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Supply

**ESTABLISHING ECONOMIC ORDER QUANTITY (EOQ)
UNSERVICEABLE ITEM SAVE LIST AND RETURN
CRITERIA FOR CRITICAL ITEMS**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements *AFPD 23-1, Requirements and Stockage of Material*, and sets procedures and guidelines for return of unserviceable Economic Order Quantity (EOQ) items from using activities and establishing a local save list to prevent automatic disposal action upon receipt. It applies to all Hill Air Force Base organizations involved in the receipt, storage, issuing, handling, and repair of Air Force material.

SUMMARY OF REVISIONS

This revision realigns this publication to the new numbering architecture. It updates publication numbers. A | indicates a revision from previous edition.

1. REFERENCE: Requirement procedures for EOQ items, see *AFMCI 23-105, Consumable Item Requirements Determination*, and *AFM 67-1, Volume 1, Part Two, Assignment of Management Responsibilities and Account Numbers*.

2. OBJECTIVES:

- 2.1. To consolidate and make readily available procedures for all EOQ Inventory Management Specialists (IMS) to follow when it is necessary to return critical EOQ items for repair and reissue.
- 2.2. To set up uniform procedures for all organizations involved to retain these assets and to prevent automatic disposal upon receipt at this Air Logistics Center (ALC).

3. POLICY. Positive support action is the purpose of this ALC. Permission has been given to repair EOQ items to avert critical item support. However, this repair is limited to those items where repair can

be done and data is available to accomplish repair. Repair must be accomplished in a timely manner. This should be used only as an interim measure to provide support until new material can be received from production contracts. All using commands will be informed of this instruction by Stock Fund Management Branch (OO-ALC/FMBS).

4. RESPONSIBILITIES OF ALL INVOLVED SYSTEM PERSONNEL:

4.1. EOQ Buy Budget Computation System (D062) IMS.

4.1.1. Upon identification of support problems, review with the equipment specialist (ES) the feasibility of repair and availability or development of repair procedures and receive condemnation percent where applicable.

4.1.2. Where repair is feasible, the IMS will prepare a letter to the SBSS Systems and Procedures (75 ABW/LGSPB). The letter will list the stock number, gross quantity required, and the approximate time required to get this quantity. The quantity required can be computed by determining number of days support required times the daily demand rate (monthly demand rate divided by 30). The net quantity must be adjusted by the condemnation factor to arrive at gross quantity, e.g., required net quantity 100, condemnation factor = 30 percent, gross quantity = $100 \div 70 = 1.42 \times 100 = 142$ and the reason for this request. See Attachment 1.

4.1.3. To establish item in the Repairable Item Movement Control System (RIMCS), change the control code to "J" with a BDR transaction in the Wholesale Stock Control and Distribution System (D035A). See Attachment 2.

NOTE:

Code J. Identifies emergency RIMCS change items which have been determined by the IMS to be in a potential critical support situation and for which some depot repair is feasible.

4.1.4. Upon receipt of unserviceable assets, prepare an automated Temporary Work Request, to initiate repair of items. Change condemnation factor using Keyplus Data Entry System, type record B, column 41 through 43.

4.1.5. Upon receipt of production assets from contractor, delete the item from RIMCS, write a letter to 75 ABW/LGSPB to cancel the save list and take disposal action on all remaining unserviceable assets in storage. Change condemnation factor to 1.00 using Key Plus data entry system. Disposal action can also be done on quarterly Defense Material Utilization System (D067) potential DOD excess listing.

4.1.6. The IMS must annotate the EOQ Computation Notice (A-D0-62-01P-WC-MP8) showing unserviceable assets, why item is critical and explain the reason for unserviceables. Documentation must be kept for one year after end of critical period.

4.1.7. When the quarterly D062 unserviceable asset list is received, each concerned IMS should review, determine and annotate action taken or to be taken on each national stock number (NSN). It should be kept only until the next quarterly listing is received.

