



DLA
DEFENSE LOGISTICS AGENCY



Keynote Address Joint Advance Planning Brief for Industry (JAPBI)

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WARFIGHTER ALWAYS





THANK YOU for your Long-Standing Support of DLA



Female IHWCU



WARFIGHTER ALWAYS



End-to-End Global Supply Chain Management

- **\$39.5B** in Revenue
- **\$13B** in Small Business
- **\$6.4B** in support to Whole Government
- **\$433M** in AbilityOne
- **~100%** Military Services' Consumables
- Over **10K** Suppliers
- **10K** Awards per day (94% automated)
- Manage over **5M** line items
- **\$205B** Active Contracts Managed
- **26K** Workforce, **2K** Forward Positioned
- Executive Agent for Bulk Fuel, Medical Materiel, Subsistence, Construction & Barrier Materiel

SIX MAJOR SUBORDINATE COMMANDS/BUSINESS UNITS

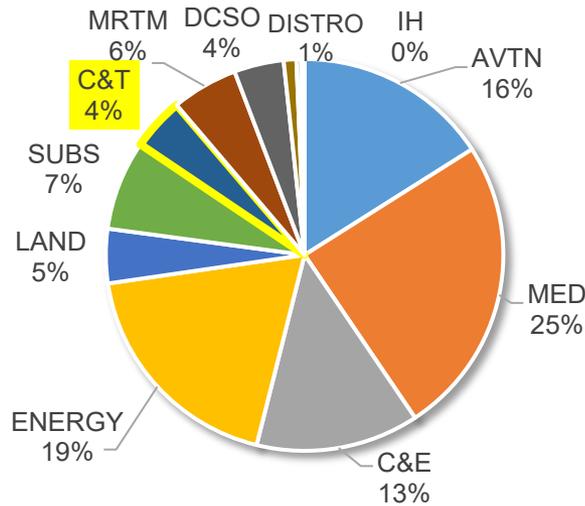
| TROOP SUPPORT | LAND AND MARITIME | AVIATION | ENERGY | DISTRIBUTION | DISPOSITION SERVICES | |
|---|---|--|--|--|--|---------|
| PHILADELPHIA, PA | COLUMBUS, OH | RICHMOND, VA | FORT BELVOIR, VA | NEW CUMBERLAND, PA | BATTLE CREEK, MI | |
|  |  |  |  |  |  | |
| Global Supply Chains: Subsistence, Clothing & Textiles, Construction & Equipment, and Medical | Repair parts and Industrial Hardware (IH) for ground-based and maritime systems | Repair parts and IH for aviation systems, nuclear systems, maps and Industrial Plant Equipment | Global fuel and comprehensive energy solutions | Global storage and distribution solutions | Global solutions for disposal of excess property | |
| <ul style="list-style-type: none"> • \$21.5B Revenue • 51K+ Customers • 3 Locations | <ul style="list-style-type: none"> • \$3.9B Revenue • 13K+ Customers • 2K weapon systems • 8 Locations | <ul style="list-style-type: none"> • \$4.9B Revenue • 13K+ Customers • 2K weapon systems • 19 Locations | <ul style="list-style-type: none"> • \$9.5B Revenue • 4K+ Customers • 602 Fuel Locations | <ul style="list-style-type: none"> • \$980M in Revenue • 243K+ Customers • \$105B in Inventory • 43 Locations | <ul style="list-style-type: none"> • \$418M Revenue • 31K+ Customers • Reutilization: \$2.5B • 89 Locations | |
| BUY | | PLAN / SURGE | | STORE /DISTRIBUTE | | DISPOSE |

