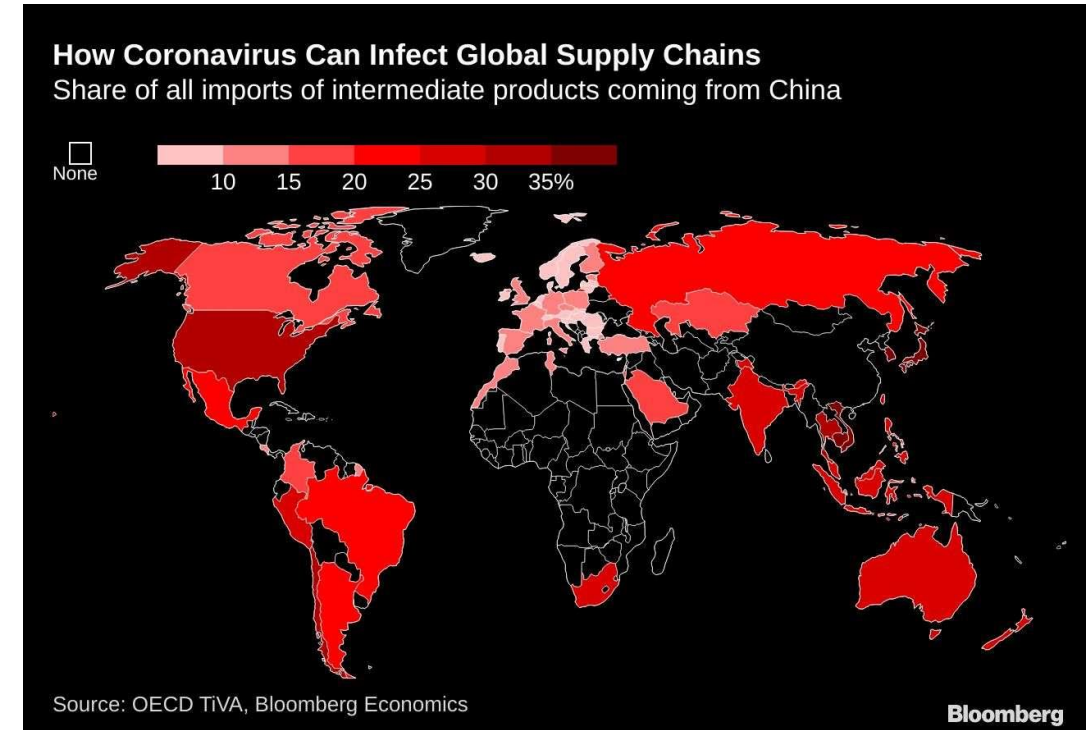


Dealing with COVID-19 Commercial Supply Chain Impacts on SMEs in the Defense Industrial Base

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





DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



DLA and the Impacts on Suppliers of COVID-19

April 30, 2020

Ms. Cathy Contreras
Acquisition Executive
DLA Aviation



WARFIGHTER FIRST



DLA Overview



NDIA
AT THE HEART
OF THE MISSION

- **\$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	LAND AND MARITIME	AVIATION	ENERGY	DISTRIBUTION	DISPOSITION SERVICES
PHILADELPHIA, PA	COLUMBUS, OH	RICHMOND, VA	FORT BELVOIR, VA	NEW CUMBERLAND, PA	BATTLE CREEK, MI
					
Global Supply Chains: Subsistence, Clothing & Textiles, Construction & Equipment, Medical, and Industrial Hardware	Repair parts for ground-based and maritime systems	Repair parts for aviation systems, nuclear systems, maps and Industrial Plant Equipment	Global fuel and comprehensive energy solutions	Global storage and distribution solutions	Global solutions for disposal of excess property
<ul style="list-style-type: none">• \$17.7B Revenue• 51K+ Customers• 3 Locations	<ul style="list-style-type: none">• \$3.7B Revenue• 13K+ Customers• 2K weapon systems• 8 Locations	<ul style="list-style-type: none">• \$4.9B Revenue• 13K+ Customers• 2K weapon systems• 19 Locations	<ul style="list-style-type: none">• \$10.6B Revenue• 4K+ Customers• 602 Fuel Locations	<ul style="list-style-type: none">• \$962M in Revenue• 243K+ Customers• \$105B in Inventory• 43 Locations	<ul style="list-style-type: none">• \$338M Revenue• 31K+ Customers• Reutilization: \$2.5B• 89 Locations
BUY			DISTRIBUTE		DISPOSE

