

CHAPTER 32

ESTABLISHMENT, MAINTENANCE, AND USES OF QUANTITATIVE LEVELS

SECTION I - GENERAL

232101 - PURPOSE

To provide procedures for the establishment, maintenance, and uses of Quantitative Levels.

232102 - SCOPE

This chapter establishes procedures for the establishment, maintenance, and use of the following Quantitative Levels:

- a. System Reorder Point (ROP) Quantity (for Replenishment Demand Items) and Merger Reorder Point (MROP).
- b. Reorder Point Comparison Quantity.
- c. Reorder Review Level (for Numeric Stockage Objective (NSO) Items).
- d. UMMIPS Control Level.
- e. Creditable Level.
- f. Retention/Returnable Limit (System).
- g. Reimbursement Level.
- h. SSP Control Level.
- i. Location Reorder Point.
- j. System Due-In Review Level.
- k. Redistribution Review FILL Level.
- l. Administrative and Production Leadtime.
- m. Maximum Release Quantity (MRQ).
- n. On-Hand Issuable Assets Quantity.
- o. Creditable Level and Retention/Returnable Limit for Bag Items.

SECTION II - PROCEDURAL NARRATIVE

232201 - SYSTEM REORDER POINT

a. Establishment of ROP Quantity (System) - A ROP Quantity (System) will be established for each family of Replenishment Demand items, ICC 1 and P, which will consist of the sum of the following:

- (1) Safety Level Quantity (System) (if applicable), plus
- (2) The sum of FILL Increments (if applicable), plus
- (3) Other War Reserve Requirement Protectable (OWRMRP) (if applicable), plus
- (4) For items assigned SSC 6 with Standardization Status Code 3 or E without a recorded replacing Head of the Family in the NIR and SCF, add two-thirds of the QFD (System) quantity to the ROP. The two month's extra protection is provided monthly because the IM will not obtain the NSN for the preferred item until it is actually required.
- (5) All requirements through a time period equal to the PLT (ALT plus PLT).

These requirements include:

- (a) Forecasted Recurring Demand.
- (b) Nonrecurring requirements, to include:
 1. SPRs.
 2. MAP Requirements, to include Purpose Code N assets.
 3. Provisioning Requirements.
 4. Other Nonrecurring Requirements.
- (c) Program-Based Requirements, for DPSC-T only.

b. Merger Reorder Point Quantity (MROP) - The point at which the quantity of assets of a partially substitutable item are equal to or below its Reorder Point and the item is eligible for migration to and entry in the preferred item family. For establishment and computation of MROP Quantity, refer to chapter 27.

c. Maintenance of ROP Quantity (System) - The ROP Quantity (System) will be reestablished whenever a family has experienced a quantitative change to any element comprising its ROP Quantity (System). At the end of each month, the ROP Quantity (System) will be modified whenever the SPR quantity during the last month of the PLT period differs from the SPR quantity during the next month. Also, the ROP will be modified daily, as necessary, whenever a new SPR is established with a support

date within the PLT. This action will always precede the daily System ROP comparison.

d. Use of ROP Quantity (System) - A comparison of the ROP Quantity (System) and assets will be made on a daily basis for each family experiencing any of the following activity:

(1) Reestablishment of the ROP Quantity (System) that resulted in an increase over the prior ROP Quantity (System).

(2) Reduction of assets used in the System ROP comparison.

(3) A change to one of the following elements in SCF or NIR:

(a) ORC.

(b) Weapon System Indicator Code (WSIC).

(c) UMMIPS Control Level.

(d) Demand Value/Fund Classification Code.

(e) MAP Reimbursement Level.

(f) Physical Inventory Category Code.

(g) Item Category Code (ICC).

(h) ROP Comparison Quantity.

(i) ROP Signal Date.

(j) Procurement Grouping Code.

(k) SSP Control Code.

(l) Due-In Signal.

232202 - REORDER POINT COMPARISON QUANTITY

a. Establishment of Reorder Point Comparison Quantity - A Reorder Point Comparison Quantity will be established for each family of items. It will be used to compare against either the Reorder Point Quantity (System) or the Reorder Review Level to determine when an item has reached its reorder point and appropriate supply action is necessary. This quantity is reconciled on a monthly basis.

b. Elements of the ROP Comparison Quantity - The Reorder Point Comparison Quantity (ROPCQ) maintained in the National Inventory Record is designed for system use in determining when a Reorder Point Level (ROPL) reach has occurred. Because of the specialized nature of certain assets, they are intentionally excluded from the ROPCQ. The exclusion of these assets can result in a premature ROPL reach signal to the Requirements Subsystem. The Requirements Subsystem will determine if a true ROPL reach has occurred by computing the ROPL based on information in the Supply Control File. The current NIR ROPL is overlaid with the new computed level.

(1) The following assets are included in the ROPCQ maintained in the National Inventory Record. Any backorders are subtracted from the ROPCQ (excluding direct deliveries).

<u>TYPE - TDIC*</u>	<u>GROUP</u>	<u>CONDITION</u>	<u>ASSET PURPOSE</u>
OO/H - No Shelf-Life	3	A, B, C, E	A, E, F, G,
	7	D, F, G	M, F
O/H - Shelf-Life	3	A	A, E, F, G, M
D/I - SFK	3	A, B, C, E	A, E, F, G, M
D/I - SDS	28	A	A, E, F, G
SDV			
ZDS			
ZDU			
ZDV			
ZDZ			
D/I - SDM	7	A, B, C	A, E, F
SFM	7		
SFU	28		
D/I - SDU	28	A, B, D, E, F, G	A, E, F, G
SDZ			
SFU			
D/I - SPS	31	A	A, E, F, G
SPU			
SPV			
SPZ			
SRS			
SRU			
SRV			
SRZ			

NOTE: Logistics Reassignment assets in Asset Group 11 with Type Due-In Code TD_/TP_ are not included in the ROPCQ, but they are treated like Asset Groups 28 and 31, respectively, for all Requirements Subsystem applications.

(2) The following assets within the applicable asset groupings are intentionally excluded.

<u>TYPE - TDIC*</u>	<u>GROUP</u>	<u>CONDITION</u>	<u>ASSET PURPOSE</u>
O/H	3, 37	ALL	H, N
O/H - Shelf Life	3	Other than A	ALL
D/I	3, 7, 28, 31	ALL	H

<u>TYPE - TDIC*</u>	<u>GROUP</u>	<u>CONDITION</u>	<u>ASSET PURPOSE</u>
D/I - ZGS	7	ALL	ALL
D/I - SFK	7	D, F, G	F
D/I - ZHS	31	ALL	ALL

NOTE: PSC-C&T only. If the family consists of cloth NSNs, the family members ROPCQ and OHIA will be multiplied by the Cloth Multiplication Factor (CMF) before rolling up to the head. If necessary, this quantity will be rounded up if it ends in a decimal greater than or equal to .5, and will be rounded down if the decimal is smaller than .5. This process of recomputation takes place after each transaction affecting these quantities. For all C&T items, assets used to compare against quantitative levels will include Condition Code B assets equal to one QFD plus 1/4 of the items annual Program Based Requirements if the item is ICC P.