WARFIGHTER ALWAYS

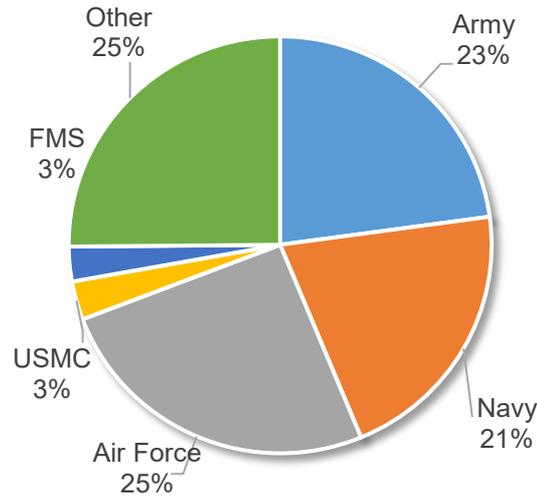


FY21 At a Glance

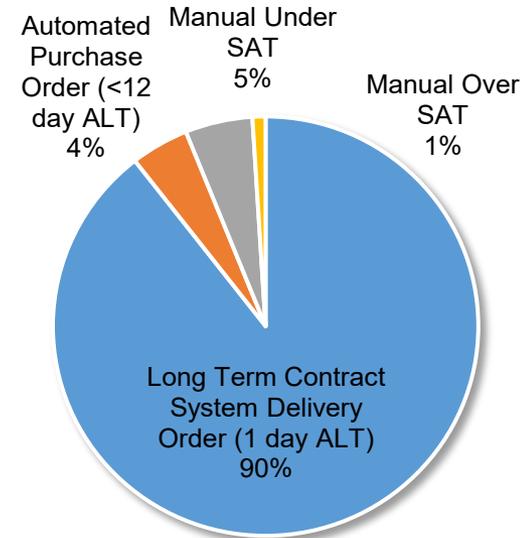
FY21 Obligations \$38.36B



FY21 Sales \$39.49B

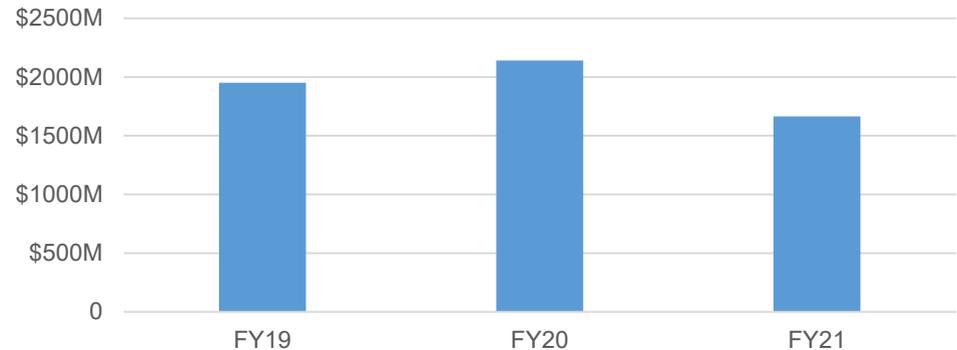


Contract Actions 3.7M



- FY21 was a lower obs rate; down 9% from FY20
- Heavy use of automation 95% awarded hands free in < 2 weeks
- 35% of spend to Small Business \$13B or AbilityOne \$433M
- Small Business - 34%
- Competition Rate:
 - 77% of obligations
 - 93% of actions

C&T Obligations





TRANSFORMING GLOBAL LOGISTICS

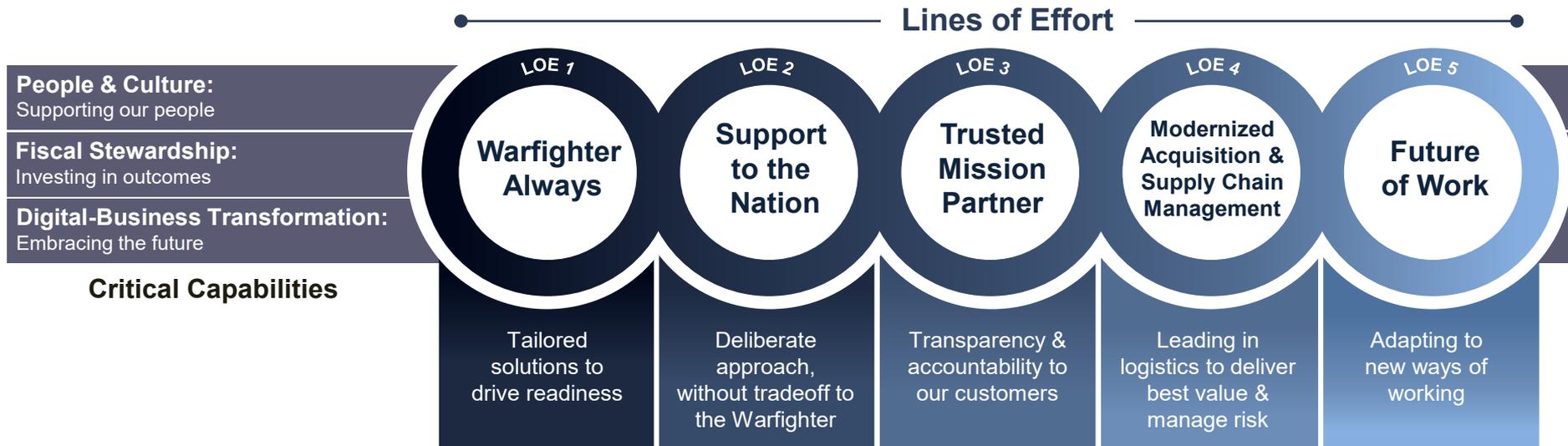
As the Nation's Combat Logistics Support Agency, we must lean forward to address new challenges that threaten our global environment. We will meet those threats and the evolving needs of the Warfighter and Nation with this Strategic Plan, which identifies our most critical priorities and will **transform 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



Modernized Acquisition & Supply Chain Mgmt.

