Dealing with COVID-19 Commercial Supply Chain Impacts on SMEs in the Defense Industrial Base

NDIA Supply Chain Network Committee
30 April 2020
Leaders

• Chris Peters
  CEO
  Lucrum Group

• Cathy Contreras
  Acquisition Executive
  DLA Aviation
Agenda

• Introduction
• DLA Overview
• Webinar process
• Moderated group discussion
• DLA Discussion
• Conclusions and wrap up
DLA and the Impacts on Suppliers of COVID-19

April 30, 2020

Ms. Cathy Contreras
Acquisition Executive
DLA Aviation
DLA Overview

- $40.7B in Revenue
- Over $14.6B in Small Business
- $8.0B in support to Whole of Government
- $1.2B in Foreign Military Sales
- 337 U.S. sites & 58 International sites
- Over 12K Suppliers
- 9K Awards per day
- Manage over 6M line items
- $150B Active Contracts Managed
- 27K Workforce, 2K Forward Positioned
- Executive Agent for Bulk Fuel, Medical Materiel, Subsistence, Construction & Barrier Materiel

SIX MAJOR BUSINESS UNITS

- **TROOP SUPPORT**
  - PHILADELPHIA, PA
  - Global Supply Chains: Subsistence, Clothing & Textiles, Construction & Equipment, Medical, and Industrial Hardware
    - $17.7B Revenue
    - 51K+ Customers
    - 3 Locations

- **LAND AND MARINTE**
  - COLUMBUS, OH
  - Repair parts for ground-based and maritime systems
    - $3.7B Revenue
    - 13K+ Customers
    - 2K weapon systems
    - 8 Locations

- **AVIATION**
  - RICHMOND, VA
  - Repair parts for aviation systems, nuclear systems, maps and Industrial Plant Equipment
    - $4.9B Revenue
    - 13K+ Customers
    - 2K weapon systems
    - 19 Locations

- **ENERGY**
  - FORT BELVOIR, VA
  - Global fuel and comprehensive energy solutions
    - $10.6B Revenue
    - 4K+ Customers
    - 662 Fuel Locations

- **DISTRIBUTION**
  - NEW CUMBERLAND, PA
  - Global storage and distribution solutions
    - $962M in Revenue
    - 243K+ Customers
    - $205M in Inventory
    - 43 Locations

- **DISPOSITION SERVICES**
  - BATTLE CREEK, MI
  - Global solutions for disposal of excess property
    - $333M Revenue
    - 31K+ Customers
    - Reutilization: $2.5B
    - 89 Locations

WARFIGHTER FIRST
DEFENSE LOGISTICS AGENCY

COVID-19 SUPPORT

36 PEOPLE EMBEDDED

- WHITE HOUSE TASK FORCE, NATIONAL SUPPLY CHAIN STANDARDIZATION
- FEDERAL EMERGENCY MANAGEMENT AGENCY, NATIONAL LOGISTICS RESPONSE
- HEALTH AND HUMAN SERVICES, NATIONAL MEDICAL SUPPLY CHAIN RESPONSE
- US NORTHERN COMMAND, NATIONAL MILITARY LOGISTICS RESPONSE

5,161 CONTRACT ACTIONS = $839M

CURRENT MISSIONS
NURSING HOME SUPPORT
HHS/FEMA $110M MISSION
- 609K EYE PROTECTION
- 6.9M MASKS
- 6.4M GOWNS
- 31M GLOVES

PROCUREMENT OF CRITICAL MEDICAL AND PERSONAL PROTECTIVE EQUIPMENT

- 758.6K TEST COMPONENTS
- 92.1M GLOVES
- 3.9M N95 RESPIRATORS
- 813.1K HAND SANITIZERS
- 14.2M MASKS
- 8K VENTILATORS
- 2.4M GOWNS

WARSTOPPER RELEASE
2.9M N95 RESPIRATORS
95K FACE SHIELDS
141.5K GOWNS
1M GLOVES

CRITICAL PARTNERSHIPS
FEMA / HHS
$688M IN SUPPORT
$100M SERVICE DEPLOYABLE HOSPITALS

FEMA MA
1.5M FACE SHIELDS, APR-20

N95 RESPIRATOR STERILIZERS
60 UNITS FIELDING THROUGH MAY

*Delivers ongoing, receipts vary

AS OF 28 APRIL 2020

Strategy Initiatives Group/ Public Affairs

6/30/2020

NDIA AT THE HEART OF THE MISSION
The DLA remains committed to partnering with our suppliers during this period of National Emergency.

Established a COVID-19 Request for Information (RFI)

- Keep DLA informed of potential impacts to the welfare and safety of workforce and/or overall contract performance.
- DLA will also use RFI responses to help assess the current status of the supplier base.

COVID-19 Impact on DLA Suppliers RFI link:
https://www.research.net/r/DLACOVID19RFI
Webinar Process

• Please raise your hand to respond

• Once recognized, your mic will be un-muted

• Provide first name, type of company and size

• Please mute yourself once done

• Each new topic, we’ll lower all hands and start again
Moderated Discussion

DLA would like to explore the following focus-questions:

• Question #1:

  How does industry identify specific companies that supply critical parts AND that may be at risk of going out of business?

  How could DLA identify and help these businesses?
Moderated Discussion

DLA would like to explore the following focus-questions:

• Question #2:

  What challenges are you having in engaging with DoD regarding contractual matters in the COVID-19 environment?

  What suggestions do you have to drive improvements?
Moderated Discussion

DLA would like to explore the following focus-questions:

• Question #3:
  In 6 months, what do we wish we’d done TODAY to mitigate COVID-19 DIB impacts.
Cathy Contreras

And

Chris Peters
Conclusions and Wrap UP

Report COVID-19 Supplier Impact

https://www.research.net/r/DLACOVID19RFI

Slides will be available at
https://www.ndia.org/divisions/manufacturing/webinars