



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 – information on DoD’s Radio Frequency Identification marking requirements
- 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

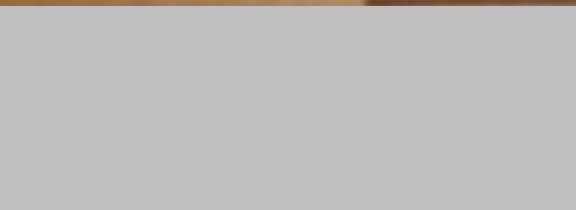
SDR Processing Errors/Inputs

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



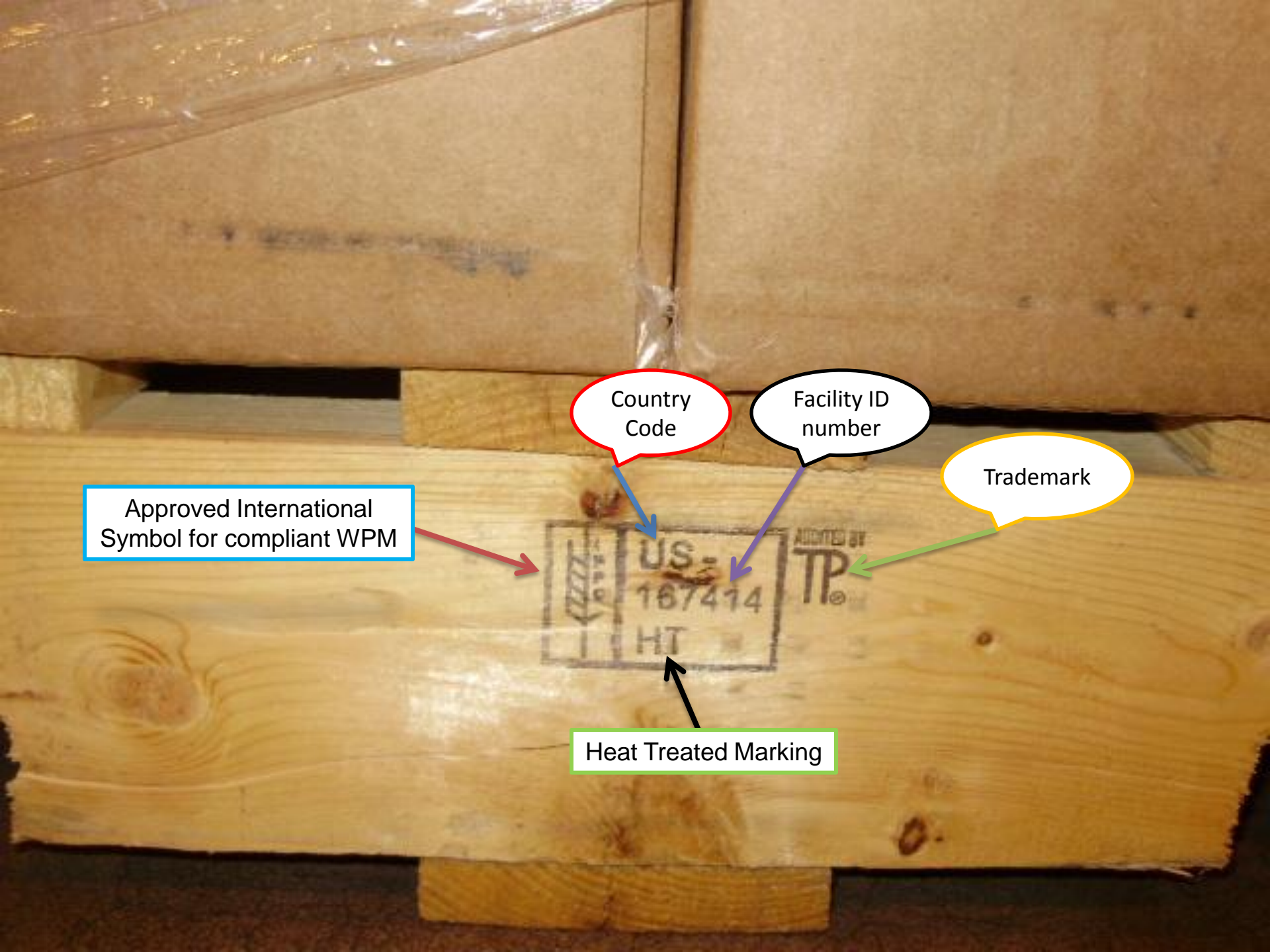
Heat Treated



7170

US-
08349
HT





Approved International Symbol for compliant WPM

Country Code

Facility ID number

Trademark

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

Label is missing NSN, Contract # and MFG Date.

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
ALLIED
RoHS Compliant: Yes
UPSGD1 05790



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.

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