



DLA Troop Support

Richard A. Ellis, acting commander,
DLA Troop Support

Government Food Service: Describe any changes to DLA Troop Support subsistence operations since last year's Commander's Update?

Richard A. Ellis: I'd have to say that the biggest change to our subsistence operations this past year was the transition of our prime vendors in Iraq, the first and largest such transition during wartime in our history. Troop Support is doing our part to support the Secretary of Defense's requirements for efficiencies and related savings in DoD's business operations to enable investment in force structure and modernization.

The subsistence operation is a diverse supply chain with support requirements occurring 24 hours per day, seven days a week, 365 days a year, worldwide. Leadership of this operation is vital and there have been several new arrivals along with some internal changes.

Navy Capt. Mike Hansen has come on board as the new director, replacing Capt. Ed Rackauskas. His experience and previous tour as the Navy foodservice advisor has been a welcomed advantage.

Cmdr. Herman Romero and Lt. Cmdr. Deborah Davis-Reid replaced Cmdr. Larry Colman and Lt. Cmdr. Paul DeMeyer. They will play an essential role in our customer collaboration and planning for operational rations and market-ready support. Harry Streibich was also promoted lead for our operational rations division.

Finally, we have added a core of lead contracting officers to each acquisition division in order to



streamline and coordinate our high-level acquisitions and to ensure consistent application of our contract management plans.

Government Food Service: DLA Troop Support has focused on modifications to its acquisition approach, enhanced support to the customer and refinement of its processes. Explain these.

Ellis: In the U.S, DLA Troop Support is focusing on streamlining the prime vendor acquisition process and supporting the Defense Secretary's efficiency initiative by utilizing a low-price technically acceptable (LPTA) strategy for many of its upcoming acquisitions. Using LPTA allows DLA Troop Support to evaluate and award prime vendor contracts based on the lowest-priced offer, among those offerors judged technically able to perform. This is in contrast to the previous strategy of using the best-value model, a trade-off approach in which technical ability is judged to be more significant than price. However, after 15-plus years and three generations of contracts, in-house and market research has proven that a robust network of successfully performing foodservice distributors exists, with several competitors able to fulfill contract terms. Therefore DLA Troop Support's focus has naturally shifted to ensuring that new contracts are awarded at highly competitive prices. The use of LPTA will drive down prices as prime vendors, recognizing the reality of the marketplace and their competitors' ability to fulfill DLA's technical requirements, will seek to win new contracts based largely

on price. Another advantage of using LPTAs is the reduced lead-time required to award contracts by eliminating lengthy technical evaluations. We are also huge advocates of reserve auctions, which can really help us drive prices down by having vendors compete to be the lowest offeror.

Support to locations outside the continental United States continues to present some of the most significant challenges. Fresh off of the Kuwait/Iraq subsistence prime vendor (SPV) transition and with the recent award in Korea and Japan, product price definitions, rebates/discounts, and price related provisions were redesigned to promote pricing transparency and place integrity into the commercial product-pricing process. It includes segregation of the origin/point of manufacturer product price from other pricing and disclosure requirements for discounts, rebates, allowances or other similar economic incentives or benefits. With these revisions, DLA seeks to clarify terms used by the prime vendors and the agreements established between manufacturers and distributors with respect to rebates/discounts and product pricing, and to avoid excessive pass-through charges from multiple sources along the supply chain.

Government Food Service: *Catalog streamlining has achieved reduced line items since a pilot began in 2009. Is this continuing?*

Ellis: Troop Support will continue its efforts toward catalog streamlining in 2011. The West Region effort was completed in 2009 and the East Region will continue in its streamlining efforts for all five remaining catalogs within the next six months. The Central Region has completed one catalog with another scheduled for March 2011, and the balance of catalogs will be streamlined during this calendar year. By 2012, we expect to see the OCONUS catalogs streamlined. The Air Force [food] transformation project, and all of the services' "healthy menus," will bring a surge of new items onto each catalog this year. Although

