

APPENDIX E-503 P

PROCESSING FOREIGN MILITARY SALES (FMS) PRICE AND AVAILABILITY
STUDIES AND RESERVATION OF STOCK IN PURPOSE CODE N FOR FMS REQUIREMENTS

1. PURPOSE

This procedure describes the method and criteria to be followed when processing interrogations for FMS Price and Availability Data received from U.S. Military Service, MAP Requisition Control Offices (RCOs) and accomplishment of:

a. Research of asset records and determination of asset balance position with relationship to item eligibility for FMS requirements reservation. (As it applies to End Items only for Department of Army, Air Force, and Marine Corps FMS Programs.)

b. Reservation of assets and establishment and maintenance of manual reservation records of eligible items being placed in Purpose Code N stock to satisfy anticipated Department of Army and USAF FMS requisitions for End Items only.

c. Processing of FMS Price and Availability interrogations from Department of Navy for both End Items and Repair Parts, and from Department of Army and the USAF for Repair Parts.

d. Preparation and submission of FMS price and availability data to MAP RCOs in reply to their interrogations.

e. Transfer of unrequisioned reserved Purpose Code N End Items balances back to Purpose Code A stock.

2. POLICY

All FMS Price and Availability Data interrogations received from Service MAP RCOs will be processed in accordance with this procedure within the following policy concepts:

a. U.S. Navy sponsored interrogations:

(1) Neither End Items nor Repair Parts assets will be reserved in Purpose Code N stock.

(2) Commitment from Contracting only will be made for any and all items included in U.S. Navy sponsored Price and Availability Data interrogation.

b. U.S. Army and U.S. Air Force sponsored interrogations:

(1) End Items only will be considered as candidates eligible for reservation in Purpose Code N stock. (See note.)

(2) Commitment from procurement only will be made for Repair Parts included in U.S. Army and U.S. Air Force sponsored Price and Availability Data interrogations. (See note.)

NOTE: Those DSCs managing both End Items and Repair Parts will exercise judgement in making the distinction for reservation/nonreservation determination where the description of the FSC is not sufficient to distinguish between End Items and Repair Parts.

3. SCOPE

The procedures contained in the appendix delineates the separate actions to be accomplished predicated on above prescribed Reservation/Commitment policy.

4. APPENDICES USED IN THIS PROCESS

- a. Appendix A-15, Purpose Codes.
- b. Appendix A-59, Asset Group Codes.
- c. Appendix A-156, Reason for Study Codes.
- d. Appendix B-22, Materiel Adjustment Transaction (Single of Dual Adjust-ment).
- e. Appendix B-179, Standard Supply Control Study Request Transaction.
- f. Appendix C-40, Reply to Request for FMS Price and Availability Data.
- g. Appendix F-167, Standard Supply Control Study.

5. RESPONSIBLE ORGANIZATIONAL ELEMENTS

The Materiel Support Branch and the individual IMs in the Commodity Branches within the DSO are responsible for the completion of the procedures/processes described in this appendix.

6. PROCEDURES/INSTRUCTIONS

a. Materiel Support Branch. A central control point established in the Materiel Support Branch will receive all MAP RCO interrogations for FMS Price and Availability data. These interrogation documents, in the form of TWXs, message forms, and letters, will be received from the International Logistics Control Offices (ILCOs) (also referred to as RCOs - See subparagraph (1) above) for the Department of Army, Department of Navy, USAF - Headquarters, AFLC, and/or any of the AF Air Materiel Areas (AMAs) or MC if applicable.

(1) Interrogation documents received from Department of Army ILCO and the USAF ILCO's will contain:

(a) Reference to the applicable MAP Country.

(b) The Tri-Alpha FMS Case Identifier, for which the materiel is required and which will be employed by the DSO to relate an FMS requisition to the case for which materiel has been reserved in Purpose Code N stock when applicable.

