

CHAPTER 25

PROGRAM ORIENTED ITEM (POI) FORECAST

SECTION I - GENERAL

225101 - PURPOSE

This chapter describes the policies, procedures, and general criteria for developing a mechanized requirements forecast for Program Oriented Items (POI) from available system data at DSCP.

225102 - SCOPE

The forecast of requirements for POI items (referred to hereafter as the POI Forecast) is an essential part of total forecast process used at DSCP. It is used only for Item Category Code (ICC) P items (see appendix A-87), and may be used in conjunction with, or apart from, the demand oriented (QFD) forecast normally used by ICC 1 items, as described in chapter 53. The requirements derived from the POI Forecast (referred to hereafter as POI Requirements) are an integral part of such item characteristics as the Economic Order Quantity (EOQ), the Maximum Release Quantity (MRQ), the Demand Value Code, the Safety Level Quantity, the Reorder Point Quantity (ROP), the UMMIPS Level, the SSP Levels, the MAP Reimbursement Level and the Returns Creditable Level/Returnable Limit, as well as such system processes as Fractionation and Stratification.

225103 - REFERENCES

- a. Appendix A-6, Demand Codes.
- b. Appendix A-42, Action Codes.
- c. Appendix A-87, Item Category Codes.
- d. Appendix A-88, VIP/Forecast Frequency Codes.
- e. Appendix A-116, Procurement Group Codes (PGC).
- f. Appendix A-130, MILSTRIP Service Conversion Codes for Accumulating Demand>Returns Data.
- g. Appendix A-147, Method of Computation Codes.
- h. Appendix B-51, Program/PGC File Maintenance Document.
- i. Appendix B-52, Program/Strength Data Document.

j. Appendix B-53, Supply Control File (SCF) Program Requirements
Trailer Maintenance Document

- k. Appendix B-64, Forecast Data Change Document.
- l. Appendix B-70, Management Policy Table Transactions.
- m. Appendix B-72, End Item PGC Program Requirements File Inquiry Document.
- n. Appendix B-84, Size Tariff Maintenance Document.
- o. Appendix B-120, Peacetime Requirements Forecast Inquiry by Service.
- p. Appendix B-149, Supply Management Data Change Document.
- q. Appendix B-188, Item Characteristic Change Document.
- r. Appendix B-189, Supply Control Data Change Document.
- s. Appendix F-89, Size Tariff Listing.
- t. Appendix F-116, Procurement Group Code Table 011.
- u. Appendix F-149, NSN Program Requirements Trailer Listing.
- v. Appendix F-155, Program Change Factor Table 010.
- w. Appendix F-167, Standard Supply Control Study.
- x. Appendix F-262, Alpha Factor Table 008.
- y. Appendix F-264, Program/PGC File Listing/PGC Requirements List.
- z. Appendix F-299, End Item PGC Program Requirements File Listing.
- aa. Appendix F-402, Peacetime Forecast Record (Detail and Summary).

225104 - BACKGROUND

a. The POI Forecast is a mechanical requirements forecast performed with system data as of the end of each month. The items subject to this forecast are those items that are part of service programs designated by specific Program Identification Codes (PICs).

b. The items undergoing a POI Forecast may also have requisitions from Service customers not identified to specific PICs. In such cases, those demands will undergo the single smoothed/double smoothed demand oriented forecast computation described in chapter 53 with a monthly or quarterly frequency prescribed by the VIP Code, appendix A-88, and input to the Supply Control File via appendix B-188.

The POI Requirements and the demand oriented requirements are displayed separately on the available output listings and are stored separately in the appropriate requirements files. However, for purposes of determining various system requirements levels or quantities (such as the Reorder Point Quantity, the Economic Order Quantity, the Maximum Release Quantity, the Safety Level Quantity, and others), the POI Requirements and any demand oriented requirements are determined individually in the proper quantities and then added together to develop the total requirement.

c. Two files which contain much of the data necessary for developing a POI Forecast are the Size Tariff File, which relates the various sizes of a sized generic end item to each other in terms of the percentage of total generic demand by a specific Service realized by each size, and the Program Data Reference File, which identifies all the system PICs and the generic end items (expressed in terms of Procurement Grouping Codes, PGCs) which support each PIC program, as well as the usage rates for each item in a PIC and the total number of troops involved in each PIC.

225105 - RESPONSIBILITIES

a. It is the responsibility of the POI Monitor in the Management Support Office (MSO) of the Directorate of Clothing and Textiles to establish, change, or delete PIC header data in the Program Data Reference File (PDRF) via DIC ZRK as described in appendix B-51, Program/PGC File Maintenance Document. It is also the responsibility of the POI Monitor to establish or change up to 48 months of planned induction/future strength data for each PIC in the PDRF, as well as to establish or change the average strength data for each of the past four quarters for Replenishment PICs via DIC ZRN as explained in appendix B-52, Program Data.

b. It is the responsibility of the Item Managers in the Supply Operations Division of the Directorate of Clothing and Textiles to establish, change, or delete PGC data in the Program Data Reference File which relates generic end items to PICs, as explained in appendix B-51, Program/PGC File Maintenance DIC ZRK. The Item Managers are also responsible for establishing in their entirety, and then, if needed, changing or deleting the Size Tariff Records in the Size Tariff File, as explained in appendix B-84, Size Tariff Maintenance, DIC ZRT. In addition, the Item Managers are responsible for establishing, changing, or deleting PGCs and their related NSNs in Management Policy Table 011, via DIC ZTA as explained in appendix B-70. Of particular importance to the POI Forecast are those program oriented PGCs in the nonsized numerical groupings (10001-39999), as depicted in appendix A-116, which have only one NSN in them. If these nonsized PGCs or their related NSNs are not correctly established in MPT 011, the POI Forecast for these PGCs and/or their NSNs will be incorrect.

c. The proper establishment and maintenance of the Program Data Reference File, the Size Tariff File, and MPT 011 by the POI Monitor and the Item Managers in the Directorate of Clothing and Textiles is essential for the correct determination of POI Requirements in the POI

Forecast. If either the files or the policy table does not reflect the proper PIC-PGC relationships or PGC-NSN relationships, several error conditions may result which will make a POI Forecast for certain PGCs and/or NSNs impossible. Therefore, certain predetermined error messages will be output as CPP messages to the computer operators in the Office of Data Systems to highlight such error conditions. These error messages will be explained later in more detail. It will be the responsibility of the Office of Data Systems to be aware of the possible printout of these CPP error messages during the execution of quarterly programs which compute mechanical tariff values and mechanical replacement rates in the Program Data Reference File, as well as error messages resulting from the monthly POI Forecast. These CPP messages should be distributed by the Office of Data Systems to the MSO in the Directorate of Clothing and Textiles for proper resolution of the error conditions.

SECTION II - DATA FILES NECESSARY FOR THE POI FORECAST

225201 - SIZE TARIFF FILE

a. The Size Tariff File relates quantitatively individual sized NSNs to their generic end items (expressed as PGCs). The various sizes (NSNs) have tariff values associated with them which are really percentages of the total generic end item demand experienced by each size for a particular Service user. A tariff value is a five digit number with one whole number position and four decimal positions. If the POI Forecast which uses the tariff values to ultimately determine the POI Requirements for each size is to be accurate, the tariff values for the NSNs in a PGC used by a particular Service must sum to one. Display of the contents of the tariff records in the Size Tariff File is accomplished by submitting DIC ZRT, appendix B-84, to obtain appendix F-89, Size Tariff Listing.

b. A tariff record will be established by the Item Manager via appendix B-84, DIC ZRT, in the Size Tariff File for each Service which uses a particular generic (PGC) sized end item. Each tariff record is identified by its unique PGC-Service Code combination. The PGCs in this file must all be in the sized item grouping range (00001-04999) depicted in appendix A-116. The Service Code must be A0, F0, M0, N0, Z0, A3, F3, M3, or N3, as described in appendix A-130. The first character is alphabetic and designates either Army, Air Force, Marine, Navy, or Coast Guard. The second character is numeric, either zero or three. A zero indicates that the PGC item is used by a regular Service program, whereas a three indicates that the item is used by a JROTC program. Sized generic end items which are used by both regular Service programs and JROTC programs will have tariff records, and therefore tariff values, for each in the Size Tariff File.

c. Each tariff record may have a maximum of 190 sizes (NSNs) in it. Each NSN in the Size Tariff File should have a Method of Computation Code A, B, C, D, L, or N (see appendix A-147 for definition and appendix B-149 for establishing against an NSN). Depending on the Method of Computation Code, an NSN may have Initial Issue Tariff Values or Replenishment Tariff Values, or both.

(1) An NSN with a Method of Computation Code A or B will have both an Initial Issue and a Replenishment Tariff Value. The Initial Issue Tariff Value represents the percentage of total generic initial issue demand which an NSN experiences in supporting all involved induction programs for a particular service.

