



DLA
DEFENSE LOGISTICS AGENCY
Established 1961



The Nation's Combat Logistics Support Agency

Demand Forecast Communication to Industry

December 2020

WARFIGHTER ALWAYS



Forecast Environment

- DLA supports the national defense strategy of rebuilding military readiness and reforming the Department's business practices for greater performance and affordability via;
 - Focused investments that increase material availability/readiness, support high inventory turns and generate cash for investing in priority needs; while
 - continuing to reduce stock levels
 - continuing DLA's drive to increase efficiency and cost consciousness
 - Continued focus on cash management while increasing readiness
 - Continuing pursuit of CARES Act funding
- COVID Uncertainty
 - Impact to Military Service operations & requirement demands
 - Continued or potential increased support to Nation's pandemic response (HHS, Nursing homes, Rapid Testing, Vaccine Distribution (if approved))



Business Opportunity

DLA Contract Obligations (\$Billions)





Demand Projection Bottom Line Up Front

- Review of past sales trends indicate
 - Decrease in the Hardware supply chains
 - COVID-19 impacts
 - Industrial Hardware items moved to Aviation and Land
 - Slight increase in the Troop Support supply chains
- Input from Services at the 2020 Service Readiness Demand Planning Summit...
 - FY21 demand anticipated to be in line with FY19
- FY21 demand projected to be...
 - **7.8%** higher than FY20 for Hardware
 - **7.8%** higher than FY20 for Energy
 - **1.8%** higher than FY20 for Troop Support

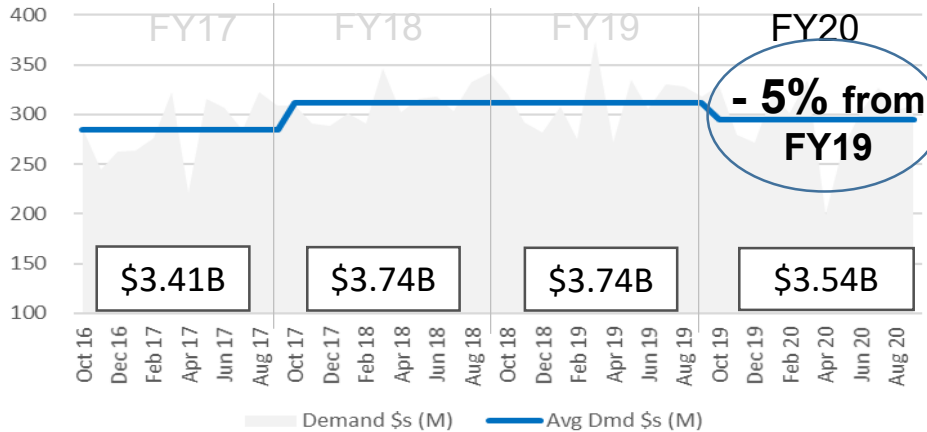
By Military Service:

Army:	+3.6%
Navy Air:	+1.8%
Navy Sea:	- 4.5%
Air Force:	+5.4%
Marines:	- 3.5%

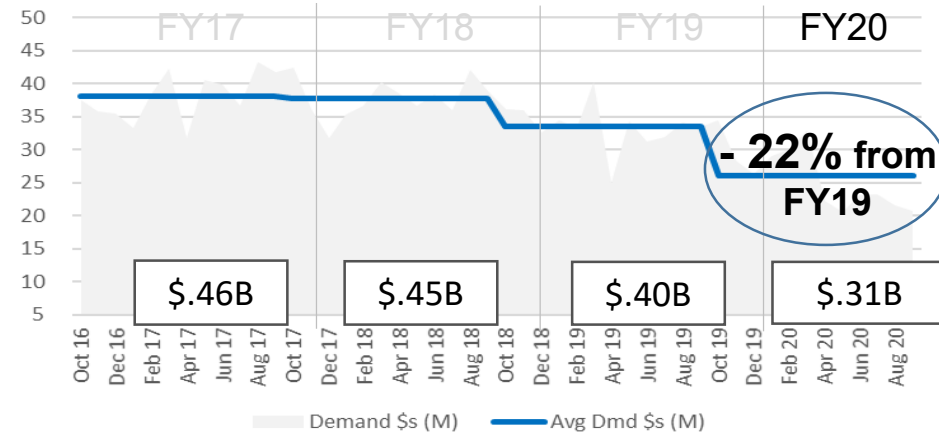


Sales Trends by Supply Chain Hardware

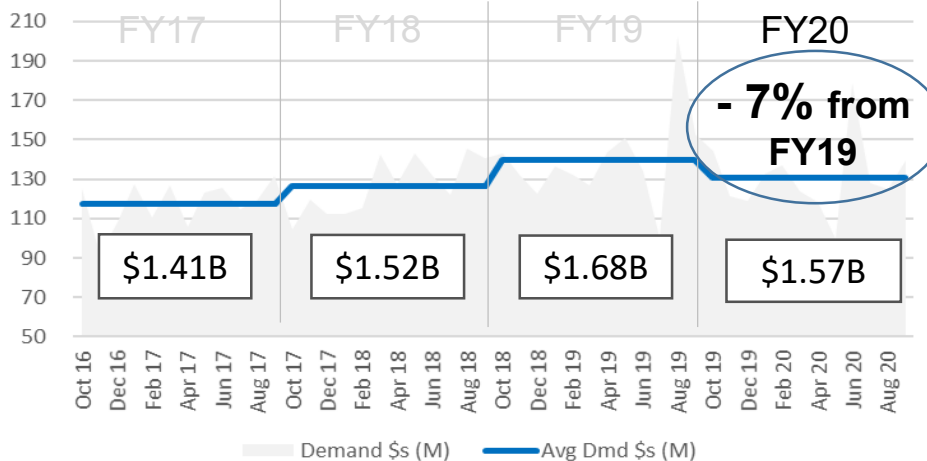
Aviation FY17-FY20



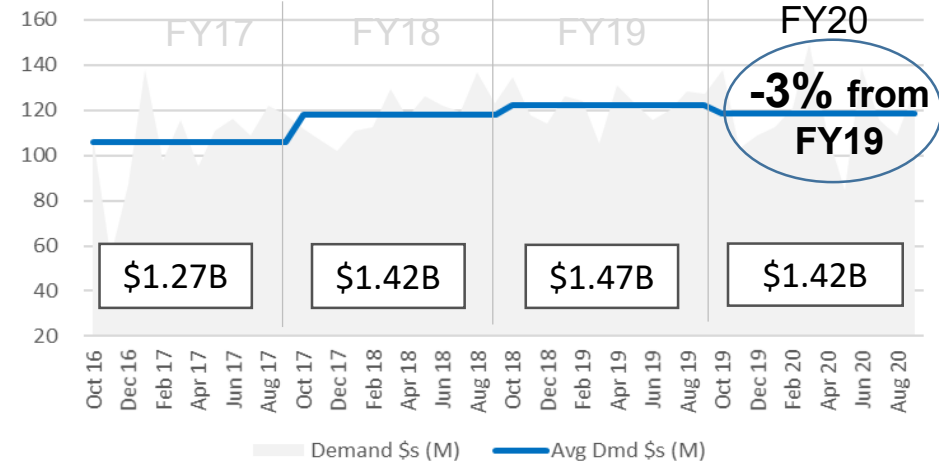
