



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



**DLA Troop Support Medical**

**COL Alex Zotomayor**

**Coalition for  
Government Procurement  
Healthcare Forum  
2 May 2017**



# Defense Logistics Agency



*Commanders & Directors*



*Corporate Staff*



*Service Activities*







DELIVER THE RIGHT SOLUTION ON TIME, EVERY TIME

# DLA Troop Support



**Deputy Commander**  
Mr. Richard Ellis



**Acquisition Executive**  
Mr. William Kenny



**Commander**  
BG Charles R. Hamilton, USA



**Chief of Staff**  
Mr. Robert Ratner



**CAPT C. Mosher / Rich Faso**  
Director / Deputy  
Subsistence



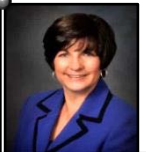
**Col Lawrence Hicks / Roy Dillard**  
Director / Deputy  
Clothing & Textiles



**CAPT D. Hodgson / A. D'Ambrosio**  
Director / Deputy  
Construction & Equipment



**COL A. Zotomayor / David Johns**  
Director / Deputy  
Medical



**Col G. Chadwick / Tina Piotrowski**  
Director / Deputy  
Industrial Hardware



**John Sheehan**  
Subsistence  
DCO



**Gina Vasquez**  
Subsistence  
DSO



**Gary Colello**  
C&T  
DCO



**Steven Merch**  
C&T  
DSO



**Thos. Grace**  
C&E  
DCO



**Thos. Page**  
C&E  
DSO



**Nora Steigerwalt**  
Medical  
DCO



**Dan Keefe**  
Medical  
DSO



**Gary Shifton**  
Ind Hardware  
DSO



**Susan Schafer**  
Exec. Officer



**Charles Grabowski**  
Internal Review



**Ruben Filomeno**  
EEO



**Gary Lefebvre**  
Military Personnel



**Diana Stewart (Acting)**  
Command Support



**Michael McCall**  
Small Business



**COL Eric Jackson / Victor Harmon**  
Director / Deputy  
Customer Operations



**Gerry Cromley**  
Director  
Process Compliance



**Debra Bakeoven / Vacant**  
Director (Acting) / Deputy  
Business Process Support



**CAPT Gerald Raia / Jeff Horton**  
Director / Deputy  
Procurement Process Support



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RDSHIP - PROCESS EXCELLENCE



# Our Dual Focus

## Institutional



## Every Day

- Health care economics
- The business of health care
- The cost of medical materiel
- Reliable “next day” support
- Business intelligence

## Operational



## Every Crisis

- Ready on day one
- Varied missions & requirements
- Resupply & sustainment
- Control commercial/industrial materiel
- Situational awareness

**Vision: To provide an integrated and responsive system of choice for delivering consistent, quality medical materiel support for health care providers to perform their patient care mission**



# Medical Support Strategy

- Ecommerce Solutions

- Prime Vendor...Pharmaceutical and Med/Surg
- Electronic Catalog...Niche products (Dental, Lab, Optical, Orthopedic, Spinal, Cardio Vascular), small hospital equipment

### Pharmaceuticals



- Other Long Term Contracts

- Capital Equipment
- Readiness Contracts: \$27M investment gives access to \$780M materiel

### Medical/Surgical



- DLA Distribution Depot

- Military Unique Materiel...First Aid Kits, Bandages, etc.
- MCM supplies: N5 respirator masks, vaccines, etc.

