

DLA Disposition Services

The November 2016 Edition

Introduction

Message from the Director
Table of Contents

Sales

Ship Recycling
Scrap and Salvage Recycling
E-Recycling

Updates

Digital DSR
Quality Recycling
Program (QRP)
Precious Metals Recovery
Program (PMRP)
Army 980K Support
Support to Military Services

Good Info

Customer Engagement
ICE



Insight

Message from the Director

Hello Customers!

Our summer months were busy and fall has arrived! This edition of the Insight Customer newsletter highlights the Precious Metals Recovery Program (PMRP), the support to the Army 980K Divestiture and the Scrap & Salvage Recycling contract.

As our fiscal year ends, we take pride in our accomplishments. We have showed marked improvements in resolving customer concerns in FY16 over previous years, the Disposition Site Managers continue to remain steady meeting monthly requisitioning goals and our sales contracts are producing higher proceeds compared to previous contracts.

Collectively, the Army and Disposition Services have made great strides in reducing overall Army excess. Customer engagements, including the DLA Warfighter Support Initiatives (DW/SI) and Special Forces Industry Conference (SOFIC) provide awareness and training for customers.

In the months ahead, our organization will be experiencing change; optimizing our resources to operate more effectively in a fiscally constrained environment. Our cooperative efforts will allow us to serve you "the customer" better in FY17.

Tina Aldrich

Director, Customer Support
DLA Disposition Services



Contents

- 2 Letter from the Director
- 3 Digital DSR
- 4 Quality Recycling Program (QRP)
- 5 Ship Recycling
- 5 Scrap & Salvage Recycling (SSR)
- 6 e-Recycling
- 6 Support to Military Services
- 7 Precious Metals Recovery Program (PMRP)
- 8 Army 980K Support
- 9 Customer Engagement
- 9 ICE

Defense Logistics Agency Disposition Services Insight

Insight is a quarterly publication dedicated to engaging and educating the Uniformed Services and other members of our customer community.

It is produced by the J4 Customer Support Directorate of DLA Disposition Services.

For questions regarding this issue, please contact:
dladispositionservicescrmtteam@dla.mil



DigitalDSR

The Digital DSR is publicly available on the DLA website and can be found at: www.dla.mil/ddsr

Successfully navigating the complex processes and layers of property disposal can appear intimidating and difficult for new users wishing to dive into the system. Sometimes not even knowing where to begin can halt the learning process in its tracks. To help combat this, DLA Disposition Services has created an online tool called The Digital DSR to help ease individuals into the learning curve and coach them into a successful business relationship with DLA Disposition Services.

Disposal Service Representatives (DSRs) are the first line of contact that many disposal or reutilization customers encounter. In the DLA Disposition Services customer support toolbox, DSRs can easily fit into the Swiss army knife category. They provide a broad spectrum of knowledge and capabilities for customers to call upon to address issues. DSRs are frequently flooded with questions ranging from “will you accept this type of property” to “how do I get new items from Disposition Services” and anything in between.

A determined effort has been made to capture the encyclopedic level of disposal know-how and customer service professionalism that physical DSRs provide into The Digital DSR application. From the beginning, the desire has been to create a tool that can quickly provide a broad range of customers with the foundation to successfully do business with Disposition Services. The tool walks users through the process of registering for accounts, searching for property, disposing of items, contacting a site, and other commonly requested topics.

Additionally, a collection of standardized training has been provided to DSRs for classroom instruction. This will allow for a common message and systematic approach across all of DLA Disposition Services field locations.



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DigitalDSR

Check it out!

Qualified Recycling Program (QRP) Reimbursement Rate Adjustment

The Qualified Recycling Program (QRP) is a U.S. military installation wide, facility-managed and run recycling program aimed at pollution prevention and minimizing environmental impacts.

In July 2016, DLA Disposition Services conducted an internal review of the QRP. Due to this review, the process for calculating reimbursements to QRP generators required a change to comply with statutory and regulatory financial requirements.



DOD Financial Management Regulation (FMR), DOD 7000.14-R (Volume 1 IA, Chapter 5), Title 40-U.S.C. § 571 (b), and DODI 4715.4 require DLA to make reimbursements based on net proceeds and to retain administrative and handling costs.

