



**DLA**  
DEFENSE LOGISTICS AGENCY  
*Established 1961*



The Nation's Combat Logistics Support Agency

# Demand Forecast Communication to Industry

October 2021

WARFIGHTER ALWAYS





# TRANSFORMING GLOBAL LOGISTICS

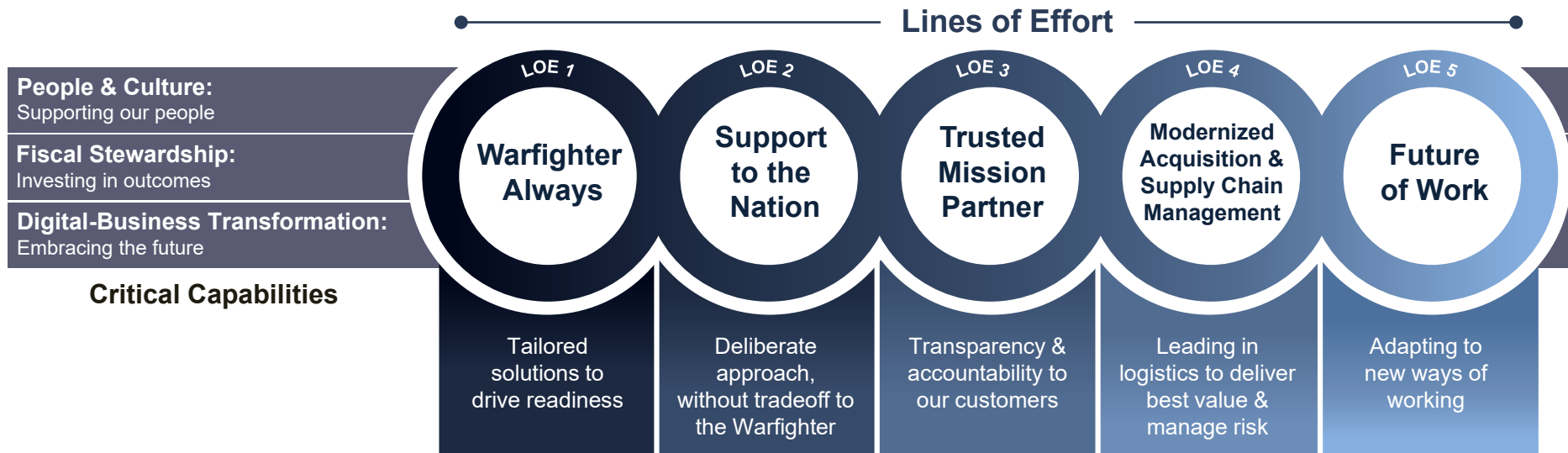
As the Nation’s Combat Logistics Support Agency, we must lean forward to address new challenges that threaten our global environment. We will meet those threats and the evolving needs of the Warfighter and Nation with this Strategic Plan, which identifies our most critical priorities and will **transform our business processes over the next five years**. Though this transformation will not encompass all of DLA’s day-to-day activities, these core objectives will have the greatest impact on our ability to achieve mission success.

## MISSION:

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

## VISION:

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



**Enterprise Key Performance Indicators (KPI) measure the success of this strategy:**

- Service Readiness
- Acquisition Timeliness
- Business Health
- Customer Satisfaction Score
- Supply Availability
- Liquidity
- Price Competitiveness
- Employee Engagement



