

J.M.
8/16/89

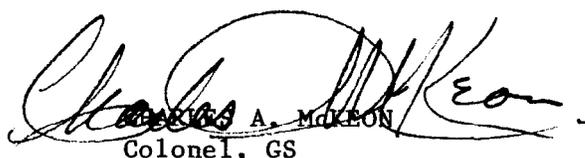
AMCSM-MTI(DLSSD-BT/31 Mar 89) (725) 1st End
SUBJECT: Proposed MILSTRAP Change Letter (PMCL) 117/A, Accountability of Less Than Unit of Issue Materiel

CDR, USAMC, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001 9 AUG 1989

FOR Director, Defense Logistics Support Division, ATTN: DLSSD-BT,
6301 Little River Turnpike, Alexandria, VA 22304-6100

1. The Army nonconcurrs with this proposal. The enclosure provides the Army comments relative to this proposal.
2. The HQ, AMC point of contact for this action is Ms Sarah Cook, AUTOVON 284-7691.

FOR THE COMMANDER:



~~CHARLES A. MCKEON~~
Colonel, GS
Chief, Transportation and
Equipping Division

2 Encls
wd encl 1
Added 1 encl
2. Army Comments

ARMY COMMENTS TO PMCL 117A

1. The total cost (initial plus recurring) to implement this proposal could drastically outweigh the financial gains. Recommend that an affordability study be conducted to determine if anticipated savings are consistent with the implementation costs.
2. The supply, cataloging, and financial systems would require major changes. At retail level, in order to reclassify condition code (cc) A assets to O, SARSS-1(I) and DS4 system would have to be changed simultaneously to allow dual adjustments (DIC DAC). At wholesale, intermediate, and retail level, issue logic would require change to allow proposed cc O assets to be issued prior to cc A when more than one of the new unit of issue (cc A assets) is requested. At intermediate level SAILS, the cataloging process would require major changes to allow residual quantities (result of unit of issue changes and NSNs being replaced) to remain on the ABF. Currently, these quantities are being disposed locally. The financial system internal obligation control would have to be modified to compute the price and decrement balances for condition code O assets issued at half price.
3. The impact on automated ammunition systems such as SAAS-1/3 and SAAS-4 cannot be accurately determined since the PMCL does not address the peculiarities of ammunition accountability.
4. When priority 01-03 or Not Mission Capable Supply (NMCS) requisitions are involved, readiness would be negatively impacted by automatically pushing residual quantities to the user. Reclassifying serviceable assets (i.e., incomplete sets/assemblies, destructive test, damage, pilferage, etc.) to O and pushing it to the user would negatively impact readiness regardless of the priority of the request. Such practices would also increase the submission of RODs.

Encl 2



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380-0001

BT
6/16
IN REPLY REFER TO
4400/3
LPS-1

June 6/19

JUN 12 1989

From: Commandant of the Marine Corps
To: Director, Defense Logistics Standard Systems Division
(DLSSD-BT), 6301 Little River Turnpike, Suite 210
Alexandria, VA 22312-5044

Subj: PROPOSED MILSTRAP CHANGE LETTER (PMCL) 117A,
ACCOUNTABILITY OF LESS THAN UNIT OF ISSUE MATERIEL

Ref: (a) OSD DLSSD-BT ltr of 31 Mar 89

1. The Marine Corps does not concur with reference (a).
2. While the need to account for odd lot materiel is recognized, the assignment of a new supply condition code is not considered necessary or appropriate. Odd lot materiel is currently accounted for using Condition Code (CC) "G." Specifically, CC "G" is defined as "materiel requiring additional parts or components to complete the end item issue." Assigning an additional (CC) "O" will not improve visibility of the individual components of the incomplete materiel.
3. The net effect of this PMCL does not increase accountability, readiness or DoD credibility. It only allows for the transfer of serviceable materiel that is less than a complete unit of issue to the next end-user customer. This procedure transfers a supply problem rather than correcting it. It also creates inaccuracies in the financial accounting system by arbitrarily charging half-price for the item regardless of the requisite level of completeness.
4. Recommend no change to the current procedure. This retains responsibility for correcting the less than complete materiel with the activity that is currently accountable for it.
5. Point of contact is Ms. Beth Hartung, LPS-1, AV 224-1763.

