

PAFOS TECH SPEC

CHAPTER 1

SUPPLY SUPPORT OVERVIEW

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CHAPTER 1

SUPPLY SUPPORT OVERVIEW

1-1 INTRODUCTION.

Supply support consists of all the actions, procedures, and techniques necessary to determine requirements, acquire, catalog, receive, store, transfer, issue, and dispose of the repair parts and consumable supplies, whether located onboard ship, at a shore activity, or in the supply system, needed to maintain Navy systems and equipment. This chapter provides a basic understanding of how the Navy Supply System is organized, how it works, and what is involved in establishing supply support.

Integrated Product Support (IPS), formerly known as Integrated Logistics Support (ILS), is the package of support functions required to field and maintain the readiness and operational capability of covered systems, subsystems, and components, including all functions related to covered system readiness. IPS is the process used to ensure that all Navy areas of emphasis necessary to provide adequate logistics support to Navy systems and equipment are properly planned, acquired, and sustained. The twelve (12) IPS elements are:

1. Product Support Management
2. Supply Support
3. Sustaining Engineering
4. Maintenance Planning and Management
5. Design Interface
6. Support Equipment
7. Manpower & Personnel
8. IT Systems Continuous Support
9. Facilities & Infrastructure
10. Packaging, Handling, Storage & Transportation
11. Technical Data
12. Training & Training Support

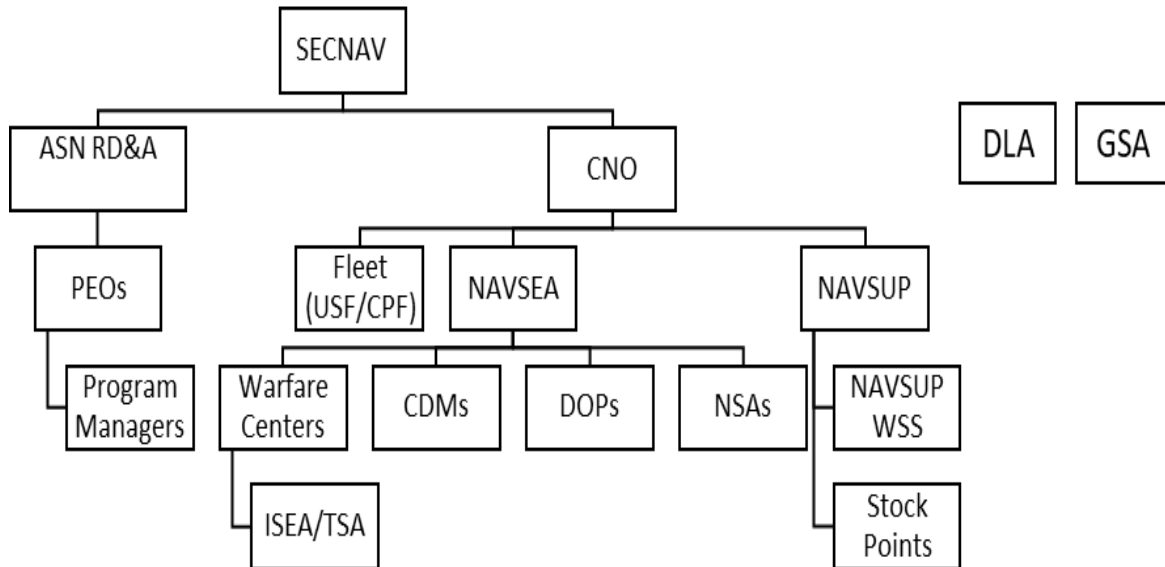
Each of the Navy's IPS areas of interest is a complicated process, and supply support is no exception. Supply support involves everything necessary to have material available when needed by a ship or shore activity to maintain and operate installed equipment. Several important concepts will be introduced to provide an understanding of the supply support responsibilities of the Naval Sea Systems Command (NAVSEASYS COM aka NAVSEA; SEA) as a Hardware Systems Command (HSC).

Note: As delineated in the NAVSEA Organization Manual, the Deputy Commander for Nuclear Propulsion, NAVSEA 08, is responsible for all technical matters pertaining to nuclear propulsion of all U.S. Navy ships and craft, including all aspects of integration of the nuclear plant into the ship's systems. Nothing in this Tech Spec detracts in any way from these responsibilities.

1-2 NAVY ORGANIZATIONAL STRUCTURE.

Figure 1-1 displays a segment of the Navy's organizational structure and activities that have important responsibilities in the processes required to provide supply support to the Fleet and Shore activities. The roles of each activity will be addressed in section 1-4.

Figure 1-1. SUPPLY SUPPORT ORGANIZATION



1-3 KEY MILESTONES.

The procedures needed to provide full Navy support to a weapon, system, or equipment can be time consuming. For this reason, it is necessary to initiate supply support planning well in advance of the scheduled deployment of a system. Discussions of the key supply support milestones in planning and acquiring full Navy support for a weapon system or equipment follow.

1-3.1 Material Required Date (MRD). The MRD is the date material required to support the end item (system or equipment) installation. It is defined as 365 days prior to the Preliminary Operational Capability (POC) for newly constructed ships, 180 days before the POC for backfit ships, and 90 days before the POC for shore installations.

1-3.2 Preliminary Operational Capability (POC). The POC is the attainment of the capability for a weapon, equipment, or system to be used by operational units and to function in a manner that is preliminary to, but in support of, the achievement of Initial Operational Capability (IOC). In other words, at POC, a system or equipment can be used by a ship, but all the logistics support required for sustained, self-sufficient use is not in place, either on an interim basis or as planned for the life of the equipment.

1-3.3 Initial Operational Capability (IOC). The IOC is the attainment of the capability to effectively employ a weapon, equipment, or system, which is manned or operated by an adequately trained, equipped, and supported military unit or force. At IOC, all IPS areas of emphasis must be in place, either on an interim basis or as planned for the life of the equipment.

1-3.4 Material Support Date (MSD). The MSD is the date when the Program Support Inventory Control Point (PSICP) (see paragraph 1.4.2.2) is responsible for providing material support for both retail outfitting and wholesale requirements from the supply system. Retail outfitting requirements are the items which will be "purchased" from the supply system and placed onboard ships as initial outfitting items. The wholesale supply system is used to support all levels of maintenance for all ashore and afloat activities.

Negotiation of MSD should begin during the System Development and Demonstration phase of the acquisition of the equipment/system. The MSD will be negotiated by the HSC and the PSICP and documented in the Integrated Logistics Support Plan (ILSP), Supply Support Management Plan (SSMP), and related Program Support Data (PSD) Sheets. Once MSD is established, any changes or revisions must be formally submitted jointly by the HSC and PSICP for Naval Supply Systems Command (NAVSUPSYSCOM aka NAVSUP; SUP) and, if required, Office of the Chief of Naval Operations (OPNAV) approval.

1-3.5 Navy Support Date (NSD). The NSD is the date on which all logistics support can be provided from organic Navy resources. Since MSD is the date when material can be provided by the supply system, NSD can never occur prior to MSD.

1-4 RESPONSIBILITIES.

As displayed in Figure 1-1, the ultimate recipients of supply support, the Fleet and shore commands, are outside the organizational structure of both NAVSEA and NAVSUP. NAVSEA, NAVSUP, and their respective field activities are instrumental in developing and providing supply support. Their general supply support responsibilities are listed below in Table 1-1.