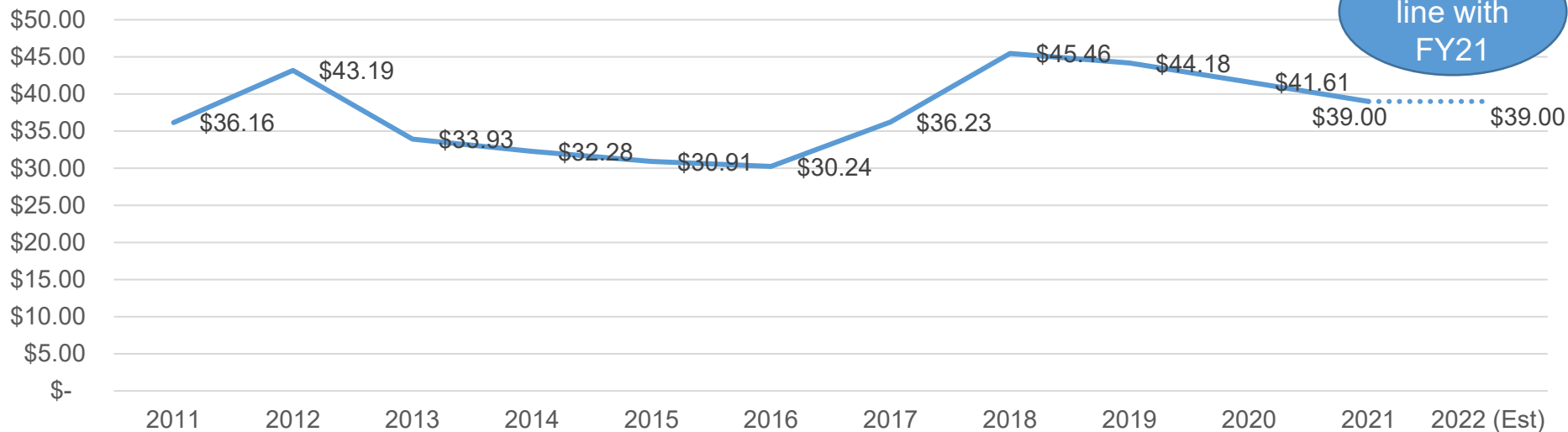
# Forecast Environment

- DLA's role in implementing **Executive Orders**:
  - EO 13985 Advancing Racial Equity and Support for Underserved Communities Through the Federal Government
  - EO 14005 Ensuring the Future is Made in All of America by All of America's Workers
  - EO 14017 America's Supply Chains
  - EO 14042 Ensuring Adequate COVID Safety Protocols for Federal Contractors
- DLA continues to **balance financial health and readiness**
- **Demand Forecasting limitations**
  - Volatility of requirements
  - Support the whole of nation
  - Change in strategic environment
  - Long lead times and funding constraints



# Business Opportunity

DLA Contract Obligations (\$Billions)

