

CHAPTER 39

PROVISIONING REQUIREMENTS PROCESSING

SECTION I - GENERAL

239101 - PURPOSE

The purpose of this chapter is to provide guidance and responsibilities for processing Provisioning Support Requirements at the Defense Supply Center (DSC) level.

239102 - SCOPE

The policy and procedures described in this chapter are applicable to all Defense Supply Centers, except DPSC-Medical, Subsistence, Clothing and Textiles. MILSVC/Agency submitters of Supply Support Requests will adhere to guidance set forth in DoD and applicable MILSVC/Agency regulation.

239103 - REFERENCES

- a. DoD 4140.26-M, Defense Integrated Materiel Management Manual for Consumable Items.
- b. DLAM 4745.2, Standard Automated Materiel Management Manual (SAMMS).
- c. DLAM 4130.3.
- d. Chapter 38, New Item Procedures.
- e. Chapter 51, Weapon System Support Program (WSSP).
- f. Appendix B-96, Provisioning Support Request Card, DIC ZRP.
- g. Appendix B-101, Provisioning Change/Inquiry Card, DIC ZR8.
- h. Appendix B-144, Weapon Item Data Transaction, DIC WS1.
- i. Appendix B-213, Provisioning Outyear Requirements Transaction, DIC CFR.
- j. Appendix E-101 P, Provisioning Change/Inquiry Card, B-101.
- k. Appendix E-446 P, Provisioning Design Change List, F-204A .
- l. Appendix E-450 P, Provisioning Control File Interrogation List, F-215.

- m. Appendix F-17, Special Provisioning Inquiry Report.
- n. Appendix F-106, Provisioning Requirement Listing Reply to Inquiry.
- o. Appendix F-204A, Provisioning Design Change List.
- p. Appendix F-216, Stocked/Nonstocked Table.

#### 239104 - BACKGROUND

a. Provisioning is one of the most significant functions of logistics. The goal of provisioning is to provide timely and adequate initial support for items being newly introduced into the supply system. Provisioning is formally defined as: A management process for determining and acquiring the range and quantity of support items necessary to operate and maintain an end-item of materiel for an initial period of service.

b. The principal objective of provisioning is to ensure initial spares, repair parts, special tools, test and support equipment, necessary to maintain an end-item of equipment being introduced into service, will be available in the appropriate segments of the DoD supply system, and at maintenance echelons, when needed. A corresponding objective is to ensure the maximum use of stocks already on hand or on order in lieu of new procurement.

c. A Supply Support Request (SSR) is used to communicate the using MILSVC or Defense Agency estimated support requirements, for retail and replenishment stocks, to an Integrated Materiel Manager (IMM). MILSVC/Agency users may submit projections of their support requirements stratified over a period of four to five years. When the MILSVC/Agency users identify changes to the estimated support requirements they will notify the IMM by submitting a DCN (Design Change Notice) SSR. (DLAM 4130.3, Volume I, Part 1, Chapter 5, details the uniform procedures for processing Provisioning SSRs through receipt, edit, internal routing, control, review of initial input document, and recording decisions concerning acceptance or nonacceptance of SSR requirements.)

d. An SSR accepted for support by the Provisioning Subsystem will cause a DIC ZRP, Provisioning Support Request Card to be internally generated and output to the Requirements Subsystem. The DIC ZRP provides the IMM with management information to be used in establishing a Supply Control File (SCF) record for the new item.

e. When an SSR contains Weapon System data it will be indicated by a two position Weapons System Code in the Provisioning Program Data SSR (PDSSR). The PDSSR is a header transaction contains information concerning the end-item for which supply support is being requested. A Weapon Item Data Transaction, DIC WS1, appendix B-144, should be generated for each item having a Weapon System Code in the PDSSR to be processed as input to the Weapon System Data Base (WSDB) in the Requirements Subsystem (DLAM 4140.2, Volume II, Part 1, Chapter 51, Weapon System Support Program (WSSP)).

f. DCN SSRs accepted for processing by the Provisioning Subsystem will cause a DIC ZR8, Provisioning Change Inquiry Transaction, appendix B-101A, to be internally generated and output to the Requirements Subsystem for processing. The internally generated DIC ZR8 will update the Provisioning record on the SCF with quantity and Support Date changes only.

