



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO DG

JUL - 7 2003

MEMORANDUM FOR DLA CORPORATE BOARD
DLA DIRECTOR'S STAFF
COMMANDERS, DLA FIELD ACTIVITIES

SUBJECT: Use of Alternative Dispute Resolution

As the Director, Defense Logistics Agency (DLA), I want to stress my commitment to the use of Alternative Dispute Resolution (ADR) to resolve issues and disputes when unassisted negotiations are unsuccessful. Using ADR leads to faster, cheaper, and more cooperative dispute resolution and has many other related benefits. ADR is a mandatory policy within DLA, and I encourage your continued support and participation in this process.

DLA has an "ADR first" policy as reflected in DLA Directive 5145.1, Alternative Dispute Resolution (pending One Book Chapter). When unassisted negotiations are unsuccessful, ADR *must* first be considered, and a management decision not to use ADR *must* be documented in writing one level above the deciding official. The earlier ADR is used the better and certainly if employees or contractors ask for the ADR process. All requests should be accommodated unless an exception to the policy is documented. Pursuing ADR should never be considered a sign of weakness, rather it reflects good judgment as well as compliance with Departmental and Agency policy.

In Fiscal Year 2003, DLA successfully resolved over 80 percent of all disputes handled with ADR. This resulted in a cost savings to the Agency of over \$4.7 million. Resolving personnel and contract issues quickly allows us to focus on current and future Agency challenges and goals.

ADR training is available from your Office of Counsel; I expect senior managers, supervisors, and contracting officers are refreshed in ADR training and ensure that subordinates are trained in ADR as warranted. ADR is a priority for the Agency, and I rely on each of you to help us achieve quick, inexpensive, and cooperative solutions with our employees, contractors, and others.

KEITH W. LIPPERT
Vice Admiral, SC, USN
Director