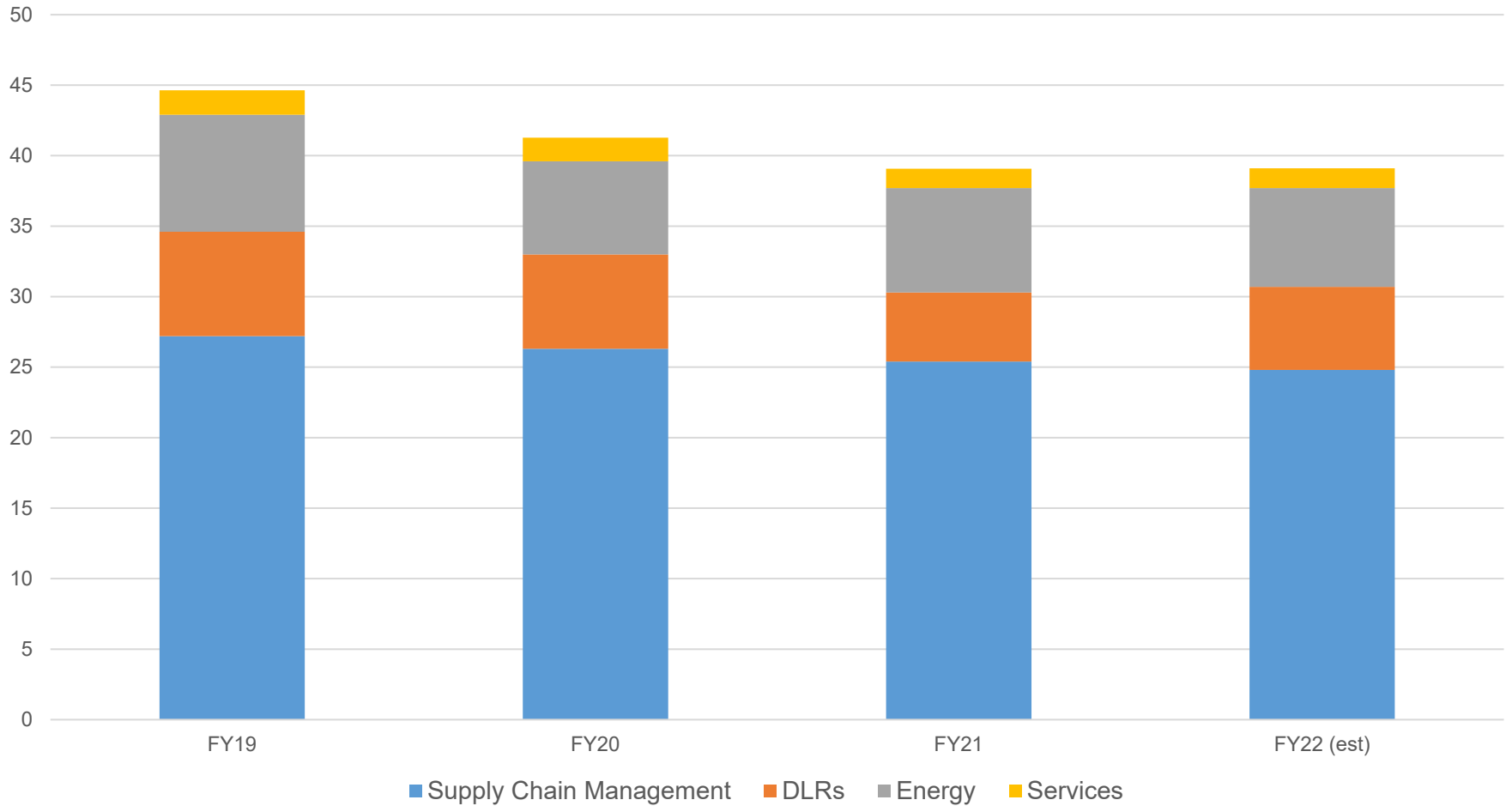


- FY21 Overall contract obligations: ~\$39B
- FY21 Small business spend: ~\$13B
- FY21 AbilityOne spend: \$433M #3 agency in federal government by spend
- Over the last 6 years DLA;
  - Exceeded its yearly small business spending goal (Avg. 37%)
  - Averaged over \$1.8B in obligations to Small Disadvantaged Businesses
  - Spent over \$9.4B with Women Owned Small Businesses
  - Competed over 76% of all dollars awarded



# DLA Obligations Projections FY19-FY22

## DLA Obligations by Funding Source



Obligations stabilize after recent declines



# Demand Projection Bottom Line Up Front

## Supply Chain Management (SCM)

- 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 2021 Service Readiness Demand Planning Summit(s)...
  - FY22 demand anticipated to be in line with FY21

## SCM and Energy

- FY22 demand projected to be...
  - 7.1% higher than FY21 for Hardware
  - 0.2% lower than FY21 for Energy
  - 2.5% lower than FY21 for Troop Support

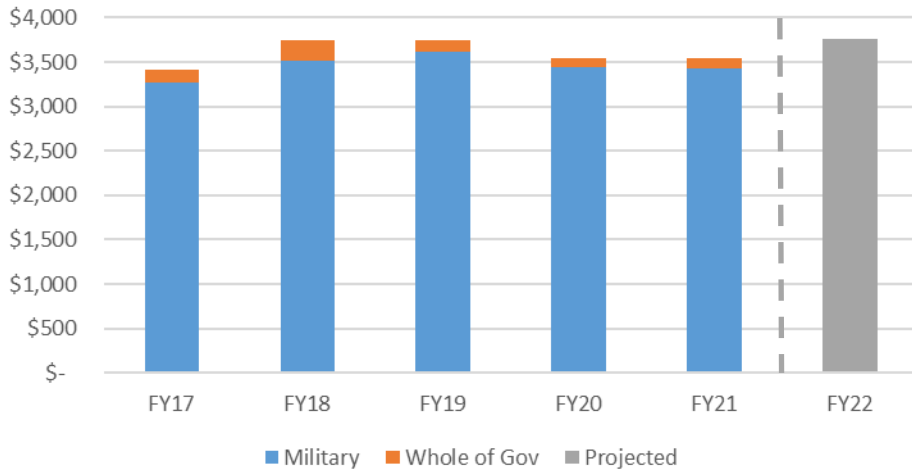
### Demand Summit Assessment for FY22

- Army: In line w/ FY21 demand
- Navy: Modest increase to FY21 demand
- Air Force: ~6% increase to FY21 demand
- Marines: In line w/ FY21 demand

