

APPENDIX E-313 P

SUPPLY CONTROL STUDY - LONG SUPPLY

1. PURPOSE

This procedure provides instructions for the manual review and processing of the Supply Control Study - Long Supply (appendix F-170). One or more Recommended Disposal Transactions/Forms, DIC ZLC (appendix B-31) may accompany the study.

2. APPENDICES USED IN THIS PROCESS

- a. Appendix A-156, Reason for Study Codes.
- b. Appendix B-31, Recommended Disposal Transaction.
- c. Appendix B-108, Supply Control Study - Long Supply Request Transaction.
- d. Appendix F-170, Supply Control Study - Long Supply.

3. RESPONSIBLE ORGANIZATIONAL ELEMENT

The applicable Commodity Branch (IM) within the DSO is responsible for the completion of the procedures process described by this appendix.

4. PROCEDURES/INSTRUCTIONS

- a. IMs may obtain a Supply Control Study - Long Supply (SCS-EX) by sending an SCS-EX Request Transaction, DIC ZRB, to ODS for processing. Normally, the computer mechanically prepares ZRB transactions as a by-product of the DSC stratification. IMs may, however, manually prepare a ZRB transaction and submit it to the ODS to receive a study.
- b. Disposal Values determined by the DSCs for all stocked items, will be entered in the Minimum Disposal Values Policy Table 012 (appendix F-259) by preparing and processing the Minimum Disposal Value Policy Table Data Change Inquiry Transactions (appendices B-70, E-070 P, and E-070 V). The entry in pos. 23-28, Minimum Economical Disposal Value for Replenishment Demand Items, determines whether assets will stratify to potential excess or policy retention. The entry in pos. 35-40, Minimum Excess Review Value for Replenishment Demand and NSO Items, determines whether a DIC ZRB, appendix B-108, is output for IM review of potential excess or if automatic disposal of excess stocks will be accomplished.
- c. Disposal Value determined by the DSCs for nonstocked items, SSCs 2 and 3, will be entered in pos. 64-68 of the Stratification Adjustments and Restrictions Policy Table 026. DIC ZRB transactions will be produced for SSC 2 and 3 items with potential excess exceeding this value.
- d. On SSC 9 items, automatic output of DIC ZRB will be produced.

e. Reason for Study Code EX, as used on Stratification Worksheets and appendix F-162, is applicable specifically to the SSCS-EX. Code EX indicates that the item has disposal excess.

f. Processing instructions for Reason for Study Code EX.

(1) REASON FOR STUDY CODE EX

(a) The IM will review the SCS-EX (appendix F-170) along with other known logistics/supply data to determine if the recommended disposal action is appropriate. The IM should be aware that the SCS-EX may have generated because the support date of a nonrecurring requirement resulting from provisioning on an established item has passed. If disposal action is in order:

1. Consideration is to be given to diminishing stocks by the Reduced Price Sales procedures developed by the DSC IAW chapter 31.

2. If commingled stock is on hand, i.e., numeric Ownership Code, the disposal action must be controlled to preclude a loss to the owning Service. Refer to appendices B-31 and E-031 P.

(b) If the total recommended disposal action is concurred in, forward all Recommended Disposal Documents, DIC ZLC (appendix B-31), to the ODS for processing.

(c) If it is determined that no disposal action should be taken, destroy all Recommended Disposal Documents (DIC ZLC).

(d) If it is decided to change the recommended disposal action, (e.g., partial disposal), line out the quantities contained in pos. 25-29 and pos. 55-61 of the interpreted section of the Recommended Disposal Document, DIC ZLC, and insert the desired disposal and retention quantities in their respective field positions. The pos. 55-61 Retention Quantity field should have a quantity in this instance because this is the key indicator to the personnel of the storage location to retain the pos. 55-61 quantity specified, and dispose of the balance regardless of the quantity indicated in pos. 25-29. Precede significant digits with zero(s). This action will be taken on as many Recommended Disposal Documents, DIC ZLC, as require revision. If, in this process, it is decided to take no disposal action at a particular storage site destroy the Recommended Disposal Document for that site. All Recommended Disposal Documents, DIC ZLC, which are approved or revised will be forwarded to ODS for processing. All manually prepared DIC ZLC documents must have the ORC in pos. 77-78.