(2) The Replenishment Tariff Value represents the percentage of total generic replenishment demand which an NSN experiences in order to replenish itself as part of the replenishment program for a particular service. An NSN with a Method of Computation Code C, D, L, or N will only have a Replenishment Tariff Value.

d. For each type of tariff value, initial issue or replenishment, there may exist a mechanical value and a manual value. Manual values will be established by Item Managers for the NSNs in a tariff record by using DIC ZRT, appendix B-84. Mechanical tariff values are automatically computed at the end of each quarter for every NSN in the Size Tariff File having the proper Item Category Code (see appendix A-87) and Method of Computation Code, Quarterly Recomputation of Size Tariffs. It is important to note that while the tariff computations are made quarterly, the Size Tariff File mechanical values are updated only annually at the end of September. It is mandatory that the NSNs in the Size Tariff File be coded with the correct Item Category Codes (1 or P) and Method of Computation Codes in the Supply Control File or they will not receive mechanically generated tariff values. The Item Category Code (ICC) is entered into the Supply Control File via DIC ZR3, appendix B-189, Supply Control Data Change Documents, and the Method of Computation Code (MCC) is established in the Supply Control File via DIC ZR2, appendix B-149, Supply Management Data Change Document.

e. Whenever both manual tariff values and mechanical tariff values are available for an Initial Issue Tariff and/or a Replenishment Tariff, the manual values will always be used in the POI Forecast computations to develop the sized NSN POI Requirements after the corresponding sized PGC POI Requirements are developed first. Manual tariff values are generally input against a tariff record when there has been a sudden change in the size distributions within the tariff, or the item has not been in the system (or supplied to a particular service user) for a long enough period to use the actual system demand for the item for developing representative mechanical tariff values. The mechanical tariff values are developed using the most recent four quarters of demand in the Supply Control File, so that any recent demand changes will not be fully reflected in the mechanical tariff value updates because of the influence of older demands.

f. When manual tariff values are established or changed for a given tariff record by using DIC ZRT, appendix B-84, the system is designed to sum the respective Initial Issue and/or Replenishment Tariff Values to determine if the sum equals 1.0000. If the sum does not equal 1.0000, appendix F-89, Size Tariff Listing, which is automatically generated anyway to reflect the file updates, will contain the message MANUAL TARIFF SUM NOT EQUAL TO 1: PLEASE REVIEW. However, manual tariff value changes which cause the tariff sum to deviate from 1.0000 will not be rejected by the system. It will be the responsibility of the Item

Manager to reinput DIC ZRT to adjust the manual tariff values of one or more NSNs in a tariff record so that the manual sum equals 1.0000. The POI Forecast will use any manual values present, whether or not the overall sum equals 1.0000.

g. If manual tariff values are used, zeros are allowable values. However, if one or more NSNs in a tariff record have zero manual tariff values while the other NSNs in the tariff have greater than zero manual tariff values, those NSNs having zero values must also have zero mechanical tariff values in order for the POI Forecast to be correct. The POI Forecast will use manual tariff values when available, but in their absence mechanical tariff values are used. However, by using some mechanical values with a majority of manual values, the NSNs with zero manual values will be overforecast with POI Requirements since the manual values, including the zero values, should already sum to 1.0000. Therefore, if manual tariff values are intended to be used, a manual value should be entered for every NSN in the tariff record unless the corresponding mechanical tariff value is zero. Existing nonzero mechanical tariff values cannot be zeroed out or changed by any manual transaction as can manual tariff values via DIC ZRT. The smallest manual tariff value which an NSN can possess is .0001. If a POI Forecast for an NSN is not desired, and using a manual tariff value of .0001 does not reduce the POI Requirements to an acceptably small level, the only other alternative is to delete the NSN from its tariff record via DIC ZRT, appendix B-84.

225202 - PROGRAM DATA REFERENCE FILE

a. The Program Data Reference File (PDRF) relates troop data and generic end items for the service programs to which they belong. Each service program is identified by a unique Program Identification Code (PIC), which is a five digit alphanumeric code. The first two characters represent the Service Code for the program, exactly like that used in the Size Tariff File, A0, F0, M0, N0, Z0, A3, F3, M3, or N3. The last three characters are alphabetic and serve to distinguish common service programs from one another.

(1) Each PIC is also classified as an Initial Issue PIC or Replenishment PIC by its Program Forecast Code (PFC). An Initial Issue PIC has a PFC of I, while a Replenishment PIC has a PFC of R. An Initial Issue PIC is a Service induction program for issuing certain generic end items to new recruits. A Replenishment PIC is a Service program for replacing worn out generic end items.

(2) Initial Issue and Replenishment PICs and PFCs, are established, changed, or deleted in the PDRF by the POI Monitor via DIC ZRK, appendix B-51, Program/PGC File Maintenance Document, and are accompanied by printouts of appendix F-264A, Program Data Reference File.

b. Initial Issue PICs and Replenishment PICs both possess future program troop/strength values. Initial Issue PICs can maintain up to 48 consecutive individual months of planned inductions starting with October of the current fiscal year. Replenishment PICs can maintain up to 48 consecutive individual months of planned future program strength,

also starting with October of the current fiscal year. In other words, four full fiscal years of induction/strength data can be maintained in the PDRF for each PIC. It is not necessary to establish four full fiscal years of data for a PIC; however, at least the first three fiscal years should reflect expected induction/strength values because the POI Forecast needs these values to fully develop POI Requirements from the forecast month in the current fiscal year for every month through the end of the third fiscal year.

(1) The induction/strength values for each month of the current fiscal year will remain for the entire year even though the monthly values previous to the current forecast month are no longer used in the POI Forecast. At the end of the current fiscal year (30 September), each fiscal year of induction/strength data will assume a new fiscal year identity in the Program Data Reference File. The current fiscal year data will be deleted from the PIC, the second fiscal year data will become the current fiscal year data, the third fiscal year data will become the second fiscal year data, and the fourth fiscal year data will become the third fiscal year data. The fourth fiscal year data will also remain as the new fourth fiscal year data until it is manually changed by the POI Monitor.

(2) The future induction/strength data can be established, changed, or deleted from any PIC in the PDRF by the POI Monitor by using DIC ZRN, appendix B-52, Program Data Document, and is accompanied by a printout of appendix F-264A, Program Data Reference File.

c. Initial Issue and Replenishment PICs also possess past induction/strength data for a period of one year. These past induction/strength values represent the average induction/strength values for each of the four previous quarters.

(1) At the end of each quarter (31 March, 30 June, 30 September, and 31 December), these past data averages migrate from one quarter to another in much the same way as the future induction/strength data migrates from one fiscal year to another at the end of the current fiscal year. The average induction/strength value for the fourth previous quarter (the quarter one year away from the end of the current quarter) is deleted from the PIC, the average value for the third previous quarter becomes the average value for the fourth previous quarter, the average value for the second previous quarter becomes the average value for the third previous quarter, and the average value for the first previous quarter becomes the average value for the second previous quarter. The new average value for the first previous quarter is derived by adding together the future induction/strength data values for the three months in the quarter just completed and dividing by three.

(2) The average induction/strength values for the four previous quarters are used in the POI Forecast for Replenishment PICs only in order to develop new mechanical Replacement Rates each quarter, Program Based Item Forecast and Replacement Rate Computation.

The average quarterly induction/strength values can be added to, changed, or deleted from a PIC by the POI Monitor by using DIC ZRN, appendix B-52, Program Data Document, and accompanied by a printout of appendix F-264A, Program Data Reference File.

d. Each PIC in the Program Data Reference File has one or more generic end items associated with it. These generic end items are identified by their Procurement Grouping Codes (PGCs).

(1) The PGCs must be in either the sized item grouping (00001-04999) or the nonsized item grouping (10001-39999) in order for the POI Forecast to be correct. This condition must exist because during the POI Forecast, PGC requirements are computed first for all PGCs in the PDRF, and then for the sized items, the Size Tariff File is used to allocate the PGC requirements by Service PIC to its NSNs. The nonsized PGCs contain only one NSN each, so that the total PGC requirement for a specific PIC is allocated to the sole NSN in the PGC.

(2) The PGCs in each PIC are established, changed, or deleted by Item Managers by using DIC ZRK, appendix B-51, Program/PGC File Maintenance Document, and accompanied by printouts of appendix F-264A, Program Data Reference File.

(3) Each Service (as earlier identified by one of nine possible Service Codes) will have one or more Initial Issue PICs in the PDRF. However, each regular Service (A0, F0, M0, N0, Z0) may have maximum of only three Replenishment PICs - male, female, or aggregate - for those items (PGCs) that are used only by males, only by females, or by both sexes, respectively. Each JROTC Service (A3, F3, M3, or N3) can have a maximum of only two Replenishment PICs - male and female - for those items that are used only by males or only by females.

(4) A generic end item (PGC) may be used by any combination of Service organizations. For a given Service Code, a generic end item can be a part of any number of Initial Issue PICs, but it must belong to only one Replenishment PIC. Such a generic end item should have NSNs in the Supply Control File with Method of Computation Code (MCC) A, B, J, or K. Conversely, a generic end item may belong to a given Service Replenishment PIC without belonging to any Initial Issue PICs for that service. That type of item should have an MCC of L, M, N, or P in the Supply Control File. A maximum of 300 generic end items may belong to one PIC.

e. Each generic end item which is part of an Initial Issue PIC will have between one and six manual Initial Issue Allowance Factors associated with it. Mechanical Allowance Factors are not developed for Initial Issue PICs.

(1) An Initial Issue Allowance Factor is a seven digit number with two whole number positions and five decimal positions. It represents the quantity of the end item, expressed in terms of its Unit of Issue, which is issued to each new recruit in the induction program identified by the Initial Issue PIC.

(2) Each manual Initial Issue Allowance Factor will have an Effective Date associated with it indicating the month and calendar year when that particular allowance will begin its application. When the Allowance Factors are applied to the corresponding future induction values in an Initial Issue PIC during the POI Forecast, the total PGC POI Requirements for the Service customer can be determined for each month through the end of the third fiscal year.

(3) Each Allowance Factor/Effective Date combination also has a Block Indicator, a number _1, _2, _3, _4, _5, or _6, identified with it to aid in sequencing the Effective Dates chronologically. For example, if April 1981, October 1981, and March 1982 are the Effective Dates of three Allowance Factors, they should be established against the PGC in the PIC earliest to latest, using Block Indicators 1, 2, and 3, respectively.

(a) The Item Manager is responsible for this action by using DIC ZRK, appendix B-51, which is accompanied by a printout of appendix F-264A.

(b) It is mandatory that the Effective Dates be entered in successive blocks beginning with the first vacant block. The POI Forecast uses the block numbers as the first key to processing the Allowance Factor/Effective Date combinations. If block 1 is vacant, an Allowance Factor value of zero will be assumed for the entire POI Forecast for such a PGC, even if the other five blocks have valid values. If three valid Allowance Factor/Effective Date values were entered blocks 1, 3, and 4, the POI Forecast would use the Allowance Factor in block 1 from the Effective Date for the remainder of the PGC forecast because the forecast discontinues processing the blocks for values as soon as a vacant block is encountered. If the Effective Date of block 1 is subsequent to the month of the POI Forecast, the POI Forecast will use an Allowance Factor of zero until the Effective Date in block 1 is reached.

