnership with Office of the Chief Digital and AI Officer (OCDAO), DLA co-led a VAULTIS (visible, accessible, understandable, linked, trusted, interoperable, secure) Day in February focusing on the forthcoming data, analytics, and AI strategy.

(16) In March, DLA reported its VAULTIS assessment for inventory data. The agency score improved from 0.6 to 1.6 out of 2.

(17) DLA will implement a community space within Advana to leverage DOD data. DLA named its Advana community space Mercury. During second and third quarters, FY 2023, the agency conducted events to determine how best to implement this space.

(18) The Metadata Management and Data Quality team made significant progress partnering with process areas to identify and document critical data.

(19) DLA's Defense Enterprise Data Standards Office worked numerous initiatives to ensure DOD and partner systems can interoperate. It led working groups to establish short-term and long-term solutions for logistics data challenges within the DOD and our federal government partners.

c. Cybersecurity

(1) The cybersecurity team enhanced user awareness of cyber risk through targeted training. It performed a monthly phishing exercise to educate the DLA workforce on identifying and reporting phishing attacks, the top cyberattack vector.

(2) The cybersecurity team continually reinforces DLA's cybersecurity posture with respect to focused, threat-informed operations orders and cybersecurity tasks. J6 completed two measure of effectiveness reviews assessing DLA's ability to detect and respond to threat-informed operations orders and cybersecurity tasks. It also matured cybersecurity event detection

and analysis using the Splunk security information and event management solution, integrating additional data from the Windows solution. Additionally, the cybersecurity team implemented an incident response fly-away team to respond rapidly to malicious cyber activity in operational technology environments. Finally, the team performed site assistance visits to train operational technology operators and engineers, assess cyber hygiene, and develop corrective actions.

(3) The Assured Logistics Cyber Center achieved initial operational capability within the Agency Synchronization and Operations Center in February.

d. Technology Governance

(1) Trusted Mission Partner

(a) The Joint Additive Manufacturing Model Exchange dashboard was deployed in August 2023 to display metrics on 3D drawing counts, approval status, material type, and drawing activity. Drill down capability will be added in FY 2024.

(b) OSD chose the DLA Technical Data PMO to develop two potential solutions to support advanced manufacturing at the Edge. These potential solutions are being tested in the DLA Amazon Web Services (AWS) cloud environment.

(c) The DB-X team configured the Laboratory Information Management System. The Technical Data PMO collaborated with DLA J3, DLA Troop Support, and DLA Land and Maritime to set up all required test methods in LIMS.

(2) Cataloging Transformation

As the system of record for the national stock number (NSN) item master, FLIS is a fundamental component for many DLA and DOD systems. The current FLIS application is based on a highly fragmented and outdated application architecture, causing support challenges and hindering the timely introduction of new capabilities. The cataloging transformation effort establishes the master data governance module for DLA enterprise resource planning in SAP S4 HANA.

(3) Modernized Acquisition and Supply Chain Management

The Technical Data Management Transformation PMO selected the digital sustainment platform to pilot DLA's technical data management transformation initiative. The pilot will demonstrate the platform's ability to satisfy critical use cases provided by DLA J3.

6. Modernized Capabilities

a. The Joint Certification Program (JCP) established the eligibility of an American or a Canadian contractor to receive technical data governed in the United States by DODI 5230.25 and in Canada by technical data control regulations. The original JCP was an off-the-shelf implementation. The new JCP uses Document Automated Content Services (DACS) code.

b. J6 maintained a 99.58% availability overseeing network management statistics for the annual information operations enterprise enclave/information operations SIPRNet enterprise enclave.

(1) Global Network equipment changes:

- (a) Completed network installation for DLA Aviation at Kadena Air Base, Okinawa, Japan, and Fort Novosel, Alabama (previously Fort Rucker).
- (b) Completed network installation for DLA Distribution's F-35 project at Tinker AFB, Oklahoma.
- (c) Completed wireless network upgrades for Distribution at Tracy, California, Hill Air Force Base (AFB), Red River, Texas, and Oklahoma City, Oklahoma.
- (d) Completed checkpoint and Azure firewall technical refreshes/upgrades at all DLA hub sites, and local area network (LAN) technical refreshes at ten sites.
- (e) Successfully completed an unclassified Wide Area Network (WAN) router replacement project, replacing 186 routers at 162 DLA operating locations.
- (f) Successfully completed a classified WAN router replacement project replacing 29 routers at 23 DLA operating locations.
- (g) Effectively completed risk management framework accreditation requirements for the information operations enterprise enclave and the information operations secure enterprise enclave resulting in continued authority to operate (ATO). The team then used ATOs to connect to the DOD Information Network for over 300 DLA circuits.

(2) J6 led DOD by successfully configuring an operational test dual-stack network infrastructure for internet protocol version 4 (IPv4) and version 6 (IPv6) consisting of 150 LAN switches, six firewalls, and a limited number of enterprise services.

c. J6 site assessment visits (SAVs) measure the overall effectiveness of current IT operations at a given site, address site leaders' areas of concern, and help resolve new or open issues. Face-to-face interaction allows the SAV team to know how the workforce accesses IT and if the current IT infrastructure and equipment (e.g., access points, desktop equipment, etc.) are optimal. The visit consists of J6 subject matter experts on site for three days. Each SAV concludes with a summary report and briefing to site leaders. J6 conducted SAVs at Tobyhanna, Warner Robins, Corpus Christi, Tracy, Barstow, San Diego, Philadelphia, Hill AFB, Eglin AFB, Puget Sound, Guam, and Pearl Harbor in FY 2023.

7. Critical Capability A (CC A): People and Culture

- a. J6 began a multi-year effort to implement the requirements in DODM 8140.03, Cyberspace Workforce Qualification and Management Program, issued on February 15, 2023.
- b. More than 900 DLA J6 employees participated in local area remote work as part of the Future of Work pilot.
- c. J6 implemented a mentorship program.
- d. J6's Strategic Communications and Knowledge Management office kept the DLA workforce aware of major J6 initiatives to strengthen culture and collaboration, including the globally federated user directory transition; enterprise voice over internet protocol consolidation; D-BX; return to in-person worksites after pandemic; local area remote work pilot; video teleconference equipment removal; J6 Document Services realignment; and Advana community space naming/implementation.

8. Supporting Critical Capability B (CC B): Fiscal Stewardship

a. Auditability

(1) J6 has 27 corrective action plans under review by the independent public auditor. One of the plans was closed by the Office of the Inspector General.

(2) Cost visibility

(a) J6 expanded the biweekly financial report to include prior year de-obligations' impact to available authority, a running total of all transfer ins and outs to the J6 budget, all internal requirement transfers, and summary level execution information.

(b) The requirements tracker database supporting the J6 budget requirements portal was updated with new data points to enable deliberate investment decisions. During FY 2023, the tracker's data fields were expanded using the technology business management framework for cost pools and IT towers as an initial effort to comply with federal and DOD mandates to develop consistent methods for defining, analyzing, and reporting on all aspects of IT spending, and to measure IT value for improved decision making.

b. The DLA Program Budget Review cycle for FY 2023 approved significant investments in the agency's IT modernization. While most investments affect DLA Distribution and DLA Troop Support, J6 projects often involve multiple business areas and drive future year efficiencies across supply chains. Two strategic initiatives sponsored by the J3 – Laboratory Information Management System (LIMS) and Joint Worldwide Intelligence Communication System (JWICS) transformation – received funding. DOD compliance efforts, such as G-invoicing; operational technology, security, monitoring and accessibility; and a new defense business system, electronically stored information disclosure and discovery, also received funding;. The DLA PBR 2024 cycle approved requests for accelerated investment in FY 2023 for additional agency efforts. FLIS cataloging transformation is a multi-year effort to modernize FLIS and bring it to the cloud. The agency also endorsed investment in zero trust and enterprise data modernization to meet capability programming guidance metrics for FY 2023 and beyond.

c. FLIS PMO, working with DLA General Counsel, successfully applied for trademark registration of FED LOG®, PUB LOG® and WebFLIS®. Registration protects FLIS applications from commercial “knockoffs,” ensuring customers looking for NSN item information are getting official data from the authoritative source.

9. Other Significant Accomplishments

a. LOE 1 and Trusted Mission Partner (LOE 3)

(1) Enterprise Architecture

(a) J6 updated the DLA capability taxonomy to version 3.2.

(b) J6 improved the number of DLA systems in scope for architecture development and increased the percentage of validated solution-level artifacts from 57% to 69%. This 12% increase enhanced visibility into system capabilities, data exchanges, database design, and operational activities.

(c) Enterprise architecture outcomes and objectives are verified annually through an assessment using the Government Accounting Office's enterprise architecture management maturity framework process. For 2023, Stages 1 and 2 are complete; the focus is now on Stages 3 and 4. Progress is being achieved for Stages 5 and 6. From 2022 to 2023, the cumulative average in Stage 3 improved from 2.79 to 2.93 and Stage 4 improved 2.0 to 2.55. The long-term goal is to achieve a 3.0 score in levels 1-6.

(d) Every quarter, J6 released the DLA technology roadmap, a multi-year blueprint for updating and modernizing DLA IT capabilities.

(e) Enterprise architecture data integrations enabled better decision making and reduced risk across DLA, including 10,000+ integrated architecture objects, 419 validated views for 100 DLA systems, and 59,000+ relationships for data exchanged via interfaces and message flows, capability and technology alignments, business rules, and controls.

(2) Enterprise Configuration Management transitioned from the DISA Enterprise Processing Center to the DLA ServiceNow, eliminating a sustained support cost. The work included standing-up a searchable archive of historic records on DACS-Resource Management.

b. LOE 1, Support to the Nation LOE 2, and LOE 4

(1) The subsistence network (SUBNET) program incorporated emerging technologies to address stakeholder requirements. J6 developed robotic automation for military dining facilities, developed solutions for a kitting and assembly platform that could be readily deployed, and developed innovative solutions to address moldy pallets.

(2) Forgings focused on alternative manufacturing methods and materials to reduce production lead-time and costs, resulting in a ceramic coatings for forging furnaces project yielding a 40% reduction in natural gas use and 60% reduction in recovery time.

(3) Additive manufacturing (AM) continued cost sharing technical efforts with military services to enhance AM product data management, enable AM acceptability, and improve responsiveness of an AM distributive ecosystem.

(4) Advanced microcircuit emulation transitioned to a 20 volt operational amplifier (linear) during First Quarter, and dual-port memory microcircuits scheduled for qualification during Fourth Quarter. The team is developing a 40 volt operational amplifier project for completion in Third Quarter.

(5) Defense Logistics Information Research connected the model-based enterprise project to current technical data packages.

(6) J6 completed the phase II small business innovation research augmented reality (AR) case study for implementing AR technology in the warehouse picking process.

(7) J6 transitioned digital traceability capability to automate manual workflow of vendor documentation for the joint certification program (JCP), enhanced JCP, counterfeit detection and avoidance program and the trade security control programs.

c. LOE 4

(1) The J6 team facilitated over 20+ vendor partnerships and pioneered emerging technology projects evaluating multiple business capability prototypes within the secure Applied Research and Testing Emerging Technologies (ARTET) cloud environment.

(2) DLA Research & Development is positioned to accelerate the transition of prototype capabilities leveraging ARTET's AXURE and AWS cloud environments by screening partner vendors to ensure compliance and personal and professional certifications such as FEDRAMP certification.

(3) DLA Research & Development completed a supply chain risk management research project that provided insight on information available for supply chain illuminations and potential ways to use AI/machine learning to enhance supply chain risk management.

(4) DLA Research & Development completed environmental testing for transparent armor to develop and validate testing tools.

(5) Throughout FY 2023, DLA continued to transition JWICS capabilities from the Army Installation Command to the Defense Intelligence Agency. DLA Installation Management and J6 completed construction and accreditation of secure compartmented information facilities at New Cumberland on January 26, 2023, Columbus on February 24, 2023; and Philadelphia on March 17, 2023.

d. J6 established a service status website within the DLA Service Portal in ServiceNow. This feature displays current, planned, and unplanned outages for DLA applications. It is available to the DLA workforce by either visiting the site or subscribing to automatic notifications. In FY 2023, there were 10 DLA applications available for display: Commercial and Government Entity; DLA transaction services DAAS inquiry system; DLA enterprise dashboard; DSS; EBS; FedMall; HMMS; STORES; WebFLIS®; and a web visual logistics information processing system.

e. J6 provided expeditionary communication support to DLA Distribution Expeditionary after the Federal Emergency Management Agency tasked the agency to run an incident support base at Maxwell AFB from September 25 to October 12, 2022.

f. DLA M365 Tenant Support

(1) M365 Flow 3 Capabilities for Outlook and Teams and are available across the enterprise. Flow 3 provides direct access via the internet to DLA's M365 resources.

(2) As DISA prepares to sunset SIPR DISA Enterprise Email, DLA tested and migrated 2800 SIPR user email accounts to the DOD365 Secret Environment.

g. Information Governance & Compliance created the Privacy Compliance Application Program (PCAP), an automated workflow tool that allows DLA to meet the E-Government Act and inventory personally identifiable information (PII) in DLA systems. PCAP also manages System of Records Notices (SORNs), allowing the ability to link a SORN to the IT system(s), SSN Reduction Memo, Records, and the Paperwork Reduction Act. The PCAP will reduce redundancy; standardize formatting and content; identify PII holdings/inventory by system and SORN; generate documents in desired formats; produce AI-time analytic reports; compute employee performance metrics; process visibility; and create an auditable compliance trail.

h. J6 deployed full financial capability to the Defense Finance and Accounting Service and Naval Special Warfare Command (NSW). The deployment to NSW is the second implementation of DAI outside of the DOD Fourth Estate.

i. Fuels Manager Defense successfully executed continuity of operations plan (COOP) failover from the DISA Defense Enterprise Computing Center at Ogden, Utah, to

Mechanicsburg, Pennsylvania. Users worldwide processed transactions through the COOP location.

j. Fuels Manager Defense completed technical refresh of four DISA-hosted environments moving from Server 2012 to Server 2019 ahead of October 2023 of end-of-life support for Server 2012.

k. Received a recommended closure notification from Ernst & Young for Notice of Finding for FMD-002.

l. Resolved 3-year latency issue with data moving from production in Odgen to warm COOP in Mechanicsburg, by working with DISA to discover that a new network interface card replacement was required on six database servers.

m. The PEO Office is participating in an educational outreach program as part of the DOD's Taking the Pentagon to the People initiative. DOD's Diversity Management Operations Center sponsors the initiative to advance racial equity and support underserved communities. This program helps recruit and attract diverse students who graduate with degrees in science, technology, engineering, and mathematics; and business, languages, education, and other mission-critical occupations. The focus is on establishing partnership agreements with historically black colleges and universities and minority serving institutions. The PEO signed the first MOU in October 2022 with the University of California, Riverside. Additional MOUs were signed with Alabama State University, Tuskegee University, and Claflin University.

k. J6 had five active Lean Six Sigma (LSS) green belts and four green belt candidates. They completed continuous process improvement projects using the LSS methodology, improving the completion rate of the basic cybersecurity assessment checklist. Further, they fixed a broken contract review process and resolved an issue by notifying HMMS users when their accounts were going to be disabled.

Defense Logistics Agency

DLA Acquisition (J7)

Fiscal Year 2023 Historical Report



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

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: DLA HISTORIAN

SUBJECT: DLA Acquisition Historical Report

I am pleased to submit J7's FY23 Annual History.

Once again, the DLA Acquisition Enterprise demonstrated the significant breadth and scope of its capabilities. Year after year the Agency's volume of contract obligations and actions continues to grow and the effort the Agency must expend to accommodate is minimal – all because of the foundational systems, processes and contracts we have built over the last few decades to perform the Agency's critical mission at scale. Those capabilities are what make DLA a provider of choice across the range of our Military Service and Whole of Government customers. However, the challenges we addressed in FY23 go well beyond what can be solved through volume, speed and efficiency alone. The challenges before us at this moment – supply chain resiliency, building and maintaining the industrial base, audit readiness – are unlike those we've had to address in the past. They require innovative thinking, and concerted and deliberate strategies, developed through collaboration across the DOD and DLA enterprise. We are on a path to get there, acknowledging that these are significant risk areas worthy of our attention and addressing them in our Strategic Plan and other organizational planning documents. Some of our achievements towards them are addressed in this annual history – as are the areas where we need to keep striving. I'm confident that this focus, coupled with our shift towards increased in-person collaboration and interaction, will play a significant role in the effectiveness of our FY24 activities.

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MATTHEW R. BEEBE
Director, DLA Acquisition

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1. Introduction

This DLA Acquisition Annual Historical Report is a narrative summary of the actions J7 took over Fiscal Year 2023 (FY 2023) to sustain warfighter readiness and lethality by delivering proactive global acquisition solutions. The report summarizes high-level agency performance for the DLA Acquisition enterprise and is written around J7 organizational missions and functions, as well as initiatives covered by foundational governance documents such as the DLA Strategic Plan, the J7 Dynamic Operating Plan (DOP) and the J7 Acquisition Road Map (ARM).

2. Organization:

J7 is comprised of three distinct organizational units:

a. J7 Headquarters (HQ)

DLA's acquisition directorate and staff element. Responsible for overseeing DLA's acquisition workforce and procurement system. Supports the J7 director and deputy director in their executive functions, including senior procurement executive (SPE), component acquisition executive (CAE), head of the contracting activity (HCA), senior services manager (SSM), competition advocate, and enterprise business cycle owner (EBCO).

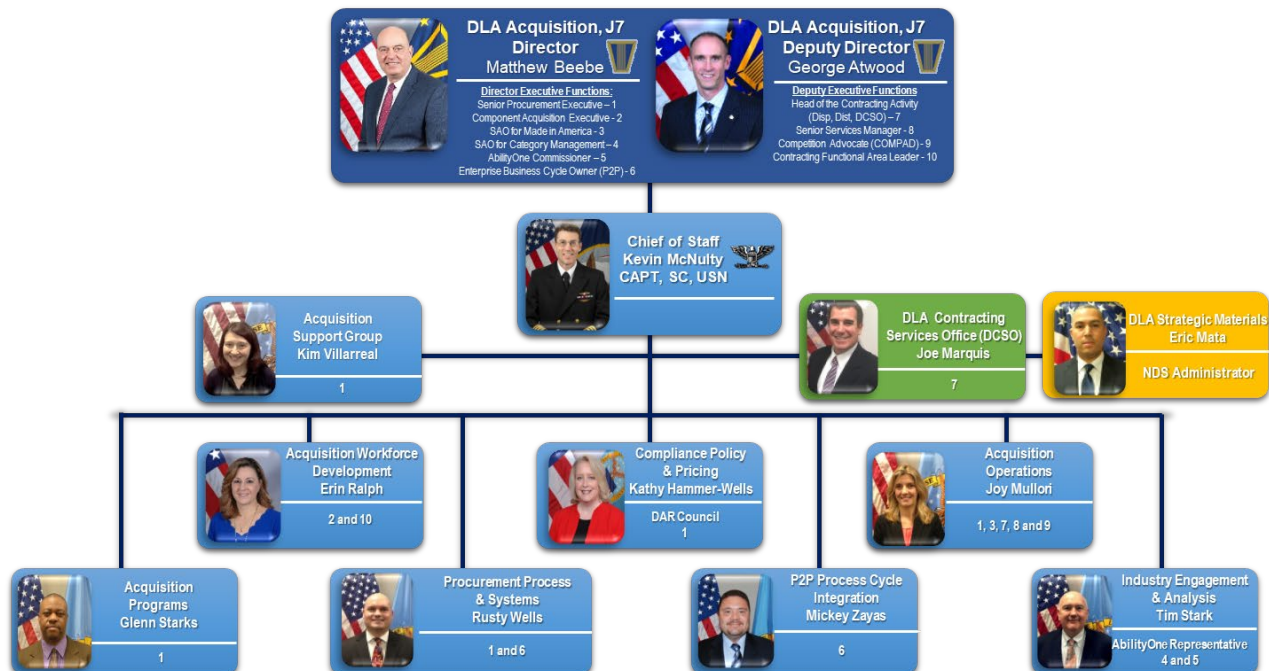
b. DLA Contracting Services Office (DCSO)

One of two operational components of J7. Supports internal agency business operations through contracting. Responsible for planning, organizing, directing, and managing procurement and contract administration for specialized electronic and communication services, research and development, logistics management services, knowledge-based services, facility related services, and financial management services, as well as 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 preclude dependence upon foreign sources or single points of failure for strategic materials. Provides for acquisition and retention of stockpile materials; conversion and upgrade of stockpile materials to prevent obsolescence; development and qualification of domestic sources of strategic materials; recycling of strategic materials from end-of-life government items and disposal of excess stocks for operational funding.

The J7 organizational structure and current leadership is depicted below. The responsibilities under the director and deputy director are linked to the division/organization that support them from a staff perspective.



d. FY 2023 Organizational and Personnel Changes:

(1) There were no major organizational changes to J7 during FY 2023.

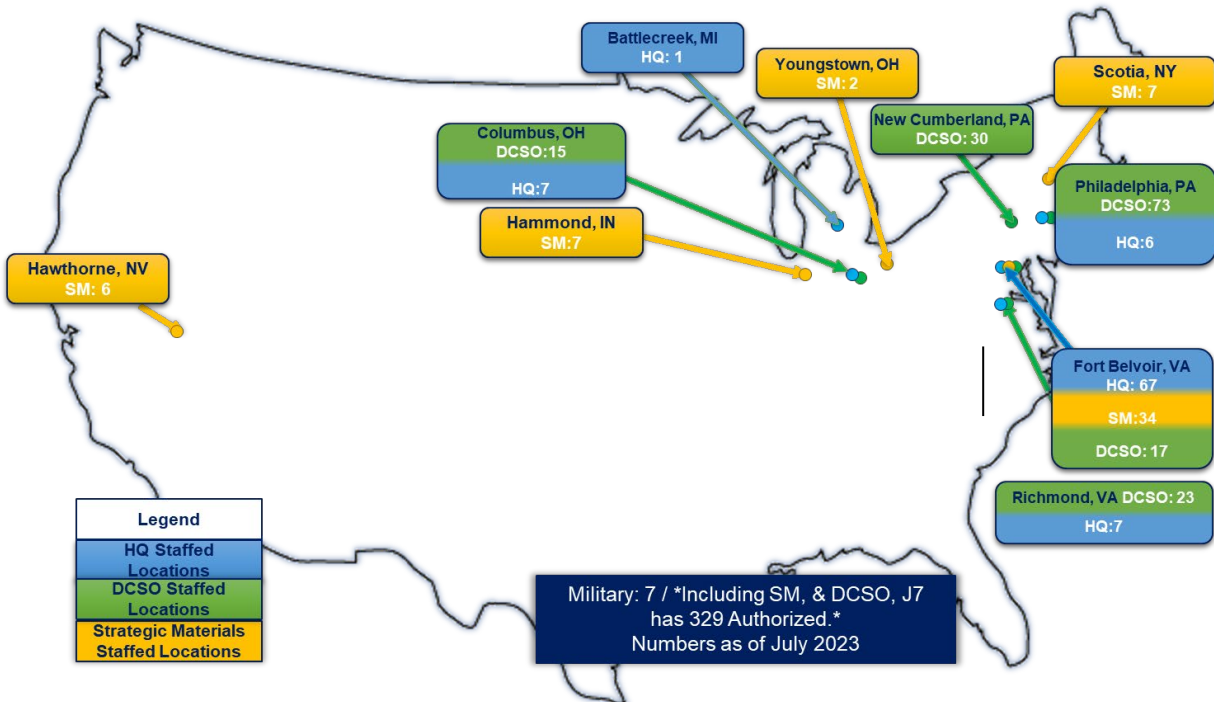
(2) FY 2023 was a period of relative stability in the J7 leadership after several significant retirements in FY 2022. Of note, Ms. Roxanne Banks departed DLA in October 2022 to become the Defense Contract Management Agency (DCMA)'s executive director of contracts.

(3) Mr. George Atwood joined J7 as the J7 deputy director in January 2023, coming from J3 where he was the J34 executive director. Ms. Erin Ralph joined J7 as the J71 division chief in January 2023, after Ms. Charmaine Camper's retirement. In August 2023, Mr. Rusty Wells departed J7 to assume a role in J3 as director of the newly established Enterprise Business Platforms Integration Management Office.

(4) FY 2023 saw the departure and arrival of several O5/O6 military officers. Colonels Matthew Fahrner, Bryan Hogan, and Wadrias Little arrived during the summer and were assigned to the leadership positions indicated below. CAPT Kevin McNulty (J76 deputy) assumed the role of J7 chief of staff in April. Colonels Mike Hansen (J73 Deputy) and Joanne Kenneally (J7 CoS) departed in the spring to take command at DCMA Marietta and San Antonio, respectively. Col Scott Ekstrom retired in July.

f. J7 Presence

J7 has personnel 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 director and site leads of DCSO, the Strategic Materials director and deputy director and GS-15s, the DLA Warstopper program manager and the Acquisition Modernization Program PM. Key personnel and their dates of tenure:

Name	Current Position	With SM/J7 Since:
Matthew Beebe	J7 Director (2014 to Present)	2011
George Atwood	J7 Deputy Director (January 2023 to Present)	2023
CAPT Kevin McNulty	J7 Chief of Staff (June 2023 to Present)	2022
Kim Villarreal	Chief, ASG (July 2018 to Present)	2007
COL Angela Wannamaker	Chief, Business Office (June 2017 to Present)	2017
Erin Ralph	Chief, J71 (January 2023 to Present)	2023
Kathy Hammer Wells	Chief, J72 (July 2013 to Present)	2010
Joy Mullori	Chief, J73 (September 2012 to Present)	2012
Col Matthew Fahrner	Deputy Chief, J73 (July 2023 to Present)	2023
Glenn Starks	Chief, J74 (May 2009 to Present)	2007
Vacant	Chief, J76	
Col Bryan Hogan	Deputy Chief, J76 (July 2023 to Present)	2023

Mickey Zayas	Chief, J78 (August 2013 to Present)	2001
Tim Stark	Chief, J79 (May 2018 to Present)	2008
Col Wadrias Little	Acquisition Modernization Program PM (June 2023 to Present)	2023
Sharon Croll	Warstopper PM (June 2022 to Present)	2014
Joe Marquis	Director, DCSO (April 2022 to Present)	2011
Mike Yacobacci	DCSO-P Site Manager (July 2022 to Present)	2012
Steven Resweber	DCSO-FRC Site Manager (March 2014 to Present)	2014
Eric Mata	Director, DLA Strategic Materials (March 2022 to Present)	2014
Terry Leland	Deputy Director, DLA Strategic Materials (June 2022 to Present)	2015
Gary Porter	Director of Material Management, DLA Strategic Materials (May 2013)	1991
Watt Lough	Director of Strategic Planning and Market Research, DLA Strategic Materials (September 2022)	2003

4. J7 Strategic Management Approach and Work Posture:

DLA Acquisition has a robust culture and climate program through which it builds strategic plans and drives organizational and process improvement. The Denison Culture survey guides these efforts. Results from FY 2023 will be analyzed once available.

In addition to the DLA Strategic Plan, the J7 DOP, and its culture and climate roadmap, J7 is guided by the internally developed acquisition roadmap (ARM). The ARM was first developed in 2015 to remind employees to “focus on executing the right things, the right way, for the right reasons.” It complements the DLA Strategic Plan, includes all J7-led objectives from the strategic plan, and crosswalks key J7 initiatives with lines of efforts and critical capabilities, as well as the J7 DOP. It also includes many traditional oversight and monitoring metrics aligned to J7 missions and functions. J7 maintained quarterly ARM dashboard reviews through FY 2023. The dashboard, accessible to all J7 employees, continues to serve as a key management tool for J7, reinforcing program ownership. J7 updated its DOP and ARM dashboard in FY 2023; it now includes 60 initiatives with linkages to the DLA strategic plan.

FY 2023 also saw the resumption of in-person, twice per year, SPE visits to the DLA commands and contracting activities. As J7 has shifted to an enterprise mindset, so has the format for SPE visits, which were previously held in closed sessions with the SPE, the command, and J7 personnel. Over the past year, these visits were opened to include participation from commands outside of the command of focus. Including all commands has elevated discussion, permitting leadership to tackle problems from an enterprise perspective. Additionally, J7 teamed with DLA Aviation in 2023 to hold the first SPE visit at a forward site instead of the command headquarters. This format allowed leadership to connect with forward site employees, customers, and industry partners. FY 2024 will incorporate a new annual compliance summit that will bring all commands together to collaborate on compliance concerns and potential solutions. As such,

these topics are expected to be removed from the biennial SPE visits, allowing leadership to focus on strategic contracts and cross-cutting enterprise strategies.

With the rest of the agency, J7 continued transitioning to hybrid work in FY 2023. Beginning in January, employees were required to be in the office twice per week to maximize culture and collaboration. This position early in the “Future of Work” initiative enabled J7 to transition fairly easily to the agency’s shift in telework posture beginning in November FY 2024.

5. Historical Narrative

a. FY 2023 Enterprise Business Summary

J7 headquarters enables the DLA Acquisition enterprise to operate effectively. The size and scope of that enterprise is reflected in the agency’s procurement activity, measured primarily through contract obligations and contract actions.

(1) Contract Obligations

DLA ended FY 2023 at \$49.5 billion in obligations, an all-time high. Most significant increases were in the land and construction and equipment (C&E) supply chains, both by approximately 38%. The C&E increase was attributable to tailored logistic support programs for U.S. Special Operations Command (SOCOM) and U.S. European Command (EUCOM). Increased obligations for depot level reparables (DLRs) drove overall increases in the land and aviation supply chains; Army and Air Force DLR sites experienced increases, whereas Navy sites decreased due to the Navy withholding DLR work. In total, DLA obligated \$5.8 billion in DLRs, an increase of 37% over FY 2022 and nearly 12% of the agency’s FY 2023 obligations. The medical and energy supply chains accounted for the largest decreases in obligations (down 15% and 12% respectively), as a result of fewer COVID purchases and declining energy prices. Energy accounted for the largest obligation by supply chain at 27%, though it comprised only 6% of actions. Energy supply chain obligations were \$1.8 billion less than FY 2022 due to a 3.7% decrease in purchase volume and stabilization of energy costs. DLA’s service contract obligations (DCSO, DLA Distribution and DLA Disposition Services) accounted for 5% of agency obligations.

SUPPLY CHAIN	FY22	FY23	% Change	% Agency Obs
DCSO	1.742	1.903	9.24	3.84
DLA AVIATION	6.766	8.049	18.96	16.26
DLA DISPOSITION SVCS	0.102	0.117	14.71	0.24
DLA DISTRIBUTION	0.324	0.355	9.57	0.72
DLA ENERGY	15.327	13.439	-12.32	27.15
DLA LAND	2.259	3.109	37.63	6.28
DLA MARITIME	1.883	1.759	-6.59	3.55
DLA TRP SUPT C&E	5.938	8.222	38.46	16.61
DLA TRP SUPT C&T	1.497	1.664	11.16	3.36
DLA TRP SUPT MED	9.250	7.867	-14.95	15.89
DLA TRP SUPT SUB	3.129	3.024	-3.36	6.11
Grand Total	\$ 48.217	\$ 49.508	2.68	100.00

(2) Contract Actions

Overall contract actions (awards) have remained steady over the past several years at 3.7 million. At 3.7 million awards a year, DLA averages 10,000 contract actions per day. The agency continues to leverage automation and standardization to process such high volume. Nearly 95% of DLA awards involved no human intervention. Ninety-two percent of actions and 82% of obligations are awarded in less than a day via automated long-term contracts (LTCs). For hardware alone, that figure is 77% of actions and 75% of obligations. LTCs continue to be the most efficient, cost effective mechanism for high demand/frequency items; the agency thus increased LTC use for hardware items 21% in FY 2023. A goal for FY 2024 is to identify additional opportunities for automation, to include increased LTC usage, adjustment of system logic, the use of “bots,” and other practices that decrease/minimize manual work.