(e) When it has been determined that assets within a Retention Priority Sequence are to be partially retained and partially disposed of, the following applies:

1. First, totally dispose from attrition sites, in order of smallest to largest quantity, regardless of quantity or dollar value; then

2. Dispose totally from nonpreferred storage locations in order of smallest to largest quantity, regardless of quantity or dollar value; then

3. Dispose of assets above location retention limits from preferred location in order of ascending PRDA values, providing disposal quantity of Condition A stocks equals or exceeds location QFD/NSO and \$50.00 in value; then

4. Dispose totally from preferred locations in order of ascending PRDA values, providing total disposal quantity of Condition A stocks equals or exceeds 1 location QFD/NSO and \$50.00 in value.

(2) ADDITIONAL INSTRUCTIONS

(a) The IM will not immediately dispose of an item where the extended disposal value is greater than \$10,000 for Condition Code A, Purpose Code A stock (lower depending on the DSCs particular technical review dollar level). The technical/engineering review procedures in section VII, chapter 31, will be followed. After the technical review of the potential excess is returned to supply, the disposal action, if any, can be completed.

(b) Generally, the IM should conduct a simultaneous ICC review along with the excess review. If there are less than three demand frequencies or less than 12 demand units within the past year, or if the QFD/system quantity times four, times the Acquisition Cost, is less than \$20.00, the item should possibly be an NSO item, ICC 2 or B. If the item is to be changed to an ICC 2 or B, it should also be changed to an SSC A with an Acquisition Advice Code Z IAW appendix E-069 P. No SSC change will be made if assets exceed the past 12 months demands for this item. The retention limit for an ICC 1 or P item is greater than the retention limit for an NSO item. A replenishment demand item could be changed to an NSO, thus possibly causing two excess determinations within one year. If there are significant changes, changes should be made and a new DIC ZRB entered to prevent unnecessary recomputations by the IM.

(c) Generally an item should not be processed for disposal whenever the Date Management of Item Assumed is less than two years in the system for logistically gained items, and three years for newly provisioned items.

(d) Generally, the IM will not dispose of Condition Code A, B, C, or E materiel twice in one year at the same prime DLA storage site. The SCS-EX, DLA Form 709, currently records a Date of Last Disposal for Condition Code A, B, C, or E at all storage sites, prime and attrition. Restrict all disposals of Condition Code A, B, C, or E to no more than once a year at other than attrition sites. Deviations from the above general policy guidance should be discussed and approved by the next higher echelon of supervision.

(e) Generally, the IM will not dispose of Condition Code A, B, C, or E materiel whenever the Date of Last Buy is less than two years or Date of Last Disposal is less than one year from the current date. However, if Condition Code A, B, C, or E materiel disposal action is decided upon, the decision will be discussed and approved by the next higher echelon of supervision or as designated by DSO, prior to disposal actions. Follow instructions outlined in subparagraph (d) above to verify disposal action and date.

(f) The minimum system (wholesale) excess declaration quantity/value will be equal to one QFD/NSO quantity or \$50.00, whichever is greater. (Condition Code A.)

(g) The minimum disposal quantity/value per location will be equal to one location QFD/NSO or \$50.00 whichever is greater. (Condition Code A.)

NOTE: Location QFD value is determined by multiplying the Location PRDA into the System QFD x the Acquisition Cost.

(h) The system/location dollar level does not apply under the following conditions:

1. The retention quantity is zero.
2. The materiel is in Condition Code D, F, or G.
3. The item is an SSC 2, 3, 6, or 9.
4. The disposal of total stocks of an item at an attrition site or a nonpreferred storage location is being effected.

(i) The \$50.00 system/location dollar level is subject to change as directed by DLA-OS.

(j) Whenever item indicates assets in Ownership Codes, appendix A-14, 0, 1, 3-9, extreme care must be exercised. This Service-owned commingled stock can only be excessed by manually notifying the depots of the total known DLA/Service commingled stock, quantity to be disposed, quantity to be retained for Service and if applicable, for DLA. Refer to appendix E-031 P for detailed instructions.

(k) Normally the IM should initiate only one disposal action per year per item. However:

1. Whenever there is Condition Code J or K (when J stocks are at a DLA depot) materiel indicated on line 25, unapplied stocks on hand, of the F-170, SSCS-LS study, IM must make a decision whether to immediately dispose of the remaining stock or await a firm condition code classification from the holding DLA depot. Should Condition Code J or K materiel be greater than \$50.00 total value or should it represent one year of stock (i.e., 4 x QFD or one-third of NSO Quantity), IM should not normally process the item for disposal. Rather, IM should prepare a manual DIC ZRB, appendix B-108 and input approximately three weeks later. This should provide ample time in which the Condition Code J or K materiel can be reclassified.

