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# DLA Disposition Services

The *April* Edition

**DLA Disposition Services**  
**Customer Support Directorate**  
Hart-Doyle-Inouye Federal Center  
74 Washington Ave, North  
Battle Creek, MI 49037-3092  
[www.dla.mil/dispositionservices.aspx](http://www.dla.mil/dispositionservices.aspx)



# Insight

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## Message from the Director

**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: [dladispositionservicescrm-team@dla.mil](mailto:dladispositionservicescrm-team@dla.mil)

### Hello Customers!

The snow might have just now melted up here in the frozen north, but the cold hasn't slowed us down. We have been extremely productive so far, with no sign of slowing down.

In this issue of Insight, we are taking a closer look at what our Sales branches have been able to accomplish in the past few months. As all of DOD is facing cutback and budgetary restrictions, DLA Disposition Services is no exception. Our Sales branches continue to afford us the opportunity to continue serving you to the utmost of our abilities. Their innovation and resourcefulness allows us to generate significantly more revenue than we previously could have ever imagined.

As budgetary reductions and re-posturing seem to be the new norm for the future, DLA Disposition Services is taking a two-pronged approach at overcoming these obstacles. First, we are taking a closer look at ourselves and how we accomplish our business through our Network Optimization Initiative. This will enable us to emerge leaner, more cost-effective and responsive to our customers' needs than we were previously able to. Secondly, we are providing tailored Service-level support for our customers as they face drawdowns and divestitures. A prime example of this is our support for the Army as it is undergoing its reduction to a 980K force.

In this edition of our newsletter, we have a good deal of other information to share including an upgrade for our location at Richmond Virginia, nation-wide customer engagement from our DLA HQ Corporate Events team, and several other pertinent announcements.

I hope that you find this newsletter interesting and relevant. This will be an eventful year for us at DLA Disposition Services and the DOD in general, and we are looking forward to sharing it firsthand with all of you.

**Tina Aldrich**  
Director, Customer Support

## Richmond Site Expansion

The DLA Disposition Services location at Richmond, VA is currently undergoing an incredible evolution. It is transitioning from being one of our smaller locations into a center of excellence for the entire eastern region.

Richmond will soon have the capabilities of nine truck bays (prior to this it had one), and well over a quarter million square feet of indoor storage bays. This sheer capacity will allow us to totally transform how we do business on the east coast, which will directly impact all our customers in the region—even if they don't call Richmond home. This massive new capability will allow us to completely overhaul our behind-the-scenes logistics for the area, affording some of our other locations some breathing room and margin.

If you find yourself in central Virginia, we definitely encourage you to drop in and see our new incredible facilities at Richmond!

- 9 Truck bays enable ideal unloading into the 36,000 sq. ft. Central Receiving (BLDG 98)
- 360,000 sq. ft. indoor storage space
- Narrow Racking can store over 23,000 Tri-walls in each 40,000 sq. ft. bay.



New warehousing facilities at our location at Richmond, VA

# Vehicle Turn-In Guidance

Did you know that every week, dozens of vehicles are turned in to our sites across the globe? They range in condition from non-drivable, scrapped vehicles to near-pristine examples that are quickly reutilized.

If your agency is about to turn in a vehicle to DLA Disposition Services, there are some key things to be aware of beforehand. Vehicles that have commercial applicability (property that is DEMIL A and Q6) and that are still serviceable require a 1348-1A form for turn in and potentially a service Limited Technical Inspection (LTI) form.

LTIs are required for the following Federal Supply Groups (FSGs):

- 1) FSG 23: Ground Effect Vehicles, Motor Vehicles, Trailers, and Cycles
- 2) FSC 24: Tractors
- 3) FSG 38: Construction, Mining, Excavating, and Highway Maintenance Equipment
- 4) FSG 39: Materials Handling Equipment

The LTI should identify any major, missing, or reclaimed components such as the engine, transmission, differential, wheels, axles or doors that would impair the use of the vehicle. The LTI needs annotation for one-time cost of repairs, to include cost of parts and labor time. Hand written annotations must be legible. This information is valuable for our customers when making decisions on whether to requisition the vehicle based on its operability or cost associated. The more information that is on these forms allows us to better market these items to our other customers

So, if you are turning in a vehicle that does not require to be demilitarized, that has usefulness left... remember, we need a DD Form 1348-1A, the LTI, any certifications (if applicable), a quarter tank of gas and most importantly do not drain and purge the vehicle. For vehicles that are not serviceable and have surpassed their useful service life can be turned in as scrap. These vehicles need to be drained and purged and their battery removed. Scrap vehicles only require a 1348-1A for turn in and no LTI form.