(3) DLA Supplier Base

DLA once again saw a decline in unique companies doing business with the agency, from 9,000 to 8,500 (the small business proportion remained steady at 80%). While consistent with past years and overall declines in the defense industrial base, the rate is slowing from a COVID high of roughly 6% between FY 2020 – FY 2021 to the current 4.3%. A J7-sponsored McKinsey & Co. study concluded that small business participation decreased across the federal government broadly, but that DLA lost vendors at approximately half the rate of the rest of the DoD and 40% fewer than the rest of the federal government. While the vendor count decreased, dollars going to DLA small businesses increased 9.4%, or 35% more than the rest of the federal government and 55% more than the rest of DoD. While the analysis does not attribute causation to these differences, it justifies DLA’s steadfast commitment to maintaining relations with industry.

(4) Small Business Achievement

DLA exceeded its Office of the Secretary of Defense (OSD) goal for the eleventh consecutive year in FY 2023, registering 42.54% of sales against a 37.30% target. At \$18 billion, the year also marked the fifth time in six years that DLA’s small business obligations exceeded \$15 billion. DLA contributed significantly towards DoD exceeding its goal (25.24% against a 22.43%). DLA obligations accounted for just 12% of overall DoD spend but 20% of the department’s FY 2023 small business obligations. Despite these record contributions, socioeconomic categories continue to challenge the enterprise. DLA took steps to increase performance in these categories, including setting challenging goals for commands, increasing DLA leadership attention, inserting set-aside logic in automatic procurement, and identifying contract actions as small business set-asides. Increasing obligations to small-disadvantaged businesses (SDB) continues to be a priority for the Biden Administration and DoD. The DLA SDB goal for FY 2024 has been set at 8.04%, a .79% increase over FY 2023.

(5) Competition

DLA acquisitions were mostly competitive in FY 2023. The overall competition rate was 82% (\$40.8 billion). The competition rate decreased slightly from last year, but DLA

still exceeded its DoD goal of 80%. In comparison, the overall DoD competition rate ranges between 50-60%. Reduced competition in FY 2023 was primarily due to an increase in bridge contracts (extensions of existing contracts not offered for competition), a decrease in fuel prices, and increasing original equipment manufacturer (OEM) sole source contracts. Obligations to sole-source OEMs accounted for 67% of the agency's non-competitive spend. While other areas remained stable, obligations for bridge contracts increased 35% from \$294.2 million to \$398.6 million in FY 2023. Likewise, OEM sole source procurements rose 20% from \$6.02 billion to \$7.2 billion (attributable to increased DLR spend). J73 will complete an in-depth competition report for FY 2023, with input from the contracting activities, in Second Quarter, FY 2024.

(6) AbilityOne

DLA once again was among the federal government's strongest AbilityOne supporters (3rd highest in the federal government), obligating \$543 million, or \$30 million over FY 2022, for items such as special purpose clothing, subsistence, medical headlamps, hygiene kits, and kitting services. DLA Troop Support's clothing and textile (C&T) supply chain once again had the highest obligations at \$337 million. C&E, DLA Aviation, DCSO, medical, land and DLA Distribution spent between \$10-\$32 million each and DLA Disposition Services, subsistence, and maritime spent between \$3-\$9 million each. The agency maintains an Ability One Representative (ABOR) network which consists of representatives from Headquarters J7 and each command/contracting activity. ABORs advocated for buying in accordance with mandatory source contracting procedures, engaged with the workforce to build the program, and offered feedback to the U.S. AbilityOne commission. J7 updated its policy this year to clarify that small business directors at commands cannot also serve as command ABORs.

(7) Category Management

DLA continues to be a leader in the Office of Management and Budget (OMB)'s category management initiative. By virtue of DLA's mission and business model, category management is part of our business. DLA is a proven leader in consolidating requirements from multiple sources (DoD, federal, state/local) and finding the most efficient and effective solution to meet those requirements, which is the purest example of category management. In FY 2023, DLA spent \$5 billion using best-in-class contracts (23%, exceeding goal of 15%) and achieved over 90% spend under management (on track to exceed its goal of 92%). Federal partners buying medical products with the Made in America Office have reached out to DLA for its category management expertise.

b. FY 2023 Acquisition Themes

As in FY 2022, J7 focused on increasing supply chain resiliency. DLA and DoD worked "illumination" initiatives to gain a better understanding of risks to particular supply chains, alternative sources, and ways to introduce new entrants. The number of Congressional reporting requirements and inquiries, as well as GAO and DoDIG audits, focused on supply chain resiliency showed broad governmental interest there in this topic.

Inflation and supply chain disruptions, a major theme in FY 2022, were present but less significant in FY 2023. The table to the right shows the absolute price change year to year by supply chain. Numbers are limited to items bought in both years, with outliers excluded. While not a scientific analysis, the numbers illustrate an easing of inflation in several supply chains, but not all and not equally. Bureau of Labor Statistics data on the consumer price index and producer price index confirm that,

Supply Chain	Average Change (FY 2021-2022)	Average Change (FY 2022-2023)	Item Count
Distribution	22.8%	-7.6%	464
Energy	30.6%	-24.5%	193
Aviation	11.5%	2.5%	33,227
Land	9.4%	8.1%	20,065
Maritime	10.9%	10.1%	19,231
C&T	8.1%	-11.9%	6,335
C&E	16.5%	4.9%	8,165
Medical	3.9%	-22.9%	17,008
Subsistence	10.0%	5.5%	19,217

although inflation levels are higher than historical norms, they appear to be easing. The J7 pricing division will produce its annual price trend report in Second Quarter, FY 2024.

As in FY 2022, there continues to be increased uncertainty and risk related to follow-on contract pricing. DLA expects acquisition price effects will continue to for several years, as long-term contracts expire and are renewed. Last year, many thought wider use of economic price adjustment (EPA) clauses would provide relief to contractors effected by rising prices. However, contracting officers found instead that suppliers declined or ceased expressing interest in EPA clauses when they realized prices are subject to downward adjustment as well as increases.

c. The Acquisition Modernization Plan (AMP) and the Acquisition Enterprise Innovation Council (AEIC)

The AMP continued to be the document J7 and the agency use to guide modernization, specifically acquisition (in contrast and complement to other business transformation initiatives, such as D-BX). The AEIC continued to mature as a governance council, reviewing, prioritizing, and tracking progress in the following 12 focus areas:

Academia Industry Partnership	Supply Chain Risk Management
Business Process Re-Engineering	Conduct Industry Analysis with Market Intelligence tools
Support Procurement for Public Sector (PPS) development	Execute Industry Engagement Strategy
Support Enterprise Resource Planning (ERP) transition	Explore Additional Areas for Automation in DLA Acquisitions
Initiate Supplier Relationship Management (SRM)	
Modernization planning	Explore ML/AI for Efficiencies in Acquisition
Collaborate with Industry to increase use of Additive Manufacturing	Expand Business Analytics

d. J7 Organizational Summaries

The remainder of this narrative is written around the J7 Divisions/organizations responsible for executing the below lines of business.

Lines of Business	OPR
Contract Execution for the DLA Enterprise	DCSO
Acquisition Workforce Management and Development	J71
DLA Enterprise Acquisition Policy	J72
Pricing Reviews	J72
Service Contract Oversight	J73
Whole of Government Support	J73
Acquisition Strategy, Compliance & Oversight	J73
Commercial Support to Operations	J73
Government Purchase Card (GPC) Program	J74
Strategic Acquisition Programs & Analyses	J74
Functional Proponent for Procurement Systems	J76
Contracting Audit Readiness Sustainment & Internal Control Testing	J78
Military Interdepartmental Purchase Request (MIPR) Management & Oversight	J78
Industrial Base Capabilities Program Management	J79
Industry Engagement & Analysis	J79
National Defense Stockpile Administration	Strategic Materials

(1) DCSO

FY 2023 marked another record year for DCSO contract obligations at \$1.9 billion, up from \$1.7 billion in FY 2022. Overall actions for FY 2023 came in at 20,000, down from 32,500 in FY 2022 due to a reduction in the amount of FedMall orders.

Small Business Overall: 56.20% (Goal 50%)	Women-Owned: 12.28% (Goal 3%)
Small Disadvantaged Business: 27.75% (Goal 25%)	Hub Zone: 2.28% (Goal 3%)
Service-Disabled Veteran-Owned: 15.05% (Goal 5%)	Competition: 86.33% (Goal 82%)

Highlights from the contracting activities illustrate DCSO's range. The critical, strategic, and highly visible purchases it makes include the Warehouse Management System; strategic capabilities and processes; accounts management provisioning system; identity, credential, and access management; the culture/climate survey; Red Hill support; and \$125 million in appropriated funds for the National Defense Stockpile strategic and critical materials.

DCSO also developed an organizational staffing model which will allow it to flex manpower on a yearly basis, eliminating the need to submit FTE requests through agency budget increases. DCSO experienced high levels of turnover in FY 2023 due to competition for GS-1102s from nearby federal agencies, particularly in Philadelphia.

(2) J71

The J71 provides plans, guidance, and direction to manage, oversee and sustain the agency's acquisition workforce (AWF) of 9,000 individuals. Having fully transitioned AWF-coded personnel to new back-to-basics certification frameworks in FY 2022, in FY 2023 J71 turned its attention back to DLA's organic training and development efforts, particularly those relating to the acquisition modernization program and program offerings addressing unique DLA skillsets and priorities. Significant FY 2023 activities:

Functional Area	DLA Employees
Program Management	314
Contracting	3,849
Business - Financial Management	4
Life Cycle Logistics	3,212
Engineering & Technical Management	1,522
Test & Evaluation	40

DLA AWF Employees by Functional

- (a) Contracted with a new course provider for DLA's industry partnership management course. Twenty-eight AWF employees attended the new course at the University of North Carolina's Keenan-Flagler School of Business, where they heard from senior DoD, DLA, and industry leaders. The curriculum was revised to incorporate real-world DLA problem-sets.
- (b) Developed the AWF leadership academy and gained approval from the executive resource board for its incorporation into the executive development program catalog.
- (c) Executed \$2.7 million in defense acquisition workforce development account (DAWDA) funds to provide training opportunities to over 400 AWF members.
- (d) After identifying skill gap in project management, partnered with the Defense Acquisition University (DAU) to provide a tailored project management course through twelve monthly, 90-minute workshops to an average of 60 AWF participants per session.
- (e) Released the first DLA Acquisition workforce engagement booklet to highlight the agency's accomplishments, current/future goals, and initiatives, and introduce the governing aspect of the AWF, the DLA Acquisition Workforce Program Board (AWPB).
- (f) Maintained 98% compliance with Defense Acquisition Workforce Improvement Act requirements.

(3) J72

The J72 Compliance, Policy and Pricing division maintained procurement processes in support of the acquisition workforce. It expanded programmatic oversight this year, emphasizing streamlining processes and providing more efficient and effective guidance to the DLA contracting community. Significant FY 2023 activities:

- (a) Completion of reports mandated by Congress, statute, or regulation, to include the Truth-In-Negotiations Act/Cost Accounting Standards Annual Report to Congress, undefinitized contract actions, contract audit follow-up, other than certified cost and pricing data refusals reports to Defense Pricing and Contracting (DPC) and DoDIG.
- (b) Provided guidance on the National Defense Authorization Act (NDAA), executive orders, audit notice of findings and recommendations (NFRs) and CAPs, and other high-level regulations. Represented DLA on the Defense Acquisition Regulation (DAR)

council, reviewing and/or commenting on 46 Federal Acquisition Regulation (FAR) cases, 92 DAR cases, and 16 executive orders. Analysts in this division are active in six federal, thirty-two DoD, thirty-four DLA, and twenty working groups.

(c) Released 12 procurement letters, 3 deviations, 4 designation memo, and 9 delegation memos. These addressed changes to socioeconomic programs, bridge actions, vendor shipment module, non-disclosure agreements, and supply chain traceability, requiring four updates to the DLA master solicitation and three to the DLAD.

(d) The contracting officer (KO) program administered 92 warrant tests and six command compliance reviews and updated KO warrant manuals.

(e) Led J7 participation in two agency management reviews.

(f) In support of OMB Memorandum M-19-21, J72 digitized 97% of its decisional documents.

(g) J72 partnered with J6 to maintain the enterprise pricing tool suite for the contracting community (1,700+ users) and DAU on a DoD workforce workshop on sustainment contracting. DLA buyer attendance is ~4,000 to date.

(4) J73

As the Acquisition Operations division, J73 has three primary missions: 1) provide strategic and tactical guidance to command teams regarding contract execution on behalf of the SPE, 2) service acquisition program execution and oversight and 3) enterprise program support for key acquisition topics such as operational contracting support, small business, competition, domestic sourcing initiatives, contracting officer representative (COR) oversight and the DLA/DCMA relationship. Significant FY 2023 activities:

(a) Revised DLA's "Business Clearance Authority" at DLAD 1.690-1 to align with DPC guidelines and reestablished thresholds for acquisition reviews by the SPE.

(b) Conducted in-person summits for the two J7 deputy director activities for which he is head of contracting activity (DLA Contracting Services Office and DLA Distribution).

(c) Furthered the J7 "red team" program. A red team is a group of subject matter experts assembled to review an acquisition, a program, or an issue, with a focus on identifying and mitigating risk. In FY 2023, J73 led reviews for the C&T universal third-party logistics program, source selection process at DLA Troop Support, and fast payment procedures.

(d) Integrated the Services Requirements Review Board/Program Budget Review processes, ensuring service contract requirements were in accordance with DoDI 5000.74 Defense Acquisition of Services. The vice director approved 21 FY 2023-2024 packages (catching up to current requirements) and 12 FY 2025 packages.

(e) Conducted an annual portfolio review of the agency's FY 2022 professional services (formerly known as knowledge-based services). The review included a line-by-line look at the 343 agency requirements totaling \$186 million.

(f) Worked with the OMB Made in America Office (MIAO) to streamline the waiver submission and review process. Reduced processing time by 33%. J73 also supported MIAO by arranging a Make PPE in America industry day where over 250 attendees assembled to learn about government processes and procurement opportunities.

(g) Conducted quarterly executive steering group meetings between DLA and DCMA focused on “readiness drivers.” Signed a memorandum of agreement with the services and DCMA that reduced quality assurance letters of inspection (QALIs) submitted due to revisions in technical data requirements for aircraft launch and recovery equipment. As a result of the memorandum, QALI submittals reduced 92% from over 41,000 in FY 2022 to just over 4,000 at the end of FY 2023.

(5) J74

The Acquisition Programs division monitored enterprise acquisition metrics; provided data and other reviews; managed the government purchase card program, and operated a program management office for strategic planning and continuous process improvement. Significant FY 2023 activities:

(a) Managed \$27.1 million in GPC obligations across the agency (a 9.7% increase over FY 2022), 240 individual cardholders, and 357 separate accounts. Registered a transaction compliance of 97%.

(b) Enhanced features and capabilities under the procurement dashboard. With J6 and the major subordinate commands, helped streamline post award requests (PARs), on-time delivery (OTD), suspended stock, and Product Quality Deficiency Reports (PQDRs).

(c) Established an acquisition health metric for use in agency performance review reporting. The metric is a single measurement that assesses performance in various areas of the acquisition process. It consolidates previous agency performance metrics (time-to-award and OTD) with new metrics (PARs, PQDRs, and suspended stock). It adds on-hand purchase requests and procurement lead times to provide a holistic analysis of the acquisition process.

(d) Supported OSD Industrial Base Policy in its effort to map supply chains for 110 weapon systems.

(e) Reviewed cases under review by the Committee on Foreign Investment in the United States and other oversight bodies for potential effect on DLA and its equities. Case load increased from five per week in FY 2022 to seven per week in FY 2023.

(f) Launched three new continuous process improvement efforts: a command customer engagement pilot designed to assess and improve the J7 HQ/command relationship, the “Add Depth to the Defense Acquisition Workforce Development Account” project which served as a pilot for building depth in J7 functions, and an effort to build a balanced scorecard to measure the efficiency and effectiveness of services acquisition.

(6) J76

J76 leads a network of 80 procurement sub-process owners and business process analysts championing the agency’s four thousand procurement end users. The division oversaw acquisition systems, surveilled processes for current operations, and prepared procurement systems for transformation. Significant FY 2023 activities:

(a) Continued prioritizing requests for changes to lessen the jolt of DLA ERP migration.

(b) Conducted three working-level discussions on the Procurement for Public Sector program replacing E-Procurement as DLA's contract writing system.

(c) Reengineered the automated delivery order process to streamline the transition to future systems. Reengineering included incorporating procurement business process reengineering candidates into 24 potential areas of exploration through procurement process review workshops.

(d) Approved five robotic process automation cases, saving approximately 4,300 manual hours. Thirteen more acquisition use cases have been submitted for development, with potential savings of 24,300 manhours.

(e) Established DLA's procurement data improvement and compliance plan for improving the contract data reported to the federal procurement data system, contractor performance assessment and reporting system (CPARS); responsibility and qualification (formerly FAPIIS); and contract opportunities in system for award management. CPARS on-time reporting averaged 95% during FY 2023. DLA compliance to the DoD Procurement Data Standard increased from ~85% awards and 50% modifications in FY 2022 to ~96% awards and 90% modifications in FY 2023, while procurement data standard awards averaged 85%.

(f) Continued auditing the award-to-closeout process cycle memorandum (PCM). The PCM is essential for auditing the procure-to-pay (P2P) business cycle as it documents existing controls and assists in identifying process gaps and risks. Additional releases will document service contracting and energy, as well as reconcile transactions with the OSD business enterprise architecture.

(7) J78

The J78 P2P process cycle integration team helped the agency's acquisition community achieve business system auditability and advanced audit goals. Additionally, the J78 team leads J7 efforts related to the agency risk management and internal control program, the statement of assurance, program management of outbound military interdepartmental purchases request (MIPRs), and the P2P G-invoicing efforts. Significant FY 2023 activities:

(a) Doubled Corrective Action Plan (CAP) completions over FY 2022 from 11 to 23. J7 NFR closures have now surpassed new findings.

(b) Demonstrated growing process maturity within J7-owned P2P, plan-to-stock (P2S), and order-to-cash (O2C) processes has driven success for J7 NFR completion attempts from 4% (1 of 23 attempts) in FY 2018 to FY 2021, to 33% (3 of 9 attempts) in FY 2022. FY 2023 was to 83% (5 of 6 attempts).

(c) All J7 FY 2023 NFR completion attempts progressed to IPA testing instead of being immediately rejected upon IPA preliminary review.

(d) Exceeded the 90% timeliness goal for provided by client (PBC) requests (93%) while workload increased 12.9% with significantly more complex requests and substantive testing. Additionally, new findings or observations continues to trend downward, resulting in fewer new NFRs. Reduced new findings by 90% in FY 2023.

(e) Implemented two of three service provider corrective action plans, advancing the remediation of DoD's oversight and monitoring material weakness.

(f) Presented solutions regarding P2P inter-agency assisted acquisition MIPR policy and strategy (post) G-invoicing implementation across the enterprise. Standardized

P2P MIPR related evidential matter, payment frequency and audit related details required for high-level General Terms & Conditions (GT&C) agreement templates.

(g) Produced 12 monthly P2P MIPR performance metric packages for over 370 MIPR generators, 161 authorizing officials, 462 accountable receipt officials, and 5 contract officers positioned across the enterprise. Facilitated the completion of FY 2022 P2P Service MIPRs (6,000 transactions, \$3.3 billion obligations and \$796 million receipts and 90% workflow timely and accuracy rate). Revised, streamlined, and implemented P2P MIPR DLA Manual (DLAM 4010.01) across the enterprise, the first major DLAM update in 7 years.

(8) J79

J79 is responsible for managing the enterprise's industry engagement strategy; developing a market intelligence program; and managing the Warstopper, category management, and AbilityOne programs. The division works closely with industry, DLA commands, DLA J-Codes, and customers to ensure a resilient defense industrial base. Significant FY 2023 activities:

(a) Industry Engagement

Developed a revised industry engagement strategy that establishes "functional leads" for conferences and events to ensure alignment and invested interest. In total, supported 36 industry conferences attended by 53 DLA senior leaders. Used the supplier advocacy network to synchronize engagements across the enterprise. Ran the third biannual DLA Supplier Feedback survey, building trend information for how DLA suppliers view the government/industry relationship. Response rate was consistent with past surveys (~38%).

(b) Market Intelligence

Continued enhancing capabilities for collecting market intelligence. Procured services from commercial Resilinc to assess how commercially provided services can support analyzing supply chain risk on multiple tiers. Contracted with McKinsey & Co. to develop a strategy for deploying market intelligence across DLA.

(c) Warstopper Program

Executed \$70 million in industrial readiness investments. FY 2023 was the second highest year of execution since 1993. This included an additional \$25 million over the baseline budget for unfunded requirements supporting DLA Energy. Completed 38 industrial capability studies to assess various supply chain vulnerabilities and recommend appropriate risk reduction strategies. Completed in-depth study to determine feasibility of expanding the program to the military health system for generic pharmaceuticals, in response to the FY 2022 NDAA. Underwent GAO review per the FY 2022 NDAA. Final report expected during FY 2024.

(d) Supply Chain Resiliency

In collaboration with J73 and J35, developed a campaign of learning for three industrial base focused wargames. The first wargame, on the resiliency of the C&T

industrial base, tested industry's ability to meet requirements for a full-scale mobilization of U.S. forces. That event, the first ever with industry participation, will help policymakers develop a strategy. J79, in conjunction with J73, J3, and the commands, began exploring opportunities for increasing DLA business with the organic industrial base.

(9) Strategic Materials (SM)

DLA Strategic Materials has been delegated operational responsibility for managing the National Defense Stockpile (NDS). As the field operator of the NDS, DLA manages NDS inventories, upgrades existing stocks to prevent obsolescence, sells materials excess to NDS needs, executes environmental remediation activities, acquires critical materials, qualifies domestic sources of supply, and recycles critical materials from end-of-life or excess government items. DLA Strategic Materials also provides economic and supply chain analysis to OSD and other WOG partners. In FY 2023, DLA Strategic Materials managed \$1.25 billion in critical/strategic materials (47 materials). Significant FY 2023 activities:

(a) Congressional Reporting and Engagement

Delivered the 2023 Report on Stockpile Requirements and the FY 2022 Annual Operations and Planning Report. Completed all other mandated congressional and OSD reporting requirements to include the FY 2023 Section 8034 acquisition execution plan (a statement of how appropriated dollars will be spent); an antimony trisulfide brief; the Section 1413 report on stockpiling requirements; and deputy's management action group (DMAG) briefings on modeling modernization, congressional engagement, and assessing the scope and role of the NDS program. Provided focused briefings at DLA Staffer Day and various other OSD level congressional engagements. DLA advocacy for the NDS program resulted in \$93.5 million in FY 2023 appropriations and a \$207 million mark for FY 2024 appropriations. Submitted FY 2024 & FY 2025 legislative proposals seeking needed authorities.

(b) Department and WOG Support

Supported OUSD Industrial Policy with congressional reports and various other high-profile WOG efforts. Strategic Materials resources are regularly used to support organization mission and whole of DoD outreach and information sharing, as well as prepared statements on behalf of OSD and USD A&S Stockpile Manager. FY 2023 for such special taskings totaled 117.

(c) Research and Development (R&D) and Qualification Efforts

Supported domestic qualification, recycling, and basic R&D. Supported ten critical material R&D projects totaling \$5.6 million through collaboration with DLA R&D, Strategic Materials's own broad agency announcements, and with other DoD research labs to mitigate supply chain risks. Established a domestic production qualification process for boron carbide powder and isomolded graphite to help solidify the domestic industrial base capability.

(d) Germanium Recovery Program

Produced 2,960 kg of 5N purity germanium ingots suitable as feedstock for optical applications. This quantity represents 10% of the US annual consumption. This stockpile, and continued recovery of additional germanium, is essential to the defense industrial base due to China's export ban to the US.

(e) Mercury Repackaging Program

Successfully passed all audits with zero accidents or spills and repackaged 200 metric tons of mercury at the Hawthorne Depot.

(f) Sales Program

Generated \$49.87 million in contract awards and collected \$47.37 million by pursuing opportunities that maximize NDS revenue and collection goals.

(g) Environmental Safety and Occupational Health System (ESOHMS)

Completed FY 2023 operations year with another year of zero OSHA recordable injuries. Revamped the Strategic Materials "I am the Key" website with all policies and procedures required for our ESOHMS programs.

(h) Financial Audit

Operated the NDS program with consistent, complete, and accurate controls and processes. Audit sustainment was completed with timely responses to all PBCs, meet requests, and walk-throughs with auditors. Generated 49 material methodologies to support the beginning balance assertion. Material market expertise, evidential matter collection, and application of beginning balance unit values were applied to FY 2023 inventory. Staff engaged with auditors to field questions and incorporate feedback. Staff assisted DLA Finance J81 in generating a valuation methodology white paper.

Defense Logistics Agency

DLA Finance (J8)

Fiscal Year 2023 Historical Report



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

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY HEADQUARTERS, HISTORIAN
(ATTN: DR. COLIN WILLIAMS)

SUBJECT: DLA Finance (J8) Fiscal Year 2023 Annual History Report

I am pleased to forward the J8 Annual History Report. The attached report includes several key events and significant accomplishments. The historical narrative portion highlights the great things that our J8 team is doing to support the Warfighter, support the Nation, provide financial transparency, modernize acquisition, and supply chain management, and invest in our people.

I am looking forward to continuing our hard work and dedication in the year ahead.

LENNON.SHAW / Digitally signed by
N.C.1291041279 / Date: 2023.09.29 13:22:54 -0400

SHAWN LENNON
Acting Chief Financial Officer
Director, Financial Improvement and Audit
Remediation
Defense Logistics Agency

1. Introduction

The DLA Finance (J8) director/chief financial officer (CFO) serves as the principal financial advisor to the DLA director and is the primary advocate for the agency when working with the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) and the Office of Management and Budget (OMB). J8 provides leadership and guidance to facilitate Department of Defense (DoD) financial management requirements. DLA Finance performs the full spectrum of financial management services for DLA's three funds, the Working Capital Fund (WCF), General Fund (GF), and National Defense Stockpile Transaction Fund (TF), to include programming, budgeting, execution, accounting, financial reporting, audit response and sustainment, process management, process health, financial policy, and human performance and strategic planning. J8 operates with integrity and accountability in a cost-conscious culture and maintains strong, agile relationships with its internal and external partners while upholding its fiduciary responsibility to the taxpayer.

a. Mission, Vision, Values

(1) The DLA Finance mission is to produce reliable, supported budget requests and auditable financial statements – Financing Global Logistics.

(2) The vision is to deliver world-class fiscal stewardship and optimize resources to enable military readiness and lethality.

(3) The DLA Finance values are honor, integrity, respect, innovation, financial acuity, and excellence.

b. Key Events

(1) Continued to support the agency's digital business transformation.

(2) Played a key role in transitioning DLA Document Services from DLA Information Operations to DLA Disposition Services.

(3) After a historically volatile market in FY 2022, fuel prices stabilized in FY 2023, with a fully burdened product cost average for the year through June of \$165.87. The Office of the Secretary of Defense (OSD) changed its standard fuel price once during the year, decreasing it from \$172.46 to \$163.80 in February.

(4) DLA Energy navigated DoD's direction to defuel the Red Hill Bulk Fuel Storage Facility, and Finance Energy managed resources for this effort. DLA received \$119.5 million in October and an additional \$344.8 million in August to defuel and manage dispersal operations. Our resource management team worked with multiple stakeholders to include Finance Headquarters, DLA Energy, the Red Hill Joint Task Force, and OUSD(C) to provide analysis regarding the obligation and use of these funds and ensure accurate reporting through the Advana, a centralized DoD data and analytics platform.

(5) Supported the nation's COVID-19 response.

(6) Supported U.S. European Command's Operation Deter Aggression and Presidential Drawdown Authority support to Ukraine.

(7) Participated in a business process analyst (BPA) working group to develop a training class that J1 will be use for all new BPAs in DLA.

c. Significant Accomplishments

(1) The J8 Risk Management and Internal Control team assessed the staff's internal control documentation. It evaluated eighteen key supporting documents (KSD), noting that two KSDs did not have any documentation gaps, fourteen had documentation gaps, and two were not applicable. In addition, it aligned J8 assessable unit/business processes to the financial statement line item, procuring red contractor support to assist in the alignment. The objective of the risk assessment was to identify key risks and key controls that will help J8 to determine its strategy for documenting end to end (E2E) business processes.

(2) Published DLAM 7200.01 "Funds Control – Unliquidated Obligations (ULO) Management Process" in the first quarter of FY 2023, transferring the ULO program from J78 to J86. J8 ULO Project Management Office (PMO) then validated the ULO population, increasing the ULO validity percentage from the low 40s in first quarter to the mid-90s by the end of second quarter and sustaining it ever since. The ULO PMO also published standing deobligation guidance to facilitate cleansing the stickiest ULOs and assisted in developing robotic processing to support DLA Troop Support's high volume, customer-direct supply chains.

(3) Completed an internal zero-based budget labor review. Through this effort, identified barriers to efficiency and developed action plans to address concerns.

(4) Established new internal order numbers (IONs) to track labor costs associated with audit-related activities.

(5) Reviewed all J8 service contracts and funding documents to identify insourcing opportunities.

(6) Supporting "IT Modernization/D-BX" for Subsistence STORES. Provided insight into STORES 2.0 requirements that will improve financial performance and reduce transaction errors while assisting developers with understanding the flow of current systems.

(7) Managed over \$50 billion in obligation authority in three funds: Defense Wide Working Capital, General, and Transaction.

(8) Secured \$435 million in additional contract authority at mid-year to sustain materiel availability of 85%.

(9) As of August 9, 2023, DLA provided \$756.1 million in direct mission support to Ukraine, including \$18 million in reutilization of excess property. This includes \$10 million for DLA sales, material supply chain support costs (full-time equivalent hours and \$3 million in temporary duty costs). DLA obligated \$595.9 million for Ukraine mission support.

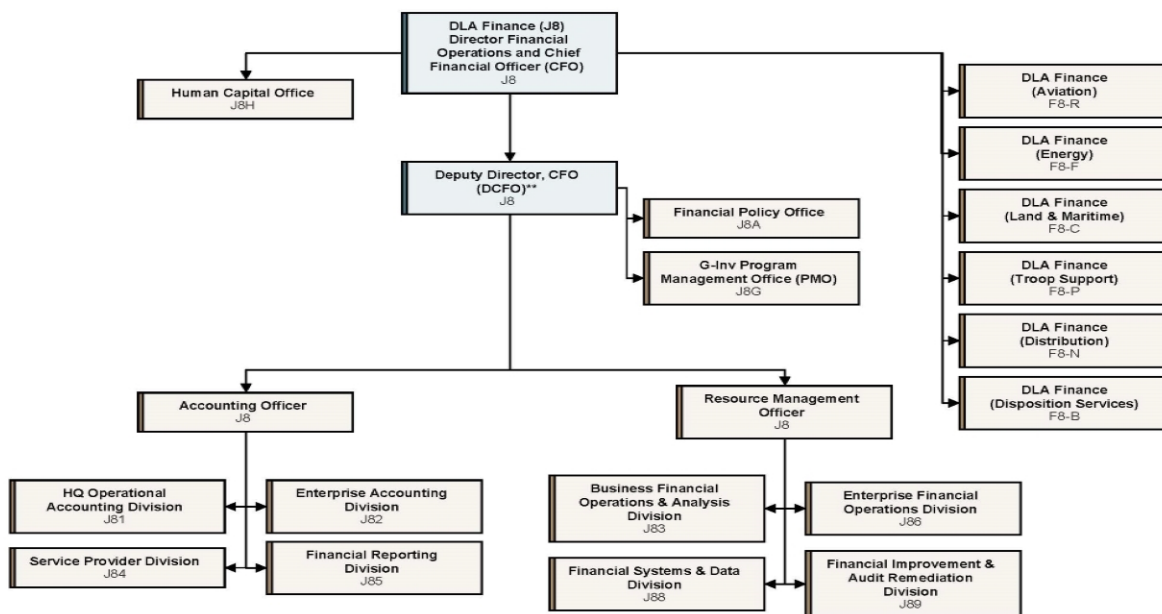
(10) Provided COVID-19 support to the Federal Emergency Management Agency, Health and Human Services (HHS), and other federal customers. As of July 31, 2023, J8 obligated \$7,366.1 million and sold \$7,072.2 million.

