THE DEFENCE LOGISTICS SUPPORT CHAIN MANUAL
JSP 886

Volume 3
SUPPLY CHAIN MANAGEMENT

Part 8
THE REVERSE SUPPLY CHAIN

MINISTRY OF DEFENCE

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INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

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CHAPTER 1 - INTRODUCTION

PURPOSE

1. The purpose of this instruction is to define the overarching policy that governs the Reverse Supply Chain (RSC) to ensure compliance with the Joint Supply Chain (JSC) and provide a convergence opportunity prior to the introduction of future Logistics Information Systems (Log IS). The regulations contained in this instruction describe the policy and procedures for utilising the RSC. These regulations will be particularly relevant to Force Elements operating in a joint environment and will provide an ordered means of enabling joint RSC processes.

OWNERSHIP AND POINTS OF CONTACT

2. The policy, processes and procedures described in the Defence Logistics Support Chain Manual (JSP 886) is owned by Director Joint Support Chain (D-JSC). Head Supply Chain Management (SCM-Hd) is responsible for the management of JSC policy on behalf of D JSC.

3. This instruction is sponsored by DES JSC SCM (Pol Dev) who should be approached in case of technical enquiries about the content:

DES SCM PolComp – Policy Development
Cedar 2b, #3246, MOD Abbey Wood, BRISTOL, BS 34 8JH
Tel: Mil: 9679 80960. Civ: 03067 980960
Email: DESSCM-PolComp-PolDev2@mod.uk

4. Enquiries concerning the accessibility and presentation of this instruction should be addressed to:

DES SCM-PolComp-JSP886 Editorial Team
Cedar 2b, #3246, MOD Abbey Wood, BRISTOL, BS 34 8JH
Tel: Mil: 9679 80953. Civ: 03067 980953
Email: DESSCM-PolComp-JSP886@mod.uk

GLOSSARY

5. A glossary of Support Chain terms is available in JSP 886 Volume 1 Part 1A.

RELATED PUBLICATIONS

6. The following Publications are linked to this instruction:

a. JSP 800 – Defence Movements and Transportation Regulations.

b. JSP 886 Volume 1 Part 2 - Joint Supply Chain Blueprint.

c. DEFSTAN 81 - Packaging of Defence Materiel.

d. The Support Solutions Envelope Version 4.2.

e. Acquisition Operating Framework (AOF).

CHAPTER 2 - POLICY

SCOPE

1. This policy details the governance, operation, management, control and the performance measurement of the Reverse Supply Chain (RSC).

2. The RSC is the means by which surplus, repairable, damaged or waste materiel is returned for reallocation, repair or disposal. It is an integral part of the JSC. The process begins when a Return item is identified and ends when that item is receipted on to the account from which retention, reallocation, repair or disposal takes place.

3. The RSC operates as a part of the Joint Supply Chain (JSC), utilising common Joint process management and performance targets. The benefits brought to the Support Chain by the efficient operation of the RSC include:

a. Improved performance.

b. Increased platform availability.

c. Flexibility for inventory managers.

d. Responsive sustainment.

e. Agility in the JSC and Contractor Logistic Support (CLS) scenarios.

f. Reduction in inventory costs.

g. Reduction of unserviceable items in-theatre.

h. Improved visibility.

4. Unlike the forward element of the JSC, the RSC is not routinely triggered by a demand. Rather, the RSC process begins when materiel is; identified as surplus to requirement; required for reallocation, damaged beyond local repair capability or through waste being generated that cannot be disposed of locally. The process start is therefore the presentation of materiel to the JSC for onward move. The process ends when that materiel is receipted on to another account, via the JSC, for retention, reallocation, repair, disposal or return to industry under CLS arrangements, including Contracting for Availability (CfA) and Contracting for Capability (CfC). The velocity of flow through the JSC has a direct effect on materiel procured by Integrated Project Teams (IPT) with inventory planning calculations largely reflecting the longest time taken for a repairable to be returned to stock ready for re-issue.

