



OFFICE OF THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

CAMERON STATION  
DEFENSE LOGISTICS  
STANDARD SYSTEMS OFFICE  
ALEXANDRIA, VA 22314  
XXXX 22304-6100  
DLSSO

29 NOV 1985

MEMORANDUM FOR RECORD

SUBJECT: DoD Joint Physical Inventory Working Group (JPIWG) Meeting,  
19-21 Nov 85

1. The subject meeting was convened at 0920 hours, 19 Nov 85, at Cameron Station, Alexandria, VA. Agenda topics are listed in Attachment 1 and attendees in Attachment 2. Mr. L. Coco is now serving as the liaison representative between the DoD JPIWG and OASD(L&MM). The Defense Mapping Agency representatives attended the JPIWG meeting in an observer capacity.
2. As a change in format from previous meetings, the JPIWG representatives were requested to provide informational briefings on Service/Agency initiatives that impact their Physical Inventory Programs during the first day of the meeting. The Navy presentation provided an overview briefing on Statistical Accuracy Technique and Measurements Analysis (STATMAN). Mr. T. D. Beck presented the briefing and described the Navy's technique for statistical process control of Navy Physical Inventory Control and the inventory selection model features of the software program. The basic thrust of STATMAN as described by Mr. Beck is to improve the overall accuracy of Navy inventory storage activities and to isolate problem areas based on item or storage characteristics, value and quantity of materiel in storage and/or warehouse locations. The Navy will conduct a workshop on STATMAN in the February 1984 timeframe and extended an invitation to all Services/Agencies to attend. Mr. Beck stated the Navy's position that current Inventory Control Effectiveness (ICE) measures are not meaningful and solicited ideas from the other Services/Agencies for more valid measures of accuracy that could be tested through STATMAN. Copies of Mr. Beck's briefing slides were provided JPIWG members.
3. The Air Force (AF) representative also provided a briefing on initiatives being taken by AF to exercise greater inventory control over materiel owned and stored within Air Logistics Centers (ALCs). Initiatives discussed included establishing an Executive Level Steering Group, upgrade of ADP equipment and techniques, reducing time standards for storing materiel, establishing new inventory accuracy measures, and developing a new inventory selection process. As stated in the briefing, the AF is working toward accomplishing an annual wall-to-wall inventory program that will adopt an allowable variance for inventory counts, eliminate minor inventory adjustments and require validation and/or research on all adjustments that are processed. Copies of the AF briefing slides will be made available upon request.

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4. The Army provided a briefing on LOGMARS applications for Physical Inventory and Location Survey. Ms. Harper, U.S. Army Depot Systems Command, discussed the overall concept of using LOGMARS technology for conducting physical counts and location surveys as well as providing an overview of the processes from download from main computers to the portable device, execution of data verification and entry, to the upload of data back to main frame computer and data error corrections. Copies of the Army's LOGMARS user guide for Physical Inventory, Location Survey and Quality Checks were provided JPIWG members.

5. Subsequent to the Service presentations, the JPIWG representatives devoted the remaining time to discussion of the following issues:

a. Draft DoD JPIWG Surveillance Report Jul-Sep 85. The draft report was developed by the Vice Chairman and put before the working group for comment and approval. While the draft was generally accepted, members felt that more detail regarding specific observations and recommendations should be included in the final report. JPIWG members were provided copies of the draft report and requested to provide specific recommendations/changes to the JPIWG Chairman not later than 18 Dec 85 for consideration/inclusion in the final report.

b. DoD Physical Inventory Control Program Plan. The DoD Physical Inventory Control Program Plan is a DLSSO/JPIWG planning document developed to direct efforts toward correcting deficiencies cited in surveillance and audit reports. The plan covers the period FY 86-90 and covers procedures, standards, management performance and reporting both at the wholesale and retail levels. JPIWG members expressed concern that the broad range of issues covered by the plan takes it beyond their level of cognizance and operational concern. The Army representative pointed out that several of the issues addressed were related to audit recommendations with which the Army did not concur. Further, Army stated that additional requirements to measure and report physical inventory indicators should be matched with additional resources; otherwise, they would not be implemented. The DoD Physical Inventory Control Program Plan was given to JPIWG members and their comments requested by 18 Dec 85.

c. Proposed Changes to DoDI 4140.35. Several proposed changes to DoDI 4140.35 were discussed by the JPIWG members including the establishment of an Inventory Records Accuracy goal and requirement to conduct a random statistical sample inventory of the total item population stocked by accountable activities and stored by wholesale storage activities to determine overall inventory accuracy. Other changes discussed involved location survey requirements, expansion of responsibility for Head of DoD Components and revision of the JPIWG Charter. It was agreed that JPIWG members would provide recommended changes to the draft to the JPIWG Chairman not later than 18 Dec 85.

