

CHAPTER 11

LIMITED SHELF-LIFE ITEMS

SECTION I - GENERAL

211101 - PURPOSE

This chapter prescribes policies and standard procedures with respect to the management of DLA items which have shelf-life application.

211102 - SCOPE

a. Provides instructions for DSCs use in the identification, restoration, and reporting of shelf-life items, and includes recommendations for minimizing costs of controlling these items from point of initial requirement through final disposition.

b. Shelf-life items and the two types of shelf-life items are defined as:

(1) Shelf-Life: The total period of time beginning with the date of manufacture/cure/assembly or inspection/test/restorative action that an item may remain in the combined wholesale (including manufacturer) and retail storage system and still remain suitable for issue/use by the end user.

(2) Shelf-Life Item: An item of supply possessing deteriorative or unstable characteristics to the degree that a storage time period must be assigned to assure that it will perform satisfactorily in service.

(3) Type I Shelf-Life Item: An item of supply which is determined through an evaluation of technical test data and/or actual experience to be an item with a definite nonextendable period of shelf-life.

(4) Type II Shelf-Life Item: An item of supply having an assigned shelf-life time period that may be extended after completion of inspection/test/restorative action.

c. Expiration Date: The date beyond which nonextendible items (Type I) should be discarded as no longer suitable for issue or use.

d. Inspection/Test Date: The date by which extendible items (Type II) should be subjected to inspection, test, or restoration.

211103 - REFERENCES

a. Chapters 4 and 5.

- b. Appendix A-13, Management Codes.
- c. Appendix A-16, Supply Condition Codes.

- d. Appendix A-47, Shelf-Life Codes.
- e. Appendix B-22, Materiel Adjustment Document (Single or Dual Adjustment).
- f. Appendix B-23, Storage Item Change Document.
- g. Appendix F-281, Shelf-Life Report.
- h. DLAM 4140.2, Volume III, Part 1, Chapter 70.

211104 - POLICY

Control and issue of items assigned shelf-life codes will be exercised IAW the following principles:

- a. All shelf-life items shall be managed so as to assure optimum use, taking into consideration:
 - (1) Item characteristics, military essentiality, and status.
 - (2) Quantity, value, and condition of asset on hand.
 - (3) The total cost involved in test/restorative actions, return to a distribution point, and subsequent issue or redistribution of an item.
- b. Requirements computations for shelf-life items and subsequent procurement programs shall be effected IAW guidelines contained in chapter 34.
- c. Specifications, materiel standards, provisioning documents, purchase descriptions, and purchase documents shall include the dating and marking requirements and recommended environmental protection desired. These documents shall also specify the maximum allowable age of the item at time of delivery from the contractor.
- d. Losses to the Government due to expiration of shelf-life items require special management controls, at additional costs. Because of this, every effort will be made to:
 - (1) Hold these items to a minimum, consistent with fulfilling mission.
 - (2) Prescribe technical documentation controlling the test, restoration, serviceability, packaging, preservation, and other essential considerations.
 - (3) Restore to Ready-For-Issue (RFI) status those items on which shelf-life may be extended.
- e. Items which have been reclassified to Condition Code B (appendix A-16) will be downgraded IAW the table in paragraph 211201.

f. All stocks held in support of peacetime and mobilization programs shall be rotated and updated to the maximum extent possible.

g. Restoration of expired shelf-life items shall not be authorized for quantities in excess of projected systems' requirements over the extended shelf-life of the restored item.

h. Expired items may be held for scheduled future restoration within established retention levels set on the basis of expected service life of the end item(s) to which the shelf-life item applies.

i. Except when authorized to be retained for future restoration, as described in subparagraphs g and h above, shelf-life items held in quantities exceeding the anticipated usage during the remaining shelf-life of item shall be considered (by definition) as being in the POTENTIAL DoD EXCESS STOCK stratum. Potential DoD Excess stocks held in quantities above the anticipated system requirements or usage will be reported to DLSC for DoD screening in accordance with DoD 4140.34-M, Defense Utilization Manual.

j. Shelf-life items shall be stocked in as few locations as practicable to simplify the issue control aspects of shelf-life item management. Such locations should be carefully selected so as to ensure that these items are stocked near both the repair/test facility and the source of possible future demand.

k. Marking and packaging of shelf-life items shall be effected in accordance with MIL-STD 129, Military Standard Marking for Shipment and Storage, as amended, and MIL-P-116, Methods of Preservation.

l. In the absence of specific exception type instructions, distribution depots will observe the First-In-First-Out (FIFO) principle when making issues of items having limited shelf-life.

m. DSCs and distribution depots will utilize the Condition Codes for control of items having limited shelf-life.

n. Application of the FIFO principle by distribution depots and the combination of shelf-life and condition code structure will provide adequate control for the majority of the items managed by DLA. To provide additional control and to meet specific customer demands and redistribution requirements, Management Codes (appendix A-13) have been established so that DSCs may provide more detailed instruction to distribution depots on MROs. Use of these codes is limited to those specific situations which cannot be satisfied by use of condition codes.

o. Return of shelf-life assets to the control of Item Manager shall be effected in accordance with chapter 40.