(11) G-invoicing (G-INV) working group charter signed, solidifying working level (GS-14/15) governance and a preparation venue for executive steering committee topics.

(12) J8G/J6/select subject matter experts worked through ~100 user stories to build a new ServiceNow tool for general terms & conditions (GT&C) which will become the first agency repository for support agreements.

2. Organization

a. Organization Structure Chart



** Dual Hat Resource Management Officer (RMO)

b. Explanation of changes

Document Services was realigned under DLA Disposition Services on April 1, 2023. DLA Headquarters has not yet processed a General Order(s) finalizing this realignment.

3. Key Personnel

a. Positions

The DLA Finance was headed by two senior executive service officials: Mr. J. Arthur Hagler (July 21, 2019 – May 31, 2023) and Mr. Shawn Lennon (June 5, 2022 – present). Mr. Joe Wilburn II served as acting deputy chief financial officer (June 5, 2023 – present). These executives led an organization that (1) serves as lead on all DLA financial management matters, (2) maintains effective financial management and control for the DLA enterprise, (3) assures DLA compliance with federal laws and DoD regulations, (4) assures budget resources are available for DLA's mission, (5) assures agency funds are managed in accordance with federal laws and DoD regulations, (6) produces three agency financial reports, (7) administers agency financial management, operations, reporting, and compliance functions, (8) acts as the agency's financial management process owner, assuring that financial systems and processes are effective, efficient, and compliant with federal laws and DoD regulations, (9) determines financial resource

requirements and the efficient allocation of resources, and (10) administers OMB Circular A-136 requirements for financial reporting.

b. Changes

There were several key leadership changes. Mr. Robert Callahan was selected as J82 director, headquarters enterprise accounting. Ms. Felicia Parker was selected as J85 director, financial reporting. Ms. Jennifer Matney was selected as the new J83 staff director. Commander Jean Steenson joined DLA Finance as executive officer for Mr. Lennon.

4. Total Personnel

DLA Finance has an authorized end strength of 783. At the end of August 2023, it had 713 employees.

5. Historical Narrative

a. LOE 1: Warfighter Always

(1) Objective 1.1: Improve end-to-end readiness and cost-effectiveness in support of combatant commander campaign plans and integrated contingency plans in competitive and contested logistics environments.

(a) Ukraine and U.S. European Command (EUCOM) support

Continued uninterrupted intragovernmental transactions (IGT) post G-INV mandate October 2022 by embracing the no work stoppage mantra. This was validated when both OUSD and US Treasury started repeating the phrase. J8 will follow legacy processes until trading partners have a full solution in place.

b. LOE 2: Support to the Nation

(1) Objective 2.1: Implement a deliberate, enterprise-wide approach to whole-of-government support

(2) COVID-19/Pandemic Support and Humanitarian/Disaster Relief Support:

(1) Continued providing COVID-19 support to the Defense Health Agency, HHS, and other federal customers. For FY 2023 year-to-date, that equates to \$607 million in obligation and \$1,209 million in sales. DLA Troop Support has obligated \$7,266 million and sold \$7,074 million from inception to August 31, 2023.

(2) Across Finance teams, DLA Headquarters, and HHS points of contact, resolved an issue that occurred at the end of FY 2022 where the Defense Finance and Accounting Service (DFAS) reversed \$48 million in accounts receivables (chargebacks) at the direction of HHS but without approval and coordination of DLA. The Finance team researched the issue, organized meetings, and provided briefings to DLA, DFAS, and HHS senior

leadership. After extensive analyses and discussions/negotiations, points of contact agreed on a cash collection for DLA of nearly \$34 million and a credit to HHS of nearly \$14 million.

(3) As of July 2023, DLA Troop Support Medical Finance supported Operation Vaccine Operations and obtained Defense Health Agency COVID-19 funding for the distribution and other support costs for the vaccine.

c. LOE 3: Trusted Mission Partner

(1) Objective 3.2: Provide greater financial transparency to customers

(a) Fiscal Stewardship

As part of DLA's effort to cultivate financial transparency, J8 explained DLA operating costs, how DLA standard fuel prices are established, and how DLA budgets and builds rates at Marine Corps, Army, and Air Force service days.

J8 is actively developing middleware financial system solution to meet Treasury mandate and audit requirements.

(b) Management Internal Control System (MICP), Financial Improvement and Audit Readiness (FIAR) (A123), Audit

DLA Finance is facilitating FY 2023 audits for TF, GF, and WCF. As of September 8, 2023, J89 responded to 1,988 independent public accountant requests with 97% timeliness. In the July FIAR governance board, DLA notified OUSD it will not downgrade the five materiel weaknesses. DLA submitted 100 notice of findings (FS -74 and IT- 26) and is awaiting feedback on 87.

(c) Planning, Programming, Budget, and Execution

Maximum use is being made of the budget increase requests process, continuous process improvement program led by DLA Transformation, contract reviews, and the program budget review (PBR) processes. In the PBR 2025 cycle, thirty direct budget increase requests were submitted and, of those, twenty-six were approved.

(d) Reliable cash model

DLA developed the capability to forecast how changes in obligation authority, demand, inventory levels, material availability, fuel costs, operating costs (labor and non-labor), and other variables affect its cash balance. DLA currently uses a bottom-up methodology for forecasting Partnering with DLA's Analytics Center of Excellence, DLA J83 developed a statistical cash model. It will be at full operating capability by fiscal year end.

(e) Systems/Data

J88 Financial Systems, Data and Compliance (FSCM) Division led two business process reengineering sessions in anticipation of the SAP S4 HANA solution. These

sessions included meeting process owners, developing new ways to process enhancements, and addressing audit findings. The J88 budget-to-execute (B2E) sub-process owner (SPO) teamed with a J83 pricing financial analyst to lead yearend pricing updates and price extract analysis.

The J88 order-to-cash (O2C) SPO teamed with J82 division accountants to attend financial supply chain management (FSCM) business process reengineering (BPR) workshops at Accenture on July 25-27. Attendees discussed ways to improve DLA accounts receivable and establish an authoritative source of information for collection, including dispute cases, customer outreach, and outstanding customer balances. J88 implemented four FSCM modules – credit management, collection management, dispute management, and biller direct – into S4 environment to optimize the collection of outstanding customer balances.

On February 10, J88 team members attended the DoD Advanced Analytics (Advana) community meeting. Engagement was to start the framing of a DLA Advana community space. J88 participated in another Advana community meeting in Richmond, Virginia on March 15-16, 2023.

The J8G Program and Process team updated the proposal for FS 7600EZ utilization for all material orders to the DoD monthly forum. The team scheduled a meeting with Treasury (Deputy Assistant Commissioner Ms. Tammy Saiko), OUSD(C), and DLA DCFO (Mr. Shawn Lennon) on March 22, 2023, to discuss the FS7600EZ solution for material orders.

d. LOE 4: Modernize Acquisition and Supply Chain Management

(1) Objective 4.2: Improve the end-to-end post-award segment to enable collaborative customer support, increase responsiveness, and manage costs

(a) Financial Statement Cleanup, Dormant Account review Quarterly (post-award segment)

Conducted DARQ to improve DLA's ability to execute appropriations before expiration and ensure remaining obligations are valid. Population included undelivered orders and unfilled customer order records with dormant balances of 90 days and greater.

1st Quarter FY 23 numbers for all three funds (GF, WCG and TF) are: transactions reviewed: 12,058; average dormant days per transaction: 178; total value reviewed: \$339,615,442.20; average value of transactions reviewed: \$28,165.16.

2nd Quarter FY 23 numbers for all 3 funds are: total transactions reviewed: 13,487; average dormant days per transaction: 454; total value reviewed: \$347,600,276.60; and average value of transactions reviewed: \$25,772.99.

Cumulative Numbers are: transactions reviewed: 25,545; average dormant days per transaction: 323; total value reviewed: \$687,115,718.80; and average value of transactions reviewed: \$26,898.25.

(b) Manage Costs

G-INV promotes better communication between trading partners using the G-INV shared platform, which also ensures transparency of IGT phases. G-INV provides a common data standard to reduce misunderstandings and streamlines settlement of fund in IPAC.

e. LOE 5: Future of Work

(1) Objective 5.3: Build skillsets of the future

Invest in our people: Human Capital Office (J8H) educated new employees through the J8 onboarding program. J8H facilitated training for employees, including “Introduction to DLA Finance J8 Organization and Environment” and courses on core job processes in Enterprise Business Systems. DLA Finance required each employee have an individual development plan so he or she could develop professional goals.

DLA Finance required all its employees obtain DoD Financial Management certification or use other OUSD(C)-approved alternate certificate, with 100% of staff certified within the required timeframe. DLA Finance also continued a mentor/protégé program which provides enhanced competency, builds collective knowledge, aids in recruitment, strengthens retention, fosters a cost-effective learning environment, and promotes inclusive management.

f. CC B: Fiscal Stewardship

(1) Objective B1: Auditability

Ernst & Young (EY) started auditing DLA’s three financial statements in FY 2017. TF is a revolving fund of acquisition and storage of strategic materials supporting the National Defense Stockpile. GF is defense-wide appropriations for operations and maintenance; procurement; research, development, test and evaluation; military construction; and family housing. WCF is a revolving fund supporting energy, supply chain management, and document services. EY has issued disclaimers annually on all three annual financial reports since 2017. USD(C) required the military services and defense agencies undergoing standalone financial statement audits to submit an audit roadmap with their timeline for achieving unmodified (clean) opinions. DLA’s audit roadmap reflects an unmodified audit opinion for TF in FY 2024, GF in FY 2025, and WCF in FY 2028. In FY 2022, EY reported six material weaknesses for TF, seven for GF, and seven for WCF, including accounts payable and expenses, financial reporting, funds balance with Treasury, oversight and monitoring, IT (TF, GF, and WCF); inventory (TF and WCF only); property, plant, and equipment (GF only); and accounts receivable and revenue (GF and WCF only). DLA has completed an 100% physical inventory across all distribution centers for the past several years. Inventory accuracy is ~99% for individual items (e.g., if the system says we have 100, but you count 99, that count was 99% accurate) and ~96% at the National Item Identification Number (NIIN) (e.g., if the system says we have 100, but you count 99, that count was not accurate) for 2.3 million NIINs in FY 2022. The agency expects to do the same in FY 2023. DLA deployed its Warehouse Management System to Corpus Christi in FY 2022 and nine more distribution centers through June 2023. For FY 2023, EY determined that the Fund Balance with Treasury for the TF is not auditable based on the lack of transaction-level detail from fund inception. DLA began the mission in 1988. This issue alone will preclude EY from opining on the TF financial statements. The only viable option left is Congressional legislation. DoD is seeking Congressional assistance to establish the fund balance with Treasury opening balance as of a point in time in legislation.

(2) Objective B2: Cost visibility and cash management

The new tool DLA J83 is developing with DLA's Analytics Center of Excellence will be at full operating capability by fiscal year end.

(3) Objective B3: Investment to drive efficiency and effectiveness

G-Invoicing is the long-term sustainable solution to improve the quality of IGT - Buy/Sell data. It will use ServiceNow as the front-end platform to eliminate material weakness, fix longstanding audit findings, and improve efficiency.

Defense Logistics Agency

DLA Joint Reserve Force (J9) Fiscal Year 2023 Historical Report



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

IN REPLY
REFER TO

J-9
16 October 2023

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: DLA Joint Reserve Force (J9) Fiscal Year 2023 History Report

I have reviewed the JRF's submission for chronicling Defense Logistics Agency history for fiscal year 2023 and would like to forward my endorsement.

You may contact me with any questions at 571-767-7277 or kristin.kremer@dla.mil.

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Date: 2023.10.16 10:17:24 -0400

KRISTIN D. KREMER
Deputy Director
DLA Joint Reserve Force

Attachment: DLA Joint Reserve Force (J9) Fiscal Year 2021 History

1. Introduction

The Defense Logistics Agency Joint Reserve Force (J9) demonstrated just how critical reservists are to DLA in FY 2023. J9's achievements can be credited to flexibility, adaptability, and joint integration. Working across services and in conjunction with our civilian partners allowed skilled, trained, and ready personnel to contribute to the agency's most important missions.

Joint Reserve Force (JRF) missions for FY 2023 included overseas deployments to U.S. European Command (EUCOM) and U.S. Central Command (CENTCOM), support to the Agency Synchronization Operations Center (ASOC), and exercises Freedom Shield, Global Thunder, Defender 23, Pacific Sentry, African Lion, and COREX.

The J9 was crucial to addressing emerging requirements around the globe. Reservists worked in every DLA Major Subordinate Command (MSC) to ensure uninterrupted logistics support to the warfighter.

2. Organization

The Joint Reserve Force is a two-star directorate led by Army Major General Bowlman T. (Tripp) Bowles III. MG Bowles relieved RADM Grafton Chase as J9 director on October 18, 2022. MG Bowles commissioned as an Army infantry officer from the Virginia Military Institute in 1987. He joined the Army Reserve in 1998 and has served on a Special Operations Task Force while assigned as liaison officer to and mobilized member of Joint Special Operations Command. He deployed to Tallil, Iraq during "the surge" as commander of the 942nd Quartermaster under the 377th Theater Support Command during Operation Iraqi Freedom. Following assignment as a division G-8 comptroller, MG Bowles stood up the 518th Sustainment Brigade under the 143d Sustainment Command (Expeditionary) and served as its first deputy commander. He then was selected to command the Army Reserve Counter Terrorism Unit while a counterterrorism bureau operations officer under the U.S. Department of State. He later assumed command of the 3d Brigade, 98th Training Division.

The JRF is supported by a full-time staff of DoD civilians and Army and Navy active-duty service members. Under the director and deputy director are three divisions – J91 (personnel), J93/7 (operations, training, and readiness), and J95/8 (joint plans, policy, and finance) – and special staff (special assistant to the director, public affairs, and judge advocate general). Reserve joint directorate chiefs (JDCs) serve as liaisons with MSCs and the DLA J3. They are located within their components but report to the J9 director. For FY 2023, the joint reserve force had JDCs with DLA Logistics Operations, DLA Aviation, DLA Disposition Services, DLA Distribution, DLA Energy, DLA Land and Maritime, and DLA Troop Support.

3. Total Personnel:

Authorized Funded Billets

Navy Reserve	326
Army Reserve	196

Air Force Reserve	127
Marine Corps Reserve	14
Total	663

Full-time Staff

Full-time Civilians	7
Navy Full-time Personnel	5
Army Full-time Personnel	12
Total	24

4. Historical Narrative

a. Overview

The JRF provides DLA with trained and deployment-ready reservists for contingency operations and mission support and delivers capability in response to operational, surge, exercise, humanitarian, and planning requirements. In FY 2023, the JRF accomplished these tasks through worldwide operational support to DLA, overseas individual mobilizations, mission support to supply chains, support to regional commands, joint exercise support, and ASOC manning.

Key efforts in FY 2023 included baselining force design, standardizing training, mission support, exercise engagements, and culture. Overall, the billet fill rate held steady at 89%, medical readiness met the DoD goal of 85%, and dental readiness exceeded the goal at 93%.

Key initiatives included assessing current capability and future organizational structure design. This continues to be an ongoing process as the JRF analyzes how it can best appropriate billets and train individuals to support the MSCs, HQ, combatant commanders, and other partners.

Our key milestone was the JRF Annual Leadership Review held June 9-11, 2023, at DLA Headquarters Fort Belvoir, Virginia. This in-person event brought together over fifty senior leaders from across the JRF to discuss the strategic way-ahead, training, and readiness. Highlights were opening comments by MG Bowles, a discussion with Mr. Kelleher (DLA Logistics Operations) on current operational efforts, a presentation by Dr. Colin Williams titled “Contested Logistics and Supply Lines of Communication, an Historical perspective,” and a presentation by the J95/8 on “Redesigning the Force.” Additionally, there was a no-host social with VADM Michelle C. Skubic, DLA director.

b. DLA JRF Aviation

While performing their annual training, DLA Aviation JRF members supported the ASOC, DLA Distribution (Norfolk) for inventory receipt and delivery of ships medical stores, DLA Troop Support (Philadelphia) for vaccine and cold chain storage delivery, DLA Aviation Support Detachment Oceana for aviation stores and hazmat, and DLA Aviation HQ supporting three business lines of effort. For extended active duty, one member served in DLA Finance and another as DLA Aviation LNO/expeditor for five aircraft within Naval Aviation Atlantic’s maintenance operations center.

DLA Aviation Business Process Support Unit (AVN-BA) requested support from the JRF to extract data from the DRU task management tool. The team provided raw data with drill-

down capabilities to enhance strategic decisions on DLA Aviation customers. This collaboration included multiple engagements.

The Logistics Audit Remediation and Process Improvement Division fortified and expanded the existing partnership with the full-time team at the Audit, Process Compliance, and Risk Management Directorate. Some tools, key products, and developments included corrective action plan milestones, DLA Aviation process control narrative statement of assurance memo, DLA Aviation's assessable unit manager training module, and DLA Aviation compliance and surveillance inventory list. This evolution resulted in over 1,200 hours saved.

The Customer Operations Division provided supply chain research, process improvement, and backorder reduction. For the year, over 3,000 National Stock Number (NSN) line items were processed; over 9,000 backorders of aviation consumable parts were reduced; and extensive research and networking among customers, vendors, contractors, and DLA Aviation was conducted. This production led to expediting emergency buys and open purchases to increase readiness. U.S. Air Force reservists with the Customer Operations Division supported F-15 and F-22 weapon systems program managers through meetings with contractors and vendors to close "mission-impaired capability awaiting parts." They reported metrics, restraints, and constraints.

c. DLA JRF Disposition Services

DLA Disposition Services JRF had a successful FY 2023, participating in two significant exercises and several expeditionary site sets (ESS) kit missions. The exercises took place in spring and summer. The ESS kit missions took place in winter and spring. Combined, they promoted training, enhanced organizational capabilities, and improved individual readiness.

The spring exercise, Saber Guardian 23, was a component of Defender 23 and included two senior officers from DLA Disposition. Co-led by Romanian Land Forces and the U.S. Army, Saber Guardian 23 is a EUCOM and Africa-led exercise focused on deploying United States-based forces, employing Army Prepositioned Stocks, and establishing interoperability with allies and partners. Defender 23 was held in Romania to improve multinational integration on vehicle road marches, medical training exercises, river crossings, and other such tactical events.

Held in June 2023, Defender 23 demonstrated U.S. Army Europe-Africa's ability to aggregate U.S.-based combat power quickly in Eastern Europe; increase lethality of NATO through long-distance fires; build unit readiness in a complex joint, multi-national environment; and leverage host nation capabilities. During Defender 23, the DLA Disposition Services JRF deployed a seven-person team to Germany to make sure the ESS kit was mission capable. Defender 23 was the first time DLA Disposition JRF participated in a large-scale exercise. A team of seven military and civilian members set-up, trouble shot, and repackaged the ESS kit.

The summer exercise was Agency Contingency Operations Readiness (ACOR) 23 at Fort Custer and Battle Creek Air National Guard Base in Battle Creek, Michigan. Held July 16-29, 2023, ACOR was designed to train, practice, and assess mobilization, deployment, disposal operations, and redeployment capabilities. During execution, twenty-seven JRF members trained on demilitarization, the Warehouse Management System, and material-handling equipment. Of the forty-four documents the team entered in the WMS over two days, thirty-two were DEMIL, weighting 33,800 lbs. and costing \$13,060. ACOR confirmed that DLA Disposition Services is ready to support property disposal requirements during a global integrated operation.

DLA Disposition Service JTF members also participated in the Exercise Control Group (ECG) for the ACOR. The ECG consists of twelve civilians and six reservists. ECG subject matter experts consisted of DLA Troop Support, DLA Distribution, DLA Disposition, DLA Land and Maritime, DLA Energy, and expeditionary contract operations. The ECG covered positives and negatives daily.

Other ESS kit missions in FY 2023 took place in Sagami, Japan, in January; Camp Arifjan, Kuwait, in February; and Kaiserslautern, Germany, in June. A team composed of seven military members and seven DLA Disposition Services civilians set-up, trouble shot, and tore down ESS kits.

Both exercises and ESS kit missions greatly contributed to the organization's efforts to build a team of trained and ready civilian and military personnel that can support DLA Disposition Services' missions in CENTCOM, EUCOM, U.S. Indo-Pacific Command (INDOPACOM), and other areas.

The DLA Disposition Services JRF greatly contributed its command's success in FY 2023. In addition to the exercises noted above, it deployed twenty military personnel and a larger number of civilians to contingency operations in INDOPACOM, EUCOM, CENTCOM, and U.S. African Command (AFRICOM). These individuals received, processed, and safely disposed of large quantities of equipment and materials. The ability of DLA Disposition Services to send trained personnel who can integrate and immediately contribute reflects well on the organization's training programs and internal planning.

Lastly, the DLA Disposition Services JRF moved DSU3 from Hill Air Force Base, Utah, to Camp Pendleton, California. Moving DSU 3 to Camp Pendleton will help recruiting efforts, give the JRF a better training environment, and allow it to support local sites. The successful movement provided DLA a repeatable example of how to relocate units.

d. DLA JRF Distribution

In FY 2023, DLA Distribution reservists provided over 5,100 man hours of support to five of the six combatant commands. This support consisted of operations at fourteen distribution centers, as well as deployment and exercise support. DLA Distribution and non-organic reserve personnel supported operations in Kuwait, Djibouti, Germany, Poland, and Italy. Additionally, the JRF participated in joint exercises throughout the year, including Exercise Freedom Shield in Hawaii and Exercise Pacific Sentry in Korea.

DLA Distribution Reservists manned the Hurricane Support Team with eight personnel from the Navy, Army, and Air Force, in Red River, Texas; New Cumberland, Pennsylvania; and Norfolk, Virginia.

Throughout FY 2023, the JRF supported the DLA Distribution Norfolk Material Processing Center (MPC)'s mission essential operations. Additionally, the JRF supported depots in Japan. The basic duties included receiving, stowing, processing, and coordinating Navy shipments, including high-priority mission critical parts to units afloat throughout the INDOPACOM region. The JRF sent twelve reservists to DLA Distribution Pearl Harbor. The reserve team supported DLA wholesale and retail operations, providing critical manning to the FY 2023 wall-to-wall inventory, end-of-year closeouts, and bulk fuel operations at Pearl Harbor in Hawaii. DLA Distribution Tobyhanna, Pennsylvania, was supported by 29 Army personnel. Lastly, DLA Distribution Red River was augmented with an Army reservist who served as the executive officer onboard.

e. DLA JRF Energy

During FY 2023, DLA JRF Energy supported eight exercises across the DLA Energy Americas and Indo-Pacific regions and responded to one crisis. Additionally, DLA JRF Energy completed nine in-person battle assemblies at Fort Belvoir, Virginia, and focused on readiness and training. The majority of DLA JRF Energy support went to combatant command Tier 1 Exercises. Additional support was provided to DLA Energy regional offices ensuring the delivery of CL-IIIB. DLA JRF Energy remains focused on ensuring its operations and training match DLA Energy's augmentation requirements.

During FY 2023, DLA Energy JRF personnel responded to Hurricane Ian. The hurricane made landfall on the southern Gulf Coast of Florida on September 28, 2022, causing record flooding and destruction. The JRF sent two people to DLA Energy Americas, ensuring fuel was available to support first responders conducting search and rescue operations on behalf of the Federal Emergency Management Agency (FEMA). DLA JRF Energy support enabled DLA Energy Americas to focus on FEMA response efforts while ensuring daily operations and requirements were completed.

The DLA Energy JRF supported U.S. Southern Command's Exercise Integrated Advance (IA) during February and March of 2023. Integrated Advance is a bi-annual exercise hosted by USSOUTHCOM that models a response to a Caribbean maritime mass migration. The exercise was vignette-driven wargame dependent on detailed planning, contracting solutions, and interagency coordination. Conditions were reset by planning phase and challenged by scenarios which required audience responses.

U.S. Forces Korea (USFK), United Nations Command, and subordinate components, along with augmentees, civilian personnel and representatives of the United Nations, participated in Freedom Shield 23, an 11-day computer-simulated, defense-oriented training event designed to enhance the Republic of Korea-U.S. defense posture, maintain readiness, and strengthen the Korean peninsula and Northeast Asia.

In April 2023, the JRF supported the DLA Energy Americas as it provided Class III bulk expertise to U.S. Strategic Command during GT-23 and to NORAD & U.S. Northern Command (N&NC) during VS-23. CL IIIB support consisted of synchronizing joint bulk petroleum operations and identifying fuel requirements while dealing with injects affecting the DOD fuel supply chain. VS is a N&NC Tier 1 exercise designed to train the N&NC staff and subordinate service components on homeland defense missions and processes. It provided opportunities to synchronize operations with the Canadian Joint Operations Command, other American combatant commands, services, U.S. government agencies, and allies. The intent was to demonstrate readiness to defend Canada and the U.S.

During May 2023, the DLA Energy JRF supported DLA Energy Americas North as it provided Class III bulk expertise to U.S. Indo-Pacific Command during NE-23. Operating locations included Joint base Elmendorf-Richardson, Eielson Air Force Base, Fairbanks International Airport, and Ted Stevenson International Airport. CL IIIB support included synchronizing joint bulk petroleum operations and identifying fuel requirements (Jet Aviation fuel and Marine Gas Oil) while dealing with exercise injects. NE-23 provided realistic training and opportunities to develop joint interoperability, improve multi-domain operations, and enhance the combat readiness of participating forces. Support from the JRF was essential to the execution of CL IIIB requirements for this CCMD exercise.

In June 2023, the DLA JRF Energy Americas Team participated in the Quartermaster Liquid Logistics Exercise 2023 (QLLEX-23). DLA Energy Americas supported QLLEX-23 by giving U.S. Army Reserve fuel handlers, transporters, and laboratory specialists the opportunity to train their wartime skills. QLLEX units supported real-world fuel missions using fuel tankers to move capitalized petroleum to DLA Energy customers. The DLA JRF Energy Americas-East and Americas-West teams were instrumental in overseeing 1.6 million USG to eighteen DLA Energy customers with a cost savings of over \$250,000.

f. DLA JRF Land and Maritime

DLA Land and Maritime's mission is to provide world class support to the U.S. military and other customers in a fiscally responsible manner while maintaining a sharp focus on the culture and development of its associates. DLA Land and Maritime is known as a supplier of weapon systems spare parts by more than 24,000 military and civilian customers and 10,000 contractors throughout the world.

DLA Land and Maritime manages more than two million different items and accounts for approximately \$5 billion in annual sales. The JRF component of DLA Land and Maritime provides a ready and available reserve force capable of supporting mission requirements both at home and overseas. The JRF is comprised of thirty-five reserve and individual augmentee billets from the Army, Air Force, Navy, and Marine Corps.

The JRF at DLA Land and Maritime maintained an 89% fill rate and 100% medical/dental/clearance readiness. The JRF supported numerous projects this year. DLA Land and Maritime deployed two JRF members to Europe to support DLA Europe & Africa. It sent another two members to support Operation Freedom Shield. Back in Columbus, the JRF reviewed Counterfeit Detection Avoidance Program contracts worth \$141,000 and 953 Nuclear Enterprise Inventory Reduction Program contract lines worth \$2.3 million. Additionally, the JRF processed 21,623 items worth \$27 million and 3,169 hazmat items worth \$22 million at Defense Distribution Norfolk, Virginia. It also helped in the advice code project which identified AACV condition code V (terminal) and condition code Y (terminal non-stocked) items for replacement or termination. To date, DLA Land and Maritime has reviewed 153 AACV Line items with 68 referred to material planners for action.

DLA Land and Maritime supported several missions in FY 2023. One JRF officer deployed to Europe to manage a team of thirteen sailors. Another officer led the Disposition Hazardous Waste Removal Project at Camp Lemonnier Djibouti and Camp Chabelley. Currently, the JRF has an officer serving a yearlong tour in Europe synchronizing external support contracts such as Army LOGCAP, the Air Force AFCAP, Navy WEXMAC, and those signed by DLA Troop Support. Two JRF officers supported Operation Freedom Shield in South Korea for 25 days. The officers assessed processes and exercised procedures to improve future operations for the Korea problem set.

g. DLA JRF J93 Logistics Operations

Throughout FY 2023, the J93 JDC supported DLA's operations and training mission through the assignments to the ASOC, the Plans Executive Directorate (J35) and DLA's three Regional Commands (CENTCOM & SOCOM, Indo-Pacific, and Europe & Africa).

FY 2023 provided numerous opportunities for JRF members to develop leadership skills and sharpen their logistics acumen by manning the ASOC during weekends. Seventeen reservists maintained twelve-hour shifts for 52 weekends straight, to include holidays. They delivered integrated support between day and night shift Battle Captains through timely decision making and information sharing. Three members worked night shift operations, while two members volunteered to serve in Kuwait for a year. We also initiated a new cross-training effort to teach DLA Energy and Aviation reservists how to function as battle captains and obtain ASOC systems access for emergent requirements that require additional support. To date, seven members are trained.

This year, the J35 reserve team provided contracting support to the DLA J7 and a major subordinate command. In its reserve capacity, this team of nine worked an ongoing project to identify unliquidated funds on legacy contracts. It analyzed over 100 contracts with 548 actionable items for de-obligation, recapturing over \$130,000 dollars. Subsequently, a smaller team of four Army, Air Force and Navy contracting personnel traveled to Columbus, Ohio, in June to help DLA Land and Maritime with an acquisition management review (AMR). This reserve team directly contributed to 46 warrant package reviews, provided quality control of the AMR, and developed a training model to assist DLA Land and Maritime with future AMRs.

For EUCOM/AFRICOM, the JRF centered its training year activities around supporting exercise participation and real-world support. The team of eight focused on three major exercises; Austere Challenge, Defender, and African Lion.

For Austere Challenge, the team identified key tasks, analyzed the operations plan (OPLAN), and built logistics estimates into time-phased force deployment data. It also prepared an Austere Challenge interim progress report in preparation for the final planning conference in which it worked with the exercise support team to finalize the scope of DLA's role in Austere Challenge. The team finalized all key tasks and submitted a trip report to close-out the exercise. One individual displayed grit and perseverance by completing the Norwegian Foot March on Ramstein Air Base.

The JRF supported the Defender 23 exercise with one member serving as a forward customer service representative, ensuring DLA Class I deliveries arrived at designated exercise locations.

Another JRF member supported the DLA Europe and Africa operations center by participating synchronization sessions that tracked the training and readiness of Air Force reservists. The support culminated in updating the operations center's standard operating procedures; purging outdated material; revising roles and responsibilities of duty positions; and creating quick reaction tasks, processes, and procedures.

Finally, in the INDOPACOM theater, two reservists supported DLA on active-duty tours with DLA Troop Support in Alaska and a third with DLA Troop Support at the regional headquarters at Pearl Harbor, Hawaii. The remaining team provided continuity to the INDOPACOM operations center at Camp Smith, Hawaii, and supported exercise Pacific Sentry.

h. DLA Troop Support JRF

DLA Troop Support JRF members provided more than 3,000 hours of support for all supply directorates at DLA Troop Support during FY 2023, including the management and disposition of nearly 9,000 supply items valued at more than \$48 million. This effort directly

supported the DLA Strategic Plan Lines of Effort “Always Accountable” and “Whole of Government.” The JRF also contributed to audit readiness.