PHILIP W. CLARK
By direction



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS AIR FORCE LOGISTICS COMMAND
WRIGHT-PATTERSON AIR FORCE BASE, OHIO 45433-5001

*John
A. Miller
6-20*

REPLY TO
ATTN OF

MMILC

1989
5 JUN 1989

SUBJECT:

Proposed MILSTRAP Change Letter (PMCL) 117A, Accountability of
Less Than Unit of Issue Materiel

TO

[REDACTED]
Defense Logistics Standard Systems Division
Attn: DLSSD-BT
6301 Little River Turnpike, Suite 210
Alexandria, VA 22312-5044

1. The Air Force nonconcurrs with the subject proposal. The reasons for our position are contained in Attachment 1.
2. Point of contact is Gerald Radeline, MMILC, AUTOVON 787-5499.

FOR THE COMMANDER

Fred Mobley
FRED MOBLEY
Chief, Support Effectiveness Branch
Directorate of Item Management Policy

1 Atch:
Comments on PMCL 117A

cc: DLA-OSC
USAMC/AMCSM-MTI
NAVSUPSYS/SUP 0323
HQMC/LLS-4
USCG/G-FLP-1
GSA/FCI
DNA/FCLMM
NSA/L1111
USTRANSCOM/TCJD-SA

Comments on FMCL 117A, Accountability of Less than Unit of Issue Materiel

1. When a requisition is received in the wholesale system from a base, the system has no way of knowing whether the item is being requisitioned for end use or stock replenishment. Therefore, less than unit of issue cannot be issued off base. If there is no user of the item on base, the storage site has no recourse for issuing the item except to the DRMO.
2. If a requisition is entered for an item and the base receives one shipment as condition code A and another in condition code O, there is no way to reconcile the financial billing under current programs.
3. Regardless of whom the end user is, an issue is made from stock only for the unit of issue. The only exception to this is when the item is in bench stock. Hence, if the user needs a box of 10 and receives a "less than unit of issue" of 6, he or she will have to come in with another requisition for a box (10) and the net result is that the excess of 4 has now been passed to the end user who may have no use for it and it may still be sent to DRMO. Now the accountability has been moved from the storage site to the user.



DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
WASHINGTON, D.C. 20376-5000

Handwritten: 7/24
TELEPHONE NUMBER 202
COMMERCIAL 695-5608
AUTOVON 225-5608
IN REPLY REFER TO:
4400
0323A1
10 JUL 1989

From: Commander, Naval Supply Systems Command
To: Director, Defense Logistics Standard Systems Office
(DLSSO-C)
Subj: PROPOSED MILSTRAP CHANGE LETTER (PMCL) 117A,
ACCOUNTABILITY OF LESS THAN UNIT OF ISSUE MATERIAL
Ref: (a) OSD ltr DLSSO of 31 Mar 89

1. Reference (a) provided the subject proposed MILSTRAP Change Letter (PMCL) and requested comments/concurrence. This proposal provides procedures to account for material when there is less than a complete unit of issue.

2. The Navy concurs with the concept of the proposal; however, we request that a meeting be called to resolve the following issues:

a. The billing for "less than unit of issue material" needs to be further addressed. DOD 4000.25-7M, MILSBILLS would have to be revised to allow Services/Agencies to bill at less than the standard price. Rather than billing at half price, consider billing at the percent of the actual requirement shipped. A dollar threshold should be established to make it cost beneficial.

b. The use of supply condition code "O" (alpha) lends itself to misinterpretation and potential erroneous transaction by mistaking it for "0" (numeric). If the proposal is approved, a supply condition code other than "O" should be assigned.

JOHN C. GORDON
By Direction

Copy to:
AMCSM (Code MTI)
AFLC (Code MMILC)
CMC (Code LPS-4)
COGARD (Code G-FLP-1)
GSA (Code FCS)
DLA (Code OSC)
DA-DCSLOG



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY

REFER TO DLA-OSC (Ms. Martin/274-6191/pj)

12 JUN 1989

SUBJECT: Proposed MILSTRAP Change Letter (PMCL) 117A, Accountability
of Less Than Unit of Issue Materiel

TO: DLSSD-BT

1. Reference: DLSSD-BT letter, 31 Mar 1989, subject as above.
2. The subject PMCL has been reviewed and the following comments are offered for your consideration:

a. The billing for "less than unit of issue materiel" needs to be incorporated into DoD 4000.25-7-M (MILSBILLS). Until revision of the MILSBILLS procedures are implemented, the Services/Agencies will be required to bill at the standard price versus half price.

b. The end-user customer being billed at half price appears to be in conflict with DoD Accounting Manual (DoD 7220.9-M), Chapter 34, Section 2.b.3. accounting standard on inventories. This issue needs to be resolved by DoD before finalizing this proposal.

c. Chapter 4 paragraph I3, should be modified to incorporate procedures for reporting receipts from non-procurement sources for less than standard unit of issues. Otherwise, the MILSTRIP returns procedures should be modified to preclude return of these items into the DoD wholesale system.

d. Paragraph 1b, of the PMCL, we non-concur for the following reasons:

(1) Condition Code 6 provides the capability to account for incomplete assemblies/sets and items missing components. The ICP's responsibilities include procuring missing components to complete the end item prior to issuing to a customer.