INTERPRETATION OF TERMS

5. For the purposes of this instruction, the following interpretations apply:

a. **Integrated Project Team.** Integrated Project Teams (IPTs) have responsibility for the support, including Inventory Management, of in-service equipment or materiel.

b. **Return.** The movement of materiel from a unit stores holding account (or equivalent end user) to primary stock or disposal, normally in the UK base. It relates to the return of:

(1) Serviceable materiel, including unit freight, to UK base or theatre depots for return to stock.

(2) Repairable materiel, either direct to a repair agency or to a stockholding depot for subsequent issue to a repair agency, including material returned to comply with CLS, CfA and CfC support arrangements.

(3) Materiel, often specialised bulk, for disposal to UK base or theatre depots.

c. **Disposal.** This relates to action taken to dispense with materiel declared surplus to MOD requirements. Regulations and instructions governing disposal are contained within JSP 886 Volume 9.

d. **Disposal Instructions.** Disposal Instructions are:

(1) Applied for, as required, by units holding materiel that is surplus to entitlement or requirement, including items conditioned Beyond Repair (BR), Beyond Local Repair (BLR) or Beyond Economic Repair (BER).

(2) Given to a unit for the Return, Cross-Servicing or Disposal of materiel that has been declared surplus to entitlement or requirement.

(3) For some Log IS systems, issued automatically on receipt of a demand for a replacement item.

e. **Cross-Servicing.** Cross-Servicing is the movement or transfer of materiel from one stores account to another, this may be due to:

(1) Local Cross-Servicing arranged within the chain of command, such as Stores Robbery in the Maritime environment (STOROB).

(2) Automated central Cross-Servicing by Logistic Information Systems (Log IS).

(3) Activation of Alternative Source of Supply (ASOS).

SUPPLY CHAIN BLUEPRINT

6. This policy is coherent with the Supply Chain Blueprint in that the Forward and Reverse processes are planned, prioritised and executed as a single system. This process also serves to reduce repair loop times, which in turn minimises inventory holdings. This loop can be seen at Figure 1 below, which describes the JSC as a closed loop where the demand Standard Priority Code (SPC) drives the Forward Supply Chain (FSC) velocity, with the reverse velocity being dictated by the requirement for strategic regeneration. Blueprint implications include:

a. End to End (E2E) inventory management for repairable items.

b. Optimisation and prioritisation of transport capacity to ensure SPC coherence.

c. Management of Special to Contents containers (STC) to ensure availability for RSC.