Industrial Hardware FY17-FY20



Land FY17-FY20



Maritime FY17-FY20

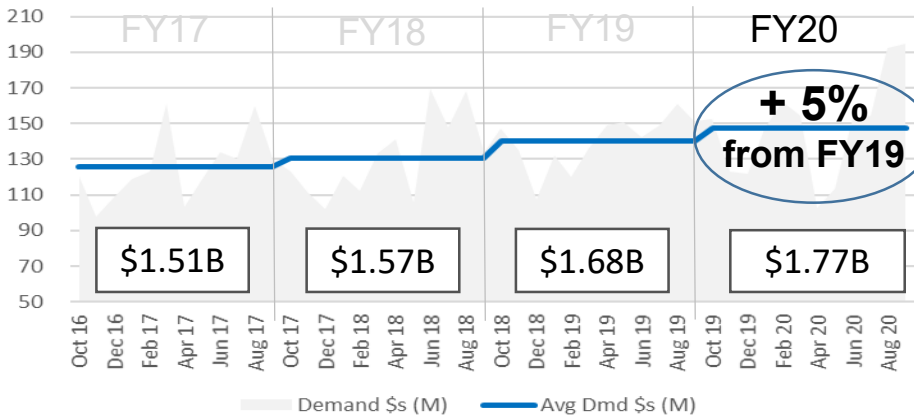


Hardware Sales \$s down 6% from FY19

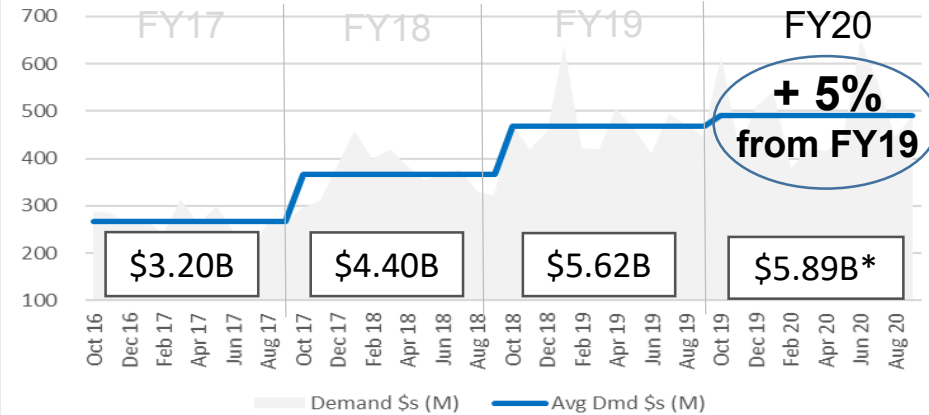


Sales Trends by Supply Chain Troop Support

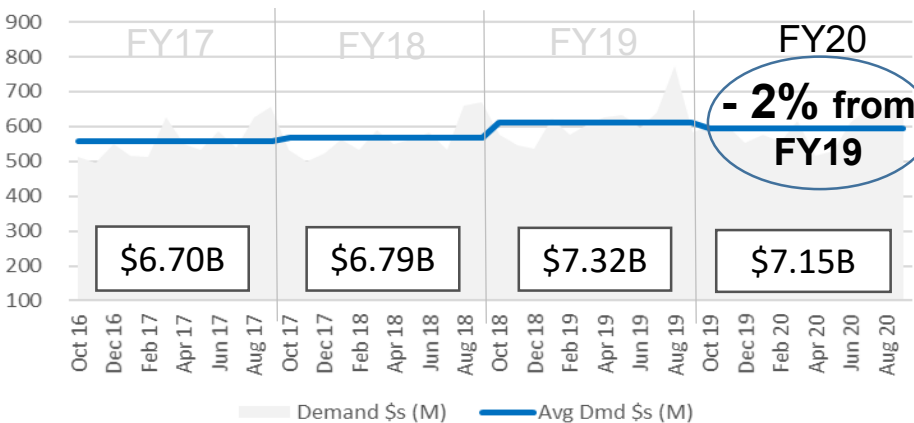