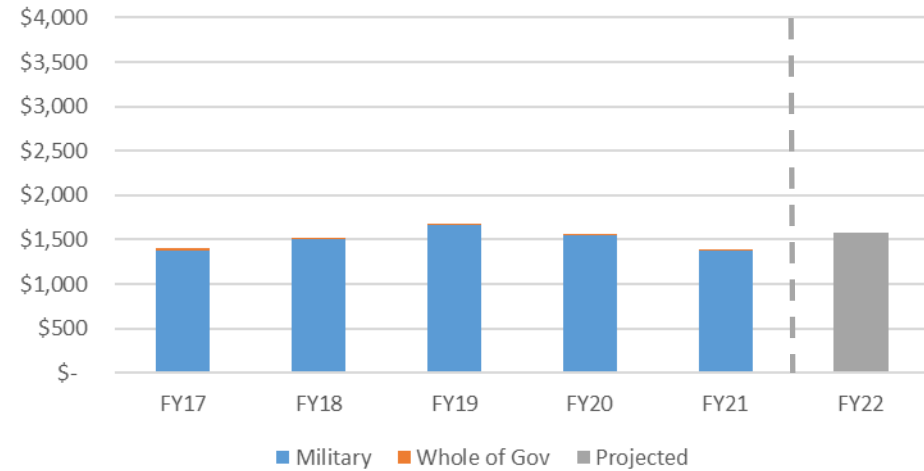


# Weapons Net Sales at Cost Trends

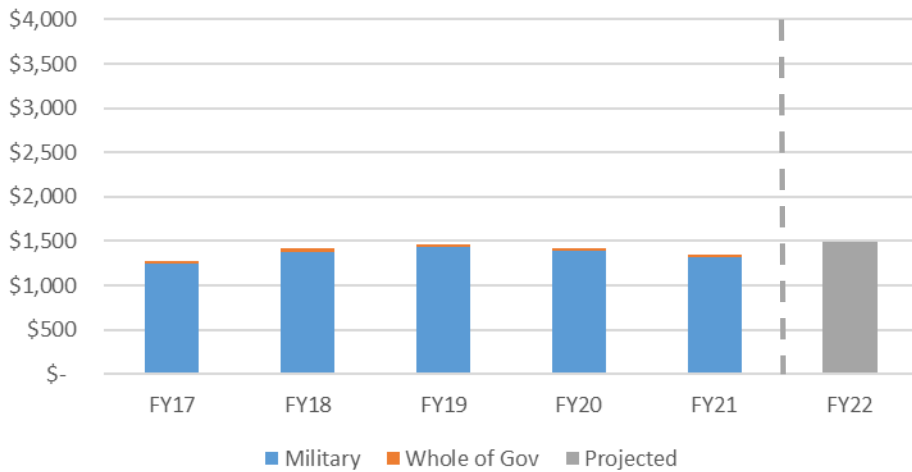
### Aviation



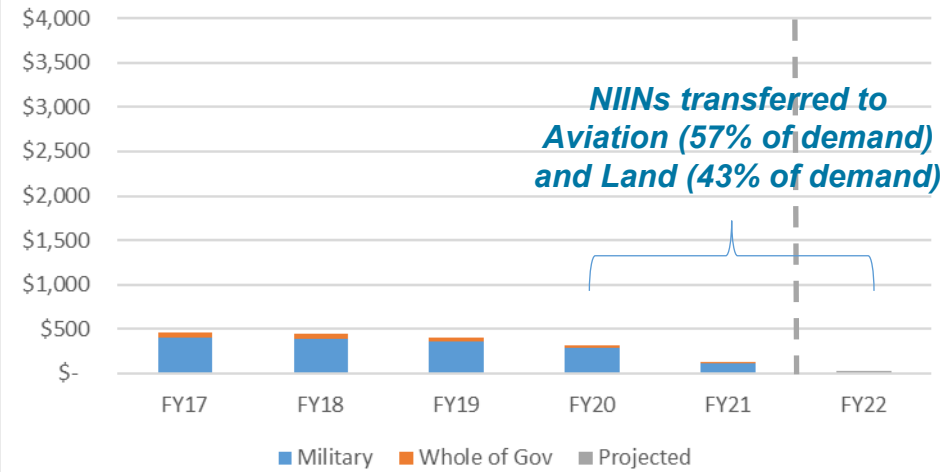
### Land



### Maritime



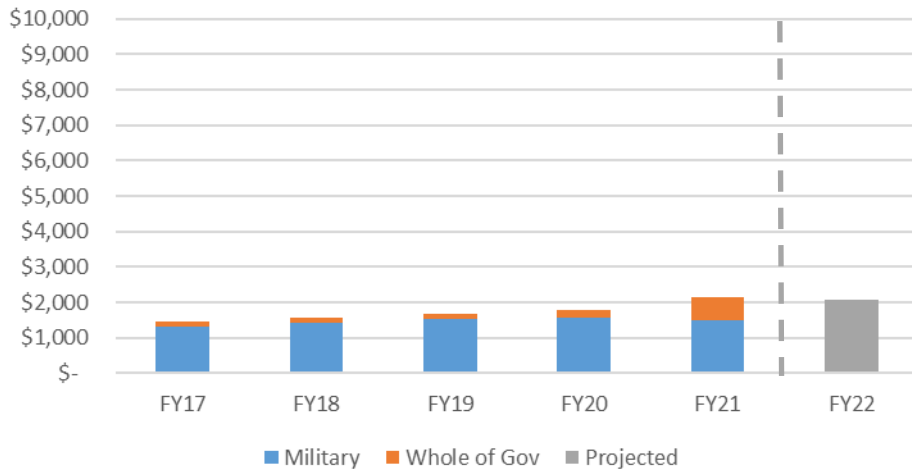