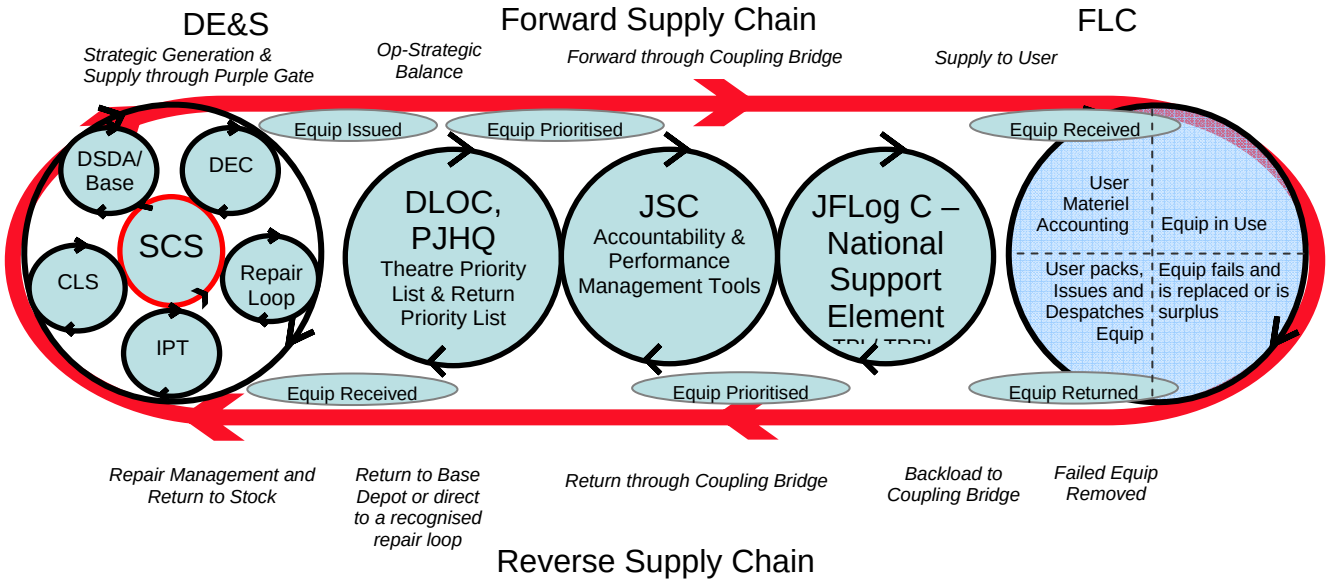

Figure 1 – Joint Supply Chain

STANDARD PRIORITY SYSTEM

7. The Standard Priority System (SPS) is utilised equally for the FSC and the RSC and for operational and routine Returns. The SPC selected for the movement of materiel through the RSC reflects a range of factors which include the operational imperative as well as the underlying asset base or fleet size.

8. SPS Policy is contained within Volume 3, Part 1 of this JSP. For the purpose of this RSC regulation the following is relevant:

a. **Battle Winning Equipment/Operational High Priority Items.** These items will attract immediate or priority movement. During operations this will be determined by the Defence Logistics Operations Centre (DLOC) and the Permanent Joint Headquarters (PJHQ) in consultation with IPT Inventory Managers (Inv Man) and promulgated in the Theatre Returns Priority List (TRPL).

b. **Planned Repair Items.** These items will move at an SPC determined by the owning IPT, normally a routine SPC.

c. **Routine Returns.** Materiel for return will be moved at a routine SPC. The value of the materiel should not be used to determine movement priority. Items in short supply may be given a higher priority for movement by the IPT provided they are prepared to accept the additional cost that may arise from this decision.

d. **Disposals.** Unless exceptional circumstances exist, items being returned for disposal normally attract a routine SPC.

e. **Contractor Logistic Support.** CLS arrangements, including CfA and CfC, must comply with the policy given in this regulation.

PERFORMANCE MEASUREMENT

9. The RSC is to be established and managed as an integral part of the JSC and as such will be subject to the same regime of Performance Measurement (PM) as the FSC. To enable this activity all consignments must be tracked through the RSC as described in Chapter 3 of this instruction.

CHAPTER 3 - OPERATIONS

SCOPE

1. This Chapter relates specifically to operations and should be considered in conjunction with the Operational Logistics Directives and Mounting Instructions issued for specific operations.

SUPPLY CHAIN PIPELINE TIMES

2. **Velocity Flow.** Velocity of flow is crucial to smooth operation of the Reverse Supply Chain (RSC), and consequently every effort should be made to combat inertia where experienced. General causes of inertia will range from tactical considerations such as convoy Force Protection (FP) to strategic issues such as restricted use of intra-theatre airlift. Logistics and engineering functions such as preparing materiel for return will equally add drag to the flow.

3. **RSC Velocity Flow.** A perfect RSC would operate at the same velocity flow as the Forward Supply Chain (FSC). However, allowing for the considerations above and for planning purposes based on Defence Supply Chain Operations and Movements (DSCOM) experienced timings for Returns from operational theatres, the RSC operates at a slower pace than the FSC.