LOE 4



4 Modernized Acquisition and Supply Chain Management

- 4.1 Expand industry engagement to foster innovation and maximize value for our customers
- 4.2 Improve the end-to-end post award segment to enable collaborative customer support, increase responsiveness and manage costs
- 4.3 Develop a market intelligence capability to manage supply chain risk and drive best value
- 4.4 Enhance our acquisition capabilities to improve readiness for contingencies

WARFIGHTER ALWAYS



DLA Supplier Profile

Vendor Base

Suppliers

~ 10,000

Export Control Data

~ 5,500
w/access to CUI

Fragile Industrial Base

Clothing and Textiles,
Microcircuits

Sourcing Challenges

Low Demand Parts,
Bearings, Pharmaceuticals,
PPE

Foreign Suppliers

~ 263 foreign
vendors w/performance in
50+ countries (~2%),
~ 10% of obligations (\$4B)

Small Business

78% of DLA suppliers

~ 8,000

34% of DLA spend

\$13B

Small Business

34% of obligations (\$13B)

Ability One: 1.3% of obligations (\$0.43B)

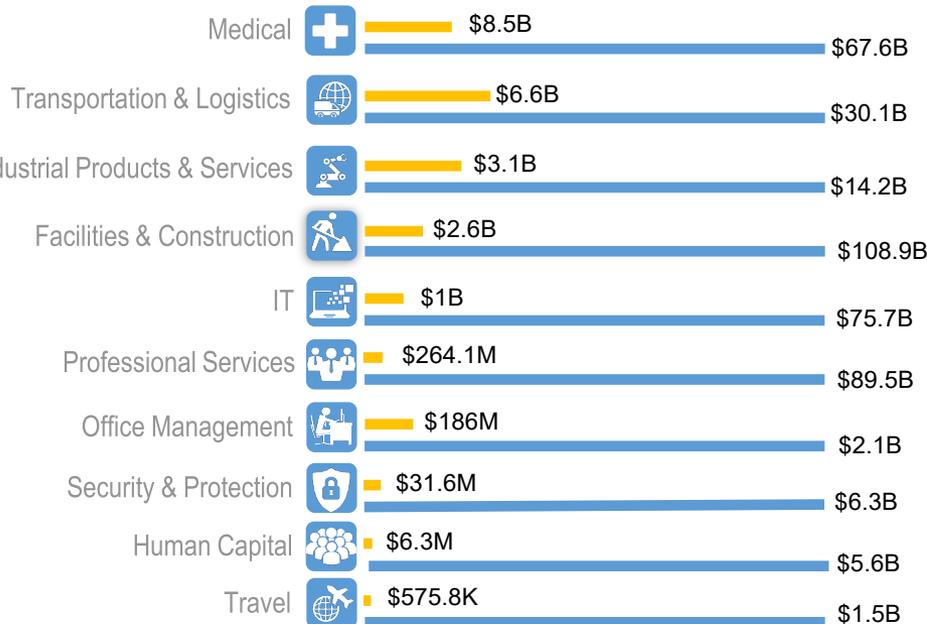
New Small Businesses

~1,500 engaged each
year

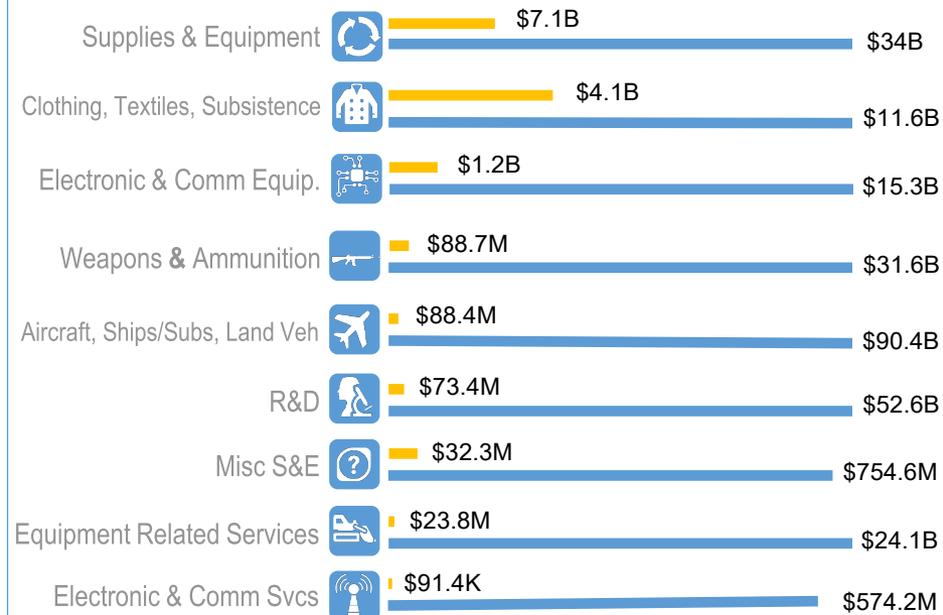
Repeat Business

45% of new suppliers
awarded in FY19 received
award in FY20

COMMON CATEGORIES / ■ DLA / ■ GOVT WIDE



DEFENSE CENTRIC CATEGORIES / ■ DLA / ■ GOVT WIDE





Our Shared Challenges



- Declining industrial base – national security concern
 - For DLA: 6.7% decrease in companies from FY20 to 21; 20% since FY17....churn continues to be an issue, especially domestically

- Commercial Support to Operations
 - Increased reliance on the commercial sector



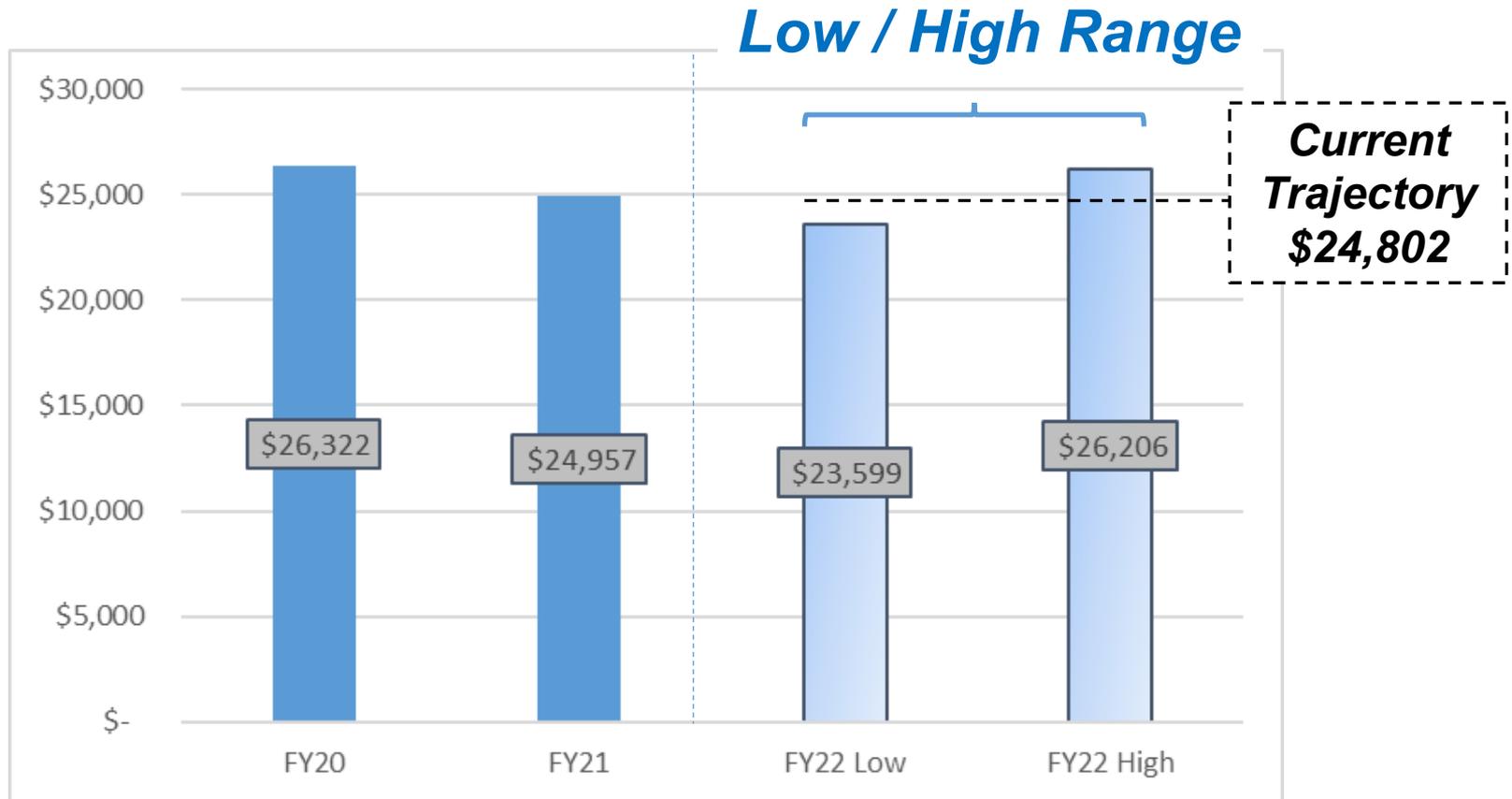
- Cyber and supply chain vulnerabilities
 - Evolving Cybersecurity Maturity Model Certification (CMMC) Implementation
 - Transportation/Logistics
 - Climate change impacts to readiness