Clothing & Textiles FY17-FY20



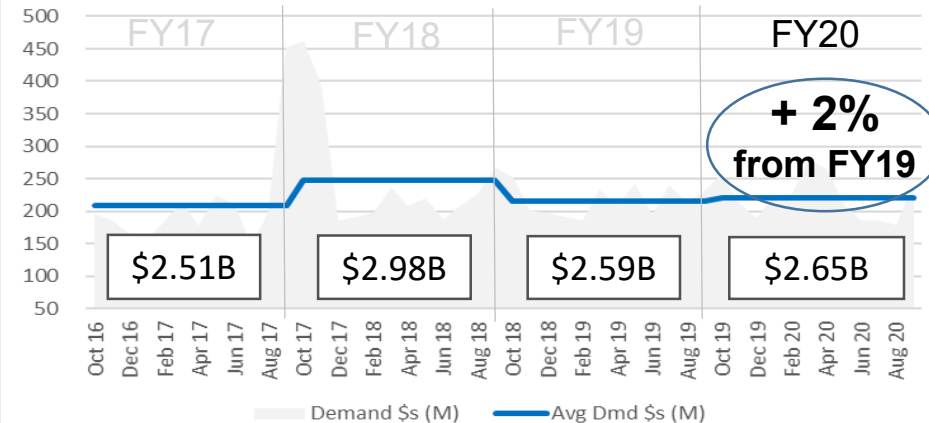
Construction & Equipment FY17-FY20



Medical FY17-FY20



Subsistence FY17-FY20



Troop Support Demand \$s up 1% from FY19

FY20 COVID Sales – C&T: \$85M, C&E: \$395M, Medical: \$88M, Subsistence: \$95M



