Industry Association Roundtable
2016 DLA Land and Maritime Supplier Conference
Agenda

• Welcome and Introductions
• Purpose Statement
• Defense Logistics Agency (DLA) Overview
• DLA Land and Maritime Mission and Business Volume in NAHAD & IPC Industry Segments
• Topics from NAHAD & IPC
  – Procurement of hoses / MASIC Project
  – DLA QML / Electronics Industry Validation Services
• Open Discussion
Purpose Statement

- Roadmap to Persistent Engagement
- Battle Rhythm for Ongoing Dialogue
- Identify Strategic Issues and Industrial Base Risks
- Develop Solutions to be Incorporated into Future Acquisition Strategies
Defense Logistics Agency (DLA)
Full Spectrum Global Support

Supply Chains
- Land Systems
- Maritime Systems
- Aviation Systems
- Fuel/Energy
- Subsistence
- Medical
- Clothing & Textile
- Construction & Equip

Distribution
- 26 Distribution Centers
- $98B DoD Inventory
- 52M sq ft covered storage

Disposition Services
- Co-located with customers
- Over $25B per year
- Reutilization & Marketing
- Reverse Logistics

Strategic Materials
- Critical items such as titanium, cobalt, and tungsten

Services
- Document Services
- Transaction Services
- Logistics Information Service

Theater Support
- DLA Europe & Africa
- DLA Pacific
- DLA Central
We Are DLA

Foreign Policy Advisor
Ms. Dolores Brown
FE-MC

Vice Director
Mr. Ted Case

Director
Lieutenant General Andrew E. Busch
United States Air Force

Chief of Staff
Dr. Renee Roman

Senior Enlisted Leader
Command Sergeant Major Charles Tobin
United States Army

DLA Aviation

DLA Disposition Services

DLA Distribution

DLA Energy

DLA Land and Maritime

DLA Troop Support

DLA General Counsel

DLA Inspector General

DLA Installation Support

DLA Human Resources

DLA Logistics Operations

DLA Strategic Plans and Policy

DLA Information Operations

DLA Acquisition

DLA Finance

DLA Joint Reserve Force

Joint Contingency Acquisition Support Office

DLA Contracting Services Office

GS-15

DLA Strategic Materials

GS-15
### DLA Overview…
**Demand/Supply Chains**

<table>
<thead>
<tr>
<th>Aviation</th>
<th>Land</th>
<th>Maritime</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Richmond</strong></td>
<td><strong>Land &amp; Maritime, Columbus</strong></td>
<td><strong>Ft. Belvoir</strong></td>
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<tr>
<td>• Aviation Original Equipment Mfr (OEM) Items</td>
<td>• Wheeled Vehicles</td>
<td>• Petroleum</td>
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<tr>
<td>• Engines / Airframes</td>
<td>• Tracked Vehicles</td>
<td>• Natural Gas</td>
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<tr>
<td>• Aviation Supply Chain Commodities</td>
<td>• Batteries</td>
<td>• Alternative Fuels</td>
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<td></td>
<td>• Nuts &amp; Washers</td>
<td>• Renewable Energy Sources</td>
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<td></td>
<td>• Converters</td>
<td>• Electricity Services</td>
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<thead>
<tr>
<th>Clothing &amp; Textile</th>
<th>Medical</th>
<th>Subsistence</th>
<th>Construction &amp; Equipment</th>
<th>Industrial Hardware</th>
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<tr>
<td><strong>Troop Support, Philadelphia</strong></td>
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<tr>
<td>• Recruit Clothing</td>
<td>• Pharmaceutical</td>
<td>• Institutional</td>
<td>• Construction</td>
<td>• Screws, Nuts, Bolts</td>
</tr>
<tr>
<td>• Organizational</td>
<td>• Medical/ Surgical Equipment</td>
<td>Feeding</td>
<td>• Equipment</td>
<td>• Clamps, O-rings,</td>
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<tr>
<td>Clothing Equipment</td>
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DLA Land and Maritime
Our Vision...

