

PRESS RELEASE

DEFENSE REUTILIZATION AND MARKETING SERVICE

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Defense Department activity recognized for initiative

Earns Finalist Status in Innovations in American Government Awards

BATTLE CREEK, Mich. – The Ford Foundation announced today that the Defense Reutilization and Marketing Service (DRMS) was selected as one of 25 finalists in its national competition recognizing Innovations in Government for the organization’s use of the World Wide Web to offer customers easier access to information on excess and surplus property.

“It has not been easy for us to harness this new technology,” said Navy Capt. Richard H. Feierabend, DRMS commander. “A team of wonderfully dedicated professionals learned the new ways of channeling information from existing systems into Web-base applications.

In 1994, DRMS made property available on the Internet. By 1997, it reduced customer dependence on the in-person “shopping” system and the voluminous manual record-keeping and accounting system that accompanied it. By 1998, it was able to return more than \$5 billion in goods to government and eligible non-profit groups for their use.

"These innovative programs demonstrate each year that American democracy consistently changes while producing outstanding results," said Susan Berresford, president of the Ford Foundation, which sponsors the awards program. "We hold them up not only as models of success, but also as evidence of the dynamic nature of American governments."

This year the Innovations in American Government Awards will honor the top 25 government initiatives that address today's toughest issues. These successful programs will be granted a total of \$1.3 million to encourage their replication in other governments across the country. With its selection as one of 25 finalists, DRMS already has distinguished itself as a leading example of a government agency tackling a tough situation – and succeeding -- by using an innovative and creative approach.

The Innovations in American Government Awards recognize not only outstanding federal government programs but innovative programs from all levels of government – federal, state and local as well as tribal. This year, five federal programs have been named finalists for the Innovations Awards. In addition to the DRMS Web-Based Distribution System, the other federal programs that have been selected come from the Department of Agriculture, the Centers for Disease Control, the Department of Health and Human Services, and the Department of Housing and Urban Development.

"We are honored to receive an Innovations in American Government award," said Sherry Low, Chief of the RTD Business Unit. "We hope that this will inspire other agencies to take full advantage of all that the Internet has to offer."

On Oct. 13, representatives from DRMS will describe the program and answer questions before the Innovations in American Government Awards National Selection Committee. On the following day, the Committee will announce the 10 winning programs. The National Selection Committee is composed of former elected officials, private industry and civic leaders, and is chaired by

David Gergen, former advisor to four presidents and current editor-at-large at *U.S. News & World Report*.

DRMS Web-Based Distribution System – Background

The Defense Reutilization Marketing Service, located in Battle Creek, Michigan, redistributes excess and surplus military property to other government agencies and eligible non-profit groups. In order to make these items available all over the world, DRMS gathers the property, but customers no longer have to travel to where it is stored. The military, other government agencies and eligible non-profit groups no longer match their needs solely against the inventory available in their area. As a result, more excess and surplus property is being reused, transferred or donated to customers who might otherwise have purchased new items.

In 1994, DRMS created a new “virtual warehouse” on the Internet. All excess and surplus items for redistribution are listed in one inventory that includes all of the physical sites where property is stored. Users can view pictures of items and can search the database for specific items. The Internet-based system saves both the DRMS and customers money. The new on-line inventory is less expensive to maintain, and customers no longer have to physically screen goods at a local warehouse. With a few clicks of the mouse, government agencies and eligible non-profit groups can quickly locate items that meet their needs, and some users can electronically place an order.

A dramatic increase in Web page usage demonstrates the effectiveness and popularity of electronic searching and ordering of property on the DRMS home page. DRMS has increased both its revenue and efficiency since the institution of the “virtual warehouse.”

- National Stock Number searches have increased by 466 percent since 1996.
- DRMS processes 6,000 requisitions each month, a 255 percent increase since 1996.
- At the end of 1998, DRMS returned \$3.7 billion to the Defense Department community, \$769 million to other federal agencies, and \$575 million to state and local governments. This was in large part due to the new Internet system.
- There are 4.5 million hits on the Web page each month, a 1,848 percent increase since 1996.

DRMS is a field activity of the Defense Logistics Agency (DLA), which is a logistics combat support agency that provides supplies and services to America's military forces worldwide. DLA's mission includes managing more than four million consumable items, processing more than 30 million annual distribution actions and administering more than \$900 billion of DoD and other agency contracts.

More information on DRMS is available by visiting their web site at: www.drms.com or at www.drms.dla.mil

About the Innovations Awards Program

The Innovations in American Government Awards are funded by the Ford Foundation and administered by the John F. Kennedy School of Government at Harvard University, in partnership with the Council for Excellence in Government. The Innovations in American Government Awards received more than 1,600 applications in 1999. In May, the field was narrowed to 98 semifinalists, and today's announcement reduced the number of contestants to just 25. Each of the 25 finalists receives a \$20,000 grant from the Ford Foundation to be used toward replicating its program in other areas. The winners of the ten \$100,000 grants will be announced on October 14, in Washington, D.C.

Since the Innovations program began granting awards in 1986, the Ford Foundation has made grants totaling \$14.6 million to 125 winners and 105 finalists. More than 85 percent of the programs receiving Innovations Awards have been replicated.

The Ford Foundation, established in 1936, is a private, non-profit institution that serves as a resource for innovative people and institutions worldwide. Its goals are to strengthen democratic values, reduce poverty and injustice, promote international cooperation, and advance human achievement. A national and international philanthropy with assets of more than \$11 billion, the Foundation has provided more than \$9 billion in grants and loans to some 9,000 institutions and 100,000 individuals worldwide.

Harvard University's John F. Kennedy School of Government is a graduate school of public policy dedicated to preparing leaders for service in government and other institutions of democratic societies and to contributing to the solution of important public problems.

The Council for Excellence in Government is a national, non-profit and nonpartisan organization whose 750 members have served as senior public-sector officials. Its mission is to improve the performance of government by strengthening results-oriented management and creative leadership in the public sector and to build understanding in government by focusing public discussion on its role and responsibilities.

More information on the finalists and the Innovations in American Government program is available on the Internet at **www.innovations.harvard.edu**.

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