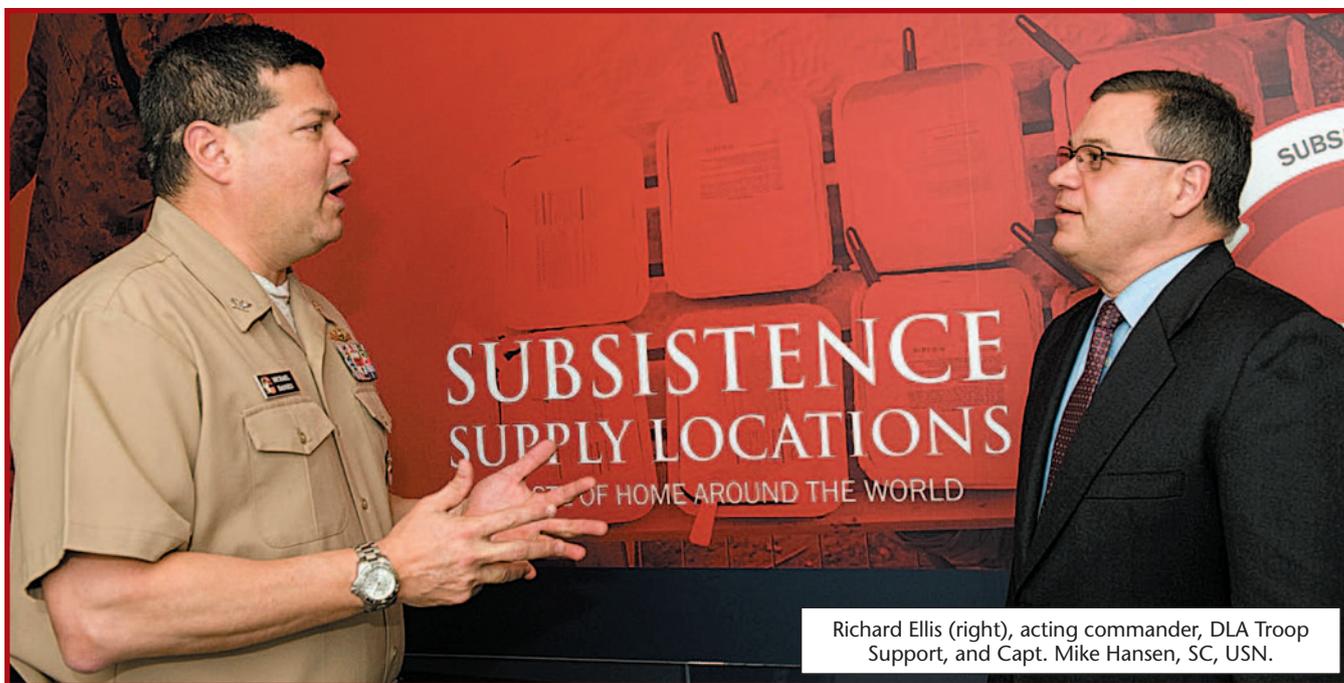
we witnessed an average 25 percent reduction on most of the past streamlining efforts, there is no set target, as each catalog represents different customers with different missions. To set a target before the streamlining would not do justice to the true reason for the streamlining in the first place. With the current movement of these new "healthy menu items" onto the catalog, we may see less reduction, but the catalog will still represent only those items



being utilized by the services, and we'll see efficiency with its use. Additionally, as we award new contracts within the U.S., the streamlining effort will be part of the contract implementation process.

Government Food Service: *A message during 2010 was DLA Troop Support's commitment to work with supplier partners to eliminate waste and fraud. Would you discuss how DLA and its partners are cooperating and what progress has been made?*

Ellis: Unfortunately, we learned some hard lessons from prior instances of fraud, waste and abuse. The important thing is that we move forward and use those lessons to help our workforce be part of the detection and prevention solution. In addition to added mandatory training for the 700 members



Richard Ellis (right), acting commander, DLA Troop Support, and Capt. Mike Hansen, SC, USN.

of our acquisition workforce across our four supply chains, DLA Troop Support has included Federal Acquisition Regulation clause 52.203-13 Contractor Code of Business Ethics and Conduct in our new generation of solicitations. It requires the awardee to have a written code of business ethics and conduct, and to make it available to all employees engaged in the DLA Troop Support contract.

DLA Troop Support is aggressively engaging all parties to ensure similar schemes do not find their way into our programs. Such tactics only stain the foodservice industry and create uncertainty in DLA's programs and support models.