211105 - RESPONSIBILITIES

a. DSCs will:

(1) Develop and promulgate test, restorative, and serviceability standards or other technical documentation required to assure protection of materials which deteriorate in storage during periods of normal stock turnover.

(2) Advise distribution depots of items having shelf-life application or changes thereto through the media of SICCs prepared in accordance with appendix B-23.

(3) Coordinate changes in Shelf-Life Codes with the applicable Service and, where required, civil agencies. As stipulated in DoDI 4140.27, the appropriate Engineering Support Activity designated under provisions of DLAR 3200.1, will assist DSCs in resolving differences in shelf-life management. When differences occur relative to the assignment of shelf-life codes, the most stringent code(s) under consideration will be assigned pending resolution of the differences.

(4) Control storage and issue of shelf-life assets through application of condition codes.

(5) Offer Condition Code C stocks to selected activities. This can be done by personal contact or any method deemed necessary. As the occasion warrants, Condition Code C stocks may be offered at reduced prices to accelerate issue and minimize disposal action.

(6) Expedite processing of changes in materiel condition to the NIR.

(7) Establish appropriate controls during the edit process to ensure that materiel with the proper shelf-life is issued to satisfy customer requirements. If Advice Code 2G, 23, 24, 29 or 31 (appendix A-12) is not used by the requisitioner, ensure that materiel ordered shipped has the minimum shelf-life consistent with the customer's location and requirements.

(8) Utilize Internal Management Control Checklists, on a biannual basis, for management of Shelf-Life Items. The checklists are contained in appendix C-111 for the following units:

(a) ICP Management of Shelf-Life Items.

(b) Review of existing Shelf-Life Items for accuracy of Shelf-Life coding.

(c) Review of new Shelf-Life Items prior to entry into the DoD Supply System.

(d) Review of new Shelf-Life Items after entry into the DoD Supply System.

(e) DoD Storage Standards, Development and Update.

b. Distribution depots' responsibilities are set forth in DLAM 4140.2, Volumes I and III, Chapter 11.

SECTION II - CONTROLS AND ISSUES

211201 - CONTROLS EXERCISED BY DSCs

a. Shelf-life items shall be identified on appropriate accountable records by the Shelf-Life Codes indicated in appendix A-47. Also, Condition Codes prescribed in appendix A-16 shall be applied in accordance with the following table:

<u>When Shelf-Life Remaining is:___</u>	<u>Assign Condition Code</u>
Less than 3 months	C (Customer concurrence required prior to issue)
3 through 6 months	B (Restricted Issue)
More than 6 months	A (Unrestricted Issue)

Exception: Items assigned a shelf-life code of nine months or less may be maintained in Condition Code A for a specific period other than that shown above when directed by the DSC. These items will be isolated and close surveillance maintained by both the DSC and depot to ensure that items are issued prior to the expiration date. These items should be screened to assure that indefinite delivery type contracts are used when necessary.

b. Condition Code changes received from storage locations will be promptly processed and the accountable record updated accordingly. In some instances, it may be necessary to transfer stock from Condition Code A to another Condition Code. This situation will be occasioned due to the nature of test/inspections required to ascertain actual condition of shelf-life stocks.

c. Based on data reflected on accountable records, issues shall be directed against the oldest stocks (those with the least shelf-life remaining). Under normal circumstances, this policy obtains from a strict application of FIFO issue control techniques. Exceptions to this procedure are authorized when:

(1) Military exigencies require the issue of newer stocks regardless of age of assets.

(2) The oldest stocks are so far removed physically from the source of the requirement that the additional cost and time cannot be justified under good management practices.

(3) It is necessary to satisfy requirements for stock (not immediate issue) originated by fleet units or overseas activities.

(4) An item with remaining shelf-life shorter than the shelf-life of stocks already on hand with the same NSN is received.

(5) Items are being incorporated in assemblies or separately earmarked for assemblies.

d. To preclude the loss through expiration of shelf-life, consideration should be given to substituting items differing in unit of pack. Such substitutions shall be made even though a nominal over-issue may result. When both an obsolescent and a replacing item are authorized for concurrent stock and issue, the obsolete shelf-life item will be issued first, unless competent authority exempts such procedure because of adverse effect on health, safety, or morale.

e. Warehouse denials on MROs for items having limited shelf-life will be processed IAW the procedures outlined in chapter 4. That is:

(1) When the denial occurs as a result of insufficient stock to meet the instructions conveyed by Management Codes F and G (appendix A-13) in pos. 72 of the MRO, Management Code 3 will be used in lieu of 1.

