



NEWS RELEASE
Defense Logistics Agency
Public Affairs Division
8725 John J. Kingman Road, Suite 2545
Fort Belvoir, VA 22060-6221
(703) 767-6200
<http://www.dla.mil>

For Immediate Release: August 9, 2002
DLA 02-23
Media Contact:
Jack Hooper (703) 767-5121
Jack_Hooper@hq.dla.mil

Defense Logistics Agency Announces Defense Distribution Depot Competition Results

Fort Belvoir, Va. -- The Defense Logistics Agency announced a tentative cost comparison decision today that the distribution operations of its Defense Distribution Depot San Diego, Ca. (DDDC) would be contracted out to LABAT-Anderson, Inc., headquartered in McLean, Va. The tentative decision was made after a detailed study indicated it was more cost effective to convert the operations there to the private sector.

This announcement culminates more than three years of public/private competition using the guidelines of Office of Management and Budget Circular A-76, "Performance of Commercial Activities." DDDC was announced for A-76 study on March 31, 1999. The competition process establishes federal policy for deciding whether to retain recurring, commercial-like activities within the government, or contract them out to a private sector source. The guidance tells how to compare performance and cost related information to arrive at the best overall value for the taxpayer.

"The DLA competitive sourcing process determines the best structure to perform depot operations in support of America's military services in the most efficient manner," said Maj. Gen. Hawthorne Proctor, U.S. Army, Director of Logistics Operations, DLA. "This process streamlines operations whether the current federal workforce continues to perform the functions or a private sector company performing the functions. DLA continues to strive to provide the best value service to our customers."

In March 1998, DLA announced that most of its distribution depots would undergo public/private competition. DDDC is the ninth of sixteen sites to complete the process. The remaining depots are being competed in phases over a seven-year period scheduled to end in the spring of 2004.

more

"The goal of competitive sourcing in DLA is to ensure that the critical mission of providing comprehensive logistics services is performed in the most efficient and effective manner possible," said Navy Captain Kathleen M. Dussault, DDDC commander. "I look forward to working with LABAT-Anderson to do that all important job in behalf of the war fighters harbored here in the San Diego area. Although the organization proposed by our Federal government employees was not selected, the MEO team put together an extremely aggressive proposal and are commended for their innovative approach and critical look at streamlining opportunities. I will work to ensure a smooth transition period and an environment in which all displaced federal employees receive the utmost assistance and support."

DDDC is located on Naval Station San Diego, and is one of the most mechanized centers in DLA. The center performs routine and high priority distribution operations to include receipt, store, and issue, with related functions to include transshipment, preservation, packaging, packing, stock readiness inspections, marking and reclassification.

The depot is on the forefront of the effort to provide value-added distribution services to the war fighter and thereby reduce the logistics burden on deploying fleet units. Tailored sortation and delivery of material is a feature of the Material Processing Center which not only offsets constrained operational manning but also provides visibility of material throughout the entire Supply Chain.

Items processed at the distribution center include depot level reparable, electronics, industrial, medical, general, construction, clothing, packaged petroleum, chemicals, ship and aviation repair parts, and small boats/amphibious craft. DDDC also handles Navy-managed material, divided evenly between Navy Inventory Control Point wholesale material and Fleet Industrial Supply Center retail material.

DDDC's primary customers are the home-ported ships in San Diego and the major shore commands representing all services, and other smaller activities in the southwestern United States.

The Defense Distribution Depot San Diego, Ca. is a field activity of the Defense Distribution Center, New Cumberland, Pa.

The Defense Logistics Agency provides supply support, and technical and logistics services to the military services and to several civilian agencies. Headquartered at Fort Belvoir, Va., DLA is the one source for nearly every consumable item, whether for combat readiness, emergency preparedness or day-to-day operations.