



MINISTRY OF DEFENCE

JSP 886
THE DEFENCE LOGISTICS SUPPORT CHAIN MANUAL
VOLUME 3
SUPPLY CHAIN MANAGEMENT

PART 305
HASTENING OF DELIVERIES
(Formerly JSP 886, Volume 13, Leaflet MG 6/6)

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CHAPTER 1: (MG 6/6) - HASTENING OF DELIVERIES

PURPOSE

1. The purpose of this leaflet is to describe the processes and procedures available to identify items which are in a Low Stock situation. This is in order that preventive action may be taken to avoid critical stock shortages. These processes and procedures are described under the following headings:

- a. Parameters set by PT Staffs to assist in the Low Stock Hastening Process.
- b. A description of the Central System Processing which identifies Low Stock items.
- c. PT actions in verifying the Outputs produced by the Central System.
- d. Hastening action with suppliers including monitoring of deliveries.

PARAMETERS WHICH CONTROL THE LOW STOCK HASTENING PROCESS

2. The objective of the Hastening Process is to identify items whose in-service stocks have fallen to the Depot Working Stock Level (DWSL) and to highlight potential problems. To assist in this process, the Supply Manager is responsible for setting the Hastening Action Level (HAL) on the Catalogue Element of each item record and for any subsequent amendment action which becomes necessary. The Hastening Action Level, which is expressed in months, is based on the approved Depot Working Stock Level for the item. It is to be fixed at a value 2 months greater than DWSL, to allow for the time involved in reacting to the System hasteners.

3. The second parameter set by the Supply Manager to assist in the Low-Stock Hastening Process is the Hastening Code, which controls the frequency of production and distribution of the Low Stock Report. The Hastening Code can be set to produce Low Stock Reports at various pre-determined intervals as a part of routine processing, or to generate them only on request. The code is held on the Provision Element of the individual item record and is set during item record creation. Once set, it can be amended at any time by the Supply Manager using Transaction Codes (TC)s APZ, APP, AZZ or ALP. SMTN Help Screens are available to explain the meanings of the various parameter settings.

CENTRAL SYSTEM PROCESSING

4. Once the Item Manager has set the Hastening Action Level, Central System Processing calculates the quantity of stock represented by this parameter. The numerical level of assets is known as the Hastening Action Figure (HAF) and is calculated as follows:

$$\text{HAF} = \text{GFDR} + \frac{\text{Balance of Programme Requirements}}{\text{Remaining Months in Programme FOP}} \times \text{IP Quantity}$$

5. The value of the HAF is calculated by System Processing during the item record creation process and is re-evaluated during the monthly Prov and Proc Cycle after the calculation of GFDR. Where items are involved in unconditional alternative chains using Alternative Codes 3, 7, 8 or 9, the value of HAF is aggregated against the preferred item in

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the chain. The HAF is totally System-maintained and cannot be set or amended by the Supply Manager.

6. The next stage in processing is to calculate the level of in-service stocks, known as Stock Assets. This is calculated as the sum of:

- a. Total Unit Serviceable Stock.
- b. Total Unit R/S Stock.
- c. ESD Serviceable Stock.
- d. Serviceable Stock in Transit, that is, dues against Supply Status Codes ET and UT - excluding out-of-System consignees.
- e. Dues-In from Other Supply Sources - Supply Status Codes SO and SC.
- f. Dues-In from Rectification of Suffix Stock - Supply Status Code ES.

7. The level of Stock Assets is then compared with the HAF and, if lower, the item is identified as being in Low Stock. The date of processing is then entered as the Date Entered Low Stock on the Provision Element of the Item Record. This date will not be amended by processing until the System calculation reveals that Stock Assets have risen to a level greater than the HAF.

8. The calculations detailed above are completed for all items during the Prov and Proc Run. However, if a report of items in Low Stock is required, either as a result of a request from the Supply Manager or because of the Hastening Code set, processing calculates a Stock Build Quantity. This figure represents the quantity of deliveries which will be required to remove the item from a Low Stock situation and is calculated as follows:

Stock Build Quantity = HAF + UHR - Stock Assets + (Gross Liabilities - Programme Balance)

9. After the calculation of the Stock Build Quantity (sometimes referred to as the Quantity to Hasten), the following Outputs are produced:

- a. **Output R017.** This is the Supply Manager's copy of the Low Stock Report. It lists all items which are in a Low Stock situation and have procurement or repair dues-in recorded, irrespective of the Procurement Status Code. This output is not produced for Range Identification Code 5 Items.
- b. **Output R018.** For the majority of items, this output is the contractor's copy of the Low Stock Report. The only exception to this is Range Identification Code 5 Items, when Output R018 is the Supply Manager's copy of the Low Stock Report. In construction and layout, the R018 is similar to the R017, in so far as it identifies items which are in a Low Stock situation and have either procurement or repair dues-in recorded against them. For purposes of the R018 Output, dues-in against Procurement Status Codes G, J, K, L, T, W and X (all of which do not represent actual orders) are ignored. The Supply Manager can set the Hastening Code to despatch Output R018 to the PT for vetting instead of to the contractor, if this is necessary.