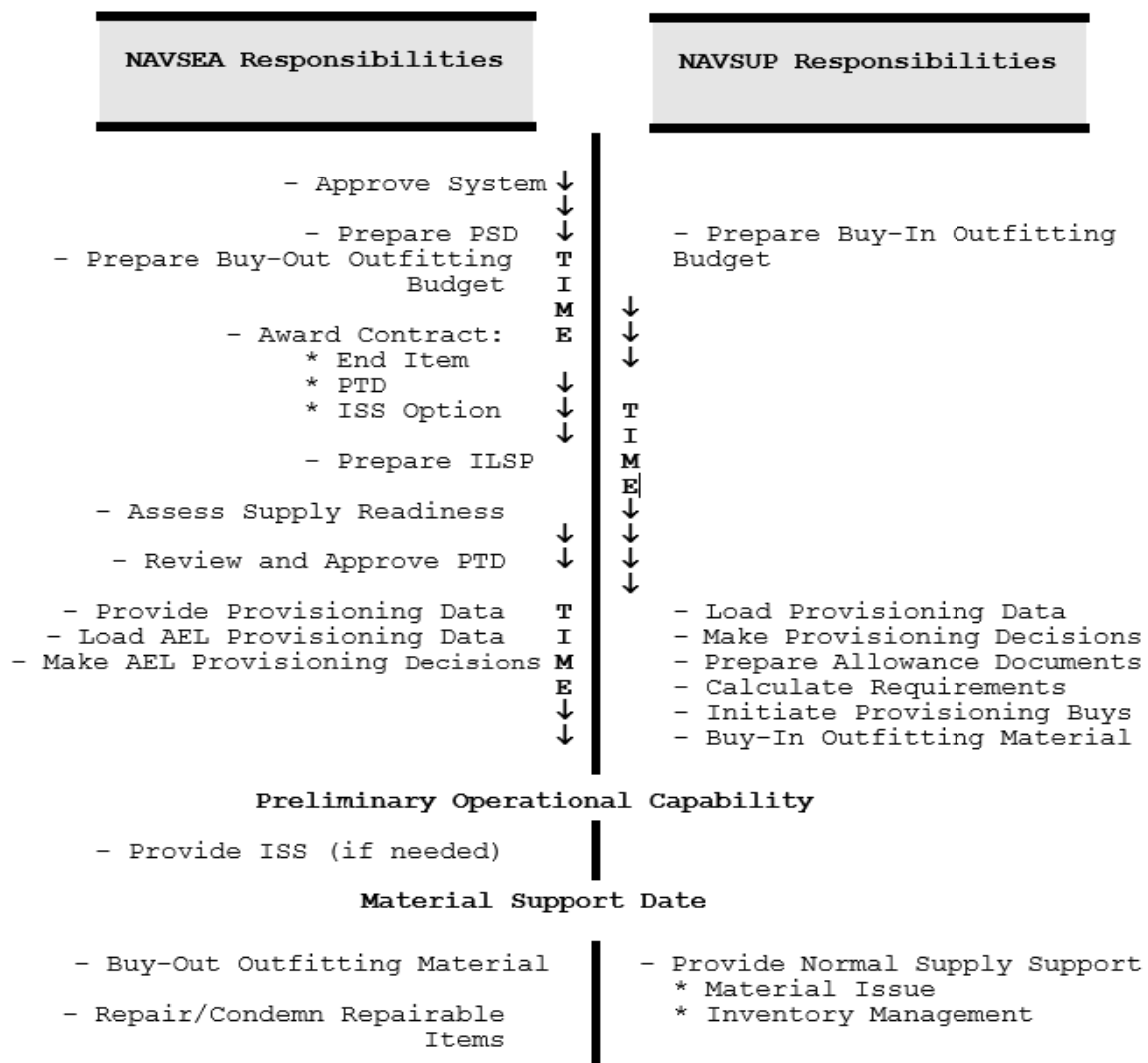
Table 1-1. Organizational Responsibilities

<u>NAVSEA and Field Activities</u>	<u>NAVSUP and Field Activities</u>
End Item Procurement	Provisioning Processing
Program Control and Logistics Support Policy	Supply and Transportation Policy
Provisioning Policy and Data Preparation	Allowance List Development
Technical and Engineering Guidance	Navy Working Capital Fund Operation
Program Support Data	Inventory Management (IM)
Secondary Item Procurement Life Cycle Sustainment Plan	Receipt, Storage, and Issue of Repair Parts
Budgeting for Interim Supply Support (ISS) and Outfitting	Repairable Item Management
Procurement, Review, and Approval of Provisioning Technical Documentation (PTD)	Buy-in of Outfitting Spares

Configuration Management (CM), Control, and Accounting	
ISS	
Buy-out of Outfitting Spares	
Repair or Disposal of Repairable Items	
Outfitting or Fitting Out	

Additional NAVSEA and NAVSUP supply support responsibilities and their relationship to the life cycle of a ship, system, or equipment are depicted in Figure 1-2. These supply support responsibilities are discussed in more detail in follow-on paragraphs.

Figure 1-2. Supply Support Responsibilities



1-4.1 NAVSEA and Field Activities. Most NAVSEA's supply support responsibilities are associated with actions that occur early in the ship's, system's, or equipment's life cycle and well before the POC date. They are designed to enable supply support to be in place so that NAVSUP and its activities can provide supply support after the MSD. Efforts should be made to ensure MSD occurs prior to, or concurrent with, POC. The balance of NAVSEA's supply support responsibilities primarily concerns configuration management, and repair or disposal of repairable items. Configuration Management (CM) is the process of documenting changes to a ship's equipment configuration and is discussed in more detail in Section 1-8 and in PAFOS Chapter 7: Ship Configuration and Logistics Support Information System (SCLSIS) and the Allowance Process. The principal types of NAVSEA Head Quarters and field activities, which have supply support responsibilities and a brief discussion of theirs and NAVSEA's, supply support responsibilities follow:

1-4.1.1 Sustainment Directorate (SEA 06). SEA 06 is responsible for establishing material support policy for NAVSEA managed programs and to monitor compliance with that policy. In this capacity, SEA 06 provides policy, procedures, and guidance in all areas of IPS which impact the material support of NAVSEA managed ship, equipment, and weapon system acquisition programs. Specifically, they provide policy, procedures, and assistance for IPS planning, provisioning, budgeting, ISS, Shipbuilding and Conversion, Navy (SCN) outfitting, and Other Procurement, Navy (OPN) outfitting as well as for Weapons Procurement, Navy (WPN). SEA 06 manages the Active Fleet Outfitting Account, which funds the initial allowances of spares, repair parts, and consumable supplies resulting from alterations to shipboard equipment and from total equipment changes.

1-4.1.2 Program Executive Office (PEO), Systems Commands (SYSCOMs), Direct Reporting Program Manager (DRPM), and Program Manager (PM). The PEOs, DRPMs, SYSCOMs, and PMs are accountable for the specific responsibilities listed in SECNAVINST 5400.15D, including administrating of assigned acquisition programs, and reporting directly to the Component Acquisition Executive (CAE) for such programs. In some cases, the PM functions as a Ship Program Manager (SPM), whereas in another situation they function as a Participating Acquisition Resource Manager (PARM). SPMs are responsible for ships, and PARMs are responsible for systems or equipment. With the expanded life cycle role, the PEOs/SYSCOMs/DRPMs/PMs responsibilities are absorbed by the Life Cycle Manager (LCM). In the area of supply support, the PEO/SYSCOM/DRPM/PM is responsible for complying with the IPS policy and procedures established by Department of Defense Instruction (DODINST 5000.2 (series), Secretary of the Navy Instruction (SECNAVINST 5000.2G (series) that prescribes the Department of Navy (DON) specific program acquisition and sustainment policies and procedures as well as SEA 06. While all aspects of supply support are important to the successful support of a ship or weapon system, compliance with provisioning policy and procedures is key to ensuring satisfactory support.