Projected Future Demand Hardware

Service-Shared Data

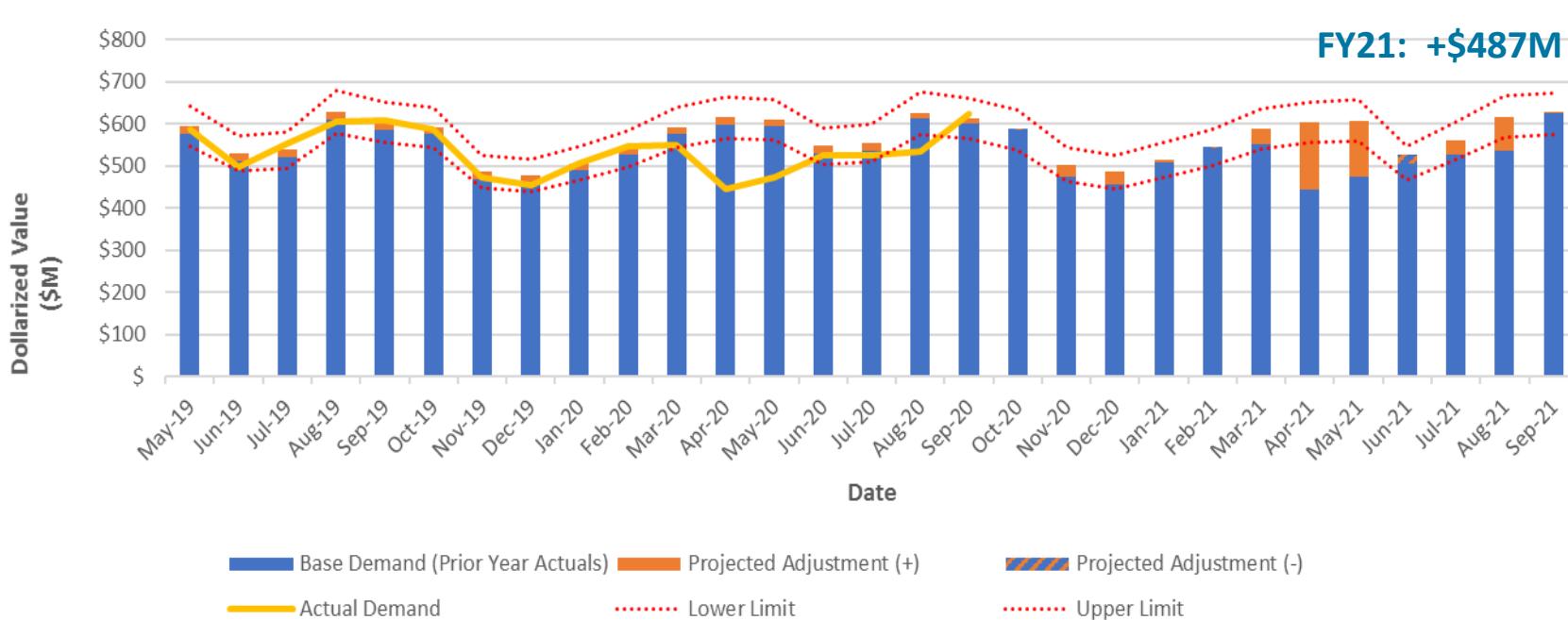
+

NDAAs Weapons Focus and COVID-19 Recovery

=

Change in Demand \$

FY21
+ 7.8%



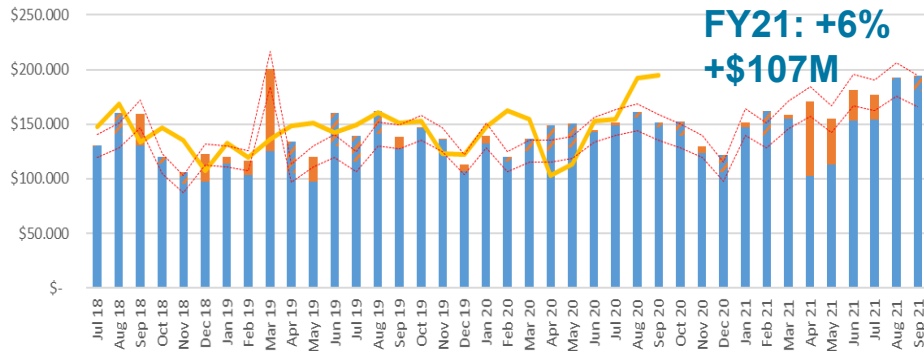
7.8% increase in demand expected in FY21

