



DEPARTMENT OF THE NAVY
NAVAL SEA SYSTEMS COMMAND
WASHINGTON, D.C. 20362

IN REPLY REFER TO
NAVSEAINST 4440.9A
05M3/EML
Ser 38
13 January 1982

NAVSEA INSTRUCTION 4440.9A

From: Commander, Naval Sea Systems Command
To: All Offices Reporting Directly to COMNAVSEA
Distribution List

Subj: Stock Coordination; policies and procedures for

Ref: (a) NAVMATINST 4440.37C of 7 Feb 1973; Subj: Stock Coordination
Responsibilities for Navy Inventories; policy concerning

Encl: (1) Criteria for Identifying Retention Items During Stock Coordination
Reviews
(2) Form NAVSEA 4440/7 Transfer Data Package Preparation

1. Purpose. To publish policies and procedures for the review of material cognizance assignments to National Stock Numbered (NSN) items managed by the Naval Sea Systems Command (NAVSEA) and for periodic cognizance transfer to an Inventory Control Point (ICP) as prescribed by reference (a).

2. Cancellation. This instruction cancels and supersedes NAVSEAINST 4440.9 of September 1975.

3. Background

a. Navy policy calls for only one inventory manager for each item of supply within the Navy. To facilitate assignments for management, all Navy items identified by a NSN will be considered as items of supply and will be managed by ICPs under the Naval Supply Systems Command (NAVSUP) unless otherwise excluded under the criteria expressed in reference (a).

b. Reference (a) calls for a periodic review of those items managed by each Systems Command (SYSCOM). The intent is to transfer to an ICP those NSNs which no longer meet the retention criteria listed in enclosure (1). A Stock Coordination Review meeting is convened periodically to promote agreement among the SYSCOM, NAVSUP, and the ICP on an official list of NSNs to be transferred to the ICP. A letter may substitute for a Review if there are too few transfer candidates. Reverse migration will be accomplished as needed, based on the same criteria.

c. NAVSUP is designated by reference (a) to be responsible for overall stock coordination policy and guidance. NAVSUP administers the Navy Stock Coordination Program, arranges for the Stock Coordination Reviews and chairs the meetings.

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4. Scope. This instruction applies to all items of NAVSEA equipment identified by cognizance symbols 2F, 2J, 2S, 8S and 8T.

5. Criteria Application. In applying the criteria of enclosure (1) established by the Chief of Naval Material (CHNAVMAT), the following guidance is applicable to the coding of NAVSEA items:

a. Code 2 (Engineering Control) will be assigned to all items of equipment identified by NSNs or Navy Item Control Numbers (NICNs) not assigned codes 1-4 or \emptyset , but which require a high degree of engineering judgement during production or before issue (e.g., on questions of interchangeability or substitution or applicability to end-use and special program items, such as DART or Advanced Equipment Repair Program (AERP) items).

b. Code 1 (Research and Development) will be assigned generally only to those items NOT having Approval for Service Use (ASU).

c. Code 3 (Unstable in Design) will be assigned generally only to those items undergoing design change via field changes, modification kits, ordnance alterations or similar engineering changes which usually cannot be accomplished below the depot maintenance level.

d. Code 4 (Assigned by CHNAVMAT) will be assigned only to those items granted specific written assignment by CHNAVMAT (e.g., 2S cognizance nuclear propulsion items and 8T cognizance missiles).

e. Code \emptyset (Withdrawal of Interest) will be assigned generally to those items meeting the following conditions:

- (1) Assets in disposal or no assets.
- (2) Item is obsolete or obsolescent.
- (3) No future procurement.
- (4) No anticipated demands.

f. Code 5 (Transfer) will be assigned to those items which are or will be identified by a NSN (not a permanent NICN) and which no longer meet the criteria for retention codes \emptyset through 4 described above.

(1) Exceptions:

(a) Items classified as rollback Contract Furnished Equipment retained as spares, field changes or modification kits, or one-time item procurements.