(2) Chapter 5, paragraph 62, provides for inventory adjustments on the D8K or D9K transactions. The proposed change does not provide procedural interface with existing MILSTRAP capabilities.

(3) Reclassification should require submission of a DD Form 1225 to advise the ICP about missing parts.

e. Paragraph 1b, of the PMCL, appears to require a concurrent change to MILSTRIP.

DLA-OSC

PAGGE 2

SUBJECT: Proposed MILSRAP Change Letter (PMCL) 117A, Accountability of Less Than Unit of Issue Materiel

f. Chapter 5, paragraph H should be modified to incorporate procedures for Condition Code O items being turned into reutilization.

g. Since Condition Code O reporting impacts Physical Inventory Control and Logistic Reassignment, MILSTRAP Chapters 7 and 11P will require revisions incorporating the subject change.

h. Recommend the following concepts for consideration:

(1) Allow issue to reutilization of less than complete units based on criteria promulgated by the Service/Agency.

(2) Indicate that the quantity of one (1) will be reported by the storage activity when less than a complete unit of issue is on hand.

(3) Provide separate instructions for processing residual quantities resulting from unit of issue changes. The procedure should allow storage activities to initiate disposal action based on criteria promulgated by the Services/Agencies. The procedure should require that the Disposal Release Order reflect a quantity of one unit and contain Condition Code O.

Rational: The proposed PMCL would preclude timely processing of catalog changes and adjustments by the ICP awaiting depot submission of DAC transfer to Condition Code O.

3. DLA concurs with the concept of accounting for less than a complete unit of issue; however, we are not able to concur with the subject proposal until the above issues have been addressed and resolved. In summary, the change would require that each NSN be evaluated for applicability of Condition Code O and in all probability that each Service/Agency develop a list of items and/or commodities to be excluded from Condition Code O application.

FOR THE DIRECTOR:



ROGER E. LeBLANC, Col, USAF,
Assistant Chief
Supply Management Division,
Supply Operations

CC:

AMCCOM (AMCSM-PDA)

NAVSUPSYSCOM (SUP 0323) WASH DC 20376-5000

AFLC (AFLC/MMLSC) WRIGHT-PATTERSON AFB OH 45433-5001

CMC (LMM-2) WASH DC 20380-0001



General Services Administration
Federal Supply Service
Washington, DC 20406



J. M.
6-20

JUN 01 1989

Defense Logistics Standard Systems Office
ATTN: DLSSO-BT, Margaret Kenna
6301 Little River Turnpike, Suite 210
Alexandria, VA 22312-5044

SUBJECT: Proposed MILSTRAP Change Letter (PMCL) 117A, Accountability of Less Than Unit Of Issue Materiel

Dear Ms. Kenna:

We have reviewed subject PMCL and nonconcur with the establishment of a new supply condition code to identify less than unit of issue materiel. We acknowledge that this materiel requires accountability; however, to implement this proposal would require GSA to do major modifications to our supply and financial systems, and we do not see a significant need.

If subject PMCL is implemented, GSA will request to be excluded.

Sincerely,

John R. Roehmer

JOHN R. ROEHMER
DIRECTOR
SYSTEMS MANAGEMENT AND
ANALYSIS DIVISION (FCS) (FCSI)

copy to: Commander, U.S. Army Materiel Command, ATTN: AMCSM-MTI
5001 Eisenhower Ave, Alexandria, VA 22333-0001
Commander, Naval Supply Systems Command, ATTN: SUP 0323
Washington, DC 20376-5000
Commander, Air Force Logistics Command, ATTN: AFLC/MMLSC
Wright-Patterson AFB, OH 45433-5001
Commandant of the Marine Corps, ATTN: LPS-4
Washington, DC 20380-0001
Commandant, U.S. Coast Guard, ATTN: G-ELM-2
2100 Second St, SW, Washington, DC 20593-0001
Commander, Field Command, Defense Nuclear Agency, ATTN: FCLMM
Kirtland AFB, NM 87115-5000
Commander, Defense Logistics Agency, ATTN: DLA-OSC
Cameron Station, Alexandria, VA 22304-6100