### Capital Equipment



- Direct Vendor Delivery



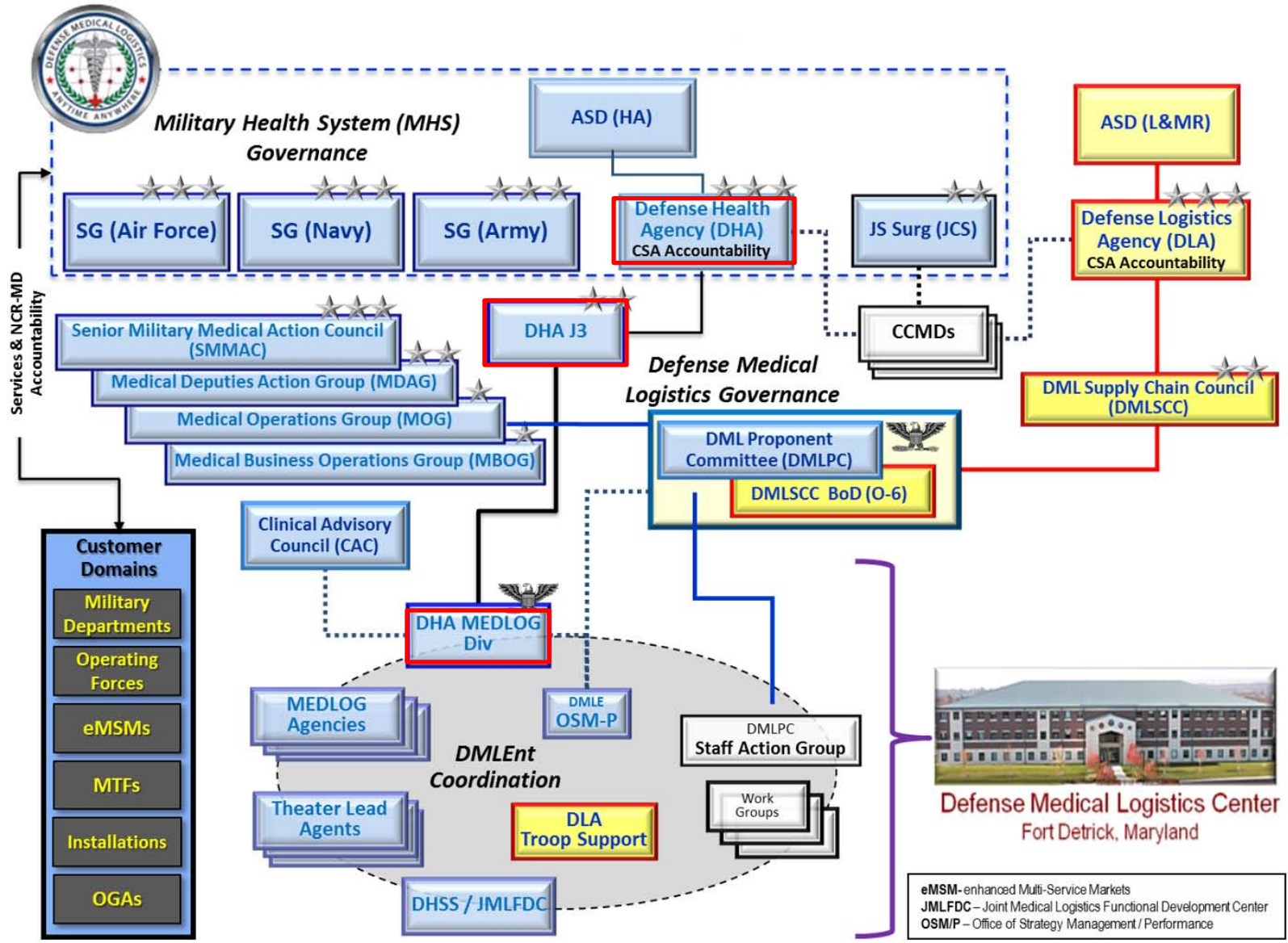
# Acquisition Challenges

- Sole Source Items
- Pharmaceutical Shortages
  - Specialty Drugs...~90% coverage; analyzing outliers
  - Manufacturer backorders...monitoring developments; offering alternatives
- Trade Agreement Act
  - Executing/maintaining non-availability determinations





# Defense Medical Logistics Enterprise





# DHA / DLA Relationship

- DLA is DHA's logistics enabler
- DHA is DLA's single largest logistical partner
- DHA and DLA provide the only DoD joint, integrated, end-to-end logistics management system
- DHA/DLA constant collaboration generates the business intelligence required to optimize support...organizational affiliation is all but forgotten
- Initiatives
  - Cost Optimization
  - Materiel Standardization
  - Defense Medical Logistics Standard Support (DMLSS)







# Cost Optimization...Home Delivery Program

- Supports DHA Home Delivery Program
  - 10 year contract...\$18.5B; transitioned 3/1/13
  - Plan saves additional \$954M/10 years
  - \$482.3M realized, 86% ahead of plan

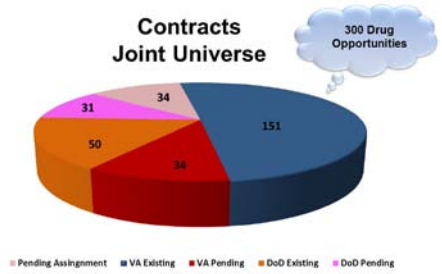


As of 3/7/17



# Cost Optimization...National Contracts

- Supports all Federal Customers
  - 10 year initiative...\$6.3B; initiated 8/1/13
  - 50 contracts awarded; DoD target 120 contracts
  - Saves DoD additional \$1.25B/10years;
  - \$382.9M realized to date; 63% ahead of plan



As of 3/7/17



# Cost Optimization...Global Pharm Prime Vendor

- Supports all Federal Customers except Home Delivery/Fleet
  - 10 year contract...\$26.1B; transitioned 6/1/15
  - Saves DoD additional \$1.85B/10years;
  - \$284.5M realized, 22% ahead of plan



