WARFIGHTER FOCUSED, GLOBALLY RESPONSIVE SUPPLY CHAIN LEADERSHIP

DEFENSE LOGISTICS AGENCY
AMERICA’S COMBAT LOGISTICS SUPPORT AGENCY

Who We Are and Where We Are Going...

DLA Aviation

Who We Are and Where We Are Going...
Supporting Aviation Readiness

“We hear you…It’s the sound of freedom”
DLA Aviation

Mission
Provide effective and efficient worldwide support to DoD Aviation Warfighters

Vision
Warfighter-focused, globally responsive, fiscally responsible supply chain leadership

Values
• Warfighter needs guide us
• Integrity defines us
• Diversity strengthens us
• Excellence inspires us
Our Environment

Fiscal Constraints
• 10% Material Reduction Initiative
• Reduced operating costs

Future Demands
• Afghan surge suppressed repair
• Uncertain operational commitment timeline

Foreign and domestic commercial aviation growth
• Increased demand for materials and capacity
• Decreased negotiation leverage/increased prices
Organizational Changes … and where it impacts you

What are the impacts:

- 5 Additional DLA procurement locations
  - New leadership faces
  - Additional Small Business Specialists
  - Increased obligations (doubled)
- Migration of consumable items to DLA
- Broadened supply, storage and distribution mission
  - Additional “hubs” and “spokes” for storage
  - Local purchase responsibility
DLA Aviation FY11 Top Focus Areas

• **PLANNING** – Improve through training for required skill sets and increasing collaborative working relationships with our industry partners

• **COST MANAGEMENT** – Maximizing taxpayer dollars through elimination of waste and alignment of resources (people, processes, time and money)

• **INDUSTRIAL SUPPORT** – Integrating and aligning capabilities and expectations at depot-level. Right part at the right place at the right time

• **HUMAN CAPITAL & TALENT MANAGEMENT** – Building a climate that values diversity and team contributions. Leverage existing capabilities, developing highly motivated and effective workforce

• **ACQUISITION STRATEGIES** – Optimize acquisition end to end logistics support, using supplier relationships and capabilities, total cost and desired performance, integrating consumable and reparable acquisitions.
FY11 Aviation Performance Targets

**Demand Chain**

- **DPA +18.6% +2.6%**
- **UFOs -18% -19.7%**
- **POF +5% +3.7%**
- **SO -13.1% -2.5%**

**Supply Chain**

- **ATP +17% +4.2%**
- **Inv Turn to .65 .43**
- **Coverage to 92% 88.9%**

**Key Metrics**

- NOR -$14M +$249M
- Cash -$334M -$512M
- ATP $1.406B $1.68B
- Coverage Metric

**Key Focus Areas**

- Initial Lateness
- Collaborative DFUs
- Forecast Value Add
- BOM Accuracy
- Order Mgmt
- TSD Lateness
- UFOs
- Customer Receipts
- Reductions in Local Purchase
- Reduction in AWP
- Reduction in CCIR
- Lateness
- Stock Outs
- Delinquencies
- LP Velocity
- Award Price Change
- Automation LTCs
- SMS/ADF/ADV
- Manual Throughput
- Meeting Acquisition
- Project Milestones
- Relationships
- PBAs, Service Days, Collaboration
- SRVA, SSAs, Industry Days, SEPRT
- ADV $1.406B $1.68B
# DLA Aviation Product Lines

## DLA’s Aviation Demand & Supply Chain

<table>
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<th>Class IX Support</th>
<th>Environmental Products</th>
<th>Mapping</th>
<th>Industrial Plant Equipment</th>
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<td>• Engines and Airframes</td>
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<td>• Instruments/gauges</td>
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<td>• Re-refined Oil</td>
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<td>• Chemical Prime Vendor Program</td>
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<td>• Topographic, hydrographic, aeronautical maps/charts, in both hard copy and digital format, for all DoD Activities</td>
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<td>• More than 87,000 products</td>
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<td>• New Procurement</td>
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<td>• Overhaul</td>
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**DLA AVIATION**
Multi-faceted Procurement Support

Increase Automation

• Establish/grow long term arrangements
  • Sole Source
  • Competitive Commodity Focused
• Expand PACE execution
• Establish Auto IDPOs

Create velocity in manual workload

• Utilize auto solicitation to greatest extent possible
• Embrace competition

Develop agility

• Leverage quantity range proposals
Hot Topics

• Small Business Program Update
• Policy Changes
• Reverse Auctions
• Post Award Priority Scheme
• Better buying power initiatives
  – Targeting affordability
  – Incentivizing productivity and innovation in industry
  – Promoting real competition
  – Reducing non-productive processes
Future Areas of Interest

• EProcurement
  – DLA Aviation deployment beginning August 2011
  – There will be minimal impact to the supplier community
  – The look and feel of DIBBS will not change
  – Interface with the Services for DLRs in development
  – New functionality: Post Award Request (PAR) processing

• Coverage Metric – hard to procure category
  – Lack of quotes - 1G items

• Increased focus on sole source negotiations
  – Multi-year pricing
  – Share in savings provisions
  – Focused efforts on driving down price of material
Future Areas of Interest

• Commodity Groupings
  – Taking tactical workload to a strategic level
  – Partnering to provide cost wise readiness improvements
  – Increasing automation through long term arrangements
  – Multiple award structure supports competition
  – Iterative efforts – initial population with growth over time
  – Leveraging small business capabilities with set-asides where feasible
  – 6 major efforts underway
    • Fasteners
    • Bearings
    • Lighting
    • Cables
    • Instrumentation
    • Structural Components
Questions....

Why we’re here.
Supplier Communications

Suppliers will receive updated messages via:

- The DLA Internet Bid Board System (DIBBS) @ [https://www.dibbs.bsm.dla.mil](https://www.dibbs.bsm.dla.mil)


- Supplier Communications Email: [dscr.bsmsct@dlamil](mailto:dscr.bsmsct@dlamil)

- Federal Business Opportunities (FedBizOpps) @ [https://www.fbo.gov](https://www.fbo.gov)

- Conferences

- Small Business Office