COVID-19

S U P P O R T

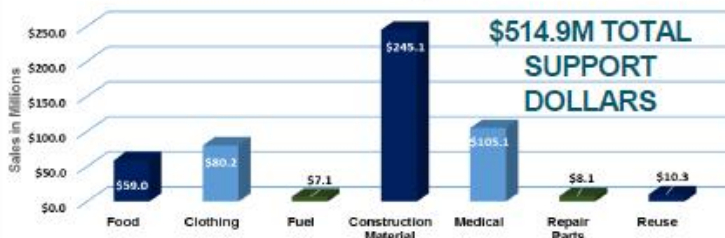
36 PEOPLE
EMBEDDED



- 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**

VITAL SUPPORT EQUIPMENT



CRITICAL PARTNERSHIPS



FEMA / HHS

\$688M IN SUPPORT

\$100M SERVICE DEPLOYABLE HOSPITALS



**USNS COMFORT
USNS MERCY**

\$14M IN SUPPORT

US Coast Guard



\$1.1M IN SUPPORT

FEMA MA

1.5M FACE SHIELDS, APR 28



CURRENT MISSIONS

NURSING HOME SUPPORT

HHS/FEMA \$110M MISSION

- **609K** EYE PROTECTION
- **6.9M** MASKS
- **6.4M** GOWNS
- **31M** GLOVES



WARSTOPPER RELEASE

- 2.9M** N95 RESPIRATORS
- 95K** FACE SHIELDS
- 141.5K** GOWNS
- 1M** GLOVES



N95 RESPIRATOR STERILIZERS

60 UNITS
FIELDING
THROUGH
MAY



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



*Deliveries ongoing; receipts vary

AS OF 28 APRIL 2020



Strategic Initiatives Group/
Public Affairs



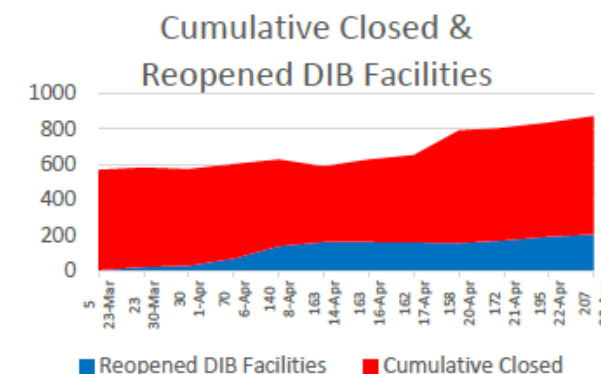
DLA View of Supplier Impact



DLA Active CAGEs	11,413
Cumulative Impacted	1,912
Cumulative Resolved	207
Currently Impacted	1,705
Cumulative Closures	665
Cumulative Reopened	207
Currently Closed	458
Planned Closures	0
Average Days to Reopen	13
Average Days Closed (Current)	20
Currently Closed Facilities	Number
Temporary Closures (<2 Weeks)	58
Long-term Closures (2+ Weeks)	400
Undisclosed Durations	0

- 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

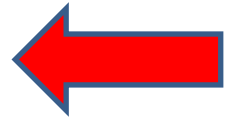
COVID-19 Impact on DLA Suppliers RFI link;
<https://www.research.net/r/DLACOVID19RFI>



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/DLACOV1D19RFI>

Slides will be available at

[**https://www.ndia.org/divisions/manufacturing/webinars**](https://www.ndia.org/divisions/manufacturing/webinars)