



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Litigated Inventory Break-out Session

29 June 2011



# Project Overview

- Project goal:
- The project goal is to reduce the amount of current inventory in litigation.
  - Reduce the amount of inventory placed in litigation.
  - Reduce the length of time inventory remains in litigation.



# Source Documents

---

- <http://assist.daps.dla.mil/> - copies of Military Standards including MIL-STD-129P and MIL-STD-2073-1D
- [www.dodrfid.org](http://www.dodrfid.org) – information on DoD’s Radio Frequency Identification marking requirements
- [www.wawftraining.com](http://www.wawftraining.com) – online training for Wide Area Workflow



# Project Metrics

## Project Status

Target project  
population  
Inventory Value  
October 2010  
\$221M



Supply  
Discrepancy  
Reports (SDRs)  
with Disposition  
reduced from  
<34,000 to 8500



Inventory being  
placed into  
litigation



Target Population  
May 1, 2011  
\$152M





# Primary Root Causes

**Packaging and Labeling**

P&L

**Other Non-Compliant Vendor Issues**

NC  
Vendor

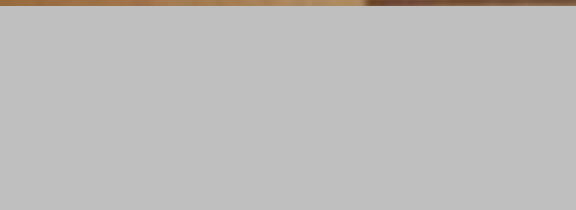
**SDR Processing Errors/Inputs**

SDRs



## **Reasons Items are placed in Condition Code “L”**

- Shipment does not meet packaging requirements.
- Incorrect Item received.
- Non-conformance to heat treatment requirement for wood packing materials (including pallets). Since 2007, all wood packing material requires a stamp certifying Heat treatment (DLAD clause 52.247-9012).