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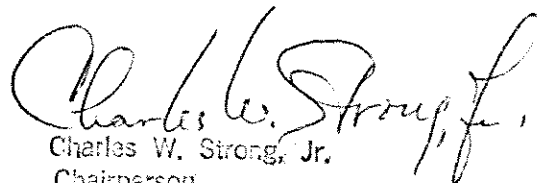
d. Other Issues:

(1) DLA has dispatched a letter to the Services stating that the DLA Inventory prioritization process is being implemented and requesting comments/concurrence on implementing this inventory scheduling technique on an inter-service basis. JPIWG members were concerned with the impact of the DLA proposal on intra-service inventory program accomplishment and felt that this issue should be discussed at the next JPIWG meeting since necessary details were not obtainable from the letter and Mr. Kelly, the DLA JPIWG member, was not in attendance.

(2) Mr. John Jones, Navy JPIWG member, advised that Navy would like to host a DoD-wide workshop on Inter-service Location Reconciliation. The workshop would be held at the Navy Aviation Support Office (ASO), Philadelphia, PA, in the January-February 1986 timeframe. The objective of the workshop is to obtain visibility of individual Service/Agency procedures in executing reconciliations and to effect coordination and control over the next Inter-service Location Reconciliation.

6. The Marine Corps member, Major Patterson, volunteered to host the next JPIWG meeting at Headquarters Marine Corps (HQMC), Rosslyn, VA. It is therefore proposed that the next meeting be held 28-30 January 1986 at HQMC. Details concerning the meeting will be provided under separate cover.

7. Representatives were recognized for their participation and the meeting was adjourned 21 Nov 85.

  
Charles W. Strong, Jr.  
Chairperson  
DoD Joint Physical Inventory  
Working Group

DoD JOINT PHYSICAL INVENTORY  
WORKING GROUP (JPIWG)  
19-21 November 1985  
Meeting

AGENDA

<u>DATE</u>	<u>TIME</u>	<u>TOPIC/ISSUE</u>	<u>BRIEFER</u>
19 Nov 85	0920-1030	Navy Physical Inventory Initiatives Briefing	Mr. Beck
	1030-1130	Air Force Physical Inventory Initiatives Briefing	Mr. Bible
	1130-1200	DLSSO Physical Inventory Control Program Status	Mr. Strong
	1200-1300	LUNCH	
	1300-1400	Army LOGMARS Applications in Physical Inventory	Ms. Harper
	1400-1500	Proposed Revision of DoDI 4140.35	Mr. Strong
20 Nov 85	0900-1200	DoD JPIWG Surveillance Visit Report, FY 85	JPIWG Members
	1200-1300	LUNCH	
	1300-1530	DoD Physical Inventory Control Program Plan FY 86-90	JPIWG Members
21 Nov 85	0900-1200	Proposed Changes to DoDI 4140.35	JPIWG Members
	1200-1300	LUNCH	
	1300-1530	MILSTRAP Changes to Support DoDI 4140.35	JPIWG Members

A# 1

DoD JPIWG Meeting  
19-21 Nov 85

<u>NAME</u>	<u>ORGANIZATION</u>	<u>(AV) TELEPHONE</u>
C. STRONG (Chairman)	DLSSO	284-7667
H. BURCHETTE (Alternate)	ARMY	284-9445
F. BIBLE (member)	AIR FORCE	787-3373
B. PATTERSON (member)	MARINE CORPS	224-1600
J. JONES (member)	NAVY	227-8575
S. THOMAS (alternate)	DLA	284-6193
* T. BECK	NAVY	225-3518
* J. WALLEN	NAVY	227-0589
* W. COLEMAN	DMA	287-3380
* J. DUNLEVY	DMA	287-3100
* D. LOWE	DMA	287-2707
* P. McCARTHY	DMA	287-2692
* R. AKIN	DMA	287-2834
* J. DAGNON	ARMY (DESCOM)	238-7926
* R. MORTON	ARMY (DESCOM)	238-7926
* P. HARPER	ARMY (NCAD)	977-6850

\*Observers/Briefers

Att 2.