As of 3/7/17



# Materiel Standardization

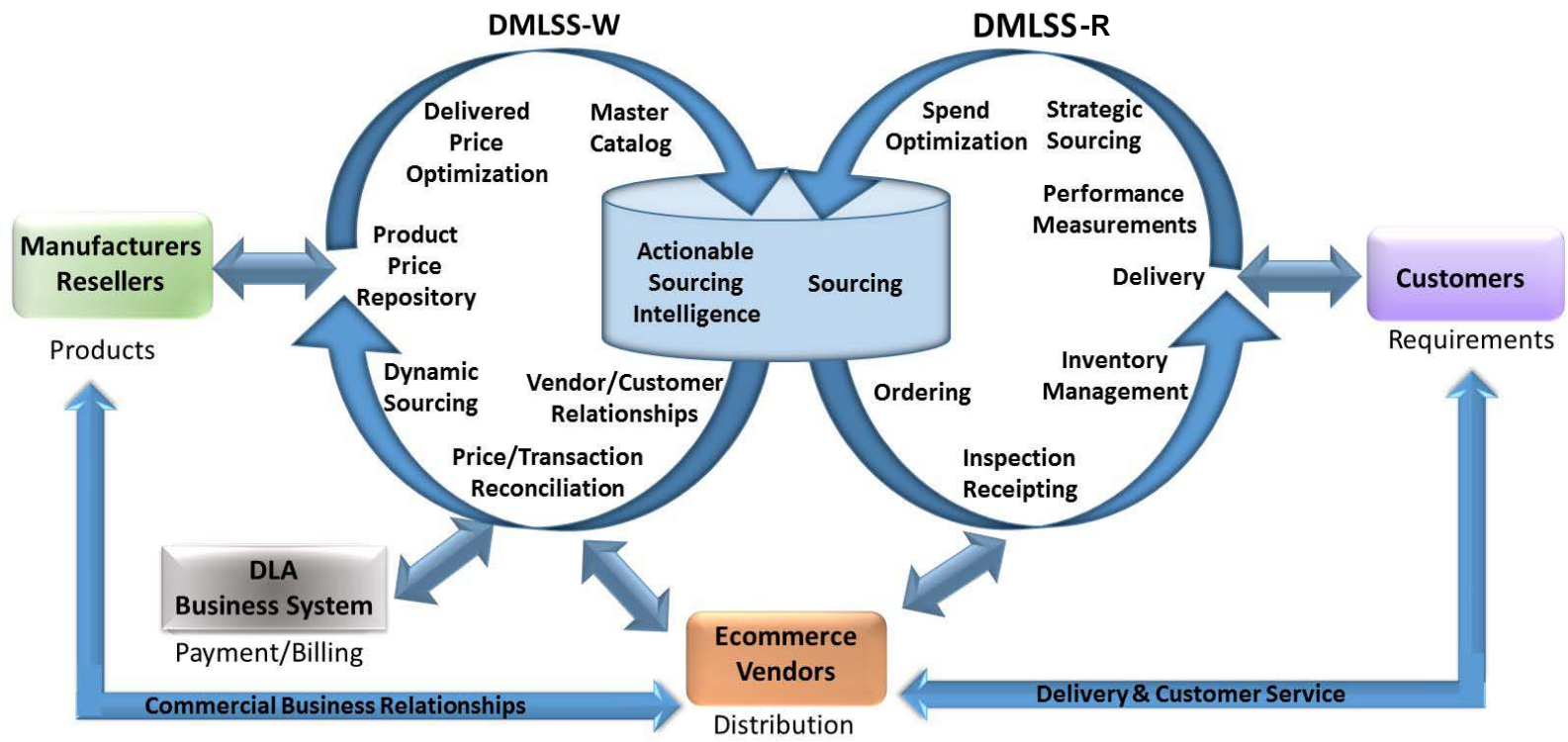
- DLA enables DHA clinical-based standardization decisions
- Commitment to reduce use of the Government Purchase Cards
- FY 16
  - Standardize an additional 21 Med/Surg PV Product Lines which generated \$9.8M in FY 16 Savings
  - Pilot a new process, which led to 1<sup>st</sup> time standardization of an ECAT Contract for Medical Equipment, i.e., Tissue Processors
- FY 17
  - Continue Standardizing Med/Surg Product Lines
  - Pilot new process that allows standardizing certain product Lines with more than one manufacturer (e.g. N95 Masks)
  - Standardize more ECAT contract product lines, such as dental, lab and medical equipment





# Defense Medical Logistics Standard Support (DMLSS)

## End-To-End, Integrated Supply Chain Management



- Enables Business Intelligence
  - Supply chain product and price optimization
  - Transparent sourcing optimization at retail level
  - Product and price catalog control: 100% contracted pricing



# Questions

