



## EXECUTIVE ORDER CHANGES PROCUREMENT POLICY

The President has issued Executive Order 12352 to reform Federal procurement practices.

The Executive order requires the heads of agencies to take management actions to simplify and streamline the procurement process and to make it more cost effective and responsive. These actions include—

- Establishing programs to reduce administrative costs and other burdens that the procurement function imposes on the Federal Government and the private sector.

- Establishing criteria for increasing competition and limiting noncompetitive actions. The criteria should result in such actions as eliminating unnecessary Government specifications and simplifying those that must be retained, expanding the purchase of available commercial goods and services, and, where practical, using functionally oriented specifications or otherwise describing Government needs to permit greater latitude for private sector response.

- Simplifying small purchase procedures.

- Establishing clear lines of contracting authority and accountability.

- Improving procurement career management.

The President designated the Office of Management and Budget (OMB) to oversee implementation of the order and to provide periodic progress reports on its implementation. The order also directs the Secretary of Defense and the administrators of the General Services Administration and National Aeronautics and Space Administration to consolidate their common procurement regulations into a single, simplified Federal acquisition regulation not later than the end of this year.

In a related action, OMB submitted to Congress a proposal for a uniform Federal procurement system as required by Public Law 96-83. The proposal describes the procurement system, management system, and suggested legislation. In particular, it recommends amendments to the Armed Services Procurement Act and other statutes.

Procurement officials see the proposed system as a means to put the \$134-billion-a-year Federal procurement program on a more systematic, professional, and businesslike basis with the potential to produce substantial savings.

## WEST GERMANY TO PROVIDE WARTIME SUPPORT

Representatives from the United States and the Federal Republic of Germany have signed a bilateral agreement that designates the type of support West Germany will provide for U.S. forces deployed there in the event of war or other crises. According to a U.S. State Department announcement, the wartime host-nation support agreement is "a significant step toward the implementation of the long-term defense program of the alliance."

Under the host-nation support agreement, West Germany will train and equip approximately 93,000 reservists who will provide the U.S. Army and Air Force with combat support and combat service support in the areas of transportation, materials-handling, supply, airfield repair, facility security, POW handling, decontamination, and casualty evacuation. In addition, West German civilians will provide support such as transportation, materials-handling, civilian labor, expendable supplies, and facilities services. For its part, the United States will rapidly reinforce its ground and air forces in West Germany during agreed-upon situations, more than doubling its present strength of 250,000 troops.

Current plans call for West Germany to begin activating necessary reserve units in 1983 and to have military and civilian support organized and required training underway by 1987. The \$570-million cost of the agreement, not including facilities costs, will be shared equitably by the two countries.



□ The Army plans to begin production of the M9 armored combat earthmover (above) in fiscal year 1982. The M9, which will replace the D7 bulldozer and some 5-ton tractors in the Army's inventory, is designed to accompany the maneuver forces and dig protective positions for the M1 tank and other equipment. The earthmover will also be capable of towing vehicles, building earthworks, filling ditches, and performing other engineer mobility and countermobility tasks. The M9 can travel up to 30 miles per hour and tow up to 25,000 pounds. The Army's fiscal year 1982 appropriation included \$40.4 million to buy the first 25 M9's.

## AUTOMATED AMMO LOADING UNDER DEVELOPMENT

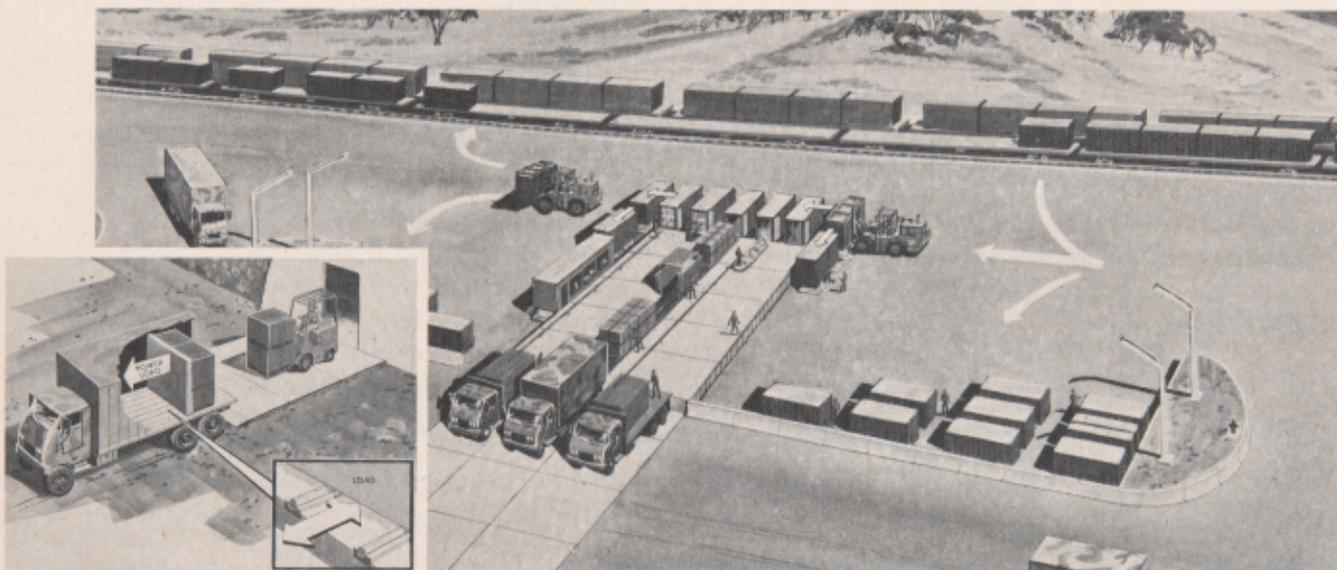
The Army Mobility Equipment Research and Development Command and the Army Defense Ammunition Center and School are developing an automated system for loading ammunition into shipping containers.

