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


• [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

<table>
<thead>
<tr>
<th>Target project population</th>
<th>Supply Discrepancy Reports (SDRs) with Disposition reduced from &lt;34,000 to 8500</th>
<th>Inventory being placed into litigation</th>
<th>Target Population May 1, 2011 $152M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Value October 2010 $221M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$221M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;34,000 to 8500</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Primary Root Causes

Packaging and Labeling

Other Non-Compliant Vendor Issues

SDR Processing Errors/Inputs

P&L

NC Vendor

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 Marking

Country Code

Facility ID Number
Approved International Symbol for compliant WPM

Country Code
Facility ID number
Trademark
Heat Treated Marking
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

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.