Welcome To DSCC
28 August 2006
Commander’s Intent

Performance
Improve Customer Support and Backorder Reduction

Transformation
Execute BSM and Support BRAC Decision Requirements

Culture
Enhance Associate Capability Development
Agenda

- DLA Overview
- DSCC Installation
- DSCC ICP
  - Organization
  - Our People
  - Mission
- BSM Transformation
- BRAC
# DLA ICP Overview

## Supply Chains of DLA

<table>
<thead>
<tr>
<th>Aviation</th>
<th>Land</th>
<th>Maritime</th>
<th>C&amp;T</th>
<th>Medical</th>
<th>Subsistence</th>
<th>C&amp;E</th>
<th>Energy</th>
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<tbody>
<tr>
<td><strong>Richmond</strong></td>
<td><strong>Columbus</strong></td>
<td><strong>Philadelphia</strong></td>
<td><strong>Ft. Belvoir</strong></td>
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<tr>
<td>• Aviation Original Equipment Manufacturer (OEM) Items</td>
<td>• Wheeled Vehicles</td>
<td>• Valves/Hardware</td>
<td>• Recruit Clothing</td>
<td>• Construction</td>
<td></td>
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<tr>
<td>• Engines &amp; Airframes</td>
<td>• Tracked Vehicles</td>
<td>• Fluid Handling</td>
<td>• Organizational Clothing Equipment</td>
<td>• Equipment</td>
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<td>• Aviation Supply Chain Commodities</td>
<td>• Batteries</td>
<td>• Electronics</td>
<td>• Pharmaceutical Equipment</td>
<td>• Operations Rations</td>
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<td></td>
<td>• Nuts &amp; Washers</td>
<td>• Bearings</td>
<td>• Functional Feeding</td>
<td>• Produce</td>
<td></td>
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<td></td>
<td>• Converters</td>
<td>• Motors</td>
<td>• Institutional Feeding</td>
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</table>
The DLA Enterprise as of June 2006

### Scope of Business

- 54,000 Requisitions/Day
- 8,200 Contracts/Day
- #58 Fortune 500 – Above Sprint Nextel
- #2 in Top 50 Distribution Warehouses
- 26 Distribution Depots
- 5.2 Million Items – eight supply chains
- 25M Annual Receipts and Issues
- 1411 Weapon Systems Supported
- 132.8M Barrels Fuel Sold
- $14.6B Annual Reutilizations/Disposals

<table>
<thead>
<tr>
<th>FY Year</th>
<th>Sales/Services</th>
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<tr>
<td>FY01</td>
<td>$17B</td>
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<tr>
<td>FY02</td>
<td>$21.5B</td>
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<tr>
<td>FY03</td>
<td>$25B</td>
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<tr>
<td>FY04</td>
<td>$28B</td>
</tr>
<tr>
<td>FY05</td>
<td>$31.8B</td>
</tr>
<tr>
<td>FY06 Projection</td>
<td>$35.0B</td>
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</table>

- Land/Maritime: $3.3B
- Aviation: $3.5B
- Troop Support: $12.9B
- Energy: $11.7B
- Distribution: $2.5B
- Other: $1.0B

- ~95% of Services’ repair parts
- 100% of Services’ subsistence, fuels, medical, clothing & textile, construction & barrier materiel

### Foreign Military Sales

- Sales: $1.18B
- Shipments: 535K
- Supporting 124 Nations

### People

- 20,805 Civilians
- 519 Active Duty Military
- 754 Reserve Military
- Located in 48 States/28 Countries
Agenda

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Proximity to major rail line
Construction began May 1918
600 acres during World War II…largest joint military installation…10,000 civilians
Warehousing downsized in early ‘90s
1990s Base Realignment mission expansion
DSCC Installation…
Today

Visitor Processing Center Jun 2005

You are here

AT/FP upgrades completed FY05

Indoor Firing Range Jun 2005

Defense Supply Center Columbus and 25 Tenant Organizations
DSCC Installation…
Tomorrow

VA Clinic
Sep 2005-2007

Armed Forces Reserve Center
2007 (est)

Ohio Army National Guard
2005 - 2009

Community Center
2009

HQ Army Recruiting
2009

Expanding capabilities for the future
### DSCC Installation… Tenants…The Numbers

<table>
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<th>DSCC</th>
<th>DFAS</th>
<th>OTHER</th>
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<td>Military</td>
<td>75</td>
<td>10</td>
<td>31</td>
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<tr>
<td>Civilian</td>
<td>2521</td>
<td>2051</td>
<td>580</td>
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<td>Contractor</td>
<td>253</td>
<td>152</td>
<td>131</td>
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<td><strong>Total</strong></td>
<td>2849</td>
<td>2213</td>
<td>742</td>
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<td>BRAC</td>
<td>24</td>
<td>628</td>
<td>1325</td>
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<tr>
<td><strong>Total</strong></td>
<td>2873</td>
<td>2841</td>
<td>2067</td>
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</table>

