



NEWS RELEASE
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Defense Logistics Agency Announces Defense Distribution Depot Competition Results

Fort Belvoir, Va. -- The Defense Logistics Agency (DLA) announced today that it has tentatively decided that operations and management of its Defense Distribution Depot Puget Sound, Washington 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 DDPW presented a streamlined operations proposal that was determined to be the best overall value and projected to yield a net savings of approximately 50 percent over the five-year period of performance. Private sector companies bidding for operation of the depot submitted five 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." DDPW 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."

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

"This has been the culmination of months of hard work, critical analysis and extremely hard decisions. Through it all DDPW employees have continued to provide world class support to our customers," said Commander Nick Mato, Supply Corps, United States Navy, Commander, Defense Distribution Depot Puget Sound, Washington. "This decision recognizes DDPW as the Most Efficient Organization in this

competition and will allow us to retain a portion of our civil service workforce. Our operations have been restructured, inventory consolidated and business processes adapted to accommodate this new organization and we feel confident in our ability to maintain the same high standards of performance that our customers have become accustomed. My immediate emphasis is for the well being of DDPW employees and will exhaust every opportunity to assist our people during the transition.”

Defense Distribution Depot Puget Sound, Washington (DDPW) is located in Bremerton, Washington, in the west central portion of the state. Collocated with several other Department of Defense (DoD) activities, the distribution center is situated on the waters of the Puget Sound. The cities of Seattle and Tacoma are located within fifty miles as are other major DoD activities such as Ft. Lewis Army Base and McChord Air Force Base. Both passenger and cargo air service is provided by Seattle-Tacoma International Air Port (SEATAC) which is situated between these two cities.

Serving as a stock point for DLA and Service owned material, DDPW supports both local and worldwide customers. The center is able to provide immediate support to both industrial and war-fighting customers. Direct support is provided for the various ships home-ported in the Pacific Northwest, including Air Craft Carriers, Submarines and supply ships.

DDPW employees receive and ship material consisting of a variety of products, ranging from 200,000 pound ships propulsion shafts to miniature electronic components. The work is often fast paced with DDPW serving as the support center for ships preparing for deployment to various areas of the Pacific and Middle East.

Defense Distribution Depot Puget Sound, Washington 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.