

Report on Supply Chain Compliance Volume 2, Number 18. September 26, 2019 Government procurement supply chains to become more restricted to mitigate security risks

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The Defense Logistics Agency (DLA) manages the global supply chain for the United States Armed Forces (Army, Navy, Air Force, Marine Corps, and Coast Guard), including 86% of the military's spare parts and almost all the armed forces' fuel and food. The DLA's global supply chain operates across the United States and in 28 different countries, and provides more than USD 38 billion in goods and services annually, making it one of the most expansive and complex supply chains of any organization in the world.

Thousands of companies work with the DLA and contract out to thousands of suppliers, vendors and third-party service providers. The supply chain risks that the DLA contends with cannot be overestimated; counterfeit and low-quality goods, fraud and forced labor, and cyberespionage and technology theft, to name a few.

In July, the DLA announced a new Supply Chain Security Strategy that uses the latest in technological innovations and supply chain management know-how to address the many risks inherent in one of the world's largest supply chain webs. This excerpt from the Strategy homepage drives home the task that the DLA has taken up:

DLA's global supply chain ... encompasses a myriad of complex and interconnected systems, processes, facilities, infrastructure, suppliers, transportation nodes, endusers, and employees. Twenty-three sub-elements enable these primary components of DLA's global supply chain. They include business processes, business systems, distribution centers, vendor-networks, industrial support, financial health, employee readiness, cybersecurity, DLA's six major subordinate commands and nine supporting supply chains. Each of these supply chain components and sub-elements are susceptible to adversarial exploitation and disruption from a host of potential threats.

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