For further questions or guidance, please feel free to contact one of the Disposal Representatives at a site near you, or feel free to check out our Turn-in Smartbook, located on our website:

[www.dla.mil/dispositionservices](http://www.dla.mil/dispositionservices)



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## Ship Recycling

In 2015, Naval Sea Systems Command (NAVSEA) Inactive Ships and the DLA Disposition Services officially re-entered the ship dismantling and recycling business. The first "lot" of six ships to be dismantled and sold under contract consisted of a destroyer, four frigates, and one cruiser. The destroyer and one of the frigates have been dismantled as of February 2016. Two more frigates are undergoing hazardous abatement at the shipyard.

The first batch of ships was a logistics feat; Southern Recycling is in New Orleans, LA and three of the ships were in Bremerton, WA. This culminated in a 45 day-long tow, to include one last passage through the Panama Canal. This voyage cost more than a million dollars per ship, and was paid for and coordinated by Southern Recycling.

Two ships remain to be towed from Inactive Ships Philadelphia to Southern Recycling to complete the twenty-four month contract. The NAVSEA has already contacted DLA Disposition Services to proceed with the next sale of three ships, including the Display Ship Barry, which is docked at the Washington D.C. Navy Shipyard as a museum ship.

Before recycling was undertaken by DLA Disposition Services, this was a zero sum game for the US Navy. The Navy would have to pay the nominal sum of \$1 for a contractor to dismantle the vessels and recycle them. Since DLA Disposition Services has undertaken this process, we have successfully been able to minimize the negative aspects of ship recycling and ultimately generate a revenue stream and turn it into a positive outcome.

We can once again say, "Ships, done that!"



Vessels that are currently being scrapped at our contractor's facilities



## DLA Corporate Events

One of the core missions of our Customer Management Division is Warfighter support, and, as such, it is imperative that the Military Services understand how to do business with DLA. Engagement with Soldiers, Sailors, Airmen, and Marines during scheduled site visits, pre-deployment training, and formal school briefings over the years revealed a significant "blind spot" in the training and education of our Warfighters...that blind spot being if one hasn't served with or worked with DLA in the past, there's a substantial lack of knowledge and awareness of DLA capabilities and how to leverage them. To that end, we've developed the DLA Warfighter Support Initiative (DWSI), which was briefed to and approved by the Deputy Director for Logistics Operations on September 1, 2015.

The DLA Warfighter Support Initiative is a two-day forum that our Service Team National Account Managers and their on-site Customer Support Representatives will lead once a quarter at a major installation for each of the Military Services. The forum will offer a comprehensive portfolio of presentations, booth displays, and training opportunities presented by our Primary Level Field Activities and tailored to each of the respective Services. The target audience is primarily mid-grade officers, NCOs, and civilians who interface with DLA on a regular basis, and there will also be training tracks available for our more senior and experienced Warfighters.

We've conducted an event for the Marine Corps at Camp Lejeune, NC in October 2015, and an event for the Army at Fort Bragg, NC last month. We will have an event for the Navy at Norfolk, VA June 7-8, 2016 and an Air Force event at Langley-Eustis, VA in July 13-14, 2016.

For more information, please visit:

[www.dla.mil/CustomerSupport/MilitaryServices/warfightersupportinitiative.aspx](http://www.dla.mil/CustomerSupport/MilitaryServices/warfightersupportinitiative.aspx)

### Upcoming Engagements

Norfolk:	June 6-7
Langley-Eustis:	July 13-14



DLA Disposition Services team members at the Fort Bragg event, March 22nd and 23rd

## Scrap Venture Auction

Out of all of the property that is turned in to DLA Disposition Services, nearly 70% is eventually rendered into scrap. The sale of this scrap property is a vital lifeline for our agency to do business, and the ability to get the most revenue from these sales is critically important.

This past month, on the 2nd of March, our Recycling Sales Branch hosted a live auction here in Battle Creek, MI. The purpose of this auction was to seek a successor to the current Scrap Venture (SV) contract which handles the sale of all of our scrap material in the continental United States.

The contract was won over the course of 53 bidding rounds, with the winning bid being 64.5%. This means that out of every gross dollar generated from the sale of scrap, 64.5 cents will be returned back to the government. Our Sales office initially estimated that the break-even point for the Government was around a 50% bid price, with everything above that mark generating a profit.