DLA Troop Support provided daily support to the vaccine cold chain mission within the Medical directorate throughout the year. JRF members processed more than 4,300 TempTale monitors during the fiscal year, which required correspondence with military treatment facilities and vaccine manufacturer partners. This effort led to the safe distribution of millions of doses of vaccine to DoD personnel throughout the world. Additionally, one Navy Reserve sailor provided cold chain support throughout the fiscal year.

In lieu of a traditional family readiness group winter holiday celebration, the DLA Troop Support JRF led a coat drive benefiting Youth Service Inc. during December 2022. The JRF collected 190 new, tags-on coats and hats, which was an increase of 100% over last year's total.

Defense Logistics Agency

DLA Inspector General (DA) Fiscal Year 2023 Historical Report



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

October 13, 2023

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: DLA Office of the Inspector General (OIG) FY23 History Report

I have reviewed DLA OIG's submission for chronicling the FY23 DLA history and would like to forward my endorsement with this memo.

The POC for this action is Andrew J. Duszynski, Deputy IG for Operations, at 571-767-5417.

RIGBY.WILLIAM
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565132
WILLIAM A. RIGBY
Inspector General

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1. Introduction

a. Mission

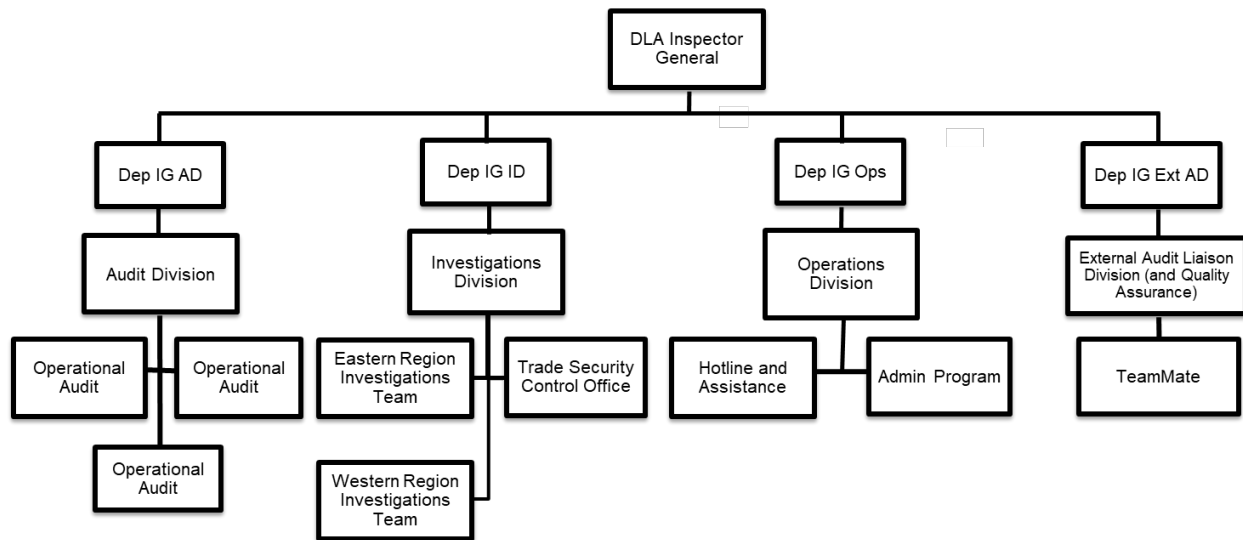
The DLA Office of the Inspector General (OIG) mission is to sustain Warfighter readiness and lethality by providing DLA leadership with facts, analysis, and recommendations through the five functions of Defense Inspectors General – teaching and training, assistance, audits, investigations, and inspections – to mitigate agency risk, improve processes, ensure compliance, and optimize resources. While operating independently from DLA’s standard command structure, the DLA OIG assists the command with combatting fraud, waste, abuse, and mismanagement across the enterprise. Despite its independent status, the DLA OIG relies on continuous support from mandated partnerships with the Defense Criminal Investigative Services, Military Criminal Investigation Organizations, DoD Office of the Inspector General (DoD OIG), and meaningful relationships with other DoD Inspectors General offices and their associated criminal investigative agencies. The DLA OIG works closely with the DLA General Counsel to determine the best action for matters relating to DLA OIG operations.

b. Summary of key events and activities in Fiscal Year (FY) 2023

As the COVID-19 transmission rates declined in FY 2023, the DLA OIG provided robust support to the enterprise in administrative and hotline investigative cases, operational audits, and liaison efforts relating to external audits. The Investigations Division (ID) opened 250 investigative cases and closed 206 cases with 200 open at the end of the FY, as well as 2,034 Trade Security Controls End Use Certificates processed (38 open at end of the FY). The Operations Division’s (OD) Hotline Program processed over 377 hotline cases – compared to 168 cases in FY22 – and closed 364 cases. The Audit Division (AD) completed five planned projects (four inspection evaluations reports and one audit report). The External Audit Division (Ext AD) supported 114 external audits and closed 41 external audits, including 18 audits from GAO, 15 from DoD OIG, and 8 from military service agencies.

2. Organization

The DLA OIG structure provided functional and regional support to the command. Most DLA OIG investigators and auditors served in operationalized positions located away from DLA Headquarters to provide support across DLA within the Major Subordinate Commands (MSC) and regional commands. A small staff aligned with the DLA Headquarters provided oversight and administrative support, managed the DLA Hotline, and provided liaison for all external audit activities. The chart below captures the organization to which DLA OIG adhered in FY 2023.



3. Key personnel

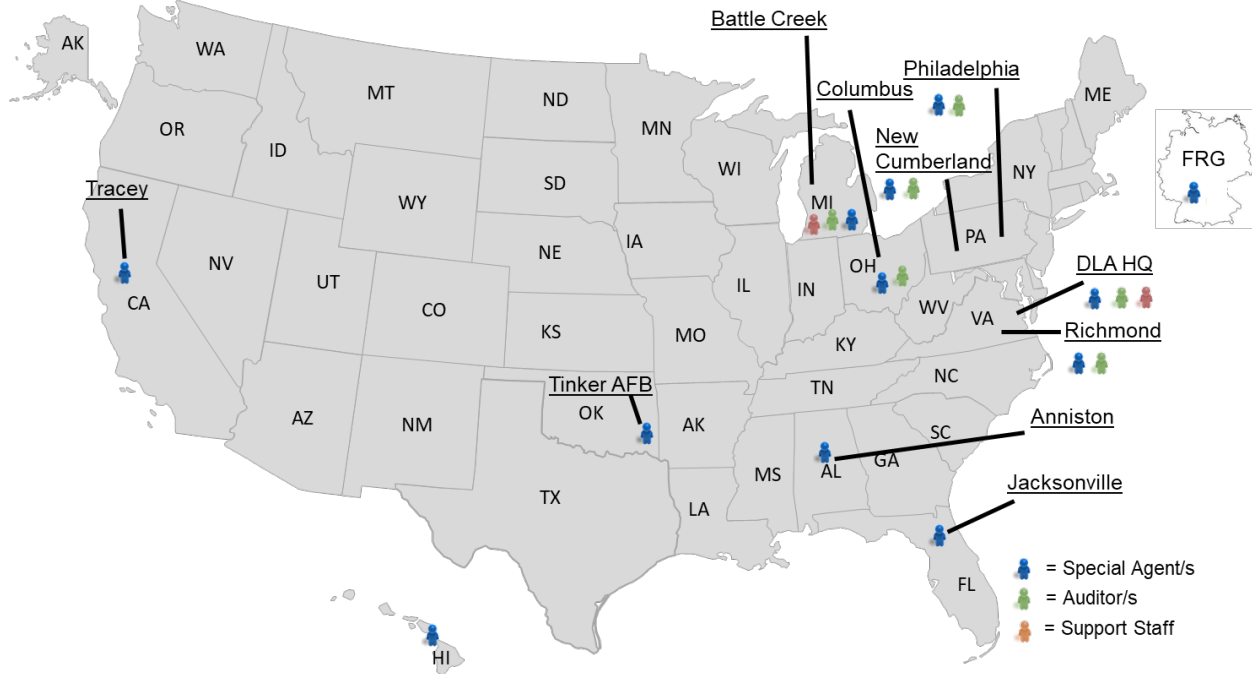
DLA OIG did not see any changes in key leadership in FY 2023. The DLA inspector general, William Rigby, has served in the position since 2016. Likewise, DLA OIG’s four division chiefs remained the same – Steven Pigott for Audit Division, Jerold Unruh for Investigations Division, Andrew “Dutch” Duszynski for Operations Division, and Andrew Hagenow for External Audit Liaison Division. DLA OIG did not experience any changes to first line supervisors.

4. Total personnel

At peak strength, DLA OIG had 51 FTEs on hand of 52 FTEs authorized in FY 2023. DLA OIG also had one military service member (O4) on hand with an authorization of one O5. DLA OIG hired two auditors (GS-0511-13), five criminal investigators (GS-1811-13), and one administrative officer (GS-0301-12) in FY 2023. DLA OIG’s manning authorizations are below:

- a. GS-1811: 21 authorized; 19 on hand for most of FY 2023.
- b. GS-1810: 2 authorized; 2 on hand for most of FY 2023.
- c. GS-1805: 5 authorized; 5 on hand for FY 2023.
- d. GS-0511: 20 authorized; 19 on hand for most of FY 2023.
- e. GS-0301: 3 authorized; 3 on hand for FY 2023.
- f. GS-0343: 1 authorized; 1 on hand for FY 2023.
- g. Military O5: 1 authorized; 1 on hand (O4) for FY 2023.

DLA OIG had personnel located at DLA Headquarters; DLA Aviation; DLA Disposition Services; DLA Distribution; DLA Energy; DLA Land and Maritime; DLA Troop Support; DLA Indo-Pacific; DLA Europe & Africa; DLA CENTCOM & SOCOM; and at three of our major facilities in San Joaquin, California; Tinker Air Force Base, Oklahoma; and Anniston, Alabama.



5. FY 2023 historical events and activities.

a. COVID-19 pandemic

The DLA IG estimated DLA OIG operated at 90% effectiveness in FY 2023 when compared to pre-pandemic FYs unencumbered by a worldwide pandemic. The Enterprise Hotline Program received approximately 50 COVID-19 related complaints in FY20, 15 in FY21, 1 in FY22, and no complaints in FY 2023, maintaining a downward trend. The DLA IG continued to designate all investigators as mission essential in the final stages of the pandemic. Non-mission essential DLA OIG employees who had primarily worked in fulltime telework status during the peak of the pandemic transitioned to working three days per week from the office. In FY 2023, U.S. courts overruled the federal government policy of mandatory COVID-19 vaccinations. DLA stopped tracking COVID-19 vaccination statuses for DLA employees.

Official travel in support of investigations dropped by 60% compared to pre-FY 2020 levels. Both investigators and auditors integrated alternate methods for interview sessions through FY 2023, ensuring proper social distancing measures and adhering to travel restrictions.

b. Operational Audits and Inspections Conducted in FY 2023

The DLA OIG Audit Division worked on the following operational audits and inspections in FY 2023:

- (1) Audit of Off-Boarding during 100 Percent Telework, report number LAOIG-FY 2023-01
- (2) Follow Up Evaluation for the Audit of Premium Time Recommendations, report number DLAOIG-INSP-FY 2023-01

- (3) Evaluation of DLA Distribution Hill Utah Operations, report number DLAOIG-INSP-FY 2023-02
- (4) Evaluation of DLA Energy CAPS and NFRs, report number DLAOIG-INSP-FY 2023-03
- (5) Evaluation of DLA Human Resources CAPS and NFRs, report number Report DLAOIG-INSP-FY 2023-04
- (6) Audit of DLA Distribution – Warner Robins Operations, report number FY 2023-DLAOIG-02

c. DLA OIG Annual Training Summit

DLA OIG successfully conducted an Annual Training Summit from October 24-28, 2022, in Florida. This was an all-hands event that underscored DLA OIG-wide cross-functional training efforts and reinforced the DLA IG's culture action plan. The event was especially effective at integrating a roughly 15% turnover of DLA OIG employees in FY22. A Defense Criminal Instigative Service presentation on DoD OIG Ukraine Oversight was a spotlight during the summit.

d. OIG Virtual Holiday Gathering

The DLA IG hosted a virtual holiday gathering (potluck) for all DLA OIG employees on December 15, 2022. Employees had an opportunity to commune and share successes. They also exchanged holiday recipes and their family holiday traditions. The DLA IG shared his holiday message and safety tips.

e. Compliance with the OMB Memo M-19-21

DLA OIG digitized all DLA OIG records in accordance with OMB Memo M-19-21. The memo directed completion of this effort across the federal government by December 31, 2022.

f. Peer Review of the DLA OIG Audit Organization

From November 2022 to July 2023, the DoDIG conducted a peer review of the DLA OIG internal audit division. The DoDIG's objective was to determine, for the three-year period ending September 30, 2022, whether quality control for the DLA OIG audit organization was suitably designed and followed. DoDIG assessed an overall pass rating and identified only minor administrative, not programmatic deficiencies.

g. Agency Management Reviews (AMR)

DLA OIG held in-person IG Open Door sessions in support of DLA AMRs on two occasions in FY 2023. DLA held the DLA Aviation AMR from February 28, 2023, to March 1, 2023, and the DLA Land and Maritime AMR from June 13, 2023, to June 14, 2023. DLA OIG provided both telephonic and virtual options for both AMRs. Due to the sensitive nature of Hotline complaints, details of those IG Open Door sessions are not available for public record. The DLA IG personally provided the respective MSC commanders out-briefs for both AMRs.

h. Investigations IT Modernization

On March 8, 2023, at the DLA IG's request, the J26b Portfolio Manager instructed her team to close the Activity Management for Investigators and Analyst System (AMIAS) project and begin transferring all appropriate functionality and records currently in the DLA Criminal Incident Reporting System (DCIRS) to the Enterprise Workflow Support Capability (EWSC). The new DLA OIG EWSC-based case management and tracking system went "live" on August 21, 2023, and now supports the DLA Hotline Program, as well as the DLA OIG Investigations Division and the Trade Security Controls Assessment Office. The AMIAS contractor couldn't meet performance requirements to replace the legacy DCIRS system. EWSC is a fully established low code/no code platform already in use at DLA. We anticipate EWSC having more robust searches and metrics management.

i. The Royal Canadian Mounted Police (RCMP) Visit

The RCMP visited DLA Distribution and Disposition at Anniston Army Depot from March 27-31, 2023. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) suggested the RCMP visit DLA to see how DLA stores weapons and conducts demilitarization actions, prompting the visit.

j. DoD OIG qualitative assessment review of DLA administrative investigations

On both November 29, 2022, and April 28, 2023, DLA OIG updated the DoD OIG on open recommendations from DoD OIG's qualitative assessment review of DLA OIG administrative investigative operations including hotline, whistleblower reprisal, and senior office investigations. Most recommendations are heavily reliant on the ongoing acquisition of software for a new case management system (CMS) that will replace two legacy CMS systems. Three recommendations have been resolved and closed. Five of the remaining seven recommendations cannot be fully resolved until the new CMS and achieves full operation capability.

k. Trade Security Controls and Assessment Office (TSCAO) initiative

Effective May 1, 2023, our TSCAO team began a new initiative for the Law Enforcement Support Office (LESO). A new TSCAO process verifies all lost or stolen LESO-issued weapons listed as such at the National Crime Information Center (NCIC). Participating Law Enforcement Agencies (LEA) that lose weapons or have weapons stolen are required to keep the weapon listed in the NCIC until it is recovered. Previously, no such verification existed. The LESO branch chief worked with the TSCAO team to establish this permanent process.

l. DLA IG Town Hall

The DLA IG hosted a Town Hall with all DLA OIG employees on June 20, 2023. Topics included DPMAP, DLA Future of Work review, DLA OIG Culture Action Plan focus, the Federal Employee Viewpoint Survey, and an upcoming Denison Culture Survey.

m. Internal Control Training

From July 31, 2023, to August 2, 2023, the OIG auditors attended “Internal Control over Reporting: Financial and Operational” training taught by Management Concepts. The three-day class helped auditors meet their continuing education requirement, and DLA OIG opened the class to interested DLA offices. Non-OIG participants from DLA included Internal Review offices, DLA Finance, DLA Transformation, and DLA Distribution.

n. Senior Leader Orientation Course (SLOC)

On September 18, 2023, the DLA IG provided an orientation brief to SLOC participants. The DLA IG highlighted key aspects of the DLA OIG mission set, capabilities and functions, and working relationships with DLA MSCs and J/D-codes.

Defense Logistics Agency

DLA Small Business Programs (DB) Fiscal Year 2023 Historical Report



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

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: DLA HISTORIAN

SUBJECT: DLA Small Business Programs (DB) Fiscal Year (FY) 2023 Historical Report

I have reviewed DB's submission for chronicling Defense Logistics Agency history for fiscal year 2023 and would like to forward my endorsement.

You may contact me with any questions at 571-767-3297 or Christopher.Hall@dla.mil.

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CHRISTOPHER HALL
Deputy Director
Small Business Programs

Attachment: DLA Small Business Programs FY 2023 Historical Report

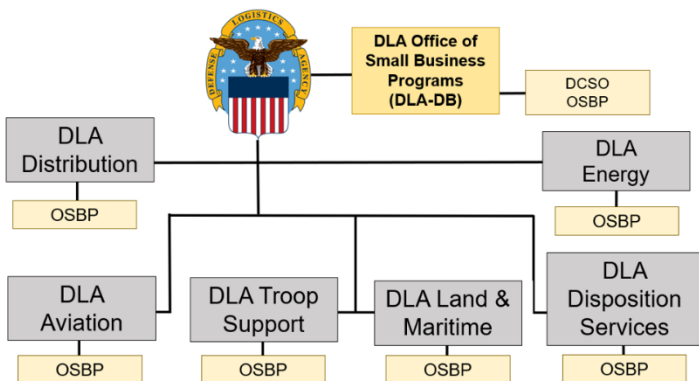
1. Introduction

It is DLA policy to provide maximum practicable acquisition opportunities to small business, service-disabled veteran owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. DLA prime contracts are structured to facilitate maximum practicable opportunity for small business participation as subcontractors, consistent with efficient contract performance.

The DLA Office of Small Business Programs (OSBP), also known as DLA-DB, was established pursuant to the Small Business Act of 1953, as amended, and Department of Defense (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 supporting DLA’s mission as the Nation’s Combat Logistics Support Agency.

During Fiscal Year (FY) 2023, DLA OSBP demonstrated unwavering commitment to maximizing small business in DLA acquisitions, while meeting the needs of the warfighter and ensuring each tax dollar was spent responsibly. OSBP guidance propelled DLA to increase opportunities for small business, culminating in award of more than 42% of eligible contract dollars to small businesses. At about \$18 billion, small business dollars were the highest ever.

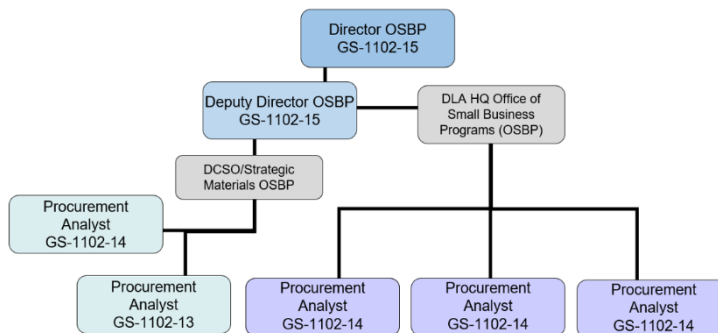
DLA Office of Small Business Programs Structure



Small Business Director.

Two of OSBP’s FTEs are stationed in Philadelphia to support the DLA Contracting Services Office (DCSO). All other DB FTEs are stationed at DLA Headquarters in Fort Belvoir. Five FTEs, including the OSBP Director and Deputy Director, oversee the operation of the DLA Small Business Program at the headquarters level. DLA’s six major subordinate commands

Office of Small Business Programs (DLA-DB) Organization



2. Organization:

DLA OSBP was authorized seven full-time equivalent (FTE) positions for FY 2023, comprised entirely of GS-1102 personnel. Mr. Dwight D. Deneal continued to lead the team as the DLA

(MSCs) each have a staffed small business office, but those personnel report through their chains of command and not headquarters OSBP. DB personnel at DCSO, who also supports DLA Strategic Materials, report through DLA-DB because these activities are components of DLA Acquisition (J7). This reporting structure maintains separation between the contracting and small business functions, a Small Business Act requirement.

2. Key Personnel

- a. Dwight D. Deneal, director, OSBP (December 2019 – present)
- b. Christopher Hall, deputy director, OSBP (May 2016 – Present)

3. Total Personnel

DLA OSBP was staffed with seven full-time personnel at the end of FY 2023, all civilians.

4. Historical Narrative.

a. DLA Small Business Performance*

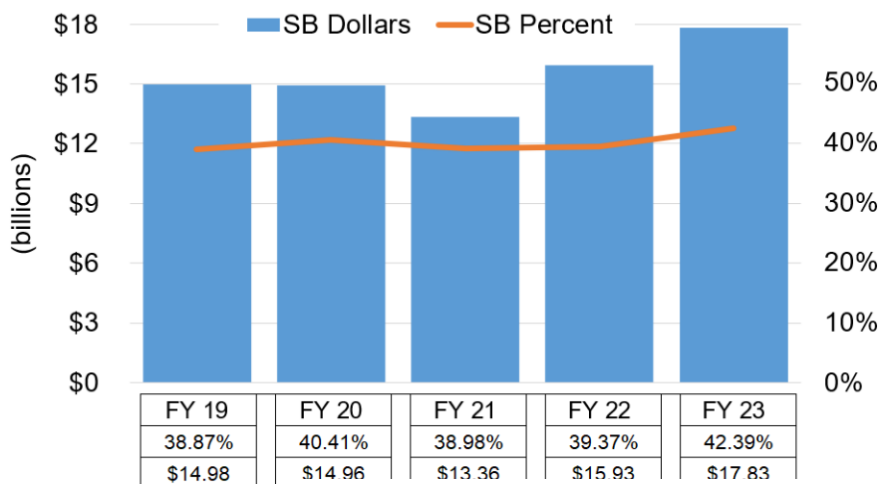
Small business represents a critical component of DLA’s diverse industrial base, reduces risk in our supply chains, and is essential to our ability to provide resilient and secure industrial support to the warfighter.

DLA has about 9,000 suppliers and 80 percent are small businesses.

The Small Business Act established the 23% Government-wide small business goal, which sets a target for the proportion of eligible contract dollars that federal agencies should obligate to contracts with small businesses. From there, the Small Business Administration (SBA) sets goals for agencies and departments, such. For FY 2023, the Department of Defense goal was 22.43%.

Similar fashion to what SBA does, the Defense Department sets goals for its components. The DLA small business goal for FY 2023 was 37.30 percent. The above chart shows DLA small business dollars and percent of eligible dollars obligated to small business contracts. For FY 2023, DLA met its small business goal for the eleventh consecutive year.

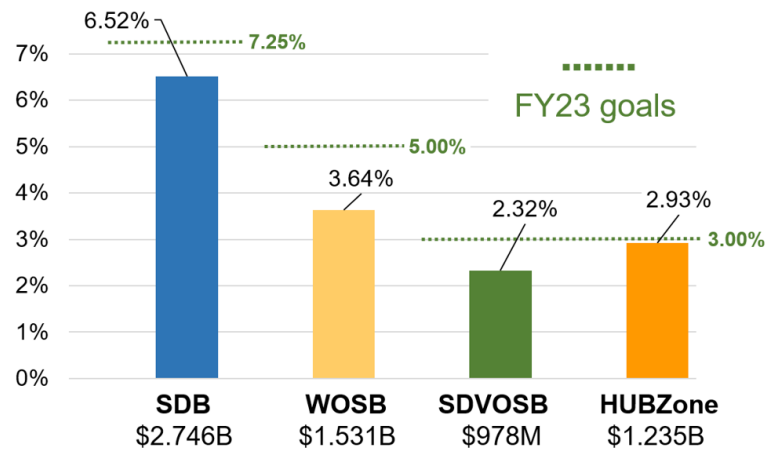
DLA Small Business Accomplishments



* FY2023 statistics are provisional and will change. These metrics will be finalized in February 2024.

DLA also has goals for the small business socioeconomic programs, including 7.25 percent for Small Disadvantaged Business (SDB), 5 percent for Women-Owned Small Business (WOSB), and 3 percent each for Service-Disabled Veteran-Owned Small Business (SDVOSB), and Historically Underutilized Business Zone (HUBZone) Small Business. The chart shows goals, dollars, and proportion of DLA dollars obligated to the socioeconomic programs for FY 2023.

Small Business Socioeconomic Programs



b. DLA Strategic Plan (2021-2026) and the DLA OSBP Operating Plan

DB continuously reviews our small business strategy to ensure it aligns with DoD priorities and the DLA Strategic Plan. The DLA OSBP Operating Plan describes four strategic focus areas for DLA-DB, ensures DLA small business activities further national defense priorities, and aligns small the business functional community.

(1) Strategic Focus 1, “Support the Industrial Base,” aligns with DLA Strategic Plan LOE 4: Modernized Acquisition and Supply Chain Management.

DB initiatives include: 1.1, “Acquisition Planning,” entails DB contributions to acquisition strategy, market research and contracting processes to ensure small businesses receive maximum practicable opportunity to provide innovative, cost-competitive and timely products and services to satisfy DLA requirements; 1.2, “Expand Small Business Subcontracting,” supports the DLA Small Business Subcontracting Program, including development of small business participation strategies; 1.3, “Promote Small Business Participation in DLA Acquisitions,” helps ensure DLA contract requirements are structured to facilitate competition and to increase participation by small businesses.

(2) Strategic Focus 2, “Strong Partnerships,” aligns with DLA Strategic Plan LOE 4: Modernized Acquisition and Supply Chain Management.

DB initiatives include: 2.1, “Strategic Industry Communication,” develops and maintains information for DLA’s thoughtful communication with industry; 2.2, “Collaborate with Industry Organizations,” involves industry events, tradeshow and panel discussions to ensure practical dialogue is had regarding the DLA industrial base; 2.3, “Small Business Engagement,” entails proactive engagement with the small business community to increase their knowledge of the DLA mission, requirements, and opportunities, and to support a mutually beneficial relationship with DLA; 2.4, “DoD and Interagency Relationships,” involves

cooperation with DoD and our other interagency partners; 2.5., “Unified Small Business Team,” encompasses building a unified structure among DLA small business professionals, whether stationed at the MSCs, other buying commands or at headquarters.

(3) Strategic Focus 3, “Skilled and Agile Workforce,” aligns with DLA Strategic Plan LOE 5: Future of Work and CC-A: People and Culture.

DB initiatives include: 3.1, “Investment in Small Business Professionals,” comprises investment in the development of the small business functional community at DLA to strengthen our capabilities and develop an innovative small business workforce capable of professional and technical excellence in executing the DLA Small Business Program; 3.2, “Internal Direction, Training and Guidance,” is the development and implementation of internal small business education and training for personnel, including DLA senior leaders, whose duties and functions affect the small business program.

(4) Strategic Focus 4, “Stewardship and Accountability,” aligns with DLA Strategic Plan CC-B: Fiscal Stewardship.

DB initiatives include: 4.1, “Small Business Goals,” includes analysis and evaluation of current and past small business performance data to gauge effectiveness and make improvements; 4.2, “Policy,” is the evaluation and reform of DoD and DLA policy to ensure maximum practicable opportunity for small businesses to participate in our acquisitions, while balancing the DLA mission.



c. The Procurement Technical Assistance Program (PTAP).
Section 852 of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116-92) moved the Procurement Technical Assistance Program (PTAP) from DLA to the Office of the Undersecretary of Defense for Acquisition (OUSD(A&S)). Within DLA, DB was responsible for PTAP through FY 2022. OUSD(A&S) executed PTAP for FY 2023.

Defense Logistics Agency

DLA General Counsel (DG) Fiscal Year 2023 Historical Report



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

October 10, 2023

MEMORANDUM FOR DLA, ATTN: Command Historian

SUBJECT: Submission of the DLA General Counsel FY23 Annual History Report

As detailed in the following pages, our legal mission supports the DLA Enterprise in its achievement of the priorities of the DLA Strategic Plan, while ensuring a focus on military readiness and supporting the Warfighter always. This past fiscal year, as the Agency navigated post-pandemic efforts to provide end-to-end supply chain management for DoD, our allies and partners, and interagency partners, while at the same time supporting ongoing efforts to deter Russian aggression against Ukraine, our legal team provided the expert legal and business advice that Agency and its clients deserve. We will meet future challenges by continuing to provide outstanding legal advice and support for whatever lies ahead for the Agency, Department and our Nation.

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Jon Lightner
Acting General Counsel

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 affecting the agency, while ensuring compliance with laws and regulations. As part of the legal enterprise, DG's Major Subordinate Command (MSC) legal offices provide full-service support to their commands; total case numbers reported herein reflect their invaluable contributions.

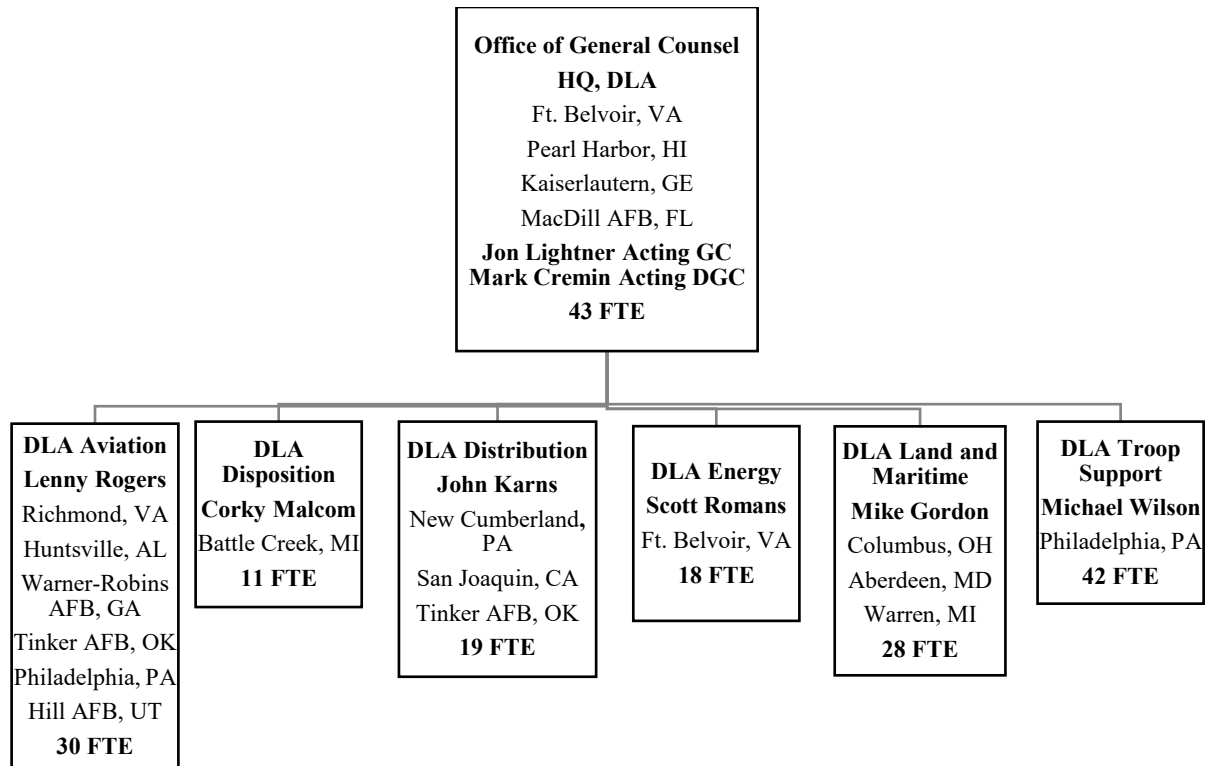
DG's mission is to deliver professional, candid, and independent legal support to the agency. As the largest general counsel in the fourth estate, the staff has a broad range of subject matter experts. Our enterprise consists of six major practice areas: international and operational law, administrative and civil law, ethics and standards of conduct, procurement fraud and business integrity, labor and employment law, and acquisition law. The practice areas are organized under five divisions at headquarters: international and operational law; administrative and civil law, which includes the ethics and standards of conduct program and legislative program; the procurement fraud and business integrity program; labor and employment law; and acquisition law. DG also oversees legal support at the MSCs and activities. The timely and effective resolution of legal issues advances agency goals, lines of effort, and strategic plan priorities.