*The assets above the MROP Quantity will be excluded for those nonpreferred items within a family that are not completely substitutable (AAC 2). For items with Shelf-Life Months other than OO, Condition Codes B and C assets are excluded from the NIR Comparison quantity. The true reach of the ROP for deteriorative items is computed in the Requirements Subsystem. At DCSC, DESC, and DGSC, all on-hand stock in Condition Code B will be used in the Requirements Comparison Quantity. At DISC and DPSC-A, up to 1 QFD of on-hand stock in Condition Code B will be used for preferred items (bachelor or family head) only. At DPSC-T, include Condition Code B Stock up to 1 QFD plus 1/4 the item annual Program Based Requirements where item is ICC P. Any balance of on-hand stocks in Condition Code B and all on-hand stock in Condition Code C, will be placed in Asset Group 38. All dues-in within Asset Groups 28 and 31, regardless of Condition Code, will be used in the Requirements Comparison Quantity for all DSCs. For Shelf-Life items, on-hand assets in excess of the Rotatable Quantity are to be excluded from the Requirements Comparison Quantity. ICC 1 and P items with Shelf-Life Months greater than 72 months are processed the same as OO (nondeteriorative).

c. Maintenance of the ROP Comparison Quantity - The ROP Comparison Quantity is maintained dynamically when any action (increase or decrease) that affects the above assets is processed.

d. Use of the ROP Comparison Quantity - Under the conditions stated above, System ROP comparisons will be made daily for each family having an increase in its ROP Quantity (System) or a reduction in its assets.

(1) If the asset quantity exceeds the ROP Quantity (System), the ROP is not reached; therefore, no action is necessary.

(2) If the asset quantity is equal to or less than the ROP Quantity (System), SSCS(s) will be prepared. Reason for Study Code RP applies.

232203 - REORDER REVIEW LEVEL

a. Establishment of Reorder Review Level - A Reorder Review Level will be established for each family of NSO items as follows: Either one-half the NSO quantity plus OWRMRP (if applicable) plus monthly a quantity of one for Standardization Status Code 3 or E items without a recorded replacing Head of the Family, or all approved, nonrecurring requirements through a time period equal to the PLT including:

(1) SPRs.

(2) MAP Requirements, to include Purpose Code N assets.

(3) Provisioning Requirements.

(4) Other Nonrecurring Requirements, plus OWRMRP plus the sum of the FILL Quantities, whichever is greater.

b. Maintenance of Reorder Review Level - The Reorder Review Level will be reestablished whenever a family has experienced a quantitative change to any element comprising its Reorder Review Level. This action will precede the daily Reorder Review.

c. An appendix F-85, ROP Comparison Quantity Adjustment Listing of NSNs, is provided monthly to indicate the ROP Comparison Quantity that were mechanically adjusted and resulted in an error.

d. Uses of Reorder Review Level:

(1) A comparison of the Reorder Review Level and assets will be made on a daily basis for each family experiencing any of the following activity:

(a) Reestablishment of the Reorder Review Level that resulted in an increase over the prior Reorder Review Level.

(b) Reduction of assets used in the Reorder Review Level comparison.

(c) Multimanged items with Key Code MM in NIR resulting in the ROP Comparison Quantity being equal to or less than the ROP Level field will generate an appendix F-109 to the ORC of record. The DIC ZRG, appendix B-95 transaction with Action Code GG will increase the ROP Level field and Action Code GH will decrease the ROP Level field in the NIR.

(2) The assets in the NIR File used in the Reorder Review consist of the sum of the assets in the following AGs (appendix A-59) for all items (NSNs) in the family minus backorders (excluding direct deliveries) and assets in Ownership/Purpose Code H.

<u>TYPE OF STOCK ON HAND OR DUE-IN*</u>	<u>ASSET GROUP NO.</u>
Serviceable Stock On-Hand (System)	3
Unserviceable Stock On-Hand - Scheduled for Repair (System)	7
Due-In On Contract (System)	28
Due-In On PR (System) (including Tentative Due-In)	31
SOH Reserved for MAP-FMS	37

*The assets above the MROP Quantity will be excluded for those nonpreferred items within a family that are not completely substitutable (AAC 2). For NSO items with Shelf-Life Months other than 00, Condition Codes B and C assets are excluded from the NIR Comparison Quantity. On-hand assets in Condition Codes B and C are also excluded from the SCF ROP check. Such materiel will be placed in AG 38. However, all due-in, regardless of condition code, will be included in the SCF Reorder Review Level Comparison. On-hand assets in excess of the Rotatable Quantity are also to be excluded from the SCF Reorder Review Level Comparison Quantity. Logistics Reassignment assets in Asset Group 11 with Type Due-In Code TD_/TP_ are not included in the NIR Comparison Quantity, but they are treated like Asset Groups 28 and 31, respectively, for all Requirements Subsystem applications.

(3) Under the conditions stated above, Reorder Review Level comparisons will be made for each family having an increase in its Reorder Review Level or a reduction in its assets.

(a) If the asset quantity exceeds the Reorder Review Level, no action is necessary.

(b) If the asset quantity is equal to or less than the Reorder Review Level, SSCS(s) will be prepared, except in the instance described in subparagraph (c) below. Reason for Study Code RP applies. If the sum of SPRs, MAP Requirements, to include Purpose Code N assets, Provisioning Requirements, OWRMRP, and FILL is greater than the sum of one-half the NSO quantity, OWRMRP, and FILL then the greater quantity will reflect as the production leadtime quantity and one-half the NSO quantity will reflect as the procurement cycle quantity.

(c) If the Reorder Review Level equals the OWRMRP, SSCS(s) will be prepared only if the asset quantity is equal to or less than the Reorder Review Level. No study will be prepared when assets exceed the Reorder Review Level.

232204 - UMMIPS CONTROL LEVEL

a. Establishment of UMMIPS Control Level - A UMMIPS Control Level will be established for each Family of Replenishment Demand Items as follows: (See appendix B-142 (DIC ZJM)).

(1) Items With Safety Level Code F (Fixed) or Code V (Variable).

