

APPENDIX E-301 P

ITEMS PLACED ON BACKORDER

1. PURPOSE

This procedure is applicable to chapter 42 and describes the method to be used to review the semimonthly backorder listing, appendix F-31. This listing provides a record of all requisition line items on backorder from stock (Status Code BB), from direct delivery (Status Code BV), those BB backordered requisitions containing an S in pos. 62 and an extended RDD in pos. 63-64 and all MAP FMS backorders, Type 5, and Project Code 3AA requisitions containing priority 04 through 15, Type 6. The review will be conducted to assure optimum action has been taken to satisfy the maximum number of backorders in a predetermined sequence.

2. APPENDIX USED IN THIS PROCESS

Appendix F-31.

3. RESPONSIBLE ORGANIZATIONAL ELEMENT

The responsible organizational element for the processing of the backorder listing will be the applicable IM within the appropriate Commodity Branch. The Customer Readiness Branch will receive a copy of the listing for reference purposes.

4. INSTRUCTIONS

a. Data elements contained in the listing are explained in appendix F-31.

b. These elements will be reviewed in a predetermined sequence which has been prepared by the DSC. This sequence will vary by DSC, commodity, project, season, or shelf-life.

c. In reviewing the listing, the following will be considered:

(1) The action is consistent with UMMIPS.

(2) That maximum effort has been made to expedite deliveries to satisfy critical requirements of customer activities.

(3) That manager directed backorders are reviewed for manager directed release action if assets are available.

(4) The possibilities of supplying substitutes have been thoroughly checked.

(5) The action taken is consistent with the Advice Code in the requisition.

(6) Interservice Support Action has been considered.

(7) That Grant Aid and FMS backorders have been released IAW the Required Availability Date (RAD).

(8) That backorders meeting direct delivery criteria have been reviewed IAW chapter 43.

(9) That Integrated Disposal Management System (IDMS) has been interrogated for available excess assets.

(10) That assets are not available through the Lateral Redistribution Program in accordance with part 1, chapter 40.

NOTE: The above list may be supplemented as local requirements apply.

d. This report is used by the IM to locate those backorders which may be satisfied by alternate means, e.g., substitution, issuance of next higher assembly, or other.

e. This report also will be used to reserve stocks for requisitions which cite an S in pos. 62 and extended RDD in pos. 63-64 for which materiel currently on hand may not be available for filling this type of requisition 50 days prior to the extended RDD.

(1) When it is determined by the IM that materiel currently on hand, or materiel due-in may not be available on the RDD date, one of the following actions will be taken:

(a) When materiel currently available in the NIR may not be available on the RDD due to issues for other requisitions, the IM will input a Materiel Adjustment Transaction, DIC DAD to remove materiel in Condition Code A from Purpose Code A to Purpose Code E. This action will be taken to reserve materiel in order to ensure that required quantity is reserved for filling this type of requisition. The usage of Purpose Code E prevents the Mechanical Release of Backorders, so the IM must release backorders for which Purpose Code E stocks have been reserved.

(b) When materiel is not currently available, and the IM determines that the materiel due-in will be used up by other requisitions, he will input a NSN Freeze Transaction, DIC ZJK, to prevent the machine from mechanically releasing backorders. The IM in this instance will then manually release backorders, while concurrently ensuring the required materiel for requisitions citing an S in pos. 62 and an extended RDD in pos. 63-64 is maintained on hand for filling these requisitions 50 days prior to the RDD. Inventory Managers will forward NSN Freeze Transactions to the Inventory Accounting Branch (IAB) for control purposes and IMS will provide IAB with a date that the freeze should be lifted.

(2) For information, prior to the preparation of the Listing of Items Placed on Backorder, appendix F-31, all backorders containing an S in pos. 62 will be mechanically selected and each RDD computed by adding the number of months cited in pos. 63-64 to the requisition date (pos. 36-39) with the resulting RDD projected to the end of the month, e.g.:

<u>REQN DATE</u>	<u>RDD</u>	<u>DATE</u>
(pos. 36-39)	(pos. 62-64)	
4015	S02	74090

After computing the RDD a comparison is made between the RDD date and the date of review (date appendix F-31 generated) and an internal DIC ZD6 transaction will be created and suspended for those requisitions with an RDD 65 days or less from the date of the review for all priorities. This document will contain the Julian day upon which the RDD becomes 50 days in the future. On that date, the DIC ZD6 transaction will be released from suspense, the Type Backorder Code changed from 2 to 1, and the Backorder Release Signal set.

f. This report will be used by the IM for contacting a CONUS requisitioner to ascertain if the requisitioner would prefer to initiate local purchase for an item. This contact action will only be initiated in those instances when the IM is of the opinion that this action would result in the most economical method of supply, based on the excessive costs associated with support by the integrated manager (i.e., consideration of procurement, transportation/shipping, and special packaging costs). The Inventory Manager will also evaluate the procurement capability and geographical location of the requiring activity prior to contacting the activity via telephone, message, or mail.

This contact action will not be taken when any of the following conditions exist:

- (1) Requisitioner is an OCONUS activity.
- (2) Requisition cites Advice Code 2A or 35.

g. When the requiring activity accepts to take local purchase action, the requisition will be rejected back to the customer citing Status Code CW IAW existing procedures. When the requiring activity replies that they do not wish to take local purchase action, the DSC will continue support action for the requisition.

h. When reviewing this listing in conjunction with a Requisition History Interrogation and the IM finds a remaining quantity in Status Code BV that resulted from an erroneous input made by Procurement, the IM will notify the Contract Administrator by IOM of the unsatisfied quantity and request corrective action be taken. A copy of the Contract Interrogation, appendix F-71-2, and a copy of the Requisition History Interrogation, appendix F-45, will be attached to the IOM.

i. This listing is also used to identify those backorders containing an X (pos. 62) and an RDD in months (pos. 63-64). This date will be identified in terms of months from the last day of the month expressed by the date of the requisition. However, unlike S in pos. 62 backorders. early delivery may be accomplished if materiel is available, regardless of the RDD.

j. This report is also used by management to determine areas requiring additional special treatment, redistribution of workload, and for statistical purposes.

k. This report, part 4, also provides visibility as to MAP FMS (Type 5) backorders by ORC.

l. This report also provides visibility as to Project Code 3AA requisitions containing priority 04-15, (Type 6) backorders.

5. FLOWCHART

Flowchart not required.