On January 23, 2023, DoD temporarily assigned General Counsel Ms. Ruth M.S. Vetter to be acting deputy general counsel for personnel and health policy, which it made permanent in June 2023. Mr. Jon. L. Lightner assumed duties as the acting general counsel and Mr. Mark Cremin served as the acting deputy general counsel.

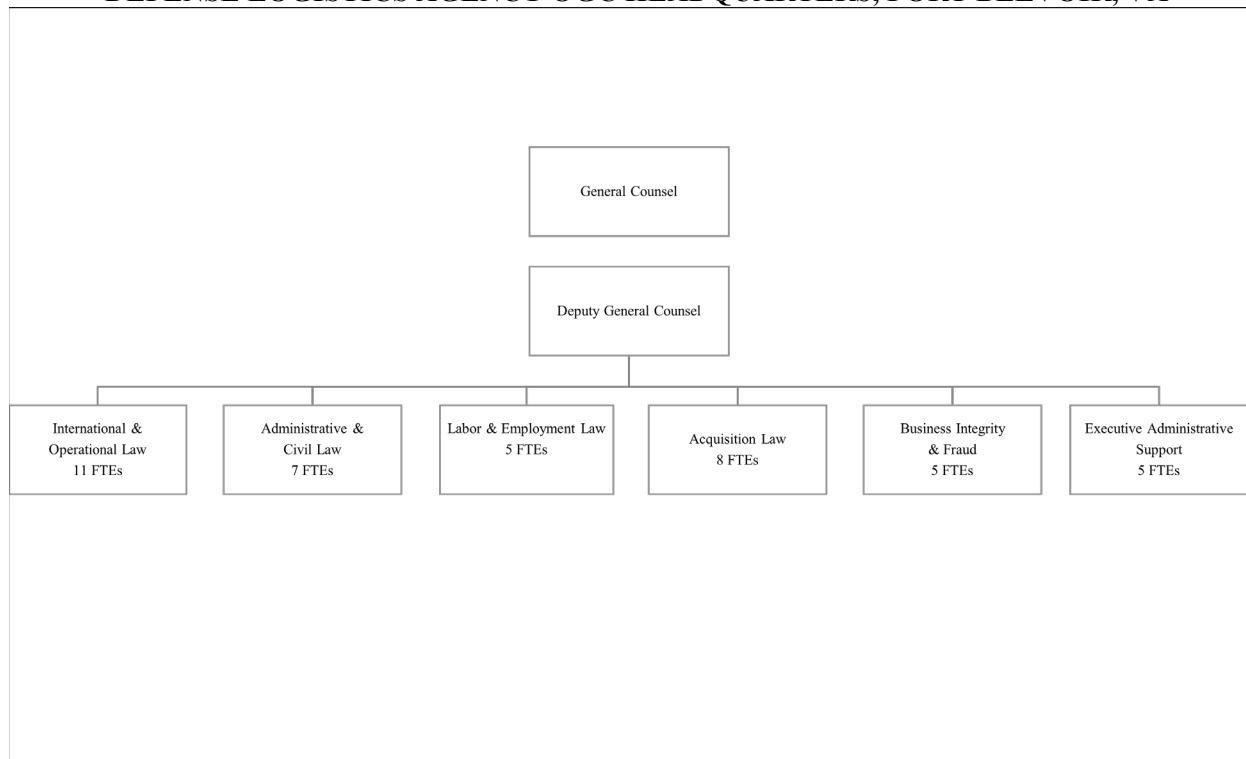
Mr. Steve Davis, chief counsel for DLA Aviation, left the agency in January for a senior position with the Defense Contract Management Agency. Mr. Lenny Rogers was selected his replacement. In July, a reorganization of the administrative and civil law division broke out the procurement fraud and business integrity program, which became a separate division.

2. Organization and Personnel

Following are organization charts for the DLA Office of General Counsel legal enterprise and Headquarters DLA Office of General Counsel:



DEFENSE LOGISTICS AGENCY OGC HEADQUARTERS, FORT BELVOIR, VA



3. Historical Narrative

a. International & Operational Law Highlights

The mission of the International & Operational Law division is to support contingency operations by providing around-the-clock legal advice related to DLA logistic support activities worldwide. Division lawyers proactively counsel the DLA Logistics Operations director (J3) and his three DLA regional commands. To facilitate this support, DG has offices in Tampa, Florida; Hawaii; and Germany that assist regional commands as they support five geographic and one functional combatant commands. Division lawyers are the agency's experts in operational and international law, military justice, and discipline; they also serve as the primary legal advisors to DLA Office of the Inspector General, DLA Public Affairs, and DLA Transformation. Division attorneys specialize in disaster-preparedness and overseas contingency law. We provide advice on such matters as local law, customs, international agreements, and federal employee and contractor rights in areas where humanitarian and military operations take place.

Division attorneys support regional commanders who provide innovative logistics solutions to geographic combatant commands' needs. In FY 2023, the division supported agency efforts to counter Russian aggression in Ukraine. Our attorneys, along with those on the Administrative and Civil Law team, provided advice on issues surrounding the Red Hill Fuel Bulk Storage Facility. Additionally, division lawyers continued supporting whole-of-Government efforts to fight the pandemic while helping with Federal Emergency Management Agency hurricane and fire recovery efforts.

b. Administrative & Civil Law Highlights

The mission of the Administrative & Civil Law division is to provide timely and effective advice in the areas of environmental and safety, installation law, fiscal law, and general administrative law. Included in the Administrative and Civil Law division are two agency programs: the Standards of Conduct and Employee Ethics program and the Legislation program.

(1) Standard of Conduct and Employee Ethics program

The Standard of Conduct and Employee Ethics program implemented the ethics program in accordance with Office of Government Ethics (OGE) and Standards of Conduct Office program directives. The DLA General Counsel served as the agency ethics official. Agency attorneys provided mandatory ethics training, identified and trained employees having to file financial disclosure statements, and reviewed financial disclosure statements for legal sufficiency and potential conflicts of interest. The division recorded 5,400 actions in FY 2023. Its attorneys advised on employee disqualification statements, divestitures, and post-employment restrictions. They reported compliance to OSD and the OGE.

(2) Legislative program

The Legislative program advocated for legislative changes that will enhance DLA mission accomplishment and analyzed the legal consequences of proposed legislation. In FY 2023, the program advocated for an advance billing exemption for national emergencies, a one-

year extension of the pilot program to provide distribution support and services to certain contractors, and stockpile acquisition authority. These proposals were enacted as Sections 354, 819 and 1414, respectively, of Public Law 117-263 (FY 2023 NDAA). Program attorneys provided comments on DoD and other federal agency proposals to DoD Office of Legislative Counsel and reviewed all agency Congressional reporting requirements.

In FY 2023, the program's installation support attorneys advised the agency's Sexual Assault Prevention and Response program. They also advised on all DLA Installation Management missions to include environmental; occupational health; safety; real property; security and emergency services; and morale, welfare, and recreation programs. In a lawsuit brought by the Sierra Club challenging DLA contracts for the incineration of firefighting foam containing PFAS, a chemical linked to adverse health effects, attorneys from DLA Disposition Services and DLA Headquarters worked with Justice Department attorneys on a settlement.

The program's fiscal law attorney advised on numerous issues related to using DLA funding, appropriate cost allocation, recovery of overhead costs, and high-profile issues such as DLA's responsibilities for Red Hill and Ukraine support. She also provided legal support for G-Invoicing and ongoing Financial Improvement and Audit Readiness efforts.

c. Procurement Fraud and Business Integrity (PFBI) Highlights

Now a separate Office of General Counsel division, the PFBI examines indications of contract fraud or other improper conduct by contractors and offerors. DLA attorneys throughout the enterprise refer matters to the appropriate investigative body and report on DLA-wide efforts to prevent, detect, deter, and remedy procurement fraud and related irregularities. Division attorneys coordinate administrative, civil, and criminal remedies. They executed the suspension and debarment program on behalf of the agency on behalf of the deputy general counsel in his capacity as the suspending and debarring official. They held meetings, when requested, with parties facing suspension or debarment.

In FY 2023, the suspending and debarring official issued 42 suspensions, 78 notices of proposed debarment, and 57 debarments for a total of 177 ineligibility actions. The division also entered into five administrative agreements. Administrative agreements are an alternative to ineligibility actions and provide that certain verifiable action, such as implementation of enhanced internal corporate governance practices and procedures or use of independent third-party monitors, are taken in a prescribed timeframe.

d. Labor & Employment Law Highlights

The mission of the Labor & Employment (L&E) Law division is to provide guidance to the agency on workforce issues. The division defends DLA before the Equal Employment Opportunity Commission (EEOC), the Merit Systems Protection Board (MSPB), the Federal Labor Relations Authority, and arbitrators. Its lawyers assist Justice Department attorneys representing DLA in federal court. In FY 2023, as the COVID-19 Public Health emergency ended, division lawyers advised on issues relating to the agency's reentry and safety plan, post-pandemic workplace flexibilities, reasonable accommodations, Future of Work initiative, Fitness and Wellness programs, and leave. In FY 2023, DLA attorneys defended 237 EEOC cases, 80 MSPB cases, 12 federal court cases, and handled 8 arbitrations and 14 unfair labor practice

actions. The division advised management on labor and employment matters to include disciplinary actions, policy issues, and Office of Special Counsel or Congressional inquiries.

The division runs the agency's Alternative Dispute Resolution (ADR) program, which has approximately 80 DLA mediators, 23 of whom are DG personnel. Our ADR program establishes procedures for resolving disputes at the earliest possible stage, thereby reducing the time, expense, acrimony, and other adverse consequences associated with adversarial disputes. DLA uses ADR to address disputes that occur with EEO, workplace, labor, contracts, and Freedom of Information Act requests.

e. Acquisition Law Highlights

The mission of the Acquisition Law division is to support billions of dollars-worth of procurements for the military services and federal agencies, including fuel; construction and equipment; medical equipment, consumables, and pharmaceuticals; subsistence; uniforms and clothing; weapons system repair and replacement parts; distribution services; disposition services; and contract actions. Division attorneys analyze the effect of new acquisition statutes, regulations, and policies, and serve as DLA's legal member on the Defense Acquisition Regulation Council. Division attorneys help prepare solicitation and contract documents, advise source selection panels, and assist with negotiations.

The division supports the director, DLA Acquisition, and his J7 staff in areas such as procurement policy, procurement actions requiring senior procurement executive approval, procurement oversight fora such as Red Teams, and assist with special interest reviews and inquiries such as DoD Inspector General audits and Congressional inquiries. We support the director, DLA Logistics Operations, and his J3 staff in procurement-related areas such as F-35 support, reform initiatives, and GSA/whole-of-government issues.

In FY 2023, division lawyers advised on DLA's newly released Additive Manufacturing Implementation Plan (AMIP), investigated the impact of COVID on contractor claims, and coordinated several reviews of bridge contracts extending overseas and domestic subsistence prime vendor services. The division also provided legal counsel on F-35 Joint Strike fighter support issues and the Army program for aviation critical safety items. Our eDiscovery attorney advised the DLA's Electronic Information Disclosure and Discovery program, significantly improving DLA's litigation hold and storage capability. The division safeguarded DLA's intellectual property by providing subject-matter expertise on data rights, trademark, and litigation.

Division lawyers run the contract litigation program that defends the agency in Government Accountability Office (GAO) protests, Armed Services Board of Contract Appeals cases, and Federal courts cases involving Department of Justice attorneys, to include the Court of Federal Claims. MSC legal offices serve as lead counsel in most cases, with active oversight from headquarters attorneys. In FY 2023, cases involving more than \$881 million were in dispute (including government claims). In FY 2023, DLA attorneys handled 83 GAO bid protests, 78 ASBCA cases, and 20 Federal court cases, protecting agency interests.

Defense Logistics Agency

DLA Chaplain (DH)

Fiscal Year 2023 Historical Report



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

16 October 2023

MEMORANDUM FOR DLA HEADQUARTERS, ATTN - Historian

SUBJECT: DLA Office of the Chaplain (DH) Historical Report for Fiscal Year 2023

The DH Fiscal Year (FY) 2023 historical report outlines the actions and initiatives taken over the course of the fiscal year to improve and coordinate the deployment of ecclesiastical supplies to our customers, civilian and military, internal and external to DLA. This report will also outline the actions taken by the Office of the Chaplain to provide religious, moral, and ethical support to the Defense Logistics Agency.

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THOMAS A. BROOKS
CHAPLAIN (COL) USA
Defense Logistics Agency

1. Introduction

The mission of the DLA Office of the Chaplain (DH) is to provide religious logistics support for religious affairs personnel, enabling the free exercise of religion across the Defense Department. DH also provides confidential pastoral care to DLA employees and co-located agencies.

2. Organization / Key Personnel / Total Personnel

DH is comprised of two active-duty service members, the director and a non-commissioned officer-in-charge (NCOIC). CH (COL) Thomas A. Brooks and SFC Michael Hyer support DLA's 25,000 personnel.

3. Historical Narrative

DH manages Federal Supply Code "9925" Ecclesiastic Supply while also supporting the DLA director's goal of a spiritually resilient workforce. In FY 2023, DH built a new team and improved communication to the warfighter.

In support of the supply code, DH worked closely with DLA Troop Support Subsistence and DLA Troop Support Clothing and Textiles. A bi-monthly meeting with these supply chains covered backorders, contracts, sales, seasonal items, and additions to the ecclesiastical supply catalog. FY 2023 sales for ecclesiastical items were \$500,000 while sales for Kosher and Halal meals were \$812,000 and \$2.1 million respectively. An after-action review with DLA Troop Support in the spring revealed that 100% of orders for Easter and Passover were delivered on time even though demand had increased by more than 300 orders. The Office of the Chaplain and DLA Troop Support Clothing and Textiles started the long process of adding items to the Christian, Islamic and Jewish contracts at the request of the warfighters.

Mr. Joe Zanolle, DLA Troop Support Rations, was recognized as the DLA Troop Support Subsistence employee of the month and the DLA Troop Support employee of the month for his work on Kosher for Passover meals.

SFC Hyer attended the Orthodox Jewish Chaplain Endorser's Conference in February 2023 in Miami, Florida. He made connections with both chaplains and Jewish leadership from the Aleph Institute. All military services had representation at the conference. SFC Hyer spoke directly to customers about the importance, availability, and scope of what DLA can offer. He met with leaders in the Jewish community about possible changes to catalog items, the addition of catalog items, and strategies for getting the information to the services about what DLA offers. Out of this conference, SFC Hyer was able to start the process with DLA Troop Support of overhauling the Jewish Chaplain kit.

People and culture are "the secret sauce" and the Office of the Chaplain supports this fully. The Office of the Chaplain prayed or helped locate other chaplains to pray for 17 special events, 10 retirements, and seven promotions across DLA, the Defense Contract Audit Agency, the Defense Threat Reduction Agency, and the Defense Technical Information Center. These events ranged from Hall of Fame ceremonies to SES inductions, the Combined Federal Campaign kick-off, and

closing events. Chaplain Brooks also visited DLA Disposition, DLA Land and Maritime, DLA Troop Support, and DLA Aviation to meet with leadership and employees, as well as provided counseling to those who requested it.

Defense Logistics Agency

DLA Intelligence (DI) Fiscal Year 2023 Historical Report



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

MEMORANDUM FOR DLA, ATTN: COMMAND HISTORIAN

SUBJECT: FY23 DLA Intelligence Historical Report

DLA Intelligence (DI) had another busy year responding to customer questions, anticipating new requirements, keeping senior leaders informed of foreign threat entities, protecting classified and unclassified information by mitigating risk, and promoting security and intelligence awareness. As you read through the attached Historical Report, you will notice that our Intelligence and Security teams worked across the DLA Enterprise to provide DLA employees the information necessary to make secure, timely, and informed decisions in support of the DLA mission. DI looks forward to another great year as we strive to meet current and future challenges.

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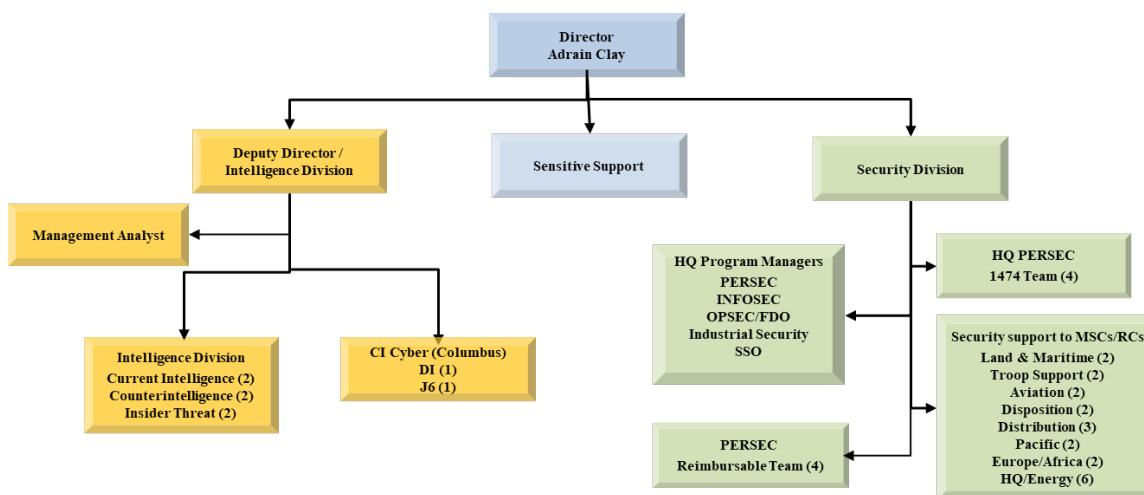
ADRAIN C CLAY
Director, DLA Intelligence

1. Introduction

After serving thirteen years as the first DLA Intelligence director, Ms. Stephanie Samergedes retired in May and Mr. Adrain Clay, the DI deputy, was selected for the position. This event spurred much reflection on how DI evolved over the years as new requirements were added to its mission and the DI personnel expanded the reach and the relevance of intelligence and security initiatives. You will see examples of these new and enduring activities highlighted in each of DI's business areas.

2. Organization

DI is led by the DI director with two divisions and sensitive support programs reporting to him. The Intel division is staffed at DLA Headquarters, supporting all DLA employees and contractors except for CI Cyber, which is located in Columbus, Ohio. The Security division is managed from DLA Headquarters and staffed with two FTEs at each DLA Major Subordinate Command (MSC), DLA Indo-Pacific, and DLA Europe & Africa, covering the security programs that protect DLA's information.



3. Key Personnel. DI's Management Team includes:

Director – Adrain Clay (13 years at DLA)

Deputy / Intelligence Division Chief - Brian Beck (hired September 2023)

Security Division Chief - Tim Sullivan (7 years at DLA)

Sensitive Support Programs - Linda Uehling (21 years at DLA)

4. Total Personnel

At the end of FY 2023, DI had 42 positions in nine locations supporting the DLA enterprise, plus four reimbursable PERSEC positions, 1 position from J6 to cover the CI Cyber duties, and 1 military reservist at New Cumberland.

5. Historical Narrative

a. Managing DI Personnel and Customer Expectations

The biggest personnel move occurred in May when the first DI Director, Ms. Stephanie Samergedes, retired after almost 45 years of service, 13 at DLA. Her ceremony was a reminder of how far DI has come since its inception. The logistics community has made DI a full partner and recognized the growing need for its services.

Over the year, our outstanding members were rewarded for their support to the DLA community and its customers. For the third year in a row, a DI employee was senior security professional of the year. This year, our superb personnel security employee in Columbus, Ms. Patrica Murphy, was the winner. She was recognized for her high standard of performance, dedication to duty, and innovative ways of supporting customers.

In FY 2023, DI received approval for an additional FTE to conduct a new mission. This new position will be responsible for CI functions related to supply chain security efforts. This position will be under the Security Division.

DI continued leveraging military reservists to assist with continuous evaluation (CE) requirements. The staff also took advantage of the DLA rotational program, training a DLA Aviation employee to work current intel functions. She produced intel products and briefed DLA senior leaders, an experience she will take back to DLA Aviation.

DI's four personnel provided PERSEC services to more than 7,800 reimbursable customers from six external organizations and some internal DLA entities. They conducted pre-appointment security checks on civilian personnel selected to occupy sensitive positions, granted interim security clearances, and processed employees for entry into the CE program.

Every two to three months, DI leadership conducted "health and wellness checks" with employees. These checks gave leadership the opportunity to meet virtually with employees to hear how they were doing and to thank them for their customer support. These checks are popular and key to implementing DI's culture climate action plan. Health and welfare checks ensured employees were well both personally and professionally. The person checking communicated at least weekly with staff members to share the latest information on DLA and prepare them for upcoming policy changes. The vehicle for this communication was what became known as the "Friday Notes."

b. Current Intelligence Support

Kudos to the DLA Current Intelligence team of two. On numerous occasions during the year, the Joint Staff J4 used DI's products (DI's Intelligence Summary and briefings) in its products. The J4 incorporated DI's products into its update without changing even the title from DLA to JS J4. This indicates just how good our intelligence products were.

While the DLA Agency Synchronization Operations Center (ASOC) and most DLA organizations focused how to reintegrate employees back into the workplace after COVID-19, DI continued providing uninterrupted, tailored intelligence reports on DLA's equities overseas. After the February 24, 2022 Russian invasion of Ukraine, the Intel team continued to follow Russia's actions, providing logistical analysis to the DLA enterprise. The team produced 267 global update briefs (GUBs) and another 34 focused strictly on the Russia-Ukraine war. It also

provided 248 written intelligence summaries and researched special requests for DLA senior leaders and the broader joint logistics enterprise (JLEnt). The team supported the agency during other challenges as well, including U.S. activity in Africa where the al-Qaeda linked group al-Shabab was active. The Intel team created special products to focus on China's activity around the world, recognizing the grave threat posed by the counterintelligence and economic espionage emanating from the country.

The Intel team maintained partnerships with stakeholders and counterparts in the intelligence community (IC) to leverage their capabilities. It continued its near-daily communication with various agencies in the IC, the DLA political advisor, and multiple organizations within the JLEnt to ensure it presented senior leaders a coordinated intelligence picture. The Intel team and political advisor collaborated on a regular basis to identify how world events might affect DLA. This was especially vital as DLA became more involved in the Russia/Ukraine crisis. Intel team briefings on the crisis were timely, accurate, and easily understood. Feedback from customers was positive. Internally, the briefings helped senior leaders understand geopolitical dynamics.

The Intel team participated in the TRANSCOM J2's intel community of interest meetings regarding Russia and Ukraine/EUCOM. It also maintained a strong intelligence oversight (IO) program. The DI IO officer ensured all DI personnel received training on IO and privacy issues.

c. Counterintelligence (CI) Highlights

DI's CI program resumed MSC and regional command visits. During these visits, the CI team liaised with local CI services to reemphasize the importance of CI threat assessment support. The CI teams' efforts resulted in a new enterprise CI threat assessment.

The CI team continued serving 28,000+ employees, to include foreign travel pre-briefs / debriefs and foreign visitor vetting. The CI team also supported a new OSD requirement involving DLA's small business innovation research and small business technology transfer programs. The CI team worked closely with DM-S to implement policy governing threat briefs for flag officers and senior executive service civilians. Furthermore, the CI team collaborated with J6 representatives to update DLA 8130.01 in an effort to increase awareness, bolster DLA's overall security, and reduce DLA's cyber footprint. The CI team liaised with Army CI, the Defense Threat Reduction Agency (DTRA), Air Force Office of Special Investigations, Navy Criminal Investigative Service, Federal Bureau of Investigation, National Geospatial-Intelligence Agency, and the Defense Intelligence Agency (DIA) in support of the director's supply chain security priority of leveraging capabilities as part of ongoing DLA CI Incident Assessments (Inquiries), and to support counterpart CI investigations involving DLA equities.

DI scheduled initiatives for DLA's partners-in-protection plan. This included foreign travel reporting requirements in blog posts and October's cybersecurity month, which included CI tips for cyber awareness. Due to a complete turnover in Army CI personnel, the CI team drafted a memorandum of agreement with Army CI, which is currently in staffing.

d. Insider Threat (InT) Highlights

The InT team resumed MSC and regional command visits to brief commanders / directors. Additionally, the InT team provided incident response group, supervisory, and

employee training at multiple locations. Furthermore, the InT team published a renewed instruction.

The InT team continued participating in numerous working groups and communities of interest / practice with partners such as the DoD Insider Threat Management and Analysis Center, National Insider Threat Task Force, Air Force, Navy, DTRA, DIA, Defense Finance and Accounting Service, Defense Contract Audit Agency, Defense Technical Information Center, Missile Defense Agency, and others. The InT team was also responsible for chairing the Fourth Estate working group which has proven extremely beneficial. Despite some personnel changes, the team maintained its certified counter-insider threat professional-fundamentals and certified counter-insider threat professional-analysis certifications. Further, members of the InT team obtained certification as part of the insider threat global certification pilot sponsored by the Defense Personnel and Security Research Center (PERSEREC) and the Office of the Under Secretary of Defense of Intelligence and Security (OUSD(I&S)).

The team provided input for DoD level InT policy coordination, which received positive feedback from the DoD InT program. Additionally, the team launched its annual national insider threat awareness month campaign. For the first time, the team ensured enterprise-wide participation by coordinating events with local MSC and regional command DI offices. As required, the team continued keeping the agency chief of staff, as the InTP senior designated official, updated on a monthly basis.

e. CI/Cyber Highlights

DI in coordination with DLA Information Operations (J6) continued to lead the way in CI cyber operations. The CI cyber program analyst served as the agency expert on CI cyber support to senior agency officials. He provided leads to other analytical groups within the IC within 24 hours of receipt. His specialized skillset filled a gap between threat intelligence and cyberspace awareness for DLA's computer emergency response team (CERT) and DLA as a whole by providing input specific threat assessments and supporting assessments related to the conflict in Ukraine. In 2023, DLA leaders and the ASOC began demanding bi-weekly briefings above the already established bi-weekly briefings to the DLA chief information officer as the demand for cyber-based intelligence grew.

The success of the CI cyber program led DLA leadership to provide DI another billet (this time one fully controlled by DI) to support the program, doubling its power at a time when analysts were being asked to participate in operational matters. DI hired the new CI cyber analyst in 2023. While the position was quickly filled, the employee unfortunately left the agency after about seven months for a contractor position. This highlighted just how much competition there is for individuals with these unique skills.

DI's CI cyber analyst assisted numerous internal and external organizations in fulfilling their missions. He assisted the Office of the Inspector General (OIG) and law enforcement in acquiring specific cyber evidence on behalf of DLA and helped the Joint Force Headquarters mitigate the threat to DLA resulting from a major cloud breach. He also identified flaws in DoD's cybersecurity that prevented security teams from identifying active threats.

DI's CI cyber analyst used his unique skillset to identify future phishing campaigns for the DLA CERT and, in some cases, sent specific warnings to those being targeted. He helped DLA's red team (cyber threat emulation team) emulate accurate threat actors, and even spun off the general threat emulation mission to support a new "find and fix" initiative. The find and fix

initiative involved the threat emulation team in an ongoing campaign to identify weak infrastructure and uncommon technologies.

DI's CI cyber analyst is the heart of the DLA CERT fusion cell, which has gained a reputation for accurate and useful reporting. The cell was also involved in the first annual Joint Forces Headquarters J2 intelligence working group.

f. Support to Sensitive Customers

DLA continued providing support to DoD and whole-of-government entities in furtherance of classified and sensitive missions. As G-invoicing requirements expanded in FY 2023, DI worked closely with customers to ensure their information was protected. As these and new issues needed to be addressed, DI partnered with DLA J-codes and MSCs to educate customers on financial and commodity-purchasing procedures. Customer feedback has been positive, resulting in timely payments as DLA provided better and more focused services. DI informed DLA leaders on all activities to ensure they were aware of expanded expectations next year.

g. Sensitive Compartmented Information Facility (SCIF) and JWICS Support Highlights

DI was actively engaged with DIA, Ground Intelligence Support Activity, and the National Security Agency to transfer Joint Worldwide Intelligence Communications System (JWICS) IT support from the Army to DIA. Currently, DLA has six accredited SCIFs. As we move forward, J6 has tried to take on an increased role in JWICS support by appointing an information system security manager and three SCI-cleared personnel. DLA Logistics Operations (J3), assisted by DI, monitored requests for JWICS accounts to manage the costs associated with support. DLA has begun transitioning to the DIA common operating environment; all facilities but DLA Headquarters have completed the transition.

DI is aware that more personnel with access to Top Secret / SCI will increase the risk of a security infraction at DLA. DI puts protection principles in place to ensure that only those needing access are granted access.

h. PERSEC Highlights

The DI PERSEC team conducted several initiatives this FY. The Defense Counterintelligence and Security Agency deployed a new system, the National Background Investigation Services (NBIS), that serves as the federal government's one-stop shop for end-to-end personnel vetting, from initiation and application to background investigation, adjudication, and continuous vetting (CV). NBIS is designed to deliver robust data protection, enhance customer experience, and integrate data across DLA. DI and DLA Human Resources (J1) transitioned to NBIS well before the Department's suspense of September 30, 2023.

DI and J1 completed a project that allows time-to-fill (TTF) users to submit the DLA Form 1474 pre-appointment security clearance request through the TTF application and receive status updates electronically. The security clearance information will automatically flow to the enterprise workflow support capability (EWSC) database to notify J1 of the security clearance request. It will include data needed by DLA Intelligence to perform the required security clearance review. As the security clearance moves through the process, status information will be

returned to TTF to allow the TTF group to monitor progress. If the security clearance is approved, EWSC will electronically send the information necessary to create the 1474 form. The project to integrate the DI workflow capability with J1's time-to-fill application will reduce the days it takes to grant interim clearances, therefore reducing the days it takes for TTF. Integration eliminated the need for Outlook and Adobe file sharing between offices.

Another PERSEC initiative was CV, which includes military, civilian, and contractors for both DLA and DI's reimbursable community. The DoD focused on the candidate population that had not been previously enrolled and told the services and agencies to work those cases as the priority to get the Defense Department closer to the December 31, 2023, mandate for Trusted Workforce (TW) 1.5. The CV working group continued enrollment under the current conditions instead of preventing the services and agencies from deferring investigations for those individuals not enrolled by September 30, 2021. DI focused on enrolling remaining personnel by the end of the CY 2023. The next phase is TW 2.0, which will enroll the non-sensitive population into TW. Each DI PERSEC office at the MSCs has been instructed to inform its workforce on what TW is and how it will affect them. In addition, the chief of security held several recorded briefings on TW at a DLA Land and Maritime All Hands, reaching over 2,000 people. DI is currently working with J1 on a way the agency can achieve success by the September 30, 2025, mandate.

i. Information Systems Security (INFOSEC) Highlights

The DLA security classification guide, which provides guidance to users on classifying information pertaining to or created by DLA, was reviewed and updated. The update includes new topics, new information on existing topics, and an explanation of CUI. INFOSEC responded to a short suspense review directed to all of DOD by the defense secretary in response to adverse security incidents involving classified national security information. DI submitted findings and began taking proactive steps to strengthen our information protection posture.