(a) DPSC-T - 80 percent of the System Safety Level Quantity or two-thirds of the sum total obtained when the System QFD and one-fourth of the next 12 months POI forecast are added, whichever is less; 80% Safety Level or two-thirds QFD + next 12 months POI forecast), whichever is less.

4

The 12 month POI value is maintained daily in the Supply Control File header.

(b) DPSC-A and DESC - 80 percent of the System Safety Level Quantity or one-sixth of the System QFD, whichever is less.

(c) Other DSCs - 80 percent of the System Safety Level Quantity or two-thirds of the System QFD, whichever is less.

(2) Items with Safety Level Code E (Emergency) - one-third of the Safety Level quantity.

(3) Items with Safety Level quantity of zero will have a UMMIPS level of all zeros.

(4) An NSO, ICC 2 or B, item will always have a UMMIPS level of all zeros.

(5) A DISC Control Level will be established for each Family of Replenishment as follows:

(a) Item Category Code 1 items - one-half of the system QFD.

(b) Other items will have a UMMIPS level of zero.

(6) In conjunction with the DISC Control Level, the historical Average Requisition Quantity (ARQ) is posted in the Minimum Order Quantity (MOQ) field.

b. Maintenance of UMMIPS Control Level - The UMMIPS Control Level will be reestablished whenever a family has experienced a quantitative change to any element comprising its UMMIPS Control Level. The IM also has the capability of revising the UMMIPS Control Level manually. (Refer to appendix B-142, DIC ZJM.)

c. Global UMMIPS Control Level

(1) The Global UMMIPS Control Table allows the DSC to protect a level of stock for a specific Priority Designator. This control level is derived by multiplying the Global UMMIPS Control Factor by the UMMIPS Control Level.

(2) The initial Global UMMIPS Control Table was established mechanically. Each DSC may modify this table by preparing the Global UMMIPS Control Table document, DIC ZCF, in the format described in

appendix B-356. This document can also be used to obtain a printout of the table in the format depicted in appendix F-356.

(3) The Global UMMIPS Control Table is described in chapter 33.

d. Use of the UMMIPS Control Level and Global UMMIPS Control Level.

(1) The UMMIPS Control Level will be used in conjunction with the UMMIPS Percentage Factor or the Global UMMIPS Control Factor in the processing of customer requisitions. The UMMIPS Percentage Factor is reflected in the Variable Decimal Field in the NIR. This factor can be manually changed by preparing an Item Management Variable Data Change Document, DIC ZNP, as described in appendix B-132. The Global UMMIPS Control Factor is maintained by preparing the Global UMMIPS Control Table Document, DIC ZCF, as described in appendix B-356.

(2) Requisitions will be processed for issue when the assets on hand exceed the level of assets indicated by the UMMIPS Control Level or the level computed by multiplying the UMMIPS Control Level times either the UMMIPS Percentage Factor or the Global UMMIPS Control Factor. The level of stock protected based on the priority of the requisition is depicted in the following charts:

(a) For all DSCs, except as noted, the following requisitions will bypass UMMIPS Control Levels:

<u>PRIORITY</u>	<u>VALIDATIONS</u>	<u>STOCK PROTECTED</u>
1-15	UMMIPS Inhibit Code 2 or 3	Zero
1-15	Special Customer Code C	Zero
1-15	Deleted Item (NIR Key Code D_)	Zero
1-15	At DPSC, Quantity less than 4	Zero

(b) For all DSCs, except as noted, requisitions bypassing the exclusions described above will be checked against the UMMIPS Percentage Factor in the order of precedence as described below:

<u>PRIORITY</u>	<u>VALIDATIONS</u>	<u>STOCK PROTECTED</u>
1-3	UMMIPS Percentage Factor XX	UMMIPS x Global Control Factor
4-8	UMMIPS Percentage Factor space	UMMIPS x Global Control Factor
4-8	UMMIPS Percentage Factor zeros	UMMIPS x Control Level
4-8	UMMIPS Percentage Factor 01-99 (except DPSC-T)	UMMIPS x 01-99 Percent
4-8	UMMIPS Percentage Factor 01-99 (for DPSC-T) Factor	UMMIPS x Global Control
4-8	UMMIPS Percentage Factor other than above	UMMIPS Control Level Quantity
9-15	None	UMMIPS x Global Control Factor

e. Establishment of UMMIPS Control Level Inhibitor Code - A UMMIPS Control Level Inhibitor Code will be established for each Family of Replenishment Demand items. Refer to appendix A-81.

f. Maintenance of UMMIPS Control Level Inhibitor Code - The UMMIPS Control Level Inhibitor Code will be retained permanently until changed by the IM by use of DIC ZJM, appendix B-142.

g. Use of the UMMIPS Control Level Inhibitor Code - The UMMIPS Control Level Inhibitor Code will be used in the processing of customer requisitions IAW chapter 4.

232205 - CREDITABLE LEVEL

a. Establishment of Creditable Level - A Creditable Level will not be established for ICC 2 or B, SSC/FSSC 5 or 6, and nonstocked SSC/FSSC 2, 3 or 9 items and NSO items which are not in a backorder position. Creditable Level will be established for each family of replenishment demand, ICC 1 or P, and NSO items which are in a backorder position.

(1) The Creditable Level will be computed as follows:

(a) Compute Creditable Level:

1. Adjusted OWRMRP (OWMRP quantity times pos. 67-68, Table 018 Factor) or the OWRMR quantity, whichever is less; PLUS

2. Adjusted Safety Level (Safety Level quantity times pos. 65-66, Table 018 Factor); PLUS

3. Administrative Leadtime (ALT); PLUS

4. Production Leadtime (PLT); PLUS

5. Forecasted Issues (recurring and nonrecurring requirements) through the fiscal year, which starts in the current calendar year in which the asset cutoff date was calculated. This forecast period will always be between 9 and 21 months duration.

(b) Compute Procurement Objective:

1. Adjusted OWRMRO (OWMRP quantity times pos. 67-68, Table 018 Factor) or the OWRMR quantity, whichever is less; PLUS

2. Adjusted Safety Level (Safety Level quantity times pos. 65-66, Table 018 Factor); PLUS

3. Administrative Leadtime; PLUS

4. Production Leadtime; PLUS

5. Procurement cycle (recurring and nonrecurring requirements).

(c) Compare the Creditable Level to the Procurement Objectives and assign the largest as the MRP Creditable Level.

(2) Deteriorative Items - Items having a Shelf-Life Month of 01 through 99 will have the following additional comparison:

(a) Compute the one month requirement quantity.