2. If an item has a history of continuous small quantity Condition Code K materiel returned through the Excess Customer Returns Program (DIC FTE), the IM may elect to dispose of the existing materiel in other condition codes and not await the outcome of a depot classification for Condition Code K (or J) materiel.

3. Materiel in Condition Code J at attrition sites, line 35 of the F-170, can be disposed by use of DIC ZLC, Recommended Disposal Transaction, appendix B-31. Condition Code J at a DLA depot requires use of a DIC DAC, Materiel Adjustment Transaction, appendices B-22 and E-022 P.

(3) For disposal of items other than SSC 2, 3, 6, or 9, change the item to a nonstocked status SSC 3, IAW appendix E-413 P. Changing an item to SSC 2 or 3 will not result in total disposal because a retention limit will be computed for such items. Normally, total disposal of an item indicates an item has had no demand recorded during the past 24-month (8-quarter) time period. To accomplish item migration from a stocked to a nonstocked SSC 3 status, the following elements must be considered:

(a) Do not change to an SSC 3 if the following elements are recorded:

1. Date Management of Item assumed is less than three years from the current date.

2. Weapon System Code is a Y, Yes.

3. A Special Program Requirement quantity is recorded which indicates a DSC commitment to have materiel available for a future Service initiated Demand Code P, MILSTRIP Requisition.

4. An OWRMR, and an OWRMRP quantity may be recorded for a War Reserve Classification Code (WRCC), H, Hard Core, or S, Soft Core.

5. An OWRMRP quantity is recorded for WRCC S, Soft Core. An N, No, indicates the item is not a War Reserve item and has no OWRMR or OWRMRP.

6. A CRGF or AERQ quantity is recorded. Determine whether the War Reserve conditions (CRGF) or other conditions (AERQ) still exist. If not, reduce the AERQ or CRGF quantities to zero.

7. The situation that caused materiel to be placed in Condition Code H, J, or K must be resolved prior to a total disposal. Partial disposals for these items should not be made.

8. If the item is in a Procurement Group Code (PGC) in Management Policy Table 011, the item must be taken out of the PGC prior to a total disposal.

9. An ICC B, insurance item, must be reviewed carefully to determine if the insurance category still exists.

10. An item having a FILL quantity at one or both of the SSPs (NO_ or NN_).

11. SSC 4, MAP stockage, items having no demands or only demands from MAP should not be migrated to SSC 3.

12. SSC 7, Overseas stockage, items having only overseas demands should not be migrated to an SSC 3.

13. For SSC 8, GFM stockage, items determine whether the GFM condition still exists. If it does, retain as an SSC 8.

14. An item that has an Inactive Item Review Status Code other than N or R will not be changed to a SSC 3, though total system disposal can be accomplished.

15. Every stocked item, except an Inactive Item Review Code U item, has to have a minimum NSO or QFD quantity of 1. The IM must manually input an NSO quantity of 1, DIC ZR3, appendix B-189.

(b) If there are no elements known to the IM which necessitate the continued centralized stockage and procurement of an item, the following actions should be accomplished prior to migrating the item to Future SSC 3, appendix E-413 P.

1. Input a DIC ZR3, appendix B-189, as applicable to change the ICC to a 2, NSO, with an all zero NSO quantity, and an Age of Item Code E.

2. Input a DIC ZSM, appendix B-153, as applicable to withdraw the DSC whenever the Inactive Item Review Status Code is Y, all users withdrawn. A DL Advice Code entry in pos. 65-66 will accomplish this.

3. For SSC 5, Head of the Family items having no demand in the past year, totally review the members of the family with DTO to determine whether the conditions and requirements which initially established the SSC 5 make and model unspecified item still exist. If the conditions still exist, retain the item with a minimum NSO quantity to ensure a minimum stock availability.

(4) None of the above guidelines is inviolate! However, any deviations should be discussed with the IMs immediate supervisor. Depending on the dollar value, some problems may require DSO (or higher) concurrence.

5. FLOWCHART

Flowchart not required.