

Doing Business with the DLA as a Contractor

Written by Kelly Fodel
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Many opportunities exist for companies to do business with the government. However, traversing the correct pathways to actual contract work can be daunting to new vendors. One of the best opportunities for contracting can be found at the Defense Logistics Agency, which procures, manages, stores and distributes almost every consumable item the military needs to operate. DLA, headquartered at Fort Belvoir, is the Department of Defense's largest logistics combat support agency, providing worldwide logistics support in both peacetime and wartime to the military services, as well as several civilian agencies and foreign countries. As DLA's Website puts it, "If America's military forces eat it, wear it, maintain equipment with it, or burn it as fuel, DLA probably provides it."

DLA is a very large operation. If it were a Fortune 500 company, DLA would be ranked at 57th, just below Sunoco. With 25 distribution depots, it supplies approximately 95 percent of the military services' repair parts, and 100 percent of the services' subsistence, fuels, medical, clothing and textile, construction and barrier material. It manages approximately 6.4 million items in eight supply chains. DLA has supported every major war and contingency operation of the past four decades, from the Vietnam War to Operation Iraqi Freedom.

"In fiscal 2008, our sales and services were \$42 billion," said Mary Massaro, deputy director, Defense Logistics Agency Office of Small Business Programs. "We have gone up a little more than 60 percent in five years, in terms of our volume of business."

By and large, DLA does business the way any other federal government department would. That business is governed by the Federal Acquisition Regulation. Massaro says there are levels of regulation that govern the way DLA contracts. She has outlined the major points of the process to Military Logistics Forum, in order to help new vendors navigate the process.

Massaro recommends that vendors take full advantage of the resources available to help guide them through the acquisition process. These resources include the procurement technical assistance centers (PTACs) and small business development centers. The PTAC program (www.dla.mil/pta) helps small business owners who are confused or intimidated about bidding on

contracts with the government. PTA centers provide day-to-day assistance, along with training in areas such as contracting fundamentals, preparing bids and proposals, and obtaining the proper registrations.

The Small Business Administration administers the Small Business Development Centers Program (www.sba.gov/sbdc/) to provide management assistance to current and prospective small business owners. SBDCs provide a wide variety of information and guidance in central and easily accessible branch locations. The Small Business Administration helps businesses get started and write business plans that will attract investors, while PTACs help established businesses that wish to market their products or services to the various government agencies. Both the SBA and PTACs work together and share resources and knowledge.

Massaro says the first step toward doing business with DLA requires the vendor to determine the federal supply class or North American Industry Classification System (NAICS) code for the items or services that s/he sells. This way, the vendor will have a good idea of where s/he needs to turn, and who is likely to buy the products. The NAICS code will help determine whether the contractor is considered a small or large business for the purpose of contracting with the government. For example, generally, those with less than 500 employees are considered "small businesses."

The next step is to register the business in the proper arenas. These include contractor registration in the DoD Central Contractor Registration (CCR) database (<https://www.bpn.gov/ccr/default.aspx>), obtaining a D-U-N-S number and obtaining a Commercial and Government Entity (CAGE) code.

Massaro said a business must next identify its target market within DoD. This means determining if the company's products are best marketed toward Army, Navy, Air Force or DLA. DLA does not buy all items for DoD; therefore, a company needs to identify which DoD organization buys its product or service. Massaro says it is important to note that DLA does not review or evaluate new items for possible use by the military services. "If a contractor comes to us and says he has built a better mousetrap, we might congratulate him, but we can't on our own decide to sell this better mousetrap to the troops," she said. The products DLA buys are demand driven and must fit a need as determined by DLA customers.

Next, the company must identify current DoD procurement opportunities. Fed Biz Opps has established a Website as a government point of entry for federal government procurement opportunities

over \$25,000. Government buyers are required to publicize their business opportunities by posting information directly to Fed Biz Opps via the Internet. Visit www.fbo.gov. “The next step in this lineup is to familiarize oneself with DoD contracting procedures,” Massaro said. There is a wide selection of contract types available to DLA in order to provide flexibility in acquiring the large variety and volume of supplies required by the military services. Providing the details of these contract types goes far beyond the size and scope of this article, but DLA has put together a helpful guide to instruct the new vendor.

Massaro says vendors should also explore subcontracting opportunities. “It is the case that government contracts are quite large, and sometimes they are of a scope that is not achievable for certain businesses,” she said. DoD offers two markets for small businesses seeking defense contracting and defense subcontracting opportunities. The first market encompasses prime contracting opportunities; the second market encompasses defense subcontracting opportunities. The first directory provides the names and addresses of DoD prime contractors and the names and telephone numbers of small business liaison officers, who are contractor employees responsible for the success of subcontracting programs at various plant sites. Prime

contractors use the second directory, SUB-Net, to post subcontracting opportunities. These may or may not be reserved for small business, and they may include either solicitations or other notices. Small businesses can review this Website to identify opportunities in their areas of expertise. Visit <http://web.sba.gov/subnet/>.

“The next step is to investigate DoD small business programs,” Massaro said. Those include services for small womenowned businesses, Historically underutilized business zone small business concerns, veteran-owned small businesses, and historically black colleges and universities and minority institutions. The DLA Office of Small and Disadvantaged Business Utilization (<http://www.dla.mil/db/>) is responsible for ensuring that small businesses have a fair opportunity to participate in the DLA acquisition program.

Massaro concludes by explaining that there are two things fundamental to government contracting: competition and small business. “All other things being equal, we will do business with small business. It is considered the backbone of the American economy, and it is a very strong and good partner to the government.”