(c) The second key to insuring an accurate POI Forecast is that the Effective Dates must be arranged in chronological sequence, earliest to latest, in successive blocks. For example, if blocks 1, 2, and 3 had Effective Dates of October 1981, April 1981, and March 1982, respectively, the POI Forecast would use the Allowance Factor associated with block 1, beginning in October 1981, for the remainder of the POI Forecast for the PGC because the POI Forecast is always searching for later and later Effective Dates as it processes successive blocks. If an Effective Date is not entered in its block in the proper chronological sequence, the POI Forecast will use the Allowance Factor in the previous block for the remainder of the forecast, disregarding any Allowance Factor/Effective Date combinations in succeeding blocks.

f. Each generic end item which is part of a Replenishment PIC will have one mechanical Replacement Rate associated with it, and in addition, may have between one and six manual Replacement Rates. The exception is that JROTC Replenishment PICs will not have mechanical Replacement Rates developed for them, so that only manual Replacement Rates must be used.

(1) The Replacement Rate, either manual or mechanical, is a seven digit number with two whole number positions and five decimal positions. It represents the average quantity of the generic end item, expressed in terms of its Unit of Issue, which is replaced (reissued) each month to each person in the replenishment program (PIC).

(2) Each manual Replacement Rate will have an Effective Date and a Block Indicator Number associated with it exactly as did each manual Initial Issue Allowance Factor in Initial Issue PICs. The establishment of and use of manual Replacement Rates is also exactly the same as previously explained for manual Allowance Factors.

(3) Manual Replacement Rates will always be used in the POI Forecast in lieu of a mechanical Replacement Rate if both are developed for a PGC in a Replenishment PIC. Manual Replacement Rates are generally input against a PGC in a Replenishment PIC when there has been a sudden change in the replenishment demand for the generic item which would not be immediately reflected in the mechanical value, or when the item has not been in the system (or supplied to a particular service user) for a long enough period to use the actual system replenishment demand (Demand Codes I, R, and N, appendix A-6) for developing a mechanical value.

(4) The mechanical Replacement Rate for a PGC in a particular Replenishment PIC is developed quarterly by using the most recent four quarters of replenishment demand by service in the Supply Control File for all NSNs in the PGC. Consequently, any recent demand changes will not be fully reflected in the mechanical Replacement Rate update because of the influence of older demands.

(5) The POI Forecast then uses the Replacement Rate(s) in conjunction with the future program strength values to develop total PGC POI Requirements for the service customer for each month through the end of the third fiscal year. The only time that both the mechanical Replacement Rate and a manual Replacement Rate will be used together during the POI Forecast is when the Effective Date of a manual Replacement Rate in block 1 is subsequent to the month of the forecast. The POI Forecast will then use the mechanical Replacement Rate until the Effective Date in block 1 is reached.

(6) In order for all PGCs in the Replenishment PICs of the PDRF to have correctly developed mechanical Replacement Rates, it is mandatory that the associated NSNs in the Supply Control File have Method of Computation Codes A, B, J, K, L, M, N, or P.

g. Two other data elements associated with each PIC in the Program Data Reference File are the Operating Level and Pipeline Factor. Both of these elements are necessary for the POI Forecast.

(1) The Operating Level is the average authorized level of materiel which the service customer may have on hand for each generic end item in the PIC. The Operating Level is expressed as a monthly value, one whole number and one decimal, depending on the number of months of forecasted POI Requirements which may be requisitioned. For example, a one month Operating Level means that the Service customer requisitions a quantity

equal to one month of forecasted POI Requirements for a generic end item

during a one month period. Likewise, a two month Operating Level means that two months of forecasted POI Requirements are requisitioned during a one month period, so that for every other month there will be no requisitions. The only allowable Operating Level value which is not a whole number of months is one-half month. A one-half month Operating Level means that a two week's quantity of forecasted POI Requirements will be requisitioned during any given two week period. All other Operating Levels pertain to the quantity of POI Requirements expected to be requisitioned during a one month period.

(2) The Pipeline Factor is the time interval between the initiation of a requisition by the Service customer for a generic end item and the receipt of the materiel by the customer. It is expressed as a number of months, with one whole number and one decimal. All values greater than zero are allowable. This factor is used in the POI Forecast to transform a customer POI Requirement into a DSCP POI Requirement. For example, a Pipeline Factor of 2.0 means that a Service customer must requisition for material two months in advance of the date that it is actually required. For DSCP, this translates into a forecasted requirement two months in advance of the forecasted customer requirement.

SECTION III - QUARTERLY MECHANICAL COMPUTATIONS PRIOR TO THE POI FORECAST

225301 - MECHANICAL TARIFF VALUE COMPUTATION

a. At the end of each quarter, before the POI Forecast is run, the mechanical size tariff values, Initial Issue and/or Replenishment, are recomputed and printed on the F-89 Report. The values computed during the December, March and June quarterly processes are for information purposes only and will NOT update the Size Tariff File. The mechanical values developed during the September quarterly process will automatically update the Size Tariff File. These annual mechanical tariff values will then be used in each of the monthly POI Forecasts for twelve months of the succeeding year if there are no manual tariff values present for a given tariff record (PGC-Service Code). The mechanical tariff value computation is also explained in appendix D-152, Quarterly Recomputation of Size Tariffs.

b. As previously mentioned, it is mandatory that each sized item (NSN) be coded with the proper combination of Item Category Code (ICC), appendix A-87, and Method of Computation Code (MCC), appendix A-147, in the Supply Control File so that it will be updated with a new mechanical tariff value(s) each year. For proper updating, an ICC 1 item must have an MCC C or D, and an ICC P item must have an MCC A, B, L or N. Each sized NSN may be included in up to nine different tariff records, one for each of the nine possible Service Codes for its PGC. Items with MCC A or B will have both Initial Issue and Replenishment Mechanical Tariff Values, while items with MCC C, D, L, or N will only have Replenishment Mechanical Tariff Values.

c. Every NSN in the Supply Control File will be screened to identify these NSNs having the proper combination of ICC and MCC for updating mechanical tariff values. If an NSN meets the required ICC/MCC criteria, demands recorded in the Demands>Returns Trailer of the Supply Control File for the NSN are then gathered for the past four quarters (including the recently completed quarter) by Service Code.

(1) For NSNs with MCC C, D, L or N, only Demand Codes I, R and N (appendix A-6) will be gathered for updating the mechanical Replenishment Tariff Values.

(2) For NSNs with MCC A or B, Demand Codes A and B will be grouped for updating mechanical Initial Issue Tariff Values for Service Codes A0, F0, M0, N0 and Z0.

(3) For NSNs with MCC A or B, Demand Codes I, R and N will be grouped for updating mechanical Replenishment Tariff Values for Service Codes A0, F0, M0, N0 and Z0.

(4) For NSNs with MCC A or B, Demand Codes A, B, I, R and N will all be grouped together for updating both mechanical Initial Issue and Replenishment Tariff Values with the same tariff value for Service Codes A3, F3, M3 and N3. In other words, an NSN in a JROTC Tariff Record will have the same value for both the Initial Issue and Replenishment Tariff Values if its MCC is A or B.

(5) For high value demand NSNs, i.e., those with Demand Value Code H in the Supply Control File, the total N-coded demand for any Service Code will be multiplied by the ANRDP (Applicable Non Recurring Demand Percentage) to arrive at the useable portion of the demand. For low and medium value demand items, Demand Value Codes L or M, all N-coded demand is used in the computations.

d. After all the demand data is gathered by Service Code for each NSN chosen for a mechanical tariff value update, the NSNs are grouped into their respective PGCs. Within each PGC, the NSNs are further separated into groups with the same Service Codes. Within each Service Code group, the past four quarters' demands for each NSN are added together to determine the total PGC demand for each Service Code. Again, these demands will be grouped by various Demand Codes depending on the MCC and Service Code. Each NSN with the same PGC/Service Code/Demand Codes will have its four quarter demand total divided by the PGC total demand for the same Service Code/Demand Codes to develop a mechanical Initial Issue or Replenishment Tariff Value, or both for certain JROTC applications.

(1) The resulting mechanical tariff values (as well as manual values) have one whole number and four decimal positions. A single NSN in a tariff record may have a tariff value, either manual or mechanical, of 1.0000 if that size has received all the demand for the generic item, or if all the forecasted POI Requirements for the generic item are intended for one size. The mechanical tariff values for the NSNs in a tariff record are then added together, for both the Initial Issue and Replenishment Tariff Values. Any deviation of the sum from 1.0000 will cause an adjustment in the largest mechanical tariff value so that the

sum will then equal 1.0000. Any such adjustment will usually be no more than a couple of units in the fourth decimal place. If an NSN in a tariff record receives at least a quantity of one unit of demand, it will receive a nonzero mechanical tariff value of .0001 even if the actual computation results in a value of .0000.

(2) All mechanical Initial Issue and Replenishment Tariff Values in the Size Tariff File are zeroed out as part of the annual mechanical tariff value update before the computation of the new mechanical values. In this way, an NSN in a tariff record which experiences no demand for four consecutive quarters will receive a valid mechanical tariff value of zero, instead of retaining the previous mechanical value if it were not zeroed out.

e. An F-89, Size Tariff Listing, will be output from the December, March and June quarterly processes for each tariff record for which a mechanical value has been computed. This listing will be routed to the Management Support Office (ORC 94) for informational purposes only. An F-89A will be output from the September quarterly process for each tariff record for which a mechanical value has been computed and will reflect those values which have been used to update the Size Tariff File. A copy of this listing will be routed to the Management Support Office (ORC 94) and a copy to the Item Manager of Record (ORC) in the Size Tariff File. The F-89 format will be identical to that produced for DIC ZRT, appendix B-84, with Action Code TK, except that Action Code TG will be used on the printout to identify this special quarterly listing which is internally generated. The Item Manager will review each tariff record listing to compare the manual tariff values with the mechanical tariff values in order to determine which set of values should be used in the POI Forecast.

f. Because of coding errors which may occur when the generic sized PGCs and sized NSNs are established in or deleted from the Size Tariff File, or when the sized NSNs are established in the Supply Control File, there are three types of incongruities that will prevent the correct annual update of mechanical tariff values for sized items.