Anticipate increased orders to industry beginning March/April '21

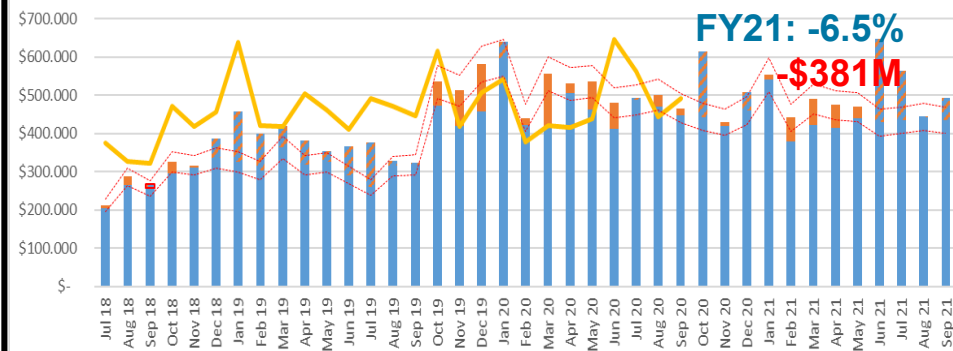


Projected Future Demand Troop Support

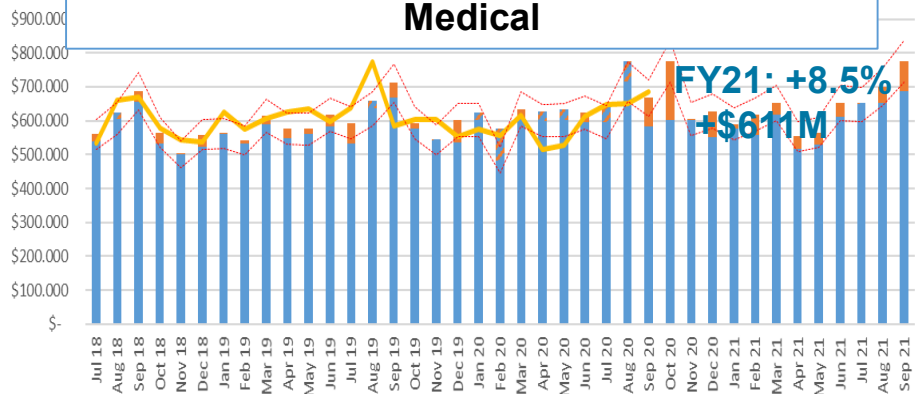
Clothing & Textiles



