



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

DLA LAND AND MARITIME

First Destination Transportation & Packaging Initiative (FDTPI)

TKO Overview



FDTPI Overview

First-Destination Transportation (FDT)

- Implemented Oct 2013
- DLA manages inbound transportation movements and leverages DLA scale to improve transportation rates
- Provides visibility of transportation costs and material in transit
- Consolidates shipments under transportation coordinator
- FOB Origin I/A at Destination (unless I/A Origin required by the material)

First-Destination Packaging (FDP)

- Implemented Mar 2013
- Reduces packaging costs
- Provides visibility of packaging costs
- Makes ASTM-D3951 commercial packaging DLA's standard
- Uses MIL-STD 2073 only as necessary
- Focuses on Class IX, IV and VII Supplies
- Exclusions: Nuclear, Critical Safety, Procedural/Special Packaging (i.e. Shelf-Life, Bearings, PQDRs)

FDTPI Targets DLA's Aviation, Land, Maritime, Industrial Hardware and C&E Supply Chains



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FDP NIIN Profile

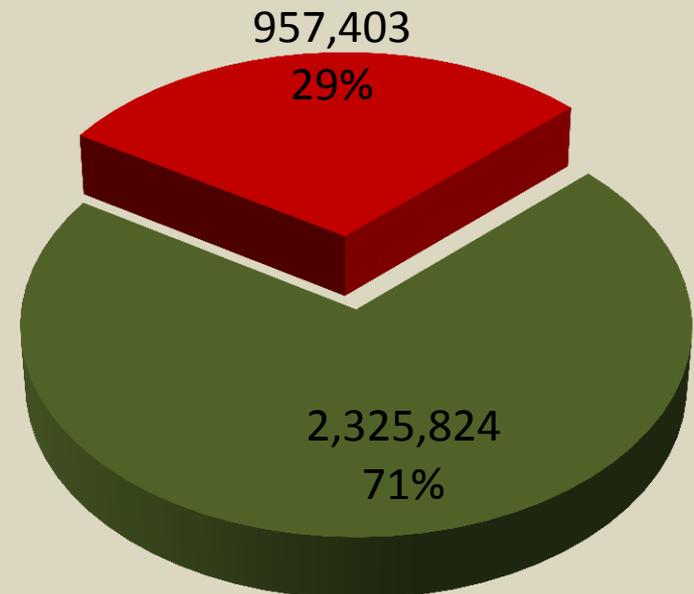
71% Eligible for Commercial Packaging

Exclusions Based on Material and Procurement Characteristics

MIL-STD For:

- Nuclear / Related Items
- Critical Safety Items
- Procedural and Special Packaging Instructions
 - PBA/Shelf-Life/SDR/PQDR/Bearings/ESDS
- FMS
- Other Miscellaneous Exclusions

3.3M Items in Targeted Supply Chains



- MIL-STD Packaging Required
- Commercial Packaging Permissible



FDP EXAMPLES

24,601 (ADQ) X (\$0.594-\$0.340) = \$6,248.65 for Mil Pack

75,475 (ADQ) X (\$0.407-\$0.041) = \$27,623.85 for Mil Pack

Military Packaging
\$0.594 per unit

SEAL (01-360-7753)

Commercial Packaging
\$0.340 per unit

Military Packaging
\$0.40 per o-ring
(1 per pack)

O-RINGS (01-392-1637)

Commercial Packaging
\$0.04 per o-ring
(8 per pack)

BRAKE SHOE (01-348-2132)

Military Packaging
\$4.243 per unit

Commercial Packaging
\$2.296 per unit
(not pictured)

Military Packaging
\$0.474 per unit

Military Packaging
\$0.431 per unit

Commercial Packaging
\$0.297 per unit

FILTER (01-398-8484)



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- Implemented Oct 2013
- More than 13,000 registered suppliers

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FDT Example - Filters

Method	Unit	DLA Discount
Parcel	Package	82%
Less than Truckload (LTL)	Pallet	62%
Truckload (TL)	Truckload	54%

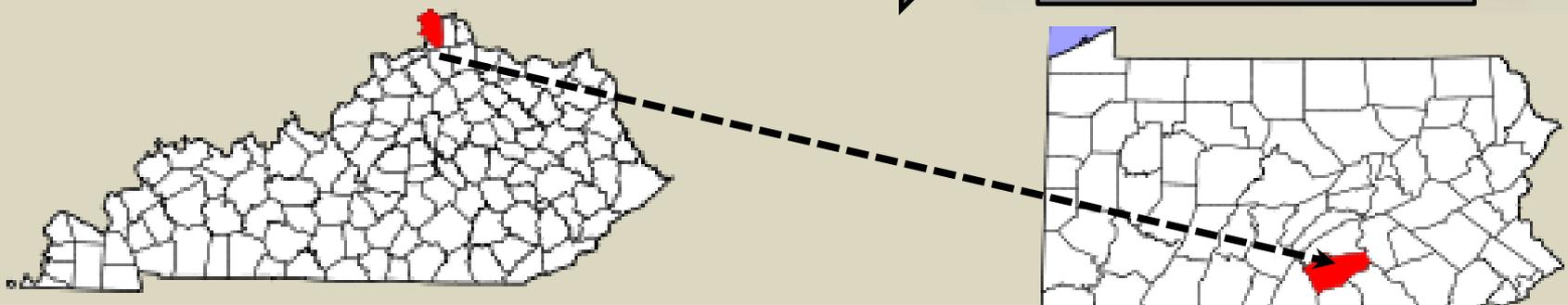


Note: Rate comparison as of July 2013

Origin: Hebron, KY
41048

487 Miles

Destination: New
Cumberland, PA 46750



Each year, DLA buys over **1,000,000** Filters

DVD Parcel Shipments would yield substantial (82%) transportation rate discounts.

LTL Savings = **\$240,000** annually

TL Savings = **\$70,000** annually



FDT and VSM

Suppliers Ship Using DLA's Vendor Shipment Module (VSM)

FDT Helps Suppliers Focus on Core Business and Removes Geographic Barriers



Most shipments will be eligible with very few exceptions. Make sure to review the transportation instructions on the award documents.

Basics

1. Suppliers will need to register to use VSM. Go to <https://vsm.distribution.dla.mil>
2. Training is available online and VSM staff can answer questions as well. (email delivery@dla.mil or call 1-800-456-5507)
3. For FDT procurements, do not include the cost of shipping material to the government in your quote – the government will ship the material.
4. When ready to ship, suppliers request a pick-up in VSM.
5. Pick-ups by commercial carriers are generally made within 48 business hours.

Suppliers who take advantage of this initiative and reduce their prices and delivery times will increase their competitive advantage!



Key Information/Vendor Success

Resources

- Read Supplier Communication (DIBBS, FedBiz Ops, email)
- Visit Website for FAQs and VSM training information
<http://www.dla.mil/LandandMaritime/Business/Selling/DLALandMaritimeProcurementInitiatives/FDTPI.aspx>
- More Questions: FDTPI@DLA.MIL
- VSM Help Desk Contacts:
800 456-5507 M-F 0600-1700 Eastern
Email: delivery@dla.mil
- DCMA administered contracts VSM Help Desk:
314 331-5573 M-F 0700-15:30 Central
Email: vsm.shipments@dcma.mil



Conclusion