239105 - POLICY

a. An initial stockage decision, for all new Weapon and Non-Weapon System provisioning items, will be made based upon the replenishment quantity reflected in the SSR, in accordance with the criteria established by OSD and DLA HQ policy guidance.

b. Essential Weapons System items (WSICs F, G, H, J, K and M) will be stocked regardless of the replenishment quantity.

c. Initial requirements levels and procurement for items entering the DLA supply system through the provisioning process will be limited to the estimated Procurement Lead Time (PLT) requirement plus a three-month combination Procurement Cycle/VSL requirement.

d. Initial requirements level limitations will be maintained for a two-year period subsequent to the Provisioning Support Date - the Demand Development Period (DDP) - or until actual demand causes expected demands to exceed the item forecast. If no demands result during the DDP the initial provisioning requirements estimate will remain unchanged for an additional two years as long as there are no demands.

e. Minimum economic procurement rules will not be automatically applied in conjunction with new provisioning item procurements. Except when it is obviously impractical (i.e., extremely low value items), only the actual computed quantity of an initial provisioning requirement will be recommended for procurement. Provisioning requirements may be adjusted upward to represent minimum dollar buys only when the action is necessary as a provision for contract compliance.

f. Procurement of new Provisioning Items will not be initiated until the items support date is within a procurement leadtime plus 30 days from the current processing date. Recommended BUys for new provisioning items will no longer be initiated upon receipt of the requirements (retail/replenishment quantities) in the Requirements Subsystem.

g. Validation of Initial Provisioning Requirements will be accomplished for all items with a Recommended Buy dollar value equal to or in excess of the dollar value threshold established by the DSC for that FSC. The validated forecast will be compared with actual demand data at the end of each FY or more frequently as the DSC determines necessary.

239106 - RESPONSIBILITIES

a. The Provisioning Control Office (PCO) will:

(1) Administer the Provisioning Program and serve as the DSC Central Contact Point for controlling and processing supply support requirements.

(2) Ensure timely implementation of DoD/DLA policy, and assist in the development of internal operating procedures.

(3) Receive and validate requests for provisioning support.

(4) Ensure that essential Weapons System items receive maximum consideration and visibility.

(5) Maintain close liaison with the MILSVC Provisioning activities and End-Item Weapon System Managers to assure that schedule and/or program changes are known and considered in support planning.

(6) Maintain statistics relative to SSR processing required by DLA HQ as part of DLA(M)26(C)MIN.

(7) Process file maintenance actions returned by other operating elements.

b. The Directorate of Supply Operations (DSO) will:

(1) Develop a requirements forecast, for each new item through provisioning, based upon the estimated MILSVC usage projections.

(2) Review and validate buy recommendations, that may result from processing the provisioning support requests, IAW applicable processing procedures.

(3) Determine the range and net requirements of accepted provisioning support requests to be stocked in the DLA Distribution System for replenishment supply.

(4) Assure timely support of operational and pipeline stockage requirements submitted by the MILSVC as well as provide for necessary resupply capability.

c. The Office of Telecommunications and Information Systems (OTIS) will:

(1) Process the computer programs requirement by the Provisioning, Cataloging, Requirements, and Distribution Subsystems in support of the provisioning process.

(2) Ensure all necessary reports, transactions, listings, and so forth, are generated at the appropriate points in the provisioning process.

(3) Establish and maintain, for the required time period, all mechanical files necessary to process provisioning requirements.

## SECTION II - MATERIEL REQUIREMENTS DETERMINATION

239201 - GENERAL

This section provides a functional description of the processes involved in processing requirements accepted by supply support, by the Provisioning application, and the subsequent establishment of these requirements in the Supply Control File (SCF). The narrative description begins with a discussion of the manner in which the SSRs data is processed by the Provisioning Application prior to being passed to the Requirements Subsystem for use in the requirements determination process.

239202 - TECHNICAL LOGISTICS/PROVISIONING SUBSYSTEM PROCESSING

a. All SSRs received from the MILSVC/Agency requesting supply support are screened mechanically against the stockage criteria and a decision made as to whether an item will be managed as stocked or nonstocked. Standards and guidance for cost effective selection of items which qualify for initial stockage have been established by the Office of the Assistant Secretary of Defense. This guidance is intended to achieve maximum initial support within available resources. SAMMS Provisioning New Item Leadtime Table 022 has been developed to implement the DoD policy. SAMMS appendix F-374 is a printout of this table.

b. DIC ZRP, Provisioning Support Request Transactions are mechanically created and output from the Provisioning application as a result of accepting the SSR for support. In addition to the NSN, each DIC ZRP contains mandatory data elements that identify the MILSVC/Agency (ACF) that is requesting supply support, the end item of equipment (PCC) being supported, the date of the request (DOR) for support, and a contract line Item Serial Number (ISN). These four data elements, ACF, PCC, DOR, and ISN, uniquely identify each Provisioning Support Request Transaction. Appendix B-96 is an image of the 80 position format.