The development of the maintenance concept and plan, which specify the method of support and the level of support to be established at each of the three levels of maintenance, is principal among the PEO/SYSCOM/DRPM/PM responsibilities during the early portion of the acquisition cycle. The levels of maintenance are:

- a. Organizational ("O") level: This level is essentially the end user, such as a ship.
- b. Intermediate ("I") level: This level normally has more maintenance capability than the "O" level. It usually includes tenders, repair ships, and Regional Maintenance Centers (RMCs).

c. Depot ("D") level: This level has the most maintenance capability and can normally overhaul/repair items completely, which it is certified to do. Original Equipment Manufacturers (OEMs) and Naval Shipyards (NSYs) are routinely "D" level activities.

Determining the maintenance concept and plan dictates the level of supply support required at each of the three maintenance levels. The PEO/SYSCOM/DRPM/PM is also responsible for:

a. Acquisition of the technical data required by the provisioning process. This requires budgeting for acquisition of the data and development of the contractual provisions specifying the PTD required supporting the maintenance concept and plan. Further discussion of the role in provisioning and definitions of provisioning terms are contained in NAVSEA's Provisioning and Allowancing Manual.

b. When ISS is required, develop and fund the ISS program. If the development of the system or equipment has equipment in operational use prior to the MSD, ISS is required to provide repair part support until "normal" support is provided by the PSICP at MSD. This includes acquisition of repair parts, spares, and Operating Space Items (OSIs); determination of ISS items; funding the contractor warehouse, if required; and funding the contractor or government activity depot for repair of repairable items. ISS is discussed in more detail in PAFOS Chapter 5: Interim Supply Support, which also describes an ongoing partnership initiative between NAVSEA and NAVSUP to both compress the ISS period and assign asset management responsibility during ISS to the PSICP. In addition to funding ISS efforts, equipment and system are responsible for funding any Maintenance Assistance Modules (MAMs) and Installation and Check Out (INCO) kits required to support their system/equipment.

The PEO/SYSCOM/DRPM/PM is also responsible for development and submission of PSD sheets used to develop funding requirements and to establish the MSD, the date after which all material support will be provided by government activities. The PSICP (see paragraph 1.4.2.2) uses PSDs to establish the Navy Working Capital Fund (NWCF) "Buy-In" budget. This budget is used to make the NWCF's initial procurement of spares and equipment to satisfy initial outfitting, follow-on outfitting, and continuing supply support. Note: The Program Office is required to budget and procure lay-in wholesale spares to the supply system IAW DOD 7000.14 FMR along with the latest OPNAV BAM guidance.

During the operating cycle, the PEO/SYSCOM/DRPM/PM is responsible for the development or approval of alterations and field changes for equipment installed on ships under their responsibility during the operating cycle. PSD must be developed and submitted to provide satisfactory supply support for the equipment after the alteration or field change has been accomplished. SEA 06 also uses this PSD to budget for the Active Fleet Outfitting Account (OPN-8) which funds the initial allowances of spares, repair parts, consumable supplies, and OSIs resulting from the alteration.

1-4.1.3 In-Service Engineering Agent (ISEA). ISEAs provide engineering (including design alterations and modifications), technical, and logistics management support for assigned weapon systems and subsystems. Examples of ISEAs are Naval Surface Warfare Centers (NSWC), (Crane, Carderock, Philadelphia, and Port Hueneme), and Naval Undersea Warfare Center Division (NUWC), Keyport.

1-4.1.4 Technical Support Activity (TSA). TSAs are engineering activities which are designated by a NAVSEA Acquisition Project Manager (APM) to perform the technical and engineering functions associated with the provisioning of a system or equipment. TSAs receive and review PTD for acceptance or rejection. After verification of the technical coding contained in that PTD or after assigning that coding, the TSA forwards approved PTD to the PSICP, normally NAVSUP WSS for NAVSEA equipment, for further processing. Typically, the activity that performs the ISEA function also performs the TSA function for the same system/equipment.

1-4.1.5 Naval Supervising Activity (NSA). NSAs are responsible for supervising and overseeing the construction, conversion, modernization, overhaul, or repair of U.S. Navy ships. NSAs are also responsible for ensuring that PTD is procured, prepared and submitted for both standard and non-standard equipment required for installation, and that material is received by the ship, or a meaningful shortage list is provided. An NSA is almost always a Naval Shipyard or a Navy Supervisor of Shipbuilding, Conversion, and Repair (SUPSHIP). Note: The activity designated by the SPM to perform the function of NSA typically is an RMC/SUPSHIP or Naval Shipyard.

1-4.1.6 Configuration Data Manager (CDM) and Model Base Product Support (MBPS). A CDM is assigned by the NAVSEA SPM for a ship or ship class. The CDM is responsible for maintaining configuration data. However, the CDM is no longer responsible for the maintenance or accuracy of logistics support information. The authoritative data source is now responsible for linking logistics support information to the equipment in MBPS and is what is being taught in MBPS training classes. For Technical Manuals that is the Technical Manual Maintenance Activity (TMMA); for drawings Naval Ships Engineering Drawing Repository (NSED); and when the Planned Maintenance System (PMS) comes in MBPS, that information will also become the responsibility of the authoritative data source.

More detailed discussions of the Ship Configuration & Logistics Support Information System (SCLSIS) and of the responsibilities of a CDM & MBPS are contained in PAFOS Chapter 7 (SCLSIS & the Allowance Process) and PAFOS Chapter 6 (Allowance Documents). A CDM may be either a Navy activity or a commercial contractor. Examples of CDMs are Naval Shipyards, Naval Sea Logistics Center (NSLC), selected Commercial Shipbuilders and selected SUPSHIPS.

1-4.1.7 Designated Overhaul Point (DOP). DOPs are responsible to evaluate failed repairable parts/components and either condemn them as beyond repair or return them to fully serviceable condition. A DOP may be a Navy, other Department of Defense (DOD), or commercial activity and must be certified by a cognizant NAVSEA activity before it is permitted to repair failed items. At least one DOP is assigned to each item that has been designated as a Depot Level Repairable (DLR). While Navy activities which are DOPs are usually field activities of NAVSEA or other HSCs, it is the Item Manager (IM) that schedules the actual repair of material at the DOP (refer to section 1-12). Examples of DOPs are Original Equipment Manufacturers (OEMs), Naval Ordnance Stations, Naval Shipyards or Naval Regional Maintenance Centers (RMCs).

1-4.2 NAVSUP Field Activities. The majority of NAVSUP's supply support responsibilities are associated with actions that occur after the POC date, but some of them occur well before that date to ensure that organic Navy supply support is in place at the MSD date. NAVSUP's primary supply support responsibility is to provide organic, Navy supply support from MSD until the end of a system's/equipment's life. The major NAVSUP field activities which have supply support responsibilities are discussed below.

1-4.2.1 NAVSUP Weapons Systems Support (NAVSUP WSS). The primary responsibility of NAVSUP WSS is the inventory management of groups of items either for a particular service or for the DOD as a whole. Inventory management in this context includes cataloging, file preparation, requirements determination, procurement package development, Defense Business Operating Fund (DBOF) budgeting, distribution management, and repairable item management. NAVSUP WSS maintains visibility and control over material located at stock points throughout the world through a system of on-line daily and monthly reports. Of the over 2.5 million items used by the Navy, only about 14% of the items are managed by NAVSUP WSS, with about 86% managed by Defense Logistics Agency (DLA). The DLA has nine Inventory Control Points (ICPs) for such commodities as general, industrial, construction, troop, aviation and energy. NAVSUP WSS has two sites. NAVSUP WSS Mechanicsburg (SUP WSS-M) is responsible for surface ship and submarine support, while NAVSUP WSS Philadelphia (SUP WSS-P) is responsible for aviation support.