4.1.8. When a save list letter is prepared, a suspense date for cancellation will be established by the Product Directorates suspense monitor to inform the IMS of the suspense.

4.2. At this point the IMS will be able to review the due in assets, the amount of unserviceables being repaired, the back order and demand history. If delivery of contract production assets is imminent or enough repairables are on hand and in overhaul to support requirements, send a letter to 75 ABW/LGSPB canceling the item on the save list. If longer support period is needed, extend the suspense date by sending new letter to 75 ABW/LGSPB. Repeat procedures at end of new suspense period.

4.3. The ES will certify the repairability of the item data for repair and provide a condemnation percent to the IMS.

4.4. 75 ABW/LGSPB will, upon receipt of the letter from the IMS, process file maintenance action to the Retail Stock Control and Distribution System (D035K) by inputting a local save list code "S" in the Critical Item Code field of the Critical Item Overlay (FMMG) screen. When the IMS sends a letter of cancellation, 75 ABW/LGSPB will process file maintenance action to remove the "S" code which will process all future receipts of material under \$100 to disposal. Other receipts will be reported through normal reporting procedures. Disposition authority should be provided through D067.

GENE L. HATHENBRUCK, Director
Financial Mgt. Directorate

Attachment 1
SAMPLE FORM LETTER

MEMORANDUM FOR 75 ABW/LGSPB

FROM:

SUBJECT: Retention of EOQ Unserviceable EOQ Assets

1. We are facing a potential support problem on NSN 1630-00-394-5493. This resulted because of an unexpected increase in demand and an increase of three months in our production lead time.
2. Repair or this item is feasible and data is or will be available to accomplish repair. This critical support situation will last for seven months and will require 357 each of these items to accomplish the needed support.
3. This item is being added to the RIMCS listing and we request this item be retained and processed into the inventory when received from using activities.

Attachment 2
CONTROL CODES

(Used in Column 4 of BDR Cards)

<u>Control Code</u>	<u>Explanation</u>	<u>ERRC Designator</u>
A	All installations ship to nearest activity indicated.	All XD
B	CONUS installations ship to nearest activity indicated; overseas installations dispose of item when item is beyond base repair capability or in repairable excess to base requirement.	All XD
C	CONUS installations ship to nearest activity indicated; overseas installations report to IMS for disposition instructions.	All XD
D	CONUS installations report item to IMS for disposition instructions; overseas installations dispose of item when item is beyond base repair capability, or is repairable excess to base requirements.	All XD
E	All installations either report to Air Force IMS by Air Force Recoverable Assembly Management System (AFRAMS) on Air Force managed items or to another DOD inventory Control Point (ICP) by Excess Report (FTE) or Reply to Excess Report (FTR) excess procedures, when the other activity manages the item. The reporting installation will receive disposition instructions in the response.	

F	All installations dispose of item when it is beyond local repair capability, or is repairable, excess to requirement.	All ED, XB3, XF3
G	Serialized Control of Reliability Improvement Warranty (RIW) items shipped as indicated.	All XD
H	Identifies emergency RIMCS charge items which are pending emergency expendability, recoverability, repairability category (ERRC) code change from XB3 or XF3 to XD2.	
J	Identifies emergency RIMCS change items which have been determined by the IMS to be in a potential critical support situation and for which some depot repair is feasible.	XB3, XF3
T	For ALC use to enter the storage site form the Materiel Management aggregation code (MMAC) and Federal supply code (FSC) tables in Attachment C-1. This data is passed to the D043 system for RIMCS processing. When deleting storage sites, E1234A must be in columns 32-37.	
Control Code	<u>Explanation</u>	ERRC <u>Designator</u>
Z	Delete previous control data. Remove from record all obsolete numbers, national stock numbers (NSN) when ERRC code changes indicate other than depot level maintenance for the item), etc.	All XC, XB3, XF3