Defense Logistics Agency
Disposition Services
Disposal Solutions for the US Warfighter

Quarterly Insight

FY15
Issue 1

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Greetings Customers!

So much has happened since we last sent out a circular this past fall. This newsletter will review some of the major events that have occurred in the past few months, along with some interesting developments in the coming months. Additionally, we'll go over some of our performance metrics to show how well we have accomplished serving you.

We have had a huge success with the inaugural *auction* between our brand new business partner, IronPlanet and our sales office. The first online auction of rolling *stock* conducted by IronPlanet resulted in nearly 450% more profit that would have been gained under the previous contract. This is a tremendous realization from many long months hard at work getting all of the pieces in play. Additionally beginning this month, certain soft-sided HMMWVs will be offered for public sale for the first time. This will undoubtedly *strike* up a good deal of interest – don't be too surprised to see one off-roading sometime soon.

We have hit a record year for reutilization, as we filled requisitions for more than $3 billion in excess property. As DOD's budget continues to decrease, these statistics are more important than ever as they ultimately help units in a time of budget reductions find the parts and equipment they need to complete their mission.

Lastly, we want to highlight the transition for our Director, Mr. Michael *Cannon* as he retired from active duty to join the Senior Executive Service (SES) and lead DLA Disposition Services as a civilian. Mr. Cannon has brought a *wealth* of knowledge to the organization, and we are excited to have him continue on with us.

Thank you all for your support! We appreciate all of your efforts in making this a groundbreaking year. Please stay safe during the holidays; we look forward to working together with all of you in 2015!

Tina Aldrich
Director, Customer Support
DLA Disposition Services

Attention! Changes Incoming

As part of our ongoing goal to be adaptive and responsive to our customer's needs, DLA Disposition Services is announcing a new policy change that will be implemented across all field sites effective January 1st 2015. This policy is focused on providing consistency and continuity to our customers from our varied locations across the *globe*. The first step in accomplishing this is to establish consistent 'open hours' when our customers can screen property for RTD.

The official policy reads:

> "Beginning on January 1, 2015, all DLA Disposition Services field sites will be open for RTD screening on Tuesday, Wednesday, and Thursday between 0800-1400 and by scheduled appointments outside of those specified times."

What this means for you, is that our customers can arrive at any site within those specified times (barring federal *holiday*) and you will be able to physically screen property for your unit/organization. Additionally, other screening times can be requested and coordinated for a specific location, depending on the customer's requirements and the availability of personnel at that site.

Upon arrival to screen property, DOD customers with CAC cards will need to sign in, but will not be required to be under an escort. All other customers will need to sign in and remain under escort during their time at the field site.

Please note that this information **does not apply** to DLA Disposition / DLA Distribution sites that have been restructured under D2. As a reminder, all customers are required to be escorted at the following Distribution sites:

> Anniston, Bahrain, Barstow, Cherry Point, Germersheim, Guam, Hill, Jacksonville, Norfolk, Okinawa, Pearl Harbor, Red River, Richmond, Sigonella, Susquehanna, Tracy, and Warner Robins.

To find a site that is closest to you, please visit **www.dispositionservices.dla.mil/drmo**

Commercial Venture Success

As you might recall, in early April of this year, DLA Disposition Services conducted an auction for Commercial Venture 4 – Rolling Stock (CV4-R) sales contract. IronPlanet, Inc. emerged as the apparent high bidder with the contract being awarded in July.

IronPlanet is set to pay .25% of the original acquisition value of the item upon receipt, with the remaining 75.29% of *gross* sale price back to DLA after the item is sold.

The very first *auction* of rolling stock was held by IronPlanet on Nov. 19, which brought nearly a 450% greater return to DLA than the agency would have received under the prevous Commercial Venture (CV) contract. In total, 95% of the 167 available items sold, producing 3,400 bids and returning more than $750,000 to DLA. The auction was conducted after a morning meeting between DLA Director Vice Admiral Mark Harnitchek, DLA Disposition Services Director Mr. Michael Cannon and IronPlanet's Chairman and CEO, Mr. Greg Owens. Mr. Owens shared with DLA Leadership an in-depth business plan for the contract and gave a behind the scenes *tour* of the Pleasanton, CA. Headquarters Operations Building.

The adoption of the CV4-R sales contract across DLA Disposition Services' field sites hit the halfway point in November and will reach every participating site in early January. The tiered roll-out schedule is due mostly to IronPlanet's need to hire and train additional employees to cover its new business. The *firm*, which has handled online auctions of used heavy equipment for more than a *decade*, recently created a new online marketplace, GovPlanet, to exclusively sell authorized government used and excess rolling stock.

Sales personnel from DLA Disposition Services have provided training to fellow disposal specialists at nearly 42 sites so far. The sites already functioning under CV4-R have compiled over a 1,000 items valued at more than $55 million.