1-4.2.2 Program Support Inventory Control Point (PSICP). A PSICP is responsible for ensuring that provisioning information provided to it is properly processed so that accurate allowance lists are produced and that the repair parts required for the operation and maintenance of assigned systems and equipment are accepted for supply support by an appropriate Inventory Control Point (ICP). In performing this responsibility, the PSICP completes the provisioning process by adding supply management coding. The PSICP then coordinates requirements for spare and repair parts with other Navy and non-Navy ICPs. Each Navy system and equipment is assigned to a Navy PSICP to ensure total material support is available throughout its operational life. SUP WSS is the PSICP for NAVSEA systems and equipment.

1-4.2.3 Stock Point. Stock points are responsible to carry items of supply as directed by an IM for issue to fleet units and shore activities. Stock points provide daily reports to the appropriate ICP of all issues, receipts, and other actions which affect inventory on-hand balances. Navy stock points that carry material for NAVSUP WSS include Fleet Logistics Center (FLC) and selected other activities which have a fleet support mission. It should be noted that the warehousing functions of receipt, storage, issue, packing, and shipping are now performed by DLA personnel at most FLCs. SUP WSS-M serves as SEA 06's Outfitting Supply Activity (OSA) for new construction ships and SCN funded conversion ships. The OSA processes all initial outfitting requisitions for SCN funded ships. SUP WSS-M is also the Technical Operating Budget (TOB) holder for SEA 06. As such, SUP WSS-M receives and processes all requisitions charging the Active Fleet Outfitting Account, which is discussed in paragraph 1.10.2.

1-4.3 Monitoring Activities. In addition to the supply support responsibilities of NAVSEA, NAVSUP, and their respective field activities discussed in the preceding paragraphs, certain field activities of NAVSEA or NAVSUP have monitoring responsibilities for supply support. NAVSEA field activities with supply support monitoring responsibilities include Naval Sea Logistics Center (NSLC) for active fleet ships and SUPSHIPS for applicable new construction, conversion, modernization, overhaul, and repair activity. NAVSUP field activities with supply support monitoring responsibilities include FLCs with teams embedded at SUPSHIP activities, and SUP WSS Platform Managers for specific ship types or classes.

1-4.4 Other Key Supply Support Activities.

1-4.4.1 The Defense Logistics Agency (DLA). As the nation's combat logistics support agency, DLA manages the end-to-end global defense supply chain from raw materials to end user disposition for the five military services, 11 combatant commands, other federal, state and local agencies and partner and allied nations. As a logistics integrator and acquisition/service provider, DLA:

- a. Procures items from manufacturers and suppliers and provides them to DoD and other federal/state customers, with services such as warehousing, packaging and transportation.
- b. Contracts for items that are shipped directly by the manufacturer to military units and installations.
- c. Provided more than \$48 billion in goods and services annually.
- d. Disposes of excess military property through reutilization, resale and demilitarization programs.

DLA's mission is to "deliver readiness and lethality to the Warfighter Always and support the nation through quality, proactive global logistics." To accomplish this mission, DLA has a staff of about 25,000 employees divided into:

- a. Multiple supply chains that contract for material and services across the military classes of supply, to include subsistence (food/water), clothing and textiles, bulk petroleum and other energy products, construction material and equipment, personal demand items, medical material and equipment, and repair parts for land, sea and air systems.
- b. A worldwide warehouse and distribution services network.
- c. Logistics and staff planning support to DoD's combatant commands.
- d. Operations that reutilize or dispose of excess materiel and environmental waste from the military services.

Reporting to the DLA Director are six major subordinate commands. Four of these are buying commands: DLA Aviation, DLA Land and Maritime, DLA Troop Support and DLA Energy. These commands are directly responsible for meeting the military services' needs for spare parts, fuel, food, medical supplies, and other commodities. The other two are DLA Distribution, which provides storage and distribution services, and DLA Disposition Services which provides "reverse logistics," disposing of excess and hazardous material from the military services and DLA.

DLA also manages a variety of military and federal-level programs and services through its headquarters at Ft. Belvoir, Virginia, including: strategic materials and National Defense

Stockpile oversight; the FedMall e-commerce acquisition platform; federal and international cataloging, to include Commercial and Government Entity (CAGE) Code and National Stock Number (NSN) management; and a range of document services, to include bulk and specialty printing, electronic content management, and office device management.

DLA has three distinct classes of customers:

- a. Deployed Warfighters: those operating forces deployed to an active theater of operations. DLA delivers supplies to various distribution points near or within the combat zone.
- b. Non-deployed Warfighters and U.S. military installations, depots and shipyards around the world. DLA is the wholesale supplier to these operational customers, who in turn provide their own retail services.
- c. Other federal, state and local agencies such as the Federal Emergency Management Agency, U.S. Forest Service and the General Services Administration (GSA). DLA also supplies Foreign Military Sales (FMS) customers.

1-4.4.2 The General Services Administration (GSA). The GSA consists of two major services: Federal Acquisition Service (FSA) and Public Building Service (PBS). Housed within GSA's FSA, the GSA Global Supply business line provides supply solutions for DoD and Federal agencies as follows:

- a. Orders are simple requisitions, government-to-government transactions between agencies.
- b. Requisitions are safe and easy, and GSA guarantees compliance with purchasing regulations (e.g., Federal Acquisition Regulation, AbilityOne mandates, Section 889 of National Defense Authorization Act, etc.).
- c. GSA Global Supply is an efficient method for purchasing the goods needed to accomplish a mission – without the cost or effort associated with an acquisition.
- d. If time is of the essence, the customer may buy directly with no third-party risk. GSA does the procurement work for the agency, and the customer can order 24/7 with flexible payment options.
- e. Use a Government Purchase Card or arrange direct billing using an Activity Address Code (AAC) or DoDAAC).
- d. The entire transaction is managed for the agency – including inventory, ordering, delivery, billing, and any customer service needed.

For more information on GSA Global Supply's offering, please visit: <https://www.gsa.gov/buy-through-us/purchasing-programs/requisition-programs/gsa-global-supply>

1-5 MATERIAL IDENTIFICATION.

Personnel dealing with the supply system need to understand the terminology used to identify material in the supply system. Material is often referred to by part number, reference number, National Stock Number (NSN), National Item Identification Number (NIIN), Navy Item Control Number (NICN), and Cognizance Symbol (COG). These terms are discussed below.

1-5.1 Part Number (PN). The part number is normally assigned by the manufacturer and may include the manufacturer's part, drawing, model, type, and source controlling numbers plus the manufacturer's trade name. The part number may also be other identification numbers, such as a

government drawing number. It may be any number of alpha-numeric characters, but the maximum length is 32 characters in DOD cataloging because of computer program design. Part numbers are sometimes referred to as reference numbers, and the terms are synonymous. Some examples of PN's are: A, 235 or ARP568-011MILR1149TY2CW5.

As can be seen from the above examples, a PN alone is not enough to identify an item since the same number could be assigned to different parts by multiple manufacturers. The Commercial and Government Entity (CAGE) code must be used in conjunction with a part number to identify a unique item. The CAGE code is a unique, numeric, and/or alphabetic, five-digit code assigned to an individual supplier, manufacturer, corporation, or government activity and was previously called the Federal Supply Code for Manufacturers (FSCM). For example, the CAGE code 58325 denotes U.S. Lighting Corp.; 4400 Stamp Road, Suite 409; Temple Hills, MD.