Includes 800 Army Reserve/Natl Guard

Total installation population growing to 7700+
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DSOCC ICP… Organization

ICP Commander

Deputy Commander

Chief-of-Staff
Deputy Chief of Staff

Maritime Cust Ops
Maritime Supp Ops
Land Cust Ops
Land Supp Ops
Aviation Det
Process Mgt
Procurement
Ops Support
Legal
Product Test Labs

Human Resources
CSO-C
IT J6C
Financial J8C
Base Support DES-C

Aligned to BSM Business Model
Our People
- 2500+ civilians
- 43 active duty
- 32 reserve

Scope of Business
- 8.2M requisitions/yr
- 525K contracts/yr
- 2M NSNs
- 1.3K+ weapon systems
- 25K+ customers
- 6K+ suppliers

Sales Trend
- FY02 $2.3B
- FY05 $3.1B
- FY06 (proj) $3.3B

Sales by Supply Chain
- Land $1.4B
- Maritime $1.7B
- Aviation $0.6B*

Foreign Military Sales
- Sales: $240M
- Supporting 90 nations
Our People…
Profile

DSCC’s Staffing Glide Slope

Our Workforce

DSCC Educational Levels

- Less Than High School 16 0.8%
- High School 689 37.5%
- Associate Degree 301 16.2%
- Bachelor’s Degree 655 35.3%
- Master's Degree 189 10%
- Doctorate 4 .2%

1854 100%

62% have college degrees!

Transitioning Workforce

Performance
Transformation
Culture
Our People…
Diversity

Workforce is representative of community
Our People… Worldwide Support

DSCC Deployments Last 12 Months
• 299 Personnel deployed to OEF/OIF

<table>
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<tr>
<th>DLA</th>
<th>CJCS</th>
<th>NORTHCOM AOR</th>
<th>SOUTHCOM AOR</th>
<th>PACIFIC AOR</th>
<th>EUROPE AOR</th>
<th>CENTCOM AOR</th>
<th>STRATCOM</th>
<th>TRANSCOM</th>
<th>JFCOM</th>
<th>SOCOM</th>
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<td>4</td>
<td>3</td>
<td>26</td>
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<td>3</td>
<td>5</td>
<td>2</td>
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</tbody>
</table>

Legend
LNO - Liaison Office ★
DCST – DLA Contingency Support Teams ▲
DDOC - Deployment and Distribution Operations Center
Our People…
Community Support

- FEMA support
- Combined Federal Campaign…$315,000 (’05)
- Blood drives…1,000 units annually
- Operation Feed…66,000 meals
- 8,000+ computer components to 50+ schools
- Partners-In-Education…50 tutors
- Village-to-Child mentoring…14 mentors

2500+ Doing The Right Thing!
The Mission…
Demand/Supply Chains

Land
- 360K NSNs, 3 sites, $1.4B in sales
- Army/Marines…85% of demand

Maritime
- 1.6M NSNs, 3 sites, $1.7B in sales
- Army/Marines…51% of demand

Aviation Detachment
- 330K NSNs, $.6B in sales
- Army/Marines…53% of demand
Demand/Supply Chain... Land

- **Up-Armor HMMWV (UAH)**
  - Army Requirement: 8,289
  - In Iraq: 7,140 (all O/H by July 05)
  - O’Gara-Hess up-armors HMMWVs

- **Add on Armor (AoA)**
  - Army Requirement: 13,872
  - Installed in Iraq: 12,165

- **DLA Spare Parts Support**
  - Suspension Kits, A/C, Armor
  - RECAP / RESET of HMMWV

- **DLA Spare Parts Support**
  - Procure Suspension, Air Conditioning (A/C), and Armor Piece Parts
  - Stock Number creation & investment

- **Requirements (installed to date)**
  - PLS 871 (713), HET 665 (68)
  - FMTV 2,805 (764 AoA, 286 LSAC)
  - HEMTT 1,595 (1,196)
  - M915 Freightliner 1,302 (259)
Demand/Supply Chain…
Maritime

AT/FP - Anti Terrorism Force Protection
- USS COLE attack redefines AT/FP for Navy
- Provides vital close-in protection

Nimitz Class CVN & Combat Logistics Forces
- Aircraft Launch and Recovery Equipment support
- Deployed force sustainment only possible through underway replenishment