DLA Disposition Services sites receive pre-delivery orders each week indicating which rolling *stock* items are authorized for transfer to IronPlanet. In cases where IronPlanet is allowed to sell in place, items are not required to be transported before they are sold at auction. When items cannot be sold in place, DLA personnel prepare them for shipment and IronPlanet arranges transportation.

Starting in December, the general public will be offered the opportunity to place bids on certain types of HWWMVs (model numbers M998, M998A1, M1038, and M1038A1). Units turning in these types of HMMWVs are reminded that all Government Furnished Equipment and Demil-required items must be removed prior to turn-in to reduce the risk of controlled property being released to the public.

The CV4-R contract will remain in effect for two years, with the option for four 1-year *extensions*.

Performance Review

Fiscal year 2014 has finally come to a close, so we can give you all a brief overview of our performance. A good deal of challenges arose that impeded progress in some areas, but we firmly believe you will be pleasantly surprised at everything we have accomplished in the past 12 months.

Reutilization/Transfer/Donation

This was a *record* year for reutilization, as we met and exceeded our Annual Operating Plan objectives. DOD was able to reutilize over $3B worth of DOD property (in acquisition value) and filled over 206K requisitions. The Law Enforcement Support Office contributed to these numbers by breaking their own records for requisitions for the year. Additionally, we increased reutilization efforts to *range*s by over 200%. Congratulations to all of you who utilized this great opportunity to save taxpayer dollars!

Sales

We exceeded our *goal* by $55M with over $103M in sales! The large disparity between previous years and the drastic increase this past year is mainly due to greater *volume* of Southwest Asia (SWA) sales this year. Why do you care? Because ultimately revenues for us mean a decreased Service Level Bill to you! In addition, the Qualified Recycling Program (QRP) reimbursements were up 90% from $12M in FY13 to $22M in FY14. We know many of you have patiently waited for those and we want to thank you again for your patience while we worked the kinks out of our new systems.

Transportation

Decreasing turn-in times for our customers remains a top priority for us, because we KNOW it is important to you. Fortunately, we have made some significant progress in this area. Local turn-in customer wait time has decreased from an average of 40 days in May 2014 to 10 days at the end of September. We also went from 27 sites out of *tolerance* (the goal for all sites is 14 days) in May to 16 sites in September.

Unfortunately, customer wait time for Transportation that DLA Disposition Services schedules has not fared as well and actually increased from a wait time of 17 days in May to 20 days wait in September. This is largely due to a capacity issue with DLA and the huge volumes of property being turned in as we continue to divest and *reduce* stock levels throughout all of the DOD. Again, we understand that reducing your wait time for turn-ins is one of the most important issues to you our customers, and we are diligently working to reduce this.

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Customer Response

As you know, we love to survey our customers so we can get your feedback and act on it! This year, we changed our methodology to make the process much more "real time" and therefore relevant. We now send our ICE (Interactive Customer *Evaluation*) survey links monthly – only to customers who used our services the prior month. Therefore, when we see your comments – it is about your recent experience and we can take action that is meaningful to you.

We believe this new method helped us *crush* our response rate goal of 16%, averaging the year out at 20%! We also exceeded our customer satisfaction rate goal of 90% every quarter, ending with an average of 94%. Thank you for continuing to complete those surveys and for giving us your candid comments – it helps us to better serve you, which is, of course, the real goal!

Overall, we have had a phenomenal year for RTD and Sales. We are strengthening our *approach* to customer relations /service, and are continuously working to *reduce* the lengthy wait times for turn-ins. We have our work cut out for us for this upcoming year, and hope to continue to meet and exceed your expectations.

Crossword

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Crossword

ACROSS

3. Spanish Futbol announcer's favorite word
5. Ten Years
7 Extra hair attached to your own by a hairdresser
8. Group of mountains, or a household appliance
9. A sale by bidding
11. The British do not go on vacation, they go on _____
15. A _____ of duty, or a trip to several places
16. Acceptable limits, or the acceptance of different views
19. Useful tool for a union
20. Shares issued by a company, traded in a specialized market in New York

DOWN

1. A spherical map
2. _____, Reuse, Recycle
4. An aircraft makes a final _____ before landing
6. Infantry are sometimes known as "_____ fodder"
7. An assessment or examination
10. A commercial group such as a law _____, or the antonym of soft
12. Sound control. Turn down for what?
13. Revolting or disgusting. Alternately, the total amount before net is removed
14. "She possesses a _____ of knowledge" Opulence or luxury
17. Music disk played on a phonograph
18. A brand of orange or grape flavored soda

Stuck? All answers can be found throughout the newsletter in italicized text

Defense Logistics Agency Disposition Services

Contact Us

We care about what you think!

If you have any questions, comments or suggestions, please email us at:

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