“The DLA Land and Maritime Way: We provide Warfighter Logistics Excellence through Accountability, Teamwork, Urgency, Agility, Innovation Built upon a Commitment to Integrity, Diversity, and Mutual Trust and Respect.”
Organizational Orientation
Leadership Team

Deputy Commander
Mr. James McClougherty, SES

Commander (Prospective)
RDML Michelle Skubic, SC, USN

Chief of Staff
Mr. Griff Warren
Mr. Dave Szczublewski, Deputy

Acquisition Executive
Mr. Milton K Lewis, SES
DLA Land and Maritime
Business Profile (FY15)

Wholesale Sales
- FY07: $3.2B
- FY08: $3.4B
- FY09: $4.0B
- FY10: $4.3B
- FY11: $4.4B
- FY12: $4.1B
- FY13: $3.1B
- FY14: $3.0B
- FY15: $3.4B

Sales by Wholesale Chain
- Land: $1.8B
- Maritime: $1.6B

Foreign Military Sales
- Sales: $318M
- Supporting 95 Nations

Scope of Business
- 9.3M Requisitions/Year
- 661K+ Contracts/Year
- 1,812 Contracts & $10.7M/Day
- 1.9M NSNs
- 2.0 K+ Weapon Systems
- 14.6K+ Customers
- 6.4K+ Suppliers

Our People
- 2,500 Civilians
- 68 Active Duty
- 32 Reserve

Foreign Military Sales
- Sales: $318M
- Supporting 95 Nations
Business Units and Roles
DLA Land and Maritime

Customer Operations

**Land Operations Officer**
- 12.4 K Customer DoDAACs
- 6.3 M Requisitions Annually
- Worth $3.6 B
- Materiel Availability: 95.32%

**Maritime Operations Officer**
- 2.2 K Customer DoDAACs
- 3.0 M Requisitions Annually
- Worth $2.0 B
- Materiel Availability: 93.14%

- Single Customer Touch Point
- Demand Planning/Forecasting

**Single Face to Warfighters**
Business Units and Roles  
DLA Land and Maritime

Supplier Operations

**Land**
- 511 K NSNs (FY15)
- FY12 Sales: $2.180B  
- FY13 Sales: $1.898B  
- FY14 Sales: $1.587B  
- FY15 Sales: $1.495B  
- Key Commodities: Tires, Small Arms, Wheeled & Tracked Vehicle Spares, Armored Components  
- Material Availability: 88.73%

**Maritime**
- 1.830 M NSNs (FY15)
- FY12 Sales: $1.730B  
- FY13 Sales: $1.430B  
- FY14 Sales: $1.440B  
- FY15 Sales: $1.293B  
- Key Commodities: Hoses, Fittings, Valves, Pumps, Wire/ Cable, Electronics (microcircuits, antennas, connectors)  
- Material Availability: 89.63%

**Total Suppliers**
- Land: 18,780  
- Maritime: 35,084

Aligned With Industry
### DLA Business Volume

#### Hoses and Accessories (NAHAD)

- **Federal Supply Class 4710 (Pipe/Tube)**
  - Spend - $102.7M DLA / $64.6M L&M
  - Contracts - 18,080 DLA / 12,016 L&M
- **FSC 4720 (Hose/Tubing)**
  - Spend - $119.7M DLA / $113.1M L&M
  - Contracts - 29,122 DLA / 27,942 L&M
- **FSC 4730 (Fittings: Hose/Pipe/Tubing)**
  - Spend - $73.7M DLA / $65.8M L&M
  - Contracts - 18,700 DLA / 17,574 L&M
- **Largest Spend Vendors:**
  - Boeing
  - Lockheed Martin
  - Science Applications Intl Corp
  - Meggitt
  - Parker-Hannifin
  - Globe Rubber Works
  - Eaton Corp