(b) Multiply the one month requirement quantity by the Shelf-Life Months. This resultant will be the Rotatable Quantity for shelf-life items.

(c) To determine the Creditable Level for deteriorative items compare the Creditable Level Quantity for nondeteriorative items with the Rotatable Quantity for shelf-life items. The lesser of the two quantities will be the Creditable Level for deteriorative items.

b. Maintenance of Creditable Level The Creditable Level will be established based upon the most current requirements data available at the time of receipt of a Report of Customer Excess.

c. Use of Creditable Level.

(1) A comparison of the Creditable Level and applicable assets will be made when processing requests for credit, DIC FTE, for the family item on which credit is requested, as follows:

(a) Automatic Returns:

1. Compare the sum of applicable assets plus the quantity in the FTE being processed to the Creditable Level for the family.

2. If the sum of the applicable assets plus the FTE Quantity is less than the Creditable Level, accept the return as creditable.

3. If the assets plus the FTE quantity is equal to or greater than the Creditable Level, accept the return without credit.

(b) Requests for Disposition and Credit:

1. Compare the sum of applicable assets plus the quantity in the FTE being processed to the Creditable Level for the family.

2. If the sum of applicable assets plus the FTE quantity is less than the Creditable Level, accept the return as creditable.

3. If the sum of applicable assets plus the FTE quantity is equal to or greater than the Creditable Level but less than the Retention/Returnable Limit:

a. Accept with credit that portion of the FTE quantity below the Creditable Level.

b. Accept without credit that portion of the FTE quantity above the Creditable Level.

4. If the sum of applicable assets plus the FTE quantity exceeds the Retention/Returnable Limit:

a. And the sum of applicable assets (without considering the FTE quantity) is below the Creditable Level, accept with credit that portion of the FTE quantity that is the difference between the sum of applicable assets and the Creditable Level. Accept without credit the balance of the FTE quantity.

b. And the sum of applicable assets (without considering the FTE quantity) is above the Creditable Level but below the Retention/Returnable Limit, accept without credit the FTE quantity.

c. And the sum of applicable assets (without considering the FTE quantity) is above the Retention/Returnable Limit, reject the FTE quantity.

(2) The assets used will consist of the sum of the assets in the following Asset Groups (appendix A-59) for all items (NSNs) in the family:

<u>TYPE OF STOCK ON HAND OR DUE-IN*</u>	<u>ASSET GROUP NO.</u>
Serviceable Stock On Hand (System)	3
Unserviceable Stock On Hand Scheduled for Repair Less AG 5C (System)	7
Unserviceable Stock On Hand Unscheduled (System)	10
Returns and Transfers Due-In (System)	22
Due-In on Contract (System)	28
Due-In on Purchase Request (PR) (System)	31a/31b

(3) ALL DIC FTE Customer Returns Previously Accepted for Credit/Retention during the same Requirements Daily Cycle.

(4) Only assets in a condition equal to or better than the condition of stock being reported will be used. Also, those nonpreferred items within a family that are not completely substitutable (Asset Applicability Code 2) will be excluded. For Shelf-Life Items, the following procedure is currently for manual consideration:

(a) Condition Code C on hand and due-in materiel is excluded.

(b) Condition Code B on hand and due-in materiel is included up to the following limits:

1. Up to one-third the QFD/System Quantity, or
2. Up to one-third the QFD/New Quantity, or

3. Up to one-half the NSO Quantity for Retention Limit Computation.

232206 - RETENTION/RETURNABLE LIMIT

a. Establishment of Retention/Returnable Limit A Retention/Returnable Limit will be established for each family. There is a Retention Limit for regular supply control functions which includes the CRGF and AERQ Quantities. There is a Retention/Returnable Limit for the Customer Excess Returns (DIC FTE), chapter 40, function and uses a MPT016 value for its computation which excludes the CRGF and AERQ Quantities. The Retention/ Returnable Limit determinations are computed as follows:

(1) ICCs 1 and P.

(a) If the AIC is N, new, the QFD/New Quantity is used.

(b) If the AIC is E, established, the QFD/System Quantity is used.

(2) For, ICC 1 or P, Provisioning Code P, Nonprogram Change Factor Items:

(a) If the AIC is N, new, the computation of the Maximum Retention Requirement will be based upon the QFD/System, QFD/New, or the Provisioning QFD, whichever is the largest quantity.

(b) If the AIC is E, established, and the Date of Last Demand equals zero, the computation of the Maximum Retention Requirement will be based upon the Provisioning QFD.

(c) If the AIC is E, established, and there is a Date of Last Demand, the QFD System will be used to compute the Maximum Retention Requirement.

(3) PCFAC 1, 2, 3, or 4.

(a) If the AIC is N, new, the QFD/New Quantity is used.

(b) If the AIC is E, established, the QFD/System Quantity is used.

(c) If the item's PCFAC is blank or unmatched to the PCFAC Management Policy Table, use the QFD to compute Retention/Returnable Limits.

(d) If the item's PCFAC matches a PCFAC Management Policy Table entry, individually multiply Expected Demand Forecast by the first eight quarters of the PCFAC Table factor entries. Sum these eight to obtain a total two-year Forecast Quantity.

b. Retention/Returnable Limits are derived for two purposes:

(1) Retention of DLA-owned assets and determination of potential excess.

(2) Processing of Customer Return Documents (FTE) and determination of acceptance or rejection of customer reported excess.

c. Retention/Returnable Limits for Numeric Stockage Objective (NSO) Items will be derived as follows:

(1) Three times the NSO quantity, PLUS

(2) SPR, Provisioning, MAP, and other requirements with future support dates, if applicable, PLUS

(3) OWRMR, if applicable, PLUS

(4) CRGF, if applicable, (exclude when processing FTE documents), PLUS

(5) AERQ, if applicable, (exclude when processing FTE documents).

d. Retention/Returnable Limits for Replenishment Demand, Nondeteriorating Items (Shelf-Life Code 00) will be derived as follows:

(1) Compute Retention/Returnable Limit:

(a) The larger of eight times the QFD, (use the two-year Forecast Quantity for PCFAC items) plus 24 months of program-based requirements (POI), or OWRMR/OWMRP (whichever is greater), PLUS

(b) For retention Limits, 16 times the QFD (two times the two-year Forecast Quantity for PCFAC items) plus 48 months of program-based requirements (POI), or for MRP Returnable Limits (MPT016 Returnable Limit minus 2), x 4 x QFD (MPT016 R/L minus 2 divided by 2 x two-year Forecast Quantity for PCFAC items) plus (MPT016 R/L minus 2) x 12 months of program-based requirements (POI), PLUS

(c) SPR, Provisioning, MAP, and other requirements with future support dates, if applicable, PLUS

(d) CRGF, if applicable (exclude when processing FTE documents), PLUS

(e) AERQ, if applicable (exclude when processing FTE documents).

