DLA Troop Support Subsistence Supply Chain
Agenda

• Subsistence business overview
• Operational Rations / equipment
• Produce…fresh fruits & vegetables (FF&V)
• Market Fresh…bread / dairy / soda
• Garrison Feeding (dining facilities (DFAC))
• Quality controls
• Business opportunities
• Wrap up and questions
Subsistence

Customers / Items
- Customers: 12,000
- Orders: 13M annually
- Items: 65,000

The Big Picture

Sales
- FY06: $4.0
- FY07: $4.0
- FY08: $4.5
- FY09: $4.8
- FY10: $4.7

FY11 Forecast: $4.199B

Inventory
- FY06: $428
- FY07: $406
- FY08: $367
- FY09: $472
- FY10: $434

Personnel / Vendors
- Employees (auth): 330 civilian + 14 military
- Suppliers: 405
FY10 Subsistence Business

Warfighter $4.470B + Other $234M = $4.7 Billion

Army $3.666B
Navy $389M
Air Force $248M
Marine Corps $176M
Non DoD $234M

Garrison Feeding $3.633B
Produce $330M
Rations $702M
Equipment $48M

Readiness Dividends
- Forward presence
- Surge & sustainment
- Joint strategy
- Information fusion
- Total asset visibility
Focus on the Customer

**Agencies**
- Army
- Navy
- Air Force
- Marine Corps
- Non DoD
  - Dept of Agriculture (USDA)
  - Federal Bureau of Prisons
  - Job Corps
  - Veterans’ Homes
  - FEMA

**People**
- Installation food advisors
  - Military facilities CONUS and OCONUS
  - Navy ships
- Command food advisors
  - Theatre of Operations
- Commissary managers
Focus on Industry

Who They Are

- Full-line food distributors
- Food manufacturers
- Small business produce vendors
- Local dairies and bakeries
- Soda distributors
- Ration assemblers and component suppliers
- Food service equipment suppliers
Contract Highlights

• Tailored customer support contracts
  – Partnership between Gov’t and industry
• Supports contingencies and troop surge
• Highest quality products
• Competitive with commercial prices
• Contract oversight
  – Compliance with contract performance metrics
  – Transparency of all costs and suppliers
  – On-site audits
• Streamlined evaluation factors
  – Fewer factors on best value trade-off method
  – Low Price Technically Acceptable (LPTA) method
Partnering with Customers & Industry

• Joint Subsistence Policy Board (JSPB)
• United States Dept of Agriculture (USDA)
• United States National Guard
• Natick Labs
• Research and Development Associates for Military Food and Packaging Systems, Inc. (R&DA)
• Prime Vendor Food Shows
• US Army Veterinary Command

We are ENGAGED!
Networking = understanding requirements & capabilities

Supply Planning
Demand Planning
Tailored Operational Rations

- **Individual Field Feeding Program**
  - Meal, Ready-to-Eat
  - Meal, Religious, Kosher/Halal
  - Meal, Cold Weather (MCW)
  - Food Packet, Long Range Patrol (LRP)
  - Tailored Operational Training Meal (TOTM)
  - Meal, Alternative Regionally Customized (MARC)
- **Group Field Feeding Program**
  - Unitized Group Ration (UGR-A and Heat & Serve options)
  - Unitized B Ration (USMC only)
  - UGR-Express (UGR-E)
- **First Strike Ration (FSR)**
- **Survival Rations (Food Packet)**
- **Humanitarian Daily Ration (HDR)**
- **Health & Comfort Pack (HCP)**

The right product for the mission!
# CONOPS Feeding Plan Timeline (Condition Based)