Government Food Service: *How is the transition to ANHAM progressing in the Middle East?*

Ellis: The transition in Kuwait, Iraq and Jordan from PWC to ANHAM is 100 percent complete. ANHAM has been fully operational and supporting all customers since Dec. 4, 2010. Troop Support employed a high degree of service coordination, as DLA has never accomplished such a significant transition in a war zone along with an extensive drawdown and realignment. With two SPVs operating at the same time, customer handoffs had to be individually monitored and communication expanded to ensure a successful transition. At all times, we remain engaged with Central Command and the customer discussing troop levels, plans for realignment, and operational issues. We have now cleared most of the major challenges, especially with the Christmas feeding, and we are now focused on operational re-

finements and stock level adjustments based on the revised support requirements.

Government Food Service: *Getting support to Afghanistan presents challenges. Describe the steps taken to deliver supplies to the war zone and the prime vendor for the region.*

Ellis: Afghanistan represents the most difficult support matrix ever developed. The level of daily coordination required between the SPV, DLA Troop Support, the 1st Theater Support Command and Joint Sustainment Command-Afghanistan (JSC-A) is colossal. At a minimum, there is daily interaction with our contracting officer representatives where requirements are discussed weekly via conference calls and in person during quarterly reviews.

Government Food Service: *How is the Manufacturer Pricing Agreement (MPA) program going? Explain how it works and differs from National Allowance Pricing Agreement (NAPA) program.*

Ellis: In general, the MPA program is doing very well, but admittedly there is much work to do, as there is with any relatively new program.

First, in comparing the DLA Troop Support NAPA and MPA programs there are two primary differences: NAPAs cover allowances/discounts, which the supplier offers, while the MPAs cover the prices (inclusive of NAPAs) offered by the supplier; the other main difference is that NAPAs have always applied to all SPV contracts, while MPAs are and will only be ap-

plied to the OCONUS SPV contracts.

Differences aside, the two programs work somewhat alike. Both programs involve an agreement, which includes much information about the product on which either a NAPA or an MPA is offered. In the case of MPA we evaluate that price, and a contracting officer makes a determination as to whether that price could be found to be fair and reasonable, and repeat that process monthly as the price changes. The agreement plus other information on MPAs can be found on our Web site (www.dscp.dla.mil).

In terms of changes planned, there is definitely work being done to enhance our automated reports and tools to evaluate the MPA pricing; I am sure other refinements will occur as the need arises, but we are confident in the general, overall thrust of the program. Food manufacturers are strongly encouraged to participate in the MPA program.

Manufacturers who refuse to participate in this program may see their products come under review and possibly removed from SPV product catalogs and replaced with MPA-priced products.

Government Food Service: *DLA Troop Support is having the Subsistence Customer Conference in 2011. What can you tell us about the training events?*

Ellis: The conference will be held in Anaheim, Calif., Aug. 16 – 17, 2011. We will feature workshops and sidebars as well as some events planned for the evenings. We are happy that the Army Reserve will be joining us this year. Plans are well underway and we hope to see you there!

Although new ideas are constantly cropping up in the subsistence world, some of the well-attended events of last year may make a return appearance during the 2011 Subsistence World Wide Conference. There is a good chance that we will see some of these informational and training sessions: fresh fruit and vegetable demonstrations, customer food management system training and food safety training. Special



breakouts sessions may include the following: MPA overview, Navy Master Load List, fill rates, CONUS and OCONUS support to the warfighter, operational rations, foodservice equipment, Subsistence Total Ordering and Receipt Electronic System (STORES), vendor invoicing, food recalls and the DLA Troop Support food audit program.

Also, let us not forget the training currently being conducted by the DLA Troop Support tailored vendor logistics specialists for the CDCs and youth centers involved with the Air Force food transformation project as well as the training of the National Oceanic and Atmospheric Administration (NOAA) ships that is currently taking place.

Government Food Service: *Is DLA Troop Support attending any conferences, industry events or local vendor food shows in 2011?*

Ellis: The Joint Subsistence Policy Board is our primary service collaboration meeting, which is held two to three times per year and in which we address major issues facing the foodservice components within the services, Natick and DLA.

Each year we attend the School Nutrition Association Conference by setting up a booth and making ourselves available for produce support questions. This year it will be held in Nashville, Tenn., July 9 – 13, 2011.