Prior to the review, participating QRPs in CONUS with scrap sales conducted under the Scrap Venture (SV) contract were reimbursed based on 100% of the gross sales proceeds received by our sales contractor minus \$0.04 per pound for the administrative and handling costs. Pursuant to the internal review and effective immediately, DLA Headquarters directed these reimbursements must be made based on the actual amount of proceeds received from the sales contractor. In FY16, DLA Disposition Services received 37% of the gross sales proceeds. Beginning in FY 17 under the new Scrap and Salvage Recycling (SSR) contract, the rate of return will increase to 64.5% of the gross sales proceeds. Additionally, our administrative and handling costs will increase to \$0.06 per pound to completely account for all expenses related to processing QRP eligible materiel. For non-SV/non-SSR scrap contracts, the only change is to the administrative and handling cost per pound.

While we understand these changes significantly impact our customers, DLA must ensure reimbursements to QRPs fully comply with statutory and regulatory requirements.

Adjustments to FY 16 are below:

	Remaining FY16 SLB amount	QRP adjustment	Amount to be billed Sept. 2016
Army	5,854,166.67	(1,386,580.47)	4,467,586.20
Navy/USMC	2,704,083.33	(37,921.34)	2,666,161.99
Air Force	1,652,500.00	(253,955.37)	1,398,544.63
Total	10,210,750.00	(1,678,457.18)	8,532,292.82

FY17 adjustments will be made quarterly based on actual Qualified Recycling Program (QRP) turn in's

Ship Recycling

Progress on the Ship Recycling sales contract is going well. The third ship, the ex-Jarrett, is completely dismantled and the ex-George Phillips is 80% complete (see pictures below). The fifth ship, the ex-Thomas S Gates, will be towed by the buyer to New Orleans in December, followed shortly by the last ship, the ex-Doyle.

NAVSEA Inactive Ships requested an additional contract for four ships as a single sale, but soft metal market prices and the cost of towing contributed to no contract award. They have identified additional ships that are available to DLA Distribution Services for award, and we will be working diligently to find a marketing strategy that addresses NAVSEA goals and industry concerns.



Scrap & Salvage Recycling (SSR)

The Scrap & Salvage Recycling (SSR) Contract replaced the Scrap Venture (SV) contract and went into effect October 1, 2016. The contract was awarded to the incumbent, Liquidity Services, Inc. Site Training has been provided with a mix of in-person and DCO training via call-in attendance. This is a broker sales relationship where the resale buyer will physically remove property. This Improves recycling efforts of challenging commodities, as the buyer can no longer refuse scrap items (eg. Furniture and tires) and has higher revenue potential for DLA Disposition Services.



E-Recycling

The E-Recycling sales contract has now been in full operation for nearly one year. We are currently in alignment with our projections by delivering approximately 250K-450K pounds of material per week to our contractors. Billing issues early in the life of the contract have been resolved. By leveraging improved evidential matter collection with our field sites, all debits and credits resultant from the billing anomalies have been processed. Additionally, site visits to the electronics DEMIL centers and contractor's facilities will be ongoing. These visits revolve around the receiving and processing of DEMIL and DEMAN property at the sites. Visits are aimed at maximizing efficiency and will be performed by the e-Recycling Sales Contracting Officer in conjunction with the Program Manager from the DEMIL/DEMAN office.



Support to Military Services

DLA Disposition Services not only provides free issue property to offset your budget; we dispose of Hazardous Materials and items requiring demilitarization! Our goal is to deliver maximum results from taxpayer resources while effectively conducting business with respect and care for the environment. From vehicles to office supplies to clothing to hand tools – property disposal comes with a cost but reutilization continues the life cycle of the property, offsets new procurement, supports the mission and budget needs. The table below represents FY16 totals by Military Services.



	Reutilization		Turn-In Usable	
	LI	AV	LI	AV
ARMY	11,613	\$623 million	1,448,910	\$10 billion
NAVY	11,082	\$199 million	413,517	\$3.5 billion
AIR FORCE	8,734	\$423 million	444,007	\$5 billion
MARINES	2,465	\$56 million	193,431	\$1.3 billion
COAST GUARD	111	\$381 thousand	14,552	\$148 million

Department of Defense Precious Metals Recovery Program DLA needs your help in identifying and turning in precious metals bearing materials (PMBM)!

