

APPENDIX E-511 P

ITEM CATEGORY B ITEMS

1. FORM/REPORT USED

- a. Recommend Add/Delete Numeric Stockage Objective Items, part II (appendix F-8).
- b. Supply Control Data Change Transaction, DIC ZR3, (appendix B-189).

2. REASON/CRITERIA FOR PREPARATION

As a result of annual review of items conducted 1 July of each year in accordance with chapter 29, the computer will provide a printout of Recommend Add/Delete Numeric Stockage Objective Items, part II, to Item Managers for review. This listing covers all items (Family Numbers) which had been previously coded as Item Category Code B items. Item Category Codes are covered in appendix A-87. The purpose of the Recommend Add/Delete Numeric Stockage Objective Items Listing, part II, is to provide respective Item Managers with a yearly record of all items which were previously identified as Numeric Stockage Objective Items for which no mechanical updating of the Item Category Code was permitted. As a result of the review, items may be updated in the computer by means of preparation of Supply Control Data Change Transactions. (See subparagraphs 4 and 5 below for review criteria and preparation of Supply Control Data Change Transactions.)

3. RESPONSIBLE ORGANIZATIONAL ELEMENT

Item Managers, in respective Inventory Management Divisions, Directorate of Supply Operations as identified by the Output Routing Code, will receive and review Recommend Add/Delete Numeric Stockage Objective Items Listings, part II, and prepare Supply Control Data Change Transactions, where required.

4. PROCEDURES/INSTRUCTIONS FOR REVIEW

a. Item Managers will review the Family Numbers cited on the Recommend Add/Delete Numeric Stockage Objective Items Listing, part II, in conjunction with Jacket Files for the particular items. The reason for which the item was coded an Item Category Code B item should be recorded in Jacket File. Any data in the Jacket File bearing on demand restrictions and frequencies must be considered. Inquiry for demand history (see appendix E-097 P) may also be required. Determination must be made as to whether the item will be changed as indicated below.

(1) Change to Item Category Code 1 - Replenishment Demand Item.

(2) While it is possible that an item could be changed to Item Category Code P (Replenishment Demand item - Program oriented), this would rarely be done and is not considered a normal action.

(3) Item Category Code 2 Numeric Stockage Objective - With capability for updating mechanically to Item Category Code 1, if demand frequency and quantity meet criteria for Item Category Code 1. Criteria for mechanical change to Item Category Code 1 are 3 or more demands per year and total quantity demanded of 12 or more per year.

(4) Remain as is (Item Category Code B).

b. If item is to remain as is, annotate applicable Jacket File with date of review and reasons for keeping the item as is.

c. If the item is to be changed to a Replenishment Demand Item (Item Category Code 1) or to a Numeric Stockage Objective Item with machine capability for updating (Item Category Code 2), preparation of Supply Control Data Change Document is required.

d. Since Recommended Add/Delete Numeric Stockage Objective Items Listing, part II will be received in three copies, distribution is as follows:

(1) One copy filed in Management Support Office (statistical purposes).

(2) One copy to Division Chief, Inventory Management Division.

(3) One copy to Item Managers.

5. PROCEDURES/INSTRUCTIONS FOR PREPARATION OF SUPPLY CONTROL DATA CHANGE DOCUMENTS

a. As a result of the decision of the Item Manager to change the Item Category Code for former Item Category B Items, coding sheets (to field position format) will be prepared as follows:

<u>FIELD LEGEND</u>	<u>FIELD POSITIONS</u>	<u>EXPLANATION/ INSTRUCTIONS</u>
Document Identifier Code	1-3	ZR3.
Routing Identifier Code	4-6	Enter applicable RIC.
Stock Number	8-18	Enter Family Number.
Unit of Issue	23-24	UI pertaining to Family Number.
Item Category Code	34	Enter 2, 1, or P.
Demand Value Code	70	Enter Demand Value Code based on past year's dollar value of demand if Item Category Code is 1 or P; otherwise, leave blank.
Output Routing Code	77-78	Enter applicable ORC.

b. If the Item Category Code is changed to 1, the normal forecasting system will take over next quarter for all non-VIP items, next month for VIP items. If Item Category Code is changed to 2, it will remain as 2 until the next annual review, when it may be automatically changed to 1, if demand permits.

c. Forward coding sheet to keypunch operator.

6. DISPOSITION OF REPORT

Recommend Add/Delete Numeric Stockage Objective Items Listing, part II in respective organizations cited in subparagraph 4d above will be retained one year.

7. FLOWCHART

Flowchart not required.