(1) As previously mentioned, if the sized NSNs do not have the proper ICC/MCC coding in the Supply Control File, they will not be selected for the mechanical tariff value computation. Thus, even if the sized NSNs are correctly established in the Size Tariff File, their mechanical tariff values will always be zero. The result of such a situation could be undesirable because all such NSNs would receive no POI Requirements for those Service programs (PICs) whose tariff records also have zero manual tariff values. There is no automatic notification built into the system to warn the Item Manager of this situation. The only two ways that an Item Manager might notice this situation is if an appendix F-89, Size Tariff Listing, is requested for a tariff record containing the NSN(s) with zero tariff values, or if an appendix F-149, NSN Program Requirements Trailer Listing, produced by inputting DIC ZRS, appendix B-53, Supply Control File Program Requirements Trailer Maintenance Card, is requested. The F-89 would readily show any zero mechanical tariff values for NSNs in the tariff record, and the F-149, which displays POI Requirements for all PICs to which an NSN belongs,

would have zero POI Requirements for any Service PICs whose Service tariff record had zero manual and mechanical tariff values for the NSN.

(2) It is important that the PGC in the Supply Control File (SCF) for a sized NSN matches the PGC of any tariff records in the Size Tariff File of which the NSN is a part. Therefore, it is necessary to establish the correct PGC/NSN relationships in Management Policy Table 011 for sized items because those PGCs are automatically propagated to the Supply Control File for each NSN. When the past four quarters demands are being grouped by PGC and Service Code, the PGC is obtained from the Supply Control File. When the mechanical tariff values are to be updated, if the PGC (from the SCF) in the update transaction does not match a PGC in a tariff record in the Size Tariff File, there will not be a mechanical tariff value update. Similarly, if a tariff record has not been established in the Size Tariff File for each Service Code for which there is a recorded demand, the PGC-Service Code combination in the update transaction will not find a match in Size Tariff File. If either of these two no-match conditions occur during the mechanical tariff value update, the following sample CPP message will printout to the computer operators in the Office of Data Systems for subsequent distribution to the MSO in the Directorate of Clothing and Textiles:

```
USRD30 00768 FO 2 8415010134836 DEMAND PGC NOT MATCHED TO TARIFF  
PGC 1
```

The elements in the message are from left to right, the Data Systems program name, the PGC, the Service Code, an internal machine code, the NSN, the message, and the message number identified to this message. Research into this error condition should include the following: (1) A check of the ICC/MCC relationship in the Supply Control File to determine if the NSN may have erroneously been coded as a sized item when, in fact, it is not, or (2) a printout of MPT 011 for the PGC via appendix B-70 producing appendix F-116, Procurement Group Code Table 011, to verify that the NSN/PGC relationship shown in the error message is the same as in MPT 011; if they are not the same, the PGC in the Supply Control File must have been manually changed by DIC ZR2, appendix B-149, Supply Management Data Change Document, to create the incompatibility, or (3) a request for an appendix F-89, Size Tariff Listing, for the PGC-Service Code combination in the error message to verify that such a tariff record should be established in the Size Tariff File. After the reason(s) for the error message has been determined, the appropriate inputs to the Supply Control File, Management Policy Table 011, and/or the Size Tariff File should be made to properly identify the item and establish compatibility between files. In addition, either manual tariff values may have to be established for the NSN in the error message (as well as for all other NSNs in the tariff record) to use in the POI Forecasts until the next annual mechanical tariff value update, or POI Requirements may need to be manually established in the NSNs Supply Control File Program Requirements Trailer for PICs having the Service Code in the error message by using DIC ZRS, appendix B-53, Supply Control File Program Requirements Trailer Maintenance Document.

(3) The final type of error condition arises when the mechanical tariff update transaction matches a tariff record in the Size Tariff File, but the NSN in the update transaction cannot be found in the

tariff record. If this situation occurs, a similar type of CPP message as previously described will printout as follows:

USRD30 00630 A0 4 8415007826717 DEMAND NSN NOT MATCHED TO TARIFF
NSN 2

The elements in the message have the same description as those in the previous CPP message. Research into this error condition should follow the same guidelines as recommended for the previous CPP message (CPP Message 1). Corrective action should also be taken similar to that recommended for CPP Message 1.

225302 - MECHANICAL REPLACEMENT RATE COMPUTATION

a. At the end of each quarter, before the POI Forecast is run, the mechanical Replacement Rate for each PGC in a Replenishment PIC in the Program Data Reference File will be automatically updated. The mechanical Replacement Rate will then be used in each of the monthly POI Forecasts for the three months of the succeeding quarter if there are no manual Replacement Rates for a PGC.

b. It is mandatory that each NSN which belongs to a PGC in a Replenishment PIC be coded with the proper combination of Item Category Code (ICC) and Method of Computation Code (MCC) in the Supply Control File so that its PGC will be updated with a new mechanical Replacement Rate for each Replenishment PIC of which it is a part. For correct updating, the ICC must be P and the MCC must be A, B, J, K, L, M, N or P.

c. Every NSN in the Supply Control File will be screened to identify those NSNs having the proper combination of ICC and MCC for updating the mechanical Replacement Rates. If an NSN meets the required ICC/MCC criteria, demands recorded in the Demands>Returns Trailer of the Supply Control File for the NSN with Demand Codes I, R and N are gathered for the past four quarters (including the recently completed quarter) by Service Code. For high value demand NSNs, i.e., those with Demand Value Code H in the Supply Control File, the total (N-coded) demand for any Service Code will be multiplied by the ANRDP to arrive at the useable portion of the demand. For low and medium value demand items, Demand Value Codes L and M, all N-coded demand is used in the computation.

d. After the replenishment demand data is gathered by Service Code for an NSN, the Program Requirements Trailer of the Supply Control File is accessed to try to match the Service Codes with Replenishment PICs bearing those Service Codes. As previously explained, each NSN will have only one Replenishment PIC for each Service Code as a maximum, or it may have no Replenishment PIC for a given Service Code. If there is no Replenishment PIC whose Service Code matches the Service Code of a demand transaction, these demands will not be used in the mechanical Replacement Rate computation. Since such replenishment demands are not related to a specific Service replenishment program, they will be included in the Single Smoothed and Double Smoothed computations of the demand-oriented Quarterly Forecast of Demand (QFD). They will also be identified in the Demands>Returns Trailer of the Supply Control File by blank spaces under the column heading PD. The Service coded replenishment demands which have Replenishment PICs in the PDRF at the

time of a POI Forecast are identified in the Demands>Returns Trailer by the letter P under the column heading PD.

(1) The NSNs in the Supply Control File that have matching Service Codes for the demand transactions and the Replenishment PICs will be grouped into their respective PGCs. Within each PGC, the NSNs will be grouped by common Replenishment PICs. Within each Replenishment PIC, the past four quarters' Service demands for each NSN are added together to determine the total PGC Service demand for the past four quarters. For each Replenishment PIC, the average monthly program strength for the past year is then computed by summing the average program strength for each of the past four quarters (including the recently completed quarter) in the PDRF and dividing the result by four. The PGC Service demand total applicable for each Replenishment PIC for the past four quarters is then divided by the Replenishment PICs average monthly program strength for the past year to develop the mechanical Replacement Rate for the PGC/PIC. The Replacement Rate represents the average number of units of generic end item, expressed in terms of its Unit of Issue, that is reissued (replaced) to each person in the Replenishment PIC each month.

(2) The resulting mechanical Replacement Rates, as well as any manual Replacement Rates, have two whole numbers and five decimal positions. If at least one NSN in a PGC has received at least one unit of replenishment demand from a Service which has a Replenishment PIC, the PGC will have a nonzero mechanical Replacement Rate of .00001 even if the actual computation results in a value of .00000.

(3) Unlike the mechanical Initial Issue and Replenishment Tariff Values which are zeroed out before the new mechanical tariff values are computed, the existing mechanical Replacement Rates in the Program Data Reference File are not zeroed out before the new update. Thus, if there were no replenishment demands for four quarters for a generic end item from a Service for which a Replenishment PIC has been established, there would be no update for the PGCs mechanical Replacement Rate. In such a situation, the previous mechanical Replacement Rate would remain after the update even though it was no longer a valid value. Unless there was a superseding manual Replacement Rate, the invalid mechanical Replacement Rate would be erroneously used in the POI Forecast. The only way to avoid developing erroneous generic end item POI Requirements is to delete the PGC from the Replenishment PIC if there are no demands for the item during the previous four quarters by using DIC ZRK, appendix B-51.

e. If the program oriented generic end items which belong to Replenishment PICs are not correctly established in the Supply Control File and Program Data Reference File, several error conditions may result which will prevent the correct computation of quarterly mechanical Replacement Rates.

(1) If the program oriented generic end items do not have the proper ICC/MCC coding for their NSNs in the Supply Control File, the mechanical Replacement Rates for the generic items in the PDRF will not be correct. The replenishment demands for any NSNs in a PGC that are not properly coded in the Supply Control File will be excluded from the total PGC demand by Service Code in developing the mechanical Replacement Rates

for the Replenishment PICs to which the PGC belongs. Thus, the mechanical Replacement Rates will be understated, as will the subsequent POI Requirements if the mechanical rates are used. There is no error message to identify this situation because it depends on the correct initial ICC/MCC coding by the Item Managers.