#### Electronics (IPC)

- **FSC 5930 (Switches)**
  - Spend - $62.1M DLA / $56.9M L&M
  - Contracts - 9,550 DLA / 9,241 L&M
- **FSC 5935 (Connectors)**
  - Spend - $38.5M DLA / $36.4M L&M
  - Contracts - 12,746 DLA / 12,340 L&M
- **FSC 5945 (Relays/Solenoids)**
  - Spend - $31.2M DLA / $28.3M L&M
  - Contracts - 4,556 DLA / 4,411 L&M
- **FSC 5998 (Electronics Assemblies)**
  - Spend - $35.3M DLA / $32.0M L&M
  - Contracts - 1,903 DLA / 1,749 L&M
- **Largest Spend Vendors:**
  - Raytheon
  - BAE Systems
  - Lockheed Martin
  - Boeing
  - Eaton Corp
  - Sensata Technologies
Land & Maritime Supply Chains
Orders Received by Demand Chain (FY15)

Land Supply Chain

Requisitions

Maritime Supply Chain

$ Value

High Supply Chain-Demand Chain Congruence

Low Supply Chain-Demand Chain Congruence
Land & Maritime Supply Chains
Orders Received by Demand Chain (FY16)

### High Supply Chain-Demand Chain Congruence

**Land Supply Chain**
- Avtn DC: 9%
- Land DC: 20%
- Maritime DC: 23%
- Other DC: 9%

**Maritime Supply Chain**
- Avtn DC: 31%
- Land DC: 46%
- Maritime DC: 13%
- Other DC: 9%

### Low Supply Chain-Demand Chain Congruence

**Land Supply Chain**
- Avtn DC: 56%
- Land DC: 16%
- Maritime DC: 7%
- Other DC: 15%

**Maritime Supply Chain**
- Avtn DC: 44%
- Land DC: 25%
- Maritime DC: 11%
- Other DC: 20%

**$646M**

- **Avtn DC**: 9%
- **Land DC**: 20%
- **Maritime DC**: 23%
- **Other DC**: 48%

**$640M**

- **Avtn DC**: 31%
- **Land DC**: 46%
- **Maritime DC**: 13%
- **Other DC**: 9%
Spend Distribution By Contract Type
FY16 (Through Mar 16)

Land Dollars
- Auto Eval: 108.8, 16%
- LTC: 298.4, 46%
- Manual: 246.5, 38%

Maritime Dollars
- Auto Eval: 221.7, 33%
- LTC: 74.0, 11%
- Manual: 375.5, 56%

Land Award Actions
- Auto Eval: 14,773, 8%
- Manual: 12,990, 7%
- LTC: 157,074, 85%

Maritime Award Actions
- Auto Eval: 32,330, 37%
- Manual: 25,853, 29%
- LTC: 29,448, 34%

LTC = Long Term Contracts  Auto Eval = Automated Evaluation
## Business Units and Roles

### DLA Land and Maritime

#### Shipyard Detachments

<table>
<thead>
<tr>
<th>Detachment</th>
<th>Stocked Items</th>
<th>Value</th>
<th>Class</th>
<th>Primary Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Norfolk NSY</strong></td>
<td>9,000</td>
<td>$35M</td>
<td>CVN, LA Class</td>
<td>TRIDENT Overhauls, Fwd MCM, PC Support, 95 FTE</td>
</tr>
<tr>
<td><strong>Puget Sound NSY</strong></td>
<td>5,000</td>
<td>$28.2M</td>
<td>CVN, LA &amp; SEAWOLF Class</td>
<td>TRIDENT Overhauls, IMF Support, 78 FTE</td>
</tr>
<tr>
<td><strong>Pearl Harbor NSY</strong></td>
<td>7,300</td>
<td>$18.4M</td>
<td>LA &amp; VA Class</td>
<td>L-Decks, Multi class CMAV Avails, 53 FTE</td>
</tr>
<tr>
<td><strong>Portsmouth NSY</strong></td>
<td>5,000</td>
<td>$13.1M</td>
<td>LA &amp; VA Class</td>
<td>Level 1 Subsafe COE, 132 FTE</td>
</tr>
</tbody>
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*BRAC/Wynne Mission... Consolidate All Inventories*
## Depot Level Repairables (DLR) Detachments