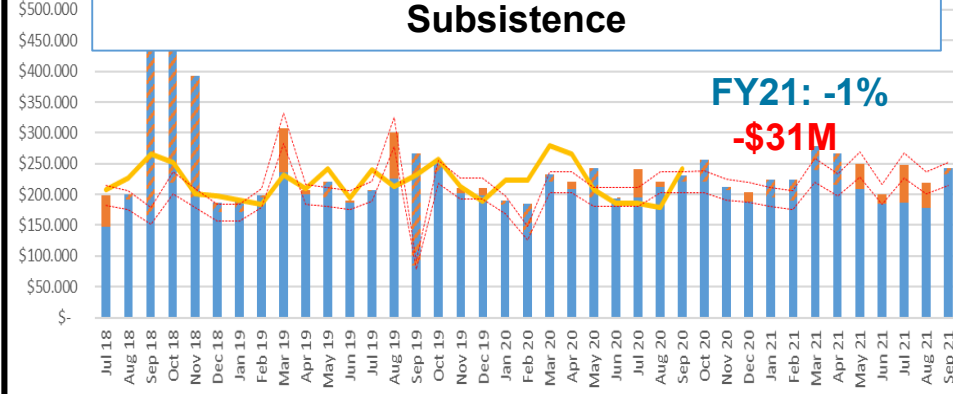
Construction & Equipment



Medical



Subsistence



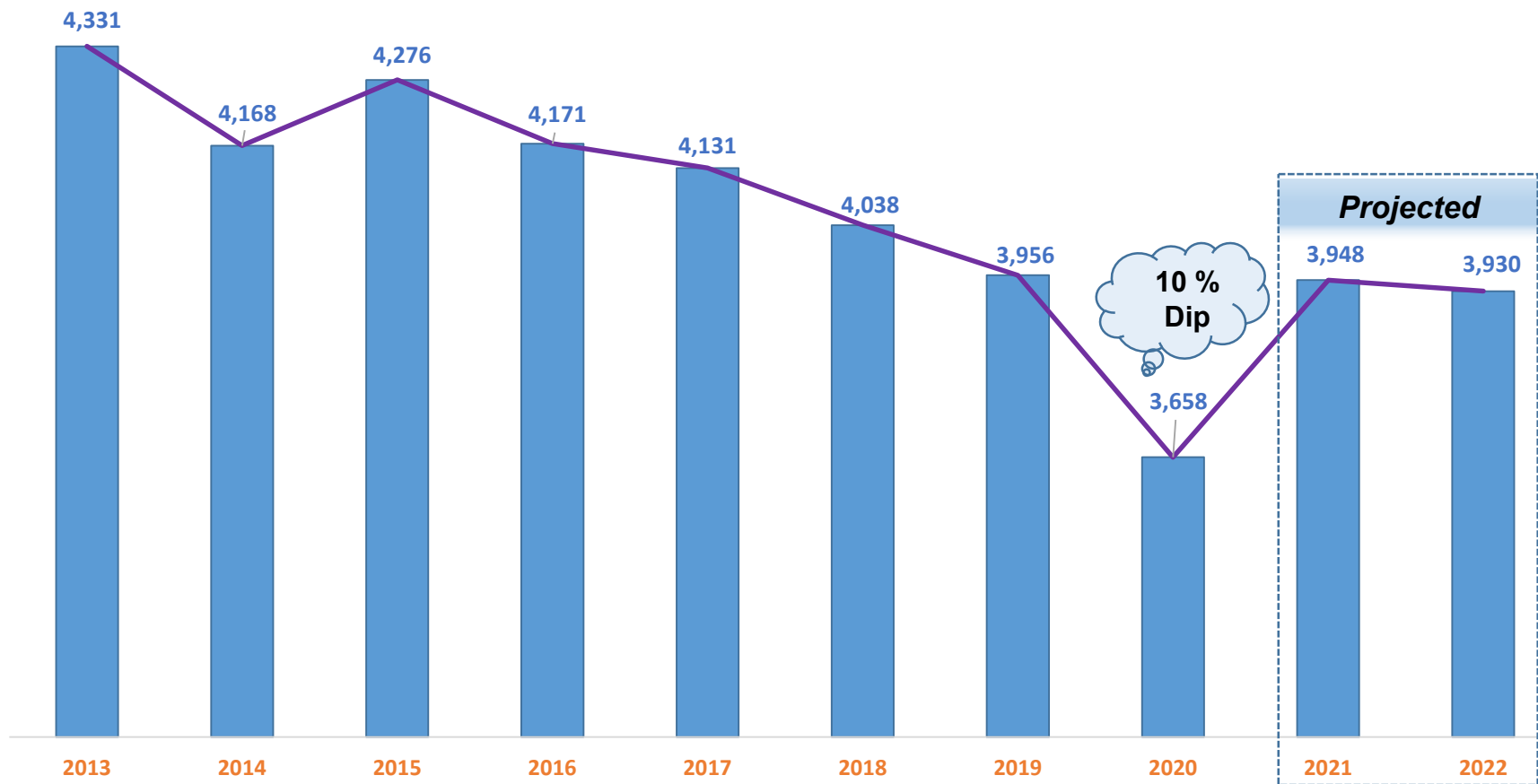
■ Anticipated Demand
 ■ Projected Increase
 ■ Projected Decrease
 — Actual Demand