c. The DIC ZRP is processed as input to the Requirements Subsystem. A DIC ZRP may be generated for both Provisioning and Nonprovisioning requirements. The Provisioning/Nonprovisioning Indicator Code will identify the NSN in the transaction as a Provisioning (CIC P) or Nonprovisioning (CIC N) item. This transaction cannot be prepared manually.

d. The Provisioning application will generate a Weapon Item Data Transaction, DIC WS1 as input to the Requirements Subsystem WSDB. The WS1 must contain reflect specific data fields extracted from the MILSVC/Agency SSR submission. The following data, extracted from the SSR, will be renamed and output to the WS1.

(1) Weapon System becomes Weapons System Designator (WSD).

(2) Essentiality Code becomes Weapon System Essentiality Code (WSEC).

(3) Maintenance Code becomes Weapon System Maintenance Code (WSMC).

(4) Service Activity Code becomes both Service Code (SVC) and Routing Identifier Code From (RICF).

e. The WS1 transactions generated from Provisioning, only, are always hardcoded with both an AO Weapon System Advice Code (WSAC), appendix A-57, part I) and a Transaction Origination Code (TOC), appendix A-22 that identifies the point of origination of the document. This also permits certain special processing, in the WSDB, when warranted.

f. Only those Provisioning requirements which are assigned a stocked Acquisition Advice Code (AAC) will be passed to the Requirements Subsystem in the format of DIC ZRP. The replenishment quantity will be

used in the initial review of the item to determine if it will be stocked or nonstocked. If the items qualify for stock a DIC ZRP will be output for processing in the next daily Requirements cycle.

(1) In order to qualify for stockage, the SSR replenishment quantity must be equal to or greater than the quantity indicated in the appropriate column of SAMMS Stock/Nonstock Table, appendix F-216. For the purpose of utilizing this table, the SSR replenishment quantity is assumed to be an estimated of the annual demand frequency. Items with a demand forecast frequency of 12 times a year or more will be stocked without reference to the table and will be coded AAC D and ICC 1. Otherwise, the SSR dollar value of demand/demand forecast frequency must be equal to or greater than the corresponding production leadtime month(s)/quantity combination indicated in the table. Those with a frequency of 11 or less but that equal or exceed the corresponding table entry will be coded AAC D and ICC 2.

(2) If the SSR received by the Provisioning application was Source Code (PB), by the provisioning activity, it will be managed as an insurance item and will be assigned an AAC Z and ICC B. These items will be stocked in minimal quantities. Once an item has been coded and established as an insurance item it will be so identified indefinitely unless changed by the submitting provisioning activity.

(3) Items that do not meet the stockage criteria but have demonstrated an overriding requirement to maintain small quantities in stock, will be stocked as NSO items and designated AAC Z and ICC 2. A stocked item initially classified as an NSO item will normally be supported by management data indicating an estimated annual demand quantity of less than 12 units. An NSO item may be reclassified to a demand based item on the basis of recurring requirements forecasts under IMC or provisioning procedures.

g. Items with AAC of J (nonstocked) will be held in the DIC ZRP Suspense File (Provisioning Subsystem) until the item qualifies for upgrade to stocked status, AAC D, H, K or Z. An upgrade to AAC will occur if the accumulated replenishment quantities and dollar value, for items with the same NSN, indicated that the item qualifies for stockage. The result of the accumulated quantities and dollar values are compared with the values reflected in the Stock/Nonstock Filter - Provisioning Demand Frequency Table File, Table 20, (appendix F-34) to determine if the NSN qualifies for AAC upgrade.

(1) The AAC will be upgraded when notification is received from the Federal Logistics Information System (FLIS) and an internally generated DIC YDR (AAC Assignment Transaction) is processed in the Technical Logistics subsystem. A DIC YDR may result from a provisioning action or some action outside of Provisioning as well.

(2) Suspended NSNs will remain on the Suspense File until the accumulated quantities qualify for AAC upgrade or until the purge date. The Purge date will be determined by adding 360 days to the Support Date.