(c) List of NSNs and the quantity of each for which price and availability data are required.

(2) Interrogation documents received from Department of Navy ILCO will contain the same data as shown in subparagraphs (1) (a) and (c) above for Department of Army and USAF ILCO interrogation documents. However, Department of Navy Case control procedures do not provide for inclusion of the Tri-Alpha FMS Case Identifier described in subparagraph (1) (b) above in their interrogations for FMS Price and Availability Data. (This deviation in Department of Navy FMS Case control procedures serves to negate the feasibility of reserving assets in Purpose Code N stock for Navy Price and Availability Data interrogations since subsequent FMS requisition Case Identifiers could not be related to Purpose Code N reserved assets.) (Reference subparagraphs 2a(1) and (2) above.)

b. Upon receipt of these interrogation documents, the central control point in the Materiel Support Branch will take the following actions:

(1) U.S. Navy sponsored interrogations for either or both End Items and Repair Parts, and Department of Army and/or USAF sponsored interrogations for Repair Parts. (Note: Department of Army and/or USAF sponsored interrogations for End Items only and/or End Items which are commingled with Repair Parts interrogations will be processed in accordance with provisions outlined in subparagraph b(2) below.)

(a) Establish a 10-day suspense date for submission of reply to the interrogation for price and availability data to the requesting RCO. If this established date exceeds a required date established in the interrogation, the requesting RCO will be notified by either telephone or TWX of the realistic target date established by the processing DSC.

(b) Utilize the PLT formula prescribed in chapter 18, paragraph 218704a, and enter the appropriate computed PLT for each NSN on the interrogation if it is U.S. Navy sponsored and/or if the interrogation is Department of Army or USAF sponsored and all items involved are Repair Parts.

1. Upon completion of determining the PLT for NSNs included for the Services in the type item categories described in subparagraph (b) above, furnish the Price and Availability Data to the requesting RCO.

2. When Department of Army and/or USAF sponsored interrogations include both End Items and Repair Parts, the PLT data determined for Repair Parts on these interrogations will be held in suspense. After Price and Availability Data for End Items included in these (Army and USAF) interrogations have been determined under provisions of subparagraph b(2) below, a consolidated reply including PLT on Repair Parts and/or End Items (if not available in adequate depth) and an indication that End Item(s) which have been reserved in Purpose Code N are available from stock, will be furnished the requesting RCO.

(2) Department of Army and/or USAF sponsored interrogations for Price and Availability Data for End Items only or End Items commingled with Repair Parts:

(a) Establish 10-day suspense date for these interrogations in the same manner as described in subparagraph b(1) (a) above.

(b) Manually prepare, in triplicate, a worksheet for processing FMS Price and Availability information (DLA Form 873), for all End Item NSNs which are the management responsibility of the processing DSC by completing the From, To, and Date blocks and numbered blocks 1, 2, 4, 5, and 10. A separate worksheet will be prepared for all End Item NSNs which are the responsibility of the individual IM. A listing on a separate page may be used as an attachment to worksheet when multiple items for one IM are involved.

(c) Forward two copies of the DLA Form 873 worksheet, to the responsible IM and retain one copy in a suspense file pending return of a completed copy from the IM.

(d) Upon receipt of the completed copy(s) of the DLA Form 873 worksheet from all IMs for all End Item NSNs related to an individual interrogation, clear the suspense file (reference subparagraph (c) above) and prepare a consolidated reply for each individual interrogation (including PLT Data for Repair Parts items held in suspense, reference subparagraph b(1)(b)_2 above) to the requesting RCO. This reply will be made by communication media (TWX/Messageform/Letter) appropriate to meet the established suspense date. The reply, regardless of media used, will contain the MINIMUM TEXT described in appendix C-40.

c. Inventory Manager. Upon receipt of the two copies of the DLA Form 873 worksheet, from the Materiel Support Branch, the IM will:

(1) Input a request for a Standard Supply Control Study (SSCS), appendix F-167, for each item on which price and availability data are required. If the Item for which price and availability data are required is an assemblage of separate components and all components are the management responsibility of the DSC processing the price and availability data request, the request for an SSCS will include the NSN for each component of the assemblage. The input request transaction for the SSCS will be prepared in the format of appendix B-179 with Reason Code IM (reference appendix A-156) in pos. 79-80.

