

Third echelon stock points receive most of their Navy-managed stock directly from commercial sources as a result of contract allocations by the ICP. To the maximum extent possible stocks are placed close to the user. However, due to the technical nature of our inventory, many of our items have extremely erratic demand which precludes accurate prediction regarding place and time of need. Items of this nature are generally held by the controlling ICP at one or two U.S. stock points and shipped to the customer at the time the need arises.

With this outline of the distribution system as background I would now like to turn attention to the manner in which our demands are channeled to the inventory manager.

Navy requisition channels are strongly influenced by the constant movement of the customer and the necessity for keeping shipboard supply procedures as simple as possible. With these two factors in mind it becomes apparent that the simplest system is to have ships submit their requirements to the nearest stock point who will either furnish the required material or take action to obtain it from another source. If the stock point has the required material it simply issues it directly to the ship. If the stock point does not have the required item it normally forwards the requirement to the proper inventory manager. If the item is available at another stock point, the inventory manager refers the requirement to the stock point for direct shipment to the requiring ship. If the item is not available in the supply system, it is backordered or procured for direct shipment depending on urgency of the requirement.

In utilizing the requisitioning system I have described, the ship is relieved of the necessity for determining the central inventory manager for each item and is assured of receiving material at its current location if it is in fact available there. Ships which are deployed overseas, forward requisitions to elements of the mobile logistic support force that are serving their area. For information, we have 6 AKS- and AFS-type general stores and repair parts issue ships in the mobile logistic support force. The load for these ships is tailored to provide support for high-usage items and therefore a high percentage of the requirements of customer ships for these items are satisfied by the stores issue ships. The mobile logistic support force is replenished from the major tidewater stock points at Norfolk and Oakland. Major shore activities in the continental United States are replenished automatically by Navy ICP's for items which they manage. Retail stocks of DSA and GSA material are requisitioned directly from the appropriate DSA/GSA center.

Having provided a broad overview of what we manage in the way of stock, and how it is distributed, I would now like to move into a little more detail as to how we manage on a centralized system basis. In brief the policy which governs this system is developed at the headquarters of the Naval Supply Systems Command. This policy is implemented by means of a centrally designed and programed automated data processing system. The Navy's UADPS (uniform automated data processing system) for supply management provides for central system management of over 850,000 items by our three ICP's.

The objectives of UADPS are to achieve more effective management control of systemwide assets and to provide increased capabilities for responding to the needs of the Navy, especially in the area of fleet support. UADPS is a complete and comprehensive automated supply operations management system for repair parts and consumable items. Principal functions affected are requisition processing, transaction item reporting, requirements determination, purchase, catalog/load list/allowance list maintenance, provisioning, shipment planning, receiving, and financial control. UADPS programs have been developed and implemented at ICP's, stock points and aboard our larger ships, such as those referred to earlier as mobile logistic support force ships.

A uniform ADP system has been developed for the inventory management of repair parts at the three Navy inventory control points: (1) Aviation Supply Office, Philadelphia, Pa.; (2) Electronics Supply Office, Great Lakes, Ill.; and (3) Ships Parts Control Center, Mechanicsburg, Pa. The ICP's use uniform ADP programs and will eventually be placed on direct computer-to-computer communication with their respective distribution systems. The inventory control applications (transaction item reporting, requirements determination, etc.) are now operational: The weapon systems support applications (allowance list maintenance, provisioning, etc.), which are currently being piloted and will be fully operational in fiscal year 1969, will provide weapon system support intelligence as well as supply management item control.