Known as the pre-staged ammunition loading system (PALS), it will operate in two steps. Trucks equipped with a cable system will pick up ammunition at depot storage sites and unload it directly onto an automated dock-mounted loader. The loader will then

arrange the 20-ton ammunition load and place it as a unit load into a commercial cargo container.

The system is designed to reduce the loading time for an ammunition container from 2 hours to 15 minutes. Depots using the system will gain the capability to load 100 containers a day.

Initial installation of the system is tentatively scheduled for fiscal year 1985 at Savanna Army Depot Activity, Illinois.



□ This artist's concept shows the PALS operations of removing ammunition from the storage igloo (inset) and loading it into containers at the rail siding.

## MATERIEL RETURN REPORTING IMPROVED

The Army Materiel Development and Readiness Command Logistic Control Activity (LCA) has developed two reporting systems to better manage the return of unserviceable secondary items to depots. The two systems are designed to improve stock availability and materiel readiness.

The recovery improvement program reporting system (RIPRS) provides return rates for depot level repairable items in terms of both quantities and dollar values by measuring recurring demands and issues against returns. Total return rates are computed as the ratio of total returns to total issues. Unserviceable return rates are computed as the ratio of unserviceable returns to recurring demands. The RIPRS displays return rates by appropriation and commodity manager (based on materiel category) for each installation and command. Reports are distributed on a quarterly basis, and backup data on an individual item are available on request.

The retrograde intransit visibility reporting system

measures the performance of the retrograde pipeline for depot level repairables. The performance of various segments of the retrograde pipeline, from the report of excess through depot-level receipt, is measured in days. The retrograde intransit visibility reporting system identifies performance problems such as disposition response or storage processing delays. Reports are distributed monthly.

Information from both reports is provided to the major command level, but the LCA can provide detailed information keyed to installation or supply support account levels.

The remote terminal inquiry system of the logistics intelligence file (LIF) provides automated access to the LIF materiel returns data base and can provide the status of reports of excess. In addition, users may obtain tailored products displaying wholesale level responsiveness to reports of excess and installation responsiveness to disposition instructions.

Users may obtain specific information and instructions by calling LCA's customer service office at AUTOVON 586-2131 or -5705.

## MODERN CHINOOK DELIVERED

The Boeing Vertol Company delivered the first modernized Chinook helicopter, designated the CH-47D, to the Army on 22 May.

The Army expects the modernization program to increase reliability, lower maintenance costs, and extend the service life of its medium transport helicopter by 20 years. The eight major changes incorporated in the modernized Chinook include improved transmissions, redundant electrical systems, composite rotor blades, new engines, modular hydraulics, triple cargo hooks, advanced flight controls, and improved avionics.

The Army plans to modernize 436 Chinooks during the next 10 years.



□ The first modernized CH-47D Chinook hovers during predelivery testing.

## AR 55-38 AND AR 735-11-2 CHANGE DISCREPANCY REPORTING

Recent changes in Department of Defense policy for reporting transportation and supply discrepancies will be reflected in two soon-to-be-published Army regulations.

Under the revised AR 55-38, Reporting of Transportation Discrepancies in Shipments, the use of Standard Form 363, Discrepancy in Shipment Confirmation, has been discontinued. The discrepancy in shipment report (SF 361) will be used in its place. The AR also eliminates the requirement to submit the discrepancy in shipment cargo outturn reporting system (DISCORS) message used to report the condition of cargo and reconcile discrepancies during ocean movement. The DISCORS procedures will be included in a revision to DOD Regulation 4500.32-R, Military Standard Transportation and Movement Procedures (MIL-STAMP).

The revision of AR 735-11-2, Reporting of Item and Packaging Discrepancies, raises the minimum dollar value of a reportable discrepancy from \$50 to \$100. In addition, the minimum amount that a unit can receive in credit for a reported discrepancy has been raised from \$100 to \$250.

Both regulations are being distributed this Summer.