(a) Management Code 3 will indicate to the DSC that stock is on hand in the condition requested in the MRO, but no stock is on hand to meet the specified expiration periods requested.

(b) DSCs will not receive special inventories or other reports from the distribution depots when Management Code 3 is used. DSCs will take appropriate action to reprocess the requisition.

(2) Warehouse denials may also occur as a result of condition changes in materiel on hand, detected during the course of stock selection for shipment.

(a) In the event materiel on hand is found to be in a condition other than that specified on the MRO, the DSC will be advised of the condition change by the distribution depot as outlined in chapter 5.

(b) Warehouse denials which occur as a result of finding materiel which has changed condition will reflect Management Code 2 in pos. 72 in lieu of 1.

f. The Management Codes listed below will be used by DSCs when it becomes necessary to supplement Advice Codes indicated in the requisition or when instructing the distribution depot to deviate from the FIFO principle. These codes are to be used only to supplement information conveyed by the Condition Code on the MRO. They are not to be used as a substitute for the Condition Code. If the Management Code does not appear in pos. 72, the distribution depot will apply the FIFO principle IAW Condition Codes specified in the MRO; i.e., if the MRO calls for Condition Code B materiel, the oldest Condition Code B materiel will be issued first. If the MRO specifies Condition Code B materiel with Management Code F in pos. 72, only the newest stock in Condition Code F will be supplied.

MANAGEMENT
CODES_____

DESCRIPTION

F	Issue newest stock only (applies to all commodities).
G	Issue stock having at least one year shelf-life

remaining

g. The Management Codes listed below will be used by DPSC-Medical only, for Marine Corps Maritime Prepositioned Ships (MPS) and all services Deployable Medical System (DEPMEDS), to ensure that these programs have materiel that has adequate shelf-life remaining. If the requisition has Project Code MPS in pos. 57-59, and the NSN has a Shelf-Life Code, (Appendix A-47) of 36 months or longer, assign Management Code I to the MRO. If the Shelf-Life Code is less than 36 months, output the transaction to the IM for alternate supply action - direct vendor delivery, shipment from another depot, backorder, or contact the customer to ascertain if they will accept materiel with less than 24 months shelf-life remaining or desire cancellation of the requisition.

MANAGEMENT

<u>CODES</u>	<u>DESCRIPTION</u>
I	Issue newest stock, but with a minimum of 36 months of shelf-life remaining.
K	Issue newest stock, but with a minimum of 15 months of shelf-life remaining.

h. IMs shall assure that shelf-life items held for Mobilization Reserve Programs are identified, rotated, and maintained in an RFI condition.

211202 - DATA FEEDBACK

a. From Service users. Shelf-life items which perform inadequately prior to expiration dates, or satisfactorily beyond expiration dates, may be reported by Service users on DLAR 4155.7, Unsatisfactory Materiel Reports (UMRs), or other media (DLAR 4140.7, Reporting and Processing Medical Materiel Complaints). DSCs will evaluate the accumulated data received and take action to extend, reduce, or delete age control requirements.

b. From distribution depots. DD Form 1225 or SF 364 will provide DSCs with notice after the depot's action of reclassification of stock to Condition B. This will enable IMs to evaluate the need for extension of shelf-life on a more timely basis, and permit more effective management and procurement determination for these items.

211203 - CONTROLS EXERCISED BY DISTRIBUTION DEPOTS

Controls exercised by distribution depots are specified in DLAM 4140.2, Volumes I and III, Chapter 11.

SECTION III - REQUIREMENTS COMPUTATION AND PROCUREMENT OF CENTRALLY MANAGED SHELF-LIFE ITEMS

211301 - REQUIREMENT COMPUTATIONS

a. Compute requirements based on guidance contained in DLAM 4140.3, Materiel Management Manual.

b. Levels of supply for shelf-life items will be computed based on Rotatable Quantities (RQ), Maximum Stockage Objectives (MSO), and Stockage Objectives (SO). Stocks with numeric Ownership/Purpose Codes (indicating Service-owned stocks) will only be included in the stockage objective computation. Such stocks will not be included in the Reorder Point Comparison Quantity or in any other supply control process.

c. The Stockage Objective for a shelf-life item will not exceed its Maximum Stockage Objective. The Stockage Objective is defined as the sum of PWRMS, OWRMRP, Safety Level Quantity (including FILL increment), and the product of Operating Level Months (or Procurement Cycle Months, whichever is less) times the QFD divided by 3, i.e., $SO = PWRMS + OWRMRP + SLQ + OLM \times QFD/3$ where, PWRMS = total stocks with numeric O/P Codes on the NIR, and OWRMRP, SLQ, OLM, and QFD are from the SCF.

d. An item's Maximum Stockage Objective (MSO) is computed as follows:

(1) For items with a shelf-life of greater than 30 months, the MSO will be equal to anticipated demands for the shelf-life period, i.e., $MSO = SLM \times QFD/3$, where SLM represents the shelf-life period in months.