(2) As previously mentioned, there may be instances where replenishment demands are gathered for a Service Code in the Demands>Returns Trailer of an NSN but cannot be matched with a Replenishment PIC in the Program Requirements Trailer of the NSN bearing the same Service Code. For such situations, the following sample CPP message will be output to the computer operators in the Office of Data Systems for subsequent distribution to the MSO in the Directorate of Clothing and Textiles:

```
USRD32 ** NO MATCHING PIC TRANS PGC=00151 MO 8440004122312
```

The elements in the message are, from left to right, the Data Systems program name, the message, the PGC, the Service Code, and the NSN. In this example, NSN 8440004122312 had replenishment demands for Service Code MO, but there was no Replenishment PIC in the Program Requirements Trailer beginning with Service Code MO. Such a message may or may not indicate an error condition.

(a) If PGC 00151 does not legitimately belong to a Replenishment PIC beginning with Service Code MO, then the replenishment demands for Service Code MO will be correctly included in the QFD computation for the NSN.

(b) However, if the PGC does belong to a Replenishment PIC beginning with MO, this message indicates that one or more error conditions may exist.

1. For a generic end item which is new to a particular service Replenishment PIC, the Replenishment PIC may need to be manually established in the Program Requirements Trailer for each NSN in the Supply Control File for the generic end item if a monthly POI Forecast is not run before the quarterly update of the mechanical Replacement Rate. A correct POI Forecast will automatically establish the Replenishment PIC in the Program Requirements Trailer of each NSN in the PGC. However, if a PGC is established against a Replenishment PIC in the PDRF during the third month of a quarter, the Replenishment PIC must be manually established in the Program Requirements Trailer for each NSN via DIC ZRS, appendix B-53, if a mechanical Replacement Rate computation is desired at the end of the quarter.

2. The message could indicate that the PGC has not been established against a Replenishment PIC which begins with the indicated Service Code. Therefore, during any prior monthly POI Forecasts, the Replenishment PIC would not have been automatically propagated to the Program Requirements Trailers of the NSNs in the PGC for subsequent identification in the mechanical Replacement Rate process. A printout of appendix F-264B, PGC Data from the Program Data Reference File, via DIC ZRK, appendix B-51, will indicate if the PGC belongs to a

Replenishment PIC with the Service Code identified in the message. If there is no appropriate Replenishment PIC in the PDRF, one should be established by using DIC ZRK, appendix B-51, and DIC ZRN, appendix B-52, or the PGC should be established against an existing Replenishment PIC possessing the necessary Service Code by using DIC ZRK, appendix B-51.

3. If the PGC in the CPP message is that of a sized generic end item, the reason for the message may be that the NSN has not been established against a tariff record in the Size Tariff File with the indicated PGC and Service Code. If the NSN is not in the proper tariff record, the POI Forecast will not establish the correct Replenishment PIC in the Program Requirements Trailer of the NSN. A printout of appendix F-89, Size Tariff Listing, via DIC ZRT, appendix B-84, should be requested for the PGC-Service Code in the CPP message to determine if the NSN is missing. If it is, it should be established by using DIC ZRT. If the entire tariff record is missing, one should be established by also using DIC ZRT.

4. If the PGC in the CPP message represents a nonsized generic end item containing only one NSN, the message may indicate that the PGC has not been correctly established, or not established at all, in Management Policy Table 011. In either case, the POI Forecast will not establish the correct Replenishment PICs in the Program Requirements Trailer of the NSN. It is also mandatory that the PGC in MPT 011 contain only the correct NSN because if there are others present the POI Forecast will not make a requirements forecast for any NSNs in the PGC since it expects to find only one NSN. A printout of appendix F-116, Procurement Grouping Code Table 011, should be obtained with DIC ZTA, appendix B-70, to determine if the nonsized PGC has been correctly established in MPT 011.

(3) The final type of error condition which may arise occurs when the past four quarters' replenishment demands for a PGC in a certain Replenishment PIC cannot be used in the mechanical Replacement Rate update because the PIC or the PIC/PGC combination cannot be found in the Program Data Reference File. The following sample CPP message will be output:

```
USR35-$$-02 PIC AOMDA PGC 00268 PIC OR PGC NOT FOUND IN PDRF
```

The elements in the message are, from left to right, the Data Systems program name, two dollar signs, the number two, the PIC, the PGC, and the message. This message illustrates a definite incompatibility between the Supply Control File and the Program Data Reference File. The PIC/PGC combination may have been manually established against NSNs in the Supply Control File via a DIC ZRS, appendix B-53, but not in the PDRF. Conversely, the PIC and/or PGC may have been manually deleted from the PDRF, but not from the SCF Program Requirements Trailer, and thus continues to have replenishment demands gathered for the mechanical Replacement Rate computation. A printout of appendix F-264A, Program Data Reference File, via DIC ZRK, appendix B-51, for the PIC in the CPP message will indicate the presence or absence of the PIC or PGC. A PIC/PGC combination which has been manually deleted from the PDRF will

be automatically deleted from the Program Requirements Trailers of the PGC's NSNs during the first POI Forecast following the manual deletion.

SECTION IV - MONTHEND POI FORECAST

225401 - PRELIMINARY ACTIONS

As a first step in the POI Forecast, two actions are taken against program oriented end items in the Supply Control File identified by Method of Computation Code A, B, J, K, L, M, N or P, and Age of Item Code E. First, the Program Requirements Trailers for these NSNs are completely zeroed out to allow for total replacement by appropriate PICs in the Program Data Reference File at the time of the new POI Forecast. Secondly, the PD column in the Demands/ Returns Trailer for the NSNs is also zeroed out so that the replenishment demands (Demand Codes I, R and N) for those Service Codes having Replenishment PICs in the PDRF may have P's established for them under the PD column to preclude using them in the demand-oriented (QFD) forecast.

225402 - POI FORECAST PROCEDURES

a. The generic end items selected for the POI Forecast are those items (PGCs) in the Program Data Reference File at the time of the forecast. The POI Forecast will occur each month and will use data in the Program Data Reference File, the Size Tariff File, Management Policy Table 011, and the Supply Control File as of the last day of the month. Although all program oriented NSNs in the Supply Control File (SCF) which receive POI Requirements from the POI Forecast should have Item Category Code (ICC) P and Method of Computation Code (MCC) A, B, J, K, L, M, N or P, the ICC and MCC of NSNs in the Supply Control File not checked to determine if an NSN should receive POI Requirements. Rather, the NSNs in the SCF receiving POI Requirements are those whose PGCs appear in the PDRF and who themselves are contained in the Size Tariff File or Management Policy Table 011. Thus, a NSN may have an ICC/MCC designation as a non-POI item, but still receive a POI Forecast if it and its PGC are contained in the appropriate files.

b. Each PIC in the PDRF is accessed one-by-one and a POI Forecast prepared for each PGC in a PIC. For a given PIC/PGC, the PGC is accessed to determine if there are any manual Allowance Factors/Replacement Rates and corresponding Effective Dates. If there are manual Allowance Factors/Replacement Rates, they are multiplied against the PICs future planned inductions/program strengths on a month-by-month basis beginning with the month following the monthend POI Forecast and continuing through the remainder of the current fiscal year and next two fiscal years. As explained earlier, a manual Allowance Factor/Replacement Rate begins use on the month and calendar year of its Effective Date and is used either until a subsequent Effective Date for a manual value is reached or through the end of the third fiscal year. For Replenishment PICs only, the mechanical Replacement Rate for each PGC will be used if there are no manual Replacement Rates or prior to the Effective Date of the first manual Replacement Rate. At this point in the POI Forecast, each PGC in the PDRF has developed base requirements through the end of the third fiscal year. The following example will serve to illustrate the development of base (customer) requirements:

MANUAL ALLOWANCE FACTORS

EFFECTIVE DATES

2.00000	0281
1.00000	0881

INDUCTION VALUES (1981)

<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>
10,000	12,000	15,000	13,000	18,000	16,000	14,000

BASE REQUIREMENTS (1981)

<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>
20,000	24,000	30,000	13,000	18,000	16,000	14,000

c. By using the Operating Level and Pipeline Factor for each PIC, the PGC base requirements can be converted to DPSC-T requirements. To illustrate various values of the Operating Level and Pipeline Factor, let us use the base requirements as they are in the previous example:

BASE REQUIREMENTS

<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>
20,000	24,000	30,000	13,000	18,000	16,000	14,000

(1) If the first month after the POI Forecast is May, then for an Operating Level of 1.0 month and a Pipeline Factor of 3.0 months, the following DSCP POI Requirements would result.

C&T REQUIREMENTS

<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>
13,000	18,000	16,000	14,000	XXX	XXX	XXX

For Pipeline Factors which are whole numbers, the C&T requirement for a given month is simply the base requirement for the month which is a Pipeline Factor value away.

(2) If the Operating Level is 1.0 month and the Pipeline Factor is 2.5 months, the C&T requirements will be:

<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>
21,500	15,500	17,000	15,000	7,000+	XXX	XXX

To determine the C&T requirement for May, proceed to the month which is 2.5 months from the beginning of May, in this case mid-July. The C&T requirement for May is the base requirement for the last half of July and the first half of August, or $.5(30,000) + .5(13,000) = 15,000 + 6,500 = 21,500$, to satisfy the one-month Operating Level requirement. Similarly, the C&T requirement for June is the base requirement for the last half of August and the first half of September, or $.5(13,000) + .5(18,000) = 6,500 + 9,000 = 15,500$. The C&T requirements for the final months of the third fiscal year spanning a pipeline period in length will be equal to the C&T requirement developed for a whole Operating Level from the base requirement from the last month of the third fiscal year.

(3) In like manner, any fractional part of a Pipeline Factor is treated like the .5 in the previous example. For example, if the Pipeline Factor is 2.4 months, the C&T requirement for May is the base requirement for the final .6 of July and the first .4 of August, or $.6(30,000) + .4(13,000) = 18,000 + 5,200 = 23,200$.