4. **Return Supply Chain Pipeline Times.** For specific operations, DSCOM will advise PJHQ of the Supply Chain Pipeline Times (SCPT) matrix. Return Supply Chain Pipeline Times (RSCPT) tables for specific theatres are within JSP 886 Volume 3 Part 1 and will be reviewed as required. These tables will provide an indication of the velocity of flow through the RSC and will be utilised by Defence Logistics Operations Centre (DLOC) for Performance Measurement purposes.

THE ROLE AND RESPONSIBILITIES OF THE REVERSE SUPPLY CHAIN OFFICER

5. **Appointment of Reverse Supply Chain Officer.** Theatre Log Sp HQs should consider nomination of a RSC Officer (RSCO) with responsibility and accountability for managing the RSC process.

6. **Terms of Reference for Reverse Supply Chain Officer.** In constructing Terms of Reference for the RSCO, consideration should be given to the inclusion of the following:

   a. Responsibility for application of RSC policy.

   b. Local management of the Theatre Return Priority List (TRPL) and the RSC Priority List (RSC PL) as described in Paragraph 10.

   c. Focus for unit returning stores.

   d. Allocation of authority, priority and the optimised use of air freight.

   e. Linkage into the Forces Movement Control Centre (FMCC) and Air Point of Disembarkation (APOD) Cargo call forward to aircraft.

f. Identifying process improvements.

g. Monitoring in-theatre RSC performance, identifying friction points and monitoring Consignment Tracking (CT).

h. Maintaining links to DSCOM, DLOC Ops on RSC performance.

i. Awareness of Contractor Logistic Support (CLS) arrangements including Contracting for Availability (CfA) and Contracting for Capability (CfC).

j. Awareness of contractual commitments and limitations for the return of unserviceable assets.

k. To assist in capacity planning and to ensure DSDA Ops is informed in advance of contents of ISO containers returning to UK.

7. **Additional Tasks.** In addition to the considerations above, the RSCO, supported by appropriate RSC staff at unit level, should also ensure:

a. Complementary and coherent Joint Supply Chain (JSC) activities, with FSC policies, principles and procedures applied to the RSC wherever possible.

b. Continuity of best practice through formal RSC Technical Instructions, Standard Operating Procedures and Unit Standing Operating Instructions to assist staff on arrival in theatre.

c. Management of all materiel for return, including:

(1) Movement and management at local level of repairable and Special to Contents containers (STC) for return.

(2) Management of non-codified items for return.

(3) Management of CfA, CfC and CLS items for return.

d. Management of RSC handling capabilities including:

(1) An ability to centrally and locally trigger RSC activity utilising rules based processes to accommodate unit / ship / Joint Operating Base push and Inventory Management (Inv Man) pull.

(2) Utilisation of a dedicated priority system for RSC.

(3) Identification and management of priority where applicable (eg repairables).

(4) An ability to describe the condition of an item for return. Use existing data and solutions to minimise manual effort.

(5) Automatic identification of organisation tasked with checking and returning items to their operational state (eg repairing, cleaning etc) for items entering the

JSC using data link with Engineering and Asset Management (E&AM) systems.

e. Identification and utilisation of RSC transportation, including:

(1) An ability to integrate RSC items into transportation planning and scheduling.

(2) Ensuring dedicated returning aircraft space is allocated weekly for the RSC to be used for freight with FMCC Air co-ordinating the flow to ensure proper prioritisation is maintained.

(3) Ensuring that all spare capacity beyond that space dedicated for RSC on returning aircraft is used for the return of additional high, medium and low priority items.

(4) Where the RSC outlet flow is significantly disrupted by repatriation and aero-med requirements, recommendation of dedicated air charter for RSC.

(5) Ensuring repairables are processed for return without delay; consequently at the end of each day part full containers are to be made ready for air despatch and movement to APOD Cargo. The practice of delaying containers until full is prohibited.