INFOSEC provided support as a member of the DLA DoDNet compliance working group. J6 was tasked with validating the physical security of all communication rooms, closets, and other locations where network equipment was stored. DI monitored the assessments and helped validate spaces. When deficiencies were noted, the staff provided guidance on how to achieve compliance, and, in many cases, certified the facility. DI transitioned this support to 4ENO – DLA working group forums, providing responses to the Defense Information Systems Agency team leading the transition.

The security division supported DLA with INFOSEC, CUI implementation, personnel security, and OPSEC oversight. It helped relaunch the agency management review program by participating in assessments of DLA Aviation and DLA Land and Maritime.

DI continued representing the agency in DOD-level working groups such as the Defense Information Security Advisory Board and CUI working group, which allowed DI to help shape security policy across the department. DI personnel once again were part of the steering committee charged with developing the annual DOD security conference.

j. Operations Security (OPSEC) / Foreign Disclosure (FD) Highlights

DI served as the designated disclosure authority through an appointed foreign disclosure officer (FDO). The FDO served as the point of contact for all DLA-owned information release

requests to foreign entities to ensure compliance with DoD policies, while the CI subject-matter expert vetted foreign visitors to DLA facilities, provided appropriate CI support, and briefed DLA contact officers before each foreign visit.

The FDO forged a strong partnership with the J3's DLA foreign visit office. The two organizations continued overhauling DLA Instruction 5230.01, "DLA Foreign Visit and Foreign Disclosure Program," to ensure the document delivered clear and concise direction. FY 2023 marked the first complete year since the FDO review process was overhauled by the recently created DLA form (DLA 1996, "Foreign Disclosure Review Request"). The new form minimized communications needed to process, record, and track requests. It was well liked by customers and inserted efficiencies into the FDO program.

DI responded to a mandatory DoD-level OPSEC data call in November 2022. Included in the data call was an enterprise-wide OPSEC assessment as well as a questionnaire issued by OUSD(I&S). Subsequent to the data call response, DI OPSEC PM participated in a one-on-one session with SECDEF OPSEC staff, where DLA's efforts protecting critical information and indicators were praised.

DI disseminated OPSEC awareness through a month-long communication campaign to inform agency personnel about the importance of recognizing, documenting, and protecting critical information / indicators. DI began a project to clarify the critical information and indicators lists that inform employees what information needs to be protected and identify items requiring controlled unclassified information markings.

6. Summary

FY 2023 was a challenging year for DI. The world threat expanded from a few hotspots in FY 2022 to crisis in almost every region this year. How DI deals with these threats continues to change but our Intel and Security teams will remain critical. DI is ready!

Defense Logistics Agency

DLA Legislative Affairs (DL) Fiscal Year 2023 Historical Report



DEFENSE LOGISTICS AGENCY
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FORT BELVOIR, VIRGINIA 22060-6221

August 31, 2023

MEMORANDUM FOR COMMAND HISTORIAN

SUBJECT: Office of Legislative Affairs (DL) Fiscal Year 2023 History

I have reviewed DL's submission which chronicles the Defense Logistics Agency's congressional and legislative history for fiscal year 2023. Please accept this as my endorsement.

You may contact me with any questions at 571-767-0878 or
michael.2.johnson@dla.mil.

8/31/2023

X Michael L. Johnson

Signed by: JOHNSON.MICHAEL.LLOYD.1150478371
MICHAEL L. JOHNSON
Director
Legislative Affairs

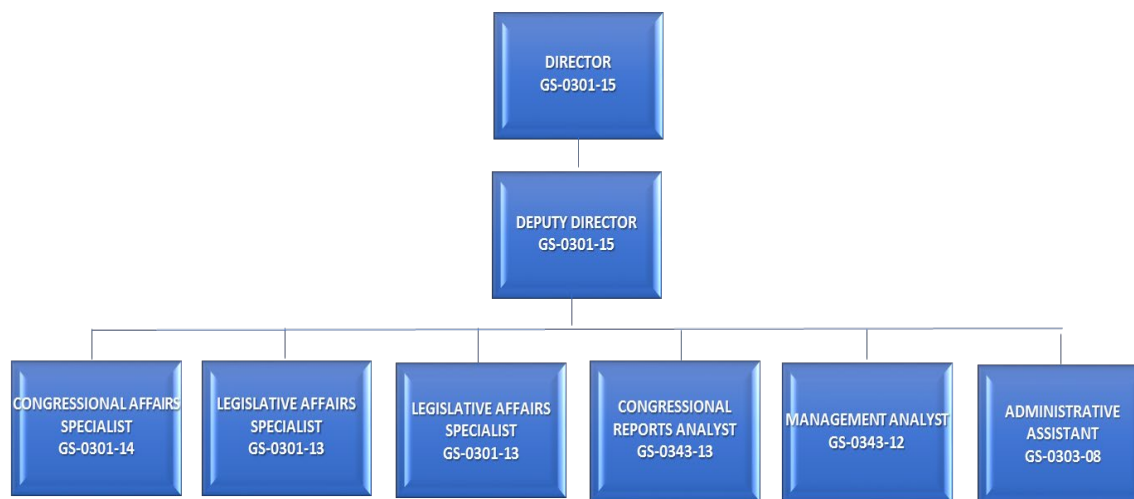
Attachment: DLA Office of Legislative Affairs (DL) FY 2023 History

1. DLA Legislative Affairs Mission and Vision

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 major subordinate commands (MSCs) on matters regarding Congress; the White House; and 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 staffs to gain support for DLA's mission, programs, and initiatives.

DL provides full spectrum support to DLA Headquarters and MSCs. Each legislative specialist is responsible for congressional actions related to his or her portfolio. This includes congressional inquiries, Hill engagements (meetings/briefings), and hearing support. Congressional support is centralized within DL: the MSCs, except for DLA Troop Support, have no dedicated legislative affairs specialists. They do, however, have legislative points of contact in either the general counsel or the command support group.

2. DLA Legislative Affairs Manpower



DL staff is comprised of eight full time employees and no contractors. There are two GS-13 legislative affairs specialists tasked with direct legislative activity and one GS-14 senior legislative affairs specialist who is lead for the legislative team. We have one GS-13 congressional reports analyst, a new position for this fiscal year; one GS-12 management analyst who provides information management and database support; one administrative assistant; the director; and the deputy director. The director and his deputy are tasked with direct support to the DLA director, the vice director, the chief of staff, MSC Commanders, J-code directors, and D-staff directors. Legislative affairs specialists support the director and deputy, as well as their own customers.

The GS-08 FTE was eliminated in the 2013 OSD Efficiencies initiative. The position is an over hire currently funded by J8. The position will not be refilled when the current employee separates from DLA.

3. DLA Legislative Affairs Director Succession

On May 7, 2023, Mr. John Muller departed DLA Legislative Affairs to become the next DLA deputy chief of staff. Dr. Cordell Francis, DL deputy director, replaced him on an acting basis.

On August 14, 2023, Mr. Michael L. Johnson joined DLA as the legislative affairs director. He is a retired colonel in the U.S. Army with over 27 years of service. He most recently served as chief of legislative affairs at Headquarters, Department of the Army, Deputy Chief of Staff, G6. Prior to this position, he was a senior vice president at Cassidy & Associates in Washington, D.C. While in uniform, he was congressional appropriations officer with the Office of the Under Secretary of Defense, Comptroller; the deputy director of the National Guard Bureau's Office of Legislative Affairs; and congressional fellow in the U.S. House of Representatives for the ranking member of the House Armed Services Committee.

4. Fiscal Year 2023 Budget

ITEM	Budget	Actual (as of June 2023)
Labor	\$1,587,000	\$956,507
Travel	\$4,000	\$965
Training	\$11,000	\$0
Supplies/Equipment <ul style="list-style-type: none">- Congressional Directories- Office Supplies	\$17,000	-\$163 (vendor credit)
Contracts <ul style="list-style-type: none">- DACS-RM (\$50K annual maint.)- Congressional Quarterly (\$41K)- Inflation Adjustment- TVs	\$141,000	\$41,000

DL has a budget of approximately \$173,000 non-labor and \$1.5 million labor. The most expensive non-labor cost was the DL contract for DACS-RM (\$50,000) and Congressional Quarterly (\$41,000). DACS-RM was funded by the chief of staff business management office in FY 2022. The initial build cost \$100,000; maintenance is \$50,000 annually. The CQ contract is shared with DLA Logistics Operations, DLA Acquisition, DLA Finance, and DLA General Counsel. DL is recompeting the contract and will have it in place by January 3, 2024. DL was also approved for \$8,000 in FY 2022 funds for access to federal and congressional member staff directories. DL was not satisfied with the service and did not renew it, contributing to its supply budget under-execution.

5. Congressional Engagements

The numbers below represent each congressional engagement as a single occurrence; they do not represent the many calls, emails, in-person meetings, briefings, in-progress reviews, and informal discussions required to complete each action.

a. CY 2023 DL Engagements (January 1 through August 25, 2023)

1. Total (written, verbal, Hill engagements, administrative) = 847
2. Hill engagements (Total) = 578

b. CY 2022 DL Engagements (January 1 through December 31, 2022)

1. Total (Written, Verbal, Hill Engagements, Administrative) = 1,369
2. Hill engagements = 1042

6. FY 2023 Legislative Proposals

DLA offered five legislative proposals for the FY 2023 legislative call.

a. Two DLA proposals were approved by Office of the Undersecretary of Defense for Acquisition and Sustainment (OUSD (A&S)) and Office of Management and Budget and made it into the FY23 National Defense Authorization Act (NDAA).

- (1) Combined Stockpile acquisition proposal (DLA Strategic Materials)
- (2) Amend and extend the 883 public private partnership pilot program (DLA Distribution)

b. The other three DLA submissions did not advance beyond OUSD (A&S)

- (1) Defense-wide working capital fund advance billing limitation (DLA Finance)
- (2) NATO reciprocal cataloging expansion (DLA Logistics Information Services)
- (3) Modifications to brand name or equal requirements (DLA Troop Support)

7. FY 2023 National Defense Authorization Act

On December 23, 2022, H.R. 7776, the Fiscal Year 2023 NDAA became Public Law 117-263. The bill provided \$816.7 billion in fiscal year 2023 funding for the Department of Defense. It provided a 4.6% pay raise for military and civilian members and authorized \$2.5 billion for inflation impacts on DOD fuel purchases. It also prohibited, starting FY 2027, DOD from procuring personal protective firefighting equipment containing intentionally added perfluoroalkyl or polyfluoroalkyl substances and granted special procurement authorities to provide materiel and related services to Ukraine.

a. Conference Provisions – DLA Direct Impact and Interest

- (1) Sec. 331. Defueling Red Hill Bulk Fuel Storage Facility (Requires SECDEF to complete defueling by a deadline that is approved by the State of Hawaii Department of Health).
- (2) Sec. 333. Report on bulk fuel requirements applicable to U.S. Indo-Pacific Command (Prohibits OSD from obligating or expending more than 90 percent of FY 2023 available funds until a report is provided covering bulk fuel requirements, hardening

requirements, bulk fuel connector strategy and a risk assessment of the potential risk associated with the denial of access to bulk fuel storage facilities located in foreign countries – including a specific assessment of clauses in contracts entered into by the Director of the Defense Logistics Agency).

(3) Sec. 347. Report on critical PFAS uses; briefings on Department of Defense procurement of certain items containing PFOS or PFOA.

(4) Sec. 804. Revision of authority to allow rapid acquisition and deployment of capabilities needed under specified high-priority circumstances.

(5) Sec. 806. Life cycle management and product support.

(6) Sec. 819. Extension of pilot program for distribution support and services for weapons systems contractors.

(7) Sec. 820. Extension and modification of Never Contract with the Enemy.

(8) Sec. 860. Risk Management for Department of Defense Pharmaceutical Supply Chains.

(9) Sec. 1071. Annual report on procurement of equipment by State and local governments through the Department of Defense.

(10) Sec. 1411. Reform of the Strategic and Critical Materials Stock Piling Act.

(11) Sec. 1412. Modification of acquisition authority under Strategic and Critical Materials Stock Piling Act.

(12) Sec. 1413. Briefings on shortfalls in National Defense Stockpile.

(13). Sec. 1414. Authority to acquire materials for the National Defense Stockpile.

(14) Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.

b. Funding Tables

(1) SEC. 4101 Procurement

Fourth Estate Network Optimization (4ENO). The Conference Committee authorized what the Department requested.

(2) SEC. 4601 Military Construction

(a) Defense-Wide Unspecified Worldwide Locations. Cost to Complete: FY22 Inflation Effects (DLA). The FY23 request was 0 and the Conference Committee authorized 0.

(b) Defense-Wide Unspecified Worldwide Locations
Cost to Complete: FY23 Inflation Effects (DLA). The FY23 request was 0 and the Conference Committee authorized 0.

(c) Defense-Wide Unspecified Worldwide Locations
DLA Planning and Design (DLA). The FY23 request was 30,000 and the Conference Committee authorized 30,000.

(d) Defense-Wide Various Worldwide Locations
Unspecified Minor Military Construction (DLA). The Conference Committee authorized what the Department requested.

(e) BRAC, Defense-Wide Unspecified Worldwide Locations
INT-4: DLA Activities. The Conference Committee authorized what the Department requested.

(3) SEC 4301 Operations and Maintenance

Defense Logistics Agency. The Conference Committee authorized \$6,500 less than what the Department requested due to “unobligated balances.”

8. FY 2023 Defense Appropriations

On December 29, 2022, H.R. 2617, the Consolidated Appropriations Act of 2023 became Public Law 117-328. The \$1.7 trillion omnibus spending bill funded the U.S. federal government for the 2023 fiscal year and included multiple domestic and foreign policy priorities, including support for Ukraine, defense spending, and aid for regions affected by natural disasters.

The FY 2023 Department of Defense Appropriations Act provides \$797.7 billion in discretionary spending, \$69.3 billion more than in FY 2022. The package includes \$27.9 billion as part of the fourth Ukraine supplemental and \$106.2 million to repair Navy, Army Reserve, and Army National Guard facilities in Florida, Georgia, North Carolina, Puerto Rico, and Virginia damaged by Hurricanes Ian and Fiona. It also invests heavily in research and development and confronts the climate crisis with more than \$2 billion in investments for clean energy and climate adaptation.

a. DLA – Items of Interest

(1) Sec. 8034. In addition to other funds made available for such purposes, an additional \$93,500,000 for the “National Defense Stockpile Transaction Fund” will remain available until September 30, 2025.

(2) SEC. 8119. In addition to other funds made available for Red Hill defueling and infrastructure improvements, an additional \$1,000,000,000 will remain available until September 30, 2024.

b. Funding Tables

(1) Title II – Operation and Maintenance

O&M Funding for DLA (\$ in thousands)	<u>Budget Request</u>	<u>Change from Request</u>	<u>Committee Recommendation</u>
DLA O&M	429,060	10,372	439,432

(2) Title II – Procurement

Major Equipment, DLA (\$ in thousands)	<u>Budget Request</u>	<u>Change from Request</u>	<u>Committee Recommendation</u>
DLA - Major Equipment	24,501		24,501

(3) Title IV – Research, Development, Test and Evaluation

	<u>Budget Request</u>	<u>Change from Request</u>	<u>Committee Recommendation</u>
RDT&E – DLA	227,972	124,100	352,072

(4) Title V – Revolving and Management Funds

	<u>Budget Request</u>	<u>Change from Request</u>	<u>Committee Recommendation</u>
DWCF Direct	8,302		8,302
- Energy			8,300
- Document Services			2

(5) Division J - MILCON

DLA MILCON:
(\$ in thousands)

	<u>Budget Request</u>	<u>Chg</u>	<u>Committee Recommend</u>
<u>CONUS:</u>	0		0
<u>OCONUS:</u>			
Iwakuni, Japan Bulk Fuel Storage Tanks PH1	85,000		85,000
Yokota AB Japan Bulk Fuel Storage Tanks PH1	44,000		44,000
Various Locations: Unspecified Minor Const	31,702		31,702
Planning and Design	30,000		30,000
Total MILCON	190,702		190,702
DLA BRAC	3,006		3,006

9. Congressional Reporting Requirements

DLA wrote and provided input to congressional reporting requirements for congressional defense oversight committees. The table below was pulled from the OSD managed Congressional Hearings and Reporting Requirements Tracking System (CHARRTS). It identifies reports assigned to DLA in the FY 2023 NDAA and Appropriations bills, and is current as of August 24, 2023.

Report Title	Subject	Due Dates
HASC Rpt to accompany H.R. 7900	Textiles industrial base study	12/23/2022 12/23/22
HASC Rpt to accompany H.R. 7900	Transition from Joint Service Lightweight Integrated Suit Technology to Uniformed Integrated Protective Ensemble	01/01/2023 NLT 01/01/23 Completed 01/01/2023
HASC Rpt to accompany H.R. 7900	Stockpile Status of Antimony	09/30/2023 NLT 09/30/23
HASC Rpt to accompany H.R. 7900	Feasibility Assessment on Determining Source of Petroleum Products	02/15/2023 NLT 02/15/23 Completed 03/22/2023
HASC Rpt to accompany H.R. 7900	Feasibility Assessment on Determining Source of Petroleum Products	02/15/2023 NLT 02/15/23 Completed 03/22/2023
HASC Rpt to accompany H.R. 7900	Report on Plant-Based Meals, Ready-to-Eat	09/30/2023 NLT 09/30/23
HASC Rpt to accompany H.R. 7900	Improving Source Approval Request and Sustainment Parts for Increasing Market Competition and Asset Readiness	03/01/2023 NLT 03/01/2023
SASC Rpt on S. 4543	Department of Defense Outside the Continental United States Fuel Contracting and Sourcing	06/30/2023 NLT 03/01/23 Completed 06/20/2023
FY 2023 NDAA (Enacted 23 Dec 22) P.L. 117-263	Briefings on Shortfalls in National Defense Stockpile	03/01/2023 NLT 03/01/23
Consolidated Appropriations Act, 2023 (H.R. 2617, Enacted 29 Dec 22) P.L. 117-328	National Defense Stockpile Transaction Fund	Case-by-case

Defense Logistics Agency

DLA Installation Management (DM) Fiscal Year 2023 Historical Report



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

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY HISTORIAN

SUBJECT: DLA Installation Management Historical Report for Fiscal Year 2023

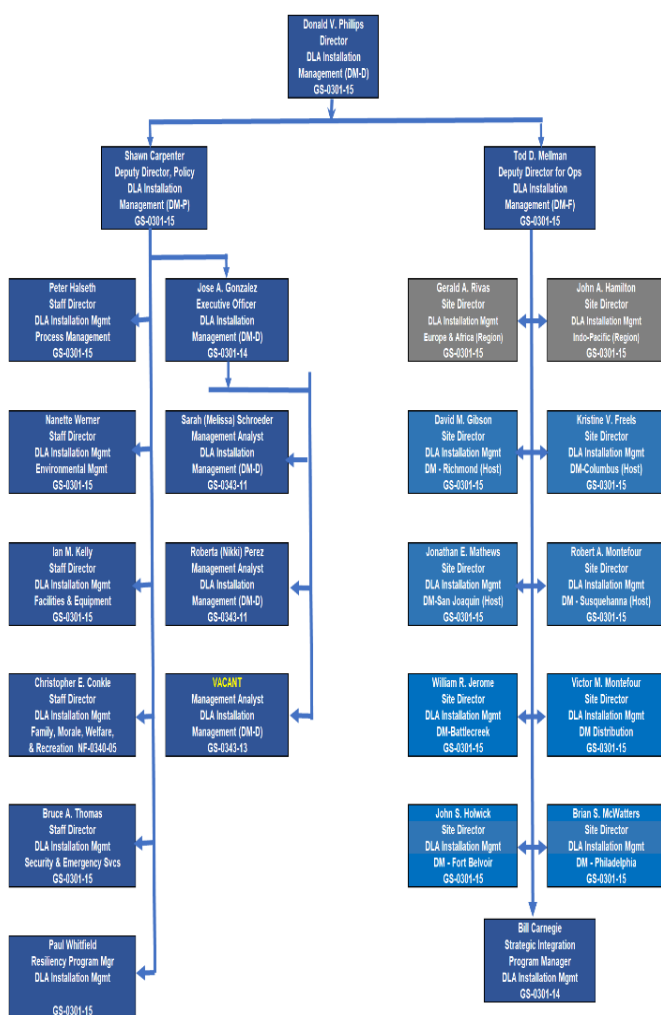
The DM Fiscal Year (FY) 2023 historical record outlines the actions taken over the course of the fiscal year to improve and sustain the effectiveness and efficiency of services provided to our customers, civilian and military, internal and external to DLA. It also provides achievements to key operating goals, initiatives, metrics, and tools used to regularly monitor our performance.

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DONALD V. PHILLIPS
Director
DLA Installation Management

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1. Introduction

The DM historical record outlines actions taken over the course of Fiscal Year (FY) 2023 to improve the effectiveness and efficiency of services provided to customers, civilian and military, internal and external to DLA. It also provides operating goals, initiatives, metrics, and tools used to ensure we meet present and future requirements. Our greatest resource remains our people, who enable this support.



DM provided worldwide policy, program, and operational support in the areas of:

- Process Management
- Environmental Management
- Facilities and Equipment
- Family and Morale, Welfare, and Recreation (FMWR)
- Security and Emergency Services

2. Organization

a. DM Mission

Enables DLA to support the warfighter by providing security and emergency services; environmental management; facilities and equipment management; process management; and FMWR programs to DLA activities and customers.

b. DM Vision

A positive, ethical, and adaptive team that provides outstanding support to internal and external customers

while caring for its people.

c. DM Values

Our values are DLA's foundation. They provide our guiding principles as we accomplish our mission, pursue our vision, and strive to support our DLA customers and Warfighters: Leadership, Professionalism, and Technical Knowledge through Dedication to Duty, Integrity, Ethics, Honor, Courage, and Loyalty.

3. Historical Narrative

Using the DLA Strategic Plan for FY 2021 - FY 2026, DM nested its initiatives under key lines of effort (LOE) and critical capabilities (CC) from the staff and site perspectives.

a. LOE 1 Warfighter Always

(1) Initiative 1.1.1: For each supply chain and logistics service, support development of standardized data, planning factors, tools, and logistics and supply activity processes.

DM optimized FY 2023 military construction (MilCon) project selection, as evidenced by 100% program approvals from the Office of the Secretary of Defense (OSD) and congressional subcommittees. The staff placed the entire project list on the National Defense Authorization and MilCon Appropriations Acts.

(2) Initiative 1.1.3: Develop a command and control (C2) strategy to align senior leaders to Combatant Commander Campaign Plan operations, activities and investments, and Integrated Contingency Plan execution.

(a) DM initiated a design for DLA Indo-Pacific's controlled space and Indo-Pacific synchronization operations center project at Joint Base Pearl Harbor-Hickam (JBPHH). It sought construction funds from DLA Logistics Operations (J3).

(b) DLA Installation Management, Facilities and Equipment (DM-I) helped J3 develop DLA's global posture plan to align logistics capabilities to combatant command and service needs. Focus included forces, footprints, and agreements.

(c) DM coordinated with DLA Aviation, DM at Richmond, and Okinawa key leaders to help establish the joint Air Force/DLA supply, storage, and distribution center (Supply Center Pacific) to improve combat effectiveness and reduce supply chain delivery times.

(3) Initiative 1.2 Partnership with Customers

In collaboration with the military services, DM developed special instructions for the Office of the Under Secretary of Defense for Acquisition and Sustainment for identifying, routing, and disposing of Confederate States of America memorabilia with little historic value. DM also collaborated with military services, federal agencies, and the military postal authority to develop instructions related to changing mailing and shipping addresses under Department of Defense Address Activity Directory policies. DM adapted these instructions into executable guidance for the rest of the agency. The congressionally mandated deadline is December 31, 2023.

b. LOE 2 Support to the Nation

(1) Initiative 2.1.4: Implement new organizational structure to best support the Nation.

In FY 2023, DM worked with J3 and DLA Energy to position DLA to respond to DoD and administration requirements for climate change. Four current and pending executive orders (EO) have DLA equities:

- (a) EO 14008 of January 27, 2021, “Tackling the Climate Crisis at Home and Abroad”
- (b) EO 14017 of February 24, 2021, “America’s Supply Chains”
- (c) EO of May 20, 2021 (no number), “Climate Related Financial Risk”
- (d) EO 14057, “Catalyzing Clean Energy Industries and Jobs through Federal Sustainability

DM continues to spend the FY 2022 climate enterprise budget increase (EBI) which allocated \$194 million for climate change initiatives in compliance EOs 14008 and 14057.

- (a) DM began delivering zero emission vehicles (ZEV) at selected locations.
- (b) DM is installing solar photovoltaics and battery storage at host and tenant sites.
- (c) DM submitted several energy resilience conservation investment program (ERCIP) projects to OSD for a microgrid system at DLA Susquehanna.
- (d) DM host sites awarded resiliency assessments valued at over \$2 million. These studies identified deficiencies and recommended corrective measures.
- (e) DM used the defense climate assessment tool to identify climate risks.
- (f) DM partnered with the U.S. Army Corps of Engineers (USACE) Power Reliability Enhancement program office to provide resiliency portfolio support at host and key tenant sites overseas.
- (g) DM participated in the OSD Climate Resiliency workshop in St. Louis, Missouri, in July 2023.

DM developed a FY 2026 budget increase request (BIR) for over \$1 billion to comply with EO14057 requirements in net zero carbon construction, deep energy retrofit, energy/water conservation, and infrastructure support. The BIR will be submitted during the FY 2026 budget cycle.

- (a) DLA Columbus worked with the DLA-Energy Installation Energy program office to explore opportunities for energy savings performance contracts
- (b) DM worked with DLA-Energy to identify opportunities for off-site carbon free electricity for host site consumption.

c. LOE 3 Trusted Mission Partner

(1) Initiative 3.2.2: Align the level of detail and required changes to financial architecture baseline to enable customer-centric transparency.

(a) In FY 2023, DM continued supporting the acquire-to-retire and environmental liabilities business cycles as DLA entered its seventh year of financial audit. DM helped DLA make significant progress in attaining stable and sustainable audit readiness.

(b) In FY 2023, DM supported 398 sustainment, restoration, and modernization (SRM) projects to maintain existing infrastructure. This included 374 repair and maintenance projects worth \$247,049,287, which is 132% of the SRM budget of \$187,116,960. DM also supported 24 capital minor construction projects (three projects for DLA Aviation, one for DLA Land and Maritime, two for DLA Troop Support, 14 for DLA Distribution, and four for DLA Disposition Services), obligating \$26,080,982, which is 155.65% of the SRM non-labor budget of \$16,756,029.70. The goal was to correct critical facilities issues and to comply with OSD policy by maintaining DLA's building condition index at 80% or higher. Additional funds were provided due to financial under-execution in other areas of DLA, contributing to a record high 99% execution of chief-of-staff portfolio requirements.

d. LOE 5 Future of Work

(1) Initiative 5.1.1: Collaborate with DLA Human Resources (J1) on seamless personnel work model issues relevant to administrative space requirements

Implemented Future of Work Hybrid Pilot (April 4 – December 31, 2023)

(2) Initiative 5.2.1: Assess DLA (Continental United States (CONUS)) facilities footprint to maximize space utilization.

DM developed comprehensive revisions to DLA Instruction 5305.05, Management of Administrative Space, (June 2022). Also, it revitalized the space utilization planning process at DLA Columbus to maximize space in the DSCC Operations Center.

(3) Initiative 5.2.2: Develop Enterprise GIS Capability for DLA to better manage our worldwide facilities footprint.

DM-I, with the support of DLA Susquehanna, worked with DLA Information Operations (J6) and other stakeholders to develop DLA Geospatial Gateway (DLAGG). The staff secured \$850,000 to renew existing the DLAGG support contract with Henningson, Durham and Richardson, Inc., for two years via Air Force Civil Engineering Center.

e. CC-A People and Culture

(1) CC-A1.4: Sustain Our People

(a) In FY 2023, DM ingrained each of our culture climate initiatives, making intentional and accountable efforts to promote diversity and inclusion in all aspects of the DM portfolio by examining internal policies and hiring practices. DM gathered its senior leadership in Richmond, Virginia, and Columbus, Ohio, for team-building exercises that expanded support to diversity of experience, ideas, and backgrounds.

(b) DM Headquarters executed “All Hands” town halls and “Chats with the Boss” on a quarterly basis while DM sites executed their own programs.

(c) In FY 2023, DLA Columbus-MWR orchestrated events that not only entertained and enriched, but also fostered a sense of unity within our military families. Overall DLA Columbus-MWR supported DLA Columbus associates, military members, families, and retirees through over 100 readiness, recreation, and resiliency programs. DM-FRQ opened a new fitness center, reopened *Tickets&More*, opened the Center Perk Café, initiated Centre Perk Mobile, restarted tours, and hosted over a dozen events designed to help the DLA workforce stay physically, mentally, and financially fit.

(2) CC-A2.3: Build Connections

(a) In FY 2023, DM executed the culture action plan focusing on mission, adaptability, involvement, and consistency to promote understanding, awareness, and employee engagement. Through DM All Hands, social engagements, internal focus groups, and professional development opportunities, DM continued to promote teamwork, collaboration, and camaraderie.

(b) Family and Morale, Welfare, and Recreation (DM-Q) created a new people and culture plan which resulted in an improved NAF employee handbook, employee guidebook, and NAF employee career planning documentation.

(c) DM-Q continued using technology and innovation to ensure enterprise-wide information flow through such initiatives as the NAF Dashboard, eWorkPlace SharePoint, commercial facing websites, and social media platforms.

(d) Closed-circuit television systems were updated at each child development center, ensuring the safety of patrons and their children. Family Programs oversaw a tabletop incident that will assist in future reporting procedures.

(e) DM reorganized to serve internal (sites and site FMWR programs) and external (warfighter and other patrons) customers better. DM-Q focused on future operations to deliver sustainable programs and services.

(f) At DM Battle Creek (DM-FB), the family programs manager worked with community partner Summit Pointe to bring question, persuade, refer suicide prevention training to over 500 employees. DM-Q adopted this program as a best practice for family advocacy managers across the enterprise. The DLA-Battle Creek Security Services division partnered with DLA Installation Management Security and Emergency Services to host the 2023 DM Security Symposium in Battle Creek, attended by security representatives from across the enterprise.

f. CC-B Fiscal Stewardship

(1) CC-B.1 Auditability

Linked to LOE 3.2, Financial Transparency, DM is responsible for two major programs: property, plant, and equipment and environmental liabilities management, both of which are under audit and dependent on external organizations to remediate corrective action plans (CAPs).

(a) DM-I drafted end-to-end process cycle memorandums for MilCon, SRM, real property, and general equipment.

(b) DM-I completed multiple business process walkthroughs with DLA's independent public accountant with no new notices of findings and recommendations (NFRs).

(c) DM-I worked with J8 to develop a "write-off" memorandum to allow property managers to close open and aged asset under construction (AuC) accounts when evidential material is not readily available from the design and construction agent (DCA).

(d) DM combined five NFRs to reduce overdue milestones and is preparing a re-baseline package to outline tasks to remediate the condition.

(e) DM-I led regular meetings with USACE to make progress on audit readiness.

(f) DM-I reduced the open and aged AuC population by over 50%.

(g) DM-I requested the OSD (Comptroller) change financial management regulations to improve DLA's audit readiness, specifically to remove DLA from the transfer-in/transfer-out process and allow it to manage funds at a budgetary level.