Approved International  
Symbol for compliant WPM



Country  
Code



Facility ID  
Number



Timber Products  
Inspection  
Trademark



Heat Treated

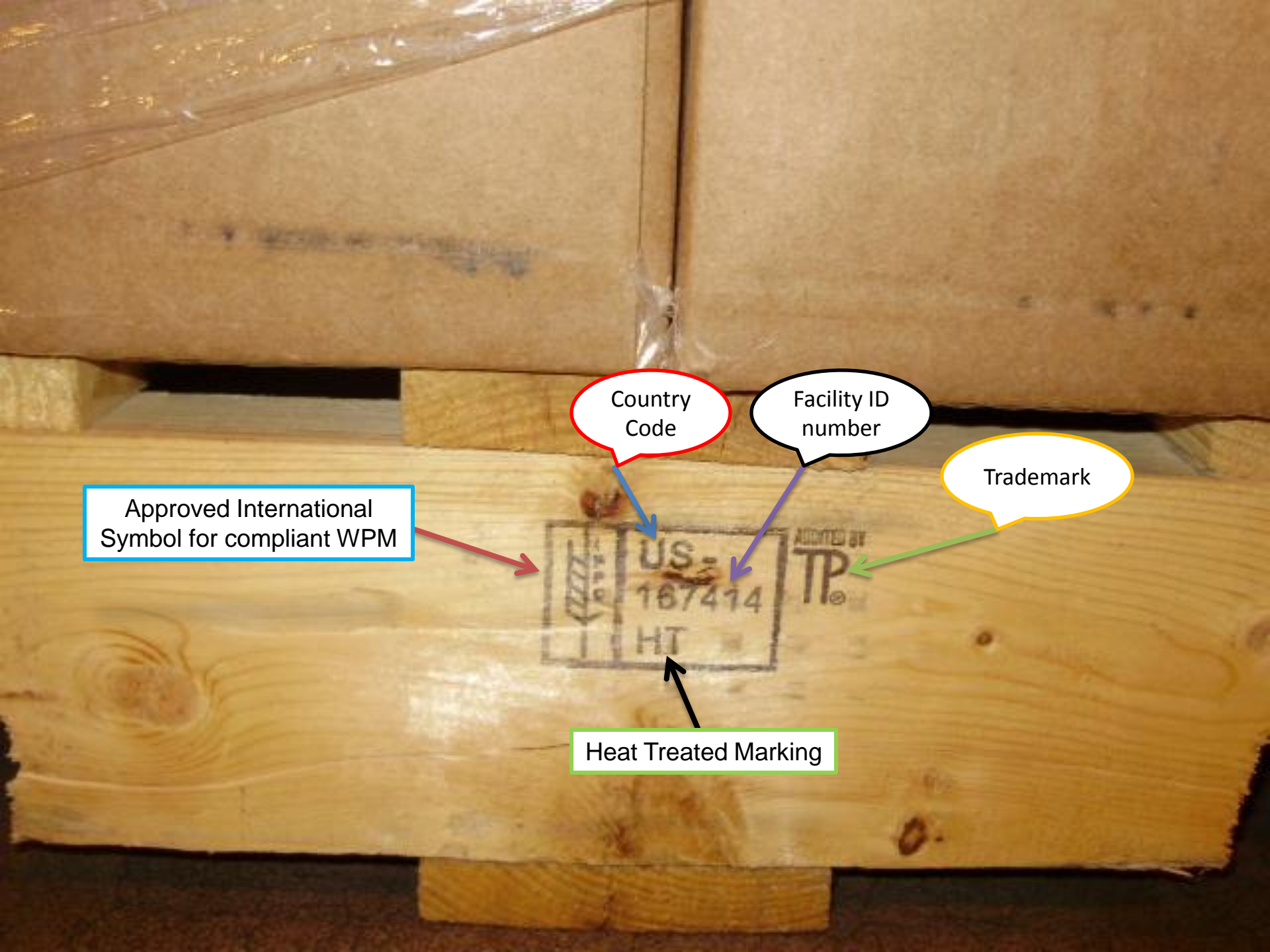


7170

US-  
08349  
HT







Country Code

Facility ID number

Trademark

Approved International Symbol for compliant WPM

Heat Treated Marking

US  
167414  
HT

APPROVED BY  
TP





The label is missing the NSN, Contract #, Cage Code, QTY and U/I



## Reasons Items are placed in Condition Code “L”

- Material not received in an acceptable condition – (damaged, non-compliant to **shelf-life requirements**, other quality issues).
- Quantities on shipping documents or invoice are more or less than in the shipment.
- Improper Markings – shipments must be compliant to Mil-Std-129P marking requirements.



Per FLIS /Fedlog QUP is 1 Each

**Customer Information**

PO #: B10509A477A

LINE #:

PART#:

Qty: 49

UDM: EA SU

Allied Stk#: 308-0002

Invoice #: 621494-00

**Product Description:**  
connector assessor, gasket for panel receptacle, usb field and firewire field

Manufacturer Part #: JE15

Manufacturer Name: AMPHENOL PCD SOCAPEX

RoHS Compliant: Yes

UPSGD1 05790

ALLIED

Label is missing NSN, Contract # and MFG Date.





# Reasons Items are placed in Condition Code “L”

---

- No documentation received with the shipment  
\*\* MIL-Std-129P requires a copy of the receiving report be sent with the shipment unless otherwise noted in the contract.
- Wrong CLIN number on shipping documents or invoice.
- Incorrect data on invoice (Delivery order number omitted or incorrect, unit of issue incorrect, etc) Invoice must match contract data.



## **Reasons Items are placed in Condition Code “L”**

**Materials shipped to the wrong location (all contract line items shipped to one location).**





# Upcoming Changes

- pRFID compliance efforts.
- Re-package/relabeling efforts (\$250)
- Beginning 1 October 2011, we will begin an initiative to improve pRFID compliance.

# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