What is this all about?

For over 40 years, the Precious Metals Recovery Program (PMRP) has been a cost-effective program to manage turned in property that is PMBM that contain gold, silver, platinum and palladium. DLA Disposition Services takes in the PMBM and smelts down the property to collect precious metals for re-use in future DOD supply contracts. With one low set price for these precious metals, the government does not have to rely on ever-fluctuating market prices.

During these 40 years, PMRP has recovered over \$500,000,000 worth of precious metals and saved more than \$325,000,000 in supply contracts that passed the savings onto the DOD. DLA Disposition Services has been tasked with managing this cost-saving effort and it is up to all of us to ensure we capture as much PMBM as possible!

Sounds good, how can I help?

DODM 4160.21 Vol. 2 indicates that participation in this program is mandatory by all DOD branches, and DLA Disposition Services needs your help in fulfilling PMRP goals. You can help by doing the following:

- Finding and using the correct National Stock Numbers (NSNs) when turning in your property (many NSN items have a code to identify PMBM to take the guess work out of it)
- Asking for help from your local DLA Disposition Field Office Disposal Service Representatives (DSRs) in identifying PMBM and filling out the 1348 correctly.
- Using our list below to help identify some common PMBM:



Misc. Electronics
Circuit Cards, Wiring Harness, Solid State Drives, Transistors/Diodes, Gold Plated Connector Pins



F22 Exterior Paint/Paint Residues
Used/Unused Paint, Paint Scrapings, Contaminated Paint gear



Dental Scrap
Used and Unused



X-ray Films
Used and Unused

PMBM does NOT go to the Qualified Recycling Program (QRP)

As tempting as it may be to turn in your PMBM through the QRP, QRP is not authorized to recycle PMBM and there are no "waivers" to go around the PMRP.

Together we can make a difference by ensuring we are not letting these items go to waste by identifying and turning them in properly.

DLA Disposition Services Support to Army 980K Drawdown

In October of 2015, the Army Reorganization (980K) Executive Order (EXORD) was published to provide guidance on the reduction of Army forces to 980K, with direction to turn in all excess Army equipment inventory.

Since the execution of the EXORD, the Army is extremely busy implementing troop moves and identifying excess across all Army components, units and installations. These actions have led to significant volumes of disposals, resulting in an ever-growing partnership between the Army and DLA Disposition Services. With an end state for the Army to be postured and resourced to support the 980K structure by September 30, 2017, DLA Disposition Services sites are aggressively working to handle the increase in disposal volumes required to meet Army timelines. The Unit Equipping and Reuse Working Group-Enhanced (UERWG-E) is one initiative that is ongoing and includes an installation-wide “surge” event to transfer, or dispose of, excess. The goal of the UERWG-E process is to identify excess property on the installation, obtain disposition instructions, and then execute transfers to the appropriate outlet during the two or three-week surge event. The UERWG-E is the initial planning session which includes all of the participating tenants on the installation, along with DLA Distribution Expeditionary (DDE) and DLA Disposition Services. The UERWG-E meets to determine timing and parameters of the events. In most cases disposal sites have also provided training to assist units in understanding disposal documentation and procedures prior to turn-in execution.



In support of 980K Drawdown at the Army major command level, the Army Materiel Command, the Life Cycle Management Centers, the Department of the Army, G-4, and DLA Disposition Services are in the process of reviewing excess major end items at several CONUS Army depots to determine demil prep and disposal requirements. The intent of the Army is to get property that is excess transferred to DLA Disposition Services for disposal. However, much of the excess equipment requires demilitarization and in some cases Army demil prep funding is limited. DLA Disposition Services held an Industry Day in September 2016 where the Department of the Army and private industry guests gathered to get input from industry regarding best practices that would increase the viability of these types of sales given today's scrap market prices. Specific areas of discussion included the types of military equipment expected to become available in the future, representative examples of the preparations for rolling stock, and information about how the agency currently conducts Demilitarization as a Condition of Sale (DCOS).