<table>
<thead>
<tr>
<th>Standard</th>
<th>Expeditionary &lt; 6 Months</th>
<th>Temporary &lt; 24 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ration Cycle</td>
<td>M-M-M</td>
<td>U-M-U w/one UGR (A) meal every third day</td>
</tr>
<tr>
<td>Theater Ration Mix</td>
<td>UGR (H&amp;S) 34%</td>
<td>UGR (H&amp;S) 56%</td>
</tr>
<tr>
<td>Force Provider</td>
<td>LOGCAP or Direct Contract 90% Supported by SPV Platform</td>
<td>10% Combination of MREs, UGRs Condition based</td>
</tr>
<tr>
<td>Force Provider</td>
<td>LOGCAP</td>
<td>MKT, CK, Unit Tents, Force Provider, Reefers</td>
</tr>
</tbody>
</table>

| Facilities | MKT, KCLFF, CK, Tents, Reefers | MKT, CK, Unit Tents, Force Provider, Reefers |
| Temporal Days D+ | 1-20 days | 21-30 | 31-60 | 61-90 | 91-180 | 181 Days to 24 Months |

**Notes:**
1. Ration Legend: MRE-M, UGR (H&S) or UGR (A) – U, UGR (A) with Short Order Supplemental Menus – UGR (A)+
2. Units deploying into developed areas may move directly into the temporary standard depending upon their mission and the theater logistical capabilities at that location.
Equipment

**Food Service Equipment**
- Refrigerators, dishwashers, coffee makers, ice machines...
- Dining facilities, ships
- Commercial and modified commercial equipment

**Field Feeding Equipment**
- Modern Burner Unit (MBU), Tray Ration Heater (TRH), field kitchen spare parts & components...
- Troops in training and in the field
- Developed in coordination with Natick and Services for military use
Mounted Kitchen Trailer (MKT)
Tray Ration Heating System (TRHS)

USMC
Produce Customer Segments

- Military troops, Navy vessels, ANG, Coast Guard
  - CONUS produce support provided under regional long-term produce contracts direct to dining facilities, piers
  - OCONUS produce support through local contracts, prime vendors, sealift/US airlift support

- US Dept of Agriculture - School Lunch/ Tribal Reservation Programs
  - Partnership with USDA since 1994
  - DLA Troop Support acts as acquisition and distribution agent
  - Support via regional long-term produce contracts
  - 47 states, approx 16,000 schools, 100 tribes
  - FY10 sales… $83.8M
Produce Issues

• Transition to long term contracts from decentralized field offices about 90% complete
• Acquisition strategy to support small businesses to maximum extent
• Utilize commercial operations
  – Seasonal items, local grown items, pre-cut items are very popular
  – Produce vendors have responded well to surge requirements, navy vessel load-outs
• 22 Reps provide forward presence for all Subsistence customer service issues
Market Fresh Support

- **Bread & Dairy**
  - Unique market… regionally focused based on local bakeries and dairy plants
  - Many local businesses with limited EDI capabilities
  - 185 long term contracts
  - Bread support… $20M annually
  - Dairy support… $16M annually

- **Soda**
  - 3 long term contracts…Pepsi, Coke, Foremost (Guam)
  - 31 individual catalogs
### How is Subsistence Prime Vendor Different?

<table>
<thead>
<tr>
<th>Traditional Support</th>
<th>Prime Vendor Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple order lead times</td>
<td>24 to 48 hour lead time</td>
</tr>
<tr>
<td>New items twice a year</td>
<td>New items weekly</td>
</tr>
<tr>
<td>Basic staple items</td>
<td>Tailored catalogs</td>
</tr>
<tr>
<td>Limited items in system</td>
<td>Refined no. of items</td>
</tr>
<tr>
<td>Manage inventories</td>
<td>Manage vendors</td>
</tr>
<tr>
<td>Stock in/stock out</td>
<td>Direct Vendor Delivery</td>
</tr>
<tr>
<td>Paper system</td>
<td>Electronic Commerce</td>
</tr>
</tbody>
</table>
Subsistence Prime Vendor (SPV)

**CONUS**
- 42 contracts
- 36 prime vendors
  - Sysco, US Food Service, etc.
  - Existing commercial full-line food service infrastructure
- 3rd generation contracts in place
- Supports Service Dining Facilities (DFACs), ships, Job Corps, Coast Guard, and other non-DoD
- $541M annual estimate

**OCONUS**
- Existing infrastructure did not exist
- 13 contracts
- 11 prime vendors
  - Anham, Supreme, Ebrex, TWI, etc.
  - Third Party Logistics (3PL) companies developed food prime vendor infrastructure
- Supports DFACs, Forward Operating Bases (FOBs), Mobile Field Kitchens (MKTs), GFM storage and distribution (e.g. MRE)
- $3.1B annual estimate
Prime Vendor OCONUS
We’re located where our customers are!