(b) Items funded by and procured for new-construction programs, fleet modernization programs and foreign military programs with inventory assets.

(c) Items considered to be end-items with only insurance spares in inventory. End item is defined to be a depot level repairable for which there is no higher assembly and for which assets are limited to finite program requirements or insurance for catastrophic failures.

(d) An individual component or major subassembly or support unit which, if combined with one or more other NAVSEA-managed items, would constitute an end item.

6. Responsibilities

a. The Principal Deputy Commander for Logistics (SEA 04) maintains an appraisal role on stock coordination policy matters. The Logistics Support Division (SEA 041) is the cognizant office.

b. The Deputy Commander for Ship Systems (SEA 05) is responsible for program administration for NAVSEA. The Material Management Program Office (SEA 05M), as action office, is responsible for:

- (1) Coordinating program implementation.
- (2) Publishing policy and procedures.
- (3) Providing program status reports.

7. Action. In compliance with reference (a), the following actions will be required:

a. The Material Program Appraisal Branch (SEA 05M3) shall:

(1) Arrange with NAVSUP, the ICP and NAVSEA Inventory Managers for review dates; establish times and location for review of all scheduled items of equipment and publish a formal schedule for all parties to the review.

(2) Provide NAVSEA managers with a NSN item review list at least 90 days prior to the scheduled review.

(3) Document those items agreed to be transferred and ensure that the Uniform Inventory Control Point (UICP)-Master Data File (MDF) and related Automatic Data Processing (ADP) systems are correctly coded.

(4) Coordinate the effective item transfer date with NAVSEA Managers and the gaining ICP. All transfer items identified by the same cognizance symbol will be transferred on the same date.

(5) Monitor the transfer of applicable TDPs to be delivered to the ICP no later than 30 days before the effective transfer date.

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(6) Report review results to NAVSUP and NAVMAT in accordance with reference (a) and to SEA 041.

(7) Prepare a NAVSEA notice to notify NAVSEA and its shore activities of the items transferred.

b. Cognizant Inventory Managers shall:

(1) Assign the appropriate retention code for all equipments when they initially enter into the Navy system upon assignment of the NICN or NSN and maintain the correct retention code if the criteria changes.

(2) Review the NSN listing provided by SEA 05M3 and update the stock coordination retention code for each NSN. Complete coding of the listing within 45 days of receipt including concurrence or non-concurrence of engineers and return the coded copy to SEA 05M3.

(3) Compile technical and logistic documentation for each item so that such documentation may be:

(a) Used to substantiate retention of the applicable item under NAVSEA management in accordance with criteria set forth in enclosure (1).

(b) Easily packaged for forwarding to the ICP if the applicable item is transferred.

(4) Following approval of the transfer item list, forward the TDPs to the ICP to arrive no later than 30 days before the effective transfer date. Form NAVSEA 4440/7 will be completed and forwarded with the TDPs; see enclosure (2).

c. Cognizant Equipment Engineers shall:

(1) Review the NSN listing for coding accuracy, particularly for those items designated for transfer (Code 5).

(2) Assist Inventory Managers in developing rationale for any challenges to items designated for retention (Codes 1-4).

(3) Assist Inventory Managers, as requested, in the development and compilation of data required by Form NAVSEA 4440/7.

(4) Attend the scheduled review, if required, in support of challenges made to items not coded for transfer.

(5) Review results of item coding with the ICP during scheduled reviews and approve list of transfer items. Ascertain with the ICP whether any ICP cognizance items should be transferred back to NAVSEA for management.

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d. The ICP (generally, the Ships Parts Control Center (SPCC)) will:

(1) Provide the mechanized listing for retention coding to NAVSEA at least 90 days prior to the annual Review.

(2) Attend Stock Coordination Reviews.

(3) By letter, concur with the proposed final list of items to be transferred.

(4) Take change notice action on all items to be transferred.

(5) Change local routing codes (LRC) to coincide with the effective transfer date and notify NAVSEA of its completion.

