



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD, SUITE 2533  
FT. BELVOIR, VIRGINIA 22060-6221



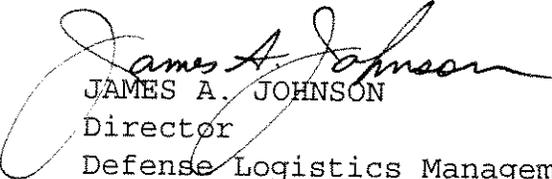
IN REPLY  
REFER TO DLMSO

APR 3 1996

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Minutes of DoD Joint Physical Inventory Working  
Group (JPIWG) Meeting, February 20-22, 1996

Minutes of subject meeting are provided for your information  
and appropriate action.

  
JAMES A. JOHNSON  
Director  
Defense Logistics Managements  
Standards Office

Attachment

DISTRIBUTION:  
ADUSD (L) MDM  
AMCLG-SM ALEX VA/ AMCAM-LG ALEX VA  
NAVSUP 4261A ARL VA  
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IN REPLY  
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DLMSO-MM

APR 3 1996

MEMORANDUM OF MEETING

SUBJECT: Summary of DoD Joint Physical Inventory Working Group  
(JPIWG) Meeting, February 20-22, 1996

**Purpose:** Subject meeting was convened at 1300, February 20, 1996, at the DLA Headquarters Complex, 8725 John J. Kingman Road, Ft. Belvoir, VA. The group discussed the Statistical Inventory Sampling Methodology, Inventory Control Effectiveness (ICE) Report Reviews, Materiel Accountability and Financial Liability, Proposed Physical Inventory Program for BRAC Closure Sites, DoD 4140.1-R, DoD Materiel Management, Quality Control Program, Implementation of AMCL 8A, and the Exemption of Ammunition from the AMCL 8A requirement to transfer accountability to the Storage Activity. A list of attendees is at Attachment 1.

**Brief Summary of Discussion:**

a. The JPIWG Chairman opened the meeting with administrative remarks and introductions.

b. Statistical Inventory Sampling Methodology. This was a carry-over topic from the May 1995 JPIWG meeting. The JPIWG reviewed the formula for the methodology and requested that examples, using data applicable for storage activities, be included for each equation. The JPIWG further requested the formula be staffed with the DoDIG to insure that it meets the requirements of the Chief Financial Officer Act of 1990. The DoDIG was also to be queried to provide examples on how they would use the formula. Upon approval by the DoDIG, the formula will be included in the third addendum to AMCL 8A.

c. ICE Report Reviews. This was a carry-over topic from the May 1995 JPIWG meeting. The group determined that the JPIWG should, as a requirement of the JPIWG charter, conduct annual ICE report reviews. An extra day will be added to a



annual ICE report reviews. An extra day will be added to a scheduled JPIWG meeting to conduct these reviews. The JPIWG also determined that the JPIWG charter must be revised to:

(1) Require the Deputy Under Secretary of Defense (Logistics) to provide a representative to the JPIWG. This representative will have a designated point of contact within the Comptroller of the Department of Defense.

(2) Delete the OSD Comptroller from the membership requirement.

(3) Require the JPIWG to meet as required or at least semiannually.

d. Materiel Accountability and Financial Liability.

This was a carry-over topic from the May 1995 JPIWG meeting. Ms. Sherry McNeil, DoD ADUSD(L)MDM, advised the group that she had scheduled a meeting, during the week of February 26, 1996, with the OSD Comptroller to discuss this issue. The Army representative provided a draft position paper for Ms. McNeil to use in her discussion with the OSD Comptroller. This issue will be scheduled for discussion at the next JPIWG meeting.

e. Proposed Physical Inventory Program for BRAC

Closure Sites. This was a carry-over topic from the May 1995 JPIWG meeting. The group reviewed the November 3, 1995 memorandum from the DoD ADUSD(L)MDM, which approved the waivers to requirements for location surveys, location reconciliations, physical inventories, inventory control effectiveness reporting and pre-denial, pre-adjustment and causative research at depots designated as BRAC sites. The group determined that the procedures/process, cited in the November 3, 1995 memorandum, should be added to Chapter 7, MILSTRAP, and that the words "storage activity closure plan" be utilized in place of the acronym "BRAC".

f. DoD 4140.1-R, DoD Materiel Management Regulation.

This was a carry-over topic from the May 1995 JPIWG meeting. At the May 1995 meeting, the JPIWG members were requested to review Chapter 5 and provide their recommended changes to Ms. Sherry McNeil, DoD ADUSD(L)MDM. At this meeting, Ms. McNeil advised that she had not received any input from the JPIWG. The members were again requested to review the regulation and provide their comments to Ms. McNeil within 30 days from the date of these minutes.

g. Third Addendum to AMCL 8A. This was a carry-over topic from the May 1995 JPIWG meeting. DLMSO will release the third addendum to AMCL 8A upon approval and incorporation of the statistical sampling methodology and examples discussed in paragraph b. The third addendum will also include two new type physical inventory/transaction history codes and clarification of the ICE report format/narrative as discussed at the May 1995 JPIWG meeting. The third addendum will be the final issuance of AMCL 8A and will reflect all AMCL 8A changes so that it can be used as a stand-alone document separate from the previous versions of AMCL 8A. Any future changes to physical inventory procedures/formats/codes must be submitted to DLMSO as proposed changes in accordance with MILSTRAP, chapter 1, paragraph I.2. The MILSTRAP System Administrator anticipates publishing AMCL 8A in Formal Change 5 to MILSTRAP in the fourth quarter FY 1996.