This new contract, which was won by Liquidity Services, will also support our zero landfill initiative. This alone is an incredible achievement which underscores our green commitments. Another key point in the contract is that the buyer cannot return unsold items back to the Government.

We will provide routine updates of the success of this new contract as it progresses implemented later this summer.



Scrap Venture Sales Contracting Officers (SCO) officially opening the auction proceedings.

## DEMIL as a Condition of Sale

The term Demilitarization as a Condition of Sale (DCOS) is a method often used by the DLA Disposition Services to complete demilitarization (DEMIL) requirements on controlled property while producing a revenue stream to the Defense Working Capital Fund (DWCF). Through the DCOS process, DLA reduces transportation, storage and handling fees, and other expenses that would otherwise be incurred for property shipping to a DLA DEMIL Center.

The idea behind DCOS is simple- to generate revenue for the DWCF through the sale of the scrap residue, it indirectly saves money from the cost avoidance and it creates a mutually beneficial opportunity for businesses to purchase excess DoD property. In essence, it is a highly capable tool in our arsenal for property disposal.

For an in-depth example of how the process works, observe the recent DCOS that was conducted at Fort Bragg, NC. For this DCOS, the buyer was responsible to transport the property to their facility where DLA Disposition Services had an employee on site during all DEMIL operations. Our employee's task was to verify that the DEMIL process was followed in accordance with DoD policy and procedures. The buyer was not entitled to the property until DEMIL was completed and both parties signed the DEMIL certificate. The DEMIL process removed all offensive and defensive capabilities as well as destroyed any military designs that relate to their capabilities. Once DEMIL certificates are signed and turned into the DLA representative, the scrap residue resulting from the DEMIL operations belongs to the buyer. The buyer can utilize the property as long as they are adhering to all Environmental and Trade Security Control restrictions and regulations.

This process has several direct Benefits to our organization and to our customers. This includes reducing our operating and transportation expenses by having the purchaser accomplish these tasks. These DCOS contracts also speed up our processing time and move vehicles quicker.



A High Mobility Multipurpose Wheeled Vehicle being Demilitarized as a Condition of Sale

The responsible disposal of electronic waste is a rising concern worldwide as the countries around the globe become more and more reliant on computers, automation devices and cell phones. Vast quantities of precious metals and hazardous materials such as lead, cadmium, or bromides are generated as technology is disposed of. To help mitigate environmental risks and dispose of the DOD's electronics, DLA Disposition Services has set up E-Recycling contracts that allow us to responsibly eliminate our electronic waste through recycling.

DLA Disposition Services has recently awarded two E-Recycling contracts covering the continental United States (CONUS) and its territories. Areas of responsibilities for contracts were divided between east and west, with the eastern contract awarded to Regency Technologies, and the western contract awarded to Global Electronic Recycling. The first shipments of items to be recycled were shipped to both east and west regions on March 7th. DLA Disposition Services handles approximately two million pounds of electronics per month, and these new contracts will allow us to continue the disposal of these items properly. Additionally, these contracts are providing us with a greater return and allow us a greater flexibility than under the previous contract. In fact, this new contract turned a program that cost the government \$3M a year into a Sales contract is estimated to generate \$18M annually.

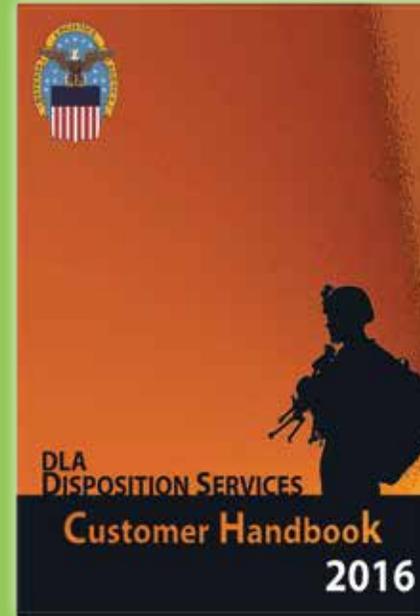
We are excited to keep you abreast of new developments like our E-Recycling program as they grow and change. These initiatives serve to showcase our belief that no one does disposal better or more responsibly than DLA Disposition Services.



The Regency Technologies "triage line", in Twinsburg, OH, where material is initially taken apart and segregated.