(2) For items with a shelf-life of 24 to 30 months, the MSO will be equal to anticipated demands for 12 months, i.e., $MSO = 4 \times QFD$.

(3) For items with a shelf-life of less than 24 months, the MSO will be equal to anticipated demands for one-half the shelf-life period, i.e., $MSO = (QFD/3) \times (SLM/2)$.

e. The item's Rotatable Quantity (RQ) is defined as the anticipated issues over the full shelf-life period, i.e., $RQ = SLM \times QFD/3$, where SLM represents the shelf-life period in months.

f. Purchase quantities will be reduced, as necessary, to accommodate these restrictions. Chapter 34 and appendices E-307 P and F-167 contain expanded guidance for processing SSCSS for shelf-life items.

g. Items with nonextendable shelf-life (alpha shelf-life code) which stratify on-hand assets in excess of the RQ will be output quarterly on appendix F-167, Reason for Study Code SL.

211302 - PROCUREMENT ACTIONS

a. Assure purchase action is responsive to requirements determination formulas, permitting variable contracting objectives tailored to the shelf-life period of the item. For items with a shelf-life of less than nine months, consideration will be given to use of indefinite delivery type contracts with orders to be placed either directly by the users, or by central purchase with deliveries direct to users.

b. Assure purchase of centrally-managed shelf-life items is initiated on a systems requirement basis; system ROPs shall be recomputed at least semiannually, and shall be confirmed on the basis of the latest recorded demand each time that the system ROP level is reached, i.e., before initiating new procurement action. IMs must be alert to the need of

appropriately identifying nonrecurring one-time demands which, if not properly identified and treated, would result in the computation of erroneous replenishment quantities.

SECTION IV - TECHNICAL SUPPORT

211401 - TECHNICAL SUPPORT

Services will provide the technical support required for DLA shelf-life items IAW DLAR 3200.1, Engineering Support for Items Supplied by DLA and GSA.

SECTION V - SCREENING AND DISPOSITION OF SHELF-LIFE ITEMS

211501 - REPORTING

a. Conduct continuing reviews of shelf-life items to assure that:

(1) Condition Code A assets are kept within the projected system requirements expected to be generated within the remaining shelf-life time period.

(2) System requirements are reviewed when the Condition Code of a shelf-life asset is changed from A to B to determine system capability to use Condition Code B assets within the remaining shelf-life time period. Type II items, before migration to Condition Code B shall be tested/examined, and when the shelf-life is extended, shall remain in Condition Code A.

(3) Every effort is made to use Condition Code C materiel within their systems prior to expiration of the shelf-life time period. Immediate use requisitions should, where otherwise feasible, be directed to Condition Code C stocks in preference to Condition Code A or B stock also available in the system. Condition Code C items may be offered at reduced prices.

b. Reporting Exemptions. The following are not to be reported to DLSC:

(1) Assets with extendable dollar value per line item of less than \$50.00.

(2) Drugs and biologicals requiring refrigeration or deep freeze.

(3) Assemblies that contain expired shelf-life components but which are being held for future repair.

c. Appendix F-281, Shelf-Life Report is furnished to the DSO semiannually (31 Dec and 30 June) for information and reference purposes. One copy of the F-281 (all five parts) must be forwarded to DLA-OSC within 30 days, i.e., no later than 30 Jan and 30 Jul. Parts 4 and 5 of this report has been assigned Reports Control Symbol (RCS DD-M(SA)1549). Notes relating to part 4 and part 5 i.e., significant increases or decreases in the number of NSNs or dollar value, should be included as narrative remarks.

211502 - UTILIZATION PROCEDURES

Since DoD has shortened its screening period in order to move shelf-life items while shelf-life still remains into the Federal Utilization and Disposal Program operated by GSA, that agency has agreed to:

- a. Give DoD requests priority during the first 15 days of the Federal screening period.
- b. Perpetuate shelf-life codes, condition codes, and the date of offering in GSA Utilization and Disposal Records.
- c. Insure items to DoD Components without charge.
- d. Depart from its regional screening techniques to the extent of adding all ICPs and major customers to its screening list. Accordingly, DoD Components will communicate to GSA, the names of their ICPs major customers which should be screened in all cases. Except for this limited national list, screening by GSA will be restricted to the region in which the material is located.
- e. Offer nonutilized property to authorized donees.

211503 - DISPOSITION

Residual shelf-life items not utilized IAW the foregoing procedures will be disposed of IAW DoD 4160.21-M, Defense Disposal Manual (Restructured).