



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## DLA Industry Conference

**Breakout Session:  
Partnering for Greater Efficiencies  
and  
Productivity in Defense Spending**



# DLA Supporting DOD Efficiency Initiative

Dr. Carter memos dated 14 September 2010:

**“Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending**

**“Implementation Directive for Better Buying Power – Restoring Affordability and Productivity in Defense Spending”**





# Scope of DLA's Initiative

Per the DLA Director:

*DLA will pursue price reductions of as much as 10% in selected areas by providing greater focus on price reasonableness, incorporating price reduction factors in strategic sourcing opportunities and establishing more long-term contracts.*



# DLA Aviation

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- Reducing Overhead Costs
  - Strategic Partners Role
  - Aviation Role
- Incentive Contracting
  - Appropriate Application
  - Alignment of Incentive to Metrics
- Strategic Post Award Pricing Review
  - Identification of Pricing Opportunities
  - Partnering with Value Engineering
- Value Engineering
  - Reverse Engineering
  - Value Management
  - Parts Breakout



# DLA Energy

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- DLA Energy Natural Gas
  - Business Process Improvement Effort with Industry
- DLA Energy Bulk Fuels
  - Review and evaluate supply chain efficiencies
- DLA Energy Duty Drawback Program
  - Refunds of US Custom & Border Protection duties paid for fuel



# DLA Land and Maritime

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- Continue to Submit Competitive Offers, with Lowest Prices Possible
- Participate in Reverse Auctions, as Applicable
- Reduce Overhead and Admin Costs - Pass on to DLA
- Provide Quantity Price Break Info/Pricing, if Available
- Participate in Alternate Offer or Breakout Efforts
- Always Identify Better Ways to Buy – Group PRs, Like Items, Long Term Contracts (LTCs)
- Identify Unnecessary Requirements – Qty Unit Pack (QUP), Packaging, Test and Quality Requirements



# DLA Troop Support

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- Lean Projects – Acquisition Efficiencies
- Acquisition Strategies
- Competition
- Leveraging Customer Requirements