Collectively, the Army and DLA Disposition Services have made great strides in reducing overall Army excess in support of 980K. Despite challenges of resource constraints, aggressive timelines and unprecedented volumes of workload, a great partnership has formed and been extremely successful.



Customer Engagement

DLA Warfighter Support Initiative (DWSI)

Members from DLA Disposition Services HQ participated in the DLA Warfighter Support Initiative at Norfolk Naval Base on June 7-8, 2016.

The event was designed to provide an overview of Disposition Services, answer customer specific questions and provide hand-outs on “how to create an AMPS account” and “how to build a want list”. The event also included a Senior Leader breakout session attended by COL Wayne Bondy, Deputy Director, DLA Disposition Services.



Special Forces Industry Conference (SOFIC)

In the midst of new high tech weapons systems, the latest drone technology, and enhanced body armor suits, representatives from DLA Troop Support, DLA HQ and DLA Disposition Service participated in the Special Forces Industry Conference (SOFIC) held May 23-25, 2016 in Tampa, Florida.

SOFIC is the defense industry’s leading event and provides a forum for military, government, academia, and industry stakeholders to network and discuss current and future challenges and how to best support our Special Operations Forces (SOF) around the globe.

Events like these continue to be the cornerstone of DLA’s customer outreach program and is a great example of the “one DLA” slogan. DLA’s presence at this event left a lasting impression with current and future customers and has foraged new relationships with Troop Support, DLA HQ and DLA Disposition Services.

Interactive Customer Evaluation (ICE) Customer Service

You have spoken and we have Listened! Based on thousands of Interactive Customer Evaluation (ICE) surveys Disposition Services has achieved a 91% customer satisfaction rating.

Customer service sets great organizations apart from the rest. According to the American Customer Satisfaction Index (ACSI) our customer satisfaction rating rivals the likes of Apple, Toyota, and Microsoft. Keeping our warfighting customers happy is the reason we exist, everyday throughout the world hundreds of Disposition Services employees support thousands of Department of Defense and Law Enforcement customers who take the time to rate our services. Comments about our services include positive attitudes - “Everyone that I came in contact with the day of turn-in was extremely



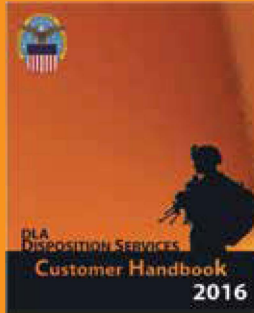
helpful and pleasant.” Our effectiveness; “Your staff are the rock stars of supply and disposition.” And our value; “Incredible resource, which has helped sustain our unit in these financial-

ly strict times!” For an organization that prides itself on being where our customers are, regardless of if that means southwest Asia, Afghanistan, or Alaska, comments like these that originate from where the “rubber meets the road” mean that we’ve successfully taken our customer service to the comradery level. We also take action on negative comments; as we are always looking for ways to improve our service.

In the upcoming Interactive Customer Evaluation (ICE) surveys; we are focusing on Hazardous Waste removal and need your feedback!

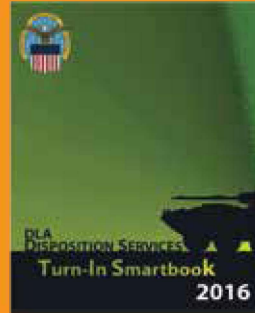
Customer Handbook

This handbook is a great primer for understanding DLA Disposition Services and how our business relates to you. It contains site locations, helpful pages on our Website, and step-by-step guides on getting started with our online programs.



Turn-In Smartbook

Turning in items to Disposition Services? This quick reference guide offers a thorough approach to getting your property disposed. It covers an extensive range and scope of items and how to prepare them for turn-in. Additionally, this guide demonstrates how to properly fill out the required paperwork.



CLICK HERE to view the books

<http://www.dla.mil/DispositionServices/Offers/Customersupport/Library/Handbooks.aspx>

We care about what you think!

If you have any questions, comments, or suggestions, please fill out an ICE survey here:

<https://ice.disa.mil/index.cfm?fa=card&s=683&sp=128709&dep=%2aDoD>

If you have any general questions, please let us know

24-Hour Customer

Call 877-352-2255

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