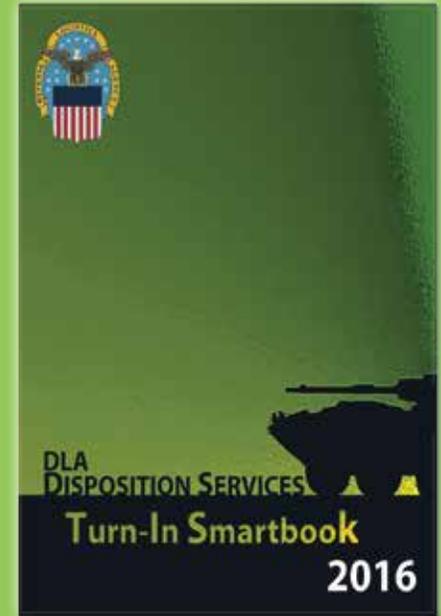
**Everything** you need to know about working with Disposition Services. From where we are located, getting registered, to turning in property, Check out our guides on our website for more information visit:

[www.dla.mil/DispositionServices/Offers/Customersupport/Library/handbooks.aspx](http://www.dla.mil/DispositionServices/Offers/Customersupport/Library/handbooks.aspx)



### 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 goes 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.

## Support for the All Army Excess

The second year of results with the new CV4R contract has continued its impressive upward trend with sustained growth. We are delighted to highlight its success and share with you all how well the contract is doing.

From its inception until now, our business partners Iron Planet have held over 60 state-side auctions that have brought in nearly \$85M in revenue. Almost \$72M of this goes directly back to DLA Disposition Services. These figures are more than 4 times the previous amount of revenue that we would have received under the previous contract.

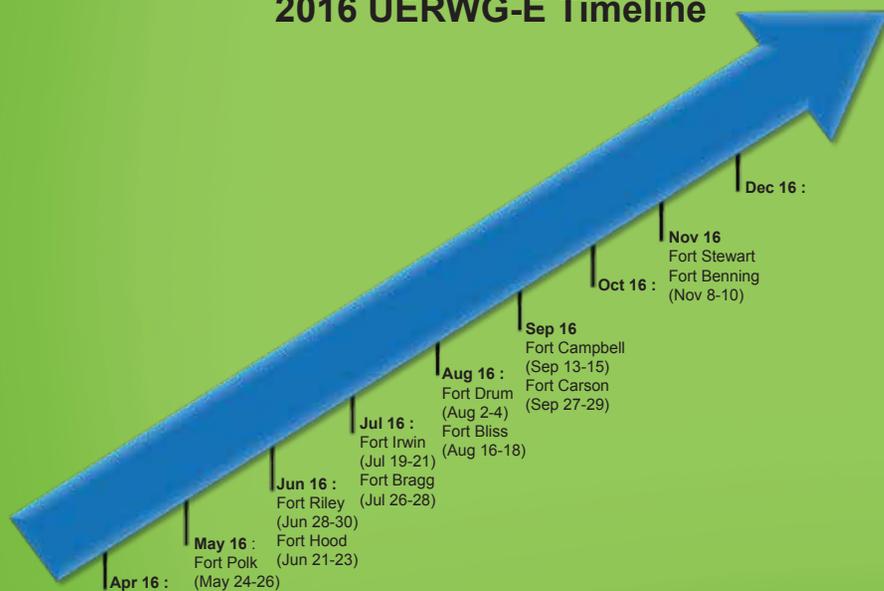
Iron Planet has sold over 3,300 HMMWVs since the start of the contract. This equates to an average of \$8,500 per HMMWV sold, and this amount has increased since our last report. This indicates to us that the market for surplus government vehicles is by no means flooded and in fact has room to grow!

As we continue to report our proceeds from our CV4R contract, our sales in Europe have proceeded to climb. Since we last reported in December, we have increased our revenue by \$287K to a total of nearly \$990k. These figures continue to impress us and set new records compared to our previous contracts.

Here at DLA Disposition Services, we are always searching for new and innovative ways to get more mileage for our tax dollars. In total, Iron Planet has been given over 23K items with an initial acquisition value of \$1.24 Billion. This contract has enabled us to get a significant percentage back of the original tax dollars spent on each of these vehicles.

The new CV4R contract is a prime example of how we are continuing to refresh and renew ways that we do business in order to become more lean and efficient in our service to you.

### 2016 UERWG-E Timeline



## Rolling Stock Contract Update

As the Army is striving to meet its drawdown requirements, DLA Disposition Services is working hard to ensure that resulting divestiture of equipment and property from the drawdown is handled efficiently.

Recently, Fort Bliss and Fort Hood have completed an initial divestiture, with thousands of items being turned-in to DLA Disposition Services. Additionally, several other sites are gearing up to begin their turn-ins. This is a large-scale operation that has required solid coordination between the Army and us, and to-date the endeavor is processing along smoothly.

