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## **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 Corpus Christi, Texas, 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 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 DDCT presented a streamlined operations proposal that was determined to be the best overall value and projected to yield a net savings of approximately 27 percent over the five-year period of performance. Six 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 three years of public/private competition using the guidelines of Office of Management and Budget Circular A-76, "Performance of Commercial Activities." DDCT was announced for A-76 study Oct. 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. DDCT is the eleventh of 16 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 DDCT employees. Their dedication and commitment to providing best value services to our war fighters has been remarkable," said Lt. Col. Shelia J-McClaney, U.S. Army, commander, Defense Distribution Depot Corpus Christi. "I am confident

that our team will seamlessly adapt to the Most Efficient Organization structure. My immediate focus will be to assist the DDCT employees through the transition implementation activities of the next six months.” DDCT serves as the primary wholesale distribution point for major components to support helicopter repair missions for Department of Defense and foreign military sales customers worldwide. Its mission is to receive, store, pack, preserve, issue and arrange transportation for assigned supplies and equipment as directed by DLA and Service Inventory Control Point Item Managers.

Items processed include repair parts for principal end items such as small aircraft and helicopters, avionics, electronics, industrial, petroleum, chemical, radioactive and other hazardous materials. DDCT performs responsibilities as the responsible property officer for all assets in storage. Other services provided by the center include loading and unloading helicopters and other priority cargo from C-17, C-5A, C-141 and C-130 aircraft operated by the Air Mobility Command and local delivery of aircraft components and other items to designated customers.

Defense Distribution Depot Corpus Christi, Texas, 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.