### Industrial Hardware



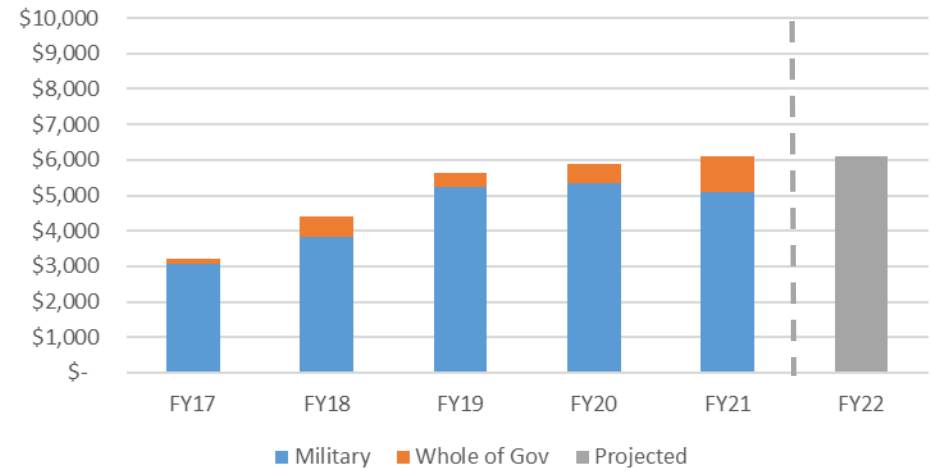


# Troop Support Net Sales at Cost Trends

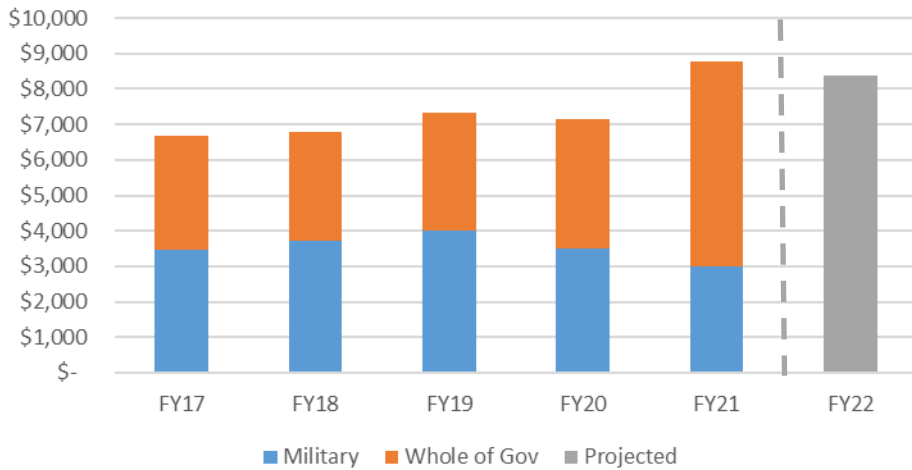
### Clothing and Textiles



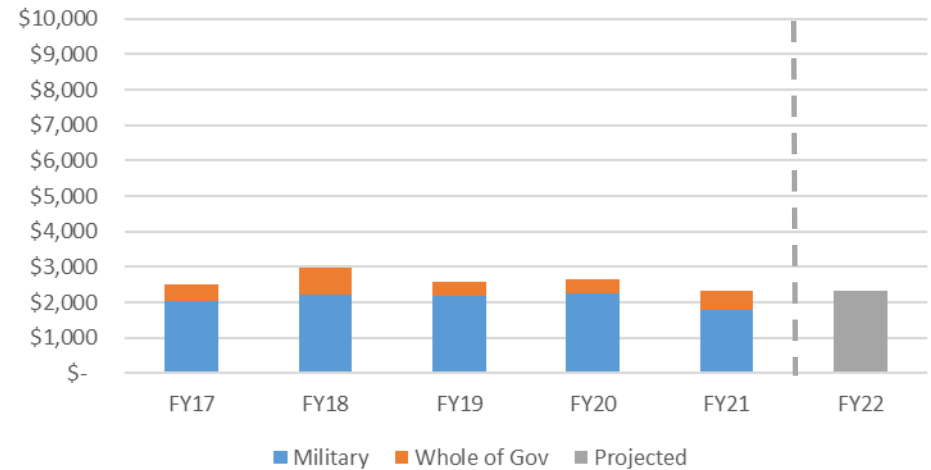
### Construction and Equipment



### Medical



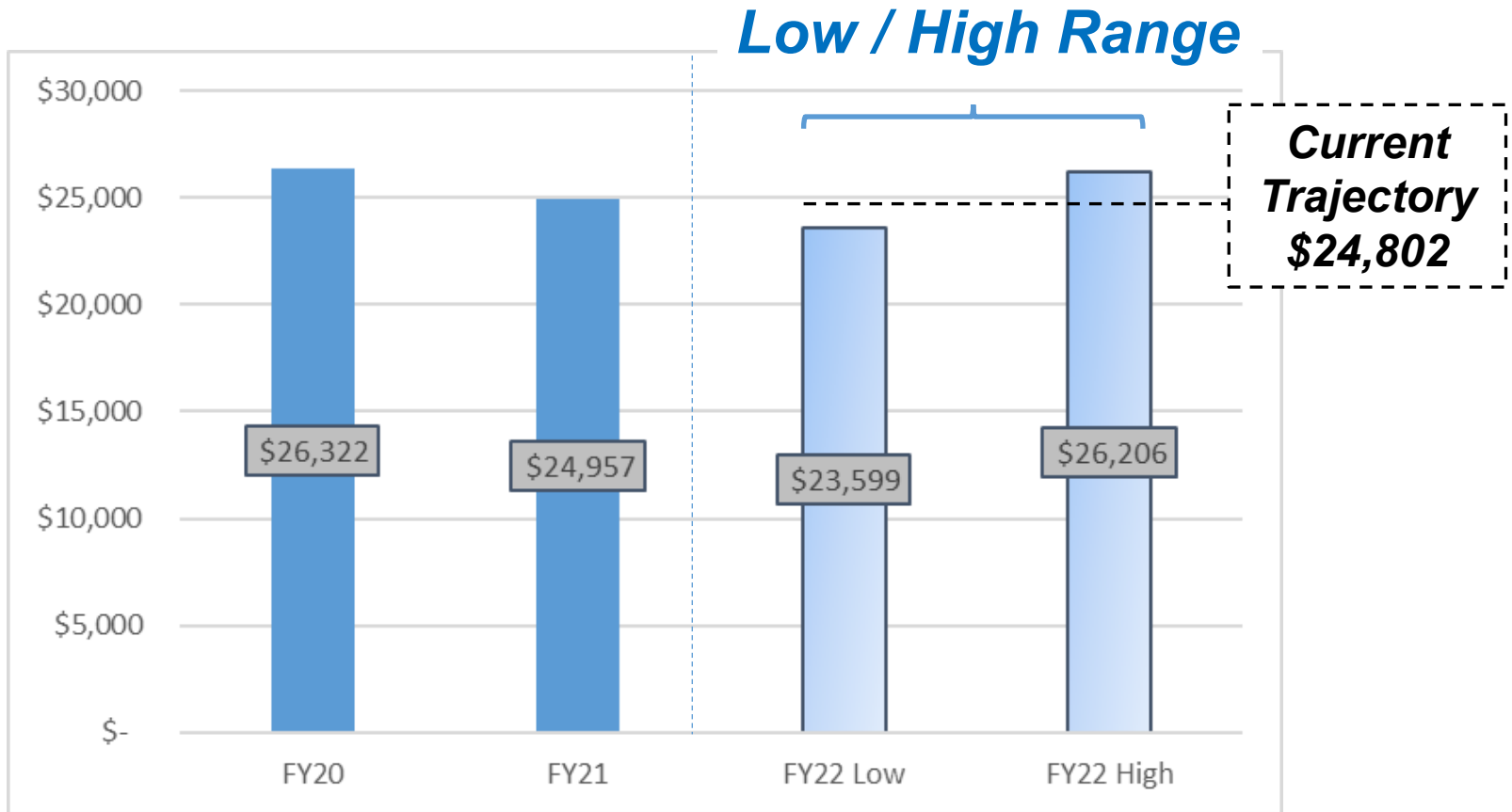