(2) Compute Procurement Objective.

(a) Adjusted OWRMRP (OWMRP quantity times pos. 67-68, Table 018 Factor) or the OWRMR quantity, whichever is less; PLUS

(b) Adjusted Safety Level (Safety Level quantity times pos. 65-66, Table 018 Factor); PLUS

(c) Administrative Leadtime; PLUS

(d) Production Leadtime; PLUS

(e) Procurement Cycle (recurring and nonrecurring requirements).

(3) Compare the Retention/Returnable Limit to the Procurement Objective and assign the largest as the Retention/Returnable Limit.

e. Retention/Returnable Limits Replenishment Demand, Deteriorative Items (Shelf-Life Code other than 00) will be derived as follows:

(1) Compute the shelf-life retention limit as the following:

(a) $(\text{Shelf-Life (mos)} \times (\text{QFD} \div 3)) + \text{POI Requirements for Shelf-Life months} = \text{Rotatable Quantity}$

(b) Add SPR, Provisioning, MAP, and other requirements with future support dates, up to the number of Shelf-Life Months, if applicable, to the Rotatable Quantity.

(2) Compute Retention/Returnable Limit as described in subparagraph d.

(3) Use the smaller of (1) or (2) above as the Retention/Returnable Limit.

f. Retention/Returnable Limits for Nonstocked SSC/FSCC 2, 3 or 9 Items will be derived as follows:

(1) Sum all A, B, R, N and I Demand Codes recorded for NSN in Supply Control File.

(2) Multiply the total A, B, R, N and I demand by 3, which equals the three year Nonstocked Retention.

g. Maintenance of Retention/Returnable Limit Retention Limits will be established based upon most current requirements data available at the time required.

h. Use of Retention/Returnable Limit - The retention limit is used in all Supply Control and Stock Control operations requiring the use of Maximum Stockage Criteria. For NSO Items, returns of materiel are accepted, always without credit, up to the NSO Retention/Returnable Limit. Care should be exercised to ensure that NSO Items are validly coded nondeteriorative. (See appendix A-47.) If a deteriorative item is inadvertently coded as NSO, materiel will still be accepted up to the NSO Retention/Returnable Limit.

i. Appendix F-161 (Ln Col 46D) requires each DSC to determine when Additional Economic Retention Quantity (AERQ) will be applied.

(1) Its purpose is to prevent assets from stratifying as excess when there is justification for retaining these assets. This element is maintained in the Supply Control File.

(2) The AERQ is subject to manual revision but will be reduced or deleted mechanically when assets are reduced below the Maximum Retention Quantity.

(3) Input of an AERQ will be with the approval of the Division Chief. A DLA Form 690, appendix F-167, or DLA Form 709, appendix F-170, will be annotated with the justification for the use of an AERQ and filed in the Item Manager's Jacket File. The Division Chief's approval will be on the DLA Form 690 or the DLA Form 709, as appropriate.

(4) When a requirement is known and increase to the NSO/QFD is not justified, consideration will be given to input of another nonrecurring requirement (chapter 58 and appendix E-095 P) in lieu of an AERQ.

(5) The establishment of an AERQ to protect stock of unknown future requirements is disallowed.

232207 - REIMBURSEMENT LEVEL

a. Establishment of Reimbursement Level:

(1) A Reimbursement Level will be computed for each established family of stocked items as follows:

(a) Numeric Stockage Objective Items - The Numeric Stockage Objective Quantity multiplied by two plus OWRMRP plus Balance OWRMR.

(b) Replenishment Demand Items - OWRMRP, plus PTFMR/PTSP requirement, (includes SL plus Prod LT) plus Balance OWRMR. The above sum includes program-based requirements for the Production Leadtime and for the difference between the Production Leadtime and 36 months.

(2) New items will have no computed Reimbursement Level until the item is converted from New to Established. (This will occur two years after initial assignment of management responsibility unless converted at an earlier date by IM direction. Refer to appendix B-189, DIC ZR3.) The Reimbursement Level recorded in the NIR will be nines, to prevent free issue of Grant Aid and Prepositioned War Reserve Materiel Stock (PWRMS) requisitions (refer to chapter 48).

b. Maintenance of Reimbursement Level - The Reimbursement Level will be reestablished whenever a family has experienced a change to any requirements element comprising its Reimbursement Level.

c. Use of Reimbursement Level:

(1) The Reimbursement Level will be used to determine if reimbursement is required for MAP Grant Aid requisitions and free issues for PWRMS in accordance with chapter 4.

(2) The assets will consist of the sum of assets in the following Asset Groups (appendix A-59) for all items (NSNs) in the family minus backorders (excluding direct deliveries):

<u>TYPE OF STOCK ON HAND OR DUE-IN*</u>	<u>ASSET GROUP NO.</u>
Serviceable Stock On Hand (System)	3
Unserviceable Stock On Hand Scheduled for Repair (System)	7
Unserviceable Stock On Hand Unscheduled (System)	10

*Assets above the MROP Quantity will be excluded for those nonpreferred items within a family that are not completely substitutable (Asset Applicability Code 2).

232208 - SSP CONTROL LEVEL

a. Establishment of SSP Control Level:

(1) SSP Control Level(s) will be established for each family of Replenishment Demand Items for which a PRDA has been established for SSPs.

(2) The SSP Control Level for each SSP will be equal to the QFD plus one-fourth of the total program-based requirements for the next 12 months, times the SSP Control Level Factor times the PRDA for Location K (rounded to the nearest integer). The SSP Control Level Factor will be developed by each DSC, and input to Management Policy Table 019 with a change capability by FSC (appendices B-70 and F-223).

(3) Except for DPSC-T, the sum of all SSP levels must be less than or equal to three-fourths of the UMMIPS level. If the sum is greater than three-fourths of the UMMIPS levels, the SSP levels are reduced so that the sum equals three-fourths of the UMMIPS level. There is no limitation on the DPSC-T SSP levels.

(4) A NSO, ICC 2 or B, item will always be a SSP Control Level of all zeros.

b. Maintenance of the SSP Control Level:

(1) The SSP Control Level will be used for processing of customer requisitions. Priority 9-15 requisitions will not issue below the SSP control level for that location.

(2) The assets used in the SSP Control Level comparison consist of the sum of the assets, at the SSP, defined as serviceable Stock On Hand, AG 3, for all items in the family minus backorders. Assets above the MROP will be excluded for those nonpreferred items within a family that are not completely substitutable (Asset Applicability Code 2).