- Demand forecasting and information sharing
 - Information drives business and investment decisions
 - Regular and open dialogue continues to be key tenet of DLA's Industry Engagement Strategy



DLA Orders (Obligations) to Industry FY22 Projections - SCM



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



DLA Overview by Factor

LOE 4.1

Factor

2020
Average

2018
Difference

Disagree Neither Agree nor Disagree Agree

| Factor Category | Factor | 2020 Average | 2018 Difference | Disagree | Neither Agree nor Disagree | Agree | Change |
|-----------------------------|--------------------------|--------------|-----------------|----------|----------------------------|-------|--------|
| DLA Communication | Trustworthiness | 3.93 | 0.05 | 7% | 17% | 77% | ↑ 2% |
| | Timeliness | 3.37 | 0.10 | 24% | 23% | 54% | ↑ 3% |
| | Adequacy | 3.52 | 0.08 | 16% | 25% | 59% | ↑ 3% |
| Growth and Profit Potential | Growth Opportunity | 3.35 | -0.07 | 19% | 33% | 48% | ↓ 2% |
| | Profit Opportunity | 3.49 | -0.03 | 15% | 25% | 60% | ↓ 2% |
| | Ease of Bidding | 3.15 | - | 28% | 28% | 44% | ↓ 1% |
| DLA-Supplier Relationship | Valued Supplier | 3.75 | 0.08 | 11% | 22% | 67% | ↑ 2% |
| | Effective Resolution | 3.44 | 0.09 | 21% | 22% | 57% | ↑ 3% |
| | Timely Resolution | 3.11 | 0.10 | 32% | 24% | 44% | ↑ 2% |
| | Equitable Resolution | 3.56 | 0.04 | 13% | 29% | 58% | |
| | Accessibility | 3.26 | 0.08 | 26% | 26% | 47% | ↑ 1% |
| DLA Effectiveness | Pre-Award Effectiveness | 3.38 | 0.06 | 18% | 29% | 53% | ↑ 1% |
| | Post-Award Effectiveness | 3.47 | 0.08 | 14% | 30% | 56% | ↑ 2% |
| | Industry Knowledge | 3.35 | 0.09 | 19% | 31% | 50% | ↑ 5% |
| | Supplier Knowledge | 3.31 | 0.04 | 20% | 32% | 47% | ↑ 1% |
| | Innovation | 3.13 | 0.35 | 16% | 56% | 28% | ↑ 6% |
| | Relative Effectiveness | 3.32 | 0.08 | 9% | 54% | 36% | ↑ 3% |
| | Overall Average | 3.41 | 0.07 | | | | |

Focus Areas

Avg. of 52% agree across factors

LOE 4 Focus

All Factors over 3.0 (better than "neutral")



DLA Points of Contact

- UNDERSTAND DLA - <http://www.dla.mil/DoingBusinessWithDLA.aspx>.
- EXPLORE DLA INTERNET BID BOARD SYSTEM (DIBBS) - <https://www.dibbs.bsm.dla.mil>
- PROCUREMENT TECHNICAL ASSISTANCE CENTERS (PTAC)
www.dla.mil/SmallBusiness/PTAP/PTAC
- DLA INDUSTRY ENGAGEMENT PROGRAM OFFICE: IndustryEngagement@dla.mil
- DLA SMALL BUSINESS OFFICE <http://www.dla.mil/SmallBusiness> or contact us at DLAHQSmallBusiness@dla.mil
- DLA CORPORATE EVENTS <http://www.dla.mil/CustomerSupport/Resources/Events.aspx>
- DLA INFORMATION TECHNOLOGY - VENDOR RELATIONS:
strategictechnologyvendorrelations@dla.mil
- DLA TROOP SUPPORT: DLATSPartnerInquiry@dla.mil