(6) Request NAVSEA to redirect delivery of material for system or customer requirements on active contracts related to transferred items. Actual contract administration will remain with the Deputy Commander for Contracts (SEA 02) until the contract has been completed for the transferred item.

8. Form. A limited supply of form NAVSEA 4440/7 will be distributed to action addressees. Additional copies may be obtained from Commander, Naval Sea Systems Command (SEA 05M3).



T. M. HOPKINS
Deputy Commander for
Ship Systems

Distribution: (2 copies each)
SNDL FKM13 SPCC

Copy to: (2 copies each unless indicated)

SNDL A4A	CHNAVMAT (MAT 043)
C37E	NPSSDO, NDW
C37F	NAVMATDATASYSGRU
FKA1A	COMNAVAIRSYSCOM
FKA1B	COMNAVELEXSYSCOM
FKA1F	COMNAVSUPSYSCOM (SUP 0424)
FKM22	NAVPUBFORMCEN (200 and negatives)
FT88	EDOSCOL

Stocked:
Commanding Officer
Naval Publications and Forms Center
5801 Tabor Avenue
Philadelphia, PA 19120

NAVSEA Special List Y3

SEA 99634 (50)
99642 (2)

Criteria for Identifying Retention Items During
Stock Coordination Reviews

1. Criteria

a. Items Managed at Systems Command Level. Items managed by Systems Command (or their field activities) will be limited to items meeting one or more of the following criteria:

(1) Items in a Research and Development Stage. Items qualifying under this category must be under development and not yet in Fleet operational use.

(2) Items Requiring Engineering Control Decisions. This criterion is applicable when a high degree of engineering judgement is required concerning design or relationships to a system. It pertains principally to those items requiring engineering decisions during production or prior to each issue. Items that remain in this category after two (2) years of operational use must be justified in the same manner as Criteria Code Four (4) items of this instruction.

(3) Items Unstable in Design. Items which are determined by an engineering decision to be highly subject to design change of the item itself, or replacement of the item through modification of its next higher assembly. End items, components, assemblies and test and evaluation equipment unstable in design do not exclude their intrinsic parts from stock coordination review. Items retained for management under this category will be transferred to an ICP after completion of two (2) years operational use unless a major design change or modification has been approved and/or is being accomplished at the time of the Stock Coordination Review. Further retention upon completion of the approved design change or modification must be justified in accordance with Criteria Code Four (4).

(4) Items Expressly Assigned to a Single Command Management by Separate Authorizing NAVMAT Directives. Items qualifying for this category are limited to items of major importance and depot level repairables. Inclusion in this category is a matter for CNM decision based upon justifying rationale submitted by the originating Command. As a general rule, items changed from Criteria Codes (2) and (3) into this code will be transferred to an ICP for inventory management even though the procurement function remains at the headquarters level. Items assigned under this criterion will be considered as an adjunct to stock coordination and, therefore, are not precluded from formal review when scheduled.

b. Coding of Systems Command Retained Items. All items retained by Systems Commands for inventory management should fall within one or more of the criteria expressed in paragraph 1.a. of this enclosure. Therefore, to facilitate stock coordination reviews, each item on the item agenda

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schedules will be numerically coded to represent the applicable criteria for retention. For example, items retained in a Research and Development stage would be coded numeric one (1), items unstable in design, numeric three (3). Numeric codes would precede the national stock number on item agenda schedules. Systems Command will utilize the following chart as a guide for uniformity in coding national stock numbered items:

<u>Criteria</u>	<u>Code</u>
Withdrawal of Interest	0
Research and Development	1
Engineering Control Decision	2
Unstable in Design	3
NAVMAT Assigned Items	4
Selected for Transfer	5

TRANSFER DATA PACKAGE (TD) REQUIREMENTS

NAVSEA 4440/7 (8-81)

(NAVSEA INST 4440.9A)