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- c. **Output R019.** This is not an output in the strictest sense but a series of messages coded on to magnetic tape. It is only produced for Range Identity Code 5 items and forms the contractor's copy of the Low Stock Report. In layout and content it contains similar information to Output R018.

PT ACTION

10. On receipt of Outputs R017 and R018, the Supply Manager is to verify and update the contents. It is advisable to delete items subject to Initial Provision which have been categorised as Low Stock simply because of the artificially high GFDR derived by processing from the Management-set PAF. Similarly, items which are included because of other Management-set PAF Levels may also be deleted. Recent procurement or demand activity may require amendment of the Output detail to reflect new orders, recent deliveries or additional unsatisfied demands. However, items are not to be deleted from the Low Stock Report merely because they have only been on order for a short time.

11. The following outputs are to be obtained to assist verification or updating of the Low Stock Report:

- a. Print of Inabilities and Diversion Orders Output Q113 - Use TCs PZA or PZK.
- b. Contract Situation Report Outputs Q115, Q117, Q119, Q120 - Use TCs PZA or PZK.
- c. LVP Situation Report Outputs Q138 and Q141 - Use TCs PZA or PZK.

After investigation, the refined Low Stock Reports can be used to identify delivery priorities.

HASTENING ACTION WITH SUPPLIERS

12. Although the Re-provisioning System in use is designed to ensure the level of Available Assets is sufficient to cover requirements throughout the Forward Order Period, it is fairly common for the level of Stock Assets to be less than Available Assets. This is because the Department would not wish to carry maximum stock of all items and is content to allow Stock Asset levels to be reduced to minimum safe levels represented by the Hastening Action Level.

13. If the processing described above identifies that items are in a Low Stock situation, Hastening Action must be taken to prioritise delivery requirements for equipment still on order. The Supply Manager is responsible for initiating the Hastening Process to ensure that attention is focused on the more urgent requirements. Prioritisation of requirements can also be of assistance to suppliers, since it also helps them to schedule their purchasing and production.

14. Before initiating any procedures for Hastening of Deliveries, the Supply Manager is to consult with the Commercial Officer and Engineering Authority responsible for placing orders. A decision is to be reached on whether the level of ordering with a particular supplier justifies the arranging of regular formal meetings to discuss delivery requirements and other matters. Since most contracts placed are covered by DEFCON 123, such formal meetings can normally be arranged without too much difficulty. Discussions on establishing regular meetings are also to cover such topics as proposed attendance, chairmanship and the provision of formal minutes.

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15. There formal progress meetings have been arranged, the Supply Manager is to despatch copies of Output R018 to the contractor well in advance of the meeting. The outputs are to be accompanied by a covering letter requesting that the records of orders, feed-in and dues-in are verified and that delivery forecasts be inserted where appropriate. The contractor is also to be advised that the Low Stock Report will form the basis of the agenda and requested to return a copy of the output, complete with comments, at least 10 days before the proposed meeting.

16. During the formal meeting, the Supply Manager is responsible for requesting the contractor to give priority attention to items included in the Low Stock Report. Delivery forecasts are to be obtained for all items on the Report, including LVP dues-in and CRSP items. Where the contractor is unable to provide a forecast at the meeting, the minutes are to reflect that one is to be provided within 3 weeks. It is the responsibility of the Supply Manager to monitor delivery performance against forecasts and to review the need for further progression action.

17. If discussions during the meeting reveal discrepancies between the Central System contract records and the contractor's own record, the Supply Manager is responsible for reconciling the 2 sets of information. It would be wrong to assume that the contractor's records are correct in all cases and significant discrepancies are to be thoroughly investigated. The Supply Manager is responsible for correcting contract records on the Central System, should this be necessary.

18. The Low Stock/Production Progress Meeting may also be used as a forum for discussion of wider issues and valuable information can often be obtained about the contractor's Purchasing Lead Times and Repair Turn-Round Times. Central System reprovisioning parameters can then be updated as necessary.

19. Should the initial discussions with the Commercial Officer and Engineering Authority indicate that the level of activity does not justify the establishment of formal meetings, a decision is to be taken on the methods to be used for hastening of priority requirements. The procedure to be followed is to indicate whether the Supply Manager is permitted to take hastening action direct with the supplier, or whether such action is to be channelled through the Commercial Branch or Engineering Authority. Decisions are also to be taken on how priorities are to be identified, although wherever possible Output R018 is to be used as the standard procedure.