MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Directive-Type Memorandum (DTM) 14-010 - DLA Inventory Rightsizing

(b) DoD Comprehensive Inventory Management Improvement Plan, October 2010

Purpose. This DTM establishes policy for DLA’s Inventory Rightsizing efforts of FY14. This DTM is effective immediately. This DTM shall expire and be incorporated into a new DLA Instruction within 12 months from the date of DTM issuance.

Applicability. This memorandum applies to DLA Logistics Operations, DLA Office of Operations Research and Resource Analysis and DLA’s Primary Level Field Activities (PLFAs). It applies specifically to Military Services directly supported with DLA-owned materiel.

Policy. DLA encourages and will consider customer input when evaluating inventory retention levels. In particular, Services are urged to provide timely data associated with programmatic changes (e.g. weapon system modifications, planned additional fieldings, etc.) as well as relevant changes in stockage profiles and/or sparing philosophy that would impact DLA-managed consumables. DLA, as the owner of the inventory, will make the final retention or disposal decision, but will carefully consider customer input as part of the review process.

DLA support to Military Service customers is measured by metrics such as Material Availability, Backorders, and response times as outlined in individual Service Performance Based Agreements (PBAs). DLA is committed to achieving these performance goals while also right-sizing our inventory levels.

Responsibilities. DLA will evaluate Service input as outlined in the above Policy section. Services may request lists for review of on-hand and demand information for DLA owned items in a retention/excess position.

Procedures. DLA will consider requests for newly identified exclusions from disposal actions for DLA-owned material associated with Service Weapon System/NIINs only from General Officer/Flag Officer/SES level. Upon DLA J3 Director Approval, inventory will be temporarily exempted from reduction and disposal actions.
DLA and the Military Services will establish mutually-agreeable review timelines for retention quantities, not to exceed 3 months. Upon receiving input from a Service (either unsolicited or response to a retention list) DLA will notify the Service of its retention/disposal decision. If no input is received from the Military Service within the allotted timeframe, DLA will decide item-level retention quantities in accordance with inventory stratification rules.

**Information Requirements.** None.

**Internal Controls.** DLA Logistics Operations will be the point of contact for retention stock review. DLA Logistics Operations-J34 and in coordination with DLA Office of Operations Research and Resource Analysis and PLFAs will determine policy and procedures for materiel retention and disposal.

**Releasability.** UNLIMITED. This DTM is approved for public release and is available on the Internet from the DLA Issuances Internet Website at [http://www.dla.mil/Issuances/](http://www.dla.mil/Issuances/).

The POC for this DTM is the Military Service Support Division. Questions may be directed to your respective Service National Account Managers.

\[Signature\]

KENNETH S. DOWD
MG, USA
Director, DLA Logistics Operations

**Attachment:**
Retention Review Process

**DISTRIBUTION:**
COMMANDER, DLA AVIATION
COMMANDER, DLA LAND AND MARITIME
COMMANDER, DLA TROOP SUPPORT
COMMANDER, DLA DISTRIBUTION
COMMANDER, DLA DISPOSITION
DLA OPERATIONS RESEARCH AND RESOURCE ANALYSIS
DLA LOGISTICS OPERATIONS-J31/34
Retention Review Process: Initial

The below process represents the initial Service Retention review of DLA-owned inventory:

<table>
<thead>
<tr>
<th>Timing</th>
<th>DLA NAM</th>
<th>Service</th>
<th>Service</th>
<th>DLA HQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>Notify Services of All Current Retention &amp; Protections</td>
<td>Inventory Review &amp; New Requests</td>
<td>NIIN Level Requests For Expiring Requirements</td>
<td>Review/ Respond to Retention Updates</td>
</tr>
<tr>
<td>April-June</td>
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</tr>
<tr>
<td>All NIINs with current exclusions/protections/retention as applicable</td>
<td>Review protected NIINs and associated inventory data</td>
<td>NIINs still requiring protected inventory</td>
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<td></td>
</tr>
<tr>
<td>Total inventory stratification</td>
<td>Immediately notify DLA of issues with retention levels for anything not currently protected</td>
<td>Minimum requested retention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weapons System alignment</td>
<td>Retention reason</td>
<td></td>
<td></td>
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<tr>
<td>Years of no demand</td>
<td>Expected duration (must be within the year)</td>
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<tr>
<td>July</td>
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<td>DLA respond to service recommendation</td>
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<td>If no response or incomplete response received, default retention logic will be used</td>
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</tr>
</tbody>
</table>

Note: Services should alert NAM of any updates to programmatic information (engineering changes, new weapons system, etc.) as it becomes available.
Retention Review Process: Ongoing

The below process represents the Service Retention review of DLA-owned inventory as outlined in DTM 14-010 DLA Inventory Rightsizing.

Note: Any DLA Owned inventory not protected within approved retention is eligible for disposal consideration as part of the inventory reduction effort to reduce cost to the department.

- To protect all inventory for a weapon system or NIIN from disposal consideration, an approved request from the General Officer/Flag Officer/SES level is required.