### Subsistence







# DLA Orders (Obligations) to Industry FY22 Projections - SCM



***Orders from DLA to industry estimated to range between -5% to +5% compared to FY21***

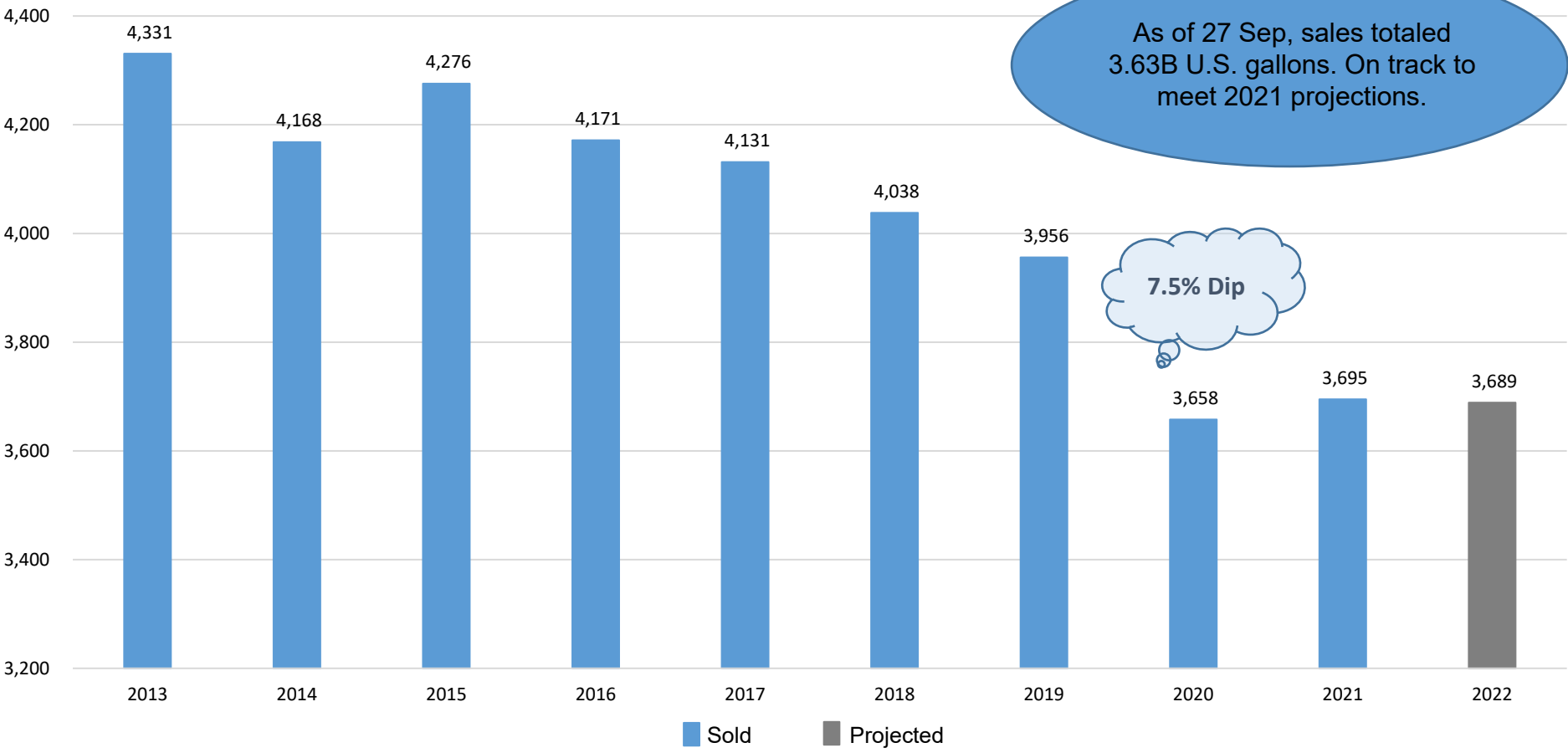