Overall 1.8% increase in demand expected in FY21
 C&T: +6%, C&E: -6.5%, Medical: +8.5%, Subsistence: -1%



Projected Future Demand Energy

**NET SALES OF PETROLEUM
(MILLIONS U.S. GALLONS)**

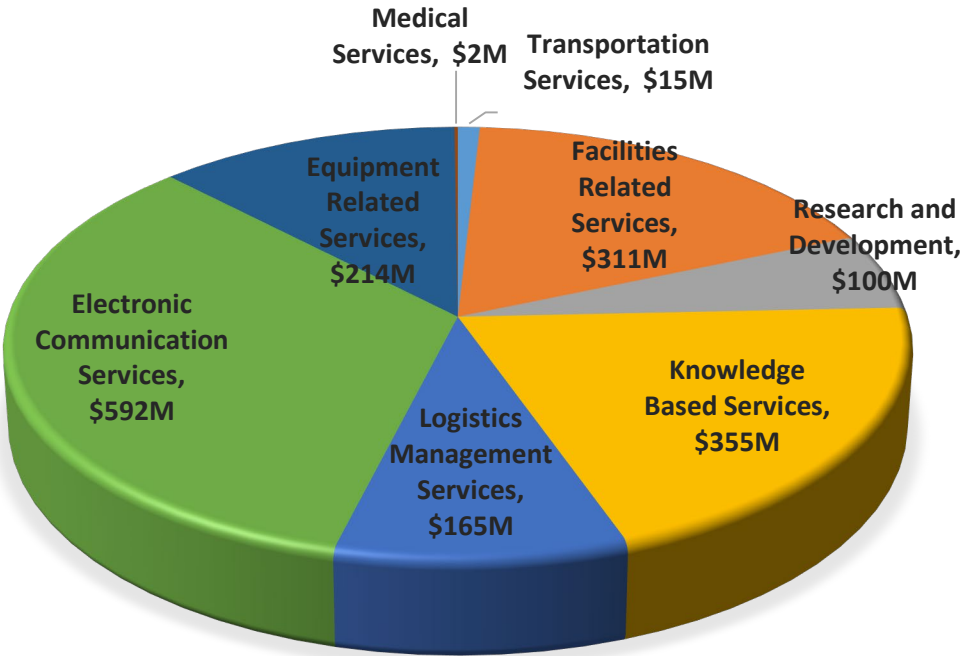
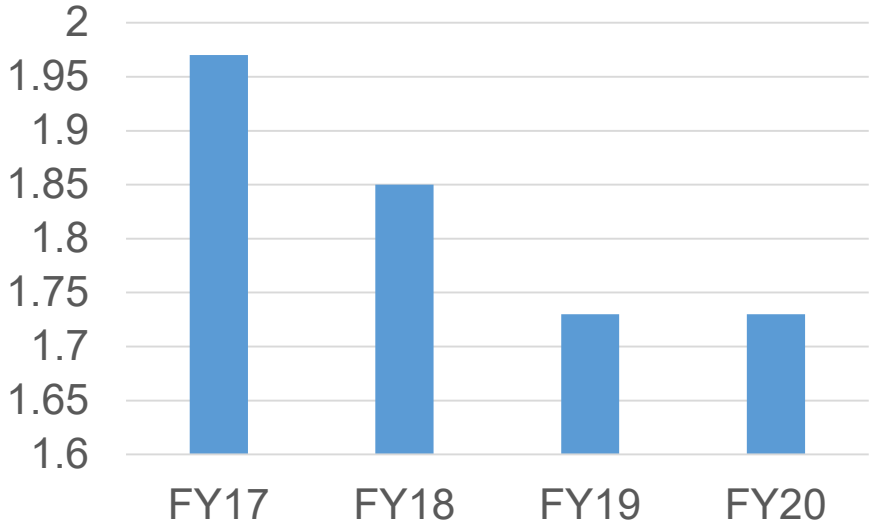


Petroleum Sales returning to FY19 levels for FY21



Service Acquisition

Service Contracts Spend (\$B)



FY20 Service Contract Portfolio Spend

Anticipate a continued decline in spend



MSC Demand Forecast Communication to Industry

- MSCs will provide opportunity forecast via Industry Association event and/or other method
- MSC Communication plan
 - **Aviation** – Virtual Supplier Conference, DoD sponsored Industry Conferences, Small Business Training – Knowledge, and Opportunity Webinars; Supplier Relationship Manager engagements with Strategic Supplier Alliances
 - **Land & Maritime** – Supplier Conference, DoD sponsored Industry Conferences, Small Business Training – Knowledge, and Opportunity Webinars; Supplier Relationship Manager engagements with Strategic Supplier Alliances
 - **Troop Support** – Presented at Joint Advanced Planning Brief for Industry and separate web postings
 - **Energy** – Separate web posting and Quarterly Newsletters to Suppliers
 - **Distribution** – Virtual Industry Day (tentative, Jun 9, 2021), Jan 2021 Business Opportunities Forecast posting
 - **Disposition Services** – Separate web postings and advance notice of forecasts for both procurements and public sales opportunities
 - **Service Contracting** – J6 Enterprise Technology Services (JETS) Industry Day, posting at DLA Industry Engagement website
- Opportunities will be posted at;
<https://www.dla.mil/Info/strategicplan/IndustryEngagementPlan/DemandForecast>



What Now?

- Look for updated information on the below website and via DLA Social Media postings
 - <https://www.dla.mil/HQ/Acquisition/>
- Learn how to business with DLA
 - <https://www.dla.mil/SmallBusiness/>
- Learn about DLA's Industry Engagement Program
 - <https://www.dla.mil/HQ/Acquisition/Business/Enterprise-Industry/>
- Learn more about the DLA Supplier Satisfaction Survey!
 - <https://www.dla.mil/Info/strategicplan/IndustryEngagementPlan/DemandForecast>