(h) DM-I led a discussion with deputy assistant secretary of defense for real property to request changes to the DD Form 1354 process that would improve financial reporting from the DCAs to DLA.

(i) DM-I assisted DM-A site visits at Red River, Texas, and San Joaquin, California.

(l) DM-I supported agency management review efforts to verify SRM and RP compliance.

(m) DM-I directed a full inventory of general equipment at all DLA locations.

(n) DM initiated a risk and internal control program Office of Management and Budget circular A-123, Management of Internal Controls Program.

(2) CC-B.2 Cost Visibility and Cash Management

DM made significant changes to its DLAI 4170.01 Retained Energy Savings policy to allow DLA to reuse funds obtained from energy conservation efforts.

g. CC-C Digital Business Transformation

(1) CC-C3.1: Cyber-Security Policy and Oversight

Began executing EBI funding for 36 full-time equivalents (16 for DM, 17 for J6, and 3 for J7) per Executive Order 14028, "Improving the Nation's Cyber-Security,"

(2) CC-C3.4: User Awareness

(a) Operational technology (OT) cyber-security EBI funding allocated.

Grew DLA's technical capabilities in OT. The OT program was approved for labor and non-labor resources beginning in FY 2024. The labor resourcing will provide functional experts in facility-related control systems and electronic security systems to protect

DLA facilities against cyber-attacks. Non-labor resources will also provide greater ability to mitigate OT deficiencies.

In addition, DLAI 4163.03, Life Cycle Management of Facility Related Control Systems, was signed on April 6, 2022. The DLAI clarifies the processes and stakeholders responsibilities for managing control systems.

(b) Used the risk management framework to apply cybersecurity to IT, including control systems.

As a product of this effort, DM implemented the OT risk matrix tool. Major Subordinate Commands (MSCs) can identify operational impact and DLA Information Assurance (J61) can identify cyber risk. DM and DLA Enterprise Capabilities (J62B) worked with DLA Acquisition (J7) to ensure contracts have the appropriate cyber compliance language. Additionally, the OT executive board continued to meet every other month. OT issues were discussed to determine projects for returning optimal solutions DLA began 91 OT projects in FY 2023 and completed 28.

4. Climate Resiliency Initiatives

a. Optimize DLA's vehicle fleet to comply with fleet requirements

DM Installations and Sustainment (DM-IS) assessed the fleet management program to identify opportunities for optimization. Its fleet management team continued contracting for an allocation survey, which suggested replacing vehicles leased from General Services Administration (GSA) with zero-emission models in the following order: hybrid electric vehicles, low greenhouse gasoline vehicles, alternative fuel vehicles, and, finally, gasoline/diesel vehicles. Additionally, the GSA leased vehicle payment process for DLA's European locations was streamlined to resemble the CONUS process.

b. Per-and Polyflouroalkyl Substances (PFAS)

PFAS are a large chemical class of man-made compounds found in many industrial and consumer products, including nonstick cookware and microwave popcorn bags. In DoD applications, the chemicals have been found in aqueous firefighting foam (AFFF). Although successful in protecting against catastrophic loss of life and property, releasing PFAS can contaminate private wells and public water systems.

In response, the Secretary of Defense added DLA to a PFAS task force. The task force led an aggressive approach to finding and funding a substitute for AFFF, implementing cleanup standards, changing policy. DLA worked in coordination with the deputy assistant secretary of defense for environment and energy resilience and the services and helped draft numerous policies.

In FY 2023, DLA, as chair of the Resource Conservation and Recovery Act (RCRA) steering committee, continued providing guidance to customers on the proper disposal of PFAS waste. Under DLA's chairmanship, the RCRA steering committee drafted DoD's PFAS disposal policy, which was signed on July 11, 2023. DLA provided ongoing support to DoD Inspector General and Government Accountability Office audits concerning PFAS in DoD.

5. DM at Columbus (Defense Supply Center-Columbus–DSCC) Accomplishments

- a. DSCC will complete renovations on its water distribution system to improve water quality and enable more efficient usage.
- b. The design effort for a solar energy project, intended as the first phase of meeting new climate change/sustainability guidelines, has been initiated through USACE.
- c. Plans were made to conduct a DSCC energy resiliency readiness exercise.
- d. DSCC received legacy funding for the dry-detention adaptation to constructed wetland design project. This project is a nature-based solution to mitigating flooding and maintaining storm water for possible reuse.

6. DM at San Joaquin (Distribution Depot, San Joaquin – DDJC) Accomplishments:

- a. DDJC awarded a \$7.2 million MilCon backup generator project.
- b. DDJC was awarded \$5.5 million to convert part of overhead high voltage line to underground.
- c. DDJC awarded a \$3.2 million switchgear replacement project.
- d. DDJC awarded an energy resiliency study project, per E.O. 14057.

7. DM at Richmond (Defense Supply Center-Richmond - DSCR) Accomplishments:

- a. DSCR insourced the Richmond Emergency Communications Center (ECC), converting contract operations and funding to thirteen full-time equivalents, standardizing ECC operations with other host sites, and saving \$1.8 million over the future years defense program.
- b. DSCR scheduled its installation pool for demolition, saving water and maintenance costs.
- c. DSCR planted 150 trees.

8. DM for Distribution (DM-FD) Accomplishments

DM-FD provided effective and efficient technical services that enabled DLA Distribution to support the warfighter. To that end, DM-FD executed large programs that directly affected the readiness of DLA Distribution in 20 states, eight countries and one U.S. territory. It exceeded \$200 million in minor construction, SRM, capital equipment, and non-capital equipment. In addition, DM-FD coordinated a MilCon program valued at \$559 million. The following is a representative sample of the projects executed via these programs.

- a. Completed a detailed seven-site study. This study included area development and modernization analysis at the seven DLA Distribution sites with the highest workload. The initiative was completed first quarter of FY 2023 and was used to develop the \$118 million Distribution Modernization program budget review submission, which was accepted by DLA leadership. The projects included in this effort will directly and favorably affect cost recovery rates as well as DLA support to the warfighter.
- b. DM-FD accelerated procurement for a new battery energy storage system (BESS) micro-grid for Building 723 in Sigonella, Italy. Project is intended to target EO 14057 goals associated with energy resiliency. Approach included a “working” design charrette, whereby all

necessary documents were prepared in-the-field for an RFP that is being executed via existing U.S. Naval Facilities Engineering Command (NAVFAC) contract. This BESS is the first DLA Distribution system developed to meet the EO goals. It is capable of storing energy generated from renewable systems attached to Buildings 452, 719, 722 and 723. It provides the power to maintain operations at B723 when all grid power is offline.

c. DM-FD developed a proposal to in-source environmental support for DM Distribution, which was expanded to include both DM Susquehanna and DM San Joaquin. This initiative will enhance organic capability, provide capacity to handle new executive order requirements, and save \$3.5 million over the FYDP. The initiative was approved by the DLA deputy director for accelerated implementation.

d. DM-FD rewrote, staffed, and issued a new DLA Distribution loss and crime prevention plan which cleared the COVID-related backlog of security program reviews, improving DLA Distribution supply chain security. The plan incorporated security requirements within the service-owned items in DLA Custody audit metrics.

e. DM-FD designed projects that targeted climate change and EO 14057 goals at seventeen CONUS tenant and host sites. The plans developed solar, wind, geothermal, and biomass energy projects, as well as energy resilience projects such as microgrids, micro turbines, distributed generation, and combined heat and power.

9. DM at Susquehanna (Distribution Depot, Susquehanna, PA - DDSP) Accomplishments:

- a. Solar project parking lot 640 ~500KW carport – Charleston
- b. Solar project parking lot 626 ~500KW carport – Charleston
- c. Eastern Distribution Center (EDC) electrical design – Charleston
- d. Kicked off the Massachusetts Institute of Technology (MIT) Lincoln Labs comprehensive electrical study of solar, microgrid, electric fleet vehicles technologies
- e. Retrofitted lighting at Buildings 103, 104, 105, 210, 211 in Mechanicsburg.
- f. Replaced natural gas service laterals and performed commissioning for various buildings at Mechanicsburg, Pennsylvania.
- g. Renewed option year 1 of the controls service contract.

10. DM at Philadelphia (DM-FP) Accomplishments:

a. DM-FP ensured over 2,900+ DLA employees at Naval Support Activity (NSA) Philadelphia had safe, secure, and operational facilities.

b. DM-FP awarded a contract to begin work on renovations to the Lab, Flag Room, and pattern room, as suggested by a MilCon study.

c. DM-FP worked closely with NAVFAC to ensure facilities, infrastructure, and environmental MilCon and SRM projects remained on-track. The staff oversaw the completion of the \$1.4 million construction project for DLA Troop Support's new sensitive compartmented information facility (SCIF) and operations center in Building 45. It also implemented a plan to monitor the intrusion detection system for the facility.

d. DM-FP planned, coordinated, and executed the movement of over 100 DLA Contracting Support Office employees from Building 26 to Building 6, improving their working conditions. It spent \$12 million on improvements such as replacing chillers in Buildings 3 and 26.

11. DM at DLA Europe and Africa Accomplishments:

- a. DM helped award the re-lighting contract for the DLA quad on Kleber Kaserne. The project replaces 1,043 lights and is expected to reduce energy expenditure by 66 percent.
- b. DM collaborated with Naval Station Rota Public Works Department on a solar panel project to reduce DLA's electrical bill to zero.
- c. DM finalized a memorandum of understanding between NS Rota and DLA Deposition Services Europe & Africa.
- d. DM provided daily force protection briefs to DLA personnel in Europe.

12. DM at DLA Indo-Pacific Accomplishments:

- a. DM-FH Guam completed renovation coordination of existing warehousing space to increase capability on the island.
- b. In the aftermath of Category 4 Typhoon Mawar on May 24, 2023, DM-FH Guam began damage assessments and costing estimates. Despite utility and communication challenges, it identified an additional \$200,000 in requirements.
- c. Under the FY 2020 ERCIP, DM-FH will install 500 KW photovoltaic covered parking and electric vehicle charging stations, at Building 479 on JBPHH, Hawaii.
- d. DM-FH used the vehicle allocation methodology to reduce twenty vehicles and save \$704,000 in the Indo-Pacific.
- e. DM-FH relocated a security specialist to mainland Japan.
- f. DM-FH relocated its Korean engineer from Camp Humphreys to Camp Carroll to support DLA's non-fuels facility requirements better.
- g. DM-FH relocated its Japanese engineer from Kadena, Okinawa, to Yokosuka, Japan in response to changing mission requirements regarding DLA's non-fuels facility requirements.

5. Conclusion

As FY 2023 drew to a close, DM continued to support the warfighter by providing installation support to DLA MSCs. Its workforce continued to display versatility, agility, and dedication. Reentry is proceeding smoothly.

In FY 2024, DM will execute budget increases of approximately \$330 million in labor and non-labor funding to address "must do" taskers regarding climate resiliency, vehicle fleet electrification, and OT cyber-security. It will adjust mission priorities to incorporate these resources while linking projects to the agency's strategic plan.

Defense Logistics Agency

DLA Equal Employment Opportunity (DO)

Fiscal Year 2023 Historical Report



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

MEMORANDUM FOR DEFENSE LOGISTICS AGENCY COMMAND HISTORIAN

SUBJECT: DLA Equal Employment Opportunity Diversity and Inclusion (EEODI) 2023
Annual History Report

The DLA EEODI 2023 Annual History Report is approved and is being submitted with my endorsement along with the following attachments:

- White House Domestic Policy Council (DPC) issued implementation guidance for Executive Order (EO) 14035 – Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce
- Policy Statement on Equal Employment Opportunity (EEO) Letter
- Statement on Prevention of Sexual harassment (POSH) and Sexual Assault Prevention and Response (SAPR)
- Policy statement on Reasonable Accommodation for Person with Disabilities
- Policy statement on Diversity and Inclusion

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.

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JANICE SAMUEL
Director
DLA Equal Employment Opportunity
Diversity and Inclusion Office

Attachments:

1. Introduction

(a) Mission

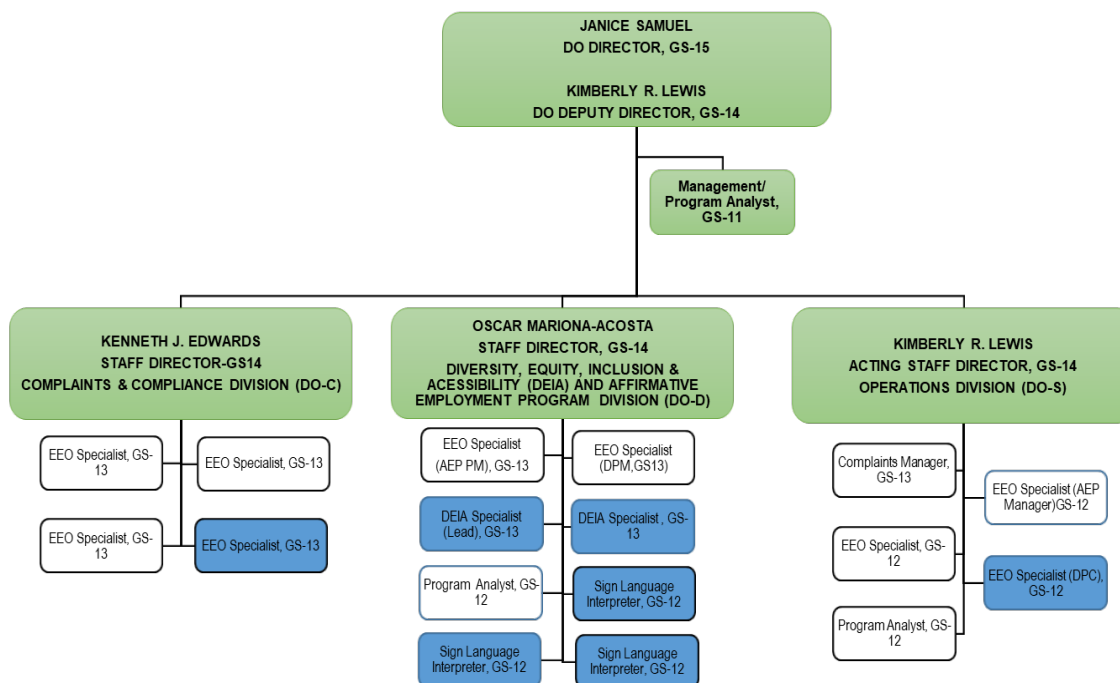
The mission of the DLA EEODI office is to advise and assist the DLA director, leadership, and workforce on all matters of the EEO program; champion a culture that fosters diversity, equity, inclusion, and accessibility (DEIA); and establish a culture that empowers individuals and organizational growth. The office promotes a workplace free from harassment and unlawful discrimination based on race, color, religion, sex, national origin, age, physical or mental disability, or reprisal for personnel engaging in an EEO protected activity.

(b) Vision

The vision is simple but profound, to be the premiere DLA EEODI Office in the Department of Defense.

2. Organization/Key Personnel/ Total Personnel

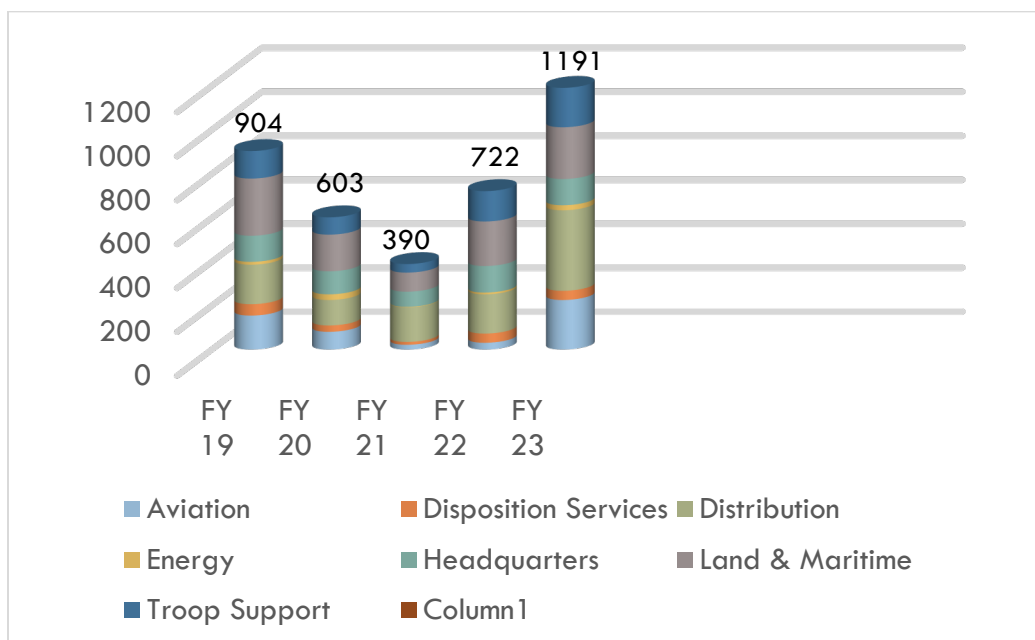
The office continued the reorganization it began in 2021, increasing from 17 to 23 positions. One significant hire was the diversity and inclusion staff director. We lost this position in 2018 and gained it back in 2022 due to the agency being charged with ensuring DEIA efforts and initiatives. The office consists of the director, the deputy director, one management analyst (a change from administrative assistant), three staff directors (an increase of one), twelve EEO specialists (an increase of three), two program analysts, and three interpreters.



3. Historical Narrative

a. Post COVID-19 Reentrance of DLA Workforce

In January 2021, the new administration established the Safer Federal Workforce task force. The task force directed agencies to submit plans addressing model workplace safety principles. DLA established its own COVID-19 working group that developed and monitored plans, led decision-making, and coordinated with external groups, including the administration's task force. The EEO office was an integral part of that team. Supervisors worked with their employees to set up return-to-work schedules and, from those, reasonable accommodations increased enterprise-wide. DLA Human Resources updated the definitions of full-time telework, prompting the EEO Office to update DLAI 14140.01 and put processes in place for reasonable accommodation (RA)-related requests. During this time, the main accommodation requested was fulltime telework/remote work. RAs have increased by 85% from FY 2021 to FY 2022.



The EEO Office also processed requests for COVID-19 vaccination exemption, COVID-19 testing exemption, and other COVID-19-based RAs. Disability program coordinators (DPCs) at Major Subordinate Commands (MSCs) worked hard to service customers. On September 9, 2021, President Biden signed Executive Order (EO) 14043, "Requiring Coronavirus Disease 2019 Vaccination for Federal Employees." On January 21, 2022, an injunction led to open vaccine exemption requests being held in abeyance. On May 11, 2023, federal COVID-19 vaccine requirements were removed, including those for federal employees and federal contractors. DLA EEO notified 2,130 employees their requests were closed.

b. Technology

DLA EEO procured a new enterprise-wide RA management system. The Entellitrak Reasonable Accommodation (ETK RA) system provides centralized processing and tracking that

can be used by all DPCs at all MSCs. This system automates RA request processing through a workflow that tracks events, creates notices, and sends encrypted emails. Employees request an accommodation through DPCs, who process the requests in ETK RA. The system stores RA data, documents, and records containing personally identifiable information or protected health information. J6 and the vendor have been working to fix issues identified during the testing and staging phases. The system is scheduled to go live before the 2023 calendar year ends.

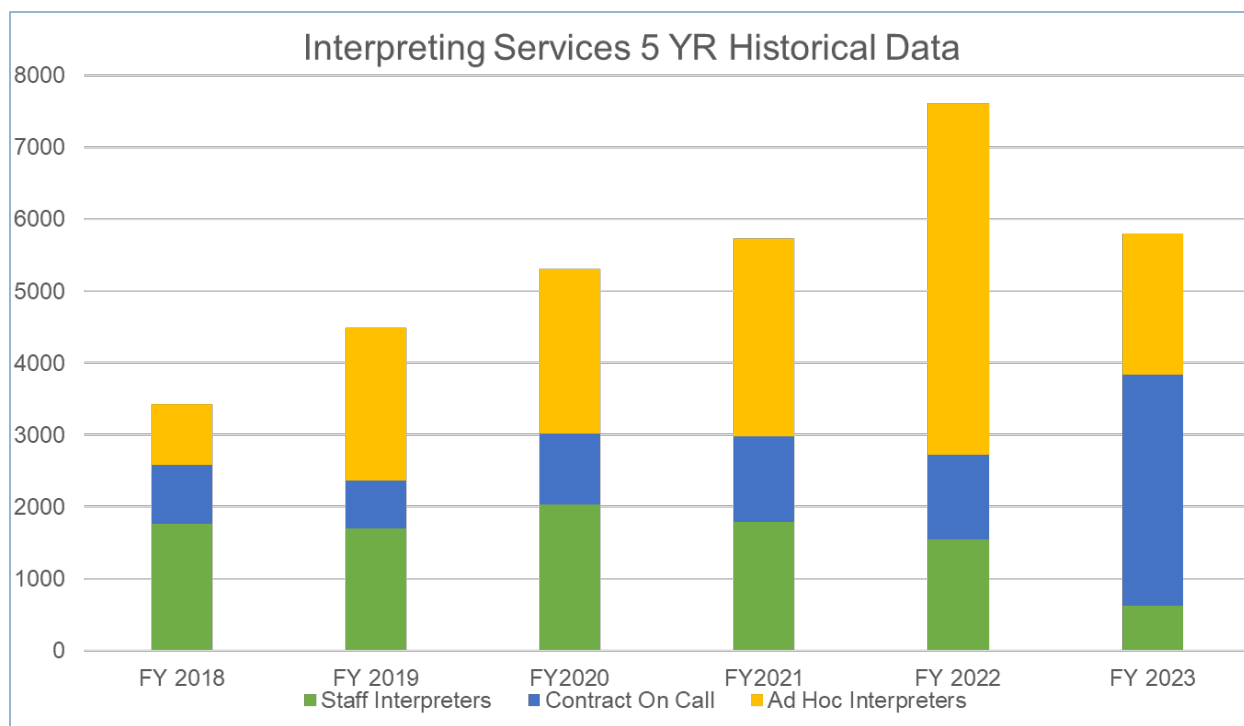
c. Sign Language Interpreting Services

DEIA has three authorized full time American Sign Language (ASL) staff interpreters with two vacant positions (one for over twenty months and one for eight months). An additional contract was added for three additional full-time interpreters. Two of the three on-call interpreters were directly assigned to support the high demand of services from J8. The third on-call interpreter along with the ad hoc interpreters provide interpreting services support to other agencies in the McNamara Headquarters Complex.

DLA Headquarters (seven employees)
DCAA (one employee)
DTRA (four employees)

DLA Energy (two employees)
DTIC (three employees)

Interpreters provided 5,792 hours of service in FY 2023, the second highest total ever, despite ending the year without any ASL staff and two WRP interns, thanks largely to the work of three on-call staff interpreters. The heavy reliance on the ad hoc contracts led to complaints of inconsistency due to interpreters not being familiar with DLA. The return-to-work policy also created a challenge during FY 2023. More personnel on-site resulted in an increased need for services. The contracted vendors had a difficult time finding ASL interpreters willing to take onsite assignments, because some geographically relocated during COVID-19 while others were willing to conduct only virtual services. ASL service hours have increased as following over the last five years: FY 2018 - 3,424.51, FY 2019 - 4,494, FY 2020 - 5,306.50, FY 2021 - 5,728.50, FY 2022 - 7,618.25, FY 2023 - 5,792.



d. Diversity Initiatives

(1) Outreach

(a) Workforce Recruitment Program (WRP)

In FY 2023, DLA hired eleven WRP participants and noncompetitively converted two to permanent status. DLA has converted a total of twelve WRP participants to DLA workforce: DLA Distribution (four temporary, one permanent), DLA Disposition Services (three temporary, one permanent), DLA Troop Support (one temporary) and DLA Headquarters (two temporary).

(b) DoD/Affinity/EEO Awards

DLA has active partnerships with DoD agencies (e.g. Diversity Management Operations Center and the Office for Diversity, Equity, and Inclusion under the Under Secretary of Defense for Personnel & Readiness); external federal agencies (e.g. the Office of Employment Policy under the Department of Labor, the Diversity and Inclusion division under the U.S. Office of Personnel Management); affinity groups (e.g. Blacks in Government, Federal Asian Pacific-Islander American Council, League of United Latino American Council); and advocacy groups (e.g. National Industries of the Blind, Gallaudet University, Ability One). DLA's collaboration with partners is paramount for solving problems at speed and scale. The office will continue to adapt strategies that reflect the rapidly changing environment in which we operate. During FY 2023, DO coordinated the nominations for affinity, DoD and EEO awards throughout the enterprise, resulting in one winner for the Blacks in

Government Military Meritorious Service Award; two winners for DoD/DLA Outstanding Employee with a Disability award; and three winners for EEO Achievement awards, one for an employee, one for a supervisor/manager, and one for the entire organization.

(2) Special Emphasis Program Management

(a) Observances

MSCs conducted multiple special emphasis observances throughout the year, to include Martin Luther King Jr. Day, Black History Month, Women's History Month, Asian Pacific Heritage Month, Juneteenth Day, Women's Equality Day, Hispanic Heritage Month, National Disability Employment Awareness Month, and American Indian/Alaskan Native Heritage Month.

(b) Future Operations

DLAI 1440.03 is going through the staffing process for its required update and met all the requirements to be considered Section 508 compliant.

(3) Affirmative Employment Program

DLA proactively identified itself as an organization that provides all employees and applicants equal opportunity regardless of race, sex, national origin, color, religion, genetic information, disability, or reprisal for engaging in prior protected activity by submitting the FY 2022 MD-715 report. This report was approved by multiple stakeholders, signed by the DLA director, and delivered to EEOC in April 2023.

(2) Anti-Harassment Program

DLA Human Resources's Labor and Employee Relations office has continued to refine the agency's anti-harassment program and is tracking the total time it takes to conduct inquiries on harassment cases without an EEO basis. The following information is representative of the number of these cases worked by the agency:

- FY 2020, five cases.
- FY 2021, twenty-one cases.
- FY 2022, twenty-six cases.
- FY 2023, forty-five cases.

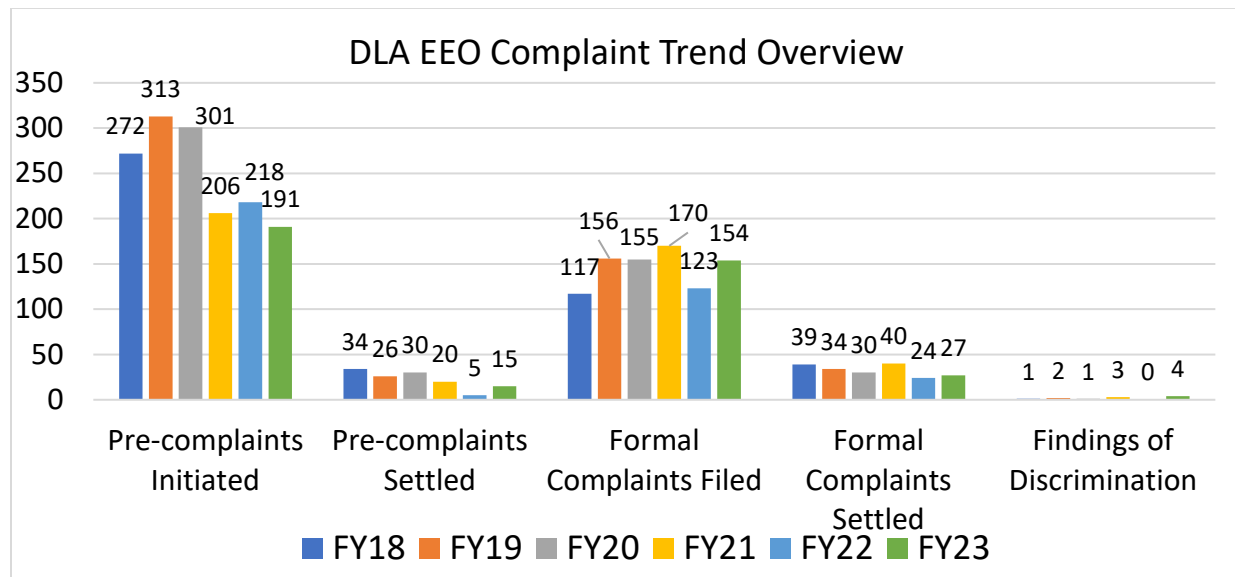
For complaints of harassment with an EEO basis, the EEO office performs management inquiries during the pre-complaint process. The DLA EEO Office continues to partner with DLA Human Resources to implement feedback received from the Defense Department Office of Equal Employment Opportunity. The EEO office uses a template for EEO specialists to report all harassment claims initiated through the anti-harassment program manager in the Labor and Employee Relations office via the DLA Human Resources Anti-Harassment mailbox to ensure all harassment cases are validated and addressed.

(3) Agency Management Reviews (AMR)

DLA Headquarters conducted AMRs of the DLA Energy, DLA Distribution, DLA Disposition Services, and DLA Troop Support EEO Offices. A comprehensive review was conducted on their compliance with the laws, regulations, policies, and procedures covering operations in selected areas, such as EEO complaints program management, disability and reasonable accommodation program management, and affirmative employment and diversity and inclusion programs. The AMRs scheduled for calendar year 2022 (DLA Land and Maritime and DLA Troop Support) were rescheduled for June 2023 and October 2023. An AMR for DLA Aviation was scheduled in February 2023.

(4) EEO Complaints

In FY 2022, pre-complaints increased slightly; however, there were fewer pre-complaints than in previous years. Formal complaints decreased slightly, but there were fewer settlements than in previous years. In FY 2022, it took DLA an average of 22 days to accept or dismiss formal discrimination complaints. In FY 2023, although there were fewer pre-complaints than in previous years, there were slightly more settlements (both pre-complaints and formal complaints) than in FY 2022, but still fewer settlements compared to FY 2018 through FY 2021.



(a) Untimely Final Agency Decisions (FADs)

In FY 2020, there were 75 EEO complaints awaiting FADs, 28 (37%) were issued untimely decisions, with two (7%) of the decisions issued timely within 60 days of the request. In FY 2021, a tiger team was disestablished due to staffing shortages: (1) In FY 2022 a retired annuitant was hired who is an experienced FAD writer; (2) In a seven-month period the FAD team issued an average of four merit FADs per month; (3) A total of 41 merit FADs were issued in FY 2021 with seven (17%) of the decisions issued timely within 60 days. In FY 2022, 86 FADs were issued, with 20 (23%) timely decisions issued within 60 days, and 66 (77%) of

the decisions were untimely. At the end of FY 2023, there was one merit FAD pending. There was an improvement in issuing timely FADs. In FY 2023, a total of 61 merit FADs were issued, with 34 (56%) of the decisions issued timely within 60 days, and 27 (44%) of the decisions were untimely.

(b) Untimely Investigations

During FY 2020, DLA did not complete investigations within the applicable timeframes. In first quarter, FY 2021, training on requesting EEO evidentiary data was provided to the seven EEO offices. Complaint data was reviewed monthly and the completion of timely EEO investigations improved. Of the 108 completed investigations, 76 (70%) were timely and 32 (30%) were untimely. At the end of FY 2021, a new investigator contract was awarded. In FY 2022, 87 of 90 (97%) completed investigations were timely and 3 cases (3%) were untimely. In FY 2023, 88 of 102 (86%) completed investigations were timely and 14 cases (14%) were untimely.

(5) Trigger Analysis

(a) DLA Received an EEOC Deficiency Letter for the FY 2022 MD-715 report

DO-D will assemble a tiger team in August 2023 to address the deficiencies identified in the report. Some of the items were: (1) Barrier analyses need to be re-initiated but acknowledged limited staffing and insufficient data elements impacted the ability to identify triggers and conduct barrier analyses. (2) Part I – barrier analyses on Women and People of Color, particularly on Hispanics. (3) Examinations need on issues include such as recruitment, training, glass barriers, merit promotion processes, qualification processes, hiring practices, perceptions, etc. (4) Improve the collection of data elements (see next paragraph below).