1-5.2 National Stock Number (NSN). The NSN is a 13-digit number assigned by the Defense Logistics Services Center (DLSC) that uniquely identifies an item of material in the supply system. An NSN consists of a four-digit Federal Supply Classification (FSC) and a "stand alone" nine-digit NIIN. The first four digits of the NSN are the FSC, which identifies the item to a category of material. The first two digits of the FSC are called the Federal Supply Group (FSG) and denote a broad generic class of material.

Currently, there are 79 FSGs, which are subdivided into FSCs. The FSG identifies, by title, the commodity area covered by classes within the group. Each class covers a homogeneous area of commodities, in respect to their physical or performance characteristics, or in the respect that the items included therein are such as are usually requisitioned or issued together or constitute a related grouping for supply management purposes. Some examples of FSGs: Group 43: Pumps & Compressors, Group 48: Valves, Group 59: Electrical & Electronic Equipment Components.

As a further subdivision, each FSG is divided into Classes by adding two digits to the FSG, thus completing the four-digit FSC. For example, Group 59 is divided into numerous Classes including:

- a. Class 5905 - Resistors
- b. Class 5910 - Capacitors
- c. Class 5920 - Fuses & Lighting Arrestors
- d. Class 5935 - Connectors, Electrical
- e. Class 5990 - Synchros & Resolvers

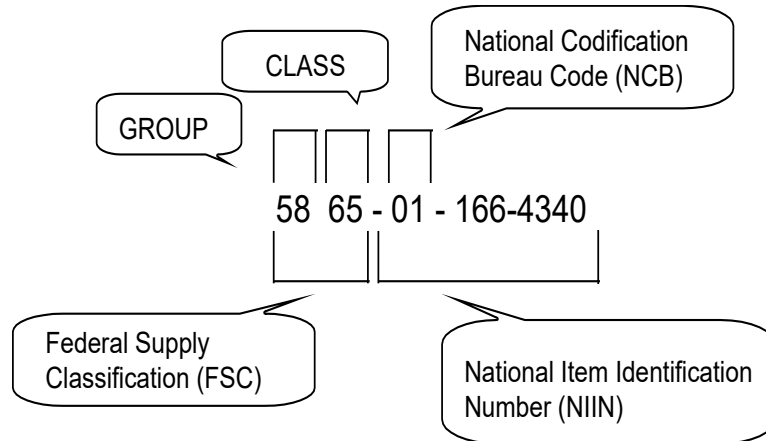
Thus, the FSC categorizes 'like items' of supply. It should be noted that FSC 0099 is assigned to miscellaneous items.

The remaining nine digits of the NSN is the NIIN, which is a unique number assigned to one and only one item of material. The first two digits of the NIIN are the National Codification Bureau (NCB) code, which indicates the North Atlantic Treaty Organization country that cataloged the item. (Note: DLSC is the NCB for the United States.) Examples of NCB codes are:

- a. 00 United States
- b. 01 United States
- c. 12 Germany
- d. 21 Canada
- e. 31 Israel
- f. 99 United Kingdom

Alpha NCB codes, e.g., LL, indicate the item has not been, or will not be, cataloged by DLSC and is either a local stock number or a NICN. The remaining seven digits of the NIIN have no significant meaning and are just sequentially assigned by the cataloging country. Figure 1-3 is an example of a breakdown.

Figure 1-3. NATIONAL STOCK NUMBER



1-5.3 Navy Item Control Number (NICN). Because the Navy needs a fixed-length number for computer program applications, a 13-digit NICN is assigned to material not included in the Federal Catalog System. A NICN has the same general structure as an NSN but has an alphabetic NCB Code. Table 1-2 shows the current authorized NCB codes for NICNs.

Table 1-2. Current Authorized NCB Codes for NICNs

CODE	Application
LD	Directives Ordering
LE	Poseidon Items Common to Trident
LF	I COG (forms)
LK	Aircraft Change Kit Numbers
LP	0I and 0P COGs (publications)
LS	SSP Alteration Kit Numbers
LX	Local Numbers Assigned by NAVSUP WSS Field Activities
LL	All Other Control Numbers Assigned by an NAVSUPWSS or Other Navy Item Manager

A Temporary NICN (T-NICN) may be assigned by SUP WSS or other Navy item manager to an item when NSN assignment by DLSC is anticipated. In this situation, the FSCs used for T-NICNs are 0099 for items anticipated to be managed by DLA and the actual FSC for items expected to be managed by SUP WSS, e.g., 5840. A Permanent NICN (P-NICN) is assigned by an ICP or other Navy item manager to items not meeting criteria for NSN assignment, but which are monitored or stocked in the Navy supply system. While their use is decreasing, examples of P-NICNs are normally small items fabricated at the organizational level, obsolete items, and FMS items. P-NICNs have:

- a. FSCs other than "0099" or the actual FSC is normally used

- b. NCB of "LL"
 - c. Alphabetic characters in the seventh through ninth positions of the NICN (the positions immediately following the NCB)
 - d. Numeric characters in the last four (tenth through thirteenth) positions of the NICN
- An example of a P-NICN is: 0000-LL-CMB-6876.

1-5.4 Cognizance Symbol (COG). The COG is a two-character numeric-alphabetic naval code that designates the type of funds used to purchase an item and the activity that is the Item Manager (IM) of the item. An odd number in the first position indicates the item is funded by the NWCF and must be paid for by a customer. An even number in the first position signifies the item was paid for with Appropriation Purchase Account (APA) funds, e.g., OPN and WPN funds; and is issued to the end user without charge. The second position signifies the IM of the item. The COG is often used as a prefix for the NSN to identify an item more completely. Table 1-3 shows examples of COGs managed by NAVSEA and NAVSUP WSS. (Note: DLA COGs are not being addressed.)

Table 1-3. COGs Managed by NAVSEA and NAVSUP WSS

<u>COG</u>	<u>IM</u>	<u>Tech Responsibility</u>	<u>Description</u>
0J	NAVSUP WSS	Various commands	Interim support items for 1H and 3H COG material
0O	NAVSUP WSS	NAVSEA	Interim support items for 7H COG material
1H	NAVSUP WSS	Various commands	Consumable material relating to shipboard equipment and systems
2F	NAVSEA	NAVSEA	Major shipboard electronic equipment
2J	NAVSEA	NAVSEA	Major shipboard ordnance equipment
2S	NAVSEA	NAVSEA	Major shipboard Hull, Mechanical, and Electrical (HM&E) equipment
3H	NAVSUP WSS	Various commands	Field (organizational/intermediate) level repairable material relating to shipboard equipment and systems
7H	NAVSUP WSS	NAVSEA	DLR shipboard and base equipment assemblies, repair parts, and components relating to NAVSEA equipment and systems

1-6 PROVISIONING.

As defined in NAVSEA's Provisioning Manual: Provisioning is the process of determining the range and depth (quantity) of items (i.e., spare and repair parts, consumables, special tools, test equipment, and support equipment) required to support and maintain a system or equipment for all levels of maintenance throughout the lifecycle. For the purpose of this instruction, allowance refers to On-Board Repair Parts (OBRP) allowances resulting from the provisioning process.