232209 - LOCATION REORDER POINT

a. Establishment of Location ROP - Specified Location ROP Quantities may be mechanically established on nonperishable subsistence items and other DSC selected items which justify this intensive specialized and stringent management technique. Items other than nonperishable subsistence items will require prior DLA-OS approval. Item identification and criteria for computing the desired quantity level are established/maintained in the NIR by input of a Item Management Data Change Transaction, DIC ZJM (appendix B-142), indicating the appropriate Location ROP Code (appendix A-155).

b. Maintenance of Location ROP - The Location ROP will be computed daily as required.

c. Use of Location ROPs:

(1) A comparison of the Location ROP Quantity with the asset quantity will be made for all Preferred Storage Locations on each selected family experiencing one or both of the following:

(a) Reduction of assets.

(b) Reestablishment of Location ROP Quantity which resulted in an increase over prior Location ROP.

(2) The assets used in the Location ROP comparison consists of the sum of the assets in the following AGs (appendix A-59) for all items (NSNs) in the family minus backorders (excluding direct deliveries):

<u>TYPE OF STOCK ON HAND OR DUE-IN*</u>	<u>ASSET GROUP NO.</u>
Serviceable Stock On Hand (System)	3
Unserviceable Stock On Hand Scheduled for Repair (System)	7
Type Due-In Code TD_/TP_ for items with LR	11
Due-In On Contract (System)	28
Due-In On PR (System) (includes Tentative Due-In)	31

*The assets above the MROP Quantity will be excluded for those nonpreferred items within a family that are not completely substitutable (Asset Applicability Code 2).

(3) No Location ROP review will be performed if the system ROP will be breached within 30 days. This limitation not applicable to subsistence.

(4) When assets are equal to or less than the Location ROP Quantity, a Supply Control Study (appendix F-167) will be output to the IM with Reason for Study Code PO.

232210 - SYSTEM DUE-IN REVIEW LEVEL

a. Establishment of a System Due-In Review Level:

(1) A System Due-In Review Level will be utilized to identify due-in (tentative due-in, purchase requests, contracts) which stratify beyond this level. The review will only apply to stock items and is conducted monthly.

(2) The level will be comprised of the total requirements (i.e., program-based as well as demand-oriented recurring and nonrecurring requirements) through the Procurement Cycle plus a percentage of the Procurement Cycle recurring requirements for ICC 1 or P items, or a designated multiple (known as the NSO Due-In Review Level Factor) of the last 12 months unit demand (Demand Codes R, N and I) for ICC 2 or B items. A DSC will have the option of entering percentages for low, medium, and high value demand in MPT009 for ICC 1 or P items, as well as the NSO Due-In Review Level Factor in MPT009 for ICC 2 or B items.

(3) Each DSC will establish Dollar Value Restrictions for ICC 1/P and 2/B items in the Management Policy Table (appendices B-70 and F-260) to compare the dollar value of those assets (Acquisition Cost x Quantity) in AGs 7, 11, 28 and 31 which stratify beyond the level and to determine the necessity for Item Manager review. In establishing the restriction, DSC experience on the costs included in cancellation/termination action (including administrative costs) will be considered. Asset Group 11 only includes Logistics Reassignment (LR) transfers with Type Due-In Code TD_/TP_ for items with LR.

b. Maintenance of System Due-In Review Level - The level will be computed at the time of review, which is monthly.

c. Use of the System Due-In Review Level:

(1) A comparison of the level will be made against the sum of assets in the following AGs for all items (NSNs) in the family:

<u>TYPE OF STOCK ON HAND OR DUE-IN*</u>	<u>ASSET GROUP NO.</u>
Serviceable Stock On Hand (System)	3
Unserviceable Stock On Hand Scheduled for Repair (System)	7
Unserviceable/Unscheduled Stock On Hand	10
Type Due-In Code TD_/TP_ for items with Logistics Reassignment (LR)	11
Due-In from Return and Logistics Transfer	22

TYPE OF STOCK ON HAND OR DUE-IN*

ASSET GROUP NO.

Due-In On Contract (System)	28
Due-In On PR (System) (includes Tentative Due-In)	31

*The assets above the MROP Quantity will be excluded for those nonpreferred items within a family that are not completely substitutable (Asset Applicability Code 2).

(2) If the assets do not stratify beyond the level or if the assets that stratify beyond the level are not in AG 7, 11, 28 or 31, the procedure will end. Asset Group 11 only includes Logistics Reassignment (LR) transfers with Type Due-In Code TD_/TP_ for items with LR.

(3) If assets stratify beyond the level and are in AG 7, 11, 28 or 31, and exceed the Dollar Value Restriction, a Standard Supply Control Study (appendix F-167) with Reason for Study Code DI will be output to the IM for review with the recommended reduction quantity and dollar value (Acquisition Cost x Reduction Quantity) provided on line 16, columns O and P respectively. Asset Group 11 only includes Logistics Reassignment (LR) transfers with Type Due-In Code TD_/TP_ for items with LR. For ICC 1 or P items, the recommended reduction quantity will be the assets in excess of the recurring and nonrecurring requirements through the end of the Procurement Cycle. For ICC 2 or B items, the recommended reduction quantity will be the assets in excess of the last 12 months unit demand (Demand Codes R, I and N).

232211 - REDISTRIBUTION REVIEW FILL LEVEL

a. Establishment of Redistribution Review FILL Level - Redistribution Review FILL Levels will be restricted to FILL items stocked at the SSPs. For each such item separate levels will be computed for each SSP having a FILL quantity.

b. Maintenance of Redistribution Review FILL Level - The Redistribution Review FILL Level at NSC Norfolk and NSC Oakland will be compared against assets monthly.

c. Use of the Redistribution Review FILL Level:

(1) A Redistribution Review FILL Level will be utilized to identify a potential out-of-stock position at an SSP, NSC Norfolk or NSC Oakland. The FILL quantity in the SCF will be compared to the sum of that SSPs Condition Code A/Purpose Code A assets in AG 3 and in AG 24 which are due-in within 75 days. If the FILL quantity is equal to or greater than the asset quantity at either DIC NO_/NN_ or both and sufficient system issuable assets are available, a SSCS, Reason for Study Code PO will be output along with a prepunched/preprinted DIC A2A, Redistribution Order Transaction.

(2) Whenever the above conditions exist and system issuable assets, above the SSP assets, are not available, only the SSCS, Reason for Study Code PO, will be generated. The total FILL deficiency and total cost (Acquisition Cost x FILL Deficiency Quantity) will be indicated in line 22, columns O and P of the SSCS. The IM will determine the desirability of redistributing stocks in accordance with chapter 41.