Established platforms
- Kuwait
- Bahrain
- Qatar
- UAE

Potential platforms
- Alaska
- Panama
• Previously supported 140 locations within Iraq & Kuwait
  - Combination of Forward Operating Bases (Mobile Kitchen Trailer sites) and Dining Facilities (DFACs)
• Future support to approx 29 locations
Prime Vendor Afghanistan

Supports DFACs, Forward Operating Bases (FOBs), Provisional Reconstruction Teams (PRTs), and Class IV Storage

RC (W)
DFACs, FOB, PRTs: 13

RC (S)
DFACs, FOB, PRTs: 51
CL I Hub - Helmond
CL IV Storage - KAF

RC (N)
DFACs, FOB, PRTs: 4
MES, MES, KDZ x2

RC (C) and RC (E)
DFACs, FOB, PRTs: 112
CL I Hub – Sharana
CL I Warehouse – Kabul and Bagram
CL IV Storage - Kabul

Supreme Facility
Major City
Border Crossing
DLA Class 1 reps and CORS located in BAF, KAF and Kabul
Manufacturer Pricing Agreements (MPA)

• Agreements with manufacturers to set pricing for products purchased by OCONUS SPVs
  – One price for all SPV contracts
• Prices determined fair and reasonable up-front
  – FOB origin (mfr facility) or FOB destination if nationally priced
• Monthly updates
• Replace non-MPA items with MPA items on all SPV catalogs
• MPA holders agree to be audited
FEMA Support

• DLA executed an Interagency Agreement with FEMA Mar 2006
• DLA provides logistics support and is a full partner in disaster planning and exercises
• DLA continues to build support on lessons learned from previous disaster support
• DLA has a flexible worldwide presence
  – Commodity support that includes In-Transit Visibility on all shipments
  – Defense Distribution Expeditionary Depot
  – Contingency Support Teams
  – DLA Liaison Officer
• DLA 2009 logistics support includes
  – Meals, Ready-to-Eat (MREs)
  – Commercial MREs
  – Commercial Shelf Stable Meals
  – Humanitarian Daily Rations (HDRs)

New Orleans, Oct 22, 2005
Quality Audits & Food Defense

• DLA Troop Support Food Defense Program

• Operational rations
  – Quality systems audit program
  – Quality Systems Management Visits (QSMV)

• Prime vendor / produce vendor audits and QSMVs

• ALLFOODACTS and recalls
Business Opportunities

• Recent awards
  – Japan SPV – Coastal Pacific
  – Okinawa SPV – Food Services Inc.
  – Poly Tray – Wornick and AmerQual
  – Meal, Cold Weather / Long Range Patrol Ration- Wornick
Business Opportunities

• Upcoming awards – under evaluation
  – Europe SPV
  – SWA SPV
  – Hawaii SPV
  – Various CONUS SPV zones
  – Meal, Alternative Regionally Customized (MARC)
  – Tailored Operational Training Meal (TOTM)
  – MRE components
  – Health & Comfort Pack
  – Modern Burner Unit (MBU)
  – Tray Ration Heating System
Business Opportunities

• New solicitations
  – OCONUS SPV – 2 (Afghanistan, Alaska)
  – CONUS SPV – 24 regional zones
  – Meal, Ready to Eat (MRE)
  – Meal, Religious, Kosher/Halal
  – First Strike Ration
  – UGR-A
  – UGR-E components
  – Various Produce and Market Ready long-term contract
What We Want to Leave You With

• Dedicated, experienced workforce
• Focus on processes and costs
• Contingency support & war reserve management
• Customer relationships
• Tried-and-true industrial base
• Working toward Service-wide systems and processes from planning to consumption