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>FY15</th>
<th>Systems</th>
<th>Components</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aberdeen</strong></td>
<td>251 Contracts - $142M</td>
<td>C4ISR</td>
<td>Navigation/GPS, Radars, Sensors, Grnd &amp; Satellite Comm, Power Generation</td>
<td>28</td>
</tr>
<tr>
<td><strong>Mechanicsburg</strong></td>
<td>4,991 Contracts - $346M</td>
<td>Surface &amp; Submarine</td>
<td>HM&amp;E, Comm/ Surveillance, Combat Systems</td>
<td>44</td>
</tr>
<tr>
<td><strong>Warren</strong></td>
<td>945 Contracts - $279M</td>
<td>Wheeled, Tracked Vehicles, MHE, Chem Bio</td>
<td>Wheel &amp; Tire Assy, Track, Engines, Transmissions, Armaments, Containers</td>
<td>71</td>
</tr>
<tr>
<td><strong>Albany</strong></td>
<td>128 Contracts - $21M</td>
<td>LAV</td>
<td>Engines, Transmissions, Armaments, Containers</td>
<td>4</td>
</tr>
</tbody>
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Performance Standard: 93% On Time Delivery
Discussion Topics from Associations

• NAHAD Topic:
  – Procurement processes for industrial hoses and fittings
  – Matching Acquisition Strategies to Industry Capabilities (MASIC) Project

• IPC Topic:
  – Coordination of DLA QML with Electronics Industry Validation Services
  – Diminishing Manufacturing Sources and Material Shortages perspective
Open Discussion Topics

• Availability
  – Can the Government buy items required to support the Warfighter
  – Are commercial capabilities available to fill requirements
  – Is industrial base obsolescence management in place or needed

• Affordability
  – Can the Government support the Warfighter at a price the taxpayer can afford
  – Meaningful competition in industry segments

• Industry Segment Challenges / Opportunities
  – Hoses and Fittings
  – Electronics
Open Discussion Topics

• Buyers of QPL parts and the QPL program
  – QPL program/benefits often not understood
  – Manufacturers create own SCDs when QPL part available from DLA Land and Maritime drawing
  – Causes extra documentation reviews and custom assembly and testing flows, extra costs, proliferation of part numbers
  – Advantages of buying standardized QPL parts

• Instances when QPL vendor won't bid/sell QPL part
  – Customers ask DLA to remove vendors/parts from QPL in such instances
  – Customers often want very small quantity or single item
  – QPL vendors don't keep inventories of every part number
  – Vendors face cost issues (machine set-ups, components)
  – DLA leans toward keeping vendors/parts on QPL
Connector Stop - Shipment

Scope

- 12,000+ Standardization Documents
- 218 Qualification Documents
- Oversee over 700 Companies and 115 Test Labs

Amphenol Background

- Critical Component Sourcing Delinquent Testing
- Stop Shipment on 8 Specifications

Process Improvements

- Validate QPL Audit Database
- Maintenance of Database
- Retrain Associates
- Create Additional Metrics
- Assess Manpower Requirements
- FY16 Focus–Audits/Qualification Reports
- FY17 Focus–100% disposition of Retentions

Status

- Identified Unapproved Parts
- Approved New Sources

<table>
<thead>
<tr>
<th>SPEC</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>55302</td>
<td>Released</td>
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<tr>
<td>83513</td>
<td>Released</td>
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<tr>
<td>22992</td>
<td>Released</td>
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<tr>
<td>26500</td>
<td>TBD</td>
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<tr>
<td>38999</td>
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<tr>
<td>27599</td>
<td>TBD</td>
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<tr>
<td>83723</td>
<td>10/28/2016</td>
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<tr>
<td>26482</td>
<td>9/30/2016</td>
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