(b) Ongoing Barrier Analysis

In July 2023 DO-D met with Human Resources Reports to discuss requirements for additional data elements for the EEOC's annual Management Directive 715 report and other required reports pertaining to the hiring, training, advancement, and retention of our workforce, including women, people of color and people with disabilities (EEO protected groups). The meeting helped identify that diversity trends have changed with greater scrutiny on the federal and DoD workforces (including DLA) since Executive Order 14035 took effect in June 2021. The order mandated agencies develop a strategic plan identifying actions to advance DEIA in the workforce and remove any discriminatory barriers. Thus, it became essential to measure workforce demographics and trends governing the collection, use, and analysis of demographic data related to diversity in the agency's overall workforce composition, senior workforce composition, employment applications, hiring decisions, promotions, pay and awards, training, professional development programs, and attrition rates.

Missing or deficient data elements were reviewed and noted where triggers could not be readily identified such as glass ceilings, glass walls, underrepresentation not in parity with the National Civilian Labor Force and particularly in leadership positions. Human

Resources reports agreed to revise and add the key data elements to ensure triggers impacting EEO groups can be readily identified.

4. Conclusion

DLA EEODI remains diligent and focused on the workforce. The ability of our government to meet the complex needs of our nation and the American people rests strongly on its people. Federal agencies must position themselves to attract, develop, and retain a top-quality and diverse workforce. The DLA EEODI stays committed to enforcing best practices throughout the agency. To develop a competitive, highly qualified workforce, DLA must fully utilize and embrace worker talent without regard to race, color, religion, national origin, sex, age, sexual orientation, or disability.

Defense Logistics Agency

DLA Public Affairs (DP) Fiscal Year 2023 Historical Report



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

October 16, 2023

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: DLA HISTORIAN

SUBJECT: DLA Public Affairs Historical Report

Fiscal year 2023 saw DLA Public Affairs maintain its high-performing culture and show great success across several areas. The team exceeded expectations by writing or editing 134 articles, producing 40 original videos, making 1,600 posts across our social media platforms, facilitating 173 media and speaking engagements, and announcing 498 contract awards.

DP also went through some personnel changes and internal reorganization in FY23. Longtime Deputy Director Patrick Mackin retired in December, and former DP staffer Kathleen Rhem took over the position at the beginning of the calendar year. We also completed an internal reorganization that involved hiring a web/news/social media team chief and aligning personnel managing those functions into one team for better cross-function collaboration and coordination.

Other success throughout the year included:

- Our first enterprise public affairs seminar in five years, which featured a keynote presentation by noted New York Times defense correspondent and editor Thom Shanker and briefings on such topics as crisis communications and social media management.
- The introduction of our LogPoints newsletter, which provides a reoccurring second-look at articles posted throughout the month. This has more than doubled views on featured articles.
- Highlighting the Agency's efforts to contribute to NATO operations in Europe.
- Partnering with Joint Task Force Red Hill to manage communications around a hot-button local issue in Hawaii.

The following report details the great work DLA Public Affairs accomplished in FY 2023.

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JOSEPH M. YOSWA
Director
DLA Public Affairs

1. Introduction

DLA Public Affairs is the voice of the agency. It informs audiences through electronic communication, press engagements, command information, and public outreach. It also executes the DLA History program, which provides institutional memory through research, publications, and the Annual Historical Report.

2. Organization

DLA Public Affairs consists of two GS-15 supervisors, four sections (video production, plans/media engagement, web/news/social media, and historical office), and a management analyst.

3. Key Personnel

DLA Public Affairs is led by the two GS-15s. The director is Joe Yoswa (April 2014 - present). Pat Mackin, who had served as deputy since May 2014, retired in December 2022. He was replaced by Kathleen Rhem, a former DP staffer who most recently served as the DLA Human Resources communications director.

4. Total Personnel

DLA Public Affairs has fourteen DoD civilians in five federal job series.

5. Historical Narrative

Personnel changes are organizationally important when a staff is small. The two changes DLA Public Affairs experienced in FY 2023 moved it from an operationalized structure toward one focused more traditionally on media relations, public outreach, and command information. While only one position description was altered, the two changes affected rating schemes, ASOC attendance and media clips reporting.

The personnel changes involved senior people. Patrick Mackin, the staff's deputy director, retired at the end of CY 2022 and was replaced at the first of the year by Kathleen Rhem, a previous DP staffer who had served eight years as communications director for DLA Human Resources. The staff's ASOC representative, Phil Prater, retired six months later. His duties had been operationalized over the years due to major headquarters reduction and an initiative by the agency's 19th director, Army Lt. Gen. Darrell K. Williams.

A traditional organizational alignment support traditional public affairs activities. One was the agency's first public affairs seminar since 2018. This seminar allowed for the exchange of information and best practices. Also important were social interaction and the strengthening of professional relationships. Thom Shanker, a longtime defense and national security correspondent for the New York Times and director of the Project for Media & National Security, gave the keynote address.

Other initiatives stressed public outreach. With social media engagement rising in importance, DP is looking to post more strategically. In FY 2022, it contracted a part-time assistant to help with electronic communication. This year, the staff is looking to bring her on as a full-time contractor. The second public outreach was LogPoints, an attractive monthly email offering the agency's viewing public a second look at articles. LogPoints garnered 2,723 additional views with its initial release in January. While it is still being established as a communications tools, it has increased viewership.

In January, Director Joe Yoswa mitigated the shift from an operationalized structure by increasing the attention paid to regional commands. To date his biggest efforts have been allowing the agency historian to research real-time contested logistics in Europe and sending his lead videographer to capture stories from a major training exercise in Romania.

One final initiative merits mention. After two years of design and contractor oversight, the staff's visual information specialist finished refurbishing the gallery outside the agency director's suite. In addition to giving the room a professional appearance, the redesign incorporates DLA's Hall of Fame. With seven or eight inductees each year since 1998, the hall needed to be digitized.

Initiatives should not detract from regular tasks. Nothing is more important to DLA's reputation than media engagement. Some news outlets query DLA directly. In FY 2023, these queries spanned topics as varied as the Law Enforcement Support Office, military uniforms, excess border wall material, Thanksgiving support for troops, the defense industrial base, and strategic materials. Other outlets need to be influenced through proactive outreach. DLA Public Affairs prepares the director, senior leaders and key staff for engagements. Examples from FY 2023 include an interview with the director by Michael Keegan of Business of Government and two interviews on the Warehouse Management System with Federal News Network. The first Federal News Network interview involved Karyn Runstrom, at the time the agency's acting chief information officer, and the deputy commander of DLA Distribution Corpus Christi. It resulted in a video, podcast, and nice print article. A few months later, DP coached the same individuals and two subject-matter experts from DLA Disposition Services through an hour-long video interview. These and other engagements promoted the agency in addition to publicizing rollouts, program benefits, lessons learned, training, and change management.

Another important DP task is communicating with external audiences through dla.mil. After leading a multi-year redesign, the site's webmaster focused on post-redesign maintenance in FY 2023. The yearly sitewide review is fine-tuning usability and formatting styling to be as uniform as possible, especially for offices that finished their redesigns early. Having content from the previous redesign allows command and staff managers to concentrate on accessibility and ease of use.

Few members of DP stay as busy as its videographers. This two-person team produces content for various audiences. A highlight this year was "Combating the Coronavirus," a 15-minute documentary on the agency's all-hands-on-deck response to the COVID-19 pandemic. Targeting whole-of-government partners as well as the internal workforce, this video premiered in mid-August as a stand-alone event and was then released on digital platforms. Other key productions were more customer-orientated. "DLA...Supporting the Force" grabs the viewer's attention by

showing the agency's contribution to each service. "Delivering Logistics Support: F-35 Joint Strike Fighter" captures DLA's role in America's most expensive acquisition program. "DLA Distribution: Enabling Readiness" advertises the agency's storage and distribution capabilities to military services, combatant commands and others. Of course, sending DP's lead videographer to Europe during a major training exercise resulted in abundant material highlighting DLA's warfighter support.

The agency's history program seeks to achieve the same outcomes as the videographic program through different means. In addition to publishing the FY 2022 historical report – the fourth consecutive report produced by the agency – the historian researched contested logistics. He presented what he learned to the DLA Joint Reserve Force Annual Leadership Review and in other fora. In May, he completed an 11-day, three-country trip to study DLA Europe & Africa's response to Operation ALLIES REFUGE in FY 2021 and the command's ongoing assistance to U.S. European Command and operations in Ukraine.

Finally, it should not be forgotten that DLA Public Affairs, although small, is a fully articulated staff and, as such, offers input through taskers and writes annexes to DLA orders. One obligation is announcing contract awards over \$7.5 million. Another is curating daily news articles so employees can quickly ingest stories pertinent to agency, a service that increases agility and saves workhours.

Defense Logistics Agency

DLA Transformation (DT) Fiscal Year 2023 Historical Report



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

December 5, 2023

MEMORANDUM FOR DLA HEADQUARTERS, ATTN: DLA HISTORIAN

SUBJECT: DLA Transformation (DT) Historical Report

Fiscal year 2023 saw DLA Transformation maintain its high-performing culture and remained a critical link for the Agency, connecting DLA's mission through enterprise-wide strategic integration.

The team managed the DLA Strategic Plan 2021-2026 working with Lines of Effort (LOE) and Critical Capability (CC) owners to complete Initiatives and Milestones and ensuring Strategic Initiatives continued to align to the changing political and operating environment post pandemic. Additionally, DT supported multiple agency-wide efforts through strategic tools and functions including, the Strategy Management Tool (SMT), the Agency Management Review (AMR) and multiple Continuous Process Improvement (CPI) initiatives that helped monitor agency performance and streamline DLA's processes.

DT experienced some personnel changes and internal reorganization in FY23. Mr. Todd Lloyd took over the Strategy, Policy, & Governance (SPG) Division from Mr. Dennis King. In May 2023 the Enterprise Strategic Integration (ESI) Branch was created in to improve, refine, and solve complex enterprise problems to improve performance and support DLA's strategic mission.

Other significant events throughout the year included:

- The continued modernization of the DLA Agreements' Program.
- The establishment of the Enterprise Process Improvement Council (EPIC), which validates and aligns the portfolio of Enterprise-level CPI projects.
- The sunseting of the Strategy Execution Tool/Strategy Map and implementation of the Strategy Management Tool (SMT) module within Business Capability Management (BCM) designed to monitor agency progress against the strategic plan at the KPI, Initiative and Task level.
- The Defense Agencies and Field Activities (DA/FA) review focused on DLA equities.

The following report details the great work DLA Transformation accomplished in FY 2023.

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ALEETA D. COLEMAN
Director
DLA Transformation

1. Introduction

DLA Transformation (DT) leads agency programs while providing centralized management for policy and strategy development, strategic plan performance monitoring, and studies across organizational boundaries. During FY 2023, DT continued to promote DLA's mission through enterprise-wide strategic integration. One of DT's key roles in DLA is to integrate and support management frameworks and practices by bridging efforts and leveraging results. DT's oversight of enterprise programs and diversified portfolio helped to meet the evolving needs of the agency. DT will continue to guide DLA in its transformation journey as we EVOLVE and support the Warfighter Always.

Enhance Capabilities by Expanding Knowledge

Value Added with Validated Results

Ownership of Vision, Values and Mission

Leverage Partnerships and Relationships via Versatile and Agile Approaches

Empower Others to Succeed

The exceptional DT team will continue to lead the way as agency synchronizers on every front.

2. Organization

DLA Transformation consists of two divisions: Strategy, Policy, & Governance (SPG) and Enterprise Process Management (EPM).

3. Key Personnel

Ms. Aleeta D. Coleman is the DLA Transformation director (September 2020 – present). DT has two division chiefs. EPM is led by Ms. Heather Vickers (October 2021 – present) and SPG was led by Mr. Dennis King from November 2021 – April 2023. Mr. Todd Lloyd led the SPG division after Mr. King's departure from April 2023 – September 2023 in an acting role and permanently assumed the role in August 2023. DT has an executive officer, Ms. Sabrina Dewalt (January 2022 – present) who also serves as the organizational alignment, policy, and forms branch chief.

4. Total Personnel

DLA Transformation has 25 DoD civilians in multiple federal job series.

5. Historical Narrative

a. Strategy, Policy, and Governance (SPG) division

The SPG division is comprised of three major pillars that facilitate and enable senior leader decision making. First, Strategy managed the agency's strategic plan. The Strategy team honed key relationships across the agency and aligned the strategic plan with new Defense Department leadership goals. These leadership roles brought new vision and changes to the

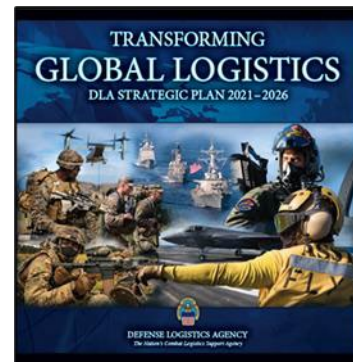


Undersecretary of Defense for Acquisition and Sustainment (USD(A&S)) and Assistant Secretary of Defense for Sustainment (ASD(S)) strategic plans, to which DLA needed to be aligned. The Policy branch is comprised of issuances, forms, and enterprise organizational alignment (EOA) programs. The issuances program ensured key instructions, manuals, and standard operating procedures were current, understandable, and readily available. The Forms program developed agency forms needed to enable operations globally. The EOA program continued to improve effective communication with internal and external customers, stakeholders, users, auditors, and partners by ensuring DLA is organizationally aligned. Finally, Governance

improved existing processes to ensure DLA is operationally aligned. An annual review of all Level 1-3 governance boards was conducted and areas for improvement identified.

(1) Strategy

The strategy team continued to manage the [DLA Strategic Plan 2021 - 2026](#), which includes eight lines of effort (LOE) and three critical capabilities (CC). LOE/CC owners completed four objectives and continue to work 72 initiatives and 373 milestones. The Strategy team reviewed the FY 2022-2026 Department of Defense's (DoD's) Strategic Management Plan, 2022 Acquisition and Sustainment goals and priorities, 2023-2028 ASD(S) strategic plan, and led DLA through the quadrennial Defense Activity Field Activity (DAFA) review.



DT served as the DLA integrator for the first FY 2023-24 DAFA review. Section 192(c) of Title 10, U.S.C. directs the Secretary of Defense to review the efficiency and effectiveness of each DAFA. This cycle included three focus areas: contingency demand planning, depot-level reparables, and warehouse utilization. In addition, metrics were identified to track DLA's central mission: to buy, store, and distribute consumable and repairable items and energy products for use by customers in the military departments and combatant commands. DT responded to 180 requests for information and provided over 200 products to the Defense Management Institute. After completing the review and approving metrics, the Director of Administration & Management (DA&M) will provide a consolidated report to the congressional defense committees. The report is expected to be completed in 2nd Quarter FY 2024 and will include the information required by law, together with any additional information DA&M deems necessary and appropriate.

DLA is assigned office of primary responsibility (OPR) for ASD(S) Strategic Plan Goal 4, "Optimize Warfighter Logistics" and office of coordinating responsibility for Goal 1, "Deliver sustainable logistics to support DoD mission requirements." The objectives in DLA's Strategic Plan for LOE 1, "Warfighter Always," and LOE 4, "Modernized Acquisition and Supply Chain Management," formed the basis for Goal 4. The DT Strategy team continues to work closely with DLA Logistics Operations and DLA Acquisition to ensure key performance indicator (KPI) metrics are aligned between DLA's and ASD(S) strategic plans.

For each of these efforts, the Strategy team integrated all J-codes, D-staffs, and major subordinate commands (MSCs) to assess impacts, validate alignment, and ensure significant efforts were aligned to defense secretary statements, USD(A&S) priorities, and the ASD(S) plan. In addition, the Strategy team provided input to seven joint doctrine publications.

(a) Strategy management tool

On April 26, 2023, DT sunset the strategy execution tool/strategy map and introduced the strategy management tool (SMT) to monitor agency progress against the strategic plan at the initiative level. SMT functionality provides stakeholders a centralized means to manage KPI, initiatives, and milestones. It also improves visibility across LOE/CC objectives.

LOE 1: Warfighter Always Owner: Emily Vossler Objective 1.1 KPI: Status: Owner: James Dignan Improve end-to-end readiness and cost-effectiveness to support of Combatant Commander Campaign Plans and Integrated Contingency Plans in competitive and contested logistics environments. Objective 1.2 KPI: Status: Owner: Lee Drenth Partner with customers at the wholesale and retail levels to address service specific challenges and develop solutions. Objective 1.3 KPI: Status: Owner: Terry Simpson Proactively support the DOD Nuclear Enterprise (NE) and Space Enterprise (SE).	LOE 2: Support to the Nation Owner: Kristin French Objective 2.1 KPI: Status: Owner: JOE BROOKS Implement a skills-based, enterprise-wide approach to skills of Government support.	LOE 3: Trusted Mission Partner Owner: Steven Kinske Objective 3.1 KPI: Status: Owner: Sean Ahern Implement customer-centric performance metrics and predictive problem-solving culture. Objective 3.2 KPI: Status: Owner: Mark Thiele Provide greater financial transparency to customers. Objective 3.3 KPI: Status: Owner: DANIEL STREIBER Provide next generation customer services, including a customer feedback mechanism.	LOE 4: Modernized Acquisition and Supply Chain Management Owner: Matthew Beale Objective 4.1 KPI: Status: Owner: TRACY CRANE Deepen industry engagement to foster innovation and maximize value for our customers. Objective 4.2 KPI: Status: Owner: Glenn STORRIS Improve the end-to-end post-award segment to enable collaborative customer support, increase responsiveness, and manage costs. Objective 4.3 KPI: Status: Owner: TRACY CRANE Develop a capability to identify & manage supply chain risk. Objective 4.4 KPI: Status: Owner: Michael Waser Enhance our priority acquisition process to improve readiness for contingency items.
LOE 5: Future of Work Owner: Sheryl Saunders Objective 5.1 KPI: Status: Owner: Teresa Sedulsky Redefine virtual work models to enable our next generation workforce. Objective 5.2 KPI: Status: Owner: MICHAEL CORDELL Assess DLA CONUS facilities footprint to maximize space utilization. Objective 5.3 KPI: Status: Owner: Teresa Sedulsky Build dialogue of the future.	CC A: People and Culture Owner: Sheryl Saunders A1: People KPI: Status: Owner: Ronald Joseph People A2: Culture KPI: Status: Owner: Ronald Joseph Culture	CC B: Fiscal Stewardship Owner: Shawn Lennan B1: Auditability KPI: Status: Owner: Hanna HARRIGAN Auditability B2: Cost visibility & cash management KPI: Status: Owner: Mark Thiele Cost (GPO/DO) & Cash Management (CM) B3: Investment to drive efficiency and effectiveness KPI: Status: Owner: Mark Thiele Investment to drive efficiency and effectiveness	CC C: Digital-Business Transformation Owner: Alamy Roberts C1: Transformational IT capabilities KPI: Status: Owner: Melissa Pratt Transformational IT Capabilities C2: Advanced analytics & automation KPI: Status: Owner: Lindsey Saul Advanced analytics and automation C3: Cybersecurity KPI: Status: Owner: THOMAS REED Cybersecurity C4: Technology governance KPI: Status: Owner: Melissa Pratt Technology Governance

(b) Agency Financial Report (AFR)

Executive departments, agencies, and other entities are required to submit audited financial statements or agency financial reports under the Chief Financial Officers Act of 1990, as amended; the Government Management Reform Act of 1994; and the Accountability of Tax Dollars Act of 2002. The Strategy team provided input to Section 1, “Management’s Discussion and Analysis,” of DLA’s 2023 AFR. This section addresses DLA’s mission and major programs as defined by management and the organizational structure. DT is the lead on the strategic framework and performance overview: goals, objectives, and results. We partnered with DLA Public Affairs to provide photos and DLA organizational information.

(c) Dynamic Operating Plans (DOP) and Performance Reviews

DOPs align organizational objectives, metrics, and targets with the agency’s strategy. They are submitted to the DLA director or vice director for approval. Semi-annual performance reviews assess an organization’s progress towards their DOP goals. DT oversees the coordination and ensures J-code, D-staff, and MSC DOPs meet requirements.

(2) Governance

DLA Governance aligns strategy and policy for the agency and facilitates informed and timely decision-making. DT performs secretarial oversight for 20 executive-level governance meetings in FY 2023 (5 Executive Boards, 15 Alignment Groups).

(a) DLA Strategy Council

Five strategy council forums were conducted during executive boards for “deep dives” on select LOEs/CCs. Two sessions were dedicated for MSCs to update their accomplishments and continued alignment. Ten strategy steering committee sessions were conducted during alignment groups. These sessions tracked programs, approved changes, and reviewed strategic priorities.

(b) Strategy Council senior leader check-ins

The Strategy team conducted 22 strategy council senior leader check-ins with the DT director. These sessions reviewed at-risk/off-track objectives and initiatives, flagged obstacles, and reviewed "get-well" plans.

(c) Agency-wide strategy working group

The Strategy team led 15 strategy working group sessions comprised of members from J-codes, D-staffs, MSCs, and objective/initiative OPRs. These sessions reviewed execution and performance status, prepared for higher-level governance briefings, addressed execution and monitoring concerns, and provided a forum to resolve strategy related topics.

(d) Other governance forums

DT participated as voting members at key Level 2 and 3 meetings.

Level 2 Governance Forms¹	Level 3 Governance Forms²
Audit Committee	Integration Council (IC)
Enterprise Operations Planning Council (EOPC)	Enterprise Risk Management WG (ERWG)
Digital-Business Transformation (D-BX)	Safety & Occupational Health WG
Acquisition Enterprise Innovation Council (AEIC)	Process Owner/Process Integrator (PO/PI) Teleconference
Senior Risk Management Team	G-Invoicing (G-INV) Working Group (WG)

¹ Chaired by a SES and/or General Officer

² Chaired by a GS15/O6

Safety & Occupational Health Board	DLA Strategy Working Group
Information Governance Council	Data & Analytics Board
Robotic Process Automation (RPA) Steering Committee	

Additionally, the staff hosted the strategy management working group (GS-15/O6 Level 3) for the 55+ LOE/CC objective OPRs across the agency and participated in two senior leader offsites for D-BX (SLO D-BX).

(f) Strategic Integration

The Strategy and Governance team reviewed, assessed, and coordinated multiple high-level strategic documents to ensure strategy alignment, to include:

- National Security Strategy
- President's Management Agenda
- FY 2023 National Defense Authorization Act
- National Defense Strategy
- DoD Strategic Management Plan
- DSD Memos - Performance Improvement Initiatives
- Acquisition & Sustainment Big Plays Memo
- ASD(S) Strategic Management Plan
- Defense Activities and Field Activities reviews

(3) Policy

There are three functions of the Policy branch: DLA issuances program management office (PMO), DLA forms PMO, and the EOA program.

(a) DLA Issuance program

The DLA Issuance program managed and led policy with guidance, tools, and training. DLA relies on policies and procedures to ensure employees, stakeholders, and management comply with laws and regulations, operate effectively and efficiently, and meet the agency's mission. The Issuance program maintains DLA's publications system DLA issuances: directive-type memorandums, policy instructions, manuals, handbooks, regulations, standard operating procedures, and joint service publications. The program also reinforces the agency's plain-language writing program. It drives change through interagency forums. In FY 2023, it published 130 issuances.

(b) DLA Forms program

The DLA forms management office established a DLA Forms community of practice (CoP) to create and revise forms quickly and efficiently. The forms CoP consisted of

primary and alternate representatives from each component. Serving as “local forms officers,” CoP representatives provided managed forms for their organizations, and liaised with the forms management officer (FMO). They ensured forms sponsored by their organization complied with DoD and DLA policies and procedures. During FY 2023, the FMO collaborated with CoP members to register 75 form actions and 40 published forms to the DLA forms webpage.

(c) EOA Program

The EOA program tracks organizational change to maintain structures best suited to agency mission, needs, goals, and objectives. It provides clarity regarding roles and responsibilities and maintains the organization’s master missions and functions and master organizational charts. The EOA program dropped the time it took to implement a general order from 183 days in 2022 to 110 days in 2023. Management controls and metrics analysis accounted for much of this downward trend. Among the more than 15 general orders implemented in this fiscal year were the establishment of J35, a complete J1 reorganization, and the move of DLA Document Services from J67 to DLA Disposition Services.

b. Enterprise Process Management (EPM) division

The EPM division built a new team to round out programs and staff the branch fully. During FY 2023, it filled the agency management review (AMR) program manager, the EPM program manager, two continuous process improvement (CPI) program managers, the risk management and internal control administrator for D-staffs, the internal review program manager, and five strategic integrators. There was one vacancy as the enterprise strategic integration branch chief that was filled over the FY with two personnel in an acting capacity.

(1) AMRs

The AMR mission moved from DLA Logistics Operations to DLA Transformation at the end of FY 2022. The AMR program provides technical and advisory expertise to the MSCs and DLA Headquarters through program reviews. To promote efficiency and continuous process improvement, the AMR program leads formal, week-long evaluations of DLA sites, focusing on compliance with selected programs and procedures. The review helps management improve operations. Additionally, the program offers ways to isolate trends, identify best practices, and strengthen performance. For the first quarter of FY 2023, we built the infrastructure necessary to support our first refreshed AMR in February 2023. Initial training for accessors and active engagement with DLA Aviation, the first component reviewed, ensured a smooth start. The second AMR was conducted at DLA Land and Maritime in June and the third at DLA Troop Support in September. Minimal findings forced DT to relook topics for FY 2024. The program will continue to evolve as we collaborate with DLA Information Operations (J6) in FY 2024 for improved collection/reporting tools.

(2) DLA Agreements

The DLA Agreements program establishes policy, assigns responsibilities, and provides procedures to plan, write, and negotiate, coordinate, sign, store, and maintain support

agreements. Additionally, the program oversees, supports, and guides organizational support agreement managers and trading partners. The DLA Agreements program monitors and reports performance while providing guidance, tools, and training. DLA has 1,718 support agreements with DoD, federal, and non-federal trading partners. DLA signed 281 of those agreements during FY 2023. The DLA Agreements team created, developed, and published tools to assist the agreements community.

Modernization is underway with a management tool for writing and managing reimbursable and non-reimbursable agreements. This effort updated DLAI 4000.19, Support Agreements; DLAM 4000.19, Support Agreements; Support Agreements Process Cycle Memorandum; and the Director's Memorandum – Delegation of Authority (DoA) on Entering DLA Support Agreements. Additionally, the team developed new training modules.

(3) DLA continuous process improvement

The DLA CPI PMO establishes policy, assigns responsibilities, and provides procedures to increase the effectiveness and efficiency of DLA operations. CPI promotes a deliberate data-oriented approach to improving efficiency, effectiveness, reliability, quality, and productivity. CPI projects achieve savings, avoid costs, improve efficiency, ensure effectiveness, enhance quality, increase safety, establish auditability, and reduce risk. DT coached or facilitated 51 large CPI projects and numerous smaller CPI efforts across the agency. These projects aligned with all five strategic LOEs and all three critical capabilities.

The enterprise process improvement council (EPIC) delivered initial capability on March 23, 2023, and became fully operational on July 10, 2023. EPIC validates and aligns enterprise CPI projects. To date, ten enterprise projects have gone through the process. Three EPIC projects have been completed; seven are active.

The CPI training program delivered seven courses (yellow belt, green belt, black belt, master black belt, super meetings, sponsor/champions training, and project oversight) with 26 classes taught and 392 participants trained.

HQ CPI PMO continued to foster growth among DLA employees by sponsoring a CPI rotation assignment; we said goodbye to two rotation participants and welcomed two new ones who joined our team for one year on-the-job training beginning January 2023. All CPI rotation participants complete over five weeks of training to include yellow, green belt, black belt, and advanced facilitation training. They leverage their training by actively managing CPI projects with final delivery and program completion targeted for December 2023.

HQ CPI PMO delivered all milestones to closeout Strategic Objective B3.2 leverage CPI to support strategic priorities.

Delivered Critical Capability B3.2 OPR J8 / OCR DT (Team Lead)	
Critical Capability B	
Objective B3 Title: Investment to Drive Efficiency and Effectiveness Initiative B3.2 Description: Leverage Continuous Process Improvement (CPI) to support DLAs strategic priorities.	
Major Milestones	Outcomes
1. Identify the most beneficial CPI capabilities and methodologies to drive efficiency and effectiveness	• Workforce development, project-based outcome delivery
2. Identify, develop and prioritize Enterprise Level CPI opportunities for driving efficiency and effectiveness of process <ul style="list-style-type: none"> • Conduct targeted workshops to identify/develop opportunities • Governance prioritizes and makes go/no-go decision 	• CPI Community of Practice • Formalized Enterprise Process Improvement Council (EPIC)
3. Develop an Organizational Investment Plan to build capabilities	• Expert training delivery
4. Design (within existing) Governance opportunity to engage in project progress, implementation decisions and evaluate outcomes <ul style="list-style-type: none"> • Develop format for Analysis of Alternatives • Drive project timelines down and increase decision rate 	• CPI Community of Practice • Availability of Enterprise Process Improvement Council (EPIC) to be employed for local projects • MSC governed local projects
5. Increase use of Organic facilitation to develop internal capabilities and drive efficiency and effectiveness	• Enterprise project delivery, program development through expert training and certification
EPIC connects high value projects with trained resources to increase organic capabilities	
B3.2 Closed Out Complete and Approved by CFO, John Hagler, 3 April 2023	
WARFIGHTER ALWAYS	

(4) DLA EPM program

The EPM program was revamped in FY 2022. In FY 2023, we continued leveraging agency stakeholders by supporting efficient and effective execution with minimal duplication of effort by providing guidance to develop and revise process documentation. This includes mapping processes along with narrative descriptions and developing a temporary central repository to store all process documentation while a final location is being finalized.

EPM provides transparent and predictive end-to-end and sub-processes to emphasize inclusive leadership, employee engagement, and customer focus. Functions now become the home of the “SMEs” where they learn, grow, and are sustained to support the expertise required by enterprise core processes.

Lastly, EPM provides the ability to “de-layer” DLA to ensure leadership, management, and the workforce are maintaining the transparency that drives leading indicators rather than lagging ones.

(5) DLA internal review (IR)

The IR program is a center of excellence overseeing policy, guidance, information sharing, and best practices. The IR program creates an environment for collaborating and communicating with the goal of achieving operating efficiencies and improved outcomes. The IR program continues to grow with quarterly meetings and sharing of lessons learned and best practices. DLA IR offices at the MSCs are integral to the local command’s management review function, which may include AMR follow-up.

(6) D-staff risk management and internal controls

The D-staff risk internal control administrator integrates, communicates, and coordinates with the D-staff directors to ensure execution across the chief-of-staff portfolio. The initiative supports the GAO Green Book requirements to establish the five components of internal control; OMB Circular A-123 Management's Responsibility for Enterprise Risk

Management and Internal Controls; Enterprise Risk Management for the Federal Government; and the DoD Internal Control over Financial Reporting laws, policies, and regulations.

(7) Enterprise strategic integration (ESI) branch

The ESI branch was established in May 2023 to improve, refine, and solve complex enterprise problems. The ESI branch is comprised of five strategic integrators. Since its inception, the branch has taken on 15 agency-wide projects. The ESI branch provides consultation services while constantly evolving and being inventive in how we serve the agency.

6. Conclusion

FY 2023 was a momentous year for DT and DLA. Through continued resourcing and supply chain struggles, environmental challenges, and new requirements, DT achieved unparalleled success in supporting the agency and its mission. As DLA begins FY 2024, DT will continue engaging with components to improve decision-making and guide meaningful transformation.