(6) Local management of ISO containers intended for Sea Lines of Communication ensuring that items with material conditions A1 and EO are not carried within the same ISO container.

f. Ensure packing requirements are met to prevent delay in entering, transiting and leaving the JSC:

(1) An ability to deal with unpackaged items entering the RSC.

(2) The ability to hold items for transportation until required special packaging containers are available, to avoid wasting transport resources. It is important that the wait time associated with such a 'holding' process is minimised so as not to delay the return of critical/priority items.

(3) A Logistics Information Systems (Log IS) ability to track STC, delivered through FSC, to point of entry into RSC.

(4) Provide special packaging, delivered through FSC, to point of entry into RSC.

(5) Automatically generate a demand for transport of special packaging to point of entry into the RSC.

(6) Ensure ability to identify any item entering the JSC (at any node), ideally by use of standard codification.

(7) The utility to identify all items entering the RSC with minimum manual effort.

g. Manage RSC capabilities for materiel handling processes:

(1) An ability to deal with unpackaged items entering the RSC when required. Track and provide special packaging (delivered through FSC) to point of entry into RSC. Automatically generate demand for transport of special packaging to point of entry into the FSC.

(2) An ability to deal with special handling requirements originated in theatre (eg bio hazards, enemy equipment or tank hit by Depleted Uranium round).

(3) Reduce operational footprint by minimising degree of checking and conditioning in theatre to reduce load on base JSC by returning items in a steady flow, wherever possible this should be matched to the capability to receive items. Prevent stockpiling to reduce surge effect, and ensure essential flow of repairables through the JSC.

REVERSE SUPPLY CHAIN PRIORITY SYSTEM

8. An updated priority system for the return of equipment and materiel from operational theatres to the UK, under direction of the Permanent Joint Headquarters (PJHQ), is used to assist integration of the RSC into the JSC. This Joint priority system is to be used within the RSC.

9. When operating within a Joint theatre, the RN will utilise the Coupling Bridge (CB) and adhere to the revised Joint process. However, RN units deployed outside a Joint theatre, or away from the CB, may use the existing system of back-loading by surface movement (sea-freight container or road haulage), Commercial Air Transport (Com AT) (if authority is given by the relevant Integrated Project Team (IPT)) or upon return to base port as agreed by the IPT and the Front Line Command (FLC).

10. Equipment, repairables and carcasses are to be moved through the RSC by air if declared by IPTs as ‘High’ or ‘Medium’ priority (using the CB or Com AT as available and authorised by DLOC). Items not prioritised as ‘High’ or ‘Medium’ will be returned by surface movement.

THEATRE RETURNS

11. IPTs are to engage with DLOC to create the TRPL which details those items that are designated as urgently required in order to keep the Forward JSC primed. DLOC Point of Contact – 01264 381632 / 07733 065811. Priorities are:

a. **High Priority.** For listing on the TRPL:

(1) Includes equipment, Whole Capabilities and IPT / FLC high priority items. DLOC will manage the return of items in the same manner as the National Support Element (NSE) Priority List prioritises items going forward to theatre.

(2) Process:

(a) PJHQ / IPT / FLC or Theatre that requires items to be returned will liaise with DLOC Ops. DLOC, on behalf of PJHQ, is the sole authority for de-conflicting priorities.

(b) DLOC will advise the most expeditious means of return, detailing those items to be returned and authorising their movement by air.

(c) DLOC updates the TRPL and distributes it on a daily Situation Report (SITREP).

(d) Theatre NSE locates the item and directs its movement by air to UK. NSE informs DLOC through completion of RSC PL which shows flight number, flight times, air waybill number and CT (VITAL) details.

(e) DLOC tasks the appropriate agency to clear the airhead.

(f) DLOC closes the RSC PL item on next daily SITREP.