(2) Upon receipt of the SSCS, appendix F-167, make the following computations:

(a) Add the ROP/RAL quantity plus five months forecasted demands and the required FMS quantity.

(b) Determine the system on-hand balance of assets in Asset Group I.

(c) Determine whether the balance determined in subparagraph (b) above is less than, equal to, or greater than the total determined under subparagraph (a) above.

(3) If the balance determined under subparagraph (2) (b) above is less than the total determined under subparagraph (2) (a) above:

(a) Show on the DLA Form 873 worksheet by entry in block 9, the PLT computer in accordance with the formula prescribed in chapter 18, paragraph 218704a, and enter date IM action was taken.

(b) Complete the reply (lower) portion of the DLA Form 873 worksheet, and return both copies to the Materiel Support Branch.

(4) If the balance determined under subparagraph (2) (b) above is equal to/greater than the total determined under subparagraph (2) (a) above:

(a) Determine from section IV, Detailed Asset Data, of the SSCS, a distribution depot, on-hand balance in Asset Group I is sufficient to permit reservation of the FMS required quantity in Purpose Code N for a period of 120 days and probable subsequent issue for FMS requisitions without jeopardizing the distribution depots normal support capability based on forecasted demands. The distribution depot selected should, if practicable, be the nearest outshipping point for the FMS country. Asset balances on hand at SSPs will not be considered as available for reservation in Purpose Code N stock.

(b) If the on-hand balance in Asset Group I at any one distribution depot (reservation of a quantity for one FMS requirement will not be split between distribution depots) is not sufficient to permit reservation of assets in Purpose Code N stock, or if the only sufficient quantity is located at an SSP, no reservation will be made for the required FMS quantity. The DLA Form 873 worksheet will be completed in the same manner as prescribed in subparagraph (3) above.

(c) If the on-hand balance in Asset Group I at any one distribution depot (other than a SSP) is sufficient to permit reservation of the required FMS quantity in Purpose Code N stock, make the appropriate entries in blocks 3, 7 and 8, complete the reply (lower) portion of DLA Form 873 worksheet, and return the original copy to the Materiel Support Branch. Prepare a Materiel Adjustment Document, DIC DAD, in the format of appendix B-22 to effect transfer of the FMS quantity from Asset Group I Purpose Code into Purpose Code N stock (as defined in appendix A-15).

NOTE: If the item for which price and availability data are requested in an assemblage as described in subparagraph b(1) above, and all components do not meet the criteria to permit reservation in Purpose Code N stock, the DLA Form 873 worksheet for all components of the assemblage will be completed in the same manner as prescribed in subparagraph (3) above.

(5) Utilize the retained copy of the DLA Form 873 worksheet to establish a manual file record of quantities of NSNs transferred to Purpose Code N stock. This file will be maintained in such a manner that it can be reviewed and cleared when a requisition against the reserved assets is received for manual review and shipment action is accomplished or reviewed at least once a month to determine whether the assets should be transferred from Purpose Code N back to Purpose Code A stocks as prescribed in subparagraph (6) below.

(6) Manually review, at least monthly, the manual file established in accordance with subparagraph (5) above. At the time of this review, purge from this file all individual item reservations which have remained in Purpose Code N stocks for a period of 120 days or more. This purge will be accomplished by the preparation of a Materiel Adjustment Document, DIC DAD, in the format of appendix B-22 to effect transfer of this reserved materiel back to Purpose Code A stocks.

7. FLOWCHART

Flowchart not required.