239203 - PROVISIONING SUPPORT REQUEST TRANSACTION PROCESSING

a. DIC ZRPs created in the provisioning application are output, in each provisioning cycle, to an internal working data set (USSWDS41) where they are processed as input data in the Requirements daily cycle. Up to 11 DIC ZRPs, for the same NSN, will be processed in the same cycle. When an item is being newly provisioned it may be required by several MILSVC/Agencies. Each MILSVC/Agency that is authorized to submit a support request, for a given NSN, will code their SSR with the ACF, PCC, DOR, and ISN that identifies it to their specific usage. DIC ZRPs in excess of eleven will be recycled until the next Requirements daily run. The DIC ZRP will be recycled on USSWDS41 for up to thirty cycles awaiting the creation and output of the DIC ZRY, Catalog Change Notification, appendix B-241, from the Distribution Subsystem.

b. A DIC ZRY, Catalog Change Notification is generated as a result of processing the SSR in the Technical/Provisioning Subsystems. It is used to update the National Item Record (NIR) with cataloging data for new/established NSNs. The DIC ZRY also triggers the creation of a skeleton record, on the SCF, for new provisioning items. When the DIC ZRY is received and a supply control file record is established the DIC ZRP can then be processed. Appendix C-60 identifies the data elements established by the DIC ZRY on the NIR and the SCF. The DIC ZRY is generated internally or it can be prepared manually by the IM.

c. Before provisioning materiel requirements determination can be accomplished verification must be performed against the NIR to ensure a valid NSN has been selected for support. If the NSN is present the NIR Key Code, appendix A-94, is checked to determine the status of the NSN and ensure that it will be available for support.

(1) The ZRY for a newly provisioned item will contain the Type of Change Code (TCC), appendix A-94, NN when identifies a new item through provisioning. This TCC corresponds to the NIR Key Codes, PN and/or C, which indicates the pending addition of a new NSN and/or the Effective Date of its entry into the system.

(2) If the NIR Key Code indicates the item is in a delete status, NIR Key Code DX, Delete-Log Loss with NSN and possible UI change; or DZ, Delete-Log Loss without NSN change, the transaction will be dropped from further processing.

d. When the NSN in the DIC ZRP transaction matches the NIR and the NIR Key Code indicates that the item is supportable the NSN will be matched against the skeleton SCF record. The NSN in the DIC ZRP is verified to ensure that the item is already managed by the DSC; that the family number assigned has been previously established in the SCF; and that the DIC ZRP contains the mandatory data elements for requirements forecasting and supply control. If the NSN in the transaction does not find a match on the SCF it will be recycled indefinitely.

e. NSNs matched to the SCF will be checked to determine the item's current and future Supply Status Codes (SSC). If the SSC and FSSC are equal to 1, 4, 5, 7, 8, or A it indicates the NSN will be managed as a

stocked item. If the

SSC or FSSC indicates that the NSN will be managed as a nonstocked, terminal, or semiactive item, or has no SSC, the transaction will be recycled pending the effective date of the action indicated.

f. If the SSC FSSC, for the NSN, indicates the item will be managed as a stocked item, data from the DIC ZRP transaction will update the skeleton SCF header record, build a Provisioning Trailer record, and establish the Reorder Point Review Level and Comparison Quantities on the NIR. Provisioning requirements (retail and replenishment quantities) reflected in the DIC ZRP will be used to calculate the Numeric Stockage Objective (NSO), Quarterly Forecast of Demand (QFD), and Production and Administrative Leadtimes (PLT and ALT).

g. The Peculiar Management Code field on the SCF record will be updated to P identifying the item as provisioning. The four position Date Repair Parts Required, reflected in the transaction, will be converted to a five position date and reset to the first calendar day of the month in which the converted date falls. In addition a computation of the annual dollar value of demand is accomplished for NSNs with ICC 1 or P (replenishment items).

h. The initial DIC ZRP transaction, Provisioning Buy Code Y, will be reviewed to determine whether the item is being supported as a replenishment demand item or an insurance item, NSO.

(1) If the Age of Item Code (AIC), for assigned family number, is N (new) or E (established) and the ICC, appendix A-87, is 1 select QFD - New Item from the Supply Control Record (SCR) of the SCF and the procurement cycle in months from table 018, appendix F-261 or the SCF whichever is the lesser number of months. Compute a Procurement Cycle quantity equal to the QFD multiplied by the Procurement Cycle months divided by 3 and round up to the next higher integer.

(a) If the computed Procurement Cycle quantity is equal to or greater than the retail quantity, the DIC ZRP will not be passed to the Provisioning Support Record of the SCF. If more than one DIC ZRP is being processed at the same time, for the same family number, the phrase retail quantity identifies the sum total of all DICs ZRP applicable to a family number.