1-6.1 Maintenance Plan. As mentioned in section 1-1 maintenance planning is one of the Navy's IPS areas of emphasis. The maintenance plan is the key document in provisioning. The maintenance plan states: The level of detail for provisioning is to the Line Replaceable Unit and will depend on whether the system or equipment has parts that are maintenance significant. A maintenance significant part is a repair part subject to wear out or failure during normal equipment operation requiring replacement, according to the equipment's maintenance philosophy, at the "O" (Organizational), "I" (Intermediate) or "D" (Depot) levels of maintenance. A part is also considered

to be maintenance significant if it requires replacement due to its removal or destruction during accomplishment of other maintenance actions (i.e. gaskets, seals, fasteners). In general, parts such as brackets, casings, bodies, and nameplates are not considered to be maintenance significant and should not be provisioned.

1-6.2 Provisional Technical Documentation (PTD). PTD is the generic term used to reference the various types of provisioning data bought from a manufacturer. The requirement for PTD must be specified in the ship construction, the ship overhaul or availability, or the system/equipment contract to support the specific requirement of the individual Navy acquisition. This term is used by the DoD components for the identification, selection, and determination of initial requirements and cataloging of support items to be procured through the provisioning process. Applicable PTD consists of Engineering Data for Provisioning (EDFP), Component Identification Data (CID), and various provisioning lists.

1-6.3 Provisioning Tools. Numerous "tools" are available to assist provisioning personnel in the provisioning process. Some of the most complex and major ones are:

- a. Logistics Support Analysis (LSA)
- b. Failure Mode, Effects, & Criticality Analysis (FMECA)
- c. Reliability Centered Maintenance (RCM)
- d. Level of Repair Analysis (LORA)

Since hardly any equipment in use in the Navy is retired from service in exactly the same configuration as when it entered service due to part substitutions and improvements, the provisioning process is almost always a continuous process.

1-7 ALLOWANCE DOCUMENTS.

After receipt of the processed PTD, the PSICP takes actions to produce allowance documents. Allowance documents are simply lists of maintenance-significant items (spare and repair parts, special tools, and consumables) that are required to support a system or equipment. These lists become candidates for stocking by an activity. These candidates are then coded to indicate whether or not they are authorized to be stocked and in what quantity. Other allowance documents are prepared for various functions or categories of non-installed material. While allowance documents are also produced for intermediate and depot level activities, the following discussion will focus on allowance documents for the organizational level activity, e.g., a ship. PAFOS Chapter 6: Allowance Documents contains more detailed information concerning allowance documents, including discussions of the various allowance computation models.

1-7.1 Allowance Parts List (APL). An APL is an allowance document produced for every installed equipment in the Navy's inventory. It is a list of all maintenance-significant parts, special tools, and consumables that are necessary to maintain that equipment in operating condition. Even though an APL lists all maintenance-significant repair parts for specifically installed equipment, all parts listed may not be authorized to be stocked at the organizational level. For example, a ship may be authorized to replace a complex circuit board in the equipment, but not to repair the circuitry in the board. In this example, the circuit board would be authorized to be stocked on the ship, but the piece parts to repair the board would be coded to indicate they are not authorized for stock on the ship.

The decisions concerning which parts are authorized for stock on a ship take into consideration the maintenance plan, the allowance computation model, and various provisioning inputs and products, including replacement frequencies of repair parts, the capability of the ship's personnel to replace the part, and the importance of the equipment and the repair parts for that equipment to the ship's missions and the operation of the equipment, respectively. The maintenance plan specifies which repair parts are authorized to be replaced at the shipboard level. Replacement frequencies are initially called the Technical Replacement Factor (TRF). The TRF is the initial engineering estimate of the number of replacements, including failures, and preventive maintenance, which will be made per part per year.

Once an equipment is operational in the Fleet for a length of time (normally two years), the Best Replacement Factor (BRF) is phased in to supersede the TRF. The BRF is based on the actual usage of each repair part as recorded in the Maintenance and Material Management (3-M) system. After establishment, the BRF is recalculated annually using the 3-M usage data and exponential smoothing. The Mission Criticality Code (MCC) of an equipment is an indicator of the importance of that equipment to the missions of the ship. The most important equipment receives additional emphasis when determining which, and how many, repair parts to stock onboard ship to keep the equipment operational.

Similarly, the Military Essentiality Code (MEC) defines the importance of a specific part to the operation of the equipment in which it is installed. Repair parts more critical to the operation of an equipment are given additional emphasis when determining which parts to stock onboard a ship. The quantity of a specific item contained in a specific equipment, known as the Quantity Per Component (QPC), and the number of those equipment installed in the ship, called the Quantity of Components Installed (QCI), are other factors considered in determining how many of a specific repair part to stock onboard a ship. These are the principal considerations in determining which, and how many, repair parts are authorized to be stocked onboard a ship.

1-7.2 Allowance Equipage List (AEL). An AEL is an allowance document prepared for various functions or categories of non-installed material which is collectively known as equipage. Equipage is an item of a durable nature, not including installed components or equipment. Although an AEL is a document very similar in appearance to an APL, its intended use is very different. While an APL lists repair parts necessary to maintain a particular piece of equipment, an AEL lists material or equipment needed to perform a particular shipboard function, such as damage control, boiler water/feed water testing and treatment, galley gear, or items needed to operate an office. Additionally, APLs list mainly items to be kept in the supply storerooms, while AELs typically list items stored in the operating spaces. For example, typewriters and other office equipment are necessary on a ship, and an AEL would provide the quantity of typewriters, calculators, etc. authorized for a ship. An AEL for the damage control function would authorize a ship to carry specific quantities of fire axes, oxygen breathing devices, patch kits, fire hoses, fire hose nozzles, etc.

1-7.3 Coordinated Shipboard Allowance List (COSAL). The COSAL is both a supply and a maintenance document. It is the allowance document for an individual ship and is the result of aggregating all the APLs and AELs applicable to a specific ship and calculating allowance quantities using various computation models. The overall COSAL performance objective is to provide required material for a 90-day period without replenishment. This means the COSAL authorizes a ship to carry enough material to operate for 90 days without replacing the material as it is used. During this period, the COSAL is intended to satisfy 65% of all demands (gross effectiveness) from shipboard stocks and to provide an 85% availability (net effectiveness) for items authorized for stock onboard ship. The gross effectiveness goal means the shipboard technician should find the part he requires on the ship 65 times out of 100, and the net effectiveness goal means the parts authorized for stock onboard ship should be available on the ship 85 times out of 100. A COSAL is tailored to an individual ship. It is produced for a ship when it is built and periodically updated throughout the life of the ship.

Note: Recreational equipment, medical/dental material, hydrographic charts, bulk fuel/lubricants, ammunition, small arms, and weapons are not covered under the COSAL and are published in unique allowance lists (refer to PAFOS Chapter 6: Allowance Documents) prepared by the appropriate commodity/material managers.

1-7.3.1 COSAL Sections. The COSAL is produced in three major parts with configuration retained in the shipboard maintenance system, such as Organizational Maintenance Management System-Next Generation (OMMS-NG) or Automated Work Notification (AWN). The inventory/authorized allowance portion for Storeroom Items (SRI) is maintained within Relational-Supply (RSUPPLY). MAMS and OSI allowances are retained within the Navy's allowancing database of record, ReMAD Smart Allowance Computation History File (SACHF).

1-7.3.1.1 COSAL Part I. Part I contains five indexes sections and serves as the table of contents for the publication. Each of the indexes contains the same information sorted in a difference sequence.

1-7.3.1.1.1 Summary of APL (SOAPL) and Indexes. The COSAL SOAPL lists non-supported and full supply support APLs/AELs. The SOAPL contains all APLs/AELs that apply to the ship. The SOAPL is broken down by equipment type as follows:

- a. Sections A & B: Primarily contain the same information, but the sequence in which this information is listed differs. Section A is arranged in alphabetical sequence by noun name and partial characteristic description of each APL, AEL, and ACL. Section B is arranged alphabetically by service application.