# Projected Future Demand Energy

## Net Sales of Petroleum Millions of U.S. Gallons

As of 27 Sep, sales totaled 3.63B U.S. gallons. On track to meet 2021 projections.

7.5% Dip



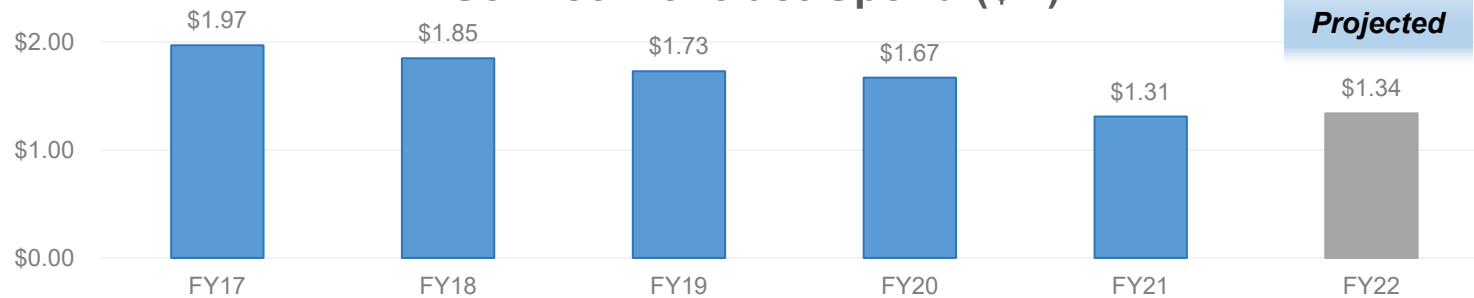
### Petroleum Sales Projections Reset for Future Demand

