



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

For Immediate Release: June 4, 2004

DLA 04-34

Media Contact: Jack Hooper (703) 767-5121

jack.hooper@dla.mil

Defense Logistics Agency Announces Defense Distribution Depot Competition Results

Fort Belvoir, Va. -- The Defense Logistics Agency announced today that it has tentatively decided that operations and management of its Defense Distribution Depot Tobyhanna, Pa. would remain in-house rather than be contracted to a private company. The depot, with its work force of career federal employees, will streamline and reduce the costs of the receipt, store and issue mission.

The tentative decision for this small business set-aside competition was made after a detailed study indicated it was more cost effective to retain the operations there as a federal workforce-run operation. The federal employees at DDTP presented a streamlined operations proposal that was determined to be the best overall value and projected to yield a net savings of approximately 40 percent over the five year period of performance. Four private sector companies bidding for operation of the depot submitted proposals. The government's "Most Efficient Organization" proposal was evaluated against the best of the private sector proposals.

This announcement culminates more than two years of public/private competition using the guidelines of Office of Management and Budget Circular A-76, "Performance of Commercial Activities." DDTP was announced for A-76 study on October 10, 2001. 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. Daniel Mongeon, 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 performs the functions. DLA continues to strive to provide the best value service to our customers."

more

In March 1998, DLA announced that most of its distribution depots would undergo public/private competition. DDTP is the eleventh of sixteen sites to complete the process. The remaining depots are being competed in phases scheduled to end in 2007.

“Today's announcement is the result of months of hard work by the DDTP employees. Their dedication and commitment to providing best value services to our war fighters has been remarkable,” said Lieutenant Colonel James O'Grady, US Army, Commander, Defense Distribution Depot Tobyhanna. “I am confident that our team will seamlessly adapt to the Most Efficient Organization structure. My immediate focus will be to assist the DDTP employees through the transition implementation activities of the next six months.”

DDTP is located in the Pocono Mountains of Northeastern Pennsylvania, twenty miles southeast of Scranton, and is a tenant at Tobyhanna Army Depot. Tobyhanna Army Depot is the largest, full service communications-electronics maintenance facility in the Department of Defense. DDTP supports the massive DoD communications-electronics industry. DDTP receives, stores and issues communications-electronics systems, components, repair parts and equipment. The Army Depot and the Defense Distribution Center are recognized as partners for excellence in the systems integration, design, overhaul, repair, manufacture and worldwide logistics support of hundreds of communications and electronics systems.

Defense Distribution Depot Tobyhanna, Pa. is a field activity of the Defense Distribution Center, New Cumberland, Pa.

The mission of Defense Distribution Center is to distribute, store, and manage materiel and information enabling a seamless, tailored worldwide DoD distribution network that provides effective and efficient support to the combatant commands, military services and other agencies -- in theater and out -- during war and in peace.

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.