- b. Sections C, D, E: The indexes are arranged in sequence by APL/AEL to Equipment Identification Code (EIC) (Part 1, Section C), by EIC to APL/AEL (Part 1, Section D), and by Automated Integrated Language System Identification Number (AILSIN)/Functional Group Code (FGC) to APL/AEL (Part 1, Section E).

1-7.3.1.2 COSAL Part II. Part II contains the allowance documentation, (actual APLs and AELs) for the equipment installed in a ship.

- a. Section A: APLs
- b. Section B: Circuit symbol data for all electronic APLs in Navy use contained on General Distribution APL/AEL bank (GDAPL) CD-ROM. (No longer provided as part of the COSAL)
- c. Section C: AELs

1-7.3.1.3 COSAL Part III. Part III is the Stock Number Sequence List (SNSL) which contains allowances broken down into various types, including six sections.

- a. Section A: SRIs
- b. Section B: OSIs
- c. Section CF: MAMs
- d. Section CR: Ready Service Spares (RSS)
- e. Section D: Alternate number to stock number cross reference to NIIN/NICN
- f. Section E: General Use Consumable List (GUCL)
- g. Section F: Forms and Publications (I COG)

1-8 CONFIGURATION MANAGEMENT (CM).

Once the initial COSAL is produced for a ship, it is imperative that all subsequent changes to a ship's equipment - from minor changes to an existing equipment to the total replacement of an equipment - be properly documented. The process of ensuring this documentation occurs is the essence of CM.

Changes are made to a ship's equipment and systems during the ship's operating cycle. These changes can be accomplished by various sources, including:

- a. Ship's Force
- b. Alteration Installation Team (AIT)
- c. Manufacturer's Technical Representative (Tech Rep)
- d. Mobile Ordnance Technical Unit (MOTU) Technician
- e. ISEA
- f. Intermediate Maintenance Activity (IMA)
- g. Shipyard

Further, the change can be extremely complex involving replacing and modifying numerous equipments or very simple, such as a minor modification to one equipment, but all must be properly documented. The change can be called many things, including Ship Alteration (SHIPALT), Ordnance Alteration (ORDALT), Field Change (FC) (for electronic equipment), Engineering Changes, and Machinery Alteration (MACHALT). Since there are literally thousands of potential changes to a ship's configuration and numerous activities capable of making these changes, a system to document configuration changes as they are made is essential to ensure the SPM, the equipment's LCM, and other concerned activities/people have the current equipment configuration of a specific ship available to them. The MBPS database is the mechanism used to manage a ship's equipment configuration and other logistics information.

During a ship's operating cycle, the ship's force is responsible for configuration control, including configuration change reporting. The ship's force documents and reports changes in configuration using the Ship's Configuration Change Form (CCF) (OPNAV Form 4790/CK) in accordance with OPNAVINST 4790.4 (series), Subj: Ships Maintenance and Material Management (3-M) Manual. Configuration change reporting and control during depot level availabilities is the responsibility of the activity planning the availability and is accomplished in accordance with NAVSEA SL720-AA-MAN-030, Subj: Fleet Modernization Program Management and Operations Manual. As

mentioned in paragraph 1.4.1.6, the CDM is always responsible for the accuracy and completeness of equipment configuration for assigned ship classes. Consequently, only the CDM can update the MBPS database. More detailed explanations of CM and SCLISIS are contained in PAFOS Chapter 7: SCLISIS & the Allowance Process and Chapter 6: Allowance Documents.

1-9 ALLOWANCE UPDATE AND MAINTENANCE.

Just as configuration control must be accomplished once an initial COSAL is produced, the COSAL itself must be kept current for it to be the viable allowance document for the ship that it is supposed to be.

MBPS and NAVSUP Enterprise Resource Planning (ERP) are the principal databases used to produce allowance lists. Accordingly, changes to anything which will result in changes to allowance lists must ultimately reside in MBPS, and NAVSUP ERP. Changes which are included in these databases include:

- a. Configuration changes accomplished after production of the load COSAL, but prior to completion of SCN funding, are accomplished/documentated by the applicable SUPSHIP.
- b. Configuration changes reported during the operating cycle by ship's force using the OPNAV Form 4790/CK and reported during availabilities by the activity responsible for CM, as discussed in paragraph 1-4.1.6
- c. Annual updates to the BRF, discussed in paragraph 1.7.1, are routinely accomplished by NAVSUP WSS using usage data collected by the 3-M system.
- d. Changes due to correction of technical deficiencies found by ship's maintenance technicians. Such corrections are limited to specific situations and are submitted using the Fleet COSAL Feedback Report (FCFBR) NAVSUP Form 1371 in accordance with the COSAL Use and Maintenance Manual, NAVSUP Publication 488. FCFBRs are submitted via the Navy Enterprise Service Desk (NESD).
- e. Reprovisioning, which results from modifications to equipment or maintenance plans or to correct errors in logistics documentation.
- f. Changes requested by a ship as an Allowance Change Request - Fixed (ACR-F) in accordance with PAFOS Chapter 6: Allowance Documents and NAVSUP P-488.

Once changes have been reflected in the appropriate configuration database, revisions to the COSAL must be produced and distributed to the ship by NAVSUP WSS. This is accomplished approximately quarterly using the COSAL in Access (CIA), or the Automated Shore Interface (ASI) methodology. The CIA provides COSAL updates to both automated and non-automated ships, while the ASI is used for RSUPPLY ships.

The COSAL Use and Maintenance Manual (NAVSUP P488) provides detailed procedures on how ships are to process these COSAL updates. Additionally, SUP WSS normally produces an entire new COSAL when a ship undergoes a COSAL driving availability, which usually will include an Integrated Logistics Overhaul (ILO), and when special circumstances require one. Allowance update and maintenance are discussed in more detail in NAVSEA's Provisioning and Allowancing Procedures Manual.

1-10 FINANCIAL MANAGEMENT.

Numerous funding sources are involved in supply support, and several financial management concepts are important to understand supply support. These concepts are the NWCF, Outfitting funding, Buy-In Buy-Out concept, ISS funding, and operations and maintenance funding. Overviews of these concepts are contained in the following paragraphs.

1-10.1 Navy Working Capital Fund (NWCF). The NWCF is a revolving fund that finances the DON activities which provide products and services on a reimbursable basis. Unlike for profit commercial businesses, whose financial goal is to maximize profit, the NWCF activities' financial goal is to 'break even' over the budget cycle. The NWCF provides stabilized pricing to customers and acts as a shock-absorber to fluctuations in market prices during the year of execution; fluctuations are recovered from customers in future years. The wide range of goods and services provided by NWCF activities are crucial to restoring readiness, improving lethality, and modernization.

The NWCF includes all DOD revolving funds such as the stock fund and the Navy Industrial Fund (NIF). This discussion will focus on the stock fund portion of the NWCF. The stock fund is a revolving fund that provides the necessary capital to finance the purchase and maintenance of stocks of spare and repair parts and common supply items. A portion of the NWCF stock fund (called the Navy Stock Fund [NSF] prior to establishment of the consolidated NWCF) is managed by SUP-WSS to provide the items required for support and operation of the Navy. As a revolving fund, it consists of funds and material, the sum of which is relatively constant. Figure 1-4 illustrates how a revolving stock fund works.