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NSN

PLACE CHECK IN THE APPLICABLE "YES" OR "NO" BLOCK

	YES	NO
MANAGEMENT DATA SHEET		
SUPPLY DEMAND REVIEW		
PROGRAM DATA SHEET		
FMS CASE FILES		
BUDGET DATA SHEET		
ACQUISITION DATA SHEET		
ACTIVE CONTRACTS		
OTHER MIPRs, PROJECT ORDERS, etc.		
SPECIFICATION		
TECHNICAL DATA REQUIREMENTS (DD FORM 1423)		
REFIT/REPAIR DATA SHEET		
REPAIR CONTRACTS		
REPAIR FUNDING DOCUMENTS		
REPAIR STATUS REPORTS		
UTILIZATION DATA SHEET		

MANAGEMENT DATA

NAVSEA TECHNICAL MANAGER (Name, Code, Ext)	NAVSEA ACQUISITION SPECIALIST (Name, Code, Ext)
NAVSEA INVENTORY SPECIALIST (Name, Code, Ext)	NAVSEA CONTRACTING OFFICER (Name, Code, Ext)
NAVSEA IN-SERVICE ENGINEERING ACTIVITY	

END ITEM	COMPONENT ITEM	END ITEM NSN
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STATUS OF EQUIPMENT LIFE CYCLE

ACTIVE, CURRENT STANDARD	INACTIVE, INSURANCE ONLY	OBSOLESCE, REPLACED BY NSN	OTHER
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INTERCHANGEABLE/SUBSTITUTABLE NSNs/NICNs

COG	NSN	COG	NSNs	COG	NSN

SPECIAL INVENTORY CONTROL REQUIREMENTS

ISSUE RESTRICTIONS (Comment)

SHIP CLASS APPLICATION (Comment)

SERIAL NO. CONTROL? YES NO

STOCKING POLICY (Comment)

TRANSFER DATA PACKAGE (TD) REQUIREMENTS

UTILIZATION DATA

NSN

OUTSTANDING CANNIBALIZATIONS

DOCUMENT NO. (File enclosed)

OUTSTANDING TURN-INS

DOCUMENT NO.

SHIP

TRANSFER DATA PACKAGE (TI REQUIREMENTS

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PROGRAM DATA

NSN

SCN REQUIREMENTS (Issued SPD's only)

<i>SHIP</i>	<i>DATE REQ'D</i>	<i>ASSIGNED MILSTRIP</i>

SHIPALT REQUIREMENTS (Programmed ALT's only)

<i>ALT. ID</i>	<i>SHIP</i>	<i>RDD</i>	<i>ASSIGNED MILSTRIP</i>

FMS REQUIREMENTS (Active cases only) (Cases attached)

<i>CASE NUMBER</i>	<i>ASSIGNED MILSTRIP</i>

BUDGET DATA

NSN

SUBHEAD	OPN FY__QTY/FUNDS	FY__QTY/FUNDS

DCA #	OMN FY__QTY/FUNDS	FY__QTY/FUNDS

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TRANSFER DATA PACKAGE (TT) REQUIREMENTS

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ACQUISITION DATA

NSN	PROCUREMENT LEAD TIME	CURRENT SPEC. NO. (Copy attached)
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CURRENT TECHNICAL DATA REQUIREMENTS (Copy attached)

LIST OF PREVIOUS CONTRACTORS/PRODUCERS

CONTRACTOR	QUANTITY	PRICES

LIST OF ACTIVE CONTRACT NUMBERS (Files enclosed, i.e., basic contract, modifications, DD 250's and significant correspondence)

LIST OF OTHER PROCUREMENT DOCUMENT NUMBERS (Procurement requests, MIPRs, Project Orders, etc.) (Files enclosed)

REFIT/REPAIR DATA

NSN

ACTIVITY	DOPs	REPAIR TIME	PRICE

OUTSTANDING FUNDING DOCUMENTS (Copies enclosed)

DOCUMENT NO. (WR, PO, Contract)	FUNDS	QTY

REPAIR HISTORY

YEAR	QUANTITY	DOPs	TOTAL COST