

# A Half Century of Logistics Management

The contemporary Defense Logistics Agency (DLA) is built on a foundation that was constructed back in World War II to satisfy the need for rapid, centralized, high-quantity procurement of everything from munitions to supplies using uniform financial management practices.

America's combat logistics provider has come a long way as it reaches the half-century mark, but remains committed to its mission and continues refining its role as the hub for cost-

effective military logistics management and support.

"Since its founding in 1961 at the height of the Cold War, the Defense Logistics Agency has provided unwavering support to the nation's warfighters," wrote Defense Secretary Leon Panetta in a letter to DLA Director Navy Vice Adm. Alan Thompson Oct. 4 congratulating the DLA staff on the agency's 50th anniversary.

Swift buildup of military forces for World War II forced the War Department to explore centrally coordinated



## MILESTONES IN DLA HISTORY

### POST WWII

A presidential commission headed by former President Herbert Hoover recommended centralizing management of common military logistics support across the services.

### 1952

Management of supplies and services is integrated with the establishment of a joint Army-Navy-Air Force Support Center to control identification of supply items.

### 1961 (DLA Founded)

Defense Secretary Robert McNamara established the Defense Supply Agency (DSA), the precursor to DLA, which began operation January 1962.

### 1965

DoD unites most of the contract administration activities of the military services to avoid duplication of effort and provide uniform procedures in administering contracts. The Defense Contract Administration Services (DCAS) was established within DSA to manage the consolidated functions.

### 1965 to 1969

DSA ships more than 22 million short tons of dry cargo and 14 million short tons of bulk petroleum to Vietnam. Total procurements

jumped more than 50 percent from 1966 to 1967.

### 1972

Assumes responsibility for defense overseas property disposal operations and worldwide procurement, management and distribution of coal and bulk petroleum products

### 1973

Adds worldwide management of food items for troop feeding and in support of commissaries.

### 1977

The Defense Supply Agency is renamed the Defense Logistics Agency (DLA) on Jan. 1.

### 1986

DLA is identified as a combat support agency under the Goldwater-Nichols Act.

### 1988

DLA assumes management of the nation's stockpile of strategic materials from the General Services Administration.

### 1990-91

DLA supports U.S. forces during operations Desert Shield and Desert Storm. From August 1990 to the end of combat nine months later,

DLA handles more than 2 million requisitions totaling more than \$3 billion in food, clothing, textiles, medical supplies and repair parts.

DoD directs in April 1990 that all the distribution depots of the military services and DLA be consolidated into a single, unified material distribution system. Consolidation began in October 1990, reached completion March 16, 1992; and DLA was designated to manage it.

### 1993

Base Realignment and Closure (BRAC): several DLA primary-level field activities are merged, realigned or closed, and the former Defense Construction Supply Center Columbus and the former Defense Electronic Supply Center Dayton are merged into the Defense Supply Center Columbus.

### 1995

DLA headquarters and the Defense Fuel Supply Center (renamed Defense Energy Support Center in 1998) move from Cameron Station in Alexandria, Va., to Fort Belvoir, Va.

### 2010

"We Are DLA" initiative renames the agency's field activities to clearly identify them as related parts of the whole.



procurement. The Army and Navy offices responsible for procuring petroleum products, medical supplies, clothing and other items were collocated in the War Department.

Panetta also wrote that DLA's efforts to evolve and grow to meet the Defense Department's needs ensure "a lasting legacy for future generations."

"I am confident the agency will continue to be successful in meeting the logistics challenges of the 21st century," he wrote. "You have the people, processes and the technology to provide the best logistics support possible."

After the war, success with that consolidation motivated movement toward central management of common military logistics support and adoption of uniform financial management practices followed. A presidential commission headed by former President Herbert Hoover recommended centralizing management of common military logistics support across the services.

In 1952, management of supplies and services became integrated with the establishment of a joint Army-Navy-Air Force Support Center to control identification of supply items. With this step, all the military services bought, stored and issued items using common nomenclature. The Department of Defense (DoD) and the services defined the material that would be managed as "consumables," meaning supplies that are not repairable or become spent and not recoverable after normal use. Also called commodities, these consumable items were assigned to one military service to manage for all the branches.

This led to establishment in the mid-1950s of commodity manager agencies across the services, called "single managers," to buy, store and issue supplies, manage inventories and forecast requirements. The Army managed food and clothing; the Navy managed medical supplies, petroleum and industrial parts; and the Air Force managed electronic items.

In each category, the single manager reduced the investment by centralizing wholesale stocks and simplifying the supply process by persuading the services to adopt the same standard items.