(b) If the computed Procurement Cycle quantity is less than the retail quantity, subtract the computed Procurement Cycle Quantity from the retail quantity, overlay the result in the quantity field and continue to process the input DIC ZRP. If more than one DIC ZRP is being processed at the same time for the same family number but with different stock numbers, the recomputed retail quantity will be overlaid in the first DIC ZRP for that family number. The remaining retail quantity fields will be overlaid with zeros.

(2) If the AIC is N or E and the ICC is 2 or B, select NSO quantity. If the NSO quantity is equal to or greater than the retail quantity, the DIC ZRP will not be recorded to the SCF. If the NSO quantity is less than the retail quantity, subtract the NSO quantity from the retail

quantity, overlay the result in the quantity field and continue to process the input DIC ZRP.

i. A Provisioning trailer record will be established, on the SCF, for each DIC ZRP that meets the above criteria. The Provisioning controls is with the same NSN. Compute the Reorder Point (ROP) and perform a ROP comparison. Update the SCF Procurement Leadtime.

j. If the new item is a procurement leadtime plus 30 days from the Support Date on the date it is processed by the Requirements Subsystem then a Recommended Buy will be generated.

#### 239204 - ESTABLISHING PROVISIONING REQUIREMENTS DATA

a. An initial requirements level computation is performed for replenishment requirements, for centrally stocked items, requiring procurement action. The estimated annual demand furnished by the MILSVC in the SSR and subsequently passed to the requirements determination process, via the DIC ZRP, is identified as the replenishment quantity. The replenishment quantity serves as the basis for developing the requirements forecast referred to as the QFD (new), and QFD. DLAM 4140.3, August 88, Chapter 5, provides a description of the MILSVC procedure for determining the replenishment quantity.

(1) The replenishment quantity is the quantity expected to be consumed, and therefore, requisitioned for replacement of pipeline stocks issued during the first year of operation of the end items provisioned. Therefore, this quantity represents a rate which can be used by the DSCs in the computation of requirements forecasts until normal (actual) demand patterns are established.

(2) In addition, a second data element of particular significance to materiel requirements determination is the retail quantity. The retail quantity is the quantity expected to be requisitioned to satisfy initial MILSVC/Agency stockage requirements below the wholesale level. This includes the quantity to establish or increase levels in all organizational, intermediate, and depot level activities operating or supporting the end item plus all other quantities intended to be requisitioned by the using MILSVC.

(3) In order to provide for these initial MILSVC/Agency support requirements the retail quantity, for both new and established items, is evaluated to determine the probability of being able to satisfy potential requisitions for initial retail pipeline requirements. In addition to being able to satisfy customer requisitions, at the retail level, the requirement exists to be able to retain sufficient assets to support expected replenishment requirements requisitions at the wholesale level.

b. Using the item's Support Date, procurement cycle quantity and comparing it to the retail quantity in the Provisioning Support Request it is possible to determine if the computed procurement cycle quantity represents the optimum quantity that should be procured to meet the estimated demand and still be able to satisfy the replenishment requisitions.

c. Requirements received after the receipt of the initial SSR(s) are reviewed to determine whether increases in the retail quantities will exceed the computed procurement cycle quantity. If the retail quantity

is greater than the procurement cycle requirement, the difference is considered an additive requirement for procurement purposes. That portion of the retail quantity that exceeds the PC quantity will be posted to the SCF trailer record.

239305 - PROCESSING DESIGN CHANGE NOTICES

### SECTION III - PROVISIONING REQUIREMENTS FORECASTING

339201 - DEMAND DEVELOPMENT PERIOD

a. The Demand Development Period (DDP) is the initial two-year period that a newly provisioned end item is operated by the users. For demand accumulation purposes, this is considered to be the two-year period beginning with the Provisioning Support Date. During the DDP, it is necessary to place some constraints on the use of estimated demand which, if overstated will result in long supply.

b. Constraints placed on the use of estimated demand are to ensure that once a demand has been experienced that proper consideration is given to the actual demand. When demand is experienced, constraints will be applied at an increasing rate throughout the DDP. At the end of the DDP, use of a provisioning estimate will only be permitted for retention decisions. For individual items, the DDP can be terminated in less than two years when the actual demand rate exceeds the provisioning estimate.

c. Once demand is experienced, the forecast (replenishment quantity) is adjusted by weighing current demands and estimated demands. As the DDP progresses, more weight is placed on actual demands and less weight is placed on the original estimated requirements.