h. Quality Control Program. This was a carry-over topic from the May 1995 JPIWG meeting. At the May 1995 meeting, the JPIWG members were requested to review the draft procedures and provide their recommended changes to DLA. At this meeting Mr. Jim Bradbury, DLA (MMLSD), advised that he had not received any input from the JPIWG. The members were again requested to review the proposed procedures and provide their comments to MMLSD, NLT March 30, 1996. Upon receipt of the comments, Mr. Bradbury will submit a proposed change to MILSTRAP to include the procedures as a separate chapter. The procedures will also include quality control processes for the Inventory Control Points (ICPs).

i. Error Classification Codes. This was a carry-over topic from the May 1995 JPIWG meeting. At the May 1995 meeting, the JPIWG members were requested to submit any additional proposed changes to the error classification codes to DLA. At this meeting Ms. Pavlik, DLA (MMLSI), advised that not all the members had provided responses. The JPIWG members were again requested to provide any changes to MMLSI no later than 30 days from the date of these minutes. Upon receipt of the comments, Ms. Pavlik will submit a proposed change to MILSTRAP.

j. Status on Implementation of AMCL 8A/Single Item Record Technology. This was a carry-over topic from the May 1995 JPIWG meeting. Mr. Joe Cook, Joint Logistics Systems Center (JLSC)/MMF, advised the JPIWG that the contract for the development of the new Stock Control System (SCS) had expired and has not been renewed. The expiration of the contract has caused all contractor work on the SCS to be stopped. While the

contractor work has stopped, JLSC/MMF has continued to work on the single item inventory record technology, but, until there is a new contract, the individual components will have to develop this interface with their own legacy system. This same problem also applies in the implementation of AMCL 8A by JLSC/MMF. All of the components indicated that they have done some work in the implementation of AMCL 8A within their legacy systems. In order to get a more detailed report, the JPIWG Chairman will formally request the components, JLSC, and DDSC, to provide a full status report on how far along they are in the implementation of AMCL 8A. This issue will be scheduled for discussion at the next JPIWG meeting.

k. Exemption of Ammunition from AMCL 8A Requirement to Transfer Accountability to the Storage Activity. This was a discussion of the October 20, 1995 memorandum from the ADUSD(L)MDM to the Deputy Chief of Staff for Ammunition, Army Materiel Command, approving the Army's request for exemption from the requirement to transfer ammunition accountability from the National Inventory Control Points (see Attachment 2 - ADUSD(L)MDM AMMO MEMO). Mr. John Stults, Army (AMCAM-LG), stated that he believed the exemption only applied to Army and not to the other Services. Mr. Stults further stated that the Army fully intended to implement all other aspects of AMCL 8A. The Navy Ammunition representative, Mr. Mario Harley, NAVORDCEN, and the Air Force representative, S/MSG Anthony Scherm, both stated that they had not seen the ADUSD(L)MDM memorandum and, therefore, could not comment on its application to their Service. The Navy and Air Force have not transferred accountability for ammunition from their ICPs. The JPIWG determined that the Navy and Air Force should review the ADUSD(L)MDM memorandum and provide their comments to the JPIWG Chairman by April 15, 1996. This issue will be scheduled for discussion at the next JPIWG meeting.

**Decisions Reached:** Decisions reached are as discussed in the above discussion paragraphs.

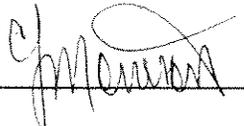
**Follow-up Action Required:**

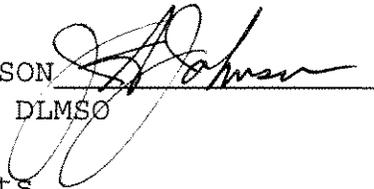
a. JPIWG representatives are requested to take appropriate action as indicated in discussion paragraphs f, h, i and k.

b. ADUSD(L)MDM is requested to take action as indicated in discussion paragraph d.

c. DLMSO will take action as indicated in discussion paragraphs b, c, e, g, and j.

*for Mary Jane Heizer*  
PHILIP M. SMITH  
DLMSO Staff Analyst

COORD/REVIEW:  
C.L. MORRISON   
Chief, DLMSO-MM

APPROVE:  
J.A. JOHNSON   
Director, DLMSO

Attachments

NOV 5 '95 14:49 FROM ADUSD-MDM

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ACQUISITION AND TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON DC 20301-3000



(L/MDM)

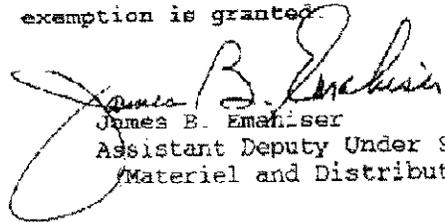
20 OCT 1995

MEMORANDUM FOR DEPUTY CHIEF OF STAFF FOR AMMUNITION

THRU: DIRECTOR OF SUPPLY AND MAINTENANCE, OFFICE OF THE DEPUTY  
CHIEF OF STAFF FOR LOGISTICS

SUBJECT: Transfer of Accountability to Ammunition Storage  
Activities and Army Ammunition Plants

We have reviewed your request for exemption from the require-  
ment to transfer ammunition accountability from the National  
Inventory Control Points. We feel that the cost to implement the  
Approved MILSTRAP Change Letter (AMCL) 8A would outweigh the  
benefits; therefore, exemption is granted.

  
James B. Emahiser  
Assistant Deputy Under Secretary  
(Materiel and Distribution Management)