Arleigh Burke Class DDG
- Provides 24X7 umbrella of radar protection
- Tomahawk missile strikes supporting OIF
Warfighter Support…
Aviation Detachment

Support wide range of vehicles through management of power transmission components; gears, pulleys and transmission chains; fittings for ropes, cables

Support to all services for fixed wing and rotary weapons systems

Support to ground troops through management of communication equipment, including night vision equipment
The Mission…
Shared Services

- **Operational Support Group**
  - Specification, qualification and standardization
  - Value management, tech data, and packaging

- **Product Test Centers**
  - Counterfeit Material/Unauthorized Product Substitution (CM/UPS)
  - Product verification/tech evaluation

- **Office of Counsel**
  - Procurement integrity
  - Fraud (CM/UPS), contract conflict resolution
The Mission…
Process Management

• Corporate Information
  – BSM/CRM/eProcurement
  – Legacy systems support
  – Process management

• Procurement
  – Policy and performance
  – Advisor to supply chains
  – Industrial sourcing and surge support
The Mission…
Operationalized Functions

• DHRC-C
  – All things personnel

• DLA Enterprise Services – Columbus
  – Base contracting, installation management
  – Public safety, MWR, environmental/occupational health

• J6-C
  – Full spectrum of IT support

• J8-C
  – Budgets, POM, execution
  – Supply chain financial management

Outstanding Support…All Areas!
Agenda

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What is BSM?

Business Systems Modernization is:

• Major transformation effort—massive change for our workforce, creation of an enterprise
• Incorporating best practices via commercial-off-the-shelf (COTS) based tools
• Replacement of our 30 year old materiel management systems … and our processes embedded in those systems
• The core of DLA’s enterprise architecture
Organizational Impact…
Demand/Supply Chain Theory

**Demand Chains** - grouping of customers that are managed by Customer Operations

- Aviation
- Land
- Maritime
- Construction and Equipment (C&E)
- Clothing and Textiles (C&T)
- Medical
- Subsistence

“Each customer is aligned to one and only one demand chain”

**Supply Chains** – grouping of items/suppliers that are managed by Supplier Operations

- Aviation
- Land
- Maritime
- Construction and Equipment (C&E)
- Clothing and Textiles (C&T)
- Medical
- Subsistence

“Each item is aligned with one and only one supply chain”
Organizational Impact…
The Detail

Demand/Supply Chain

Customer Operations
- Customer Relationship Management Cells/Support Teams
- Item Planning Teams
- Customer Support Teams

Supplier Operations
- Integrated Supply Teams
- Strategic Material Sourcing Group
- Supplier Support Detachment(s) at other location(s)

Demand

Supply
Organizational Impact…
Demand/Supply Chain Interface

Customer Operations:
CRM Cell Demand Chains

Supplier Operations:
BSM Supply Chains

Defined by DoDAAC
Defined by NSNs

Land
Maritime
Columbus
Richmond *DSCC *DSCP
Columbus *DSCR *DSCP
Columbus
Maritime

Performance
Transformation
Culture
Organizational Impact…
What It Means In Execution

Remote Site Management And Execution Critical To Success

<table>
<thead>
<tr>
<th>Land Supply Chain</th>
<th>Maritime Supply Chain</th>
<th>Aviation Supply Chain</th>
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<tbody>
<tr>
<td>Total parts managed…</td>
<td>Total parts managed…</td>
<td>Total parts managed…</td>
</tr>
<tr>
<td>361,325</td>
<td>1,652,751</td>
<td>1,220,458</td>
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<tr>
<td>Columbus: 168,108</td>
<td>Columbus: 1,177,151</td>
<td>Columbus: 331,072</td>
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<tr>
<td>Richmond: 15,113</td>
<td>Richmond: 252,136</td>
<td>Richmond: 594,116</td>
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</table>

Over 50% of Land items managed remotely
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DSCC BRAC Related Efforts

Privatization - Tires
- Visited AF, Army and Navy Sites
- Industry Day – 9 Mar

DLR Procurement Management
- Cross Service Group – Steve Rodocker
- Developing CONOPS

Supply & Storage
- 50% reduction in capacity
- Our bogey…3.8 million cu. ft.

Consumable Item Transfer
- Cross Service Group identifying items
- Much smaller than expected

...$233M contract

...DSCC leading DLA effort

...8K, $40M, 132K cu ft, so far

...from 350K to < 5K
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Summary

• **Performance**
  – Installation…meeting DoD needs and growing to meet the future
  – Demand/Supply Chains…delivering on mission…organized for success

• **Customer Engagement**
  – Connected to warfighters; engaged at weapon systems and DODAAC levels