(4) To illustrate the use of an Operating Level other than 1.0, assume an Operating Level of 2.0 and a Pipeline Factor of 3.0, and use the base requirements in the previous examples. The resultant C&T requirements will be as follows:

<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>
31,000	0	30,000	0	XXX	0	XXX

A two month Operating Level means that two successive months of base requirements are transformed into one month of C&T requirements. In this example, the Pipeline Factor determines that the C&T requirement for May starts with the base requirement for August. Instead of using the August base requirement as the May C&T requirement as when the Operating Level was 1.0, the August and September base requirements are added together ($13,000 + 18,000$) and phased back as the C&T requirement for May. Since the C&T requirement for May is a two month base requirement, the C&T requirement for June is zero. The C&T requirement for July is the sum of the base requirements for October and November, or $16,000 + 14,000 = 30,000$. Thus, a two month Operating Level produces an alternating pattern of monthly C&T requirements, whereas a three month Operating Level will produce C&T requirements for every third month.

d. At this point in the POI Forecast, the basic C&T POI Requirements for a given PGC/PIC have been determined for each month through the third fiscal year. However, there is one final adjustment to the C&T POI Requirements which may occur as a result of changes to either the future induction values/program strengths of the PIC or the allowance factors/replacement rates of the PGC since the previous POI Forecast which occur within the Pipeline Factor timeframe from the first month of the new forecast. Such changes cause subsequent changes to the base requirements within the pipeline period which have already been requisitioned by the customer. Thus, a means of adjusting the C&T requirements to allow for requirements overages or shortages in the

pipeline period due to prior requisitioning has been established and is illustrated in the following example.

(1) Suppose that the Pipeline Factor is 3.0 and the Operating Level is 1.0. For the PGC under consideration, the base requirements are as follows:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>
6,000	8,000	7,000	8,000	2,000	3,000	2,000	5,000

If January is the first month in the new forecast period, then the Current Pipeline Requirements are 21,000 (6,000 + 8,000 + 7,000). If there are no changes to any of the requirements elements which determine the base requirements, the base requirements during the pipeline period after the next POI Forecast, or the Next Pipeline Requirements, will be 23,000 (8,000 + 7,000 + 8,000).

Now let us assume that one month elapses and there have been changes in either the future induction values/program strengths or the allowance factors/replacement rates, or both, which have caused the base requirements within the new current pipeline period to change from the requirements which had been projected in the previous forecast's Next Pipeline Requirements.

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>
6,000	5,000	7,000	2,000	3,000	2,000	5,000	

$$\text{Current Pipeline Requirements} = 6,000 + 5,000 + 7,000 = 18,000$$

At this point in the POI Forecast, the newly computed Current Pipeline Requirements (18,000) are compared with the base requirements which had been anticipated for this period as of the previous forecast, or 23,000 (Next Pipeline Requirements). There has been a decrease in base requirements of 5,000 units. However, these 5,000 units have already been requisitioned so that the C&T requirements must be adjusted to compensate for this surplus. It is now assumed that it will be approximately one month before the customer can react to the surplus and adjust his requisitioning accordingly. Therefore, the surplus is used to adjust the C&T requirements in the second month after the new forecast, in this case March. The surplus in this example is called the Next Requirements Variance because it is used to adjust the C&T requirements for the month following the current month in the new forecast. This Next Requirements Variance is also retained to be applied to the C&T requirements for March when March becomes the current month after the next POI Forecast. At that point, the 5,000 surplus is called the Current Requirements Variance and a new Next Requirements Variance is computed to adjust the C&T requirements for April. Therefore, continuing with the example, as a starting point assume that the Current Requirements Variance is zero.

$$\text{Current Requirements Variance} = 0$$

$$\text{Next Requirements Variance} = 18,000 - 23,000 = -5,000$$

$$\text{Next Pipeline Requirements} = 5,000 + 7,000 + 2,000 = 14,000$$

The necessary information, namely the Current Requirements Variances and the Next Requirements Variance, is now available to transform the base requirements into C&T requirements. Using the Operating Level and Pipeline Factor, the resulting C&T requirements are as follows:

<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>
2,000	3,000	2,000	5,000	XXX	XXX	XXX

Now, after applying the Current Requirements Variance and the Next Requirements Variance the final adjusted C&T requirements for this PGC/PIC are:

<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>
2,000	0	0	5,000	XXX	XXX	XXX

The Current Requirements Variance will always be applied to the current month's C&T requirements first. For pipeline requirements deficits (positive Requirements Variances), the Current Requirements Variance will be added only to the requirements for the current month. For pipeline requirements surpluses (negative Requirements Variances), the Current Requirements Variance will first be applied to the current month's requirements to reduce them. If the surplus for the Current Requirements Variance is large enough to totally delete the current month's requirement and still have a remainder, the remaining surplus is applied sequentially to successive months until the entire Current Requirements Variance is used. The Next Requirements Variance is utilized in exactly the same manner as the Current Requirements Variance except that it is always applied first to the month after the current month and then, for negative variances, to any subsequent months until totally exhausted.

Continuing with the example, assume that another month has elapsed and the base requirements have again changed in the pipeline period since the previous POI Forecast. The base requirements are now as follows:

<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>	<u>SEPT</u>
5,000	5,000	2,000	3,000	2,000	5,000	4,000

$$\text{Current Pipeline Requirements} = 5,000 + 5,000 + 2,000 = 12,000$$

$$\text{Current Requirements Variance} = -5,000$$

Compare Current Pipeline Requirements with Next Pipeline Requirements from the previous POI Forecast to develop the Next Requirements Variance.

$$\text{Next Requirements Variance} = 12,000 - 14,000 = -2,000$$

$$\text{Next Pipeline Requirements} = 5,000 + 2,000 + 3,000 = 10,000$$

C&T requirements after Pipeline Factoring (before adjustments):

<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>	<u>SEPT</u>
3,000	2,000	5,000	4,000	XXX	XXX	XXX

C&T requirements after applying the Requirements Variances:

<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>	<u>SEPT</u>
0	0	3,000	4,000	XXX	XXX	XXX

The Current Requirements Variance of -5,000 completely eliminated the C&T requirements for the months of March and April. Since there were no requirements remaining in April, the Next Requirements Variance of -2,000 is applied against May's requirement. At this point in the computation, the Next Requirements Variance is updated to -4,000 because only -3,000 of the Current Requirements Variance was used to delete the current month's requirements leaving a remainder (surplus) of -2,000 which is added algebraically to the value of the Next Requirements Variance. The -4,000 value then becomes the Current Requirements Variance at the time of the next POI Forecast and represents the fact that there is a 4,000-unit surplus in the system for which the forecast must adjust.

(2) For PGCs newly input into the Program Data Reference File as part of a Program Identification Code (PIC), the Current Pipeline Requirements, Next Pipeline Requirements, Current Requirements Variance, and Next Requirements Variance are all zero at the time of the first monthend POI Forecast. So that an erroneous Next Requirements Variance is not generated on the initial monthend POI Forecast, if the Next Pipeline Requirements equals zero for the comparison with the Current Pipeline Requirements, the comparison will not be made and the Next Requirements Variance will remain equal to zero. In this way, an erroneous adjustment will not be made to the C&T requirements within the Pipeline Period.

e. After all the PGCs in the Program Data Reference File have had C&T requirements developed for them, the PGC requirements by PIC are divided into NSN requirements by PIC.

(1) If the PGC is a sized generic item (Procurement Groups 00001-04999), then the Size Tariff File is accessed by the PGC and Service Code of the PIC to determine the NSNs receiving requirements for the PIC. The Program Forecast Code of the PIC, I for Initial Issue or R for Replenishment, identifies whether Initial Issue Tariff Values or Replenishment Tariff Values are multiplied against the PGC requirements by month to develop NSN requirements by month. As mentioned before, each NSN in the tariff record may have manual tariff values or mechanical tariff values, or both. The manual tariff values will always be used if both are present. If a tariff record with the PGC and Service Code cannot be found in the Size Tariff File, there will be no POI Forecast for any NSNs in the PGC for the designated PIC. The following sample CPP message will be output to the computer operators in

the Office of Data Systems for subsequent distribution to the MSO in the Directorate of Clothing and Textiles:

USRG07-\$\$-002 SIZED ITEM NO RECORD FOUND ON SIZE TARIFF FILE PGC
00168 PIC A0MBA

The elements in the message are, from left to right, the Data Systems program name (with dollar signs and number), the message, the PGC, and the PIC. A printout of Management Policy Table 011 for the PGC via appendix B-70, producing appendix F-116, may be necessary if the identity of the PGC is in question. If the PGC is valid, then a request for a printout of the missing tariff record via appendix B-84, producing appendix F-89, should be made to verify the absence of the tariff record. If the tariff record should have been a part of the Size Tariff File, it may be added to the Size Tariff File by using appendix B-84 so that future POI Forecasts will be correct. In the interim, however, manual POI Requirements should be established in the SCF for the NSNs in the PGC that support the PIC by using appendix B-53, SCF Program Requirements Trailer Maintenance Document.

(2) If the PGC is a nonsized generic item (Procurement Groups 10001-39999), Management Policy Table 011 will be accessed to determine the NSN which will receive the entire PGC requirements allocation for the PIC.

(a) If the PGC cannot be found in MPT 011, the following sample CPP message will be output to the computer operators in the Office of Data Systems for subsequent distribution to the MSO in the Directorate of Clothing and Textiles:

USRG07-\$\$-001 PGC NOT FOUND ON REQUIREMENTS POLICY TABLE 011 PGC
10389 PIC F0MDA

The elements in the message are, from left to right, the Data Systems program name (with dollar signs and number), the message, the PGC, and the PIC. A printout of MPT 011 for the PGC should be requested via appendix B-70 which produces appendix F-116 to verify the absence of the PGC from MPT 011. If the PGC still supports the PIC, then it should be added to MPT 011 via appendix B-70. If the PGC no longer supports the PIC, then it should be deleted from the PIC via appendix B-51, PDRF Maintenance Card, so that it is no longer used in future POI Forecasts. If the PGC is part of the PIC, manual POI Requirements should be established in the Supply Control File for the NSN in the PGC for the PIC by using appendix B-53.