232212 - ADMINISTRATIVE AND PRODUCTION LEADTIME

a. Computation and Establishment of a Current Average ALT and PLT:

(1) ALT will be mechanically computed on a weekly basis. The computation of the ALT is commenced whenever a contract is awarded for a representative stock replenishment procurement. It is determined to be the interval between the study generation date and award date. The study generation date is the same date as that recorded in the SSCS number and recommended buy document. The DIC ZTK, Award Leadtime Transaction (internally generated in the Contracting Subsystem), is the transaction which triggers an ALT mechanical computation.

(2) A minimum of 30 days ALT will be assigned to all stock replenishment items except when item is being procured as a requirements type contract. Under this condition the actual ALT experienced will apply. It is the time interval between the study generation date and the date a call is placed against a contract.

(3) PLT will be mechanically computed on a weekly basis. The update of the PLT will be made in two parts. The initial computation of the PLT is commenced when ever a contract is awarded. It is determined to be the time interval between the contract award date and the estimated contract delivery date. This action is accomplished via the internally generated DIC ZTK, Award Leadtime Transaction. At DPSC-T only, for PGCs 00001-04999 and 90000-94999, determine the Representative Quantity for each PGC by multiplying the total PGC quantity by 51 percent. The subsequent update is accomplished upon receipt of the PGC Representative Quantity or when a significant delivery (51 percent of the largest CLIN in the first scheduled quantity increment of a purchase order/contract) is recorded against an NSN. The Contracting Subsystem will internally generate a DIC ZST, PLT Transaction.

(4) Only representative buy contracts awarded for stock replenishment will be considered in the computation of ALT and PLT.

(5) During the mechanical computation process, the newly computed average ALT/PLT of an NSN is determined by using the computational value factor established in Policy Table 020. The normal percentage factor is 67 percent and its complement 33 percent. Any deviation from this norm must be with the approval of DLA-OSR. The new average ALT/PLT is computed by multiplying the latest actual ALT/PLT by .67 (2/3 value) and multiplying the old average ALT/PLT (leadtime recorded in the SCF) by .33 (1/3 value). The sum of these two products results in the newly computed average ALT/PLT.

(6) Normally the newly computed ALT/PLT will be mechanically recorded in the SCF except for the following condition:

(a) The rate of change between the new average ALT/PLT and the old average exceeds the parameter established in Policy Table 020 (Parameter Factor). The normal percentage is 50 percent, i.e., the rate of change between the new average ALT/PLT and the old average (leadtime recorded in the SCF) is less than 0.5 or more than 1.5 (50 percent variance + or -). Expressed differently, the new average ALT/PLT will not be mechanically recorded in the SCF if it is less than 0.5 times the old average ALT/PLT or more than 1.5 times the old average ALT/PLT.

(b) When this occurs, a printout of the ALT/PLT Listing, appendix F-111, and a DIC ZR3, Supply Control Data Change, Data Entry Transaction, with the newly computed Averages are generated and forwarded via data entry to DSO for review IAW appendix E-380 P. At DPSC-T only, for PGCs 00001-04999 and 90000-94999, the output will be an ALT/PLT Listing, appendix F-111A, and a DIC ZTA, Management Policy Table Transaction.

(7) For those items procured via Requirements Type Contract or for which a substantial portion of the contract quantity is normally diverted for direct delivery, the computer program may not produce representative PLTs. In such instances, the IM should determine and enter into the SCF the most reasonable PLT days applicable to a normal procurement quantity, using a DIC ZR3 (appendix B-189) and place a PLT Inhibit Code P in the SCF, using a DIC ZR2 (appendix B-149).

b. Maintenance of ALT and PLT Data:

(1) Whenever existing ALT or PLT records require modification/correction because of significant changes to these data elements, ODS will provide the IM with appropriate review and reinput documents.

(2) Upon receipt of ALT/PLT Listing (appendix F-111), the IM will determine which element of data requires modification/correction. The DIC ZR3, Supply Control Data Change, Data Entry Transaction (see appendix B-180), will be prepared and submitted to ODS via data entry by the IM to update the SCF, whenever changes are required.

(3) DSO has the capability, through appendix B-149, to establish a temporary or permanent manual or mechanical control of computation of the ALT/PLT by use of an Inhibit Code (see appendix A-114).

(4) At DPSC-T only, for items procured together in a PGC (00001-04999 and 90000-94999), the PGC will be perpetuated on the DIC ZTK and DIC ZST transactions generated by the Contracting Subsystem. DIC ZTKs are generated when an approved Recommended Buy is assigned to the Procurement Active Purchase Request File and when a contract award is established, data passed in the ZTKs include the study date, PR date, award date, estimated delivery date and first scheduled delivery date.

A DIC ZST is generated with the receipt date when 51 percent of a total PGC buy is recorded as received. In the weekly requirements cycle, the DIC ZTK and DIC ZST transactions will be matched to Requirements Management Policy Table 011. The matched transactions will process to the PGC Leadtime History File. When the rate of change exceeds the Parameter Factor established in Management Policy Table 020, a PGC ALT/PLT Listing (appendix F-111A) and a DIC ZTA, Management Policy Table Update Transaction, will be furnished to the IM for review; and then forwarded to the DSO MSO Policy Table Monitor for reentry. Upon reentry of the DIC ZTA, the ALT and PLT are updated on MPT 011 and a DIC ZR3 is automatically generated in order to update the ALT on the Supply Control File. PLTs are updated quarterly on the Supply Control File as a result of the NSN PLT Update as described in chapter 26. Additionally, the various leadtime data passed from Contracting on DIC ZTK and DIC ZST is used for the monthly preparation of the PGC Delivery Schedule Analysis Report, appendix F-348.

232213 - MAXIMUM RELEASE QUANTITY

a. Establishment of MRQ:

(1) The input of the Management Policy Table (018) Transaction, DIC ZTA, appendix B-70, as listed on appendix F-261 establishes system MRQ factors for NSO, Low, Medium, and High Value items.

(2) MRQ restrictions for individual NSNs are accomplished by input of a DIC ZJM, Item Management Data Change Transaction, appendix B-142. If an appendix A-81, NIR Level Inhibitor Code 1 or 3 is indicated with a manual MRQ, the Table 018 system MRQ will not be posted to the NIR. When the NIR Level Inhibit Code is 1 or 3, then it inhibits the mechanical computation of the MRQ.