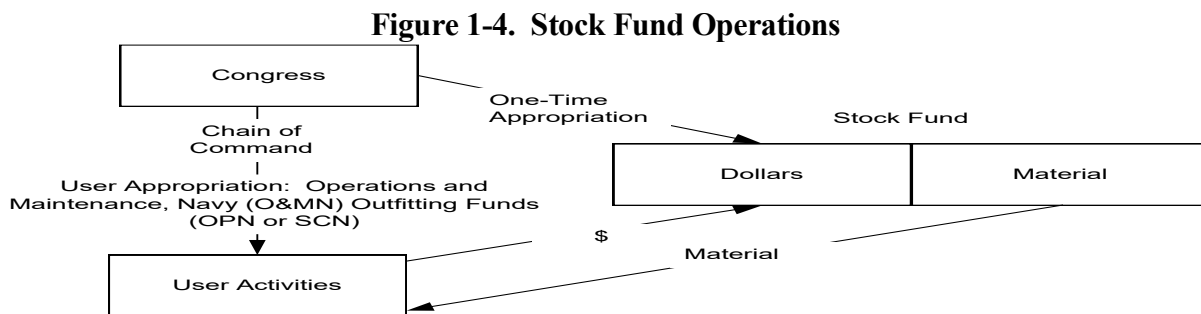


Figure 1-4 shows that a stock fund is initially established by a one-time Congressional appropriation, whose funds are used to buy material in anticipation of its need by the operating forces. As user activities need material, they buy it from the stock fund using appropriated funds provided to them for some purpose, such as operations and maintenance. If the item being bought is a repairable item, the user pays either the net price or the standard price. The net price is the average cost to repair a particular item and is what is paid when the user also turns in the failed item to the supply system. If the failed item is not returned, or if there is no failed item to turn-in, the user must pay the full price to procure a new item (the standard price). The sales of material from the stock fund generate cash to the stock fund, which is then used to buy or replenish the material sold, which can include repair of repairable items. Each service and the DLA operate their own stock fund, each of which is a portion of the DBOF.

1-10.2 Outfitting Funds. NAVSEA outfitting funds are used to buy outfitting material. Outfitting material consists of the initial spares and repair parts required to make a ship, system, or equipment self-sufficient for a specified period of time and must be identified as an authorized stock item by one of the ship's allowance documents. Outfitting funds pay for the initial material authorized by the allowance documents, but do not pay for stock replenishment or for material consumed in use or used to repair equipment. Outfitting occurs on new construction and conversion ships, as well as on operational ships. Outfitting is financed through the SCN appropriation for new construction and conversion ships funded by SCN. Outfitting for operational ships, Navy-owned equipment onboard Coast Guard ships, and for selected shore activities is financed by the OPN account. SEA 06 manages navy Outfitting funds, both SCN and OPN.

The NAVSEA Initial SCN Outfitting Account pays for such items as Authorized combat or weapons system spares, Medical or Dental Allowance Lists (AMAL/ADAL) items, Post Shakedown Availability (PSA) weapons system spares, Publications (PUBS), Tech Manuals (TMs), General Use Consumable List (GUCL), Items General Purpose Electronic Test Equipment (GPETE) items, and Pre-commissioning items.

The NAVSEA OPN Outfitting Account pays for On-Board Repair Parts (OBRLs) for Modernization to support new or upgraded equipment installs; Maintenance for changes to previously installed equipment (Reprovisioning, BRF change, Fleet Logistics Support Improvement Program (FLSIP), etc.)

Examples: Equipment/Programs; Equipment and Weapon System-Related Repair Parts; Post-MSD (Navy/DLA/others); AMAL/ADAL; Equipage Items (i.e., Damage Control Locker, Protective Clothing; Anti-Terrorism/Force Protection Material).

1-10.3 Buy-In/Buy-Out Concept. NAVSEA prepares PSD Sheets to document the requirement for spares and repair parts for all equipment acquisitions requiring such material. PSD sheets indicate whether the spares and repair parts are needed for interim support, initial outfitting, or follow-on support. PSD is forwarded to the PSICP (SUP-WSS for NAVSEA equipment) where it is used to prepare the NWCF "Buy-in" budget. Using the NWCF, the PSICP "buys-in" for material that is stored in the supply system. This material is subsequently "sold" to users for the initial and follow-on outfitting of authorized allowance OBRPs.

The OBRPs are ordered sufficiently in advance of the anticipated need indicated in the PSD so they are available when requested by the user. (Note: the supply term "procurement lead time" is used to denote the time needed: to award a contract, to manufacture the item, and to deliver the material to the supply system.) The NAVSEA outfitting account, either SCN or OPN as appropriate, is then used to "buy-out" the initial and follow-on outfitting of OBRPs. Additional discussion of the "buy-in buy-out" concept is contained in PAFOS Chapter 3: Programming and Budgeting.

1-10.4 Interim Supply Support (ISS) Funds. ISS is required to support systems and equipment when their initial installation occurs before the MSD. The account that funds ISS is managed by SEA 06. However, it is the responsibility of the ship, system, or equipment acquisition manager to properly document and notify SEA 06 of the ISS funds required so the funds are available when needed. The PAFOS Chapter 5: Interim Supply Support contains a more detailed discussion of ISS.

1-10.5 End Use Funds. End use funds are normally operations and maintenance funds controlled by the Type Commander (TYCOM) and provided to the ship as an Operating Target (OPTAR) budget to fund routine operations and maintenance. These funds also pay for stock replenishment requisitions for non-load carrying ships and shore activities. These requisitions are for material to replace items used while in use or drawn from the authorized allowances of the ship or shore activity.

1-11 MATERIAL ISSUE.

The most common method of supplying material to a user (ship) is to allow the activity initially receiving a requisition (normally a stock point) to make an issue when the requested item is in stock. If the requested material is Not Carried (NC), Not in Stock (NIS), or has been issue-restricted for any reason, the activity receiving the requisition will pass the requisition to the applicable IM for action. If the material is available at another stock point, the IM may refer the requisition to that stock point to make the issue. If the requisition is for an ISS item, the IM will refer the requisition to the ISS stock point.

If the item requested is not available anywhere in the supply system, the IM will take action to initiate a procurement using the NWCF and will have the material shipped directly to the requisitioner. This procurement may be incorporated with a similar requirement for supply system stock or may be a "stand alone" procurement. If the only items in the supply system are restricted to support special programs, the IM will evaluate the need for the item and authorize the issue, backorder the requisition against a procurement with expected material delivery, initiate a procurement to satisfy the requisitioner's need, or cancel the requisition and tell the requisitioner that it is not authorized to have the requested item. All items for which NAVSEA is the IM are issue restricted.

1-12 INVENTORY MANAGEMENT.

All items in the supply system are managed by an IM. Navy IMs include the HSCs, other program offices, and NAVSUP WSS. Non-Navy IMs include the DLA ICPs, other services, and GSA. The material issue process just discussed is what initiates the IM. The IM maintains visibility and control over assigned material assets through daily reports of transactions from stock points around the world. These transaction reports include receipts, issues, and changes in the condition of the material such that it changes from Ready for Issue (RFI) to Not-RFI (NRFI) and vice versa. When the worldwide on-hand balance of RFI material drops to a point where additional material is required to meet forecasted needs, the IM initiates a procurement order for new material or directs the repair of failed units previously returned by user activities via the DOP process (refer to 1-4.1.7) or of other NRFI material. The forecast of future demand is derived from the historical number of requisitions per month, the historical average quantity of material requested per requisition, and

known future requirements based on documentation such as PSD, as discussed in 1-10.3. The timing of the procurement and the quantity ordered also depend on factors used in all inventory models such as safety level and economic order quantity.