DLA Disposition Services is providing forward receiving locations at our sites or in close proximity to Army units that are divesting property. This affords the Army with faster accountability relief and fosters a better level of coordination between units and our local sites. Alongside the Army, we have been preparing for this effort and obtaining a reliable workload forecast to enable us to effectively posture our support to receive this surge of property. Additionally, with the initial completion of these two sites, we are analyzing trends that will allow us to adapt in the future and provide more dynamic level of assistance based on the data we have received thus far.

The next issue of Insight will cover a more detailed review of how this process is evolving, as it will come during the peak of the process.

If your unit is planning a divestiture, please feel free to contact one of our Major Command Representatives and see how we can provide tailored support for your organization.



## Network Optimization Initiative

On January 5, 2012, President Obama announced a new defense strategy entitled "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense." This strategy is commonly referred to as the Defense Strategic Guidance (DSG) and is responsible for reshaping the future Department of Defense (DoD) priorities, activities, and budget requests for the next decade. Part of this reshaping is the reduction of defense spending by about \$487 billion over the next 10 years. This will allow the DoD to meet the initial budget caps set in the Budget Control Act (BCA) of 2011.

DLA Disposition Services has an initiative underway called Network Optimization which focuses on the overall efficiency of our disposal process which is our response to the reshaping and reduction. As we experience budgetary constraints, employee reductions, and decreased infrastructure funding, we must find new solutions that will allow us to adhere to the standard mantra of doing more with less.

We will need to find ways to process a higher volume of your property reduce our customer backlogs and turn-in times, all the while still providing customer service that continues to meet your needs. As we examine our processes and procedures for a more efficient approach, we are attempting to balance our internal changes without causing agitation and confusion for our customers. We are striving to be a leaner, faster, organization that is more responsive to your needs while costing less.

So after all this is said and done, how will all of the end up affecting our daily customers? One of the core tenants of the Network Optimization initiative is the standardization of our service delivery model. As we analyze our processes, procedures and personnel, we want afford our customers the ability to turn-in property at any one of our sites and know exactly what to expect. This means systematizing our site sizes with the services they provide. For example, if customers utilize any one of our smaller sites, they can expect identical levels of service for all of them. Continuing the example, if our customers use larger sites, they can expect additional services that could be uniform for all of the large sites. Additionally, if our customers do not have the ability to use our services due to geography, there will be a standard process in place for their needs.

In closing, we are using Network Optimization to refine our service to you. As the natural ebb and flow of business within the DoD continues to oscillate, we will adapt to always meet the needs of the uniformed services.

If you have any questions regarding Network Optimization, feel free to contact us at:  
dladispositionservicesnetops@dla.mil

## Changes Coming to eDocs

As part of the turn-in process, one of the last but most important steps is obtaining a copy of the 1348-1A Form. This is used as a transaction receipt for the turn-in. All completed 1348-1a's are scanned and uploaded to eDocs by DLA Document Services. eDocs provides an on-demand search and retrieval capability for units requiring their completed documents.

Currently, all individuals with a valid Common Access Card (CAC) certificate can access and retrieve electronic documents through eDocs. This was set to change on March 1, 2016, when eDocs was slated to migrate to a new operating system with a new set of access requirements. All users requiring admission to the new eDocs system will need to fill out a DD Form 2875 (System Authorization Access Request) to obtain access. Please note you will need a smart token (CAC, PIV, etc.) to be able to access the system.

To request a user account in the new eDocs System, please follow the directions below:

1. A prefilled 2875 is available by following the links from the current eDocs web site, or use the following link: [https://edocs.documentservices.dla.mil/help/form\\_2875\\_prefilled.pdf](https://edocs.documentservices.dla.mil/help/form_2875_prefilled.pdf)
2. Instructions on filling out the 2875 are available on the current eDocs web site, or use the following link: <https://edocs.documentservices.dla.mil/help/2875.html>

Both the new and old eDocs systems will run concurrently until March 31, 2016. Starting April 1st, the old eDocs will not be updated with new documents. The old system will remain online and available for use for historical documents (those loaded before April 1, 2016) until April 30, 2016. Starting May 1st, the old eDocs will be taken offline, though available to be restored as a back up. The back up will be available for approximately 70 days. Then the system will be sunsetted and removed from any restore capabilities.

Users with questions should contact the eDocs office at [DLADispSvcseDocsDO@dla.mil](mailto:DLADispSvcseDocsDO@dla.mil)