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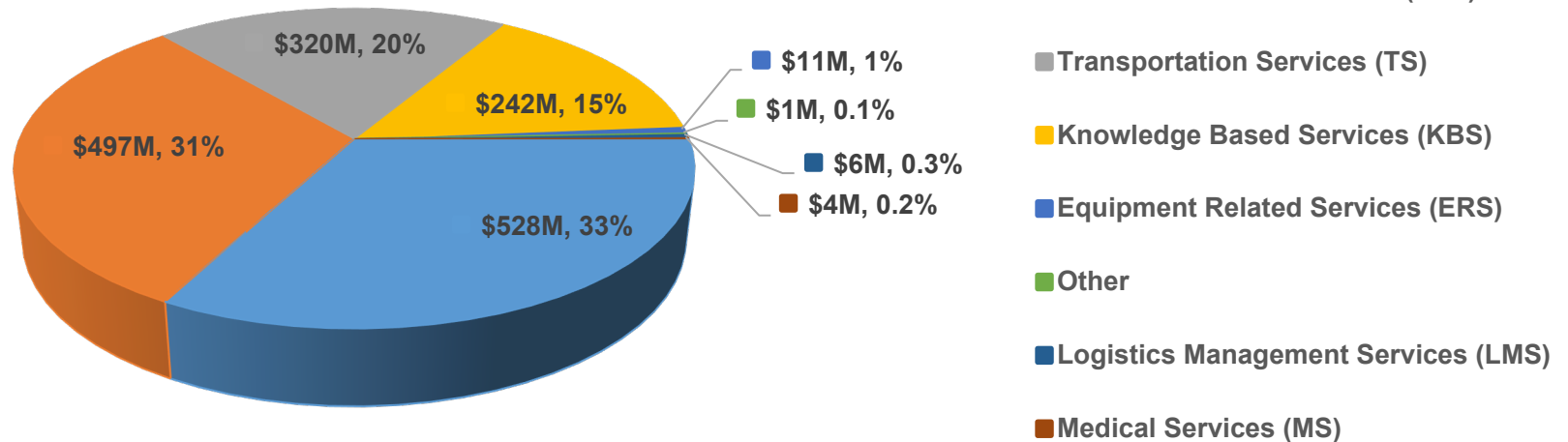


# Service Acquisition

### Service Contract Spend (\$B)



### Portfolio Spend FY22 Forecast



Efforts continue to identify & achieve efficiencies

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# MSC Demand Forecast Communication to Industry

- MSCs will provide opportunity forecast via Industry Association event and/or other method
- MSC Communication plan
  - **Aviation** – “Mini” Virtual Supplier Conferences; Small Business Training (SAR process and Value Engineering Program webinars; AbilityOne capability briefings with individual Non-Profit Agencies (NPA); Supplier Relationship Manager engagements with Strategic Suppliers
  - **Disposition Services** – Web postings and advance notice of forecasts for procurement/public sales opportunities; Industry Day/Virtual Industry Day (tentative, Q3 FY22); Small Business Training and Outreach
  - **Distribution** – Business Opportunities Forecast posting Jan 2022; Small Business Outreach/Capabilities Presentation and Engagement with socioeconomic vendor base; Virtual Industry Day (tentative Jun 2023)
  - **Energy** – Web postings; Quarterly Newsletters to Suppliers; Worldwide Energy Conference (28-30 Mar 2022); Small Business Outreach and Industry Conferences
  - **Land & Maritime** – Industry Round Table (Aug 2021); Supplier Conference (Apr 2022); DoD sponsored Industry Conferences; Small Business Training; Supplier Relationship Manager engagements with Strategic Suppliers
  - **Troop Support** – Joint Advanced Planning Brief for Industry (17-18 Nov); web postings



# What Now?

- DLA Strategic Plan
  - <https://www.dla.mil/Info/strategicplan/>
- 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/>
- Opportunities will be posted at
  - <https://www.dla.mil/Info/strategicplan/IndustryEngagementPlan/DemandForecast>