(b) If the PGC can be found in MPT 011 but there is more than one NSN associated with it, there will be no POI Forecast for any of the NSNs because the correct one cannot be identified. The following sample CPP message will be output to the computer operators in the Office of Data Systems for subsequent distribution to the MSO in the Directorate of Clothing and Textiles:

USRG07-\$\$-003 NONSIZED PGC WITH MORE THAN ONE NSN ON TABLE 011 PGC
14789 PIC M0MDA

The elements in the message are, from left to right, the Data Systems program name (with dollar signs and number), the message, the PGC, and the PIC. A printout of MPT 011 for the PGC should be requested via appendix B-70 which produces appendix F-116 to determine the NSNs associated with the PGC. The incorrect NSNs should be deleted from the PGC, again by using appendix B-70, so that only one NSN remains. Manual POI Requirements should be established in the SCF for the correct NSN and PIC by using appendix B-53 until the next POI Forecast.

f. The final NSN POI Requirements are loaded in the Program Requirements Trailer of the Supply Control File for each PIC to which the NSN's generic item belongs. Each PIC will have its Program Forecast Code identified with it and monthly POI Requirements for each remaining month of the current fiscal year as well as each month of the following two fiscal years.

225403 - POI REQUIREMENTS REPORTS

There are three types of F appendix printouts for displaying POI Requirements which may be requested by either the Item Managers in the Supply Operations Division or the POI Monitor in the Management Support Office of the Directorate of Clothing and Textiles, or both.

a. Appendix F-299, End Item PGC Program Requirements File Listing, provides a printout of the POI Requirements by PGC for any PGC in the Program Data Reference File at the time of the previous POI Forecast. The POI Requirements for a PGC will be listed separately for each PIC to which the PGC belongs as well as summarized for all such PICs. The POI Requirements will be identified by month for each remaining month of the current fiscal year as well as each month of the following two fiscal years.

(1) The POI Requirements stored in the End Item PGC Program Requirements File are loaded into the file as the PGC requirements are developed by PIC during the monthend POI Forecast. The POI Requirements in this file cannot be changed, added to, or deleted from the file. Inquiries only will process against this file. The addition or deletion of PGCs in the PDRF, or changing of PGC data in the PDRF, will not cause any change to the POI Requirements in the End Item PGC, Program Requirements File until the next POI Forecast. Similarly, if there are any manual changes to an NSNs POI Requirements via appendix B-53, which would cause the overall PGC POI Requirements to change, this change will not be reflected in the PGC Requirements in the End Item PGC Program Requirements File.

(2) Appendix F-299 may be obtained by using DIC ZRV, appendix B-72. There are only two types of inquiries possible for appendix F-299. One type of inquiry can be made by either an Item Manager or the POI Monitor and it lists the POI Requirements by PIC for one specified PGC. The other type of inquiry can be made only by the POI Monitor for a complete listing of the POI Requirements by PIC for every PGC in the file.

b. Appendix F-149, NSN Program Requirements Trailer Listing, provides a printout of POI Requirements by PIC for any NSN in the Supply Control File with a Program Requirements Trailer. In addition, the printout will include a summary of the POI Requirements for all the PICs supported by an NSN. This printout is the only one available for appendix F-149. The POI Requirements will be identified by month for each remaining month of the current fiscal year as well as each month of the following two fiscal years. Appendix F-149 may be obtained by using DIC ZRS, appendix B-53. The inquiry may be made by either an Item Manager or the POI Monitor for appendix F-149. Appendix F-149 will always contain the latest POI Requirements resulting from either the POI Forecast or daily manual changes to the NSN POI Requirements by using DIC ZRS, appendix B-53.

c. Appendix F-402, Peacetime Forecast Record, provides a printout of the POI Requirements for a single NSN or for all the NSNs in a designated PGC. The POI Requirements are grouped by Service and displayed as quarterly POI totals for the current quarter and eleven succeeding quarters. The Service groupings pertain to all PICs beginning with the same first letter, regardless of whether the PICs are regular Service PICs or JROTC PICs, or Initial Issue or Replenishment PICs. Included with the POI Requirements totals by Service by quarter will be any demand-oriented requirements developed by the QFD computation. Any nonrecurring requirements will also be shown separately on the report by Service and quarter, such as SPRs (Special Program Requirements), Provisioning, and Other Nonrecurring Requirements. Appendix F-402 may be obtained by an Item Manager or the POI Monitor by using DIC ZSK, appendix B-120. There are two types of inquiries which can be made for appendix F-402, one for the POI Requirements by Service for a single NSN, and one for the POI Requirements by Service for each NSN in a PGC and a PGC total.

225404 - POI REQUIREMENTS APPLICATIONS

a. The POI Requirements developed from the POI Forecast are integrated into the formation of all existing SAMMS requirements levels and quantities. The POI Requirements used to develop the ALT (Administrative Leadtime) and PLT (Production Leadtime) quantities for the Reorder Point Level, the Variable Safety Level, and the Due-In Review Level computations are the actual monthly POI Requirements in the Program Requirements Trailer of an NSN during the ALT/PLT time period. Likewise, the computations of the MAP Reimbursement Level, the Retention/Returnable Limits, the Creditable Level for customer returns, the shelf-life requirements for shelf-life items and the Stratification requirements all use the POI Requirements in the Program Requirements Trailer of an NSN for the time periods involved in the computations.

b. The other method of using POI Requirements to develop requirements levels and quantities involves using a 12-month POI Requirements value maintained in the Supply Control File header. A new 12-month value is computed during each monthend POI Forecast for each NSN with POI Requirements. This value consists of the sum of all POI Requirements for all PICs in the Program Requirements Trailer starting with the month after the monthend POI Forecast and continuing for 12 consecutive

months. When the 12-month value is used in requirements computations, it is usually divided either by 12 to approximate a one month POI

Requirement or by 4 to approximate a three month POI Requirement. The requirements computations which use the 12-month POI Requirements value are the Economic Order Quantity (EOQ) for developing the procurement cycle months for an NSN, the Maximum Release Quantity (MRQ) for requisition processing, the Demand Value Code determination based on the dollar value of forecasted requirements, the Fixed or Variable Safety Level quantity, the SSP Control Levels for Navy depots, the UMMIPS Control Level for requisition processing, and the Fractionation process.

SECTION V - MANUAL CHANGES TO THE POI FORECAST

225501 - CHANGES IN BASE (CUSTOMER) REQUIREMENTS

a. In addition to the regular monthend POI Forecast, there are two other means by which POI Requirements may be recomputed. One of these is the automated AS REQUIRED POI Forecast which is simply the monthend POI Forecast with some modifications to allow it to be used during any daily Requirements Cycle. However, the AS REQUIRED POI Forecast will be run only when several Service induction programs (Initial Issue PICs) have had significant increases or decreases in their troop inputs. The other means of recomputing POI Requirements is a manual computation performed by an Item Manager. Conditions for which manual action applies include changes in the troop input for a PIC or change to an Allowance Factor for generic end item. In either case, the base requirements for a PGC have changed and the Item Manager may not want to wait until the next monthend POI Forecast to reflect the change.

b. In order to change the POI Requirements manually, the Item Manager must perform the same sequence of events in the POI Forecast as explained in section IV, subparagraphs 225402a, 225402b, 225402c, and 225402e. The only difference between the monthend POI Forecast and a manual POI Forecast is the manner in which the Current Pipeline Requirements, the Next Pipeline Requirements, the Current Requirements Variance, and the Next Requirements Variance are computed.

(1) The Item Manager must obtain printouts of appendix F-299 before and after any changes are made to the future induction values of a PIC or to the Allowance Factors of the PGC so that a manual comparison of Pipeline Requirements can be made similar to that which occurs in the POI Forecast. The following example will illustrate the technique which should be followed by the Item Manager.

(2) Assume any date in January other than the last day. The PIC under consideration has a Pipeline Factor of 3.0 and an Operating Level of 1.0. After obtaining appendix F-299 before any induction value or Allowance Factor changes, the base requirements for the PGC/PIC combination are computed by the Item Manager to be as follows:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>
5,000	7,000	9,000	7,000	6,000	8,000	8,000

From these values, the Current Pipeline Requirements are 21,000 (5,000 + 7,000 + 9,000). For this manual computation, it is not necessary to compute the Next Pipeline Requirements as was done in the POI Forecast. The Current Requirements Variance and the Next Requirements Variance as they were computed during the previous POI Forecast are printed on the F-299 listing, so that those values do not need to be manually computed. For this example, assume a Current Requirements Variance of -5,000 and a Next Requirements Variance of -2,000. An appendix F-299 also needs to be obtained after the changes in induction values and/or Allowance Factors have been made in the PDRF. Assume that the PDRF changes resulted in the following base requirements for the same time periods:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>
20,000	30,000	30,000	40,000	35,000	30,000	30,000

The Current Pipeline Requirements now equal 80,000 (20,000 + 30,000 + 30,000). In the normal monthend POI Forecast procedure, the previous Current Pipeline Requirements value of 21,000 would be replaced by 80,000 which would then be compared with the Next Pipeline Requirements value (which was not computed) to determine if there is any Next Requirements Variance. For the manual computation, however, the value of 80,000 should be compared with the previous Current Pipeline Requirements value of 21,000 since the current pipeline period is still January through March. This comparison shows any changes in the Current Pipeline Requirements now versus the value at the beginning of the current month (January). By comparing 80,000 with 21,000, an increase in Current Pipeline Requirements of 59,000 (+ 59,000) is noted.