While successful, single managers fell short of providing the uniform procedures recommended by the Hoover Commission. Each single manager operated under the procedures of its service, and customers had to use as many sets of procedures as there were commodity managers.

A step toward streamlining the process came in 1961 when then Defense Secretary Robert McNamara established the Defense Supply Agency (DSA), the precursor to DLA. McNamara ordered that the single-manager agencies be consolidated into one agency, the DSA. DSA was established on Oct. 1, 1961, and began operation on Jan. 1, 1962. The eight single-manager agencies became DSA supply centers.

More supply centers and service depots were added to the network over the next two years until another round of consolidation by DoD in 1965 united most of the contract administration activities of the military services to avoid duplication of effort and provide uniform procedures in administering contracts. The Defense Contract Administration Services (DCAS) was established within DSA to manage the consolidated functions, its mission giving it responsibility for the performance of most defense contractors.

A test for DSA came when U.S. forces were deployed to Vietnam. From 1965 to 1969, DSA shipped more than 22 million short tons of dry cargo and 14 million short tons of bulk petroleum to Vietnam. Total procurements jumped more than 50 percent from 1966 to 1967.

Early in the 1970s, the agency extended its reach overseas. In 1972, it assumed responsibility for defense overseas property disposal operations and worldwide procurement, management and distribution of coal and bulk petroleum products; then, in



1973, added worldwide management of food items for troop feeding and in support of commissaries.

Culminating 16 years of growth and growing responsibility, officials renamed the Defense Supply Agency on Jan. 1, 1977, as the Defense Logistics Agency (DLA).

Later, DLA became identified as a combat support agency under the Goldwater-Nichols Act of 1986, and, in 1988, assumed management of the nation's stockpile of strategic materials from the Generals Services Administration. Soon, DLA established the Defense National Stockpile Center as a primary-level field activity.

Technology and the growth of automation that followed the debut of computers in the 1980s facilitated progress toward centralized procurement use of uniform financial management practices.

During the 1980s, the organization that became DLA Logistics Information Service worked with industry partners to automate the agency's connection to contractors, enabling both sides to work together to view requirements and access contract information.

This capability was put to the test when DLA responded to the call to support U.S. forces during operations Desert Shield and Desert Storm. From the buildup of troops in Saudi Arabia in August 1990 to the end of combat nine months later, DLA handled more than 2 million requisitions totaling more than \$3 billion in food, clothing, textiles, medical supplies and repair parts.

The next stage in automation came in the early 1990s when DLA adopted electronic commerce. Since then, DLA continues to keep pace with technology and evolving business practices by developing various Web-based interfaces with customers and suppliers, modernizing its internal supply management system and the Business Systems Modernization program.

The Business Systems Modernization program

was integrated throughout DLA's supply centers and led to the Enterprise Business System in 2007. Enterprise Business System modernized DLA's supply chain management practices while replacing Standard Automated Materiel Management System and Defense Integrated Subsistence Management System.

Consolidation continued in 1990 when DoD directed that virtually all contract administration functions fall within DLA, which responded by establishing the Defense Contract Management Command and absorbing the Defense Contract Administration Services into it.

Efforts to eliminate managerial and stock duplication as well as reduce overhead costs continued throughout the 1990s. To reduce costs, DoD directed in April 1990 that all the distribution depots of the military services and DLA be consolidated into a single, unified material distribution system. Consolidation began in October 1990 and reached completion March 16, 1992, and DLA was designated to manage it.

A significant change affecting organization of the agency's contract administration and supply distribution missions came when the Base Realignment and Closure (BRAC) process was instituted in 1993. Not only were several DLA primary-level field activities merged, realigned or closed, but the former Defense Construction Supply Center Columbus and the former Defense Electronic Supply Center Dayton were merged into the Defense Supply Center Columbus.

At the same time, DLA headquarters also experienced reorganization in the 1990s. In 1993, integrated business units for supply management, distribution and contract management reduced the number of organizations reporting to the director from 42 to six.

DLA headquarters relocated in 1995 to Fort Belvoir, Va., from Cameron Station in Alexandria, Va. DLA also changed the criteria for selecting contractors by placing best value above low bidder. This approach emphasized the contractor's quality, delivery, effectiveness and past performance, and set the stage for transition to the prime vendor program.

Today, DLA has hundreds of employees deployed worldwide in its support teams, disposal remediation teams and other units. It also expanded its role in humanitarian missions.

In 2010, consolidation of a different kind aimed to create a single-agency environment. The "We Are DLA" initiative was a process of renaming the agency's field activities to clearly identify them as related parts of the whole. For example, Defense Supply Center Philadelphia, Pa., became DLA Troop Support.

—GFS