(3) DPSC-T - The MRQ will be equal to the QFD plus one-fourth of the total program-based requirements for the next 12 months, times the appropriate MRQ factor from Management Policy Table 018 (MPT018), i.e., Policy Table 018 FACTORS X,

$$\left(\text{QFD} + \frac{\text{next 12 months POI forecast}}{4} \right)$$

where the 12 month POI value is maintained daily in the Supply Control File header.

(4) For other DSCs, the QFD, QFD (New), or the NSO quantity reflected in the SCF is multiplied by the High, Medium, and Low Annual Dollar Value of Demand or NSO MRQ percentage factors from Table 18 to derive a MRQ which is stored in the NIR.

b. Maintenance of the MRQ:

(1) The MRQ will be computed daily whenever there is a change to the QFD, QFD/New Item, POI (DPSC-T), or NSO Quantity in the SCF. If the item is a replenishment type item, a check is made to determine whether

the item's demand value is low, medium, or high and the appropriate MRQ is used in the computation. If the result is less than one, make it one. If the result is greater than 99,999 a value of 99,999 will be placed in the MRQ field. If the item is an NSO item and the NSO quantity is zero, the MRQ field in the NIR will reflect nines. When the NSO quantity is other than zero, make the computation and if the result is less than one, the MRQ field in the NIR will reflect one.

(2) The MRQ quantity derived from the Table 018 factors will overlay the MRQ field in the NIR for items having a NIR Level Inhibitor Code 2 or 0.

c. Use of MRQ and MRQ Bypass Criteria in Requisition Processing:

(1) During requisition processing, the quantity of a requisition will be compared to the MRQ in the NIR of the requested item, except as follows:

(a) For items with an I&S relationship, the MRQ check will be against the I&S Master item if the SSC/AAC is 6/V or Y, or against the requested item if the future SSC/AAC is 6/V or Y.

(b) Backorder releases, recycled denials, documents containing a MFDAC of 3 in pos. 77, DICs ZLL, ZLM, or AX2, requisitions for a quantity less than MRQ, and CONUS requisitions submitted for a SSC 7 item will bypass all MRQ checks.

(c) Requisitions submitted for an item with an AAC of V, an NIR Inhibit Code of 2 or 3, a NIR Key Code of DD, DL, DM, DP, DQ or DR, or a MRQ quantity less than one will bypass all MRQ checks.

(d) A MAP Requisition with a V in pos. 35 and Project Code NAT and Project Action Code other than G and an extended dollar value less than bypass dollar value in the SAMMS Configuration file will bypass all MRQ checks.

(2) Quantities in excess of the MRQ will be subjected to additional MRQ edits, to determine if the requisitioned quantity appears reasonable compared to the QFD or ROPL of the item requested and can be processed without manager review.

(a) To bypass manager review and mechanically process requisitions exceeding the MRQ, the DSC establishes a basic or extended bypass threshold quantity and dollar value by activating the Requisition MRQ Configuration option in the SAMMS Asset Management Configuration Policy Table, SAMMSTEL Verb SDCF.

(b) In addition to the quantity and dollar value of MRQ bypass, the DSCs can activate an extended MRQ bypass levels check based on a factor of the items QFD or ROPL. The DSC establishes the QFD Priority Factors or ROPL Priority Percentages by activating the appropriate tables in the Requisition MRQ Configuration Table.

(c) The requisition quantity will be compared to the MRQ Comparison or MRQ ROPL quantities computed based upon the Priority Designator (PD) of the requisition and the Item Category Code (ICC)/Demand Value Code (DVC) of the item. The MRQ Comparison quantity is computed by multiplying the QFD by the QFD Priority Factor from the appropriate table entry. The MRQ ROPL quantity is computed by multiplying the NIR ROPL quantity by the ROPL Priority Factor from the appropriate table entry.

(3) Requisitions failing the MRQ/Extended MRQ bypass quantities, dollar values, and extended levels checks will either be output for manager review as DIC ZLL with MNIC C or a quantity equal to the MRQ will be issued and the balance rejected to the customer with Status Code CS.

232214 - ON-HAND ISSUABLE ASSETS QUANTITY

a. Establishment of On-Hand Issuable Assets Quantity (OHIA Qty):

(1) Consists of the total on-hand assets available for mechanical issue recorded in the Management Control Section of the NIR, appendix F-109. The OHIA Quantity is comprised of all on-hand assets in Purpose Code A, E, F, G or M with Condition Code A, B, C or E.

(2) A family head's OHIA Quantity consists of its OHIA Quantity plus the OHIA Quantity of its AAC 1 family members. AAC 2 family member assets are not included in the family head's OHIA Quantity.

b. Maintenance of On-Hand Issuable Assets Quantity - The OHIA Quantity is dynamically systems maintained whenever an on-hand asset quantity is either increased or decreased. Any increase or decrease to an AAC 1 family members on-hand asset quantity will result in the OHIA Quantity of the family head being increased or decreased. The OHIA Quantity is recomputed monthly also.

c. Use of On-Hand Issuable Assets Quantity:

(1) To determine those assets above UMMIPS available to satisfy priority 9-15 requisitions.

(2) To determine the assets above ROP level available to satisfy FMS requisitions prior to their qualification for issue below ROP.

(3) To determine those assets above Reimbursement Level available to free issue PPWR requisitions citing Project Code 3AA.

232215 - CREDITABLE LEVEL AND RETENTION/RETURNABLE LIMIT FOR BAG ITEMS

a. Creditable Level:

(1) After receipt and classification of materiel, a D6B Receipt Transaction will be processed which will mechanically generate an FTE Automatic Return document for ICC P, Army Bag Items, citing RIC S9T in pos. 4-6, and Materiel Returns Project Code SAR in pos. 57-59. The

Creditable Level for Bag Items reported as stated above will be computed as indicated in paragraph 232204 of this chapter with the exception that the FTE quantity will not be added to the sum of applicable assets for comparison to the Creditable Level to determine the quantity for which credit will be granted.

(2) The sum of applicable assets will exclude all assets on hand or due-in in lesser condition than the reported materiel, and will exclude all Asset Applicability Code (AAC) 2 assets. For DPSC-T items, assets used to compare against quantitative levels will include Condition Code B assets equal to one QFD plus one-fourth of the items annual Program Based Requirements where the item is ICC P.

(3) After a determination has been made to grant credit, the dollar value will be mechanically controlled to 30 percent of the Standard Unit Price times the quantity for those FTE documents citing Condition Code E in pos. 44. The total dollar value of credit granted can exceed the \$250.00 limit as indicated in chapter 40.

b. Retention/Returnable Limit:

(1) The Retention/Returnable Limit for Bag Items will be computed as indicated in paragraph 232205 of this chapter.

(2) The assets used are the same as those used for the Creditable Level.