

The major eight naval supply centers/depots utilize compatible electronic digital computers/programs and are linked into the UADPS ICP system via Autodin. The stock point system has been operational since 1965. The immediate specific objectives are to refine existing UADPS stock point programs, to incorporate the new DOD Mil Standard programs, to extend UADPS to overseas NSD's to implement the area supply support concept, and to develop UADPS programs for other stock points, thus extending UADPS to other echelons of logistic supply support.

The UADP system for shipboard supply and accounting operations is being refined and extended to all major ships. The objective is to provide a shipboard supply system that is completely compatible with the automated supply systems ashore.

The three segments of UADPS for supply management are tied together into an integrated operational system, including the necessary interface with DSA and GSA.

A unique feature of UADPS is the built-in capability to manage inventories on a weapons system basis as well as on the usual commodity item basis.

Worldwide asset visibility of high value items is one of the special features. A high value item is one that has a unit price of \$1,000 or more and has approximately \$50,000 annual demand. Some 6,000 items in the Navy inventory now fall into this category. For these items, the inventory control point is the center of the system and maintains complete asset visibility right down to the shipboard level. Movement of high value items to and from ships and the stock points are reported directly to the ICP.

To achieve an optimum balance between economy, and the assurance of adequate support from our inventory levels, we have built into UADPS two sophisticated inventory models.

One model tells us how much to buy utilizing economic order quantity theory based upon ordering cost and holding cost tradeoffs.

The other model tells us when to buy. The computation of our reorder points is based upon the degree of risk that we are willing to accept of being out of stock. The prime tradeoff factors are unit cost and military essentiality. By varying the risk, we in effect can control our inventory levels.

Our overall goal, of course, is to maximize supply system effectiveness. Or to put it another way, to maximize fleet support. However, this always must be done within funding constraints. Therefore, by periodically sampling our inventory with varying risk factors we can determine the necessary parameter settings for our supply demand reviews to maximize effectiveness within dollars allocated.

These models are now part of the standard UADPS package.

The UADP system has reduced our processing times considerably. For example, a stores issue ship can prepare replenishment requisitions in 30 minutes compared to 16 hours under a manual system. Improvements of the same magnitude at stock points and ICP's under UADPS have also been realized.

Finally I would like to comment on supply support in Vietnam.

Navy supply support in S.E. Asia of course has two distinct aspects—first support of the 7th Fleet and secondly support of ground, coastal and riverine forces from within Vietnam.

Support of the 7th Fleet has been entirely within the framework of our normal fleet support doctrine utilizing the mobile logistic support force supplemented by overseas bases at Subic Bay, Yokosuka and Guam. While it was of course necessary to build up stocks, particularly at Subic Bay, to support the greatly increased number of ships operating in the South China Sea, no significant departures from normal support doctrine have been necessary. The first and second echelon stocks that existed in the Pacific are of course what gave us the time to build the necessary stock levels following the rapid buildup of demand; thus no critical stock shortages of a widespread nature developed with respect to 7th Fleet support.

The situation with regard to Navy support of forces operating within Vietnam presented an entirely different aspect than 7th Fleet support in that much of the support required was for forces not previously deployed to the Western Pacific. Again however, procedures used to support existing Navy overseas bases were applied in establishing the Navy Support Activities at Danang and Saigon with successful results. These two major Navy stock points in Vietnam operate under essentially the same supply support concepts as the bases at Subic Bay