



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

JAN 14 2005

In reply refer to:
I-04/017461P3/P2

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Support for Foreign Military Sales Prime Vendor (FMS PV) Initiative
Transformation Deliverable (DSCA 05-01) [SAMM E-Change 25]

The purpose of this memorandum is to state DSCA's support for the Foreign Military Sales Prime Vendor (FMS PV) initiative developed by the Defense Logistics Agency (DLA). The FMS PV process is an expansion of DLA's existing DoD Prime Vendor support program that has successfully provided efficient, cost effective supply support to U.S. DoD customers for the last decade. The FMS PV service offers FMS customers the same benefits and level of support currently provided to the U.S. DoD customers.

The FMS PV process offers an expansion of service to the FMS customer and is particularly well suited for non-standard/non-stock (bulk) item support. Further, it provides the combined benefits of FMS and commercial support, offering a fast, simple, and effective supply support option that augments existing U.S. Government support to the FMS customer.

Succinctly stated, FMS PV is a win-win-win situation. A win for the customer who will receive items faster and possibly cheaper; a win for U.S. industry who stands to gain an increased customer base; and a win for DoD – a potential reduction in DLA's Cost Recovery Rate. By increasing DLA's customer base without infrastructure expansion, DLA will have an opportunity to reduce its operating cost, subsequently expanding DoD's buying power.

During the development of the FMS PV, DSCA assisted DLA through financial assistance and staff encouragement as part of our FMS Transformation and Business Process Reengineering efforts. I am pleased at the outcome of this important initiative and encourage you to support and publicize it. DSCA will revise DoD 5105.38-M, "Security Assistance Management Manual (SAMM)" to include a description of the FMS PV process (attached).

If you have any questions regarding this matter, please contact Mr. Glenn Lazarus, DSCA/P3-Policy and Processes Division, (703) 604-6612, e-mail: glenn.lazarus@dscamil.

A handwritten signature in cursive script, reading "Richard J. Millies".

Richard J. Millies
Acting Director

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SAMM E-Change 25 – Foreign Military Sales Prime Vendor

The following paragraph is inserted as C6.4.5. and the subsequent paragraphs are renumbered accordingly:

C6.4.5. Foreign Military Sales Prime Vendor (FMS PV). The ILCO is authorized to use DLA's FMS PV to support FMS Purchaser requirements. An expansion of the existing DoD Prime Vendor support program (DoD PV), FMS PV is a supply support option that augments existing U.S. Government support. By accessing the Prime Vendor's electronic catalog, the FMS customer can identify the item, price and supply lead-time with the added flexibility of being able to define special requirements and delivery needs, before submitting the requisition. In addition to providing support for standard items, this program also supports requirements for non-standard items.