We have been invited to present at a joint food service training course, Fort Lee, Va., in March, June and August. We will present the subsistence overview with an emphasis on Operation New Dawn/Opera-

tion Enduring Freedom support.

We teach a one-day class at Industrial College of the Armed Forces where we introduce the students to the concept of support for the primary weapon system — the warfighter. This is geared to expand future leaders' knowledge beyond weapon system support and into the world of troop support issues mainly centered on subsistence.

As always, we will attend the International Food Service Executives Association and National Restaurants Association conferences, interacting with service leadership and industry representatives and acknowledging individual service dining facility award winners.

Additionally, DLA Troop Support and the regional offices in the Pacific and Europe meet with individual service-level subsistence meetings and symposiums covering a variety of topics including Navy support issues, contingency and winterization planning conferences.

Government Food Service: Give an update on progress with the Common Food Management System (CFMS).

Ellis: The CFMS project has been one of the most challenging endeavors ever undertaken by DLA, with the exception of its Enterprise Business System. The services currently have five distinct food management systems running their dining facilities. Each of

these systems interfaces with STORES to purchase its subsistence orders today. With the standard system, DoD essentially eliminates the costs associated with the maintenance of the multiple service systems.

CFMS will not support non-service system users (Coast Guard, Army hospitals, Air Force CDCs, schools, federal prisons). These users will continue to place their orders directly into STORES.

Government Food Service: Emergency response is another aspect of DLA Troop Support. Last year was busy with earthquake aid to Haiti and other areas. How does DLA prepare and has last year's response led to any changes?

Ellis: We prepare by working with the services and the Federal Emergency Management Agency throughout the year, far before any catastrophe or contingency strikes. Communications with our industrial base is also crucial to being able to plan for emergency support when it is needed. Contractual relationships with these vendors allow us to know their capabilities and then tap into those capabilities when necessary. There has been more of a reliance on commercial meals, which takes some of the pressure off of our military Meals, Ready-to-Eat (MRE) and their associated war reserve programs.

Government Food Service: The Food Service Equip-



ment Program includes field-feeding equipment, and demand is up in response to deployed forces. Are any changes planned for 2011?

Ellis: The equipment branch, which encompasses deployable field support and foodservice equipment items, has experienced continued growth in the past year. The “plug and place” program provides a total suite of small wares equipment in new or refurbished dining facilities. These programs, in addition to other opportunities for growth, are expected to continue in 2011.

In addition, DLA Troop Support has a provision in its equipment long-term contract solicitations for the potential to utilize a reverse auction process. A reverse auction encourages all participants, who remain anonymous to each other, to lower their overall pricing and “outbid” the other vendors.

Government Food Service: *After introducing the First Strike Ration, DLA Troop Support is looking to expand the menus from three to nine. Is Natick still targeting 3rd quarter of fiscal 2011 to transition specification documents to DLA Troop Support?*

Ellis: DLA Troop Support has received the documents supporting the expanded menus and is currently in the acquisition planning phase to determine the way forward.

Once the initial menus make it to the field, our demand planners will work with the services to determine which are the most popular and what other selections we might consider in the future.

Government Food Service: *The Unitized Group Ration-Express (UGR-E) was to be expanded. Did that begin?*

Ellis: The UGR-E has been a success for its functionality at remote locations and as an alternative to the MRE. Two additional breakfast menus and two additional lunch and dinner menus were added during 2010 to give the warfighter a greater variety of menu choices. Entrees added include pork carnitas, chicken pot pie filling and turkey sausage links. Additional components include granola with blueberry, smoked almonds, pudding and apple-spiced breakfast cake. This brings the UGR-E menu offerings

to four breakfast and eight lunch and dinner menus.

Government Food Service: *Is there anything else you would like to add about DLA Troop Support and its role in the military?*

Ellis: Every day, no matter their mission, no matter their location, our service members are using, eating or being healed by items provided by Troop Support. It is then rightfully a proud organization with a mix of military and civilian employees, many of whom have former military experience or military ties within the family. The members of this organization take great pride in the quality of support provided to the warfighter.

It is an honor to lead an organization that has a direct day-to-day impact on the lives of all of our service men and women no matter where they are deployed around the world. We never want to rest on our laurels, and we strive each and every day to find ways to continuously improve our support to our valued customers.

—GFS