(3) Items are back-loaded by Military Air Transport (Mil AT) via the CB or Com AT as appropriate and as financially authorised.

b. **Medium Priority.** For listing on the TRPL:

(1) A list is to be promulgated approximately every 6 weeks jointly by DE&S Business Support Teams (BST) and respective FLC, highlighting to Theatre those items that BST / FLC require to be returned to the UK urgently for repair when declared unserviceable in Theatre. These items have a planned repair cycle on return. It should be noted these items are critical to priming the repair loop and ensuring repairables are returned to available stock as expeditiously as possible. The TRPL identifies those repairables that are to be returned urgently when a demand for a replacement is submitted.

(2) The RSCO is to identify items for loading to returning Mil / Com AT.

(3) Items are to be back-loaded by air (Mil AT via the CB or Com AT as appropriate and as authorised).

c. **Low (or No) Priority.** Normal routine warehouse management activity.

(1) Items identified that are no longer required to be held in Theatre and are to be back-loaded.

(2) Repairables which do not have a repair plan in place or are not on the TRPL are to be returned to UK as Low Priority in consultation with the relevant IPT.

(3) Items are to be returned by sea-freight or other surface means, as appropriate. Spare capacity within returning AT may be utilised where available and where benefit may be gained. Only items being returned for repair should be considered and not items being returned only for disposal.

12. **Allocation of Standard Priority Codes.** IPTs / FLCs are to ensure that when an item is given a Theatre Priority 'High' or 'Medium' for inclusion on the TRPL for air movement or 'Low' for sea-freight/surface movement, the relevant Log IS management system records the appropriate Standard Priority Code (SPC) for return. All materiel returning via the RSC will move under non-Operational SPCs (5, 9, 13/16), regardless of theatre of origin; this includes Operational theatres. SPCs are detailed in the table below:

Theatre Priority	Priority	SPC
High (TRPL)	**Immediate**	**05**
Medium (TRPL)	**Priority**	**09**
Low	**Routine**	**13/16**

Figure 2 – Standard Priority Codes

13. **Allocation of Theatre Priorities.** Use of operational / non-operational SPCs will be established by DLOC with the FLC and the relevant IPT. The following are authorised to set Theatre Priorities at the appropriate level:

a. High – DLOC (PJHQ issue direction to DLOC).

b. Medium – IPT / FLC Repair Managers.

c. Low – CSS / Log Sp Regt / Sup Sqn / Log Detachment etc.

14. **Engagement with Integrated Project Teams.** Any potential surge of stores for return is to be mitigated by the RSCO through early engagement with the IPTs and DLOC who will advise on priorities.

15. **Direct Collection from Airport of Embarkation.** Where equipments are considered by FLC / PJHQ to be 'battle-winning' in nature and a low population item exists, then 'Direct Collection' from the Air Point of Embarkation (APOE) will ensure the quickest and most direct route for RSC. Provision of 'Direct Collection' incurs additional expenditure, and consequently FLC / PJHQ / DLOC approval is required.

CONSIGNMENT TRACKING

16. **Consignment Tracking through the Reverse Supply Chain.** All items being returned through the RSC must be correctly tracked out of the theatre using VITAL supported by TAV(-) in accordance with current CT regulations. This is to provide visibility of items moving in the RSC and ensure that items designated as high and medium priority can be identified and moved in accordance with instructions issued by the IPT.

17. **Unit Consignment Tracking.** All issues from unit accounts are to be consignment tracked through the RSC by completing the Maintain Issue screen on VITAL. The Onward Transmission package is not to be used for returning equipment as this method does not identify items within the package. CT policy states all MOD units and organisations that are not equipped with CT capability must be affiliated to a local VITAL Node with Theatre Logs Staff being responsible for allocating affiliations. Log HQ staff are also to enforce VITAL CT for the RSC.

18. **Monitoring Operational Consignment Tracking.** Operational CT will be monitored by DSCOM DLOC Performance Management cell who will initiate a process for monitoring VITAL compliance.