During a normal January monthend POI Forecast, the Current Requirements Variance of -5,000 would be deleted and the Next Requirements Variance of -2,000 would replace it as the Current Requirements Variance. For a manual forecast computation, however, the Current Requirements Variance of -5,000 remains intact. The change in the Current Pipeline Requirements (+59,000) will be algebraically added to the value of the Next Requirements Variance (-2,000). The result, +57,000, now becomes the Next Requirements Variance. The Current Requirements Variance and the Next Requirements Variance are then applied against the C&T requirements as in the normal POI Forecast.

Continuing with the example, the C&T requirements after applying the Pipeline Factor to the base requirements are as follows:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>
40,000	35,000	30,000	30,000	XXX	XXX	XXX

Upon applying the Current Requirements Variance of -5,000 and the Next Requirements Variance of +57,000, the final adjusted C&T requirements are as follows:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>
35,000	92,000	30,000	30,000	XXX	XXX	XXX

These C&T requirements are the PGC requirements for one particular PIC. The Item Manager must then obtain a printout of the tariff record in the Size Tariff File identified by the Service Code of the PIC and the PGC. The printout of the tariff record is obtained by using DIC ZRT, appendix B-84, which produces appendix F-89, Size Tariff Listing. From this printout, the Item Manager can use the appropriate tariff values to develop NSN requirements from the PGC requirements.

225502 - REQUIREMENTS UPDATES AFTER A MANUAL POI FORECAST

a. It is important for the Item Manager to realize that any interim changes to a PGCs POI Requirements caused by performing a manual POI Forecast, particularly in the computation of the Current Pipeline Requirements, the Next Pipeline Requirements, the Current Requirements Variance, and the Next Requirements Variance, are only temporary. The values of these four parameters will be the same as after the previous monthend POI Forecast at the time of the next monthend POI Forecast. The values of the four parameters can only be changed by either a normal monthend POI Forecast or a special AS REQUIRED POI Forecast, not by a manual POI Forecast performed by an Item Manager.

b. After the changes, additions, or deletions of NSN POI Requirements have been determined by an Item Manager after going through a manual POI Forecast computation, DICs ZRS, appendix B-53, as depicted in appendix D-155, are used to update the Program Requirements Trailers of the NSNs. When any DIC ZRS applies to one of the next 12 months, including the current month, the 12-month POI Requirements value in the Supply Control File header is recomputed to reflect the most recent POI Requirements update. Three requirements levels and one requirements quantity which are all stored in the NIR (National Inventory Record) are recomputed using the latest POI Requirements changes. The UMMIPS Level and the MRQ (Maximum Release Quantity) are recomputed using the new 12-month POI Requirements value. The Reorder Point Level and the MAP Reimbursement Level are also recomputed using the latest POI Requirements updates for the actual time periods involved.

SECTION VI - AS REQUIRED POI FORECAST

225601 - PURPOSE

The purpose of the AS REQUIRED POI Forecast is to provide a mechanized POI Forecast procedure which may be executed during a normal Requirements Daily cycle with minimal preparation to recompute the POI Requirements for generic end items belonging to Service induction programs experiencing significant increases or decreases in troop inputs since the previous monthend POI Forecast.

225602 - RESPONSIBILITIES

a. It is the responsibility of the POI Monitor in the Management Support Office of the Directorate of Clothing and Textiles to determine the need for an AS REQUIRED POI Forecast when one or more Initial Issue PICs in the Program Data Reference File have undergone substantial changes in their troop inputs since the previous monthend POI Forecast, and it is desirable to update the NSN requirements levels and requirements quantities in the Supply Control File and NIR as quickly as possible. The determination of what constitutes SUBSTANTIAL CHANGES IN TROOP INPUTS before an AS REQUIRED POI Forecast is requested is left to the POI Monitor's discretion.

b. The POI Monitor will be responsible for preparing an IOM requesting the execution of the AS REQUIRED POI Forecast programs during a specified Requirements Daily cycle. This IOM will be signed by the Director of Clothing and Textiles and will be sent to the Office of Data Systems. The POI Monitor will also be responsible for updating the troop input changes for Initial Issue PICs in the PDRF prior to the AS REQUIRED POI Forecast. The troop input updates can be accomplished in the same Requirements Daily cycle as the AS REQUIRED POI Forecast by using DICs ZRN, appendix B-52, Program Document.

c. It is the responsibility of the Office of Data Systems to be knowledgeable of the existence of the programs embodying the AS REQUIRED POI Forecast and to properly sequence them in a normal Requirements Daily cycle so that troop input changes can be made by the POI Monitor, the AS REQUIRED POI Forecast run, and the recomputed POI Requirements output for review and use in developing system requirements levels and quantities.

225603 - AS REQUIRED POI FORECAST PROCEDURES

a. The AS REQUIRED POI Forecast exists so that the generic end items in Initial Issue PICs with significant changes in troop inputs can have their POI Requirements reforecast without waiting until the normal monthend POI Forecast. However, the AS REQUIRED POI Forecast does not include only generic end items in the PDRF for the Initial Issue PICs experiencing significant troop input changes. All the generic end items in the PDRF are reforecast, much like a normal monthend POI Forecast. The portions of the monthend POI Forecast explained in section IV, subparagraphs 225402a, 225402b, 225402c, and 225402e are also applicable to the AS REQUIRED POI Forecast. The only difference between the monthend POI Forecast and the AS REQUIRED POI Forecast is the manner in which the Current Pipeline Requirements, the Next Pipeline Requirements, the Current Requirements Variance and the Next Requirements Variance are computed. The POI Requirements for those generic end items belonging to PICs which had no data changes to them will be the same as forecasted during the previous monthend POI Forecast.

b. The following example serves to illustrate the changes to the normal POI Forecast which are necessary for the AS REQUIRED POI Forecast. Assume the date of the AS REQUIRED POI Forecast to be any

day in January, other than the last day (when a normal POI Forecast would occur). The Initial Issue PIC experiencing a sudden significant increase in troop inputs has a Pipeline Factor of 3.0 and an Operating Level of 1.0.

Assume that for one PGC in the PIC, the following values exist after the previous (December) monthend POI Forecast:

Current Pipeline Requirements = 21,000

Next Pipeline Requirements = 23,000

Current Requirements Variance = -5,000

Next Requirements Variance = -2,000

Now suppose that because of a significant increase in the troop input for the PIC, an AS REQUIRED POI Forecast is run. The same procedures as are employed in the monthend POI Forecast are used to develop the new base requirements for the PGC as follows:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>
20,000	30,000	30,000	40,000	35,000	30,000	30,000

The Current Pipeline Requirements now equal 80,000 (20,000 + 30,000 + 30,000). In the normal monthend POI Forecast, the previous Current Pipeline Requirements value of 21,000 would be replaced by 80,000 and then 80,000 would be compared with the Next Pipeline Requirements value of 23,000 to determine the Next Requirements Variance value. For the AS REQUIRED POI Forecast, however, 80,000 will be compared with the previous Current Pipeline Requirements value of 21,000 since the current pipeline period is still January through March. This comparison shows any changes in the Current Pipeline Requirements now versus the value at the beginning of the current month (January). Such a comparison shows that there has been an increase in Current Pipeline Requirements of 59,000 (+59,000).

During a normal January monthend POI Forecast, the Current Requirements Variance of -5,000 would be deleted and the next Requirements Variance of -2,000 would replace it as the Current Requirements Variance. For the AS REQUIRED POI Forecast, however, the Current Requirements Variance of -5,000 is not changed or deleted. The change in the Current Pipeline Requirements (+59,000) will be algebraically added to the value of the Next Requirements Variance (-2,000). The result, +57,000, now becomes the Next Requirements Variance. The new value for the Next Pipeline Requirements is 100,000 (30,000 + 30,000 + 40,000). Thus, the new Pipeline Requirements and Requirements Variance values which will be carried forward in the PGC data section of the PDRF for the January monthend POI Forecast are as follows:

Current Pipeline Requirements = 80,000

Next Pipeline Requirements = 100,000

Current Requirements Variance = -5,000

Next Requirements Variance = +57,000

Continuing the example, the C&T requirements after applying the Pipeline Factor to the base requirements are as follows:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>
40,000	35,000	30,000	30,000	XXX	XXX	XXX

The Current Requirements Variance of -5,000 and the Next Requirements Variance of +57,000 are now applied against the C&T requirements as in the normal POI Forecast. The final adjusted C&T requirements are as follows:

<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>
35,000	92,000	30,000	30,000	XXX	XXX	XXX

These PGC requirements are then turned into NSN requirements by using either the Size Tariff File or Management Policy Table 011 in the same manner as for the normal monthend POI Forecast.

225604 - REQUIREMENTS LEVELS UPDATES AFTER AN AS REQUIRED POI FORECAST

After an AS REQUIRED POI Forecast has been run, the newly computed POI Requirements are used to recompute and update the Reorder Point Level, MAP Reimbursement Level, MRQ, UMMIPS Level and SSP Levels in the NIR, and the Procurement Cycle months, Demand Value Code, and Safety Level quantity in the Supply Control File. These updates to the NIR and SCF will occur in the same Requirements Daily cycle as the AS REQUIRED POI Forecast. The updates are necessary to ensure the output of RP Reason for Study Codes on appendix F-167, Standard Supply Control Study, in the same Requirements Daily cycle as the AS REQUIRED POI Forecast for those POI NSNs experiencing enough increases in their requirements to breach their Reorder Point Levels. In addition, the requirements levels in the NIR will be ready for processing requisitions against them in the next Multidaily Distribution cycle.

225605 - PRINTOUTS FROM AN AS REQUIRED POI FORECAST

So that visibility is maintained of the PGC POI Requirements after an AS REQUIRED POI Forecast, a complete printout of the End Item PGC Program Requirements File is provided in the same Requirements Daily cycle as the AS REQUIRED POI Forecast. These printouts will be appendices F-299 as described in section IV, paragraph 225403a, for each PGC in the Program Data Reference File. The printouts will be output in PGC sequence and will contain the POI Requirements of all PICs to which a PGC belongs.