## CARE OF STORED SUPPLIES INCREASED

The Army is increasing its care of supplies in storage (COSIS).

Under the COSIS program, personnel at Army Materiel Development and Readiness Command depots, plants, and arsenals periodically inspect stored materiel and correct deficiencies where necessary. Keeping the stored materiel ready for use is less expensive than taking corrective action at the time the materiel is needed.

According to an Army spokesman, for the first time in several years, funds in the fiscal year 1981 and 1982 budgets come close to matching COSIS program requirements. The annual cost of the COSIS program is less than 1/2 of 1 percent of the stored inventory's \$18.2 billion value. The return on COSIS investment is attractive on economic as well as readiness grounds, the spokesman said.

## ARMY STUDIES DIRECT DELIVERY OF RATIONS

The Army examined a new system for delivering prepackaged rations to troops in the field during the recent joint training exercise Gallant Eagle, held at Fort Irwin, California. The system is designed to eliminate the need to unpack and reconfigure shipments of rations at ration breakdown points before the rations are delivered to units in the field.

Under the system, pallets of prepackaged rations are assembled at Defense Logistics Agency (DLA) depots. Each pallet contains rations sufficient to feed 50 soldiers breakfast and dinner for 1 day. The ration pallets can be delivered directly to consuming units each day, moving swiftly through ration breakdown points.

In the Gallant Eagle study, 500 soldiers were served breakfast and dinner for 10 days using B-ration components delivered on pallets. The pallets had been assembled at Defense Depot Memphis, Tennessee. For lunch, the soldiers were issued the meal, combat, individual.

The system was developed by the 1st Corps Support Command to simplify supply of rations to light, mobile combat forces such as the Rapid Deployment Force.



□ Units of the 97th Army Reserve Command, Fort Meade, Maryland, recently devoted an entire training weekend to maintenance training. The training covered all unit maintenance tasks in each unit's Army training and evaluation program, including operator maintenance (above). According to a command spokesman, dedicating the entire 16-hour training time to maintenance (instead of the 2 hours usually scheduled) improved the skills of unit members and helped reduce the command's maintenance backlog.

### ARMY REDUCES OPERATIONAL READINESS FLOAT ITEMS

The Army has issued a letter of instruction to the field for use in implementing the revised operational readiness float (ORF) policy. The letter includes a new Army-wide list of items authorized for stockage at direct support units as ORF resources. The list supplants ORF lists approved by the major commands in accordance with Supply Bulletin 710-1-1 and will have the effect of eliminating 1,950 items as ORF resources. This will leave approximately 531 items authorized for ORF stockage.

Items not on the new ORF list may be retained as ORF resources until 1 January 1983. At that time, those items will be redistributed to fill authorized shortages and any excess items will be reported to the item manager for disposition.

Under the revised ORF policy, direct support units will maintain a portion of their authorized wartime level of ORF items for peacetime use as determined by their demand histories. The procedure for computing a unit's peacetime ORF stockage level is outlined in DA Pamphlet 710-2-2, Supply Support Activity (SSA) Sup-

ply System, Manual Procedures.

According to an Army spokesman, reducing the number of items on the ORF list will permit use of available funds to purchase greater quantities of listed items.

### ARMY BUDGETS MORE FOR PROCUREMENT AND OPERATIONS

A 25-percent increase in funds for procurement highlights the Army's fiscal year 1983 budget request. The Army is seeking \$17.8 billion for procurement, compared to the estimated \$14.2 billion appropriated in fiscal year 1982. The procurement request includes approximately \$2.75 billion for aircraft, \$2.85 billion for missiles, \$5 billion for weapons and tracked combat vehicles, and \$2.6 billion for ammunition.

The Army has also requested \$18.6 billion for operation and maintenance, an increase of 9 percent over the estimated fiscal year 1982 appropriation of \$17 billion; \$4.5 billion for research, development, test, and evaluation; \$1.2 billion for military construction; and \$1.06 billion for family housing.

The overall Army budget request totals \$60.7 billion, a 17-percent increase over the fiscal year 1982 budget of \$51.9 billion. Operation and maintenance accounts for 31 percent and procurement for 29 percent of the Army's 1983 budget request.

### COMMISSION STUDIES ARMY AMMUNITION USE

The Army Vice Chief of Staff has appointed a special commission to study and recommend improvements in the Army's management of ammunition. The ammunition standards and training commission, composed of representatives of the Army Staff and the major commands, will determine ammunition requirements for each type of unit in both the Active and Reserve components of the Army. It will also study the use of training aids, such as simulators, to reduce ammunition consumption during training.

The commission was appointed in response to a recent General Accounting Office study that found the Army does not accurately state its ammunition needs and consequently faces ammunition shortages, particularly in pre-positioned stocks in Europe. It is expected that one of the commission's recommendations will be to increase the Army's annual ammunition purchase, currently ranging from \$500 to \$600 million.

The commission's report was due to the Vice Chief of Staff by the end of May.

**ALOG**